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PROCEEDINGS AND DEBATES OF THE SIXTY-SEVENTH CONGRESS
FIRST SESSION.

SENATE.

WEDNESDAY, *June 29, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Gracious God, Thou hast promised to keep at perfect peace the minds stayed on Thee, and we therefore ask, in the midst of the confusion and turmoil of these days, that we may enter into the high privilege of knowing that peace, so that with quietness and assurance we may fulfill every duty and meet Thy approval continually. Through Jesus Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

Mr. HARRIS. Will the Senator from Utah kindly withhold the suggestion for a moment?

Mr. SMOOT. Very well. I will withhold the suggestion at the request of the Senator from Georgia.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 1837. An act to amend section 32 of the act of Congress approved July 17, 1916, known as the Federal farm loan act; and

H. R. 2422. An act for the relief of settlers and entrymen on Baca Float No. 3, in the State of Arizona.

AGRICULTURAL CONDITIONS IN THE SOUTH.

Mr. HARRIS. Mr. President, I send to the Secretary's desk a copy of a resolution adopted by the Senate and House of Representatives of the State of Georgia, which I ask may be read and referred to the Committee on Banking and Currency.

The resolution was read and referred to the Committee on Banking and Currency, as follows:

Whereas the farmers of this State have suffered, and are suffering, tremendous losses, due to the shrinkage in the value of their products, as compared with former times, and as a consequence are in great distress and urgent need of financial support to enable them to save their farms and pay their debts; and

Whereas the banks of this State and other lending institutions have extended considerable assistance to the farmers, but are unable to provide the full measure of needed relief and at the same time care for the equally pressing needs of the commercial and manufacturing interests of the State; and

Whereas the Federal farm loan act was passed by Congress to provide machinery whereby loans, upon adequate security, could be made to the farmers of the country in ordinary as well as extraordinary times, but we are advised that the banks organized thereunder are at the present time short of sufficient funds to care for the demand for loans which they are receiving all over the country and particularly this State: Be it

Resolved by the house of representatives (the senate concurring), That we heartily approve the policy of the Congress in the passage of the Federal farm loan act and approve the said act itself, but suggest, recommend, and request the two Senators from this State and all its Representatives in the House to further amend said act so that banks organized thereunder may be immediately supplied with the additional funds urgently needed in the present emergency and urge upon our Senators and Representatives to use their utmost endeavors to accomplish this result with the least delay possible.

Resolved further, That a copy of this resolution be promptly sent to our two Senators and to each of the Representatives.

(Resolutions of Senate and House of Representatives of the General Assembly of the State of Georgia, adopted June 25, 1921.)

Mr. HARRIS. Mr. President, the Legislature of Georgia convened last week. It is composed of some of the ablest farmers, business and professional men of my State. They have not exaggerated financial conditions among those engaged in agriculture as well as other business and professions. I wish to read part of a letter from an officer of the largest bank not only in my State but the entire South, the Citizens and Southern Bank, of Savannah, Atlanta, Augusta, and Macon, showing the conditions as he sees them. He is in a position to know the financial condition of the people of my section and is most conservative in his statements.

Knowing that you are so deeply interested in the welfare of our State, I write to ask that you use your influence or cooperate toward securing legislation having for its object the betterment of conditions in the South as relates to higher prices for farm products and profitable returns to the farmer. This is absolutely necessary if our State is to emerge from the deep distress in which we have suddenly been plunged. As you know, our farmers are in an awfully depressed state of mind, as well as financial condition, due to the fact that our products have fallen below the cost of production.

I also have a letter from Mr. J. W. Glover, president of the Glover Machine Works, of Marietta, Ga., and I wish to read just a paragraph from it. Mr. Glover is one of the leading business men of his section of my State. He says:

I would be very glad to see the Republicans make a success of this administration, although I am a Democrat, as I feel more interested in America than I do the Democratic Party, but I am very much afraid that the high tariff will be apt to lead to their downfall, and the failure of the present administration would be a great calamity to the United States.

The people of my State are not thinking or caring about politics at this time. They are in a distressed financial condition, and they are interested in what the present administration will do toward helping them, and they will be glad to give credit to this administration if it accomplishes anything for the good of our people.

The other day I called attention of Senators to the fact that except for the export of cotton produced in the South our Government would not have the present large gold reserve. Much of the money that comes to this country from exports of cotton raised by southern farmers is spent in the West with the farmers, and in the East and the North with the manufacturers, amounting to hundreds of millions of dollars annually. Unless everything is done to encourage the cotton farmers of the South, we are going to have a gradual falling off in the production of cotton; our farmers will be compelled to plant crops raised in the West, and then we will come in competition with them, and that would reduce the demand for products raised by the western farmers. Weather and farming conditions in the South are such that we can raise all kind of crops.

I ask to have inserted in the RECORD an extract from the Board of Trade Journal of Great Britain showing that the British Government are not only taxing their manufacturers of cotton, but they are also appropriating money to encourage cotton production in their country so as to prevent buying from the United States the cotton that we export and keep the gold in that country that they have been sending us to pay for our cotton, which has done so much to build up a large gold reserve in this country.

The VICE PRESIDENT. Without objection, the article will be inserted in the RECORD.

The article is as follows:

[From the Board of Trade Journal of Great Britain, June 9, 1921.]

EMPIRE COTTON GROWING—GRANT FROM EGYPTIAN SURPLUS.

It has been decided by the Government to allot the British share in the Egyptian cotton surplus, up to a maximum of £1,000,000, to the board of trade for the development of cotton growing within the Empire. It is the intention of the board to devote this surplus as a capital sum to the purposes of the Empire Cotton Growing Corporation.

The Government had previously undertaken to provide £50,000 a year for five years to the corporation under the condition, which has been fulfilled, that the owners of at least 90 per cent of the cotton spindles in the country should agree to a levy at the rate of 6d. a bale on the raw cotton consumed here. The allotment of the above capital sum will be in lieu of this Government grant and will be subject to the continuance of the financial cooperation of the cotton industry.

Mr. HARRIS. Mr. President, without the cotton exported in the past 50 years we would not have to-day our large gold reserve. The exportation of cotton has done more than anything else to create that reserve. It has brought twice as much money into this country as wheat and four times as much as corn, and that is the reason why we now have such a splendid gold reserve, which is the very foundation of our Federal reserve system. And yet the Federal Reserve Board has done less to help the cotton producers than anything else.

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I introduced bills at the last session and again at this session to bring about a readjustment of the rates charged by the Federal Reserve Board limiting the discount rate to 5 per cent, so as to help our farmers and business men and also to extend the time on agricultural loans from 6 to 12 months. Finding the Federal Reserve Board and the Senate Banking and Currency Committee against these bills, I appealed to the present Secretary of the Treasury, but he would not approve them. It takes 12 months to raise our crops, and if they are forced to sell cotton as soon as it is ginned it naturally depresses the market. I wish to show that we have not been able to get any help from Congress, and I know that Senators wish to help every section of the country that is in financial distress. The resolution passed by the legislature of my State and the letters I have read show the condition of the southern farmers, laborers, and business men. We can not get the help we should from the Federal reserve banks. I wish also to show what effect this is having on Wall Street gamblers, who are taking advantage of the helpless condition of our farmers to depress the price of cotton. In order to do that, I ask to have inserted in the RECORD a clipping from the Savannah Morning News, one of the most conservative, reliable, and best newspapers in the South, also a letter from a reliable and prominent cotton merchant of Savannah:

The VICE PRESIDENT. Without objection, the article and letter will be inserted in the RECORD.

The article is as follows:

While the market has been laboring recently under a number of real adverse influences the depression has been greatly aggravated by bearish pressure of the kind usually referred to as market wrecking. Wall Street operators put out heavy lines, one trader being said to have sold 30,000 bales. The stock exchange has rules for preventing and disciplining the sort of trading done for purposes of market manipulation, and it would certainly seem that the cotton exchange might do likewise. Unless some action is taken looking to the restraint of manipulation, either in concert or by any one powerful interest, it may be taken as certain that the Government will be called on to interfere. It is useless to advance the claim that it is not possible to know the nature of the business that is offered; the trade knows quite well when orders are for legitimate purposes or merely for the clear intention of affecting prices. There was no real occasion for any such a decline as the market has recently undergone; but a lot of speculators are allowed to shut themselves up in a Wall Street office with the sole companionship of a garrulous ticker and from that point of vantage proceed to dictate the price of a great commodity, to the ruin of the industry and the disorganization of the legitimate trade.

The letter is as follows:

SAVANNAH, GA., *June 22, 1921.*

Hon. W. J. HARRIS,
United States Senate, Washington, D. C.

DEAR SIR: I am taking the liberty of inclosing you a clipping from the Morning News concerning the manipulation of cotton futures by prominent Wall Street "bears."

This information is founded on facts and is not hearsay, as the trade has been informed that a noted speculator sold nearly 60,000 bales during the "bear" raid last Friday.

The cotton trade knows when orders are for legitimate purposes or merely speculative intentions, and I respectfully submit that rules such as govern the stock exchange in such instances should be extended by Congress to cover cotton speculation as well.

Yours, truly,

Mr. HARRIS. Last week on the New York Cotton Exchange one man sold 60,000 bales of cotton and depressed the price of cotton. He did not have one pound of cotton to sell, but he sold—or, rather, gambled—on the New York Cotton Exchange $3,000,000 worth.

The New York Cotton Exchange, instead of being used for legitimate purposes to show the real demand and price of cotton, is used by the cotton speculators and gamblers simply to gamble on cotton raised by the sweat of the farmer's brow. Unless we can regulate the cotton exchange and prevent this gambling, I favor their abolishment. They are now a curse to our farmers who raise cotton as well as to the business interests and laboring people who are dependent upon the farmers receiving a fair price for their cotton.

Mr. President, some days ago I introduced a bill directing the Secretary of the Treasury to loan the Federal farm loan banks $200,000,000 so as to accommodate the farmers whose applications for loans are already equal to this amount, and I wish Congress would grant them this relief. The resolution I have just had read, which was adopted unanimously by both the Georgia Senate and House of Representatives, shows that the bill I introduced to loan money to the Federal farm banks would be most helpful to our people who are in such financial distress.

Mr. President, last fall I urged the Interstate Commerce Commission to reduce the railroad rates and fares, which were so high as to discourage and prohibit production and business in our country. I was the first Member of either House of Congress to publicly urge this reduction of rates, and I shall continue my efforts in this direction.

I voted against the Esch-Cummins bill, and feared at the time it would have exactly the effect on business that those of us who opposed it feared. I have urged and will continue to urge a reduction of rates from my section on watermelons and peaches and other fruits; the rates are too high. The commission has reduced rates on fruits from California, and I hope they may do the same for my section.

If Congress will only pass the bills I and others have introduced to reduce the Federal reserve discount rate to 5 per cent, extend the time on agricultural loans from 6 until 12 months, loan the farm loan banks money to accommodate the farmers, stop gambling on the New York Cotton Exchange, lower the railroad rates on freight and passenger fares, utilize the money of the War Finance Corporation to export cotton and other products; if all this could be done, the South would soon be prosperous again, and this would help every other section of our country recover from its depressed financial condition.

CALL OF THE ROLL.

Mr. SMOOT. Mr. President, I renew my suggestion of the absence of a quorum.

Mr. HARRISON. Will the Senator withhold that for just a moment? I wish to have something inserted in the RECORD. It will take only a few moments. I think there is practically half of the membership of the Senate present, quite a larger number than I have seen at this hour of the day at any other time. Will the Senator withhold it until I can insert something in the RECORD?

Mr. SMOOT. The Senator can do that after we get a quorum.

Mr. HARRISON. There is a special order for half past 12 and there are nearly 40 Senators present now.

Mr. SMOOT. I suggested the absence of a quorum immediately after the Journal was read and yielded to the Senator from Georgia [Mr. HARRIS]. I must insist now on my suggestion of the absence of a quorum.

The VICE PRESIDENT. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harreld	McNary	Shortridge
Brandegee	Harris	Myers	Smith
Broussard	Harrison	Nelson	Smoot
Bursum	Heflin	New	Stanley
Culberson	Johnson	Nicholson	Sterling
Cummins	Kellogg	Oddie	Townsend
Edge	Kenyon	Overman	Trammell
Ernst	King	Phipps	Underwood
Fernald	Ladd	Robinson	Watson, Ga.
Fletcher	Lodge	Sheppard	Willis
Hale	McKinley	Shields	

Mr. SMOOT. I wish to announce that the senior Senator from Kansas [Mr. CURTIS] is absent on official business.

The VICE PRESIDENT. Forty-three Senators having answered to their names, a quorum is not present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and Mr. CAPPER, Mr. MCKELLAR, Mr. NORRIS, Mr. POINDEXTER, Mr. POMERENE, Mr. WALSH of Massachusetts, and Mr. WOLCOTT answered to their names when called.

Mr. CAMERON, Mr. GERRY, Mr. FRELINGHUYSEN, Mr. HITCHCOCK, Mr. WALSH of Montana, Mr. JONES of New Mexico, Mr. WARREN, Mr. SUTHERLAND, Mr. KNOX, Mr. GOODING, Mr. WILLIAMS, Mr. RANSDELL, Mr. LA FOLLETTE, Mr. DILLINGHAM, Mr. NICHOLSON, Mr. REED, Mr. SIMMONS, and Mr. SWANSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Sixty-seven Senators having answered to their names, a quorum is present.

ORDER OF BUSINESS.

Mr. EDGE. Mr. President, I ask unanimous consent for the immediate consideration of a joint resolution which is of extreme importance to the States of New York and New Jersey, but so far as the contents of the measure are concerned it is merely the formal granting on the part of Congress to those two States of permission to enter into certain port agreements. I refer to Order of Business No. 174 on the calendar, Senate joint resolution 63.

Mr. OVERMAN. Before the unanimous consent asked by the Senator from New Jersey is granted we ought to have an opportunity to present business pertaining to the morning hour. Though I do not object to the Senator's measure, I call for the regular order.

Mr. EDGE. If the Senator will just give me one moment in which to explain the importance of the joint resolution, I am quite sure there can not be any objection to its consideration.

Mr. OVERMAN. I have no objection to the consideration of the Senator's joint resolution, but I merely wish to present some morning business if the Senator will permit me to do so.

Mr. EDGE. Very well; I shall, of course, be delighted to yield to the Senator from North Carolina for that purpose.

Mr. ROBINSON. Mr. President, I call for the regular order. A large number of Senators have morning business which they desire to present.

DISPOSITION OF USELESS PAPERS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, pursuant to law, a list of papers and documents on the files of the Quartermaster General's Office which are not needed in the conduct of business and have no permanent value or historic interest, and asking for action looking to their disposition, which was referred to a Select Committee on Disposition of Useless Papers in the Executive Departments, to be selected by the Chair. The Vice President appointed Mr. NEW and Mr. MCKELLAR members of the committee on the part of the Senate, and ordered that the Secretary of the Senate notify the House of Representatives thereof.

PETITIONS AND MEMORIALS.

Mr. HARRIS presented a resolution adopted June 5, 1921, at a meeting of the congregation of St. Paul's Church, of Macon, Ga., favoring the calling of an international disarmament conference of the five great nations, which was referred to the Committee on Foreign Relations.

Mr. FLETCHER. Under the order of petitions and memorials, I wish to supplement certain remarks made by me on the 27th of this month by asking to have printed in the RECORD a communication in the nature of a statement.

The VICE PRESIDENT. Without objection, the matter referred to by the Senator from Florida will be received and printed in the RECORD.

The matter referred to is as follows:

FLORIDA STATE MARKETING BUREAU,
Jacksonville, Fla., June 27, 1921.

Hon. DUNCAN U. FLETCHER,
Washington, D. C.

DEAR MR. FLETCHER: In reply to your letter of the 22d instant will say that I appreciate what you say about the Jacoway bill and hope that it will not be allowed to become a law and conflict with the good work being done by the many State marketing bureaus.

There were thousands of acres of cabbage in Florida that were never marketed; there was quite a lot of citrus fruit that was not marketed; the State is full of potatoes which have not yet been sold; and there will be an immense acreage of melons to rot in the field, because of the high freight rates.

Florida is constantly enlarging her production, and naturally the railroads will have more to ship and will ship a greater tonnage perhaps each year, even though there is a large acreage left to decay in the field on account of this great increase in freight rates.

There were 600 acres of cabbage near Moore Haven that were never shipped on account of the high freight rates.

You are entirely right in your contention that the high freight rates are the cause of a great deal of loss of products, as well as the disposition on the part of the farmers to cut their acreage. They are threatening all over Florida to raise just enough for home consumption, on account of these exorbitant rates.

There is no argument in favor of the present high freight rates. When potatoes can be imported from Denmark to the United States for less than one-third of what it costs to send them from Florida to New York, and when grain can be imported from Argentina to the United States for one-third of what it takes to send it from St. Louis to New York City, there is not only something wrong but there must be an adjustment.

Everything that you can do to secure a reduction in freight and express rates will be greatly appreciated by the people of Florida. Any time I can be of service to you in any of this work please command me.

Very truly, yours,

L. M. RHODES.

Mr. POMERENE. I present a resolution adopted at a mass meeting of citizens of Lima, Ohio, on June 24, 1921, calling upon President Harding to extend immediate recognition to the republic of Ireland and calling upon Congress immediately to pass the Norris resolution, being Senate joint resolution 27, and the La Follette resolution, being Senate joint resolution No. 1. The resolution adopted at the mass meeting is very short, and I ask that it may be printed in the RECORD.

There being no objection, the resolution was referred to the Committtee on Foreign Relations and ordered to be printed in the RECORD, as follows:

The following resolutions were presented and unanimously adopted at a mass meeting held in Lima, Ohio, Friday evening, June 24, 1921:

"Whereas our Government is a Government of the people, by the people, and for the people; and

"Whereas we have always been willing to give hope and encouragement to struggling republics and have given hope and encouragement in the form of granting such republics recognition, said recognition being the settled policy of our Government; and

"Whereas the republic of Ireland is asking such recognition from our Government, it having established a republic on the principle underlying our Republic, and having to-day a functioning government, dejure and defacto: Therefore be it

"*Resolved*, That we, citizens of Lima in meeting assembled in the Memorial Hall the evening of June 24, 1921, do hereby call upon President Harding to extend immediate recognition to the republic of Ireland; and be it further

"*Resolved*, That we call upon Congress to immediately pass the Norris resolution, Senate joint resolution 27, which recognizes a state of belligerency, and the La Follette resolution, Senate joint resolution 1; and be it further

"*Resolved*, That we call upon our Senators and Congressmen to support the Norris and La Follette resolutions, and that copies of these resolutions be sent to them with the request that they be read into the CONGRESSIONAL RECORD."

Mr. POMERENE. I also present an identical resolution, which was adopted at a mass meeting held in Court House Park, at Defiance, Ohio, on Saturday evening, June 25, 1921, which I ask may be referred to the Committee on Foreign Relations.

The VICE PRESIDENT. The resolution will be received and so referred.

Mr. ROBINSON presented petitions of sundry citizens of Grandview and Delight, both in the State of Arkansas, favoring the enactment of legislation to prohibit gambling in grain and other agricultural products, which were referred to the Committee on Agriculture and Forestry.

He also presented resolutions of the Commercial Club; the Rotary Club; the Shakespeare Club; Conway Lodge, No. 1364, Benevolent and Protective Order of Elks; the faculty and students of Central College; the faculty and students of the Arkansas State Normal School; and Theodore Campbell Post, No. 16, American Legion, all of Conway, Ark., favoring the enactment of legislation for the relief of disabled ex-service men, which were referred to the Committee on Finance.

Mr. TOWNSEND presented a resolution of Charles A. Learned Post, No. 1, American Legion, of Detroit, Mich., favoring the erection of the proposed Joseph W. Guyton Memorial in Evart, Mich., which was referred to the Committee on the Library.

He also presented a resolution adopted at a meeting of the Port Huron (Mich.) Automobile Association held on the 13th instant, favoring the enactment of the so-called Townsend post roads bill, which was ordered to lie on the table.

He also presented resolutions of Merritt Lamb Post, No. 9, American Legion, of Muskegon, and the Woman's Auxiliary of W. G. Leenhouts Post, No. 6, of Holland, both in the State of Michigan, favoring the enactment of legislation providing adequate relief for disabled ex-service men, which were referred to the Committee on Finance.

He also presented a resolution of Charles A. Learned Post, No. 1, American Legion, of Detroit, Mich., opposing the enactment of section 11 of the so-called Sweet bill to establish a veterans' bureau, etc., which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Grand Rapids and Tecumseh; and the pastor and congregation of the Fourteenth Avenue Methodist Church, of Detroit, all in the State of Michigan, praying that relief be afforded the imperiled peoples of the Near East, particularly of Armenia, which were referred to the Committee on Foreign Relations.

He also presented resolutions of the rector, wardens, vestrymen, and congregation of St. Paul's Memorial Church, of St. Joseph; sundry citizens of East Lansing; the pastor and congregation of the Ogdensburg Methodist Episcopal Church, of Old Mission; and the congregation of the First Baptist Church of Pontiac, all in the State of Michigan, praying that an international disarmament conference be called by the United States, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented a petition of sundry members of the Bible class of the Methodist Episcopal Sunday School, of Hays, Kans., praying that relief be afforded the imperiled peoples of the Near East, particularly of Armenia, which was referred to the Committee on Foreign Relations.

He also presented letters and telegrams in the nature of petitions of Heald-Theime Post, No. 316, American Legion, of Goff; Russell Blackburn Post, American Legion, of Strong City; John W. Knowles Post, American Legion, of Belle Plaine; and Homer J. Ball Post, American Legion, of Emporia, all in the State of Kansas, praying for the enactment of Senate bill 506, to provide adjusted compensation for veterans of the World War, and for other purposes, which were ordered to lie on the table.

He also presented petitions of sundry citizens of Manhattan, Claflin, Kansas City, and Rosedale, all in the State of Kansas, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. HARRELD, from the Committee on Claims, to which was referred the bill (S. 1247) for the relief of Frank Carpenter, reported it with an amendment and submitted a report (No. 188) thereon.

He also, from the same committee, to which was referred the bill (S. 1516) for the relief of Lewis W. Flaunlacher, reported it with amendments and submitted a report (No. 189) thereon.

Mr. McNARY, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 2170) to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the military and naval forces of the United States, reported it without amendment and submitted a report (No. 190) thereon.

Mr. POINDEXTER, from the Committee on Naval Affairs, to which was referred the bill (S. 32) for the relief of contractors, subcontractors, and material men who have suffered loss by reason of Government orders, reported it with amendments and submitted a report (No. 191) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. OVERMAN:

A bill (S. 2181) to amend section 118 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, as amended; and

A bill (S. 2182) to amend section 215 of an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. FLETCHER:

A bill (S. 2183) to amend section 3 of the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. NICHOLSON:

A bill (S. 2184) to carry out the findings of the United States Court of Claims in the case of Wesley B. Corby; to the Committee on Claims.

By Mr. ROBINSON:

A bill (S. 2185) to accept the cession by the State of Arkansas of exclusive jurisdiction over a tract of land within the Hot Springs National Park, and for other purposes; and

A bill (S. 2186) granting certain lands in Hot Springs, Ark., to the Leo N. Levi Memorial Hospital Association; to the Committee on Public Lands and Surveys.

By Mr. HITCHCOCK:

A bill (S. 2187) to establish a bank of nations, to promote and regulate commerce with foreign nations, and to act as the fiscal agent of the United States; to the Committee on Banking and Currency.

By Mr. NELSON:

A bill (S. 2188) to amend section 5 of an act entitled "An act to provide for the lading or unlading of vessels at night, the preliminary entry of vessels, and for other purposes," approved February 13, 1911, as amended by an act entitled "An act to amend an act entitled 'An act to provide for the lading or unlading of vessels at night, the preliminary entry of vessels, and for other purposes,' approved February 13, 1911," approved February 7, 1920; to the Committee on Commerce.

AMENDMENT TO INTERSTATE HIGHWAY BILL.

Mr. BURSUM submitted an amendment intended to be proposed by him to the bill (S. 1355) to provide for the establishment, construction, and maintenance of a post roads and interstate highway system, to create a Federal highway commission, and for other purposes, which was ordered to lie on the table and to be printed.

LONGEVITY PAY OF ARMY OFFICERS.

Mr. UNDERWOOD. Mr. President, several days ago the Senate passed Senate bill 775, to confer jurisdiction on the Court of Claims to certify certain findings of fact, and for other purposes. There was at that time an amendment proposed to the bill, but the Senate rejected the amendment. The bill was passed without amendment, and, through a mistake in the enrolling office, the amendment was put into the bill. I desire now to offer a resolution to recall the bill from the House of Representatives in order that it may be correctly enrolled as shown by the record of the Senate.

The VICE PRESIDENT. The resolution submitted by the Senator from Alabama will be read.

The reading clerk read the resolution (S. Res. 103), as follows:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill S. 775, entitled "An act to confer jurisdiction on the Court of Claims to certify findings of fact, and for other purposes," for reengrossment.

Mr. UNDERWOOD. I ask unanimous consent for the immediate consideration of the resolution.

The resolution was considered by unanimous consent, and agreed to.

PORT OF NEW YORK AUTHORITY.

Mr. EDGE. Mr. President, the States of New York and New Jersey for a number of years have been endeavoring to reach a common agreement whereby they could develop, for the greater use of the Nation, the port of New York. The two States have separately appropriated millions of dollars for that purpose. They have now reached an agreement and signed a treaty, or compact, and are prepared to proceed with the development. As Senators know, it is necessary to have the formal consent of the Congress of the United States before the States entering into the agreement can proceed with the work which is to be undertaken. Senate joint resolution 63 is merely designed to grant the formal authority necessary to enable these two States to go ahead with the work. There can not be the slightest objection to it; it has passed the Commerce Committee without any question whatever. I ask unanimous consent for the immediate consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 63) granting consent of Congress to the States of New York and New Jersey to enter into the agreement for the establishment of "the port of New York authority," which had been reported from the Committee on Commerce with an amendment, in section 1, on page 1, line 9, after the numerals "1921," to insert "*Provided*, That nothing in this resolution shall be construed as waiving or surrendering any right now vested in the Federal Government," so as to make the section read:

That the consent of the Congress is hereby granted to the States of New York and New Jersey to enter into the agreement for the establishment of "the port of New York authority" for the comprehensive development of the port of New York, pursuant to chapter 154 of the Laws of New York, 1921, and chapter 151 of the Laws of New Jersey, 1921: *Provided*, That nothing in this resolution shall be construed as waiving or surrendering any right now vested in the Federal Government.

Mr. REED. Mr. President, I wish to ask the Senator from New Jersey if he will not tell us in a word what is the purpose of the joint resolution?

Mr. EDGE. I will be very glad to do so, but I desired to save the time of the Senate as much as possible. The purpose is to enable the States of New York and New Jersey to carry out the agreement which they have made, so that they may utilize their joint cooperative efforts and energies in developing the port of New York, rather than to follow the separate methods which have been pursued heretofore. Of course, in order to enable them to do that it became necessary for the legislature of each State to pass legislation giving the necessary authority, and, that having been done, now it becomes necessary for the Congress of the United States to permit these two States, acting jointly, to carry out the agreement into which they have entered looking to the development of the port of New York, and to have that work concentrated under one port authority rather than under the separate and distinct jurisdiction of each State. The Senator will notice that the joint resolution is qualified by the amendment which has been suggested by the committee, which provides that no authority now or in the future reposed in the Federal Government shall be taken away by the passage of this permissive, formal joint resolution.

Mr. HARRISON. Does the joint resolution carry any charge on the Federal Treasury?

Mr. EDGE. Absolutely none whatever.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended and the amendment was concurred in.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

BUSINESS OF THE SESSION.

Mr. HARRISON. Mr. President, in yesterday afternoon's Evening Star there was an article carried on the front page in large letters headed:

Inaction in House spurs young G. O. P. Members to unite. Eleven first-termers call conference of new Representatives to cut "tape." "Not in spirit of revolt," asserts leader in move. Failure to accomplish objects stirs young blood to step to make influence felt.

Then the article proceeds, and I shall read it into the CONGRESSIONAL RECORD for the reason that it seems to me that when the patriotic sons of republicanism are trying to move in the right channel they should be felicitated and congratulated on their movement, in the hope that their numbers may augment, so that the promises which were made by these men and their comrades in the late campaign may be appreciated and carried out.

The article proceeds:

Representative ANSORGE, of New York, issued a statement to-day asserting that the new Republican Members of the House were dissatisfied with the progress made by Congress at the present special session, and disclosing that he and 10 others had joined in a call for a conference to-morrow night of the approximately 100 new Republican Members to discuss the situation.

"We are not meeting in any spirit of revolt," said Mr. ANSORGE, adding that the new Members wanted to cut some of the "red tape" and "substitute action for delay."

OBJECTS STILL UNACCOMPLISHED.

Mr. ANSORGE said none of the objects for which Congress was called into special session had been accomplished—

This is a new Republican Member from New York now speaking—

"nor is there definite promise as to when they will be," he added. "There are upwards of a hundred first-term Republicans in the House and they all feel, as I do, that we have not been permitted to make our influence felt.

"Congress was called into special session for certain definite purposes, namely, for revision of the cumbersome, unwieldy, and inequitable system of taxation, the passage of a fair protective tariff, and the passage of a peace resolution.

WANTS TO SEE ACTION.

"Nearly three months"—

Says this Congressman—

"have passed since the calling of the special session and we want to see action, spelled with a capital A.

"We believe, with the Republican Party, that what is best for the country is best for the party, and we want to impress that thought on some of the older Members."

I imagine that this was intended to percolate into the minds of some of the older Members of the Senate, also.

"Many of them have been here so long they seem to have forgotten it. We are not meeting in any spirit of revolt. We have come more recently from the people, and our opinions should have some weight."

It seems that they are not being considered.

"Congress is all tied up with red tape. We want to cut out some of that red tape and substitute action for delay. The seniority rule can go too far. We feel that our districts have as much right to representation as has Uncle JOE CANNON'S.

"This is not a new thought. I have talked it over with the new Members and they believe that conferences from time to time will serve a good purpose."

Others who signed the call for the conference—

All of whom were Republicans, of course—

are Representatives CLARKE, New York; GERNERD, Pennsylvania; KNIGHT, Ohio; HOGAN, New York; ARENTZ, Nevada; BECK, Wisconsin; REED, Maine; FENN, Connecticut; FUNK, Illinois; and LINEBERGER, California.

Mr. President, in this same edition of the Evening Star, on page 2, there is a very splendid photograph of five very distinguished statesmen. They all hail from Ohio. In the center is the new Senator from Ohio [Mr. WILLIS]. The picture is headed:

Appeal to President for retention of Ohioans in Government service.

And then, beneath the picture of these distinguished statesmen from Ohio, it says:

A congressional delegation from Ohio who called on the President yesterday to urge the retention of Ohio employees in the Federal Government, claiming that while many States were overrepresented in the civil service the State of Ohio did not have its full quota allowed by civil-service rules.

And in this distinguished array of Ohioans we see, from left to right, Representative C. ELLIS MOORE, Representative CHARLES J. THOMPSON, Senator FRANK B. WILLIS, Representative CHARLES C. KEARNS, and Representative J. C. SPEAKS.

Of course, the country knows and you know that Ohio has been treated very unfairly since the 4th of March; that the great Buckeye State has received none of the large plums that have fallen from the patronage tree, and these gentlemen have a very just cause for protest, and that is why they are speaking to the President. I am curious to know just what the President told them when they appeared at the White House and said that Ohio was not fairly treated in the matter of patronage distribution. I congratulate the distinguished Senator from Ohio upon what he has done, and also the junior Senator from Oklahoma [Mr. HARRELD], as well as the senior Senator from North Dakota [Mr. MCCUMBER]. They have been protesting, and rightfully so, against the policy of the present administration in dismissing large numbers of employees in the civil service without considering the apportionment of the States.

When the civil service law was enacted, a stipulation was placed in the letter of the law that when appointments were made the States should be considered, and each should receive its pro rata quota; but in dismissing employees by the thousands, as they have done—and no doubt the various departments are right in dismissing them by the thousands; I am of the opinion that more, probably, should be dismissed—it is unfair, it is not in conformity with the spirit of the law, that employees should be dismissed from the service from States that have not their quota, when they are equally as efficient as the employees from States that have over their quota.

Some four weeks ago I introduced a resolution asking the Committee on Civil Service to investigate the matter, and calling for the names of the people from the various States who had been fired from the departments in order that we might see what States did not have their quotas and what the departments here are doing. I do not know whether they are getting ready to get rid of people within certain parties, or, in the matter of new appointments, where they will go to make the appointments, but the Senate has a right to know what these facts are. The Committee on Civil Service had some hearings and considered the matter. I understand that they asked the President to issue an Executive order calling this matter to the attention of the heads of the bureaus, so that the States in the far West and the far South and away from Washington should be treated fairly in the dismissal of employees in the Federal service.

I do not know what course the President took. I called up some of the heads of departments this morning, and they said they are not giving any consideration at all to the proposition. You know, because the papers have carried the statement, that thousands of employees are to be divorced from the Federal service between now and the 1st of July, and it seems to me that if we are going to deal with this matter fairly an Executive order should be promulgated before that date and before they are fired rather than calling them back here. I hope that these bureaus will take some action about the matter; and, if the President has not done anything, I hope that he will do something to carry out the sentiment of the Congress of the United States on that proposition.

PROTECTION OF MATERNITY AND INFANCY.

During the delivery of Mr. HARRISON'S speech,

The VICE PRESIDENT. The hour of 12.30 o'clock having arrived, the Chair lays before the Senate the special order, which is Senate bill 1039.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States, which had been reported from the Committee on Education and Labor with amendments.

Mr. KENYON. Mr. President, would not the Senator from Mississippi just as soon advise those new Republicans after 2 o'clock?

Mr. HARRISON. I shall not take very long, because I am in sympathy with the bill that the Senator is advocating.

After the conclusion of Mr. HARRISON'S speech,

Mr. KENYON. Mr. President, I ask unanimous consent that the formal reading of the bill be dispensed with and that the bill be read for amendment.

The VICE PRESIDENT. Is there objection?

Mr. KING. Mr. President——

Mr. KENYON. That is the usual, customary method.

Mr. KING. The plan is not to avoid the reading of the bill?

Mr. KENYON. No; it is to be read for amendment. I should like to add to that request that the committee amendments be first considered and disposed of. That does not mean that it shall be done now, but that the committee amendments shall be considered before other amendments are considered. I desire to make that a part of the request.

The VICE PRESIDENT. Is there objection to the request of the Senator from Iowa? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, returned to the Senate in compliance with its request of to-day the bill (S. 775) to confer jurisdiction on the Court of Claims to certify certain findings of fact, and for other purposes.

The PRESIDING OFFICER (Mr. FERNALD in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 1806.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1806) to further amend the interstate commerce act, as amended, to provide for seasonal rates for the transportation of coal.

Mr. KENYON. Mr. President, I move that the Senate proceed to the consideration of the bill (S. 1039) for the public protection of maternity and infancy, and providing a method of cooperation between the Government of the United States and

the several States. I will say very frankly that the motion will supplant the coal bill now before the Senate. That bill has been before the Senate for 10 days and apparently there is no chance of getting a vote on it. If there is, it can be brought back before the Senate after the maternity bill is disposed of. In any event, I feel that it is proper to test the sentiment of the Senate on the question.

Mr. FRELINGHUYSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harris	McNary	Smith
Brandegee	Heflin	New	Stanley
Bursum	Hitchcock	Nicholson	Sterling
Capper	Johnson	Norris	Swanson
Caraway	Jones, N. Mex.	Oddie	Trammell
Curtis	Kellogg	Overman	Underwood
Dillingham	Kenyon	Phipps	Walsh, Mass.
Edge	King	Poindexter	Walsh, Mont.
Ernst	Ladd	Pomerene	Watson, Ga.
Fernald	La Follette	Reed	Weller
Fletcher	Lodge	Robinson	Williams
Frelinghuysen	McCumber	Sheppard	Willis
Gooding	McKellar	Shields	Wolcott
Hale	McKinley	Simmons	

Mr. ASHURST. I wish to announce that the junior Senator from Mississippi [Mr. HARRISON] is detained on public business.

The PRESIDING OFFICER. Fifty-five Senators have answered to their names. A quorum is present.

Mr. FRELINGHUYSEN. Mr. President, of course the motion made by the Senator from Iowa [Mr. KENYON] if agreed to would displace the present unfinished business and permanently lay it aside. That measure is the seasonal coal rate bill which has now been debated before this body for over a week. I presume the enemies of that measure in the Senate will vote to displace it. I presume the influence and efforts of those who have so persistently tried to defeat the legislation for over a week will be thrown against the further consideration of the measure. But before the measure goes to its death in this manner and before the vote is taken, I wish to make a statement of certain facts for the information of the Senate.

For the past week the Senate has been considering Senate bill 1806, whose sole object is the increase of coal production in certain months of the year when the demand is light and the production correspondingly light. This purpose I have proposed to accomplish by authorizing the Interstate Commerce Commission to reduce freight rates in the spring and summer with a corresponding increase in the winter months. This method would establish an artificial demand for coal, thus avoiding the tremendous jam with a corresponding increase in price and an eventful coal famine in the late fall and winter.

Although this is the sole purpose of the bill, which is advocated by the Interstate Commerce Commission and by the Interstate Commerce Committee and which has been carefully studied by scientists who believe that it is the solution of the present unequal distribution of coal, I feel quite sure it will be beaten through this motion. That is to say, the propaganda against all coal legislation, inaugurated and conducted by a remarkably well-organized lobby of coal operators, some of whose representatives now sit in the gallery of the Senate, is so powerful that I feel that the bill will be defeated.

Primarily the amendment of the senior Senator from Kentucky [Mr. STANLEY], who represents in part one of the leading coal States of the country, has so mutilated the bill that it would be ineffective and practically useless even though it should become a law.

It is now proposed to replace the bill. I am opposed to such action, though the motion may prevail. I prefer that the death knell of this very helpful and absolutely unobjectionable measure should be sounded in ful view and full hearing of the public. I am opposed to the subterfuge of substitution.

Let us have "pitiless publicity," that the coal-buying and coal-consuming public may know exactly to what lengths the coal operators may go in maintaining the present high prices of fuel.

This is probably my swan song on the coal bill. I shall not attempt to make it very mellifluous, but I shall try to make it very plain and simple, so that not only he who runs may read but, incidentally, he who stands still and burns coal may understand. Thus I shall rehearse a little bit, in giving a brief review of the work leading up to the bill and the companion measure, Senate bill 1807.

Nearly two years ago, on July 18, 1919, I submitted the following resolution, which on August 15, 1919, was passed by the Senate:

Whereas for several years the price of coal to the consumer has from time to time been largely increased; and

Whereas for a period this increase in price was attributed to existing war conditions; and

Whereas in spite of the fact that since the armistice was signed, November 11, 1918, normal peace conditions have prevailed, the price of coal has continued to rise, without any apparent economic or other proper reason therefor: Therefore be it

Resolved, That the Committee on Interstate Commerce, or any subcommittee thereof, be instructed to make inquiry into the cause or causes which have brought about the enormous increase in the market price of coal, and to that end obtain full data regarding freight rates, wages, profits, and other matters bearing upon the question under consideration, with a view to determining who or what may be responsible for such increase in price, whether due to economic causes, and therefore proper and right, or whether due to manipulation or profiteering on the part of miners, shippers, or dealers in coal.

Resolved further, That the Committee on Interstate Commerce, or any subcommittee thereof, be authorized and directed to subpœna witnesses and compel their attendance, to send for persons and papers, and do such further acts as may be necessary to secure any and all information desired in the furtherance of said inquiry.

Resolved further, That the Committee on Interstate Commerce shall report its findings to the Senate, together with such recommendations as may be pertinent and advisable, with a view either to congressional or Executive action, in order to remedy existing conditions or the punishment of any individual or corporation deemed guilty of unlawful acts.

Resolved further, That the expense of the aforesaid inquiry be paid out of the contingent fund of the Senate.

Acting under that resolution the Committee on Interstate Commerce appointed a subcommittee, of which I was made chairman, to make the inquiry. Many meetings were held throughout the fall of 1919 and winter and spring of 1920, as the result of which several bills aiming at a solution of the problem were introduced by me, but no action at the hands of the Senate was possible owing to the pressure of postwar legislation deemed of weightier importance at that particular time.

When the Sixty-seventh Congress convened I reintroduced two of the coal bills referred to. These have received careful consideration by a subcommittee of the Committee on Interstate Commerce, and by the latter committee itself, the result being a favorable report upon the bill now under consideration, S. 1806, and a companion bill, S. 1807, entitled "To aid in stabilizing the coal industry."

Concerning the spirit which has animated the committee conducting this investigation, let me say that I am sure no other Senate inquiry has ever been carried on in a broader spirit or has been conducted with less malevolence. Indeed, there has been no disposition to punish anyone, though such action would have been pertinent, under the terms of the original resolution of inquiry, which called for the "punishment of any individual or corporation deemed guilty of unlawful acts." That phase of the situation was left to the Attorney General and those acting under his authority. Our sole purpose has been to obtain facts, ascertain existing conditions, and suggest remedies.

Hearings were granted to all public officials who were supposed to possess knowledge bearing upon the coal situation. Among those called were Edgar E. Clark, chairman of the Interstate Commerce Commission; Dr. Harry A. Garfield, the Fuel Administrator; Walker D. Hines, Director General of Railroads; Dr. George Otis Smith, Director of the Geological Survey; Francis S. Peabody, chairman of the committee on coal production, Council of National Defense; H. Y. Saint, head of the export coal department, United States Shipping Board; and various officials connected with the Fuel Administration, the Railroad Administration, the Geological Survey, and the Federal Trade Commission.

At a later stage the committee received the active and valuable cooperation of the present Secretary of Commerce, Mr. Hoover, and the present Secretary of the Interior, Mr. Fall.

Among the earliest invited to appear was the head of the United Mine Workers of America, Mr. Lewis, who was unable to be present. His organization was represented, however, by Mr. Wallace, head of its Washington office, and by Capt. Tetlow, its statistician.

Many large consumers appeared, representing traction, gas and electric light companies in various parts of the country, all extensive users of bituminous coal. Particular care was exercised to get the viewpoint of the coal producers of the country, both bituminous and anthracite, to secure the basic facts in the possession of those most familiar with and heavily interested in the fuel industry. Among those heard were Harry N. Taylor, president, and J. D. A. Morrow, vice president, of the National Coal Association; George H. Cushing, managing director of the American Wholesale Coal Association; W. J. Thompson, secretary of the Anthracite Coal Operators' Association; W. D. McKinney, secretary of the Southwestern Coal Operators' Association, and many individual operators, owners of the largest collieries in the United States.

Every facility, every courtesy, was extended to these men to present their views, and every effort was made by consultation and concession to secure agreement upon legislation that would not unduly embarrass the coal trade and at the same time would protect the interests of the Government and of the great body of consumers.

With these men the committee was patient and conciliatory. They asserted that they welcomed proper legislation and would gladly aid in putting it on the statute books of the Nation. I think many of them were sincere. Nevertheless, though we made every concession that we felt justified in making, we find, after two years of conference and the price of coal still high, that practically all of these operators, organized and unorganized, are bitterly opposing the principle of these two bills—first, the season freight rate bill, and, second, the bill "to aid in stabilizing the coal industry"—and have organized an elaborate propaganda with a view to bringing about their defeat.

In shaping this proposed legislation, Mr. President, I was guided by certain specific conceptions of public duty. I am unalterably opposed to paternalism. I agree with the President that we need "less Government in business and more business in Government." I am opposed to Government ownership of public utilities and allied industries. I am, indeed, opposed to such degree of public regulation as may disturb and disrupt private enterprise. I am opposed to Government price fixing. I do not believe the fundamental economic laws, such as those of supply and demand, can be successfully abrogated by statute.

It was because such was and is my belief that I am opposed to drastic legislation on the coal question, legislation that might unduly hamper and paralyze the men and corporations with heavy investments in coal property in the proper and lawful use thereof.

But I am shocked to find these men who have received such consideration at the hands of your committee opposing the very reasonable and helpful legislation which is now proposed. Personally I had looked upon many of these men as entirely sincere and conscientious in their expressed desire for Government aid in solving the fuel problem. In many instances I was convinced that the real profiteers were the middlemen, and, perhaps, the retailer, rather than operators.

In view, however, of the organized opposition of these men to this very proper legislation, I am persuaded that they do not desire Government cooperation; that they do not want to be interfered with, no matter if the price of coal should be boosted to $20 or, perhaps, $25 a ton.

Let me say a word about these men, who seem to have combined in "one big union" to prevent all Government oversight into their manipulation of coal prices.

First, there is the National Coal Association, with elaborate headquarters in the Commercial National Bank Building, this city, embracing a very extensive and expensive personnel, presided over by the vice president of the organization, J. D. A. Morrow, whose salary, I understand, is $15,000, twice that of a Senator of the United States and more than that of a Cabinet officer.

This body, which handles bituminous coal only, has maintained headquarters here for several years, with a trained corps of coal experts. To-day they are using the operators' money to publish publicity matter in the newspapers and otherwise to carry on their publicity department to fight legislation of this character. They have extended their propaganda throughout the country and have induced coal operators to send telegrams to Members of this body urging them to oppose this legislation. Yet I can show by the hearings before the Committee on Manufactures and before the subcommittee of the Interstate Commerce Committee that these gentlemen were not opposed to measures regarding publicity, and so testified.

I wish, however, the public to know that the National Coal Association does not speak for the entire coal industry, nor for the entire bituminous industry, as I am informed its membership includes but 30 per cent of the number of bituminous-coal operators and but 60 per cent of the production. Nor do I believe that the officers of the National Coal Association speak for a united membership, notwithstanding the fact that this single association, according to the testimony of its secretary, Mr. W. B. Reed, before the Senate Committee on Reconstruction (p. 1795), is expending in the neighborhood of half a million dollars a year, which, of course, is contributed by the coal operators and is passed on to the consumers and is an added expense to the public's coal bill. There are many fair and reputable coal operators, members of this association, who believe that it accomplishes little for the industry except to continually keep it in hot water, through the overzealous efforts of its officials in publishing propaganda aimed to influence legislation, which has finally lost for the industry the confidence of the public.

The spasmodic concern of the National Coal Association for the welfare of general industry in times of pending legislation has been conspicuous by its absence in times of coal profiteering, when contractual relations have been broken and thrown to the winds and coal which was sold at a profit at the mines for $3 was sold to the Government itself at $11; indeed, as high as $18 delivered in New York to the Shipping Board; and I am told that the Navy Department now stands to pay $1,052,000 in addition to what it has already paid for coal commandeered last year to 6 companies out of 42, $400,000 of which already stands in the form of a judgment against the Government. This money must be specially provided for in appropriations.

Last fall anthracite sold as high as $27 to the consumer in New England. Such coal prices not only destroy private initiative, for which the coal operators express so much concern in their statement published in the New York Times, but these coal prices have shut down entire industries employing thousands of men and obliged the railroads of the country to pay $100,000,000 more for coal in 1920 than in 1919. While the peak prices for bituminous coal have fallen, coal, especially anthracite, has not responded to the general liquidation of other commodities.

The anthracite trade has a similar organization, the Anthracite Coal Operators' Association, North American Building, Philadelphia, with W. J. Thompson, secretary, in charge. They have no office in Washington so far as I know, but their agents are active here when necessary.

Next comes the American Wholesale Coal Association, with equally elaborate headquarters in the Woodward Building, this city, presided over by George H. Cushing, managing director.

The retail trade has a similar organization, the National Retail Coal Merchants' Association, located in the Widener Building, Philadelphia, under the supervision at present of E. B. Gordon, secretary-manager. This body has no office in Washington at the present time, but they have representatives here. Possibly I may have something further to say on this score later on.

The National Coal Association has been the chief defender of the coal trade since I became interested in the subject.

As an evidence of the effectiveness of this particular organization, let me mention two facts: Two or three weeks ago there was a conference in the office of the Secretary of the Interior, attended by that official, the Secretary of Commerce, the junior Senator from New York, myself, and representatives of various branches of the coal trade. The National Coal Association produced its own stenographer to take down the full proceedings, not being willing to trust the Government stenographers.

Last week, when the pending measure was first taken up in the Senate, the National Coal Association sent a stenographer to the gallery of the Senate to take down the speeches delivered, so as to avoid a delay of 24 hours consequent upon waiting for the CONGRESSIONAL RECORD to appear. This being contrary to the Senate rules, a gallery attendant compelled the representative of the coal lobbyists to discontinue his task.

As I have stated, this is a remarkably well-equipped and efficient body, and "I take my hat off" to them for the effective manner in which they have organized to defeat my bill. For a time I looked upon the men of this organization as fair and reasonable, and I sympathized with their demand that the coal trade be permitted to work out its own salvation without Government interference, provided full statistics were obtainable regarding cost of production, transportation, and delivery from the mine to the humblest consumer.

For a time they seemed willing to concede this. But I am finally and reluctantly convinced that my hope in that direction has always been a delusion.

The National Coal Association will agree to nothing which places any obstacle in the way of unrestricted exploitation of the fuel-consuming public. They confess that retail coal prices are too high, but disclaim responsibility therefor. On the other hand, they refuse to acquiesce in any method which will locate the real profiteer through the interposition of Government authority.

The National Coal Association during the last two weeks, since the recent conference at the office of the Secretary of the Interior, has unmasked its batteries and proceeded to attack with a violence almost unprecedented this very simple and practical piece of legislation. Every Senator and every Representative has been subjected to voluminous literary fusillades, each containing an atom of facts and a ton of misrepresentation. Indeed, the whole purpose of this coal lobby is to throw dust in the eyes of the Senate and the public. This it can only do by misstatements and misquotations.

There is not a scintilla of truth in certain of the allegations of the National Coal Association. The charge that this bill in the faintest degree aims at Government operation or control is a delusion and a fraud. I am opposed, as I have heretofore said, to legislation of that scope and never will agree to it unless these men, by their obstructive tactics, make it imperatively necessary.

The sole purpose of this bill is to establish complete and prompt publicity in the departments of Secretaries Hoover and Fall with regard to production, stocks, storage, and prices at the mine, in transit, and in the final retail market; and the seasonal coal rate bill, which is to be replaced as a curtain raiser to the final defeat of S. 1807, aims to stabilize the industry by providing through seasonal coal rates, if possible, equal and uniform production, thereby avoiding the scarcity which has brought about panics in coal, and has made coal four and five times what the public ought to pay for it.

The officials of the National Coal Association have always claimed that it was not the operators who got the big profits. They have contended that their own profits were normal and reasonable. My own inclination has been to agree with them, to a considerable extent, at least. Now, however, in view of their present crusade of misrepresentation concerning the real purpose of this legislation, and the real purpose of myself and those who have aided in shaping these bills, I am disposed to believe they have never been sincere and have never told the truth regarding the operators' profits. If they resort to deceit in one particular, they will do likewise in another.

I shall not speak at length regarding the other active coal organization—the American Wholesale Coal Association—which, with elaborate headquarters in Washington, is bitterly fighting this legislation. The course of its secretary-manager, Mr. Cushing, is so violently absurd and so absurdly violent and his language so rampant and rabid as to be deserving of only meager attention.

Although the chief purpose of this bill is to provide machinery for collecting coal statistics, Mr. Cushing is deluging Congress with vitriolic tirades denouncing it as "socialistic and bolshevistic." With a sublime display of alleged patriotism this coal lobbyist exclaims:

> We need not be blind to the plight of a nation which surrenders to bolshevism. We have but to study Russia.

Furthermore, Mr. Cushing flippantly alludes to those who stand for legislation protecting the public from further highway robbery in this coal business as a "small group of Senators." God forbid that the time shall ever come when the membership of this body inclined to oppose in the interests of the public welfare the plans and purposes of high-salaried lobbyists of this Bombastes Furioso type shall become "a small group of Senators."

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. FRELINGHUYSEN. I should prefer to finish and allow the Senator to reply after I finish.

Mr. McKELLAR. It was not for the purpose of replying that I sought to interrupt the Senator, but merely for the purpose of introducing here a letter that I received from Mr. Cushing and my reply to it. My own views on the coal bill are well known to the Senator; but I agree with him that it is an outrageous thing for any industry to have a lobby here in Washington.

Mr. FRELINGHUYSEN. I have no objection to the introduction of the correspondence after my remarks have been concluded, but I hope the continuity of my speech will not be interrupted by inserting the communications at this point.

Mr. McKELLAR. I shall be glad to wait until the Senator has concluded.

Mr. FRELINGHUYSEN. Mr. President, I am opposed to replacing this bill. We have devoted nearly two years to our work of investigation. We have held many meetings and heard practically all interests. The public is tired of investigations. If any further inquiries are made, let them be made by Government officials authorized to act under the provisions of this legislation duly enacted into law. The public wants action. It demands results. If these high-salaried lobbyists, now fighting to the last ditch, defeat this bill, or even postpone it by replacing it, then the deluge may come to them sooner than they think. The public is long-suffering, but it will not suffer forever.

I say to these men here and now that if they succeed in their present purpose through the propaganda they have inaugurated, a future Congress will not treat them with the same degree of leniency that characterizes the bill introduced by me. An outraged public will demand more drastic legislation.

In these remarks I have reproduced some facts set forth in a public statement of mine appearing in last Monday's papers. My object in repeating them here is to secure the widest measure of publicity, that the masses may fully comprehend the significance of this proposed legislation and the circumstances under which it is bludgeoned to death. I merely wish to set this matter straight, in order that the attempt of the opposition lobby to throw coal dust into the eyes of the public may be negatived and defeated.

In that statement I predicted a coal famine next fall and winter. It is bound to come, to a greater or less extent, in any event. This legislation would have avoided it in part, but not entirely.

Valuable time has been lost. There is now a tremendous shortage in coal production this year, chiefly because there has been a pronounced shrinkage in the demand for coal. This lessened demand has been mainly due to the outrageous price asked. People would not buy. They expect to buy later. Thus, in the fall, the whole Nation, unable to delay longer, will be compelled to order coal. The price, being under the absolute control of the coal operators and those affiliated with them, will be higher rather than lower than it is now. But that is not the worst of it. The demand can not be met. The amount in storage will be comparatively small. The current production can not begin to meet the abnormal demand. A coal famine will result and the disaster to the country will be of incalculable proportions.

Now, Mr. President, I have laid this matter before the Senate and before the larger senate on the outside, with a membership of 110,000,000 people. I want to say in conclusion that I am a good sport. I am ready at all times for a fair fight, and if my colleagues do not agree with me I do not object to being beaten in a fair fight; but I hate to see a measure to which one of the most prominent committees of this body has given attention and study and reported it to this body favorably, killed by delay, killed by replacing it with another measure. If you want to beat it, beat it in the open and beat it fairly.

I oppose the motion of the Senator from Iowa.

Mr. STANLEY. Mr. President, after calling attention to the presence of a powerful and insolent lobby the Senator from New Jersey states that—

> Primarily, the amendment of the senior Senator from Kentucky [Mr. STANLEY], who represents in part one of the leading coal States, has so mutilated the bill that it will be ineffective and practically useless, even though it should become a law.

The veiled inference contained in the Senator's remarks would be offensive if it were not, to those who are best acquainted with the facts, amusing. During nearly 20 years of political life it is well known to all who have the most cursory knowledge of my political career that much of that time has been spent in more or less bitter political warfare with many of the great coal interests of Kentucky. In many of the great counties in eastern Kentucky, where the bulk of this coal is mined, there are not enough Democrats to sing bass. Were every coal mine in Kentucky to cease operation to-day, and were every man in those mines to leave the State, it would be as solidly Democratic as Alabama or Mississippi.

I am in receipt of one of a hundred telegrams indicative of the state of mind of many coal operators in Kentucky at this time. It reads as follows:

> Senator A. O. STANLEY,
> *Washington, D. C.:*
>
> In eastern Kentucky we have operated seven coal mines, and the workers in our mines voted solidly the Republican ticket, feeling that they were safe in believing that the plank in the platform of the Republican Party pledging less government in business, as promised, would be observed. We can not have good business conditions if the Government does to the coal business what it has already done to the railroad and shipping interests, and we call on you to support that plank in the Republican platform pledging help from the Government instead of meddlesome interference.
>
> CALVIN HOLMES.

I have received hundreds of tales of woe like that; but, Mr. President, he is not worthy of a seat in this high place who permits either resentment or avarice or fear to move him; and servility to a great interest is hardly less odious to a statesman of proper vision than a blind and fanatical personal opposition.

That Senator who would allow the fact that those in charge of a great enterprise are his personal or political adversaries to induce him to use his official power to injure that business unnecessarily and thereby injure his country is hardly less despicable than the venal wretch who takes orders from such a master. One is the slave of his avarice and the other of his narrow, unworthy hate. I will join the Senator from New Jersey in the hope that this bill may not be displaced. He is no better sportsman than I. I hope to see this thing fought out here and now and fought to a finish.

The Senator says I have mutilated his bill. I have, if it is a railroad bill; I have not mutilated it if it is designed for the purpose, or if it will operate for the purpose, for which the Senator says it was designed. I have sympathized and cooperated with him in the hope of reducing the price of fuel to the consumer and in the hope of stabilizing the industry. I refuse to follow him in the enactment of any legislation whose effect, if not its design, is a skillful manipulation of freight rates which must inure inevitably to the profit of the carrier.

You talk to me or talk to any other man who knows the A, B, C of this business, which the Senator from New Jersey says he knows so well and has examined so exhaustively, and he will tell you—and the facts now adduced by the Bureau of Mines and Mining in the Geological Survey and by the Interstate Commerce Commission will show—that the 100,000,000 tons used for domestic purposes out of 700,000,000 tons of coal produced is but a drop in the bucket, is but a bagatelle; that the great depression in the movement of coal is due to the slump in industrial enterprises which occurs in the spring. You might distribute the 100,000,000 tons or the seventy or eighty million tons of bituminous coal evenly over the 12 months of the year and you would not have done away with that depression; but when you split the freight rates and put a light rate in the months when there is a light movement of coal and a heavy rate when there is a heavier movement, what do you do?

The average freight rate upon a ton of coal is not less than $2.50. Take a seasonal reduction, say, of 25 cents a ton, and you have a differential of 50 cents a ton on coal moved in the winter season. Suppose there are a hundred million more tons of coal moved, one-seventh more moved during that period than before. There will probably be 200,000,000 tons more moved. That would mean a hundred million dollars put into the pockets of those who operate the carriers, to go into the coffers of those who hold the railroad securities, secured by the cunning, silent, astute manipulation of freight rates. I saw it and I struck it, and the grief of the Senator from New Jersey over the fact that his bill is mutilated will be shared nowhere, neither among coal producers nor coal consumers nor anywhere else, except among the common carriers or the holders of their securities.

The Senator complains of a lobby. No Senator needs a lobby to cause him to oppose this impotent thing, Senate bill No. 1807, known as the coal stabilization bill. The Calder mountain labored and gave forth the Frelinghuysen mouse. There is nothing in that bill, from the enacting clause to the end, that punishes the profiteer, nothing that punishes any combination formed for the purpose of imposing an exorbitant price upon the consumer of coal. It is not a bill to regulate the coal business; it is a bill to irritate the coal business. It is a forerunner of Government regulation.

Will Senators here tell me that they are in favor of Government regulation, federalization, and nationalization of the coal interests of the United States? England now is considering the nationalization of her mines, since her entire production of coal is 30,000 tons less a year than the State of Pennsylvania, and her entire coal reserve is a little over 15,000,000,000 tons; you could put it all into a few counties in Kentucky; these properties might be taken over without national bankruptcy. The United States has over 3,000,000,000,000 tons of coal. If the Government were to take it over at 2 cents on the ton royalty, it would incur an indebtedness of $60,000,000,000, to say nothing of the value of roads and cars, the vast cities that these industries have built, and the billions they have put into plants for the development and operation of these mines. And when you have incurred this colossal indebtedness, what will become of your Liberty bonds and other national securities?

Russia has attempted to own or organize her coal mines. Germany has attempted it, but the entire output of the Saar Valley is not one-half the output of a few counties in Pennsylvania; and Kentucky has more coal than Pennsylvania.

Do you know that all the gold mines in the world to-day do not produce the wealth represented by the production of anthracite coal for a single year? Do you know that as a result of Government ownership or control of mines, having an output of about 500,000,000 tons a year, Germany and France have found their mines demoralized or closed? England to-day still controls her mines, regulates the output, the distribution, and the hours of labor, and every detail of the coal business is in the hands of the English Government. As a result, one miner in West Virginia produces six times as much coal to-day as a miner in Wales.

And now England's entire export trade faces annihilation. From eastern Kentucky and West Virginia we can put as fine a quality of steam or coking coal as is found in the bowels of the earth f. o. b. in Buenos Aires, in Rio de Janeiro, and in the Mediterranean ports at from $1 to $2.50 a ton less than England can do it, and our export trade is growing by leaps and bounds.

Does the Senator from New Jersey know that the control of coal is not the control of an industry, but it is the mastery of the industrial life of the nation that obtains it?

"Coal," said Lloyd-George, "is life," national life, political puissance. England once produced the cheapest fuel in the world, and it gave her the mastery of the world's markets in textiles. By-products from coal and coal-tar made her master of the dye markets of the earth. Cheaper coal drove American ships from the ocean and made England the mistress of the sea in peace as well as in war.

After the Franco-Prussian War the German discovered that the mastery of commerce in peace and the domination of the world in war were to be found, not in the genius of commanding officers, the size of armies, or the thickness of armament, but in the deadly and almost uncanny power of a retort, and that retort was a by-product coke oven. With cheap coal and skill in extracting its by-products, within a generation twenty-odd separate German States that had hitherto been so weak in the times of war that the armies of Napoleon went through them like a hind, became great and flourishing. Great Britain would never have turned over that sea fortress, Heligoland, had she not believed that Germany would never menace the peace of the world.

After the Franco-Prussian War Germany secured the Saar Valley and the coal and iron of Alsace and Lorraine, and at that time she was not transporting a hundred thousand tons of steel to all the world. She advanced over a hundred per cent every 10 years, until at last she caught and passed her greatest competitor, Great Britain, in the fight for control of the iron and steel markets of the world. Her superior knowledge of the production and use of coal-tar products gave to Germany an ironclad monopoly of the earth's markets in dyestuffs. Her puissance rested upon her mastery of coal.

Higher fuel means a higher price for textiles and for everything made of steel from a needle to a crowbar and from a crowbar to a locomotive.

The cost of steel in all its forms is dependent upon the price of pig iron, and the cost of producing pig iron depends in the main upon the cost of the coal necessary to smelt the ore from which it is produced.

A cheap fuel cheapens all materials produced by the use of steam-driven machinery.

The Senator from New Jersey inferentially impugns the motives of men who know something about the business, who study it not for the purpose of introducing a bill or making a speech upon the floor of the Senate, but because it is a great and interesting subject appealing alike to the statesman, the patriot, and the philosopher. If he would approach it in that light, he would be less petulant and less reckless in his denunciation, more conservative and more careful in the nostrums he offers to the Senate as a panacea for all industrial ills.

I hold no brief for the coal companies, but as long as I hold a seat in the Senate I shall endeavor to upbuild and to strengthen the industrial supremacy of my country in time of peace, as I am willing to make any sacrifice to maintain her martial prowess in time of war, and he who is inspired by motives less worthy is unworthy of a seat in the Senate; yea, unworthy of that boon—that honor not less exalted—the honor of being a Kentuckian and a citizen of the United States of America.

Mr. KENYON. Mr. President, I made the motion in perfect good faith and with no desire to be in a position of trying to injure the bill of the Senator from New Jersey. I am not among those who are enemies of his bill. He speaks of lobbyists fighting to displace the bill. I think he hardly means that or means the inference that could be drawn from it. No lobbyist has ever talked to me about a motion to displace the bill or about anything else in connection with the bill. I am not on intimate terms at all with lobbyists for the coal people or the lumber people or the packers or any other lobbyists that I know of. The Senator from New Jersey speaks of bludgeoning the bill to death in this way. The fault I have found with the Senator's bill is that it is not strong enough, and it does not go far enough. I do not know whether it is going to amount to much of anything. I have not studied the bill, and have not given it the study I would have given if I could have been in the Senate for the last week. I did not vote on the amendment of the Senator from Kentucky [Mr. STANLEY] yesterday because I did not understand the bill, but as I understand it now I would have voted for that amendment, for I believe it strengthens the bill.

Whatever happens to a coal bill now, there is no doubt of what is going to happen to the coal operators in this country

if we are compelled to go through another winter like the last one. If there are any lobbyists in the gallery, as the Senator from New Jersey said, lobbyists who are fighting to displace the coal bill, I will say to those lobbyists that in my judgment they represent perhaps as choice a bunch of robbers as we have had on earth since the days of Captain Kidd. If anyone thinks I have anything to do with lobbyists, he is mistaken.

The American people are not going to stand for some of the things that have been going on in the coal business. They are not going to stand for seven or eight corporations in the State of Pennsylvania controlling all the anthracite of the United States and fixing the prices to suit their own sweet will.

Senators may talk until they are pale in the face, they may talk about bolshevism and socialism and undermining the Constitution, and all this kind of thing, but the amount of hard coal that the Lord Almighty has put into the earth up in Pennsylvania and now controlled by a few corporations is eventually going to be regulated for the benefit of the people of the United States. There will be some day no Senate that can stop it.

Speaking of bolshevism, it is my view that the coal operators have had as much as anything else to do with making bolshevists in the country. The Senator from New York [Mr. CALDER] stated, I think on the floor of the Senate, that the coal operators of the country had robbed the American people of a billion and a half dollars. That was a startling statement coming from a stand-pat Senator from the State of New York. If some of the unreliable, unsafe, and dangerous Senators from the Middle West or the West had said such a thing, it would not have been startling; but that startled the coal operators to the extent that one of them came out with an indignant denial, and said they had not robbed the American people of a billion and a half dollars; that it was only $500,000,000.

I am simply citing these things to show to the Senator from New Jersey, as he should well know, that in making the motion there is no purpose to injure his bill. I am willing to stay here all through the heat of the summer and work to get something that will give relief to the American people. I do not believe his bill is going to do it, though something stronger might. I had thought we could take up the maternity bill, even though in all probability a good many of the same speeches which would have been made on his bill will be made on the maternity bill. We have had speeches now on prohibition and on the sales tax. I suppose a few days will have to be consumed with the Sims controversy, and every other matter that can be spoken of when the maternity bill is before the Senate, but I thought we might go ahead with it and see how we could get along, and then, if we could do nothing about it, if this interminable talk of the Senate on every subject except the subject before the Senate is to go on, we can come back to the Senator's coal bill. I do not wish to injure his bill. I do not desire to be placed in that position.

Mr. FRELINGHUYSEN. Mr. President——

Mr. KENYON. I yield to the Senator from New Jersey.

Mr. FRELINGHUYSEN. Following that suggestion, would the Senator consent to lay aside temporarily the unfinished business for the purpose of considering the maternity bill?

Mr. KENYON. I will make that request of the Senator from New Jersey. Would he consent to it?

Mr. FRELINGHUYSEN. I would not object.

Mr. KENYON. Then, I ask that the unfinished business be temporarily laid aside for the purpose of considering Senate bill 1039, the maternity bill.

The PRESIDING OFFICER. There is a motion now before the Senate.

Mr. KENYON. I withdraw the motion now before the Senate and make the request for unanimous consent.

Mr. BORAH. Mr. President, I do not think I shall object to temporarily laying aside the unfinished business, but it occurs to me that we are not making any progress on the coal bill. I wish to say to the Senator from New Jersey that within a very reasonable time, if we did not seem to be making progress, it was my purpose to move to recommit the bill to the committee.

I can not vote for the bill in its present form. I believe the committee, after the debate which has been had, will improve the bill. I have not wished to interfere with the program for a reasonable time, but I have a measure or two myself that I am very anxious to present to the Senate. It has occurred to me that the coal bill, not consciously upon the part of the Senator from New Jersey, but unconsciously perhaps, is being used here as a buffer, and that we could have disposed of it long ago had there been any real support of the bill in the Senate. Within a very reasonable time, if it is not disposed of, I propose to make a motion to recommit the bill to the committee.

The PRESIDING OFFICER. The Senator from Iowa asks unanimous consent that the unfinished business now be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 1039, the maternity bill. Is there objection?

Mr. REED. I object.

The PRESIDING OFFICER. Objection is made.

Mr. BORAH. Mr. President, I think we ought to bring this matter to a conclusion, one way or the other. I move that Senate bill 1806, the coal bill, be recommitted to the Committee on Interstate Commerce. I believe that is the best disposition which the friends of the measure can make of it. My opinion is that if the motion does not prevail the bill itself will ultimately be defeated. There are some features of the bill which ought to be preserved, and many things added to it, if it is to be effective. I therefore make the motion, and upon that motion I demand the yeas and nays.

Mr. WILLIS. Mr. President, I wish to suggest to the Senator from Idaho that he include in his motion Senate bill 1807, the companion coal bill. Has the Senator examined that measure? It is a companion bill to the coal bill now before the Senate. If the Senator will permit me to say it, I think it is a very much more unsatisfactory bill than Senate bill 1806. I think both should go back to the committee. Will the Senator not include that in his motion?

Mr. UNDERWOOD. Will the Senator allow me to make a suggestion? I am in thorough accord with the view expressed of the bill, but I do not see how the Senator can make a motion concerning a bill that is not before the Senate. I do not see how it would be in order to move to recommit both bills at the same time, although if one motion is agreed to and one bill is recommitted, the other motion would then be in order.

Mr. BORAH. I presume in all probability, if the judgment of the Senate should be that Senate bill 1806 should go back to the Committee on Interstate Commerce, the Senator from New Jersey would likely not urge the other bill, but would be willing to have it go back to the committee. At any rate, I presume I could not make the motion now. On the motion which I have made I demand the yeas and nays.

Mr. FRELINGHUYSEN. Mr. President, the situation has changed. There is a motion made by the Senator from Idaho to recommit the bill. I anticipated that a motion would be made either to recommit or a motion to substitute, and I have not been surprised in either direction.

I shall oppose any effort, of course, to displace or take from the calendar Senate bill 1807. I would have suggested to the Senator from Ohio that he might as well move that all the bills on the calendar be recommitted to the various committees. Such a motion would be equally in order. Because he is opposed to the pending measure, the Senator should not, in my opinion, express his prejudice in that manner.

I shall continue in my effort to have Senate bill 1807 enacted and shall keep up my fight for it, as I shall for Senate bill 1806, the pending legislation. I do not believe that it is necessary to recommit the measure. It is a plain, simple proposition. I do not agree with the Senator from Idaho that it should be recommitted.

I do not desire to delay the business of the Senate. There was sufficient time to debate the bill if the Senate had been interested in it, without interposing other measures and speeches on other subjects to delay it. The truth of the matter is that the reason why it has been delayed and the reason why it is to be recommitted is that Senators wish to get rid of it and defeat the measure. They do not desire to have any coal legislation. That is the truth. I am simply going to oppose the motion, vote against it, and put it down to experience with this body; but I say to you, Senators, that before the present session of Congress adjourns efforts will be made by others, yielding to a public demand, to enact some coal legislation for the relief of the people.

The PRESIDING OFFICER. The Senator from Idaho moves that Senate bill 1806 be recommitted to the Committee on Interstate Commerce, and on that motion demands the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. FLETCHER (when his name was called). I have a general pair with the Senator from Delaware [Mr. BALL], who is absent. I do not know how he would vote on this matter if present. Therefore I do not feel at liberty to vote, and withhold my vote.

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is absent. I transfer that pair to the Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. PHIPPS (when his name was called). I have a pair with the junior Senator from South Carolina [Mr. DIAL]. I transfer that pair to the junior Senator from New York [Mr. CALDER] and will vote. I vote "nay."

Mr. SWANSON (when his name was called). I have a pair with the senior Senator from Washington [Mr. JONES]. I transfer that pair to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. TRAMMELL (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. COLT]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. WARREN (when his name was called). I inquire if the junior Senator from North Carolina [Mr. OVERMAN] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. WARREN. I have a pair with that Senator, and I therefore withhold my vote.

Mr. WILLIAMS (when his name was called). I have a pair with the Senator from Pennsylvania [Mr. PENROSE]. I have not been able to secure a transfer of the pair. If at liberty to vote, I should vote "nay"; but I am not, and therefore withhold my vote.

Mr. WOLCOTT (when his name was called). I have a general pair with the Senator from Indiana [Mr. WATSON]. He is not present, and I am not, therefore, at liberty to vote, not being able to secure a transfer of the pair. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. DILLINGHAM. I transfer my pair with the junior Senator from Virginia [Mr. GLASS] to my colleague the Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. CURTIS. I desire to announce that the Senator from New Jersey [Mr. EDGE], who is necessarily absent, is paired with the Senator from Oklahoma [Mr. OWEN]. If the Senator from New Jersey were present and permitted to vote, he would vote against the motion to recommit the bill.

I also desire to announce the pair of the Senator from Illinois [Mr. MCCORMICK] with the Senator from Wyoming [Mr. KENDRICK].

The result was announced—yeas 38, nays 26, as follows:

YEAS—38.

Ashurst	Ernst	Moses	Smoot
Borah	Harreld	New	Sterling
Brandegee	Harris	Overman	Sutherland
Broussard	Harrison	Poindexter	Swanson
Bursum	Heflin	Pomerene	Underwood
Cameron	Jones, N. Mex.	Ransdell	Watson, Ga.
Capper	Knox	Reed	Weller
Caraway	Ladd	Sheppard	Willis
Curtis	Lodge	Simmons	
Elkins	McKellar	Smith	

NAYS—26.

Cummins	King	Nicholson	Stanley
Dillingham	La Follette	Norris	Townsend
Frelinghuysen	McCumber	Oddie	Trammell
Hale	McKinley	Phipps	Walsh, Mass.
Hitchcock	McNary	Robinson	Walsh, Mont.
Kellogg	Myers	Shields	
Kenyon	Nelson	Shortridge	

NOT VOTING—32.

Ball	France	Lenroot	Pittman
Calder	Gerry	McCormick	Spencer
Colt	Glass	McLean	Stanfield
Culberson	Gooding	Newberry	Wadsworth
Dial	Johnson	Norbeck	Warren
Edge	Jones, Wash.	Owen	Watson, Ind.
Fernald	Kendrick	Page	Williams
Fletcher	Keyes	Penrose	Wolcott

So Mr. BORAH's motion to recommit Senate bill 1806 to the Committee on Interstate Commerce was agreed to.

PROTECTION OF MATERNITY AND INFANCY.

Mr. KENYON. I move that the Senate proceed to the consideration of Senate bill 1039.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States.

Mr. REED obtained the floor.

THE COAL BILL AND LOBBYING ACTIVITIES.

Mr. MCKELLAR. Mr. President, I desire to put into the RECORD a letter in reference to the coal situation and to make a short statement in reference to the vote cast by me a few moments ago. Will the Senator from Missouri yield to me for that purpose?

Mr. REED. Yes; gladly.

Mr. MCKELLAR. Mr. President, I have just voted to recommit Senate bill 1806, known as the seasonal coal rate bill, to the Committee on Interstate Commerce. My reason for the vote I cast is that I do not believe the bill as reported by the committee will have the effect that it is intended to have, and for the further reason that its undoubted effect will be that, while it may reduce coal rates and consequently the price of coal in the summer months to those who are best able to buy it, in the wintertime, when the poor people have to buy their coal, it will raise the price of coal to them. That is one motive that actuated me in casting my vote to recommit the bill. My intention also is to vote against the coal regulation bill as reported by the Committee on Interstate Commerce. It is a modified form of a reestablishment of the Fuel Administration created during the war, and I do not believe this war-time measure should be rehabilitated in times of peace. It was of doubtful value during the war. Besides, the same powers intrusted to the Secretary of Commerce by this bill are now intrusted to the Federal Trade Commission. There would be a duplication of service at an enormous cost.

But, Mr. President, it was not for the purpose of discussing these measures that I arose. A few days ago I received a letter from a representative of the American Wholesale Coal Association, which was referred to awhile ago by the Senator from New Jersey [Mr. FRELINGHUYSEN], and I think it is my duty as a legislator to call the attention of the Senate and of the country, and especially of the coal men who are maintaining lobbyists here, to this letter and to my reply. I first read the letter, which is written on paper bearing the letterhead "American Wholesale Coal Association, 729 Woodward Building, Washington, D. C.," with an embossed seal on one side and right under it the name "George H. Cushing, managing director." The letter is dated June 24, 1921, and is addressed to Hon. KENNETH MCKELLAR, United States Senate, Washington, D. C. The letter reads:

My dear Senator—

I want to say that if I have ever met the gentleman, so far as I can recall, I have no knowledge of him—

A registered letter from this office, addressed to you, was returned yesterday, marked "refused."

I feel that this must have been refused without your knowledge and will be pleased to have you confirm my beliefs.

In previous communications, I had said that we had been denied a hearing upon the coal bills. For that reason we were forced, against our inclinations, to memorialize Congress.

The right of petition is, of course, open to every citizen. I was but using it. The mere acceptance of a petition does not, as I see it, place any obligation upon you to agree with or to be governed by what the petition says. Nor does the acceptance of it prevent you from throwing it in the waste paper basket. But to refuse to accept a memorial amounts to a denial of the right of petition to your constituents. It is to set this possible interpretation at rest that I call the circumstance to your attention.

It so happens that I represent quite a number of your constituents. We have a considerable membership in the State of Tennessee and a local organization in your home town of Memphis.

If you have any doubts as to our sincerity or public spirit, if you would appoint a time when I could see you, for such a time as you might designate, I would be pleased to acquaint you with the point of view of those constituents of yours whom I represent.

Respectfully, yours,

GEO. H. CUSHING.

To that I answered as follows:

JUNE 27, 1921.

MR. GEORGE H. CUSHING,
Managing Director American Wholesale Coal Association,
729 Woodward Building, Washington, D. C.

DEAR SIR: Your letter of the 24th has just been received. I did not personally know about the refusal to receive these letters.

As a matter of fact, I had never seen the letters and never heard of them so far as I can now recall. My secretary had the good sense not to call them to my attention. He no doubt knew they were the propaganda of professional lobbyists, and he knew my views of the value of such communications; no possible right of petition was involved.

My secretary says these letters containing propaganda had been coming in frequently from the same source, having virtually the same matter, and that he had for that reason refused to sign for the last one. Of course, I can understand his position in the matter, and uphold him in it, and it does seem exceedingly foolish to register a letter to me on such a subject. It also contains an implication that I am not attending to my mail.

Whether you may think it or not, I believe I know as much about the coal matter as you do, and I resent any lobbying in reference to it. A petition is one thing, but constant lobbying, either written or personal, is a wholly different thing. None of my constituents have advised me that you represent them, and, as strange as it may seem to you, I feel that I am, myself, one of their representatives here. The law so accounts me, at all events. It does not account you as a representative before Congress, and I can not consider you as such.

I do not question either your sincerity or public spirit, and I can see no reason for a personal interview on that ground. I do believe that it is a very great mistake upon the part of the American Wholesale Coal Association to employ representatives here to lobby, either by mail or personally, with Senators and Representatives. It is wholly contrary to democratic institutions and can not be too severely condemned.

I reserve the privilege of putting your letter and this reply to it in the RECORD for the information of the public. I am familiar with the coal question, and I do not feel that I need your assistance, interested, as you admit you are, on one side of it, in my consideration and action in reference to it.

Very truly, yours,

KENNETH MCKELLAR.

Mr. President, I want to say in addition that while I am fortunate in having very few of these lobbyists come to me—and

you can easily see why they do not come, I think, from my attitude toward them—this lobbying about the Capitol has gotten to be a shame and a scandal in the National Capital, and I want to say especially to the coal interests and all other interests in my State that I hope they will not contribute to keep these lobbyists here at the Capital. I believe that no good cause is aided by them. It almost gives a Member of Congress a biased view of a question to be constantly importuned by lobbyists here. You almost instinctively feel that any professional lobbyist has a bad cause, and that otherwise he would not be here. The Congress ought to take some measures stricter than we have heretofore taken to prevent lobbying. It is an outrageous situation that we, who are sent here to attend to the people's business, are to have letters like this addressed to us, or be constantly advised without our request for advice, by lobbyists as to our duty before Congress.

I do not believe that such advice does any good. I believe it is a waste of money for any interest to have professional lobbyists here. In the end it is bound to have the opposite effect to that which they intend or expect; and I hope, so far as Tennessee is concerned, and so far as the interests in other States also, that they will not in the future contribute to keep professional lobbyists in the city of Washington in an effort to attend to their business. Any man, from wherever he may be in the United States, if he has interests before Congress, has the right to come here and attend to them, and if they are of sufficient importance that somebody should look after them, there is no one who is so familiar with them and no one who is so competent to look after them as the man himself; but this idea of having a paid organization here to buttonhole Members of Congress, to write them letters, to seek personal interviews, to give them advice unsought, is wholly repugnant to democratic institutions and to my idea of what is right.

I sincerely hope that the party in power, through the appropriate committee, will present a bill here either licensing lobbyists, if they are willing to agree to have them here at all, or, if we are not going to have them here, then that they will forbid them to practice their trade in the Capital. They ought not to be here. In the end they will hurt rather than forward the interests they are supposed to represent.

I am opposed to Senator FRELINGHUYSEN's coal bills, but I indorse what he says about lobbyists here, and I hope he, as one of the representatives of the majority Republican Party in charge of this Congress, will introduce and get passed a bill regulating lobbyists. Such a bill would be of much more value to the country than a bill regulating business in peace time.

CONSTRUCTION OF TERM "RURAL POST ROADS."

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1072) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

The amendment of the House was to strike out all after the enacting clause and insert:

That section 2 of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended by section 5 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919, is hereby amended to read as follows:

"SEC. 2. That for the purpose of this act the term 'rural post road' shall be construed to mean any public road, a major portion of which is now used, or can be used, or forms a connecting link not to exceed 10 miles in length of any road or roads now or hereafter used for the transportation of the United States mails, excluding every street and road in a place having a population, as shown by the latest available Federal census, of 2,500 or more, except that portion of any such street or road along which the houses average more than 200 feet apart; the term 'state highway department' shall be construed to include any department, commission, or board having adequate powers and suitably organized to discharge, to the satisfaction of the Secretary of Agriculture, the duties herein required of the State in the construction and maintenance of roads improved hereunder; the term 'construction' shall be construed to include reconstruction and improvement of roads; 'properly maintained,' as used herein, shall be construed to mean the making of needed repairs and the preservation of a reasonably smooth surface, considering the type of the road, but shall not be held to include extraordinary repairs nor reconstruction; necessary bridges and culverts shall be deemed parts of the respective roads covered by the provisions of this act."

SEC. 2. That the portion of section 3 of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, which reads: "*Provided*, That in States where the constitution prohibits the State from engaging in any work of internal improvements, then the amount of the appropriation under this act apportioned to any such State shall be turned over to the highway department of the State or to the governor of said State to be expended under the provisions of this act and under the rules and regulations of the Department of Agriculture when any number of counties in any such State shall appropriate or provide the proportion or share needed to be raised in order to entitle such State to its part of the appropriation apportioned under this act," is hereby amended to read as follows: "*Provided*, That any State desiring to avail itself of the benefits of this act shall, not later than three years after the adjournment of the first regular session of the State legislature from and after the passage and approval of this act, provide State funds each year at least equal to the amount apportioned for such year by the Federal Government to said State for the construction of highways: *Provided further*, That nothing herein shall be deemed to prevent any State from receiving such portion of said principal sum as is available under its existing constitution and laws, or to receive their proportionate share of each year's appropriation under existing constitution and laws until three years after the adjournment of the next regular session of the legislature from and after approval of this act."

SEC. 3. That section 4 of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, is hereby amended to read as follows:

"SEC. 4. That so much, not to exceed 3 per cent, of the appropriation for any fiscal year made by or under this act as the Secretary of Agriculture may estimate to be necessary for administering the provisions of this act and for carrying on necessary highway research and investigational studies independently or in cooperation with the State highway departments and other research agencies, shall be deducted for these purposes, available until expended. Within 60 days after the close of each fiscal year the Secretary of Agriculture shall determine what part, if any, of the sums theretofore deducted for such purposes will not be needed and apportion such part, if any, for the fiscal year then current in the same manner and on the same basis as are other amounts authorized by this act apportioned among all the States, and shall certify such apportionment to the Secretary of the Treasury and to the State highway departments. The Secretary of Agriculture, after making the deduction authorized by this section, shall apportion the remainder of the appropriation for each fiscal year among the several States in the following manner: One-third in the ratio which area of each State bears to the total area of all the States; one-third in the ratio which the population of each State bears to the total population of all the States, as shown by the latest available Federal census; one-third in the ratio which the mileage of rural delivery routes and star routes in each State bears to the total mileage of rural delivery and and star routes in all the States, at the close of the next preceding fiscal year, as shown by the certificate of the Postmaster General, which he is directed to make and furnish annually to the Secretary of Agriculture: *Provided*, That no State complying with the provisions of this act shall receive less than one-half of 1 per cent of the total sum apportioned among the States for each fiscal year."

SEC. 4. That the first paragraph of section 6 of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended, is hereby amended to read as follows:

"SEC. 6. That any State desiring to avail itself of the benefits of this act shall, by its State highway department, submit to the Secretary of Agriculture project statements setting forth proposed construction of any rural post road or roads therein. If the Secretary of Agriculture approve a project, the State highway department shall furnish to him such surveys, plans, specifications, and estimates therefor as he may require: *Provided, however*, That the Secretary of Agriculture shall approve only such projects as may be substantial in character, and the expenditure of funds hereby authorized shall be applied only to such improvements: *And provided further*, That he shall not approve any projects in any State until said State shall provide a State fund adequate for the maintenance of Federal-aid roads and by law shall place said maintenance work under the direct control of the State highway department: *Provided further*, That in any State where the existing constitution or laws do not provide for such maintenance or will not permit a State fund for maintenance, the Secretary of Agriculture shall continue to approve projects for said State until three years after the adjournment of the first regular session of the legislature from and after the approval of this act: *Provided further*, That the funds for maintenance are appropriated or provided by the civil subdivision of the State and are expended under the direct control of the State highway department. Items included for engineering, inspection, and unforeseen contingencies shall not exceed 10 per cent of the total estimated cost of the work.

"If the Secretary of Agriculture approve the plans, specifications, and estimates, he shall notify the State highway department and immediately certify the fact to the Secretary of the Treasury. The Secretary of the Treasury shall thereupon set aside the share of the United States payable under this act on account of such projects, which shall not exceed 50 per cent of the total estimated cost thereof, except that in the case of any State containing unappropriated public lands and reservations under Federal control exceeding 5 per cent of the total area of all lands in the State, as shown by certificate of the Secretary of the Interior, which he is directed to make and furnish annually to the Secretary of Agriculture, the share of the United States payable under this act on account of such project shall not exceed such 50 per cent of the total estimated cost thereof plus a percentage of such total estimated cost equal to one-half of the percentage which the area of the unappropriated public land plus the area embraced in reservations under Federal control in such State bears to the total area of such State: *Provided*, That the limitation of payments not to exceed $20,000 per mile, which the Secretary of Agriculture may make, be, and the same is hereby, increased in proportion to the increased percentage of Federal aid authorized by this amendment. No payment of any money apportioned under this act shall be made on any project until such statement of the project and the plans, specifications, and estimates therefor shall have been submitted to and approved by the Secretary of Agriculture."

SEC. 5. That section 7 of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, is hereby amended to read as follows:

"SEC. 7. To maintain the rural post roads constructed under the provisions of this act shall be the duty of the States. If at any time the Secretary of Agriculture shall find that any road in any State constructed under the provisions of this act is not being properly maintained, he shall give notice of such fact to the highway department of such State, and if within 100 days from the receipt of said notice said road has not been put in a proper condition of maintenance by the State highway department, then the Secretary of Agriculture shall thereafter refuse to approve any project for road construction in

said State until such road has been put in a condition of proper maintenance, and if within 100 days from the receipt of said notice the said road has not been put in a proper condition of maintenance, then the Secretary of Agriculture, in addition to such refusal to approve any further project for road construction in said State, shall proceed immediately to have such road put in a condition of proper maintenance by letting contract therefor and shall charge the costs thereof against the Federal funds allotted to such State. Upon reimbursement by the State of the amount expended by the Federal Government for such maintenance work, said amount shall be paid into the United States Treasury to the credit of miscellaneous receipts, and the Secretary of Agriculture shall then approve further projects for said State."

SEC. 6. That in approving projects to receive Federal aid under the foregoing provisions, the Secretary of Agriculture shall give preference to such projects as will expedite the completion of an adequate and connected system of roads, interstate in character. Before any projects are approved in any State, such State, through its State highway department, shall select or designate not to exceed 7 per cent of the total road mileage of such State as shown by the records of the State highway department at the time of the passage of this act. Upon this system all Federal-aid apportionments shall be expended. Roads which may receive Federal aid shall be divided into two classes, one of which shall be known as primary or interstate roads and shall not exceed three-sevenths of the total mileage which may receive Federal aid, and the other which shall be known as secondary or intercounty roads and shall consist of the remainder of the mileage which may receive Federal aid. The Secretary of Agriculture shall have authority to approve in whole or in part the systems as designated or to require modifications or revisions thereof: *Provided*, That the States shall submit to the Secretary of Agriculture for his approval any proposed revisions of the designated systems of roads above provided for. Not less than 60 per cent of all Federal aid allotted to any State shall be expended upon the primary or interstate roads until provision has been made for the improvement of the entire system of such roads. Whenever provision has been made by any State for the completion and maintenance of a system of interstate and intercounty roads equal to 7 per cent of the total mileage of such State, as required by this act, said State, through its State highway department, by and with the approval of the Secretary of Agriculture, is hereby authorized to add to the mileage of interstate and intercounty road system as funds become available for the construction and maintenance of such additional mileage.

SEC. 7. That section 8 of the act entitled "An act making appropriations for the service of the Post Office Department for the fiscal year ending June 30, 1920, and for other purposes," approved February 28, 1919, is hereby amended to provide that 50 per cent of the appropriations therein made shall be expended on roads within or partly within the national forests and embraced in or constituting necessary extensions of the system of main roads in the State, Territory, or insular possession, and that this amount shall be apportioned among the States, Territories, and insular possessions in which are located the national forests in the ratio which the area of the national forests within each State, Territory, or insular possession bears to the total area within the national forests: *Provided*, That the cooperative agreement for the survey, construction, and maintenance of any such road or trail shall be between the Secretary of Agriculture and the proper officials of the State, Territory, or insular possession. The remaining 50 per cent of appropriations therein made shall be expended on roads and trails necessary for the protection, administration, and utilization of the national forests, and shall be apportioned by the Secretary of Agriculture in proportion to the relative needs of the national forests, taking into consideration existing transportation facilities, value of timber or other resources served, relative fire danger, and comparative difficulties of construction. The Secretary of Agriculture may waive cooperation on such forest roads where essential for the protection, administration, and utilization of the forest: *Provided further*, That if more than $6,000,000 is appropriated for any one year under the provisions of this section the excess shall all be added to the 50 per cent applicable to roads forming parts of or extensions of the system of main State roads.

SEC. 8. That the Secretary of Agriculture shall encourage a more general understanding of the economic use of public roads and highways and shall collect, publish, and demonstrate, for the benefit of all sections of the United States, useful information on highway transport, construction, and maintenance, which shall also include such recommendations as he may deem necessary for preserving and protecting the highways and insuring the safety of traffic thereon.

SEC. 9. That any sums apportioned to any State under the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, and all acts amendatory thereof and supplemental thereto, shall be available for expenditure in that State for the purpose set forth in such acts until two years after the close of the respective fiscal years for which any such sums become available, and any amount so apportioned remaining unexpended at the end of the period during which it is available for expenditure under the terms of such acts shall be reapportioned in accordance with the provisions of the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916.

Mr. TOWNSEND. I move that the amendment of the House be referred to the Committee on Post Offices and Post Roads.

Mr. McKELLAR. Mr. President, as a substitute for that motion I move that the Senate concur in the amendment of the House, and upon that I ask for the yeas and nays.

Mr. LODGE. Mr. President, the motion of the Senator from Michigan can not be amended.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan [Mr. TOWNSEND].

Mr. McKELLAR. Mr. President, I want to discuss this motion.

The VICE PRESIDENT. The motion is not debatable.

Mr. McKELLAR. A motion to refer to a committee is not debatable? I ask unanimous consent, then, to make a short statement in reference to the matter.

Mr. TOWNSEND. Mr. President, if there is to be debate on this question it must be extensive debate. The object of the motion I made is to refer a new bill, which has come over from the House, to the Committee on Post Offices and Post Roads for consideration.

The VICE PRESIDENT. The Chair holds that the motion is debatable. The Chair intended to rule that it is not amendable. It is debatable, but not amendable.

Mr. McKELLAR. I desire to make a parliamentary inquiry. I am just going to state the case to the Chair and see if an error has not been made in the ruling of the Chair.

Mr. President, this bill was a bill introduced by the Senator from Colorado [Mr. PHIPPS] for the purpose——

Mr. KENYON. Mr. President, a parliamentary inquiry. Is the consideration of this matter in order while the unfinished business is before the Senate?

The VICE PRESIDENT. On objection, it is not in order.

Mr. KENYON. I object, Mr. President.

Mr. McKELLAR. Mr. President, a parliamentary inquiry. What becomes of the bill that has been sent over from the House?

The VICE PRESIDENT. It lies on the table.

PROTECTION OF MATERNITY AND INFANCY.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States.

The VICE PRESIDENT. The Secretary will read the bill for action on the amendments of the committee.

Mr. KENYON. Mr. President, I do not want ever to see any advantage taken of anybody. I know that the Senator from Missouri [Mr. REED] intended to speak on this bill, and he has been called out of the Chamber.

Mr. McKELLAR. I will say that the Senator from Missouri left the Chamber because he thought the road bill would be taken up. I hope he may be sent for.

Mr. ROBINSON. The Senator from Missouri had taken the floor.

Mr. REED entered the Chamber.

Mr. McKELLAR. Here is the Senator from Missouri now. He can answer for himself. I will say to the Senator from Missouri that the Senator from Iowa raised a point of order on the question of the road bill, and that took me off the floor. I am much obliged to the Senator from Missouri for yielding to me.

Mr. REED addressed the Senate. After having spoken for more than an hour,

Mr. LODGE. Will the Senator object to my moving an executive session at this time?

Mr. REED. Not at all.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate now proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 5 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Thursday, June 30, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate June 29, 1921.

CONSUL OF CLASS 5.

Joseph W. Ballantine, of Massachusetts, now Japanese secretary of the embassy of the United States of America to Japan, to be a consul of class 5 of the United States of America.

ASSISTANT SOLICITOR OF THE TREASURY.

Robert J. Mawhinney, of Pennsylvania, to be Assistant Solicitor of the Treasury, vice F. A. Reeve, deceased.

UNITED STATES ATTORNEY, NORTHERN DISTRICT OF NEW YORK.

Hiram C. Todd, of New York, to be United States attorney, northern district of New York, vice Clarence E. Williams, appointed by court.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES.

SECOND LIEUTENANTS WITH RANK FROM JUNE 13, 1921.

Corps of Engineers.

Cadet Frank Zea Pirkey.

Field Artillery.

Cadet Karl William Hispen.
Cadet Joseph Patterson Wardlaw.
Cadet Francis Warren Crary.
Cadet Selby Francis Little.

Coast Artillery Corps.

Cadet Milo Glen Cary.
Cadet Harold Joseph Conway.

Cavalry.

Cadet Norris Heslett Marcus.
Cadet John Baylis Cooley.

Infantry.

Cadet James Harry Marsh.
Cadet John Elmer Freeman.
Cadet Gustin MacAllister Nelson.
Cadet Frank Joseph Spettel.
Cadet Carroll Frederick Sullivan.
Cadet Rupert Harris Johnson.
Cadet Francis Joseph Magee.
Cadet Burwell Baylor Wilkes, jr.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 29, 1921.

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY.

TO CHILE.

William Miller Collier.

TO JAPAN.

Charles Beecher Warren.

UNDERSECRETARY OF THE TREASURY.

S. Parker Gilbert, jr.

COMPTROLLER GENERAL OF THE UNITED STATES.

J. Raymond McCarl.

COLLECTORS OF INTERNAL REVENUE.

FIRST DISTRICT OF PENNSYLVANIA.

Blakely D. McCaughin.

TWELFTH DISTRICT OF PENNSYLVANIA.

David W. Phillips.

TWENTY-THIRD DISTRICT OF PENNSYLVANIA.

Daniel B. Heiner.

UNITED STATES DISTRICT ATTORNEY, EASTERN DISTRICT OF TENNESSEE.

George C. Taylor.

REGISTER OF LAND OFFICE, EVANSTON, WYO.

Joseph T. Booth.

RECEIVER OF PUBLIC MONEYS, EVANSTON, WYO.

Donald McAllister.

IN THE NAVY.

Passed assistant surgeons.

Worcester R. Angell.
Alfred H. Gaither.
George G. Herman.
Franklyn C. Hill.
Daniel P. Platt.
Morgan O. Barrett.
David O. Bowman.
John G. Smith.
Vincent H. Usera.

MARINE CORPS.

Colonel.

Charles C. Carpenter.

Assistant quartermaster.

Walter E. Noa.

First lieutenants.

Edgar A. Poe, jr.
Eric A. Johnston.

Second lieutenant.

William D. Bassett.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *June 29, 1921.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou in whose presence our souls take delight, on Whom in affliction we call, we wait in Thy presence in acknowledgment of Thy sovereignty. Lead our higher natures forward that they may have their issues in deeper reflection, tenderer sympathy, and in a wiser realization of Thy truth. May Thy holy shadow succor all of our loved ones, sustain the afflicted, and richly bless those whose sorrow is so deep they can not cry. Through Christ our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

CONFERENCE REPORT—NAVAL APPROPRIATION BILL.

The SPEAKER. When the House adjourned last night there was pending Senate amendment No. 21, on which the gentleman from Illinois [Mr. BRITTEN] had moved to recede and concur with an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. BRITTEN moves, in lieu of the matter inserted by said amendment, to insert the following:

"The Bureau of Navigation, Navy Department, is hereby directed to furnish to the proper officers in the several States, Territories, insular possessions, and the District of Columbia, on or before October 31, 1921, statements of the services of all persons from those several places who served in the Navy during the war with Germany, and for that purpose exclusively an additional sum not to exceed $50,000 is hereby appropriated for obtaining the necessary material and the employment of the necessary clerical force."

Mr. BUTLER. Mr. Speaker, last night just before the House adjourned, it is my recollection that the previous question had been ordered.

The SPEAKER. Yes; the previous question had been ordered.

Mr. BUTLER. In order that we may have an opportunity to make some adjustment—and I may say to the Speaker I had demanded a quorum and at the time, if the House will permit me a minute, not to hold up the House unnecessarily on a very, very hot day, if the House will consent to this request I ask that the order for the previous question may be vacated until this amendment may be submitted to the House conferees, which may take the place of the other.

Mr. KELLEY of Michigan. Mr. Speaker, I think what the gentleman from Pennsylvania desires is to ask unanimous consent that the sum of "$25,000" be inserted instead of "$50,000" in the amendment which was offered by the gentleman from Illinois.

Mr. BUTLER. A little more than that, Mr. Speaker. I desire that September 1 next be the time to complete this work.

Mr. KELLEY of Michigan. Instead of October 1?

Mr. BUTLER. Yes, sir. It can be done.

Mr. OLIVER. Has the gentleman any information it can be completed within that time?

Mr. BUTLER. I will say to my friend he knows I do not speak recklessly; I believe they have been loafing on this work. It can be finished with the amount of money appropriated, and it can be finished certainly by September 1 for $25,000.

Mr. KELLEY of Michigan. I ask unanimous consent that the order for the previous question may be vacated and the amendment offered by the gentleman from Illinois may be modified by inserting $25,000 where $50,000 occurs and September 1 where October 1 occurs.

The SPEAKER. Does the gentleman vacate the previous question in order to have debate?

Mr. KELLEY of Michigan. I ask unanimous consent notwithstanding the previous order that this be permitted?

Mr. OLIVER. Mr. Speaker, if the gentleman from Pennsylvania [Mr. BUTLER], for whom I have the highest regard, has made careful inquiry and now feels satisfied that the work can be completed for $25,000 by September 1, there should be no objection to the adoption of his amendment. My information is, however, that this work can not be completed at so early a date, nor can it be completed within the amount he provides.

Mr. KELLEY of Michigan. I will say to the gentleman from Alabama that the gentleman from Pennsylvania is chairman of the Committee on Naval Affairs, and if it develops that the sum he suggests here is not sufficient to finish this work, the Navy Department will have to go to him for authorization to secure the balance to complete the work, and it will be up to him.

Mr. BUTLER. I want to say this to my colleague, if the Secretary of the Navy can not complete this work through the officials he has down there for this sum of money I will ask him to get others who can do it. [Applause.] The time has come for steady work. This remark does not in any way include the hard working, brilliant Chief of Navigation. If these officials can not finish this work with $25,000 additional money by October 1, I will give them another month. October 1 I would ask the Secretary of the Navy and insist that he get people who will finish it. It is time for work, not talk.

Mr. KELLEY of Michigan. The gentleman does not ask that the time be changed?

Mr. BUTLER. I will not; this is the suggestion of the clerk of the Committee on Naval Affairs, who knows more on this subject than I do.

Mr. KELLEY of Michigan. October 1?

Mr. BUTLER. Yes.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the sum in the motion be changed from $50,000 to $25,000. Is there objection? [After a pause.] The

Chair hears none. The question is on agreeing to the motion of the gentleman from Illinois to concur with an amendment.

The question was taken, and the motion was agreed to.

Mr. FESS. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. FESS. Should not the RECORD show that the order for the previous question was vacated?

The SPEAKER. No; the gentleman withdrew that request, and the Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 22: Page 10, line 7, after the word "exercises," strike out "for the maintenance of established shooting galleries, target houses, targets, and ranges; and for transporting equipment to and from ranges, $100,000," and insert in lieu thereof the following: "Prizes, trophies, and badges for excellence in gunnery, target practice, engineering exercises, and for economy in fuel consumption, to be awarded under such rules as the Secretary of the Navy may formulate; for the purpose of printing, recording, classifying, compiling, and publishing the rules and results; for the establishment and maintenance of shooting galleries, target houses, targets, and ranges; for hiring established ranges, and for transporting equipment to and from ranges, $100,000."

Mr. KELLEY of Michigan. I move that the House further insist on its disagreement.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 45: Line 22, after the figures 95, insert "pier 4, 700-foot extension, $500,000; rifle range for small arms, including purchase of land, $90,000."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement to Senate amendment No. 45.

Mr. MILLER. Will the gentleman permit me to make a preferential motion?

Mr. KELLEY of Michigan. I yield to the gentleman from Washington [Mr. MILLER] to make a preferential motion.

Mr. MILLER. I move that the House recede from its disagreement to Senate amendment No. 45, and concur in the same.

The SPEAKER. Does the gentleman move to recede and concur in the Senate amendment?

Mr. BUTLER. May I ask the gentleman from Michigan a question?

Mr. KELLEY of Michigan. Yes.

Mr. MILLER. The gentleman from Michigan has moved that we shall further insist on disagreement to this amendment. Am I right in that?

Mr. KELLEY of Michigan. That is right.

Mr. BUTLER. Is the gentleman in earnest? He is always candid, and I want him to say now whether or not he really means it?

Mr. KELLEY of Michigan. I will say to the gentleman from Pennsylvania that the Committee on Appropriations has no desire and will not in any way attempt to usurp the functions or jurisdiction of the Committee on Naval Affairs. The Senate conferees insisted that they would not recede from this amendment, and under the rules it is brought back here. It properly belongs to the Committee on Naval Affairs, and if the gentleman from Pennsylvania [Mr. BUTLER] will say that he does not want it, I will say I do not want it.

Mr. BUTLER. I most positively say it would be a wrong to put it in here in this way.

The SPEAKER. The gentleman from Washington [Mr. MILLER] is recognized.

Mr. MILLER. Of course, gentlemen of the House, I have high regard for the gentleman from Pennsylvania. But let us analyze this "wrong" idea for a few moments.

For 120 years the Atlantic has been the scene of commercial and naval activity. In the last few years the American thought has been directed to the fact that there are two oceans instead of one. Now, that may be "wrong," according to the idea of the gentleman from Pennsylvania, but according to the thought of the American people it is not wrong. Little by little the Pacific has come into prominence, until now the major portion of the American fleet is in Pacific waters, and there are seven great naval bases on the Atlantic and there are two on the Pacific. Until within a comparatively few years there has been but one naval base on the Pacific, which is that great naval base at Mare Island, near San Francisco.

Years ago there was a little naval station up on Puget Sound, which has developed now into a navy yard, and it is to the development of this yard, gentlemen, that this amendment relates. Now, let us see if it is right or if it is "wrong." This amendment provides that Pier 4 at the Puget Sound Navy Yard shall be extended to 500 feet, and that there shall be a rifle range. The extension of Pier 4 will cost $500,000, and the rifle range will cost $90,000. This rifle range is at the torpedo station at Keyport, and it demands 320 acres of land, which, it is said, will be sufficient for the rifle range. It will provide 185 targets. The Pacific Fleet, now the major fleet of the American Navy, will be based upon the Mare Island Navy Yard and upon the Puget Sound Navy Yard, and some provision, gentlemen, must be made for the small-arms target practice. This $90,000 item is for that purpose. We have in the Pacific, and it will be so for the next 25 years, the scene of naval activity.

The great continent of the United States has extended to the Pacific. We annexed the great Territory of Alaska, with its 21,000 miles of coast line—and it was not "wrong"—and we acquired the Hawaiian Islands, in the center of the Pacific, and, as the result of the War with Spain, the Philippine Islands, in the Far East, came to us. Right now the United States is involved in diplomatic correspondence with various nations in regard to outstanding islands along our trade lines to the Orient. We have two naval bases on the Pacific as compared with seven on the Atlantic. We are simply asking, gentlemen, that you now recognize us on the Pacific. We have always stood with you as to the Atlantic; we have stood with those in the Middle West in the development of the Atlantic navy yards. One hundred and fifty thousand more tons of first-class battleships are on the Pacific than on the Atlantic of the entire naval fleet.

All of the great dreadnaughts, nine of them, when they shall be completed, will be in the Pacific waters. The average tonnage of the first-class battleships in the Pacific waters will be 33,000 tons as against 25,000 tons in the Atlantic. This is for the extension of our yard, gentlemen, at Puget Sound, for the necessary care of this fleet. When you go there and see great battleships anchored out in the stream with not sufficient berthing space at the docks, and see that they have not wharfage to tie up and repair, it is time for the Congress to give us some relief. I therefore ask that the House recede from its disagreement to this Senate amendment and concur in the same.

Mr. KELLEY of Michigan. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. MCKENZIE].

Mr. BUTLER. Let me have about 10 or 15. I have got something to say here.

Mr. MCKENZIE. Mr. Speaker and gentlemen of the House, I think the older Members of Congress who have served with me in the past 10 years will have no hesitancy in saying that I am loath to criticize my colleagues or anyone else. It is something I dislike very much to do. But after reading this bill through carefully several times, I have come to the conclusion that any man, especially on this side of the House, should read it carefully, and then think of the time a few months ago when he stood on the platform and made speeches to the interested citizens of his district and promised them that if he were elected to the Congress of the United States he would do all in his power to bring about an economical administration of the affairs of this Government. And the man who votes, as some of us did yesterday, for every proposition suggested by the Senate to increase the expenditures in this bill, when called upon by his constituents to measure his vote by his promises will find himself in an embarrassing situation.

Now, we are all in favor of a good Navy. I am for a really fighting Navy, a good Navy. But the trouble about this bill is that the great bulk of this money does not go into the fighting Navy. It is to be expended on the land. It goes to pay men for serving on land rather than on the sea. And I want to call this fact to your attention, especially to the attention of the gentlemen here who were so willing to ruthlessly cut down the expenses of the Army—and I am not criticizing anybody for that—I want to call your attention to the fact that the pay items in this bill for the enlisted personnel and the commissioned personnel of the Navy are more than the entire amount for the pay of the enlisted and commissioned personnel in the Army of the United States. And I want to say further that I do not criticize that particularly, but I am criticizing at this time the inclusion in this bill of appropriations for the construction of buildings and the purchase of land and the enlargement of the activities of our Navy here and there and everywhere.

The gentleman from Washington [Mr. MILLER] made a good argument. It was a sound argument from his standpoint. Why not have a navy yard out on the Pacific coast in the State of Washington? It is a good place to have one. But why not have one at every other place where they demand one? Is it possible that we have got to go to the expense of establishing practically two navies, and be put at a disadvantage such as would affect no other nation that maintains only one navy? We need a sufficient number of navy yards, but why in the name of common sense do we not wait until we can make a survey, as

we are undertaking to do in the Military Establishment to-day? We are going over all the activities of the Military Establishment, and I expect that some of them will be dispensed with in the future, and that we shall retain only those that are necessary for the Military Establishment in time of peace. But that is not the policy of the Navy. The policy of the Navy seems to be that whenever there is a demand for an additional navy yard you authorize it, you build it, you get by with it.

I want to say to you gentlemen who get up on this floor and think you can camouflage the issue by saying that you want a well-rounded and perfectly equipped Navy, and then make appropriations for buildings out on the Pacific coast or down in Rhode Island when they have nothing on earth to do with the fighting part of our Navy, that you will not be able to continue that procedure indefinitely. The truth of the matter is we want to cut out the needless expense in the Navy as well as in the Army. I am not objecting to cutting down the Army to 150,000 men, but I want to cut out useless expense in the Army and cut it down to the basis of a fighting Army of 150,000, and I hope gentlemen on this side of the House will stand back of the gentleman from Michigan [Mr. KELLEY], in charge of the naval bill, and refuse to concur in these Senate amendments, and serve notice on the Senate that so far as this House is concerned we are going to try, in some small way at least, to keep our word with the people of this country.

I know it is nice to talk about the Navy. Everybody says it is our first line of defense. That is all right, but in this bill here go millions of dollars for dirigible balloons, and for hangars for dirigible balloons; millions of money go into appropriations for dirigible balloons, and so far as my personal view is concerned, as a military asset I consider that they are absolutely worthless.

They are nice playthings, to be sure, to have in the Army and Navy, but as a military asset in my judgment they are useless. If we want to develop them, let us do it in some other way than through the Army and Navy, and let us see if we can not come to a place where we can think of national defense in the terms of national defense, and combine the activities of the Army and Navy, and not have one flying field for the Army and another alongside of it for the Navy, and all these duplications of activities that are piling up expenses on the people of this country which are not adding one iota to our national defense.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. OLIVER. I am interested in the speech for economy that the gentleman has made. But I understand the gentleman voted against the reduction of the Army to 150,000 men, and that he also voted to retain for that number of men 14,000 officers.

Mr. McKENZIE. Yes. I voted for more than 14,000 officers, I will say to the gentleman from Alabama. I voted to keep the Army at 175,000 men.

Mr. OLIVER. How does the gentleman's vote on the Army appropriation bill compare with the speech he has just made?

Mr. McKENZIE. I think it will compare very favorably. I said, however, that the gentleman and some of his colleagues would not take the orderly and regular way of cutting the Army down to 150,000, but with one ruthless stroke you struck off 75,000 men, which in my opinion might bring about disorganization and disaster in the Army.

Mr. GREENE of Vermont. In regard to the reference which the gentleman from Alabama has just made as to the number of commissioned officers in the Army, if the gentleman understood military law as well as naval law he would understand that the commissioned personnel has no relation to the size of the fighting Army.

Mr. McKENZIE. That is correct.

The SPEAKER. The gentleman from Wyoming is recognized for three minutes.

Mr. MONDELL. Mr. Speaker, I feel like apologizing for taking even three minutes, because we all realize that this bill must become a law before the 1st of July, and there is only one more day before the end of the present fiscal year. We should dispose of this bill and the peace resolution to-day, if possible.

What I say applies to this item and to the other items that will be presented to a considerable extent. I do not care to enter into a discussion of the merits of this appropriation. The appropriation should not be made in this bill at this time. [Applause.] This is a new item of expenditure which has not been considered in the orderly and proper way by the committee of the House having jurisdiction of it. This is the kind of appropriations that are constantly leading us into extravagance. The Committee on Naval Affairs will examine this matter promptly, I have no doubt, and, if they report a bill favorable to this extension, an opportunity will be given to consider the bill in the House at an early date.

Mr. BRITTEN. Will the gentleman yield for a question?

Mr. MONDELL. I yield, if I have time in my three minutes.

Mr. BRITTEN. This extension of the breakwater can not properly come before the Committee on Naval Affairs. It is not a new proposition. It is a 400-foot extension of the pier.

Mr. MONDELL. It is a new proposition so far as it provides for new plant and land purchase.

Mr. BRITTEN. It is merely an extension of an existing pier, and it will not come before our committee.

Mr. MONDELL. When the Naval Affairs Committee shall have passed upon the matter, and shall have passed upon the other legislative features contained in the bill, it will be quite time enough for the House to make the appropriation. [Applause.]

Mr. KELLEY of Michigan. I yield 10 minutes to the gentleman from Pennsylvania [Mr. BUTLER].

Mr. BUTLER. Mr. Speaker, if the gentleman from Washington [Mr. MILLER] will give me his attention——

Mr. MILLER. I shall be glad to do so.

Mr. BUTLER. I wish to say that when the gentleman from Washington was acquiring his education for the purpose of making himself a useful man, which he has grown to be, I was advocating the establishment of this navy yard. The gentleman did not then know that we proposed to put a naval station there. Twenty-five years ago three of us determined that a naval station ought to go to that point. What was the gentleman's station in life then? He was only a boy. From that time down to this I have been for the development of that navy yard always and upon all occasions.

Mr. MILLER. I am glad to hear it, and I hope the gentleman is with us now.

Mr. BUTLER. I have voted for all the appropriations made for that navy yard. The gentleman was not then in Congress. Twenty-five years ago I was in favor of dividing the fleet and sending part of it to the Pacific, and I have appealed to every Secretary of the Navy to send some of the fleet to the Pacific Ocean. No gentleman can say that I am or ever have been against the Pacific coast.

Again, I assisted to the best of my ability in obtaining the Panama Canal. One of the reasons aside from commercial advantage why President Roosevelt was for the construction of that canal, as he told me in a conversation with me, was for military purposes, so that we could move our ships quickly to the Pacific Ocean. We had not enough ships then to make two fleets complete, so that it was thought we could not divide the fleet. It was supposed that we might have to keep our ships together, but, nevertheless, the Pacific must have its full share of naval protection.

Now, do you know what the Appropriations Committee has already provided for this navy yard for the next year? They have appropriated for that purpose $1,400,000. Do you know that without any examination whatever they propose to put on this bill a further appropriation of $590,000 for this navy yard? Listen to what I have to say, if you please, and then you can do as you wish. I reserve to myself the right to vote as I see fit when this appropriation bill is finally submitted to this House for its determination. Listen to these items: For grading, filling, and sea-wall construction, $250,000; keel blocks for Dry Dock No. 2, $6,500; extension of building No. 178, $13,500; roadways and sidewalks, $25,000.

Now I come to this item: Pier 5, rebuilding and extending, $715,000. Now, they ask for another pier without any examination whatsoever. Gentlemen, I propose to make a candid statement to you. You can take it as you please.

I will not again at any time during my membership of this House vote for any new plan submitted to the Naval Affairs Committee or to the Committee on Appropriations by the Navy Department until plans and specifications are laid down before the proper committee. [Applause.] These lump sums without specifications should be written out of the bill. Almost within the sound of my voice they are constructing, without authority, a house for a commandant which they admit will cost $52,000. The gentleman from Ohio [Mr. STEPHENS] is here with the figures which will show the cost. I say that until this department will lay down before our committee plans and specifications in writing, so that we can make an estimate item by item showing what these improvements will cost, I shall never vote for them again. Are you going to help us?

All this is extremely embarrassing to me, my friends. I hate such work. If there is anything in the world that I dislike it is to be an economist. If there is anything in the world I despise, it is stinginess. But we must close our hearts against

some of the appeals of these military men. This navy yard on the Pacific Ocean, which in my judgment is the best and finest one we have, is to receive, as I have told you, almost a million and a half dollars for these improvements. My friend from Washington [Mr. MILLER] did not tell you the amount of money we have already spent on this navy yard, but it amounts to almost $25,000,000. They have asked for another naval station at San Francisco, which is not in this bill, but is about to come, that will cost this Government nearly $100,000,000. There are items in this bill which, if adopted, will cost the Government $25,000,000 to $50,000,000 more, and not one request for any of it made of the Committee on Naval Affairs. My colleague says it is a question of jurisdiction, whether the extension of this pier should come to the Committee on Appropriations or to the Committee on Naval Affairs.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. BUTLER. I want my former colleagues who have always stood with me for retrenchment, and in these latter days for rigid, niggardly economy, to help us here to stop this until the Secretary of the Navy will submit to us plans for these yards, giving estimates of figures within which they can be built. You have seen the struggle we have been making here against increasing appropriations that we have declined to write into these bills after days and weeks of examination.

Mr. KELLEY of Michigan. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. KELLEY of Michigan. Just to clear the matter up in the gentleman's mind, I want to say that amendment 45 was a double-header; a part of the amendment provided for the rifle range and the land and a part for the extension of the pier. The Senate receded from the extension to the pier so that it is not in dispute at all, but we had to bring the whole amendment back because it is one amendment. Nothing is in controversy except the rifle range.

Mr. BUTLER. Why did not my old friend tell me that?

Mr. KELLEY of Michigan. I did rise to tell the gentleman.

Mr. BUTLER. My friend knows me well enough to stop me by force. I want to repeat that it is embarrassing to me, because I know how very earnestly a former Member of this House, now a Member of the Senate, wishes the appropriation made for this rifle range, and I desire to accommodate him. There is no doubt about it, they have no authority to appropriate for the land. I want to know where the land is; how much it will cost. Now, if you think it is better without any plans, without any specifications, to put such an item in the bill, why do it, but hereafter go elsewhere for help in saving money.

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. BUTLER. Yes.

Mr. PARKER of New Jersey. I want to ask the gentleman from Michigan if there is anything in the report about the Senate receding from amendment 45?

Mr. KELLEY of Michigan. There are two propositions in amendment 45, and the Senate receded on the extension to the pier.

Mr. PARKER of New Jersey. It is not stated in the report, neither in the conference report nor the statement.

Mr. KELLEY of Michigan. The whole amendment had to be brought back.

Mr. PARKER of New Jersey. There is no statement of recession by the Senate. The gentleman means to say that the Senate conferees are willing to recede?

Mr. KELLEY of Michigan. They have receded.

Mr. PARKER of New Jersey. Then it ought to have been stated in the report.

Mr. STAFFORD. We would have saved considerable time if it had been so stated in the report.

Mr. KELLEY of Michigan. I do not think we would have saved much time.

The SPEAKER. The Chair desires to say that the gentleman from Washington moves to recede and concur in the whole amendment, so that is the issue.

Mr. BUTLER. Mr. Speaker, I wish to reaffirm my affection for this yard. It came into existence at the same time that I came into political existence. I shall be for it on every occasion, because of the great depth of water, its military advantages, the energy of the people, and their disposition to treat the Government fairly. I will promise this House to ask the Committee on Naval Affairs to immediately consider in a businesslike way the necessity for the purchase of additional land and for the purpose of erecting a rifle range at this point. If it is found to be a military necessity, we will report the bill favorably and put it on the calendar, and the gentleman from Wyoming, the leader of the House, has promised us an early day to consider it. At that time I promise you I will lay before you all the plans and specifications showing what the purpose is, the length and number of the ranges, the amount of land, the cost of the necessary buildings, so that we can put a positive limit on cost when administrative officials shall not exceed the sum.

Mr. KELLEY of Michigan. Mr. Speaker, I think I was a little bit in error as to the Senate receding on the part of the amendment in relation to the pier. The Senate conferees were willing to recede, but could not do so because it was tied up with the other part of the amendment. I think that makes the statement correct and makes the report correct.

Mr. MILLER. Mr. Speaker, if the gentleman from Michigan will yield to me to make a perfecting motion——

Mr. KELLEY of Michigan. I will yield.

Mr. MILLER. In view of the statement made by the gentleman from Michigan, I ask unanimous consent to change my motion.

The SPEAKER. The gentleman has a right to withdraw his motion.

Mr. MILLER. I will withdraw the motion and I will move to recede and concur with the following amendment: In lieu of the matter inserted by said amendment, insert the following: "Rifle range for small arms, including the purchase of land, $90,000."

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. MILLER moves that the House recede from its disagreement to Senate amendment 45 and concur in the same with the following amendment: In lieu of the matter inserted by the said amendment, insert the following: "Rifle range and small arms, including purchase of land, $90,000."

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Speaker, we are within 24 hours of the conclusion of the fiscal year. It is imperative that we proceed with some expedition to the disposition of this bill. It must be manifest to everybody here that if we continue to debate the legislation inserted in this bill by the Senate we are going to make a very great mistake. There is only one thing left to do, and that is to disagree to every Senate amendment. [Applause.] If this bill goes back to conference it will not become a law by the 1st of July and the Navy Department will not be able to function. It is infinitely more important that we should provide the means of conducting this great arm of the Government before the expiration of the fiscal year than it is that we should adopt anybody's amendment.

Mr. BRITTEN. Will the gentleman yield?

Mr. MADDEN. No; I can not yield now. We have gotten to the point where we must declare for the kind of economy that the American people expect. [Applause.] We can not go on considering legislation that is put into the bill in this way. Much of the legislation that is now in this bill may have great merit, doubtless has, but the situation which confronts us is such that our duty is clear. We must dispose of everything in the bill by rejection, if it is not in order and would not have been in order under the rules of the House. Let the legislation come in from the committees having jurisdiction. Complaint is constantly made that the Committee on Appropriations is arrogating to itself the right to legislate. We do not want to do that. We want to appropriate under the rules of the House. We want you to help us do that. You can do it in no more effective way than by agreeing with us as members of the Committee on Appropriations to cut out every recommendation for legislation inserted by the Senate. [Applause.] This bill will then become a law, without doubt, before the end of the fiscal year, and I am fearful that it will not, if we do not take that course.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. MADDEN. Yes.

Mr. FLOOD. Does the gentleman mean to apply that to the Borah amendment as well as other legislation?

Mr. MADDEN. No; I am talking about the financial proposition. I am in favor of the Borah amendment, I will say to the gentleman from Virginia, and I intend to the best of my ability to help in seeing that it is adopted. [Applause.] Dollars and cents and orderly legislative procedure demand that this bill shall not go back to conference.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. PADGETT].

Mr. PADGETT. Mr. Speaker, I rise not for the purpose of discussing this specific amendment but to correct a statement made a moment ago by the gentleman from Illinois [Mr. MCKENZIE]. In referring to the commissioned personnel of the Navy he said it was based on old ships and the number of ships in the Navy. That is entirely wrong. During the administration of Mr. Meyer as Secretary of the Navy a bill was submitted to the Naval Committee as an administration measure

basing the commissioned personnel on the tonnage of the ships. That, however, did not appeal to the committee and was not enacted into law. Instead of that the committee reported a bill, which Congress enacted, basing the commissioned personnel upon the authorized enlisted personnel of the Navy, so that the commissioned personnel of the line is 4 per cent of the enlisted personnel. That is distributed in the various grades—1 per cent for admirals, 4 per cent for captains, 7 per cent for commanders, and 14 per cent for lieutenant commanders, the remainder being divided between the lieutenants, junior grade, and ensigns.

Mr. McKENZIE. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. McKENZIE. Was the gentleman present when I interrogated the gentleman from Michigan [Mr. KELLEY] yesterday morning in regard to this matter?

Mr. PADGETT. I do not remember to have heard the colloquy.

Mr. McKENZIE. If the gentleman will permit, I was interrupted by the gentleman from Pennsylvania [Mr. BUTLER] before I finished my statement to-day. I did not contend that the commissioned personnel is based on the tonnage.

Mr. PADGETT. I understood the gentleman to make that contention. It is based entirely upon the authorized enlisted personnel, being 4 per cent of the authorized enlisted personnel. We are short now in the line about 2,200 officers of the authorized number.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BUTLER. I understood the gentleman from Illinois [Mr. McKENZIE] to say that rear admirals were commissioned according to weight. Does he mean the weight of the boat or the weight of the rear admiral? [Laughter.]

Mr. KELLEY of Michigan. Mr. Speaker, I move the previous question on the various motions respecting this amendment.

The previous question was ordered.

The SPEAKER. The question is on the motion of the gentleman from Washington [Mr. MILLER] to recede and concur with an amendment.

The motion was rejected.

The SPEAKER. The question now is on the motion of the gentleman from Michigan to further insist on the disagreement of the House to the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next committee amendment.

The Clerk read as follows:

Amendment No. 46: Page 24, strike out the figures "$1,405,000" and insert in lieu thereof "$1,995,000."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist upon its disagreement to Senate amendment No. 46.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 47: Page 25, line 23, insert:
"Naval hospital, San Diego, Calif.: The Secretary of the Navy is hereby authorized and directed to continue and to enlarge the construction of the naval hospital being erected at San Diego, Calif., on land donated to the United States and accepted by the Secretary of the Navy under the authority conveyed in the naval act of July 11, 1919, at a total cost not to exceed $1,975,000, and $1,000,000 is hereby appropriated to continue its construction."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur with an amendment which I send to the desk.

The Clerk read as follows:

In lieu of the sum of $1,000,000 in said amendment insert "$500,000."

Mr. KELLEY of Michigan. Mr. Speaker, this amendment, I think, the conferees could have agreed to outright and would have done so had they been entirely certain of the parliamentary situation. The naval hospital at San Diego, Calif., has never been directly authorized by act of Congress, but it has been constructed out of lump sums under the control of the President. Without any doubt in my own mind, we could have agreed to the amendment enlarging that hospital, but there was a fear that inasmuch as it has not been directly authorized by act of Congress it might possibly subject the entire report to a point of order, and therefore instead of agreeing to it in conference, we brought the item back.

Mr. PADGETT. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. PADGETT. Congress by specific act did accept the gift of land from the city of San Diego for the purpose of building a hospital. I want to say that I have seen the land on several occasions. It is the most beautiful and desirable site about the city of San Diego.

Mr. KELLEY of Michigan. It is my understanding that Congress has never directly appropriated any money for buildings there.

Mr. PADGETT. No.

Mr. KELLEY of Michigan. But did erect buildings out of a lump sum which the President had under his control. For fear that there might be a point of order made against the whole report on account of this item we thought it better to bring back the amendment.

Mr. PADGETT. I want to get it into the RECORD that it is being erected on land donated by the city of San Diego, which was accepted for the purpose of a naval hospital by a direct act of Congress.

Mr. KELLEY of Michigan. Yes.

Mr. OLIVER. And the committee that visited San Diego found a large number of the boys out in tents. They are really in urgent need of this hospital, on account of the large number of ships in the Pacific.

Mr. KELLEY of Michigan. I thought that we not only had authority to make the appropriation, but that the House would want it done, because this is one of the choice places of the country for taking care of the sick of the Navy. A number of patients are being taken care of in tents which are not suitable for the purpose. We cut the amount which the Senate asked for from $1,000,000 to $500,000 to provide for that much extension.

Mr. BUTLER. If the gentleman will permit a question, did not the gentleman examine, when he was at one time a member of the Committee on Naval Affairs, as to the propriety of adding to this hospital or constructing it?

Mr. KELLEY of Michigan. Oh, yes; I think we all agreed.

Mr. BUTLER. We found it was an absolute necessity to take care of these sick men in this way.

Mr. PADGETT. I want to add that the members of the Committee on Naval Affairs visited the site and saw the original plans and suggested to the officers out there to withhold the progress of the building until Congress could have an opportunity to enlarge the building as provided by this amendment, which would certainly be done.

Mr. KELLEY of Michigan. Mr. Speaker, I yield two minutes to the gentleman from New York [Mr. HICKS].

Mr. HICKS. Mr. Speaker, as one of the commission visiting the Pacific coast last fall I want to bear testimony not only as to the splendid site where this hospital is now being built but the necessity of building a hospital in that part of the Pacific coast. The city of San Diego has been most generous and most patriotic in giving the best land they possess to the Government of the United States, having in Balboa Park donated a number of acres to this hospital. When the hospital is completed it will be the finest hospital in all the United States. I commend the city of San Diego for their generosity, and I hope this amendment will be adopted, because it is of urgent necessity that it should be. It is for the boys who go down to the sea in ships.

Mr. LAYTON. Do I understand there is immediate pressing necessity for this hospital for the care of these men?

Mr. HICKS. Yes; because I personally saw some of our sick quartered in tents and in shacks inside this park, but outside of the hospital reservation. If we are to provide for our sick, as they should be provided for, we must build this plant at once.

Mr. KELLEY of Michigan. I yield three minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, I do not desire to take up any more of the valuable time of the House than absolutely necessary, but I want to call to the attention of the House just one phase of this hospital situation at San Diego which has not been brought out. The Senate amendment provided for a total increased cost of building of $1,975,000. It also made available at this time $1,000,000. The motion of the gentleman from Michigan [Mr. KELLEY] is to reduce that to $500,000. I question whether it is proper or even wise to attempt to reduce the Senate amendment when we are authorizing a building at a cost of $1,975,000, and it is going to be paid for next year. It will not be completed quickly nor properly now because of lack of proper appropriation. We only give $500,000, and all the time our boys are lying out along the automobile roadways in tents like a lot of emigrants. When I was out there in November I saw them lying along the road and inhaling automobile dust because there was no place for them to go. The climate there is delightful. They require no fuel; they have perpetual sunshine. There is more sunshine in San Diego than any place else in the United States. This hospital is needed to-day; it is needed now. They have got fine roads; but these men are lying along the automobile roads in Balboa Park inhaling automobile dust and gas and fumes for the lack of a proper hospital. A beautiful

site has been donated free of cost by the city of San Diego. What difference does it make to the House or the National Treasury whether we appropriate $500,000 now and the balance next year or whether we appropriate a million now and the balance to complete next year? It is good business policy, gentlemen, to finish this building just as quickly as possible and award the contract for just as large a part of the work as possible and get these boys off the streets in Balboa Park where they are hobbling around, many of them tubercular, many of them afflicted in body, along those highways. They now have no reasonable place to lay their heads. It is not fair to them; it is not fair to the Navy. I am sure if you gentlemen could go out there and see what the gentleman from Michigan [Mr. KELLEY] saw—and his heartstrings are tied to this location just as mine are—that you would say it was not wise to reduce this appropriation by $500,000——

The SPEAKER. The time of the gentleman has expired.

Mr. BRITTEN. Mr. Speaker, I desire to offer a substitute for the motion of the gentleman. I move to concur in the Senate amendment.

The SPEAKER. The question is first on the motion of the gentleman from Illinois.

The question was taken, and the motion was rejected.

The SPEAKER. The question is on the motion of the gentleman from Michigan that the House recede and concur with an amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Page 26, line 20:
"Naval air station, Sand Point, Wash.: Toward development for heavier-than-air equipment, $600,000; toward grading, filling, and clearing, $200,000; in all, $800,000."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement. First, Mr. Speaker, I ask unanimous consent that amendment No. 54 may be reported also and the two may be considered together. One relates to the donation of the land and the other relates to an appropriation for improvement.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will report amendment No. 54.

The Clerk read as follows:

Page 27, after line 6:
"The Secretary of the Navy is authorized to accept from King County, State of Washington, free from encumbrances and without cost to the United States Government in excess of $1, a certain tract of land containing 400 acres, more or less, located at Sand Point, on Lake Washington, for use as a site for a naval aviation base."

Mr. KELLEY of Michigan. I move to further insist on the disagreement to the Senate amendments.

Mr. MILLER. Mr. Speaker, I make a preferential motion that the House recede from its disagreement to Senate amendments Nos. 51 and 54.

The SPEAKER. The gentleman moves that the House recede and concur in Senate amendments 51 and 54.

Mr. MILLER. And in lieu of the matter inserted in said amendments insert the amendment which I send to the Clerk's desk.

The SPEAKER. The gentleman from Washington moves that the House recede and concur in Senate amendments Nos. 51 and 54 with an amendment which the Clerk will report.

The Clerk read as follows:

Mr. MILLER moves to recede and concur in Senate amendment No. 51, with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:
"Naval air station, Sand Point, Wash.: Toward development for heavier-than-air equipment, $500,000."

The SPEAKER. The gentleman wishes to concur in all of amendment 54?

Mr. MILLER. Amendments 51 and 54 are to be considered together.

Mr. Speaker and gentlemen of the House, one year ago this same Senate amendment was brought to the House, and in lieu of an appropriation for the construction of this air base a joint congressional committee was agreed upon to be sent to the Pacific coast. Five of the distinguished Members of this House were appointed by the Speaker to cooperate with five Members of the Senate appointed by the President of the Senate. That committee proceeded to the Pacific coast charged with the duty of not only looking over the proposed naval base at Alameda but this Sand Point aviation base. That committee proceeded in its duty and filed its report in this House, and I would ask every Member of the House to read it. It is No. 1272 and is a unanimously favorable recommendation.

Now, we are in this position, gentlemen, on the Pacific coast: There are 12 great aviation bases on the Atlantic; there is 1 on the Pacific, and that is 1,600 miles away from Puget Sound. There is only one aviation base on the Pacific, and that is at San Diego, 18 miles from the Mexican boundary. As I said before to-day, the Pacific coast now is the great national exposure of the United States and will continue to be such until Congress gives us its attention and assistance, as it has heretofore done for the Atlantic coast. North of Puget Sound is the great Alaskan archipelago of over 2,000 islands, all crossed and crisscrossed with navigable channels, the natural place, the only place, where a hostile fleet could conceal itself and be within 12 hours striking distance of the strategic key to continental America. Any navy in the world could hide in the archipelago and could never be found except through the Air Service. Everybody, every committee, that has ever looked at this site at Sand Point, or been appointed to consider it, has reported favorably to the Navy Department and to this House. It was first recommended by the Helm board, over six years ago. The Helm board was a board of naval officers, appointed by the Navy Department to proceed to the Pacific coast and map out some comprehensive plan of strategic defense, and the first place their eyes rested upon was this proposed aviation base at Sand Point.

Now, the board of county commissioners of the county of King has secured that site, 400 acres, at over $400,000 expense to the taxpayers of the county, and is willing to donate it to the United States Government. The committee of this House, this joint congressional committee, visited the site; they were there accompanied by the chief of Navy operations, and the Secretary of War was there, and all unanimously agreed that it is the only site in the entire Puget Sound country available for an aviation base. Our people are interested in it as a vital element of the national defense, especially of the Pacific northwest, which is now the weak point, as every expert will agree, of the entire Pacific coast. The greater portion of the Navy is now in the Pacific, and not another naval aviation base to aid the Bureau of Operations except one that is 1,600 miles away. I would ask Members of this House to help us on the Pacific coast. Some of you may ask why this great Northwest on the finger tip of the Nation is the point of exposure. I can simply say, gentlemen, that strategy is world wide. Some sixty years ago, when five great nations of Europe became involved in war, they all rushed to a peninsula in the Black Sea, and the Crimea first became known to the world. It became the battle ground of the greatest war in history until the World War convulsed mankind. Strategy made it thus. And some day, gentlemen, the battle of the Strait of Juan de Fuca will be recorded in history. It is the weak point now, a pass in the sea. Thermopylae was once and still is the historic pass on the land. But, gentlemen, my time is short, I must hasten.

Do you know every transcontinental railway line, both Canadian and American excepting two, have their railheads on Puget Sound; every one in Canada and every one in America, with the exception of two. Three-quarters of a million people live on Puget Sound. And we are asking, gentlemen, for some protection there and on the North Pacific coast. The only supply of coal in the Pacific Coast States is found on Puget Sound, which is sufficient to make it the objective of any naval operation. There is situated great explosive works, the greatest system of warehouses on the coast, all connected with the railheads. Puget Sound is the vulnerable point on the Pacific coast. This air station that we so long have wanted would be in a great measure a defense to us, as it would be to the Nation as a whole. It is only 20 miles from the Puget Sound Navy Yard, and it is the only site in the entire Puget Sound country where the topography of the land will permit of the establishment of a heavier-than-air base.

And, as I say, our people have purchased it and are ready to turn it over to the United States Government, and all we ask of you is to take it with our good will and make this small appropriation for the equipment. I know there is demand for economy; I know there is a demand for stripping appropriations to the bone; I know a tax-burdened people are watching every dollar expended by the Congress; but, gentlemen, true statesmanship and true statesmen never, whatever may come or whatever may go, sacrifice the national defense. The national security is of such importance to every man, woman, and child of the Republic that its maintenance should be our highest and most sacred duty. It is of such transcendent importance it can not be measured in dollars and cents; it can only be measured in human blood and human lives. In my judgment, the national security outweighs every other consideration which may come to you or come to me. People, while they are crying out against taxation, expect you and I who know conditions to never for one moment overlook the security of our country as a whole.

I fervently pray that we may never again be involved in war, and the best way, the only way as mankind sees it to-day, is to so reasonably defend ourselves as to make war upon us impossible. We shall make war on no nation. All that we should do—all we can do—is to make it beyond their power to reach us or damage us. Time and experience may teach mankind some lessons.

Evolution of the human understanding may some time reach the nations and the men of nations and lead them to recognize the uselessness of war. But we are not there yet in the civilization of to-day. Were it so, wars as they are being fought this very hour would have ceased and an appeal to reason would have stayed the sword.

I also know there is a widespread, I might almost say universal, demand for disarmament. A Senate amendment which will follow this item in this very measure we are now discussing calls upon the President to invite two of the leading nations of the earth to meet with ours and discuss and, if possible, arrange for a mutual reduction of armaments. I am in favor of that amendment; I shall vote for it; but while we are discussing disarmament let us see to it that the mouth shall speak the truth and the hand shall not hold a dagger to be thrust into our body.

Gentlemen, follow me a moment in your better thoughts, in your highest aims, in your most hopeful ideals. Is it not better that when these representatives come at the call of our President they shall see a nation every corner, every outpost of which is thoroughly protected, so they may see and may know that the greatest Nation of them all is for peace throughout the world; that we as the one Nation which turned the tide of the world's last great struggle in war shall now turn to the leadership in the world's peace?

While they see us in the spirit of peace and of good will, they shall also see that America is not doing this for her own protection, but is doing it as a leader of moral advancement and Christian progress. Let them know us as we are, see us as we are, without a weak spot on the ocean or the land. That is the way to get results.

Gentlemen, I am asking you by this motion to close the door in the Northwest that is now standing half open, to bar a gateway now easy of passage. Give us, give the Pacific Northwest what it so bady needs and then we, like you, can rest in security. There is no thought so comforting as the knowledge that you are fairly and reasonably secure. Self-defense is the highest law as well as the highest right of man; the national defense is the highest and greatest right of nations. You are secure on the Atlantic; you have been for years; we helped you to be so. Now you return to us the assistance so freely given by placing this element of defense of our homes as we placed others at and over yours.

The national defense is like a mighty chain—no stronger than its weakest link. Here in the far Northwest is that weak link; we want that strengthened. It is all we ask—the aviation base at Sand Point.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed the following resolution:

Resolved, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 775) entitled "An act to confer jurisdiction on the Court of Claims to certify findings of fact and for other purposes," for reengrossment.

The SPEAKER. Is there objection to the request of the Senate? [After a pause.] The Chair hears none.

CONFERENCE REPORT—NAVAL APPROPRIATIONS.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Washington [Mr. HADLEY].

Mr. HADLEY. Mr. Speaker and gentlemen of the House, my colleague has very clearly and definitely stated the situation. I do not desire to indulge in any cumulative statement, but I do think I would not be doing my full duty to the people of the Pacific coast, particularly those on Puget Sound, in the State of Washington, or even to the people of the whole country, if I did not say a few words to supplement the statement that has just been made.

As my colleague has said, Congress created a commission to investigate certain sites on the Pacific coast, naval bases and aviation bases, and Sand Point was one. The commission went out there. It was composed of Members of each of the two bodies, and five of them were distinguished members of the Naval Committee of the House. They did their work, and did it thoroughly. I know that, because I was on Puget Sound when they were there. They have reported, and without indulging to any extent in reading from their report, I call your attention to a few lines.

It is the opinion of this committee—

And it so recommends—

that a naval aviation base should be established in the Puget Sound region, and that Sand Point is the most desirable site available for that purpose in this region, and that it should be selected and acquired.

Then they make specific recommendations with reference to its establishment and development.

This motion to recede and concur with an amendment is in harmony with the spirit and purpose of the recommendations of that committee, reducing the amount, as I understand, from $800,000 to $500,000, although the committee had recommended an expenditure immediately of $1,500,000. Certain grading and clearing are necessary, and a certain initial equipment for the heavier-than-air craft unit recommended, and the $500,000 is desired for that purpose.

Now, this is not the ordinary situation of a legislative rider on an appropriation bill. These gentlemen were designated as a commission to go to the Pacific coast on the part of Congress to make an investigation and report to Congress, and they have reported to Congress. I believe in regularity. I am in sympathy with the idea of respecting the jurisdiction of the committees of this House. I do not desire to deprive them of legislative jurisdiction or any other appropriate jurisdiction, but that question is not presented here. The best evidence of the fact that it is not presented is that this question is properly here before us, and if it were not properly before us it would have been met in the usual way by some point of order. It is here upon the report of these gentlemen, based upon the facts, the report of men who were upon the ground, who know the circumstances and the situation. Having regard to their duty as a commission on behalf of Congress, they have made this report.

Mr. MILLER. Mr. Speaker, will the gentleman yield right there?

Mr. HADLEY. Yes.

Mr. MILLER. A unanimous report.

Mr. HADLEY. Yes. I thank the gentleman.

I am in sympathy also with the idea and the practice of economy, but it is not economy to neglect the proper protection of the American frontier.

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield to the gentleman two minutes more.

The SPEAKER. The gentleman from Washington is recognized for two minutes more.

Mr. HADLEY. I am also interested with you in making a favorable balance sheet for the United States Government, a favorable showing of Congress in these troublous times; but I know you are interested in seeing that no part of the domain of the American Continent or of the American Government is at any time defenseless in respect to any kind of modern defense. To that end an enterprising and patriotic people—the people of the county of King, in the State of Washington—tender this site valued at $300,000, conditioned upon the contemplated appropriation. When we consider the relation of aviation to the Navy and to national defense, and remember that it is 1,500 or 1,600 miles from the international boundary between Canada and the United States and San Diego, and that there is but one naval base in all that vast stretch of coast line, remembering, too, the great Alaskan empire far beyond in the northwest, but one aviation base, and that near the Mexican border; when you consider that more than half of our entire Navy, our fighting ships, are stationed on the Pacific coast in the vicinity of Puget Sound, and, as I am informed, more than half or three-fourths of our superdreadnaughts are located in that area around Puget Sound, and that we have that single aviation base a way down on the Mexican border; I submit under these circumstances, gentlemen, we are not doing our full duty unless we give those dreadnaughts, and that great section of our Navy, the eyes which this committee report contemplates.

I am interested in this not alone for Puget Sound, not alone for Washington and the Pacific coast, but I am interested in it for the entire country. I hope, gentlemen, that you will think seriously and favorably of this amendment.

The SPEAKER. The time of the gentleman from Washington has again expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield to the gentleman one minute more.

The SPEAKER. The gentleman from Washington is recognized for one minute more.

Mr. HADLEY. I have lived 30 years and more in that immediate vicinity. I know the circumstances and I know the environments of the Pacific coast. I went there from the State of Indiana. I know the needs of the interior and I want to see them met. I know the needs of the East and of the West.

I am equally zealous in their behalf. I have lived on the Pacific coast long enough to know that unless we grant this relief we will be in effect to that material extent denying the right national security, and I feel abundantly warranted in not only supporting this motion but in urging upon you by every consideration in the interest of our country and of the American Navy, indorsed as the proposition is, to grant this appropriation. [Applause.]

The SPEAKER. The time of the gentleman from Washington has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Arkansas [Mr. WINGO].

The SPEAKER. The gentleman from Arkansas is recognized for five minutes.

Mr. WINGO. Mr. Speaker and gentlemen of the House, I am sure you will agree with me that, so far as the people of my district and State are concerned, we have no peculiar interest in the question of a naval air station on the Pacific coast, but in the discharge of my duties on this floor I try not to confine myself simply to those things that are of peculiar interest to my own district and State. While, of course, they come first with me, as naturally they come with all men, yet as one who has given some little thought in his humble way to the problems that confront us as a Nation in the future, I am firmly convinced that there are two of those problems that are involved in the pending proposition. The one is the proper development of the Air Service and air defense, and the other is the proper development of our military defenses on the Pacific coast.

I am one of those who hope that ultimately, when the passions of the hour have died away, some kind of arrangement or agreement may be reached, perfectly compatible with our sovereignty and independence as a free people and avoiding any entanglement with those things that do not affect us—I say some kind of an arrangement or agreement sooner or later will be reached by the war-weary people of the earth to prevent, as far as it is possible, armed conflicts. But as long as this Nation or any other nation contemplates the possibility of war in the future they are going to turn their eyes, first of all, to the Pacific Ocean. Let us not mistake the future. The commercial development of the countries that border upon the Pacific Ocean is going to be very rapid in the next decade or so, and as that development commercially comes, with it is going to come naturally the friction that will impinge upon political relations and have a direct relation to the naval problems on the Pacific Ocean.

And with the long Pacific coast line that we have, with the great development that is coming, with the problems that we know may confront us in the future upon the Pacific, I take it that it is the part of real economy to cut down on other things and to provide adequate bases on the Pacific coast, and especially for the naval air service, because I think the air service has got to be developed in the future if we are wise and look forward to the future of warfare and the developments that are coming in warfare as a result of the experiences of the late war. So, contradictory as the statement may appear, I think it is really wise economy to undertake to have a well-considered program of development of our defenses upon the Pacific coast and economize in other places, and go about this in a systematic way and see not only that the proper defenses of our Pacific coast are provided, but that, above all, naval air stations upon the Pacific coast shall be worked out in a proper, scientific way. I understand that the commission that has investigated it have come here with a unanimous report. When this board of experts who have examined this question are unanimous upon it, why should we delay longer in undertaking to meet the need? [Applause.]

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Idaho [Mr. FRENCH].

Mr. FRENCH. Mr. Speaker, I regret that this is a question that can not be considered entirely upon its merits. I regret that the question of the rules must be involved. Because of the rules I can not speak for committee consideration, but I want to say that from my personal knowledge of the problem, and apart from the question of the rule, the proposition is meritorious and deserves the support of the House.

From San Diego to the Canadian line the Pacific coast for a distance of 1,600 miles has no naval air base. What, then, is the proposition? The city of Seattle is tendering to the Government 400 acres of land a few miles from that great city, within King County upon Lake Washington. Across the bay from the city of Seattle is the navy yard of Bremerton, one of the greatest navy yards in the United States. From the standpoint of location, availability of deep water, abundance of room, and natural defenses against a possible enemy, here is one of the truly great navy yards of the world. But the navy yard is not protected by air service. Not only is it true, as my colleague, Mr. MILLER, has said, that the weak point in our defense is in the Northwest, but this further thought should be in the minds of Members, that an enemy in striking the Northwest would, first of all, not attack the city of Seattle, or Tacoma, but rather would drop its shells upon the navy yard at Bremerton across the bay by means of aircraft. Against such possible attack there is no air defense. Furthermore, at Bremerton there is no room for an Air Service base. About 15 miles away, just across the bay from Bremerton and north of the city of Seattle, is Lake Washington, a great inland freshwater lake that is connected with Puget Sound by means of locks, through which we can take the biggest ships of the Navy. Projecting into this lake is the peninsula of Sand Point, having an area of 400 acres, upon which it is proposed a naval airplane base be established, and the city of Seattle proposes to give that land to the Government of the United States. I submit that it is good business judgment to accept the gift. I submit that it is of very vital importance, for the protection not only of the Sound but of the great navy yard at Bremerton, that a naval airplane base be established at some convenient point. This is the most convenient point. It has the approval of the Navy Department. It has the approval of the Helm Board. It has the approval of the joint committee of the Senate and House that investigated the proposition a year ago. It has the approval of the Senate. I believe that if Members can consistently see their way, notwithstanding the general rule, but from the standpoint of merit, this amendment ought to prevail. [Applause.]

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Oregon [Mr. MCARTHUR].

Mr. MCARTHUR. Mr. Speaker, the ground has been so thoroughly covered with reference to this amendment that it seems useless to take up further time of the House in presenting the reasons for its adoption. I wish, however, to call the attention of Members from other sections of the country to the great extent of unprotected territory on the Pacific coast. Between San Francisco Bay and the entrance to the Straits of Juan de Fuca we have a coast line longer than from Cape Cod to Cape Hatteras. It is entirely unprotected in the matter of naval defenses, although there is an authorization by Congress for a submarine, destroyer, and aviation base at the mouth of the Columbia River. Aside from that, we have this long stretch of coast line totally unprotected. We also have our great domain in Alaska, and the only air station that we have on the coast at the present time is the one at San Diego. The welfare of the Nation demands that we approach this question from a national rather than a local or sectional standpoint, and from this great national standpoint we should adopt the amendment of the gentleman from Washington [Mr. MILLER]. I earnestly believe that the amendment should be adopted. [Applause.]

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Tennessee [Mr. PADGETT].

Mr. PADGETT. Mr. Speaker, in the long coast line of the Pacific nature has provided three proper and well-conditioned places for naval activity. Up at the Canadian border is Puget Sound, where we have the great navy yard at Bremerton. Then there is a stretch of 700 or 800 miles to San Francisco Bay, in the center of the coast line, where there is splendid water. Then going on to the south there is no good water until you get into southern California at San Diego, in the bay there. There is a smaller bay at Los Angeles, about 80 miles north, but it is not fitted for a great naval base, but is well fitted for a submarine base.

The joint committee appointed from the Members of the Senate and House viewed these different places. Sand Point is located on Lake Washington, something like 30 miles from the city of Seattle, and is splendidly located so far as the water is concerned. It is the best location available so far as the land is concerned. The whole State is mountainous and broken, and these 400 acres is the best available spot so far as the land is concerned. If it is the purpose of Congress to protect the Pacific coast, this is a very meritorious project.

We have adopted recently a different policy with reference to the Pacific coast. Heretofore we have only maintained a small fleet of subsidiary and unimportant vessels in the Pacific. Now the policy is established and is being carried out of dividing the fleet fifty-fifty between the Pacific and the Atlantic. That being true, it is necessary that Puget Sound at the extreme north should be developed and protected, that in the center there should be a development at San Francisco Bay, and San Diego on the south.

Mr. BUTLER. Will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BUTLER. Did not the gentleman when he came back from the visit ask me to see a Member to protest against some of these things?

Mr. PADGETT. I did.

Mr. BUTLER. And then the gentleman went and signed the report. I would like to have the gentleman play fair.

Mr. PADGETT. I did play fair. At Mare Island, 28 miles above San Francisco, we have a navy yard that is a magnificent and good yard. I was protesting against any report that would minimize or destroy Mare Island. The report carries a recommendation for the retention of Mare Island and also the recommendation that San Francisco Bay should be developed as a supply base and dock establishment, that Mare Island should be maintained and continued for repair and for construction purposes. When the committee joined with me in that contention and so recommended the report was unanimous. That was the contention that I spoke to the gentleman from Pennsylvania about. Now, there is no doubt that these three major points should be developed and protected.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Gentlemen of the House, I assure you that it is no pleasure for me to speak in opposition to the gentlemen who have addressed the House in favor of this project. I am opposed to it; however, I am in favor of developing the Air Service. This is no time, however, to become hysterical in the development of the Air Service. Take this project now proposed, and there is another immediately following for the development of another base on the Pacific coast. Together they demonstrate how illy considered this whole proposition is. We are up in the air in this whole project. The report that was signed a year ago might have been all right at that time, but entirely wrong now, as men in the Army tell us what might be all right to-day may be of no avail to-morrow. There is no necessity now for establishing naval bases to meet immediate emergencies. It may be that these should be established some time, but there is no occasion for it now. I insist that if we are going to keep our pledges that we made to the people of this country that we will retrench in governmental expenses there are two places where it can be effectually done without injury to the country—one is with reference to the Army and the other is with reference to the Navy. It does not take forever to establish a naval base. There is no imminent danger of war to-morrow or the next day, and if there was we could establish a naval base wherever it was needed in a short space of time. It does not take as long to establish a naval base as to build a dreadnaught. The flying machine can be built in a short time and a base can be arranged in short order. Let us be sensible, let the proper legislative committee whose business it is to make the investigation determine how many we should have, where they should be located, and what the expense will be. They would have them established everywhere along the Pacific coast, as the amendments in this bill show. Everywhere along the Atlantic coast a project has already been indicated. There is no necessity for all this. There is a necessity for them at a few places, but you do not know and I do not know where they should be located. There is much contrariety of opinion among gentlemen who are supposed to be experts as to the places where they would have them located. The fact of the matter is, if we are going to have the best possible service there ought to be union between the aerial service of the Army and the Navy and not so much duplication. I think one of the most unfortunate things that ever occurred was when the Departments of War and Navy were separated. At one time the War Department had charge of the Army and also of the Navy and they worked together, but in an evil hour they were divided, and since that time there has been, as there is now, conflict, competition, discrimination, envy, and all the things that go to unmake rather than make for efficiency. I believe the time will come when these two great arms of the service will be united, as they should be, and act as the strong arm of the Government in case of war and as a deterrent of war.

Mr. REAVIS. Will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. REAVIS. What would the gentleman think of the consolidation of the Army and Navy into a department of defense?

Mr. WOOD of Indiana. I think it would be the best thing that could happen to the Government in time of war or in time of peace.

Mr. REAVIS. That is one of the things that may be done. [Applause.]

Mr. WOOD of Indiana. Yes; and I hope it will be speedily done; and I want to say that this is no time to locate haphazard these air bases because forsooth different sections would like to have them. I admonish you, gentlemen, not to be deceived by this proposition to give the Government these 1,000 or 400 acres of land. It will prove a snare and a delusion, for the next thing will be the expenditure of millions and millions in the development of this proposed project. Let us give this whole matter careful consideration before we act. [Applause.]

Mr. BUTLER. Will I tire the House if I use three or four minutes? [Cries of "No!"] See how carelessly this amendment has been drawn. Do you know where they propose to establish this station? It is in a great woods, I am told. Do you know that its promoters wrote into this bill a provision for excavation, $200,000, and there is no excavation to make. They have since discovered this and have voluntarily stricken it out to-day. I want to repeat what I have said to you, that never again will I vote for a lump-sum appropriation. It must be segregated. Six hundred thousand dollars to do what? To begin an air station. I confess that I am for the station; but before ever I vote in favor of an appropriation I want the department to show me, item after item, how the money is to be expended. Do gentlemen agree with me? I want them to segregate all of these items, although they carry no more than $250 each. Then I propose, if this House will stay with me, to put a time lock upon the sum and put the keys in the hands of Congress. Otherwise, where will this lead to? After an experience of 25 years, let me tell you that the trail is toward the destruction of our Treasury. It will lead to $25,000,000 here. Six hundred thousand dollars for what? "Toward the development of!" Oh, that fatal "toward." It is toward the development of an air station. I am in favor of air stations, but I am not in favor of everything that this commission recommended, because if you adopt its whole report it will cost our Government $150,000,000. I would like you to permit the Naval Affairs Committee of the House to first ask the Navy Department whether it wishes an air station at this point. Never has there been a request made of our committee to establish an air station there. It first appears at the other end of the Capitol in a lump-sum appropriation, without our knowing the character of ground or the number of necessary buildings.

The clerk to the Naval Affairs Committee and I made an estimate a few moments ago. We will have to have shops there, a commandant's house, commandant's quarters, officers' quarters, quarters for captains, for admirals, and offices for them, houses for mechanics, waterworks and electric-light plants, and not one specification given to you here. Do it if you will, but we do it at our own risk.

Mr. REAVIS. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. REAVIS. Has anyone ever indicated that this is a strategic point for this plant?

Mr. BUTLER. Oh, yes; the commission that went out there had a number of officers with them, and they submit that it is. I am told they did so consider it. I shall read the report some day, but I am not going to stand for all of it. There must be some air service developed at this point. I do hope, however, before we expend much money that it will be determined whether or not there shall be a combination between the Army and the Navy in the way of production and maintenance of these air stations. It is now proposed to abandon two of them that have been developed on the Atlantic coast. I would not tell you the amount of money that has been spent on them, but I know a great deal. Let us first determine how much these stations will cost, how much they will expend for the hangars, how much for the shops, how many shops they will need, what they are to be constructed of, how much the quarters will cost, and so forth, item by item. If they do not do that, then I say to you that I shall never vote for the appropriation. Am I in accord with my old friend's views?

Mr. KELLEY of Michigan. Entirely so.

Mr. BUTLER. The gentleman from Michigan and I have talked over these things several times, and many of the views that I have respecting economy I have obtained from my old friend from Michigan, and I want him to get on his feet and help me here. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I have stated over and over again, both in conference and out of it, that the opposition to any item of the chairman of the Committee on Naval Affairs is sufficient for me, and I still stand right there.

I yield five minutes to the gentleman from California [Mr. OSBORNE].

Mr. OSBORNE. Mr. Speaker and gentlemen of the House, the gentleman from Indiana [Mr. WOOD] a few moments ago referred to this proposed naval station as something that had been carelessly passed upon. The fact of the matter is that there has been a great deal of consideration given to the proper naval defense of the Pacific coast. It has been in progress

for several years. About five years ago what was known as the Helm Commission made an investigation of the coasts both east and west, both on the Atlantic and on the Pacific. At that time they submitted a very elaborate report in which was recommended these particular units intended for the proper naval defense of the Pacific coast. That report came a little before our entrance into the World War and was not acted upon. At the completion of the war another commission of naval officers was appointed to look over the Pacific coast and to report on the same question. They did so. Their reports are a matter of record. They reported a complete plan for Pacific naval defense and a number of places where there should be naval defense. One of these is the item which we now have before us, at Sand Point, Wash. Others were at San Diego, Los Angeles Harbor, San Francisco, and other points on the coast.

Mr. Speaker, the Pacific coast is a long way from here. It does not attract the attention of people here quite as much as it probably would if it were near by, where they could see it. It is only once in a while that Members of this House of Representatives get out there. There are over 400 Members of this body who live east of the Rocky Mountains and only about 33 Members west of the Rocky Mountains. You do not go there very often, and I fear you do not appreciate, many of you, the importance of the naval defense of the Pacific coast.

After the last commission had reported we came into the last Congress, and these same matters were up for consideration, and the distinguished chairman of this committee [Mr. KELLEY of Michigan] himself proposed that there should be a joint committee of Congress go out to the Pacific coast and look over it again. They did go out there and they again recommended unanimously that these units that they have now under consideration, this very one, be established, and they so reported to Congress. In the wisdom of the Appropriation Committees they have cut out the particular item that individually I am most interested in—the submarine base at Los Angeles Harbor—but that makes no difference to me, so far as the balance of the defense plan is concerned. Those that are possible to have put in I am for as a matter of national interest. I have no selfish feeling in the matter. I am for this particular item that we have under consideration now and I hope the House will vote the item into the bill. We have more than half the Navy of the United States on the Pacific coast now and we have not the facilities for properly taking care of them.

One gentleman spoke about Los Angeles Harbor, about its not being large enough for a naval base. As a matter of fact, Los Angeles Harbor is now, and has been since the Pacific Fleet went there, the headquarters of that fleet most of the time. Admiral Rodman had his headquarters there nearly all of the time. I hope this item will be put into the bill and this aviation base established.

Mr. KELLEY of Michigan. Mr. Speaker, I ask for a vote.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Washington to recede and concur in Senate amendments 51 and 54 with an amendment which he moves.

The question was taken, and the Speaker pro tempore announced that the noes seemed to have it.

On a division (demanded by Mr. MILLER) there were—ayes 30, noes 84.

So the amendment was rejected.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan to further insist.

The question was taken, and the motion was agreed to.

Mr. JOHNSON of Washington. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Washington rise?

Mr. JOHNSON of Washington. I desire to ask unanimous consent to extend my remarks in the RECORD on the item just passed.

The SPEAKER pro tempore. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD on the propcsition just passed. Is there objection? [After a pause.] The Chair hears none.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent to return to amendment No. 16, which was passed over because of those two of which we have just disposed.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent to return to amendment No. 16, which was passed over. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Page 6, line 21, strike out the word "six" and insert in lieu thereof "seven."

Mr. KELLEY of Michigan. Mr. Speaker, I move to further insist upon the disagreement.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 55, page 27, after line 12 insert:

"The Secretary of the Navy is authorized to acquire 1,000 acres, more or less, at or near Camp Kearny, Calif., for a site for a lighter-than-air aviation station and to pay for the same an average price of not exceeding $100 per acre out of any funds appropriated for aviation purposes."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist upon its disagreement to this amendment, and I yield a half minute to the gentleman from Kentucky [Mr. ROBSION] to prefer a unanimous-consent request.

Mr. ROBSION. Mr. Speaker, the present Federal aid road law provides that not more than 3 per cent of any appropriation shall be expended for administrative purposes. There have been a great many inquiries made about this, how it was expended, and I have asked the Director of Roads to furnish a brief statement, and he has furnished that statement. It is very illuminating and very instructive to the House, and I ask unanimous consent to extend my remarks by printing this report in the RECORD.

The SPEAKER pro tempore. The gentleman from Kentucky asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection? [After a pause.] The Chair hears none.

The communication referred to is as follows:

The 3 per cent Federal aid administrative fund can not be decreased if proper supervision is to be given the expenditure of Federal funds. Allowable expenditures by the bureau from the 3 per cent fund are not based upon the appropriation available, but are based upon the amounts of the Federal aid fund involved in actual operations by the States. The fund is divided into two parts, as follows:

(a) Allowable expenditures for the field work of the district and State offices, 2.6 per cent.

(b) Allowance for expenditure by headquarters office, four-tenths of 1 per cent.

It will be noted that the expenditure allowed in the Washington headquarters is less than one-half of 1 per cent, and that any reduction in the administrative per cent allowed would simply decrease the supervisory and advisory engineering work of the bureau in the States. Any cut in the administrative funds would have to be borne by the district offices, as the Washington office can not be administered with less than the amount now allotted. The actual expenditure for 1920 on the business done amounted to 2.9 per cent. The actual expenditure on the business done to May 1 of this year is 2.5 per cent. It will be noted that the allowable expenditure is always based on the business done, not on the appropriation made by Congress. Also, it must be remembered that the Federal supervision is extended over both the State and Federal funds, so that 3 per cent of the Federal appropriation on a 50-50 basis would only give a 1½ per cent administrative fund on the total appropriation. Yet even this amount is not available, because the Federal appropriation has only amounted to 43 per cent of the total of State and Federal funds made available for Federal aid projects. Thus, the amount actually available for Federal supervision based on the total work supervised of State and Federal funds is 3 per cent of 43, or 1.29 per cent. To decrease the administrative fund would only defeat the Federal purpose. Federal supervision ought to be extended rather than diminished. Also, up to the present year additional appropriations have been made to the bureau for research work, but for the next fiscal year the only fund available for research work must be taken from the administrative fund. The law already provides that the Secretary is only authorized to use as much of the 3 per cent fund as is absolutely necessary for administrative purposes. Any amount remaining is redistributed to the States. This provision should remain as it is at present.

Mr. RAKER. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from California rise?

Mr. RAKER. To submit a preferential motion. I move to recede and concur in amendment No. 55.

Mr. SWING. Mr. Speaker, I desire to submit a preferential motion on amendment 55. I move that the House recede and concur in the Senate amendment.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Speaker, when the distinguished gentleman from Kansas, speaking on this bill the other day, said that the next war would be settled in a large part by chemical warfare and activity in the air he spoke with prophetic vision. The bombing tests recently made by the Army and Navy, resulting in sinking the German ships, establish beyond all question the value of aviation both for defense and for attack. No one believes that this country, which gave aviation to the world, will ever consent to be second to any other nation in air activities.

There are two branches or wings to aviation—the heavier-than-air and the lighter-than-air. In the latter branch we are far behind the great powers of the world. And yet this branch has proven that it has certain definite advantages over the heavier-than-air machines. The dirigible possesses a great cruising radius up to 9,000 miles. It possesses a tremendous carrying capacity up to 30 tons. It has so far developed a maximum speed of 70 miles per hour and an average speed of 40 miles per hour. These are points of vital importance.

During the war Germany demonstrated the success of the rigid lighter-than-air machine. Her Zeppelin took her men where they wanted to go. The fact that they were unable to cause the havoc and destruction they desired when they got there is no argument against the dirigible, whose mechanical performance was perfect. The lack of destruction was the fault of the bombs which were dropped, not the fault of the machine from which they were dropped.

England, too, began to use the dirigible at the close of the war as navy scouts. Two years ago this summer the great *R–34*, built in England, crossed the Atlantic to this continent and returned safely home. This performance helped to open the eyes of our people and prompted us to buy from England a companion dirigible, *R–38*, which we have named *RZ–2*. We also authorized the construction of a similar dirigible in this country, which is now in course of completion.

It has been decided that one of these giant dirigibles should be located on the Atlantic coast and one on the Pacific. The investigation to determine the proper site on the Pacific coast was made by both the Navy General Board and by a joint naval committee of the two Houses. Both bodies reported in favor of Camp Kearny, San Diego. The climatic conditions are favorable—free from storms. The great visibility in this locality makes the dirigible extremely useful. In this part of the Pacific Ocean, flying at a good elevation, it is possible to see to great depths below the surface of the ocean. It is impossible for submarines in fair weather to escape from one of these dirigibles armed with an immense quantity of depth bombs. And as the Navy, in part at least, is to use San Diego Harbor as a base, the dirigible would be useful as a scout for that part of the fleet.

Now, as to Camp Kearny itself: This camp lies on a wide plain about 12 or 14 miles distant from San Diego. It is free from any high mountains in the immediate vicinity which might adversely affect the air currents, and yet it is shielded and protected from the ocean side by quite an elevation of land between the camp and the ocean. The Army has spent an immense amount of money there clearing and leveling the ground; laying out macadam roads; putting pipes for water, gas, and sewerage; putting up poles and wires for electric lights, telephones, and telegraph.

A concrete highway has been built connecting the camp with the city of San Diego. The Santa Fe Railroad has a branch to the camp. The Army lease expires June 30, and unless we act these valuable improvements containing hundreds of thousands of dollars—yes, millions—will be sold for a song as junk, and the camp go back to private owners.

To acquire the 1,000 acres desired by the Navy requires no appropriation. That is the important thing, gentlemen, that I want to impress upon you. This item is different than those we have just been considering. You are not being asked to appropriate a cent. The Navy has the money saved from other projects and seeks merely an authorization to use it to acquire this valuable camp as a site for our second dirigible. What are we going to do with the great rigid costing nearly $2,000,000? We must find a place to keep it. The Navy has no place now on the Pacific coast where it can be cared for. It must get such a site. The Navy wants this site. The joint congressional committee, after careful investigation, indorsed the Navy's request. Its acquisition will not add a dollar to the appropriation carried in this bill. On the contrary, this amendment will result in saving money, because all these Government-owned improvements will be sacrifices for a few cents on the dollar unless we act now to save this property for the Navy. I hope the House will recede and concur in the Senate amendments.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, merely to augment the statement just so well presented to the House by the distinguished new Member from San Diego [Mr. SWING], who so ably succeeds my dear friend, "Billy" Kettner, I would like to suggest the hope that his amendment prevail to-day, and that the bill carry the establishment of Camp Kearney as a lighter-than-air base on the Pacific coast. Should his motion prevail, not one single dollar will be added to the naval appropriation now under consideration, because the purchase money is to come out of the funds provided for aviation in a lump sum. There is no specific——

Mr. WOOD of Indiana. And what will all the improvements come from?

Mr. BRITTEN. They will be cared for later on. There is no question about the necessity for a lighter-than-air base on the Pacific coast. That will come in time, and lighter-than-air activities, according to the best aviation authorities, ought to be separated from heavier-than-air. A hangar that was provided for in July of 1920, and for which $2,000,000 was appropriated, that money made available, has not been contracted for, because the Navy Department has been waiting for the House and the Senate to report to it their desires in the premises. During the past five or six months the special commission composed of five members of the Committee on Naval Affairs of the House, which committee properly has jurisdiction over items of this kind, and also of five members of the Senate Committee on Naval Affairs, investigated this particular site. It is an ideal location for a lighter-than-air base. The public utilities, probably $1,000,000 worth, are now in place—electric lights, railroads, excellent macadam roads. And what I was about to say a few moments ago when interrupted was that these two activities, heavier and lighter than air, should not be together, because the hangar disturbs the air currents, and men flying close to one of these tremendous hangars are liable to meet with a mishap, as they have met them in the past.

This desired station is about 5 miles outside of the city of San Diego. The Navy Department has gone on record, or the best aviational authority has gone on record, for it, the special commission composed of Members of the House and Senate has unanimously recommended this purchase at $100 an acre, gentlemen, an unusually low price for an ideal site. And I hope the motion of the gentleman from California [Mr. SWING] will prevail.

Mr. Speaker, that special committee of the House and Senate, being in the neighborhood of San Diego, where there are extensive activities of the Navy, visited them all, and in that connection, having in mind appropriations heretofore made for aviation not yet allocated or under which obligations have not yet been incurred, inquired into the question of the acquisition of a site for a lighter-than-air base, and is of the opinion that such a base should be established on this part of the coast. The comparative merits of all available proposed sites in this section were carefully considered, and the only sites affording the necessary conditions for such a base which are available in this section are in the vicinity of San Diego.

North Island and March Field, in this locality, were considered, but the committee is advised by the Navy General Board that there is not sufficient area for a naval lighter-than-air base at these sites without serious interference with heavier-than-air activities. The only site free from vital objections, with a sufficiently regular and level surface and without the objection of hills in the vicinity, is the proposed site at Camp Kearny, about 14 miles from San Diego. It is located on a broad, flat plain, permitting steady air currents. A site of about 1,000 acres, clear of brush, and already provided with railroads, water, gas, electricity, sewerage, and good roads, is available here. The Chamber of Commerce of San Diego has made an offer to the Navy Department of 25 acres in this site in fee simple upon which to erect a hangar, and offers to guarantee that the Government shall have an option for five years on approximately 1,000 acres additional, at a price of $100 per acre, the Government, until it is purchased, to pay an annual rental of $8 per acre. In view of the advantages of this site, which can not be obtained elsewhere in this section, the committee recommends that it be selected for a lighter-than-air naval aviation base.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Pennsylvania [Mr. BUTLER].

Mr. BUTLER. If the gentlemen will give me their attention for two or three minutes I will not draw further on their patience. It is extremely embarrassing to be compelled in the performance of a public duty to stand in opposition to a man who I know I am going to like as well as the gentleman from California [Mr. SWING]. He is my colleague on the Naval Affairs Committee, and I want to bear testimony here that in my 25 years in this House I have never seen a man take to his work better than he does. [App'ause.] And no more useful man will come from California, Pennsylvania, Oregon, New York, or any other State. But I can not agree with him here. I hope that some day before long I will agree with him on the subject over which we now differ.

Gentlemen, do you know what we have done? Let me give you an illustration. Do you know that the lump sum for which we intended to acquire North Island, 1,300 acres, that we supposed would cost $1,000,000, has been acquired by the United States for $6,000,000, a field from which to fly planes? How will we obtain the money to pay for it? It is not yet paid for. It has been condemned. I want the Government, if possible, to withdraw the proceedings. I will go along with my friend SWING. We will determine whether we will keep North Island and pay $6,000,000 or go a few miles away and pay $100,000. You must not do it now. I warn you against further acquisi-

tion without inquiry. There are 1,300 acres acquired by the Government at North Island, within 12 miles of this proposed site, one-half for the Army and one-half for the Navy. We have begun buildings there.

One overhead must do, but if you go 12 miles away, you will have another overhead, but where there are no quarters, no engine house, no electric-light works, no water-power plants, are you ready for it? We ask you to wait. I promised my friend from California [Mr. SWING] that I would earnestly consider each of these two places. But we do not want both of them. Do you know of North Island? It is the most beautiful place you ever saw for this purpose, in my judgment. Members of Congress cite to us that a department recommended this. A certain department recommended North Island, and a certain department stated to us that $1,000,000 would be enough, and we have now reached the sum of $6,000,000.

I repeat, the department said to us, as I recollect, that $1,000,000 would be sufficient, and now we are in for $6,000,000. I will not in future accept recommendations from the department until its officers take the witness stand and answer questions. Otherwise if we continue there will be nothing left in the Treasury. [Laughter.]

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. MADDEN. Will the gentleman tell the House that this amendment that he is talking about involves an appropriation of $2,500,000?

Mr. BUTLER. I do not know what it involves. It does not get my vote.

Mr. BRITTEN. The gentleman is entirely in error about that.

Mr. BUTLER No; I will say to my friend from Illinois [Mr. MADDEN] that, in my judgment, after having voted for appropriations recommended by this committee for 25 years, this appropriation involves $20,000,000, not $2,500,000, if we are to keep North Island and acquire this one also. No; I say, let the Committee on Naval Affairs of the House determine and report to you what should be done. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Pennsylvania has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from California [Mr. RAKER].

The SPEAKER pro tempore. The gentleman from California is recognized for five minutes.

Mr. RAKER. Mr. Speaker and gentlemen of the House, the question here is whether or not the recommendations of the department and of the commission and the action by the other branch of Congress in relation to this item should be retained. I think it should and will vote for it. The gentleman from Illinois has clearly presented the situation as to this particular field. We are clearly in favor, and undoubtedly the American people are in favor, of providing a reasonable amount for a reasonable equipment for this service. Here is an ideal location, equipped by the Army for its use, that can readily be converted for the use of lighter-than-air service at a really nominal cost. The location is such that it is to the interest of the country to develop it. It is on the Pacific coast, where a great part of the fleet, if not half of the fleet, is now located and where we ought to have the same equipment and the same aids that are provided in other parts of the United States. There should be no distinction, and I trust that no statement by those who might not be on the committee will have the effect of defeating the amendment or that no political matter or divergence of party interest will affect or retard the development of the proper equipment of the Navy of the United States. It should make no difference. The relationship to the committee should not direct or determine the value or the necessity or the propriety of an item as to whether it should be added or not.

Now, I think I have covered the statement I intended to make relative to this item and trust it will be concurred in by the House.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, once in a great while the distinguished gentleman from Illinois [Mr. MADDEN] makes a suggestion of value which I can follow, and I am with him to-day in his speech when he told us that from now on we should refuse to concur in any of the balance of these numerous Senate amendments. I am heartily with him.

All these 114 amendments, aggregating $98,009,000 increases, which another body has seen fit to place upon the House bill, already loaded down with useless appropriations, remind me only of one thing, and that is of that great electric display that we had in the city during the storm on Sunday afternoon, when lightning darts were striking here and there and elsewhere, and we mortals could not understand the purpose behind them. We mortals can not understand the purpose behind these many Senate amendments.

We have already appropriated for aircraft purposes in the Army bill $19,000,000, in the Post Office appropriation bill $2,000,000, and in this bill already $13,000,000, and yet here is a proposition for a site for a dirigible base, $100,000, to buy a thousand acres of land at $100 an acre, with all of the incident expenses to follow.

Then, getting further down to Senate amendment 95, which we are to pass upon in a little while, the distinguished body at the other end of the Capitol has put in a $15,000,000 appropriation to authorize the construction of two airplane carriers. When is this waste and extravagance to stop? Are you going to continue by your votes to approve these Senate amendments? I am going to continue calling for the yeas and nays and put you on record, so that the people may know who is voting this money out of the Treasury, and may hold responsible those whose economy is only lip deep.

And, then, when we get down to Senate amendment 113 in this bill it proposes to create in the Navy Department, not as a separate department in the Government, but in the Navy Department alone, a new bureau of aeronautics, when the Senate knows and the committee knows and the House knows that there is a movement under consideration right now to combine and consolidate the Navy Department and the War Department, and when it is known pretty well that there is a movement on foot to create an aircraft department of the Government. Those matters are now under consideration. The members of our Committee on Reorganization are now considering that plan. Some of the best talent in this House on that committee are giving the matter their careful consideration. And yet, seemingly without any purpose whatever, we are continually asked to appropriate this big sum and that big sum because certain parts of the United States want the Government's money spent in their particular districts. [Applause.]

Mr. KELLEY of Michigan. I ask for a vote on the gentleman's motion.

The SPEAKER pro tempore. The question is on the motion of the gentleman from California [Mr. SWING] to recede and concur in Senate amendment 55.

The question being taken, on a division (demanded by Mr. RAKER) there were—ayes 10, noes 81.

Mr. RAKER. Mr. Speaker, it appears that there is no quorum present. Not enough Members have voted. I therefore make the point of order that there is no quorum present.

Mr. BLANTON. Mr. Speaker, I make the point of order that the gentleman's point of order is not in conformity with the rules of the House, following the ruling made by the gentleman from Massachusetts [Mr. WALSH] in the chair the other day.

The SPEAKER pro tempore. The Chair will state that under the precedents a Member can always make the point of order that there is no quorum present.

Mr. BLANTON. But not to force an automatic yea-and-nay vote.

The SPEAKER pro tempore. When that question is presented the Chair will make his decision. The gentleman from California makes a point of order that there is no quorum present. The Chair will count.

Mr. RAKER. I simply wanted a record vote, but as Members seem to be satisfied with the vote—10 to 81—I withdraw the point of no quorum. [Applause.]

The SPEAKER pro tempore. The gentleman from California withdraws the point of no quorum. The motion is lost. The question is on the motion of the gentleman from Michigan [Mr. KELLEY] that the House further insist on its disagreement to amendment of the Senate numbered 55.

The motion of Mr. KELLEY of Michigan was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 56: On page 27, line 19, strike out "$5,632,000" and insert in lieu thereof "$11,471,000."

Mr. KELLEY of Michigan. I move that the House recede and concur with an amendment. This is to correct the total.

The SPEAKER pro tempore. The gentleman from Michigan submits a motion, which the Clerk will report.

The Clerk read as follows:

Mr. KELLEY of Michigan moves to recede and concur with the following amendment: In lieu of the sum proposed in said amendment insert "$7,082,000."

Mr. KELLEY of Michigan. The amendment which I have sent to the desk merely corrects the total.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 57: Page 30, line 1, after the figures "$37,023,859" insert ": *Provided*, That the sum of $250 shall be credited to each midshipman who entered the Naval Academy since May 15, 1920, and to each such midshipman discharged since that date to the extent of paying any balance due by any such midshipman to the Academy on account of initial clothing and equipment issued to him: *Provided further*, That hereafter each new midshipman shall, upon admission to the Naval Academy, be credited with the sum of $250 to cover the cost of his initial clothing and equipment issue, to be deducted subsequently from his pay."

Mr. KELLEY of Michigan. I move that the House further insist on its disagreement to this amendment.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House further insist on its disagreement.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 64: Page 33, line 6, strike out the figures "$20,609,672.50" and insert in lieu thereof "$29,392,767."

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent that amendment No. 64 be passed over until we have acted upon amendment No. 101.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent that the consideration of Senate amendment numbered 64 be passed temporarily. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment numbered 67: Page 34, line 21, after line 20, insert:

"That the clothing and small-stores fund is hereby increased out of any funds in the Treasury not otherwise appropriated, so as to equal the value of the stock on hand in the clothing and small-stores account on March 31, 1921, as shown by the records of the Bureau of Supplies and Accounts; and hereafter the clothing and small-stores fund shall be charged with the value of all issues of clothing and small stores made to enlisted men and apprentice seamen required as outfits on first enlistment, not to exceed $100 each, and for civilian clothing not to exceed $15 per man to men given discharge for bad conduct, for undesirability, or inaptitude, and the uniform gratuity paid to officers of the Naval Reserve Force."

Mr. KELLEY of Michigan. Mr. Speaker, I move to concur with an amendment.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House recede and concur with an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. KELLEY of Michigan moves that the House recede and concur with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"The clothing and small-stores fund shall be charged with the value of all issues of clothing and small stores made to enlisted men and apprentice seamen required as outfits on first enlistment, not to exceed $100 each, and for civilian clothing not to exceed $15 per man to men given discharge for bad conduct, for undesirability, or inaptitude, and the uniform gratuity paid to officers of the Naval Reserve Force."

Mr. KELLEY of Michigan. Mr. Speaker, this will avoid an appropriation. It merely provides for the issue of the clothing now on hand. The Navy Department has something like $80,000,000 worth of clothing which it accumulated during the war. This amendment merely authorizes the Navy Department to issue it under the same terms as it has been issuing it during the last two or three years, as provided in former appropriation bills. I think the chairman of the Naval Affairs Committee will accept this amendment.

Mr. BUTLER. Mr. Speaker, we reported this provision. We thought it was a good thing. I have conferred with my colleague [Mr. KRAUS], who has paid a great deal of attention to it, and he thinks it is a good thing.

Mr. KELLEY of Michigan. It will save two or three million dollars.

The SPEAKER pro tempore. The question is on the motion to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 71: Page 38, after line 3, insert: "The statutory limit of $300,000 for repairs and changes to capital ships of the Navy as provided in the act making appropriations for the naval service for the fiscal year ending June 30, 1917, approved August 20, 1916, is hereby changed to $500,000."

Mr. KELLEY of Michigan. I move that the House further insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House further insist on its disagreement.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 72: Page 38, after line 20, insert: "including not to exceed $2,500 for the purchase of land necessary for radio shore stations."

Mr. KELLEY of Michigan. I move that the House further insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House further insist on its disagreement to Senate amendment numbered 72.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 76: Strike out the figures "$2,750" and insert "$3,000."

Mr. KELLEY of Michigan. Mr. Speaker, before making a motion I ask unanimous consent to address the House for two minutes.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. KELLEY of Michigan. Mr. Speaker, this amendment provides for an increase in the salary of the secretary of the Naval Academy by $250. The secretary of the academy is a statutory official. His salary is fixed by law. The salaries of the officers under him are fixed by the department. There are a number of people under the secretary of the academy who get $250 more than the secretary. I did not know but because of its being such a small item that the chairman of the Naval Committee might be willing that the secretary should get this additional $250 in this bill. I leave the matter entirely with him.

Mr. BUTLER. I would like to say that I am tired of economy for to-day. I am going to take a rest, and the gentleman can bang away on some of these things.

Mr. KELLEY of Michigan. What does the gentleman say about making this salary $250 more to bring it up to that of his subordinates?

Mr. BUTLER. If I had it over in the committee room I would vote for it, because he is a very useful and important member of the whole Naval Establishment, a man to whom we have to go constantly for information and assistance.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede from its disagreement to the Senate amendment and concur in the same.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House recede from its disagreement to the Senate amendment and concur in the same.

The question was taken; and on a division (demanded by Mr. BLANTON) there were 70 ayes and 13 noes.

So the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 77: Strike out the sum of "$161,350" and insert in lieu thereof "$161,600."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur in the amendment.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment.

Mr. BLANTON. Mr. Speaker, the next three amendments are merely to correct the totals. Can not the gentleman handle them all in one proposition?

Mr. KELLEY of Michigan. I think it better to handle them one at a time.

The Clerk read as follows:

Senate amendment No. 78: Strike out the sum of "$546,350" and insert the sum of "$546,600."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 80: Strike out the sum of "$1,035,395.83" and insert the sum of "$1,187,645.83."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur with an amendment. This is still carrying on the $250.

The Clerk read as follows:

Mr. KELLEY of Michigan moves that the House recede from its disagreement to the Senate amendment and concur in the same with the following amendment: In lieu of the matter in said amendment insert "$1,035,645.83."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Senate amendment No. 81: Strike out the figures "$2,273,595.83" and insert "$2,425,845.83."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. KELLEY of Michigan moves to recede and concur with an amendment as follows: In lieu of the matter in the Senate amendment insert "$2,273,845.83."

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment.

The Clerk read as follows:

Strike out "$9,348,950" and insert "$14,381,002," and add the following: "and the money herein specifically appropriated for the maintenance of the quartermaster's department, Marine Corps, shall be disbursed and accounted for in accordance with the existing law as maintenance, quartermaster's department, Marine Corps, and for that purpose shall constitute one fund."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur with an amendment.

The Clerk read as follows:

Mr. KELLEY of Michigan moves that the House recede and concur with the following amendment: In lieu of the proposed amendment insert "$9,656,450."

Mr. KELLEY of Michigan. This is made necessary by an increase in the number of the Marine Corps by 1,000.

Mr. BLANTON. Under the provisions of this amendment, does not it make a blanket appropriation so that it can be used for any purpose in the quartermaster's department?

Mr. KELLEY of Michigan. Yes.

Mr. BLANTON. Does the gentleman consider it a wise provision?

Mr. KELLEY of Michigan. As a general proposition I do not, but the Committee on Appropriations, in view of the large quantity of material on hand of various sorts, cut the quartermaster's appropriations pretty close, and because of the extraordinary record of Gen. Lejeune and Gen. Butler in the practice of economy in the conduct of the business of the Marine Corps we thought for this year that this should be allowed. If we have cut a little too close in certain items in the quartermaster's department any surplus otherwise saved can be applied to make up the deficit.

Mr. BLANTON. I want to say to the gentleman that if it were for any other department of the Government than the marine service, I would object. I have seen something about that marine service down there, especially the way it handles its business.

The SPEAKER pro tempore. The question is on the motion to recede and concur.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 95: On page 53, after line 5, insert:
"Increase of the Navy: The construction of two airplane carriers of the most modern type and equipment and most advantageous size is hereby authorized at a limit of cost of $26,000,000 each, including hull, machinery, armor and armament, and the sum of $15,000,000 is hereby appropriated toward their construction. The authorization for 12 destroyers heretofore granted is hereby revoked."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment.

The question was taken; and on a division (demanded by Mr. BUTLER) there were—ayes 93, noes 0.

So the motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 96, page 53, after line 12, insert:
"The limits of cost heretofore authorized and below enumerated are increased as follows: Battleship *No. 44*, from $12,750,000 to $14,750,000; battleship *No. 45* to battleship *No. 48*, both inclusive, each, from $15,000,000 to $17,000,000; destroyer tender *No. 3*, from $3,400,000 to $4,500,000; submarine tender *No. 3*, from $3,400,000 to $4,200,000; submarine *No. 119* to submarine *No. 122*, both inclusive, each, from $1,750,000 to $1,925,000."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment.

The question was taken, and the motion was unanimously agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 97: Page 54, line 20, after the word "otherwise," insert: "*Provided*, That all orders or contracts for work or material, under authorization of law heretofore or hereafter placed with Government-owned establishments, shall be considered as obligations in the same manner as provided for similar orders placed with private contractors, and appropriations for such work or material shall remain available for payment therefor as in the case of contracts or orders with private contractors."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist upon its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment in disagreement.

The Clerk read as follows:

Amendment No. 99: Page 55, after line 23, insert:
"SEC. 2. That hereafter no enlisted man in the Navy shall be paid a reenlistment gratuity, or any proportionate part thereof, in excess of an amount equal to one month's pay for each year of service in the last expiring enlistment of such enlisted man."

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent to make a statement in respect to the amendment before I make the motion.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent to make a statement before any motion is made in regard to the amendment. Is there objection?

There was no objection.

Mr. KELLEY of Michigan. Mr. Speaker, under the law there is paid a four months' gratuity to men who reenlist in the Navy. That law was passed at a time when the enlistment was for four years, and its theory was that if men reenlisted they were paid a gratuity of one month's pay for each year they had served in the Navy, not having had any vacation, as a rule, during the period of enlistment. In 1918, I think, Congress authorized a two-year enlistment, and the four months' gratuity applies to the two-year enlistments, which never was intended. A boy who has served two years in the Navy should receive a two months' gratuity, or one month's pay for each year he has served. This amendment is intended to pay the gratuity upon reenlistment only upon the basis of one month's pay for each year of the expiring enlistment, and it saves something like $3,000,000 immediately. I thought the gentleman from Pennsylvania [Mr. BUTLER], in view of this saving and the evident justice of the amendment, might be willing to have this go in the bill.

Mr. BUTLER. Mr. Speaker, I certainly would be inconsistent if I did not indorse a suggestion that will save $3,000,000, as I know this will do. I have already voted for this proposition in the committee and reported it out, and it is on the calendar, and I give notice right now to gentlemen of the House that if they do not give an opportunity pretty soon to consider some of these really good measures from this committee they will miss something. We have them on hand, ready, and this is one of them, and while I do not want to surrender any jurisdiction I think this ought to go on this bill.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. FESS. Has an actual reduction been really suggested by the Senate? Is this a real saving?

Mr. KELLEY of Michigan. Yes; this is a Senate amendment, and we should give honor to those to whom honor is due.

Mr. McKENZIE. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. McKENZIE. I call the attention of the gentleman from Michigan and the Members of the House to the fact that a few days ago, when we had the Army appropriation bill under consideration, an amendment was adopted cutting off all pay for reenlistments. Does not the gentleman from Michigan think it would be pretty good policy to cut it all off for the Navy?

Mr. KELLEY of Michigan. Mr. Speaker, I suggest that that matter be taken up with my distinguished friend from Pennsylvania [Mr. BUTLER], who is chairman of the legislative committee. I move that the House recede and concur with an amendment which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. KELLEY of Michigan moves that the House recede from its disagreement to Senate amendment No. 99, and concur therein with an amendment as follows:

"SEC. 2. That hereafter no enlisted man in the Navy shall be paid on reenlistment on honorable discharge a gratuity or any proportionate part thereof in excess of an amount equal to one month's pay for each year of service of the last expiring enlistment of said enlisted man."

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan to recede and concur with an amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 100: Page 56, after line 2, insert:

"SEC. 3. That hereafter such moneys as may be appropriated under the Bureau of Yards and Docks for public works, exclusive of repairs and preservation, shall be available until expended."

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent to again address the House for a few moments before making the motion.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. KELLEY of Michigan. Mr. Speaker, this provision has always been carried on the annual appropriation bill, but has never been made permanent law. Perhaps I go too far when I say "always," but it has in recent years. If the language is not included in the bill, it will be impossible for the Navy Department to carry forward its public works. They would have to close up their accounts entirely within the fiscal year. If a dock or a pier were being constructed, or other public improvement, the money available for that work would revert to the Treasury at the end of the year, and that apparently was never thought wise in respect to public works. This, of course, is an item of legislation, which ought to be cared for by the Committee on Naval Affairs. I would be glad to have the gentleman from Pennsylvania state whether or not he would be willing to have this put on this bill at this time.

Mr. BUTLER. Mr. Speaker, I voted for the proposition in the Naval Affairs Committee. It is another one of the measures that the House has never been able to consider. Now you see what you are doing, you are legislating on an appropriation bill.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House insist upon its disagreement.

Mr. BRITTEN. Just one moment. If the motion just made by the chairman is carried, it will probably throw this bill into disagreement entirely, because there are many contracts now pending in the Bureau of Yards and Docks which can not possibly be completed by July 1. There are funds unexpended which should be made available after July 1. This merely reenacts current legislation; it costs nothing; it may save the Government an untold amount of money, and it ought to be carried in this bill, and I am sure the distinguished chairman of our committee, who has voted for this measure himself in the committee, will have no objection to its going into the bill. Mr. Speaker, I offer a preferential motion——

Mr. BUTLER. Mr. Speaker, I will ask the gentleman from Michigan to withdraw his motion and to move to recede and concur. I believe that that is the wise thing to do.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent to withdraw——

The SPEAKER pro tempore. The gentleman has that privilege.

Mr. KELLEY of Michigan. I move that the House recede from its disagreement and concur with an amendment which I send to the Clerk's desk.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Mr. KELLEY of Michigan moves to recede and concur with the following amendment: In lieu of the matter inserted, insert the following:

"SEC. 3. That appropriations herein and hereafter made under the Bureau of Yards and Docks for public works, exclusive of repairs and preservation, shall remain available until expended."

The question was taken, and the amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment 101, page 56, after line 6, insert:

"SEC. 4. That during the fiscal year 1922 the ration for officers and enlisted men of the Navy entitled thereto shall be commuted at the rate of 60 cents per diem; and the commuted value of the ration for midshipmen shall be $1.08 per diem; and commuted rations stopped on account of sick in hospital shall be credited at the rate of $1 per ration to the naval hospital fund."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Mr. KELLEY of Michigan moves to recede and concur with an amendment as follows: In lieu of the sum of "60 cents" inserted in said amendment, insert "50 cents," and in lieu of the sum of "$1" inserted in said amendment, insert "75 cents."

Mr. KELLEY of Michigan. Mr. Speaker, this item would not have been in the list of amendments disagreed to except for the fact that the Senate, instead of amending the House item, put a separate paragraph through in another place in the bill covering this subject, and we were a little fearful that the parliamentary situation would become tangled, and so we brought back the Senate amendment to be agreed to with an amendment fixing the ration the same as carried in the House bill, with 75 cents for hospital patients, instead of 60 cents, as carried in the House bill and $1 as carried in the Senate amendment.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan to recede and concur with an amendment.

The question was taken, and the motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent to return to amendment No. 64.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent to return to amendment No. 64, which was passed over temporarily. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment.

The Clerk read as follows:

Amendment No. 64: Page 33, line 6, strike out the figures "$20,609,672.50" and insert "$29,392,767."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur with the amendment which I send to the Clerk's desk, merely a change of total.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

In lieu of the sum proposed by the Senate amendment insert "$21,925,922.50."

The question was taken, and the amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Amendment No. 203: Page 56, after line 18, insert:

"SEC. 6. That as consideration for a suitable site and requisite rights, privileges, and easements for a receiving and distant-control radio station in Porto Rico the Secretary of the Navy be, and he hereby is, authorized to exchange or lease for such period as he may deem proper any land under naval control in Porto Rico not otherwise required for naval purposes: *Provided*, That in time of war or national emergency, if necessary, the Navy Department shall have without cost free and unlimited use of any land so exchanged or leased."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement.

Mr. STEPHENS. Mr. Speaker, I offer a preferential motion to recede from the disagreement and concur in the amendment.

Mr. KELLEY of Michigan. I yield the gentleman five minutes.

Mr. STEPHENS. Mr. Speaker, this amendment is taken from a bill which was presented at our last session and which was incorporated in our legislative bill which was introduced and presented to the House at the last session. This bill, of course, never came up for consideration. The committee has acted unanimously upon this amendment. The purpose of this is to exchange property in Porto Rico and transfer to Lieut. Vigil Baker, United States Navy, retired, a piece of property on the reservation owned by the Navy in consideration for 9 acres of land and an easement on 270 acres of land that has already been transferred to our Government, used by the Navy for radio purposes. Commander Baker has given a great deal of work to the Navy Department in Porto Rico. He is a naval officer retired. He acquired and transferred to the Navy Department, free of all encumbrances, a clear title to nine acres of land on which to construct the radio receiving station, and also easements in the surrounding circle of 270 acres for the purpose of laying the underground receiving and antenna. In consideration of this transfer to the Government, the Navy Department was obligated to give to Lieut. Commander Baker title to a small tract of ground in Porto Rico, on the San Geromi Reservation, for a residence site, as soon as authority could be obtained from Congress for such transfer, and this amendment grants to the Secretary of the Navy the authority to transfer this property.

Mr. OLIVER. If the gentleman will permit an interruption, I understand this is simply to carry out an agreement which was made by the Secretary of the Navy and the commander in reference to the exchange of property which is to the advantage of the Navy. The commander has complied with his part of the agreement, and the Navy is now enjoying the land transferred to it. This has been recommended by former Secretary Daniels and is now recommended by the Navy Department, and also it likewise came before the legislative committee and received the indorsement of the legislative committee unanimously, and so far as the gentleman knows, there is no objection to it.

Mr. STEPHENS. There is no objection to it, and it has been recommended by the Secretary of the Navy.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Ohio [Mr. STEPHENS] to recede and concur.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 107: Page 58, after line 4, insert:

"SEC. 10. That the last paragraph of section 2 of the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes,' approved June 4, 1920, is hereby amended to read as follows:

"'That all officers of the Naval Reserve Force and temporary officers of the Navy who have heretofore incurred or may hereafter incur physical disability in line of duty shall be eligible for retirement under the same conditions as now provided by law for officers of the Regular Navy who have incurred physical disability in line of duty: *Provided, however,* That application for such retirement shall be filed with the Secretary of the Navy not later than June 30, 1922.'"

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement to the Senate amendment.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment No. 108: Page 58——

Mr. BUTLER. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. BUTLER. To ask permission of the House that I may have a minute. I ask the gentleman from Michigan to permit me to——

Mr. KELLEY of Michigan. I ask unanimous consent that the action taken by the House on amendment 107 be set aside.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent that the action of the House just taken on Senate amendment No. 107 be vacated. Is there objection?

There was no objection.

Mr. KELLEY of Michigan. I move that the House further insist on its disagreement to the Senate amendment.

Mr. BUTLER. I will ask the gentleman to withdraw that motion and move to concur in this amendment, and I will give the reason why I sincerely wish the gentleman to make that motion.

Mr. KELLEY of Michigan. I am in hearty accord with the motion which the gentleman suggests, and therefore I do move to concur in the amendment. I yield five minutes to the gentleman from Pennsylvania [Mr. BUTLER].

Mr. BUTLER. Mr. Speaker, we are about to move to do what, in my judgment, is the right thing to do. The gentleman from Alabama [Mr. OLIVER] and the gentleman from Michigan [Mr. KELLEY] and I are very greatly interested in a measure that was introduced by the gentleman from Illinois [Mr. BRITTEN]. It was to provide retirement for the volunteer, or, I should say, the temporary officers of the United States Navy for disabilities incident to the service. It looks out of place to rush in here and ask the gentleman from Michigan to withdraw his motion. The object to be gained is this: Three years have passed and the time has been afforded to the temporary officer of the Navy to make his application for retirement for disability incident to the service. It is now proposed to shut off that opportunity at a definite time, and I think it should be done. We have inquired particularly about it through the Committee on Naval Affairs and we are a unit on it there.

Mr. BYRNES of South Carolina. I am in favor of this amendment, but I would like to ask if the gentleman is going to take the position now that if any legislative propositions are meritorious he will consider them on their merits?

Mr. BUTLER. I will say to my friend that I do not believe the condition of the country will warrant us in having any sort of quarrel when defending the Treasury.

Mr. FESS. If we do this for the Navy, will we not have to do it for the Army?

Mr. BUTLER. It has been done for the Navy. The object here is to provide that unless the temporary officer puts in his application before the 1st of October next he can not receive the benefit of retirement. We wish these applications to be made now if ever to be made at all. A law has been passed, is already upon the statute books, which permits these officers to retire. If they are ever to be retired, we want them to be retired now, while facts can be found to justify the retirement.

Mr. FESS. Has it been done in the Army, too?

Mr. BUTLER. No; it has not.

Mr. FESS. Will it not have to be done there?

Mr. BUTLER. Well, that is another question.

Mr. OLIVER. As I understand, this is a partial repeal of the law that was put in by the conferees two years ago, and will result in a saving.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede from its disagreement and concur with an amendment which I send to the Clerk's desk.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House recede from its disagreement and concur with an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. KELLEY of Michigan moves that the House recede from its disagreement to Senate amendment No. 107, and concur therein with an amendment, as follows:

"SEC. —. That the last paragraph of section 2 of the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes,' approved June 4, 1920, is hereby amended to read as follows:

"'That all officers of the Naval Reserve Force and temporary officers of the Navy who have heretofore incurred or may hereafter incur physical disability in line of duty in time of war, including those who have heretofore been separated from the service under honorable conditions, shall be eligible for retirement under the same conditions as now provided by law for officers of the Regular Navy who have incurred physical disability in line of duty.

"'*Provided,* That former officers so retired shall have on the retired list the rank held by them when separated from the service.

"'*Provided further,* That application for such retirement shall be filed with the Secretary of the Navy not later than October 1, 1921; and

"'*Provided further,* That all laws or parts of laws now in force relating to the retirement of naval reservists for physical disability be and the same are hereby repealed.'"

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan to recede and concur with the amendment just reported.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 108, page 58, after line 18, insert:

"SEC. 11. That in all cases where it shall be made to appear to the satisfaction of the President that a commissioned or warrant officer or an enlisted man with the charge of desertion now standing against him on the rolls and records of the Navy or Marine Corps has served honorably in the war with the German Government, either in the military forces of the Allies or in other branches of the military service of the United States, the President is hereby authorized, in his discretion, to cause an entry to be made on said rolls and records of the Navy or Marine Corps, relieving said officer or enlisted man of all the disabilities which he had heretofore or would hereafter suffer by virtue of said charge of desertion thus appearing against him."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House further insist on its disagreement to the Senate amendment. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 111, page 59, after line 17, insert:

"SEC. 14. That the paragraph in the act approved March 3, 1921, making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1922, and for other purposes, providing for temporary employees in the office of the Solicitor for the Navy Department, is hereby amended to read as follows:

"'For temporary employees in the office of the Solicitor for the Navy Department, $20,000: *Provided,* That no person shall be employed hereunder at a rate of compensation exceeding $1,800 per annum except the following: One at $3,000, 1 at $2,400, 1 at $2,250.'"

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House further insist on its disagreement.

Mr. WOOD of Indiana. Mr. Speaker, I wish to make a preferential motion that the House recede and concur in the amendment.

The SPEAKER pro tempore. The gentleman from Indiana offers a preferential motion, which the Clerk will report.

The Clerk read as follows:

Mr. WOOD of Indiana moves that the House recede and concur in the amendment.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Indiana.

The SPEAKER pro tempore. The gentleman from Indiana is recognized for five minutes.

Mr. WOOD of Indiana. I shall not require that much time.

Mr. Speaker, I wish to state that this is one of the items involved in the legislative bill. By mistake we limited the number that might be employed at salaries over a certain amount. In that limitation we excluded what has been demonstrated by the committee to be a very valuable man in the Navy.

This item as it now appears does not increase the appropriation at all. It simply gives that branch of the Navy Department a discretion with reference to employments, so that they may include this man, whose services are of very great value. It does not take one dollar more or less away from the Treasury, and I think it ought to be approved for that reason.

The SPEAKER pro tempore. The question is on agreeing to the motion of the gentleman from Indiana to recede and concur.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 112: Page 60, after line 3, insert:

"SEC. 15. That any suit at law or in equity now pending or hereafter brought in any State court on account of any contract for services or materials for the performance of any contract, or any part of the work contemplated by any contract, made by or for the Navy Department during the period of the war with Germany, and for which services or materials that the department might be held bound to reimburse its contractor in the amount determined in such suit, may be removed by the defendant therein to the district court of the United States for the proper district if so requested by the Secretary of the Navy, and if the United States thereafter assumes the defense of such suits as the real party in interest, the procedure therein and the defense thereof shall be subject to the rules of court and the law applicable to the defense of suits against the United States."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House further insist on its disagreement. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. The Clerk will report the next Senate amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 113: Page 60, after line 18, insert:

"SEC. 16. That there is hereby created and established in the Department of the Navy a bureau of aeronautics, which shall be charged with matters pertaining to naval aeronautics as may be prescribed by the Secretary of the Navy, and all of the duties of said bureau shall be performed under the authority of the Secretary of the Navy, and its orders shall be considered as emanating from him, and shall have full force and effect as such.

"There shall be a chief of the bureau of aeronautics, appointed by the President, by and with the advice and consent of the Senate, from among the officers of the active list of the Navy or Marine Corps who shall within one year after his appointment qualify as an aircraft pilot or observer, for a period of four years, and who shall, while holding such position, have the corresponding rank and receive the same pay and allowances as are now or may hereafter be prescribed by or in pursuance of law for chiefs of bureaus of the Department of the Navy.

"An officer of the active list of the Navy, or Marine Corps, may be detailed as assistant chief of the bureau of aeronautics, and such officer shall receive the highest pay of his grade, and, in case of the death, resignation, absence, or sickness of the chief of the bureau shall, until otherwise directed by the President, as provided by section 179 of the Revised Statutes, perform the duties of such chief until his successor is appointed or such absence or sickness shall cease.

"There shall be a chief clerk at a salary of $2,250 per annum.

"The Secretary of the Navy is authorized to transfer to the bureau of aeronautics such number of the civilian, technical, clerical, and messenger personnel, together with such records, equipment, and facilities now assigned for aeronautic work under the various bureaus of the Department of the Navy or Marine Corps as in his judgment may be necessary. The unexpended and unobligated portion of all moneys heretofore appropriated for any bureau of the Department of the Navy or Marine Corps used in connection with aeronautics, including the appropriation 'Aviation, Navy,' is hereby made available for the use of the bureau of aeronautics.

"The number of officers and enlisted men of the Navy and Marine Corps detailed to duty in aircraft and involving actual flying and to duties in connection with aircraft shall hereafter be in accordance with the requirements of naval aviation as determined by the Secretary of the Navy: *Provided*, That not to exceed 30 per cent of the officers in each grade below that of rear admiral who fail to qualify as aircraft pilots or as aircraft observers within one year after the date of their detail into the bureau of aeronautics shall be permitted to remain detailed in this bureau: *Provided further*, That flying units or detachments, with the exception of aircraft carriers or other vessels, shall in all cases be commanded by flying officers."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House further insist on its disagreement.

Mr. HICKS. Mr. Speaker, I offer a preferential motion, that the House recede and concur.

The SPEAKER pro tempore. The gentleman from New York offers a preferential motion, that the House recede and concur.

Mr. KELLEY of Michigan. Mr. Speaker, I yield 25 minutes to the gentleman from New York.

The SPEAKER pro tempore. The gentleman from New York is recognized for 25 minutes.

Mr. HICKS. Mr. Speaker and gentlemen of the House, this amendment, in the opinion of many of us who are interested in aviation and who have studied its needs, is the most important amendment in this bill. Despite the statement that was made a short time ago, that there should be no legislative amendments placed upon this bill, as there have been legislative amendments approved of, three or four, within the last 15 minutes, there can be no sound reason for objecting to this one. Therefore, if you accept this amendment, which is a legislative amendment, you will not be setting a precedent, or violating an understanding, and, in view of its importance to aviation, I ask you to vote for it.

This amendment is similar in essential features to a bill which had the unanimous approval of the Committee on Naval Affairs at the last session, and which was placed on the calendar 13 months ago. It is similar in all essentials to the bill which was placed on the calendar last winter as part of our legislative bill. It is similar in all essentials to a bill which was placed on the calendar last April, and yet, despite the pressure of the Committee on Naval Affairs, who gave it due consideration and held extensive hearings on it, despite their unanimous reports, we have been unable until the present moment to have it presented to the consideration of the House.

I realize that this amendment will be opposed by the Republican leader. He will probably urge its rejection on the ground of preserving the integrity of the Naval Affairs Committee and of guarding its jurisdiction over legislative matters. We appreciate the paternal solicitude of our friend from Wyoming. We have harkened to his honeyed words before. He wants us to wait and bring this amendment to Congress at some other time, but we see no reason for delay. The Senate has already passed upon it, and the fight is half won. Why delay further? We bring this measure to you, not as an amendment from the floor, but as an amendment approved unanimously three times by the Committee on Naval Affairs of this House, so that no jurisdiction is being violated; no integrity outraged.

I realize that legislative amendments placed on appropriation bills is not a satisfactory way to handle such matters, but in this case you are considering a proposition which has been given full consideration by the proper committee, and that committee asks now for its approval at your hands. It does not seem to me wise or in line with sound policy to play football with a measure so vital as is this or to quibble over parliamentary procedure when it means so much to a great service.

Let me recall and invite your attention at the very outset of my argument to a declaration made in this very Chamber a few months ago when from that rostrum the President declared his views on this very subject. Remember, this is President Harding who is speaking to you, a man who speaks with authority, with knowledge, with sincerity, and with profound patriotism. [Applause.] Let me remind you Republicans especially of the source whence comes these words:

I recommend the enactment of legislation establishing a bureau of aeronautics in the Navy Department to centralize the control of naval activities in aeronautics.

There, my friends, is the message from the Chief Executive.

The amendment has the indorsement of the National Advisory Committee on Aeronautics; the Secretary of the Navy; the Chief of Naval Operations, Admiral Coontz, in whose office aviation is now established; the Chief of the Bureau of Construction, Admiral Taylor, whose bureau has to do with the design and construction of aircraft; Capt. Moffett, Director of Naval Aviation; and others who have had experience with aviation and whose opinions are valuable. When this bill was reported in the last Congress it had the indorsement of Secretary Daniels and of Capt. Craven, then Director of Naval Aviation.

The need for such an establishment in the War Department was recognized by the Military Committees of both the House and the Senate, and by Congress as well, in the act passed last spring, whereby there was created an Air Service as an independent arm of the Military Establishment. The same arguments that were used for the creation of the Army Air Service apply with equal force to the establishment of a Naval Air Service.

Mr. HUSTED. Mr. Speaker, will the gentleman yield?

Mr. HICKS. Yes; gladly to my colleague.

Mr. HUSTED. If a bureau of aeronautics were established in the Navy Department, how will the business relating to

aeronautics in the Navy be conducted differently from what it is now?

Mr. HICKS. I will show the gentleman as I proceed. I shall outline the whole thing if he will kindly allow me to do so.

The committee feels—and I speak now in the name of the Committee on Naval Affairs—that in order that this branch of the naval service may function economically and properly and produce the maximum of efficiency, this law is urgently needed for the present program. Its vital importance for the future of aeronautics can not be too strongly asserted, for aviation occupies a field so broad and so comprehensive that no man can predict its possibilities or limit its boundaries. To meet the expansion which is inevitable and to utilize to the best advantage the studies of advancing science which are constantly augmenting our knowledge of aircraft and increasing their effectiveness, aviation should now be placed upon a definite basis which will produce the results expected and demanded of it.

The purpose of this bureau is to concentrate under one head the aviation activities now scattered through the department; to centralize in one bureau the work now carried on in several, and by coordination under one authority to effect economy of energy and curtail duplication of effort.

Aviation is new and is developing rapidly, and attendant upon such development is the usual large amount of executive and administrative details. There are new regulations to make covering naval aviation; there are new policies to lay down, and these policies must change from time to time as the science of aviation develops. There is much information and assistance to be given to civil aviation; there is liaison to form with foreign Governments; there is cooperation to be brought about between the Army and Navy and with civil aviation.

The importance of aviation as an effective military arm, the value of which it is difficult to overestimate, warrants, in the judgment of the committee, the creation of such a bureau similar in organization to the department bureaus already in existence.

Secretary Denby when before the Naval Affairs Committee testified as follows:

> This bill is drawn to create a bureau of aeronautics in the department, and it is in my opinion vitally necessary in order to enable that branch of the service to properly function. It is of vital interest to the Navy and has my hearty indorsement.

Secretary Daniels was equally emphatic in his approval of this measure, stating his views as follows:

> The establishment of a bureau of aeronautics, as recommended in your bill for the control of aeronautics, is a necessity and is of grave importance to the Navy.

Aviation has been a part of the Navy since 1910, but no legislation has ever been enacted for its proper administration in the Navy Department. Its requirements have been cared for by various bureaus, separate from each other and functioning to a large extent independently. To meet the situation without legislation, the Chief of Naval Operations, in whose office aviation was placed, assigned to one of his assistants the supervision of aviation activities in so far as they related to planning. This officer is known as the Director of Naval Aviation. In order that aviation should function in any measure of success it has been necessary to authorize this officer to attempt to exercise direction over all aviation matters. While having had the earnest cooperation of officers in the various bureaus who were detailed to aviation, the lack of definite authority has made results uncertain, slow, and expensive.

The Director of Naval Aviation has no administrative or executive power whatever. He is simply the senior member of the Aviation Section of the Planning Division of the Office of Naval Operations. The Chief of Naval Operations is charged with the administration of aviation, and he personally has to pass upon aviation details. As this officer is responsible not only for general naval duties similar to those performed by the Chief of Staff of the Army, and, in addition, is charged with cognizance of all naval operations, it is not practicable or feasible to place the ever-enlarging activities of aviation upon him.

The Director of Naval Aviation, being simply head of a subsection of the Planning Division, is theoretically only supposed to be charged with the drawing up of aviation plans. Yet, as a matter of fact, because of the inadequacy of the present naval organization as regards a new arm, he is indirectly charged with responsibility for all aviation, yet he has no authority and no proper machinery with which to work.

A legalized bureau with a definite organization that will permit the coordination of the important work confronting aviation would give to aviation the place to which it properly belongs in the Navy. The technical aviation sections of all bureaus should be detailed under the bureau of aviation to avoid the delays and inadvertences caused through the great effort necessary to obtain concerted action in aviation affairs.

The formation of a new bureau would require only a small interdepartmental change, giving to the Director of Aviation an administrative and executive function and legalizing responsibility for this new arm.

Naval aviation is no longer an experiment. It has outgrown the organization improvised for its administration, and the present departmental structure does not permit of proper coordination; greater unification is an urgent necessity. Aviation, still growing, is at that stage of development where it needs a very special attention that can not now be given it without congressional legislation.

Some may feel that it is within the power of the Secretary to create such a bureau without the authorization of Congress. The committee does not agree with that assumption, and in this connection refers to a letter recently received from Mr. Denby in reference to this subject, in which he states that this authorization rests with the legislative and not the executive branch of the Government. Former Secretary Daniels was also of the opinion that the authority must come from Congress.

It may be claimed by some that the creation of this bureau at the present time, however desirable it may be, will conflict in spirit with the resolution recently adopted looking toward the unification of our governmental activities. The committee feels that the opposite is true and that the establishment of this bureau is in direct accord with the purposes of that resolution, for this bureau, the committee feels, will accomplish the very results aimed for in that resolution by concentrating effort where it is now scattered, by centralizing responsibility and authority where these are now divided, and by eliminating the duplication of work for which the present system is responsible.

Secretary Denby on being asked his views on the matter of centralization stated that—

> This bureau will tend to avoid the overlapping of activities; and beyond all question this is in conformity with the spirit of cooperation, the removal of undesirable and useless divisions, and the concentration of authority where it belongs.

Some may be apprehensive that the creation of this bureau will add to the expense of the Naval Establishment. Beyond the pay of a chief clerk and the difference in pay between the rank of the bureau chief and the permanent rank of the officer detailed to be chief, in case the latter is below a rear admiral, there will be no increase in the expense of maintaining this bureau. Aviation is an expense, the same as every other arm of the service, but all appropriations for this bureau must be made by Congress, and those appropriations will not be increased by placing the expenditure of all the funds under the supervision of one responsible head, rather than to have them allocated to several bureaus, of which aviation is only a minor part.

The expenditures for aviation, if we are to keep abreast of the times, will continue. This fault, if it is a fault, must be laid, as Admiral Fiske recently remarked, to the Wright brothers for having perfected a machine of such great military value. But as the invention is being employed by other nations we also must avail ourselves of it, and this bureau will afford the medium of utilizing it to the best advantage and at least expense.

Let me present an outline of some of the objects sought to be accomplished by the creation of this bureau:

(a) To bring into direct and close physical contact and relationship the numerous offices of the Navy Department now charged with cognizance of aviation affairs.

(b) To create an office in the Navy Department where there is definite responsibility for naval aviation affairs and where sufficient authority exists to insure progress in aeronautics development.

(c) To create an office to which the Chief of Operations may turn for cognizance and action in aeronautical matters.

(d) To create a centralized office which can deal with other departments of the Government in aeronautics and with questions of civil aviation.

(e) To place the expenditure of funds under the control of one responsible authority, thereby simplifying and coordinating supply, construction, and upkeep.

(f) To centralize control of experimental work. Beneficial results can not be obtained unless experiments are conducted so that development of the various arms of aviation go hand in hand and are administered from a central controlling authority.

(g) To simplify and decrease correspondence both in the Navy Department and with the air stations, thereby facilitating the problem of supply at the stations and their military operations.

At the present time specifications and construction of aircraft are under the Bureau of Construction, motors and radio

apparatus under the Bureau of Engineering, training of personnel and instruments under the Bureau of Navigation, armament under the Bureau of Ordnance. It is manifestly impossible for one office properly to supervise aviation activities as long as each of its many parts are separated in the various bureaus, and there is no bureau where the authority is centralized.

In each of the existing bureaus aviation is a small part of the work of the bureau, and the result too often has been delay, if not indifference, to the needs of aviation.

The committee desires to correct any false impression that may have arisen in case it is supposed that any new agencies are to be created, for none are contemplated. All existing facilities for construction, experimental work, enlistments, etc., will be utilized, for this bill simply proposes the unification of all aviation activities under one authority and not the creation of new facilities.

I know there are many here who favor a united or a single air service which will centralize under one head all Government activities of the air. There is much to be said in favor of that proposition and perhaps that will be the next step in our development. Personally I do not feel that would be wise now, although I do favor the centralization under one head of production, standardization, experimental work, policy, regulation and inspection of pilots and aircraft, and a general supervision over all air activities, and I have a bill to this effect now before the Interstate and Foreign Commerce Committee.

I will not take time to discuss that question now, but will say to the friends of a united air service that the creation of this bureau will in no wise hinder or delay the formation of such a service if in the future Congress determines upon that action. If it seems wise to unite all the air activities, then, by the creation of this bureau, naval aviation will be so compactly and efficiently organized as to make easy and simple the change.

It is needless for me to speak in reference to aviation as a most vital arm of the military service. Those who recently witnessed the bombing tests off the Virginia Capes were deeply impressed by the results, which clearly demonstrated not only future possibilities but the immediate value of aircraft which bids fair to revolutionize naval maneuvers if not naval construction.

As the fleet is the first line of defense, so aviation is the first line of defense of the fleet itself. It is the eye of the ship, the medium which makes possible long-range guns. It is the weapon also for launching bombs and torpedoes and carrying into the enemy's country, if the time ever arrives, which God forbid, the deadly gases and chemicals now a part of warfare.

There can be and there is no question of the importance of aircraft. That it will become more and more important I have not the slightest doubt. We are in an evolutionary period in naval development; we are at the dawn of a new era. As the last century witnessed the transition of sea power from the sailing vessel to the ship propelled by steam, from the wooden frigate to the steel man-of-war, so this century may herald the supremacy of the craft of the air over the ships of the sea. It may come to pass that a vessel operating high in the heavens, with a speed five times as great, and costing one-fiftieth as much, may successfully challenge the supremacy of our great battleships upon the deep.

As America gave to the world aviation, so America should lead the world in possessing the best and most efficient aviation service it is possible to obtain. We have the genius to invent; the talent to produce; the daring to operate. Let us be supreme in the air and thereby guarantee to the present and to the future, security against all attack—a security which will be the harbinger of that peace which is the purpose and the hope of our Nation.

THE TARIFF.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Michigan asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. FORDNEY. Mr. Speaker and gentlemen of the House, the Committee on Ways and Means have directed me to introduce our new tariff bill. [Applause.] It contains 346 pages. The members of the Ways and Means Committee have worked industriously every day, Sundays excepted, since the 6th day of January in the framing of this bill. I hope when it is finally enacted into law it will be generally accepted by the people. [Applause.]

NAVAL APPROPRIATIONS.

Mr. KELLEY of Michigan. Mr. Speaker, I desire to say that it is absolutely necessary to finish the consideration of the naval bill to-night. There is only one more amendment besides this one, and I trust that we will use as little time on this one as is compatible with the situation. [Cries of "Vote!" "Vote!"] I have agreed to yield time to certain Members.

Mr. BRIGGS. Will the gentleman yield?

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Illinois [Mr. GRAHAM].

Mr. GRAHAM of Illinois. Mr. Speaker and gentlemen of the House, perhaps I ought not to take your time on this matter. I am not a member of the Naval Affairs Committee nor am I a member of the Committee on Appropriations; but it has been a source of some wonderment to me that at this time, when we are confronted with almost a national crisis in the matter of our finances, almost any kind of an appropriation bill that is brought in here for almost anything can get through this House, and that prominent Members of this House are now urging the House to build up a new bureau in the Navy Department that will lead to such an expense as we know not of and that will create entirely new machinery, and all this without any previous discussion by the House. We have all sat here and heard the gentleman from Nebraska say that one of the things that the congressional commission has under advisement and one of the things it is going to do is to combine the aviation sections of the various departments into a bureau of aeronautics.

Mr. HUSTED. Will the gentleman yield?

Mr. GRAHAM of Illinois. No; I only have five minutes, and I want to say something if I can. Now, gentlemen, what under the shining sun are we to have if we adopt this proposition? We want to save everything we can, and we want to be as efficient as we can. Shall we, on the verge of reorganization of the aviation business of our Government, build up a new bureau of aviation in one department? They say that it will not cost anything. I know better and you know better. We have seen new bureaus established before. They start with a little bit, and in a little while they are great, colossal bureaus, reaching out for everything that they can get. Will not cost anything! It will cost millions.

Mr. HICKS. Will the gentleman yield?

Mr. GRAHAM of Illinois. No; I can not yield. I am stating what is within the knowledge of every man in the House on both sides, and I dare say the majority sentiment of the House will agree. They speak about the necessity of building up a bureau of aeronautics in the Navy. Have you ever stopped to consider what we did in the way of building up aeronautic fields and establishments during the war? Just while I was listening to this discussion I took a volume of our old report and looked over a table that shows what aviation establishments were contracted for and obtained during the war, and what they cost us, and I would like to give them to you, so that you will know what we have on hand for Army aviation fields. We have 28 of these establishments. They are as follows:

Mitchel, Long Island, N. Y.; Souther, Ga.; Carlstrom, Fla.; Dorr, Fla.; Scott, Ill.; Post, Okla.; Langley, Va.; Ellington, Tex.; Kelly Nos. 1, 2, Tex.; New Dorp, Staten Island, N. Y.; Lee Hall, Va.; general supply depot, Richmond, Va.; Fairfield, Ohio; Park Field, Tenn.; Chanute, Ill.; March, Calif.; Mather, Calif.; Brooks, Tex.; Ross, Calif.; Ream, Calif.; Kelly Nos. 2, 3, Tex.; engine repair depot, Montgomery, Ala.

Now, notice that we bought during the war and paid for 17,560 acres of land for aviation fields, and in January, 1920, when these hearings were had, we had it all on hand. This land cost us alone $3,405,042, or $195 an acre. Do you know how much we paid for aviation establishments? We paid out in cash from the United States Treasury for aviation establishments for the Army alone during the war, all of which I presume we have and which might be utilized for all aviation purposes, $62,010,487. I do not know how many aviation plants we have in the Navy, I do not know how many postal aviation plants we have, but it seems the part of wisdom that we ought to stop before we make this attempt; before we go into this thing we ought to take account of what we have before we start out on a venture of this kind.

Mr. BRITTEN. Will the gentleman yield?

Mr. GRAHAM of Illinois. Yes; I will yield now.

Mr. BRITTEN. The gentleman suggests that a bureau of aviation in the Navy Department is likely to create new fields——

Mr. GRAHAM of Illinois. I am as certain of it as anything in the world. The very moment you establish a separate bureau in the Navy or the War Departments or the Post Office Department the head of the bureau will try to get everything he can get, and the bureau will be here in this Congress and the next Congress and every succeeding Congress for ever-increasing appropriations. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield two minutes to the lady from Oklahoma [Miss ROBERTSON].

Miss ROBERTSON. Mr. Speaker, I thank the gentleman who has just left the floor for what he said as an introduction to what I may say. I speak for good housekeeping, systematic housekeeping, and good order in the different branches of naval flying. Do you gentlemen see this sprig of mint? Does it recall pleasant recollections? [Laughter.] I am especially interested in this cause perhaps because when I was a girl I was given a middy's button, and having never forgotten the giver, it may be that I have thought about and studied the aviation branch of the naval service. Because of this study I ask you not to vote down this proposition, for it is in the interest of good housekeeping, of systematized service, where already there is adequate help, and the requirement is that one good housekeeper be in control, thus insuring the highest efficiency. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Wyoming.

Mr. MONDELL. Mr. Speaker, it is not a pleasant duty to speak in opposition to the beautiful, sympathetic appeal we have just heard, but it is a duty nevertheless. The gentleman from New York, who just spoke in defense of the new bureau, said it would not cost anything. Tell that to the marines. Did anybody ever hear of a bureau being created that did not cost anything? Why, every section of this new legislation provides for increased rank for the officers who serve in the new bureau. The purpose of the creation of the bureau is to enlarge the establishment, to make it more dignified, to enhance its organization. If it were not necessary to do that, there would be no argument for the creation of the bureau; if there was not to be an enlargement and extension of the activity, an increase of expenditure, why a bureau?

I do not discuss the merits of this matter. This is important legislation and I have gone into the subject somewhat. I am not altogether certain that we should not some time, after having considered the matter in a proper and orderly way, provide a bureau of aeronautics in the Navy Department, but this is an appropriation bill which we are now considering. There is a bill on the calendar of the House in regard to this matter and in due time we can take it up and consider its merits carefully and decide according to our best judgment on the facts as then presented. This legislation does not belong on this bill. It is on this bill in derogation of the jurisdiction of the Committee on Naval Affairs, and contrary to every sound rule of legislation and appropriation.

Whatever gentlemen may think or believe in regard to the merits of the matter, this is not the time nor the place to decide them. It will cost money, much money. If it is worth it, it should be provided for in an orderly way, but not on an appropriation bill. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I yield three minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, the gentleman who has just preceded me, the distinguished leader, said in effect that this is a new departure in the Navy Department and in aviation in the Navy. The bureau of aeronautics in the Navy Department is practically in existence to-day, but it is scattered all over the department in a dozen different directions, and that is the reason that aviation in the Navy failed during the war, just as the submarines in the Navy Department failed during the war. They were the two branches of the naval service that failed, because of lack of coordination. If the united air service that our distinguished leader has indicated will probably come in the future should be established—and I think it will be—this bureau is one of the steps that will lead to it.

Mr. HUSTED. Mr. Speaker, will the gentleman yield?

Mr. BRITTEN. Not now. If there is any one thing that will promote economy in aviation in the Navy Department, it is coordination. If the present chief of the office of aviation, Capt. Moffett, one of the greatest men in the American Navy, wants something for aviation, he will get a part of it from the Bureau of Ordnance, presided over by one of his superiors, another part from the Bureau of Supplies and Accounts, where he will have to go to another one of his superiors, and then again from Construction and Repair, and there have a rear admiral, also his superior, decide, and next Steam Engineering, where a rear admiral, also his superior, will decide what is good for aviation. These superiors naturally look critically and with some apprehension upon him, and they decide what aviation should get, while the chief of the office is without administrative authority. If you gentlemen want to do something for the Navy, not necessarily aviation—if you want to do the big thing for the Navy, put this bureau bill through, and I promise you that in a year from now neither FRED BRITTEN nor any other Member of the House will come before you and say that aviation has failed, as we already have stated in the past.

Aviation has been a distinct failure in the Navy Department because of lack of proper housekeeping, lack of that coordination that is necessary. This is a measure of economy, not of extravagance. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. OLIVER].

Mr. OLIVER. Mr. Speaker, as one of the House conferees I will not urge the passage of any legislative matters on the appropriation bill unless the House first indicates its approval to the consideration of the same. It now seems that the House desires to give careful and serious consideration to the pending amendment, and I understand that the chairman of the naval legislative committee will not oppose the amendment. From the standpoint of merit, I wish to say that this is a good amendment. [Applause.] The lady from Oklahoma [Miss ROBERTSON] made a short but most effective speech. She embodied in a few words the merits of this whole proposition when she stated that it would enable the aviation department of the Navy to properly and efficiently function. Without the organization which this amendment provides you can never hope for the best results in the expenditure of appropriations that Congress makes for naval aviation. In other sections of this bill large sums of money are appropriated for aviation, and surely the House should be willing to accept the judgment of those who have given some study to the subject and who, with wonderful unanimity, advise that this amendment is intended to and does provide a proper and businesslike organization for the expenditure of the funds carried for aviation.

At present the head of the aviation department has no administrative authority, and until you confer on the head of this bureau some real authority you can never hope for the best and highest results. This amendment provides that the head of the bureau must qualify as a pilot or observer and seeks to give to the corps an officer personnel that must also qualify as pilots or observers. This provision of the bill will give morale and spirit to the corps. By placing responsibility for the expenditure of all appropriations for aviation under one head and one who, by the qualifications fixed in this amendment, will be a sympathetic worker for aviation, you will obtain good results from moneys appropriated for this important arm of the naval service. I believe in the future of naval aviation and am unwilling that this service shall longer remain in a disorganized state and subordinated, in a large measure, to other bureaus not primarily interested in aviation. [Applause.]

Mr. REAVIS. Mr. Speaker, I understand that all of the time has been allotted. I therefore ask unanimous consent to speak for three minutes on this amendment.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to speak on this amendment for three minutes. Is there objection?

There was no objection.

Mr. REAVIS. Mr. Speaker and gentlemen, I am reluctant to say anything on an amendment in which I have but a remote interest. I want, however, to put the House in possession of certain facts, so far as I can in three minutes. The Committee on Reorganization of the Administrative Branches of the Government, of which I am a member, determined that the place to save money is the place where money is being spent, and with that idea in view we are now earnestly at work in conjunction with the Cabinet members looking to the combining of the War and Navy Departments under one department of national defense. [Applause.] The idea is to stop the tremendous waste now going on in those two departments. I have no doubt that if the House should approve of the plan that may be submitted to you for the combining of these two departments there will be coordinated in one bureau the aviation activities of both the Army and the Navy. You have now before you a proposition to coordinate aviation activities within the Navy. It is quite likely that when the plan proposed by the Committee on Reorganization is submitted, a bureau of aeronautics for the Army and the Navy will be a room in the house we now plan, but in my judgment it is unwise to build that room before we have planned the house. I would be an advocate of the bill of the gentleman from New York [Mr. HICKS] if the Army and Navy Departments were to remain separate, but it will be a serious embarrassment to the Committee on Reorganization to ask us to reorganize something the day after we have organized it. [Applause.]

The SPEAKER. The time of the gentleman from Nebraska has expired.

Mr. CHINDBLOM. Mr. Speaker, I ask for half a minute, in order that I may ask the gentleman a question.

Mr. KELLEY of Michigan. Mr. Speaker, I yield half a minute to the gentleman from Illinois.

Mr. CHINDBLOM. When may the Committee on Reorganization be fairly expected to report?

Mr. REAVIS. Of course, it would be only an estimate on my part, and I may not be accurate in the estimate, but I should think we would have some plan before this House within the next six weeks or two months.

Mr. BRITTEN. Just one question, please. The Army now has a Bureau of Aeronautics. Does not the gentleman think—and I have a very high regard for his opinion—with a well-established bureau of aeronautics in the Navy it would be much easier to coordinate those two bureaus?

Mr. REAVIS. We are coordinating them now—trying to do so.

Mr. KELLEY of Michigan. Mr. Speaker, I yield three minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Speaker and gentlemen, the gentleman from Nebraska [Mr. REAVIS] has very largely anticipated what I would have said. I wish to elaborate very briefly. This item is not for the purpose of establishing a bureau of aeronautics for our service generally, but is for the purpose of establishing a bureau of aeronautics in the Navy Department. As has been suggested by the gentleman from Illinois, there is already one in the War Department. Why should there be one in the War Department and another one in the Navy Department? Why not combine them and thus save a little money—a few millions?

Mr. REAVIS. And one in the Post Office Department.

Mr. WOOD of Indiana. One in each arm of our defense. There will be, if we establish this, a demand at the very next session of the Congress to establish a bureau of aeronautics in the Post Office Department——

Mr. REAVIS. There is one.

Mr. WOOD of Indiana. There will be another to establish one in the Department of Commerce, there will be another to establish one for the marines, each of them offering as much logical argument as the other. Whatever we may have should be combined in order to have the greatest possible efficiency. This is another exemplification of the fact, if you please, that every time we establish a new bureau here we establish a new competition against ourselves, competing against ourselves with the various branches of the Government that ought to be united in a consolidated form for the accomplishment of one purpose. I wish to accentuate what the lady from Oklahoma has said in the interest of good housekeeping. We should have but one bureau of aeronautics. The lady from Oklahoma would not have dishwashing in the kitchen, the parlor, and the sitting room; she would have it all done in the kitchen, and that is what we ought to do in reference to this bureau of aeronautics. We ought to combine our efforts so we will have the greatest possible effectiveness and where there would be the least possible cost.

The SPEAKER. The time of the gentleman has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield three minutes to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. Mr. Speaker, I am going to vote for this motion, and I want to state my reasons for so doing. If the chairman of the Committee on Naval Affairs was opposed to it I would not vote for it because of the position I have taken as to legislation upon this bill. I understand he is not opposed to it. If I believed it was going to add to the expense, as is indicated by some gentlemen upon the floor of the House, I should certainly oppose it, but I know that in this bill we are going to appropriate a little more than $13,000,000 for disbursement during the next year for aviation. I know that part of that is to be disbursed by the Bureau of Engineering, a part by the Bureau of Construction and Repair, a part by Ordnance, and I know it is not an economical thing to do to scatter $13,000,000 between three or four bureaus in the Navy Department without placing in any officer any power to coordinate those expenditures. Now, in reference to the statement which the gentleman from Nebraska [Mr. REAVIS] makes, that his commission is going to recommend one bureau of aeronautics for the Army and Navy. The President of the United States has stated that when the tariff bill is enacted at this session that no other legislation is to be considered. There is not a man on the floor of this House who believes for a single moment that at this session we are going to combine the Navy and the War Departments. Why, if the bill was introduced, it would be discussed here for months. It would go to the Senate and there it would take still longer. There is not a chance on earth for such a merger in the near future, and if this $13,000,000 is to be carried in this bill for disbursement during the fiscal year beginning July 1, it is important that this bureau should be established so that at the beginning of the fiscal year the money to be expended shall be expended by one bureau of aeronautics. Therefore, I am going to vote for the legislation. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL of Kansas. Mr. Speaker, I agree with the gentleman from Nebraska [Mr. REAVIS] and the gentleman from Indiana [Mr. WOOD] that the aeronautic activities in our national defense should be under one head, and that is the reason I am in favor of this provision in this bill. [Applause.] It will be a long step toward bringing about that union of action. We have a Bureau of Aeronautics in the War Department, while in the Navy Department there are 12 different bureaus in which the subject of aeronautics is under consideration and control. Nobody has control. One bureau has the control of the engines, one bureau of the wings of the airplane, another of compasses, and another of this and another of that. It is a wonder the Navy Department has been able to get any sort of result for the money they have expended under such conditions. There has been much criticism of the Navy aviation that is not unreasonable under the conditions.

Mr. BLACK. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. Yes.

Mr. BLACK. Is it not true, in the expenditure, for instance, of the $90,000,000 for the battleships, that the money will be spent through the functions of several different departments?

Mr. CAMPBELL of Kansas. No; as I understand it, that is spent under the direction of the Secretary of the Navy. All of these activities are in these widely separated bureaus and divisions in the Navy Department. Now, if they are consolidated by law—and the Attorney General has advised the Secretary of the Navy that he has no authority now to consolidate these activities in a bureau—then they can be taken over in the reorganization and consolidation of the national defense in one great department of the Government and bring the air activities all under one subdivision, as it should be, in order to save expense and insure efficiency.

Believing in aviation as the best and most economical means of national defense, I believe in creating this bureau in the Navy now so that we can get the most for the money that is carried in this bill for aviation. That is the reason I am in favor of this bureau at this time on this bill. I sincerely hope the House will not wait until the tariff bill has been passed; will not wait, as suggested by the gentleman from Wyoming, and make provision for this bureau in a separate bill. The Committee on Naval Affairs, both in the House and in the Senate, have agreed to this provision in this bill. I am told by those who oppose this action now that immediately after the passage of the tariff bill the Committee on Rules will be asked for a rule to pass this identical provision in a separate bill. It is logical to pass it now. It has had ample consideration. The Committee on Naval Affairs has reported it twice to the House. It has long been considered in the Senate; it has long been considered by the Navy Department. The President has urged it in his message. We are now considering it, and we now have an opportunity to vote it up or down. Let us vote for this bureau, so that it will have under its control the expenditure of the money provided for in this bill for aviation. [Applause.]

The SPEAKER. The question is on the motion to recede and concur in Senate amendment No. 113.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. HICKS. Division, Mr. Speaker.

The House divided; and there were—ayes 93, noes 77.

Mr. BLANTON. Mr. Speaker, I object to the vote, because there is no quorum present, and I make the point of order that no quorum is present.

The SPEAKER. The gentleman from Texas makes the point of order there is no quorum present, and the Chair thinks no quorum is present.

Mr. KELLEY of Michigan. Mr. Speaker, will the gentleman from Texas withhold the point of no quorum for just a moment?

Mr. BLANTON. The Speaker has already announced it, but I will withhold the point.

Mr. KELLEY of Michigan. I would like to ask unanimous consent that the Clerk may renumber the paragraphs.

The SPEAKER. The Chair thinks that is too late. The Chair has already announced that there was no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees. Those in favor of the motion to recede and concur in the Senate amendment No. 113 will, as their names are called, answer "aye," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 201, nays 123, answered "present" 2, not voting 105, as follows:

YEAS—201.

Ackerman	Deal	Jeffers, Ala.	Pringey
Anderson	Dominick	Kearns	Raker
Ansorge	Drane	Kelly, Pa.	Ransley
Arentz	Driver	Kincheloe	Reber
Aswell	Dunbar	King	Riordan
Atkeson	Dunn	Kirkpatrick	Robertson
Bankhead	Echols	Kissel	Rodenberg
Barbour	Elston	Kleczka	Rogers
Barkley	Fairchild	Kline, N. Y.	Rouse
Beedy	Fairfield	Kline, Pa.	Sabath
Bell	Faust	Kunz	Sanders, Ind.
Blakeney	Favrot	Lanham	Schall
Bland, Va.	Fenn	Lankford	Siegel
Bowers	Fields	Larsen, Ga.	Sinnott
Box	Fish	Lawrence	Smith
Brand	Flood	Lazaro	Smithwick
Brennan	Focht	Len, Calif.	Snyder
Brinson	Foster	Leatherwood	Stedman
Britten	Freeman	Lee, Ga.	Stephens
Brooks, Ill.	French	Lehlbach	Stoll
Brooks, Pa.	Frothingham	Lineberger	Summers, Wash.
Buchanan	Funk	Little	Sumners, Tex.
Bulwinkle	Garner	Logan	Swing
Burdick	Garrett, Tenn.	Luce	Tague
Burtness	Garrett, Tex.	Lyon	Taylor, Ark.
Burton	Gernerd	McArthur	Taylor, N. J.
Butler	Gilbert	McClintic	Temple
Byrnes, S. C.	Glynn	McDuffie	Ten Eyck
Byrns, Tenn.	Goldsborough	McSwain	Tillman
Campbell, Kans.	Gorman	Magee	Tinkham
Campbell, Pa.	Griest	Martin	Treadway
Cantrill	Hadley	Mead	Tyson
Carew	Hammer	Miller	Upshaw
Chindblom	Hardy, Tex	Mills	Vare
Clague	Harrison	Montoya	Vestal
Cockran	Hawes	Moore, Ohio	Vinson
Cole	Hawley	Morgan	Walters
Collier	Hayden	Mudd	Ward, N. C.
Connally, Tex.	Hersey	Murphy	Watson
Connell	Hickey	Newton, Minn.	Weaver
Connolly, Pa.	Hicks	O'Brien	Webster
Cooper, Ohio	Hill	Oldfield	Wingo
Copley	Himes	Oliver	Woodruff
Coughlin	Hogan	Olpp	Woods, Va.
Crisp	Hull	Osborne	Wright
Cullen	Humphreys	Overstreet	Wurzbach
Curry	Husted	Padgett	Wyant
Dallinger	Ireland	Park, Ga.	Young
Darrow	Jacoway	Petersen	
Davis, Minn.	James, Va.	Porter	
Davis, Tenn.	Jefferis, Nebr.	Pou	

NAYS—123.

Almon	Fess	McLaughlin, Nebr.	Ryan
Andrews	Fulmer	McLaughlin, Pa.	Sanders, Tex.
Anthony	Gensman	McPherson	Sandlin
Bacharach	Graham, Ill.	MacGregor	Scott, Tenn.
Beck	Green, Iowa	Madden	Shaw
Begg	Greene, Mass.	Mansfield	Shelton
Bird	Greene, Vt.	Mapes	Shreve
Black	Hardy, Colo.	Michaelson	Sinclair
Bland, Ind.	Haugen	Michener	Speaks
Blanton	Hoch	Millspaugh	Sproul
Boles	Huddleston	Mondell	Stafford
Bond	James, Mich.	Moore, Va.	Steagall
Bowling	Johnson, Ky.	Moores, Ind.	Steenerson
Briggs	Jones, Tex.	Nelson, J. M.	Strong, Kans.
Brown, Tenn.	Keller	Nolan	Swank
Browne, Wis.	Kelley, Mich.	Norton	Sweet
Cable	Kendall	Parker, N. J.	Thompson
Chalmers	Ketcham	Parks, Ark	Timberlake
Chandler, N. Y.	Kinkaid	Parrish	Tincher
Chandler, Okla.	Knight	Perkins	Towner
Christopherson	Knutson	Quin	Underhill
Classon	Kopp	Radcliffe	Volstead
Clouse	Kraus	Ramseyer	Wheeler
Colton	Lampert	Rankin	White, Kans.
Cooper, Wis.	Layton	Reavis	Williams
Denison	Lee, N. Y.	Reece	Williamson
Dickinson	London	Reed, W. Va.	Wilson
Dowell	Longworth	Rhodes	Wood, Ind.
Elliott	Lowrey	Ricketts	Woodyard
Ellis	McKenzie	Roach	Zihlman
Evans	McLaughlin, Mich.	Rose	

ANSWERED "PRESENT"—2.

Goodykoontz	Langley

NOT VOTING—105.

Appleby	Fordney	Kiess	Parker, N. Y.
Benham	Frear	Kindred	Patterson, Mo.
Bixler	Free	Kitchin	Patterson, N. J.
Burke	Fuller	Kreider	Perlman
Burroughs	Gahn	Larson, Minn.	Peters
Cannon	Gallivan	Linthicum	Purnell
Carter	Good	Lufkin	Rainey, Ala.
Clark, Fla.	Gould	Luhring	Rainey, Ill.
Clarke, N. Y.	Graham, Pa.	McCormick	Rayburn
Codd	Griffin	McFadden	Reed, N. Y.
Collins	Hays	Maloney	Riddick
Cramton	Herrick	Mann	Robsion
Crowther	Houghton	Merritt	Rosenbloom
Dale	Hudspeth	Montague	Rossdale
Dempsey	Hukriede	Moore, Ill.	Rucker
Doughton	Hutchinson	Morin	Sanders, N. Y.
Drewry	Johnson, Miss.	Mott	Scott, Mich.
Dupré	Johnson, S. Dak.	Nelson, A. P.	Sears
Dyer	Johnson, Wash.	Newton, Mo.	Sisson
Edmonds	Jones, Pa.	O'Connor	Slemp
Fisher	Kahn	Ogden	Snell
Fitzgerald	Kennedy	Paige	Stevenson
Stiness	Thomas	Walsh	Wise
Strong, Pa.	Tilson	Ward, N. Y.	Yates
Sullivan	Vaile	Wason	
Taylor, Colo.	Voigt	White, Me.	
Taylor, Tenn.	Volk	Winslow	

So the motion to recede and concur in the Senate amendment was agreed to.

The Clerk announced the following pairs:

Until further notice:

Mr. CANNON with Mr. GALLIVAN.

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. APPLEBY with Mr. SEARS.

Mr. PATTERSON of Missouri with Mr. RAINEY of Illinois.

Mr. WALSH with Mr. THOMAS.

Mr. A. P. NELSON with Mr. RAYBURN.

Mr. MORIN with Mr. DOUGHTON.

Mr. DALE with Mr. KINDRED.

Mr. FREE with Mr. LINTHICUM.

Mr. HAYS with Mr. O'CONNOR.

Mr. BIXLER with Mr. WISE.

Mr. HUKRIEDE with Mr. GRIFFIN.

Mr. PATTERSON of New Jersey with Mr. FISHER.

Mr. LUHRING with Mr. SISSON.

Mr. NEWTON of Missouri with Mr. RUCKER.

Mr. MOORE of Illinois with Mr. DREWRY.

Mr. PAIGE with Mr. TAYLOR of Colorado.

Mr. HUTCHINSON with Mr. COLLINS.

Mr. WINSLOW with Mr. DUPRÉ.

Mr. KIESS with Mr. JOHNSON of Mississippi.

Mr. VOLK with Mr. STEVENSON.

Mr. PURNELL with Mr. CARTER.

Mr. BURROUGHS with Mr. MONTAGUE.

Mr. PERLMAN with Mr. RAINEY of Alabama.

Mr. LUFKIN with Mr. SULLIVAN.

Mr. STINESS with Mr. HUDSPETH.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The Doorkeeper will open the doors.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to renumber the sections.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the Clerk be authorized to renumber the sections. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next Senate amendment in disagreement.

Mr. HICKS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bureau of aeronautics

The SPEAKER. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 114: Page 62, after line 21, insert:

"SEC. 17. That the President is authorized and requested to invite the Governments of Great Britain and Japan to send representatives to a conference, which shall be charged with the duty of promptly entering into an understanding or agreement by which the naval expenditures and building programs of each of said Governments, to wit, the United States, Great Britain, and Japan, shall be substantially reduced annually during the next five years to such an extent and upon such terms as may be agreed upon, which understanding or agreement is to be reported to the respective Governments for approval."

Mr. KELLEY of Michigan. Mr. Speaker, this is the so-called Borah amendment. I move that the House recede and concur. [Applause and cries of "Vote!"] I yield 15 minutes to the gentleman from Wyoming [Mr. MONDELL].

The SPEAKER. The gentleman from Wyoming is recognized for 15 minutes.

Mr. MONDELL. Mr. Speaker, I send to the Clerk's desk a letter from the President of the United States, which I would like to have read in my time.

The SPEAKER. The Clerk will read.

The Clerk read as follows:

THE WHITE HOUSE.
Washington, June 25, 1921.

MY DEAR MR. MONDELL: There have come to my attention the questions in disagreement between the two Houses of Congress on the naval bill, and I understand they are in process of adjustment, but that some difficulty has been experienced in arriving at a satisfactory agreement with regard to the language to be used in expressing the favorable attitude of the Congress toward efforts to secure international agreements for the limitation of armaments.

A number of Members of Congress have been good enough to inquire as to the form of expression on the part of Congress which might seem most advisable from an administrative viewpoint.

I have said to inquirers, as I am now pleased to say to you, that it is not of particular concern to the administration what form the expression of Congress shall take, though it is most agreeable that Congress shall express itself in favor of securing, if possible, an international agreement upon a program for the limitation of armaments.

I think it has been pretty well understood that the administrative branch of the Government has already been seeking information with regard to the attitude of foreign nations on the general subject of disarmament. These inquiries and negotiations will be continued, and the time and manner in which the matter may be formally presented to foreign Governments can only be determined after the fuller development of inquiries already initiated.

It is wholly desirable to have the expression of a favorable opinion on the part of Congress relating to this world question, and it would seem to me ample if it should be expressed in the broadest and most general terms.

I am vastly more concerned with the favorable attitude of the Congress on this question than I am as to the form of expressing that attitude. You may be sure that the Executive will be ready to give every consideration to such expression as the Members of the two Houses of Congress find themselves disposed to make.

Very sincerely, yours,

WARREN G. HARDING.

Hon. FRANK W. MONDELL,
House of Representatives, Washington, D. C.

[Applause.]

Mr. WINGO. Mr. Speaker, will the gentleman permit me to suggest that it sounds like old times to hear read a letter from the President? [Laughter and cries of "Vote!"]

Mr. MONDELL. Mr. Speaker and gentlemen, if you are not too impatient, allow me for just a moment to outline the situation that is presented to us.

When this bill went to the Senate appropriations were placed upon it as it passed that body totaling over $98,000,000. In addition to those appropriations placed upon the bill much new legislation was placed upon the bill by the Senate. In conference and by the action of the House to-day, if that action shall be approved by the Senate, as we hope it will be, the House will have accomplished a saving under the amount carried by the Senate bill of $83,346,646. [Applause.]

The Senate has receded and we believe will recede from practically every considerable item of appropriation placed on the bill by that body save an item of $6,330,540 for increased pay for the personnel of the Navy. The only other considerable item agreed to by the House is an item that we realized when the bill passed the House—and I then stated must be added to the bill by the Senate and accepted by the House, to wit, the item for new aircraft amounting to $6,500,000. So that as a matter of fact of the $98,000,000 placed on the bill by the Senate the House has receded, except as to the one item on which it expected to recede, only in the sum of $8,172,040.

In addition to that, the Senate has receded, and we believe following the action of the House will recede, from practically all of their demands in the matter of new legislation, save the one item of legislation just approved by the House.

There remains but one question in controversy, a question in regard to which there is a very considerable difference of opinion. Many Members of the House are of the opinion—and in that opinion I share—that the so-called Borah amendment placed on the bill in the Senate is unwisely restrictive, that it does not express fully or adequately the desire or the judgment of the American people relative to efforts for the reduction of armaments, nor would it, were the Executive to limit his efforts for reduction of armaments according to its provisions, meet the expectation of the American people.

But the President has very properly said that the manner in which the question of the limitation of armaments shall be taken up with and presented to the nations of the earth must be determined by the information which the administration shall secure through the inquiries that it has been making through diplomatic channels for the last six weeks rather than by the form of any suggestion we may make.

So that, after all, we may have been overestimating the importance of the question as to whether the Congress shall declare itself in favor of an attempt to secure only the reduction of naval establishments, proposed by the Senate, or in the broader way, as proposed by the House resolution, endeavor to secure the reduction or limitation of armaments of all kinds and classes.

That is what we seek, beyond all question—a limitation of armaments of all kinds. The Senate resolution does not give expression to that desire; the House resolution does. But assuming for the sake of argument that the House did, instead of accepting the restricted and comparatively narrow provision placed on the bill by the Senate, substitute for it the much broader and more comprehensive resolution reported by the House Committee on Foreign Affairs, and that substitution were made, the bill would, as thus further modified by the House, go to the Senate on the last day of the fiscal year. It would go to a Senate that has receded, or has been asked by the House to recede, on about 86 per cent of all its items of appropriation; that has receded or is asked to recede on approximately 95 per cent of its items of legislation.

In view of the fact that in that body at the other end of the Capitol one persistent and insistent gentleman can block the wheels of legislation, would it be wise, no matter what our opinion may be with regard to the relative merits of these two expressions on disarmament, to contest over the question of the exact phraseology in which we shall announce to the world our hope and desire for a reduction or limitation of war establishments? The Senate amendment does not fully cover the ground. It applies only to naval programs, and God knows that it is even more necessary to halt the growth of armed forces on land than to limit military establishments on the high seas; furthermore, it carries no appropriation to make it effective; the House provision does.

But the country understands the temper of the Congress favorable to disarmament on land and sea, on sea if it can not now be had on land, and on land when it may be accomplished. The country knows that consistent, persistent, faithful efforts to secure agreements for the reduction of armaments will be made by the administration without regard to the form of expression by Congress. In view of these facts, Mr. Speaker, and in view of the fact that it is our duty to do all we can to speed the final passage of this bill, to insure its enactment before the 1st of July, in order that the Navy may function, I for one am ready to surrender my views and accept the Senate amendment. [Applause.] I do hope, however, that later the House will have an opportunity to express its views in a more adequate way and with an appropriation to pay the cost of the negotiations.

Mr. BYRNES of South Carolina. Mr. Speaker, that side having used 15 minutes, may I ask the gentleman from Michigan [Mr. KELLEY] whether he will yield 15 minutes to this side of the House?

Mr. KELLEY of Michigan. Mr. Speaker, I think that will be entirely fair, provided I retain control of the floor and the time.

Mr. BYRNES of South Carolina. Of course, the gentleman will retain control if he yields me 15 minutes.

Mr. KELLEY of Michigan. I yield to the gentleman 15 minutes.

Mr. BYRNES of South Carolina. And I yield it to the gentleman from Tennessee [Mr. GARRETT]. [Applause.]

Mr. GARRETT of Tennessee. Mr. Speaker, I think gentlemen upon my side of the Chamber with whom I have conferred during the last several days concerning this matter are pretty well agreed that under the situation in which we find ourselves it is most desirable that the House should concur in the Borah amendment without amendment. [Applause.]

Since this matter was first placed before the House there has been an expression by it upon the question of the size of the Army, which ought certainly to be entirely sufficient to enable intelligent statesmen here and throughout the world to understand the attitude of the Congress upon land forces and land armaments. I mean, of course, when it voted by a large majority to reduce the Army to 150,000 men. So we now have the opportunity in a parliamentary way to give expression to our opinion upon the other or naval phase of the war question.

Mr. Speaker, it is possibly gratifying at this hour, with the vote about to be taken, that the Congress has at last been honored with an expression from the President of the United States. [Applause.] In the last paragraph of the President's letter he says:

> I am vastly more concerned with the favorable attitude of the Congress on this question than I am as to the form of expressing that attitude.

Mr. Speaker, during the three or more weeks during which this question has been agitating the country from end to end, during which it has been the theme in the thought of the membership of this House and of the Senate, I think it has been de-

cidedly a matter of more concern to the country as to what the President's views were than any concern as to what the views of the House and Senate were. There never has been any doubt as to what the views of the House and Senate were. There has never been any certainty as to the views of the President.

The only thing that has been thrown in the way of this so-called Borah amendment, if the stories appearing almost every day in the newspapers are to be believed at all, has been that which was thrown in the way by gentlemen who gave out interviews following their conferences with the President, which gave the impression to the country that the President was opposed to the form of the amendment contained in the bill and was in favor of some other form. It is somewhat gratifying that at this eleventh hour he has discovered a necessity for supporting the Congress of the United States in expressing its sentiment upon this, probably the greatest question of the hour. [Applause.]

Mr. BYRNES of South Carolina. Mr. Speaker, how much time have I left?

The SPEAKER. The gentleman from Tennessee used five minutes.

Mr. BYRNES of South Carolina. Mr. Speaker, let me review the history of this disarmament legislation. In the last Congress, during the consideration of the naval bill, Democratic Members of the House offered several amendments requesting the President to call a conference on the subject of disarmament. Points of order were made against these amendments by Members on the Republican side of the House and the amendments were ruled out of order. Then an amendment was offered by the gentleman from Illinois, Mr. BROOKS, Republican, placing a limitation upon the construction of battleships until such time as the President could call a disarmament conference. This being in order, debate ensued, during which the chairman of the Naval Affairs Committee [Mr. BUTLER] was quoted, without dissent from him, as having stated to the Naval Affairs Committee that the President elect, Mr. Harding, in a conference at his home in Marion, had told Mr. BUTLER that immediately after his inauguration as President he would call a disarmament conference. And the chairman of the Naval Affairs Committee stated during the debate that he was not commissioned to speak for any man, but as a result of his conference he was convinced that "before harvest time in Pennsylvania or cotton-picking time in the South" there would be in session somewhere a conference of the nations for the purpose of limiting armaments. In the same debate the Republican leader [Mr. MONDELL], opposing the Brooks amendment, stated that if after the inauguration of the President he should hesitate or delay, that the Congress would be in session and could immediately proceed to pass a resolution calling upon the President to invite the nations to a disarmament conference. As a result of these statements the amendment of Mr. BROOKS of Illinois was defeated. The naval bill then went to the Senate. There Senator BORAH offered his amendment, which was immediately opposed by the Republican leaders of that body, including the Senators in charge of the naval bill. Whether there was foundation for the story I do not know, but it was generally understood that the President elect, Mr. Harding, was opposed to the adoption of the Borah amendment or any similar action prior to his inauguration. Because of the opposition of the Republican leaders and the insistence of Senator BORAH, the Senate was unable to pass the naval bill at that session of Congress.

The naval bill was reintroduced in the House at this session. A Democratic Representative from Texas, Mr. CONNALLY, offered several amendments requesting the President to call a conference, all of which were ruled out of order upon objection from the Republican side of the House. Finally he offered one that was in order, and the Republican majority defeated it. The bill again went to the Senate, where Senator BORAH again offered his resolution. As before, it was supported by practically every Democratic Member of the Senate. As in the previous Congress, it was opposed by the Republican leaders of that body, until one day the press carried a story that the Senators in charge of the naval bill visited the White House, and after conference with the President announced that there would be no further opposition to the amendment. The result of the conference with the President and the withdrawal of the opposition by the Senators in charge of the bill was that the Borah amendment on May 25 was unanimously adopted by the Senate. The Associated Press report of the vote stated:

The vote was in conformity with the understanding reached last week by the administration forces to give their support to Senator BORAH's plan.

The circumstances under which opposition was withdrawn led the people to believe that the matter was settled and that the resolution, being satisfactory to the President, would be agreed to by the House. But no sooner had the bill passed the Senate than the press carried another story, on June 5, that the chairman of the Foreign Affairs Committee of the House, Mr. PORTER, had visited the White House, and after a conference with the President stated he would offer a resolution which was believed to meet with the approval of the President, authorizing and requesting him to call a disarmament conference. The resolution was introduced and immediately reported by the Foreign Affairs Committee. The Republican leader, Mr. MONDELL, stated to the press, however, that he would not call for action by the House upon the resolution, but that it would serve as instructions to the House conferees and "could hardly be ignored, considering the agencies concerned in its preparation."

On June 3 Mr. MONDELL on the floor of the House criticized the Borah amendment as "narrow, restricted, and unsatisfactory," and on June 7, in refusing to enter an agreement to let the House vote directly on the Borah amendment, he told the gentleman from Texas [Mr. GARNER] that he favored the Porter amendment in preference to the Borah amendment. This statement was made after Mr. MONDELL had, according to the press, called upon the President in company with Senators POINDEXTER and HALE, the Senate conferees on the bill. The bill went to conference. The conferees on the part of the House did not seem anxious to construe the action of the Foreign Affairs Committee as instructions of the House. On the contrary, every one of the House conferees, Republicans and Democrats, stated that they favored the Borah amendment. They determined to vote their convictions and the convictions of their constituents rather than follow the House leader. Whereupon we saw another change in the program, and Mr. MONDELL announced on Saturday the 18th of June that on Monday the 20th the Porter disarmament resolution would be called up and passed under suspension of the rules. Before the membership of the House could adjust itself to this changed program, Mr. MONDELL again changed his mind and announced the next morning that the Porter disarmament resolution would not be called up on Monday the 20th, giving as his reason that many Members were out of the city and he did not want to consider it in their absence. A week has passed and I assume the Members have returned. The fact is that there was a larger membership in attendance upon the session Monday than there has been for months. It was in order to suspend the rules Monday, and the Republican leadership of this House devoted the day to suspending the rules and passing a bill on the subject of good roads and the Volstead antibeer bill.

Mr. MONDELL. Will the gentleman yield?

Mr. BYRNES of South Carolina. No; I can not yield.

Mr. MONDELL. I want to state why I did not do it.

Mr. BYRNES of South Carolina. The gentleman did not do it because he could not get a two-thirds vote.

Mr. MONDELL. No; your side of the House would not consent——

Mr. BYRNES of South Carolina. Oh, the Speaker could recognize anybody to suspend the rules.

Mr. MONDELL. We had an agreement——

Mr. BYRNES of South Carolina. You did not do it, but instead took up the road bill and the antibeer bill, and I wondered why you did not take up at the same time the Porter resolution. [Cries of "Vote!" "Vote!" "Vote!"] Oh, I know you do not like it.

The SPEAKER. The House will be in order.

Mr. BYRNES of South Carolina. I know, Mr. Speaker, that the Republican side of the House does not now like any reference to the Porter amendment. The Republican leaders were for it until to-day, when they realized that so many of their Members were against it that they could not put it over. But I do not understand why it was not taken up under a suspension of the rules along with the antibeer bill, because it was nothing but a legislative soft drink, absolutely lacking in influence. [Laughter.] I will tell you where to go for an explanation of all this political side stepping by the Republican leaders. Read the speech of Secretary Weeks, at Tufts College, in Massachusetts, on June 1. The press has quoted the Secretary, without contradiction from him, as having said:

The present administration is desirous of disarming as far as it is safe to go, but it is not the time to make the move for everlasting peace. When we see nations preparing for war, making greater preparations in time of peace than during the war, we must sit up and take notice.

It will be noted that the War Secretary speaks not of his views, but of the views of the administration. As a member

of the President's official family, in charge of the military affairs of the Government, he was presumed to express the views of the President. But his statement was a shock to the peace-loving people of America. If this is not the time to make a move for everlasting peace, then in God's name when will there come such a time? Must we wait until another war comes to absolutely destroy the civilization of the world? What faulty reasoning could induce the administration to believe that because nations are making preparations for war that it is not time to make a move for peace? Would they wait until the nations no longer make preparations for war? Then there would be no necessity for a disarmament conference.

But the administration, like the House leader, has changed its mind about this not being the time. The President has written a letter. I rejoice that he has. I only hope he will stick. I want to send for Mr. Lasker and have him republish his advertisement of the last campaign, "Let's have done with wiggle and wabble." [Laughter and applause on the Democratic side.]

Mr. FAIRCHILD. Mr. Speaker, my vote for the Senate disarmament amendment to the naval appropriation bill is only to be taken as an expression of my opinion in favor of general disarmament. In the existing parliamentary situation this is the only present opportunity to express by vote a sentiment for or against disarmament among the nations of the world. With this restricted opportunity my vote must necessarily be for the Borah amendment, although I much regret that the opportunity is so restricted.

I would have much preferred the broader scope of the Porter resolution, now on the House Calendar, reported by the House Foreign Affairs Committee. Unfortunately the Borah amendment limits the proposed international conference to England, Japan, and the United States. France is excluded. Italy is excluded. All the maritime nations of the world are excluded from the invitation proposed to be extended by America, excepting England and Japan. The House resolution purposely opened the door to an invitation inclusive of other nations, inclusive of our good and historical friend, the Republic of France.

But, Mr. Speaker, my preference for the form of the House resolution is not only because it is broader in scope but also because it more truthfully represents the attitude of the President to this great international question of disarmament. It recognizes what we all know, that the President, long before the Borah amendment was offered in the Senate, had already opened negotiations with other nations looking toward general disarmament.

The House resolution therefore expresses concurrence in what the President has already undertaken. The Borah amendment wrongly infers, by the request for action, that the President has been idle when, in fact, as every Member of Congress knows, ever since his inaugural address, he has been far from idle and has been making real progress in efforts to feel out foreign Governments in favor of lifting from the peoples of the earth the great burden of armaments.

In his first message to Congress at the opening of this extra session the President took occasion to say that—

> We are ready to cooperate with other nations to approximate disarmament, but merest prudence forbids that we disarm alone.

In a number of addresses he has indicated a declared purpose and intention to call an international conference to consider the limitation of armaments with a view to lessen materially the burden of expenditures and the menace of war. In all this the House resolution in terms concurs. Then, why the form of the Senate resolution which inaccurately, although, I believe, inadvertently, gives a false inference otherwise? I say inadvertently, Mr. Speaker, because I feel firmly convinced that no false inference was intended by the able author of the Senate amendment, for whom I have the profoundest respect and the warmest personal regard.

Mr. Speaker, the President's letter, as read by our floor leader, places the matter in its true light. I can therefore the more readily vote for the Borah amendment, which by no possibility can be of any force or effect except as an expression of sentiment in favor of disarmament among the nations of the world. It can not limit or abridge, and the President has very properly indicated in his letter that he will not permit it even to embarrass his pending negotiations with foreign Governments.

Mr. Speaker, the President by word and deed has won our confidence and the confidence of the people. We can safely rely upon his leadership with full faith and assurance. This great question of disarmament, of far-reaching international importance, could not be in safer and wiser keeping. He has by his letter invited an expression of favorable attitude upon the part of Congress, and that expression, therefore, will be ungrudgingly given.

Mr. KELLEY of Michigan. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recede and concur in the Senate amendment 114.

Mr. KELLEY of Michigan. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 332, nays 4, answered "present" 1, not voting 94, as follows:

YEAS—332.

Ackerman	Edmonds	Kopp	Ricketts
Almon	Elliott	Kraus	Riordan
Anderson	Ellis	Kunz	Roach
Andrews	Elston	Lampert	Robertson
Ansorge	Evans	Lanham	Robsion
Anthony	Fairchild	Lankford	Rodenberg
Arentz	Fairfield	Larsen, Ga.	Rogers
Aswell	Faust	Lawrence	Rose
Atkeson	Favrot	Layton	Rosenbloom
Bacharach	Fenn	Lazaro	Rouse
Bankhead	Fess	Lea, Calif.	Ryan
Barbour	Fields	Leatherwood	Sabath
Barkley	Fish	Lee, Ga.	Sanders, Ind.
Beck	Flood	Lee, N. Y.	Sanders, Tex.
Beedy	Focht	Lehlbach	Sandlin
Begg	Foster	Little	Schall
Bell	Frear	Logan	Scott, Mich.
Bird	Freeman	London	Scott, Tenn.
Black	French	Lowrey	Shaw
Blakeney	Frothingham	Luce	Shelton
Bland, Ind.	Funk	Lyon	Shreve
Bland, Va.	Garner	McArthur	Siegel
Blanton	Garrett, Tenn.	McClintic	Sinclair
Boles	Garrett, Tex.	McCormick	Sinnott
Bond	Gensman	McDuffie	Smith
Bowers	Gernerd	McKenzie	Smithwick
Bowling	Gilbert	McLaughlin, Mich.	Snyder
Box	Glynn	McLaughlin, Nebr.	Speaks
Brand	Goldsborough	McLaughlin, Pa.	Sproul
Brennan	Goodykoontz	McPherson	Stafford
Briggs	Gorman	MacGregor	Steagall
Britten	Graham, Ill.	Madden	Stedman
Brooks, Ill.	Green, Iowa	Magee	Steenerson
Brooks, Pa.	Greene, Mass.	Mansfield	Stephens
Browne, Wis.	Greene, Vt.	Mapes	Stoll
Buchanan	Griest	Martin	Strong, Kans.
Bulwinkle	Hadley	Mead	Summers, Wash.
Burdick	Hammer	Michaelson	Sumners, Tex.
Burtness	Hardy, Colo.	Michener	Swank
Burton	Hardy, Tex.	Miller	Sweet
Butler	Harrison	Mills	Swing
Byrnes, S. C.	Haugen	Millspaugh	Tague
Byrns, Tenn.	Hawes	Mondell	Taylor, Ark.
Cable	Hawley	Montoya	Taylor, N. J.
Campbell, Kans.	Hayden	Moore, Ohio	Taylor, Tenn.
Carter	Hays	Moore, Va.	Temple
Chalmers	Hersey	Morgan	Ten Eyck
Chandler, N. Y.	Hickey	Mudd	Thomas
Chindblom	Hicks	Murphy	Thompson
Christopherson	Hill	Nelson, J. M.	Tillman
Clague	Himes	Newton, Minn.	Timberlake
Clarke, N. Y.	Hoch	Newton, Mo.	Tincher
Classon	Hogan	Nolan	Tinkham
Clouse	Huddleston	Norton	Towner
Cockran	Hukriede	O'Connor	Treadway
Cole	Hull	Ogden	Tyson
Collier	Humphries	Oldfield	Underhill
Colton	Husted	Oliver	Upshaw
Connally, Tex.	Ireland	Olpp	Vare
Connell	Jacoway	Osborne	Vestal
Connolly, Pa.	James, Mich.	Overstreet	Vinson
Cooper, Ohio	James, Va.	Padgett	Voigt
Cooper, Wis.	Jefferis, Nebr.	Park, Ga.	Volstead
Copley	Jeffers, Ala.	Parks, Ark.	Walters
Coughlin	Johnson, Ky.	Parrish	Ward, N. C.
Crisp	Jones, Tex.	Patterson, Mo.	Watson
Cullen	Kearns	Perkins	Weaver
Curry	Keller	Petersen	Webster
Dallinger	Kelley, Mich.	Porter	Wheeler
Darrow	Kelly, Pa.	Pou	White, Kans.
Davis, Minn.	Kendall	Pringey	Williams
Davis, Tenn.	Kennedy	Quin	Williamson
Deal	Ketcham	Radcliffe	Wilson
Denison	Kincheloe	Raker	Wingo
Dickinson	King	Ramseyer	Wood, Ind.
Dominick	Kinkaid	Rankin	Woodruff
Dowell	Kirkpatrick	Ransley	Woods, Va.
Drane	Kissel	Rayburn	Woodyard
Driver	Kleczka	Reavis	Wright
Dunbar	Kline, N. Y.	Reber	Wurzbach
Dunn	Kline, Pa.	Reece	Wyant
Dyer	Knight	Reed, W. Va.	Young
Echols	Knutson	Rhodes	Zihlman

NAYS—4.

Campbell, Pa.	Carew	Moores, Ind.	O'Brien

ANSWERED "PRESENT"—1.

Lineberger

NOT VOTING—94.

Appleby	Burke	Clark, Fla.	Dale
Benham	Burroughs	Codd	Dempsey
Bixler	Cannon	Collins	Doughton
Brinson	Cantrill	Cramton	Drewry
Brown, Tenn.	Chandler, Okla.	Crowther	Dupré

Fisher	Jones, Pa.	Morin	Slemp
Fitzgerald	Kahn	Mott	Snell
Fordney	Kiess	Nelson, A. P.	Stevenson
Free	Kindred	Paige	Stiness
Fuller	Kitchin	Parker, N. J.	Strong, Pa.
Fulmer	Kreider	Parker, N. Y.	Sullivan
Gahn	Langley	Patterson, N. J.	Taylor, Colo.
Gallivan	Larson, Minn.	Perlman	Tilson
Good	Linthicum	Peters	Vaile
Gould	Longworth	Purnell	Volk
Graham, Pa.	Lufkin	Rainey, Ala.	Walsh
Griffin	Luhring	Rainey, Ill.	Ward, N. Y.
Herrick	McFadden	Reed, N. Y.	Wason
Houghton	McSwain	Riddick	White, Me.
Hudspeth	Maloney	Rossdale	Winslow
Hutchinson	Mann	Rucker	Wise
Johnson, Miss.	Merritt	Sanders, N. Y.	Yates
Johnson, S. Dak.	Montague	Sears	
Johnson, Wash.	Moore, Ill.	Sisson	

So the motion to recede and concur was agreed to.

The Clerk announced the following pairs:

Mr. SULLIVAN (for) with Mr. GALLIVAN (against).

General pairs:

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. APPLEBY with Mr. SEARS.

Mr. MORIN with Mr. DOUGHTON.

Mr. DALE with Mr. KINDRED.

Mr. FREE with Mr. LINTHICUM.

Mr. BIXLER with Mr. WISE.

Mr. PATTERSON of New Jersey with Mr. FISHER.

Mr. LUHRING with Mr. SISSON.

Mr. MOORE of Illinois with Mr. DREWRY.

Mr. PAIGE with Mr. TAYLOR of Colorado.

Mr. HUTCHINSON with Mr. COLLINS.

Mr. WINSLOW with Mr. DUPRÉ.

Mr. KIESS with Mr. JOHNSON of Mississippi.

Mr. VOLK with Mr. STEVENSON.

Mr. BURROUGHS with Mr. MONTAGUE.

Mr. PERLMAN with Mr. RAINEY of Alabama.

Mr. STINESS with Mr. HUDSPETH.

Mr. GRAHAM of Pennsylvania with Mr. MCSWAIN.

Mr. LARSON of Minnesota with Mr. GRIFFIN.

Mr. PURNELL with Mr. BRINSON.

Mr. A. P. NELSON with Mr. RAINEY of Illinois.

Mr. CANNON with Mr. CANTRILL.

Mr. WALSH with Mr. FULMER.

Mr. HOUGHTON with Mr. RUCKER.

Mr. FULMER. Mr. Speaker, I desire to vote "aye."

The SPEAKER. Was the gentleman in the Hall, present, listening when his name was called?

Mr. FULMER. I was not.

The SPEAKER. The gentleman does not bring himself within the rules.

Mr. SMITH. Mr. Speaker, I am requested by the gentleman from Kentucky, Mr. LANGLEY, to announce that he has a general pair with the gentleman from Florida, Mr. CLARK, and that if he were here and not paired he would vote "aye."

The result of the vote was announced as above recorded.

EXTENSION OF REMARKS.

By unanimous consent, leave was granted to extend their remarks in the RECORD on the Borah amendment to Mr. SWING, Mr. KNUTSON, Mr. KOPP, Mr. BROWNE of Wisconsin, Mr. FAIRCHILD, Mr. MILLER, Mr. WEAVER, Mr. O'BRIEN, Mr. PRINGEY, Mr. LARSEN of Georgia, Mr. MCDUFFIE, Mr. RANKIN, Mr. O'CONNOR, Mr. FOSTER, Mr. SPEAKS, and Mr. FULMER.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 1738. An act for the completion of a bridge across the Little Colorado River, near the Leupp Indian Agency, Ariz.; to the Committee on Appropriations.

S. 901. An act for the payment of certain money to Albert H. Raynolds; to the Committee on Indian Affairs.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills:

H. R. 6652. An act to extend the time for the construction of a bridge across the Arkansas River, in Muskogee County, Okla.; and

H. R. 6653. An act to extend the time for the construction of a bridge across the Arkansas River at a point near Webbers Falls, in Muskogee County, Okla.

ADJOURNMENT.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly at (5 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Thursday, June 30, 1921, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

183. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and plan and estimate of cost of improvement of Texas City Harbor, Tex., with a view to enlargement and protection; to the Committee on Rivers and Harbors.

184. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Tonawanda Harbor and Tonawanda Creek, N. Y.; to the Committee on Rivers and Harbors.

185. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of that portion of the harbor of Baltimore, Md., lying between the 30-foot channel leading from the main channel into the Prudential Oil Co. channel and the anchorage basin on the north, and between the 35-foot channel on the line of the western side of the anchorage basin extended southerly to meet the Prudential Oil Co. channel; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. VESTAL, from the Committee on Coinage, Weights, and Measures, to which was referred the joint resolution (H. J. Res. 111) to provide for the coinage of peace dollars, reported the same without amendment, accompanied by a report (No. 238), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HULL, from the Committee on Military Affairs, to which was referred the bill (H. R. 7251) to authorize the Secretary of War to make and receive conveyances effecting an exchange of title to the railroad rights of way at Camp Henry Knox, Ky., and for other purposes, reported the same without amendment, accompanied by a report (No. 240), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. BULWINKLE, from the Committee on Claims, to which was referred the bill (H. R. 2117) for the relief of the city of West Point, Ga., reported the same with amendments, accompanied by a report (No. 239), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BARBOUR: A bill (H. R. 7452) to add certain lands to the Sequoia National Park, Calif., and to change the name of said park to Roosevelt-Sequoia National Park; to the Committee on the Public Lands.

By Mr. NORTON: A bill (H. R. 7453) to construct a public building for the United States Naval Reserve Force at the city of Cleveland, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. ZIHLMAN: A bill (H. R. 7454) to authorize the extension and widening of Ninth Street NW. from Longfellow Street to Underwood Street and Underwood Street from Ninth Street to Georgia Avenue NW.; to the Committee on the District of Columbia.

By Mr. UNDERHILL: A bill (H. R. 7455) to provide a method for the settlement of claims arising against the Government of the United States in sums not exceeding $1,000 in any one case; to the Committee on Claims.

By Mr. FORDNEY: A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. SHAW: A bill (H. R. 7457) to provide for the establishment on the Illinois River of a fish-rescue station, to be under the direction of the Bureau of Fisheries of the Department of Commerce; to the Committee on the Merchant Marine and Fisheries.

By Mr. DALLINGER: A bill (H. R. 7458) to provide for a library information service in the Bureau of Education; to the Committee on Education.

By Mr. FORDNEY: A bill (H. R. 7459) defining "condensed filled milk," "evaporated filled milk," "concentrated filled milk," and "sweetened condensed filled milk," "sweetened evaporated filled milk," "sweetened concentrated filled milk," and imposing a tax upon and regulating the manufacture, sale, importation and exportation thereof; to the Committee on Ways and Means.

By Mr. ROBSION: A bill (H. R. 7460) to authorize the appropriation of additional sums for Federal aid in the construction of post roads, and for other purposes; to the Committee on Roads.

By Mr. O'BRIEN: Joint resolution (H. J. Res. 166) providing that Admiral William S. Sims be dismissed from the United States Navy; to the Committee on Naval Affairs.

By the SPEAKER: Memorial of the Legislature of the State of Oregon, requesting Congress to enact into law House bill 15854; to the Committee on Military Affairs.

Also, memorial of the Legislature of the State of Pennsylvania, urging Congress to approve the holding of the sesqui-centennial exposition in Philadelphia in 1926, and that appropriate steps be taken by the Congress of the United States to invite the participation and cooperation of the nations of the world; to the Committee on Industrial Arts and Expositions.

By Mr. CULLEN: Memorial of the Legislature of the State of Pennsylvania, urging Congress to approve the holding of the sesqui-centennial exposition in Philadelphia in 1926, and that appropriate steps be taken by the Congress of the United States to invite the participation and cooperation of the nations of the world; to the Committee on Industrial Arts and Expositions.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 7461) to authorize the President to appoint Clarence H. Knight an officer in the United States Army; to the Committee on Military Affairs.

By Mr. BARBOUR: A bill (H. R. 7462) granting a pension to Edward J. Murphy; to the Committee on Pensions.

By Mr. CHRISTOPHERSON: A bill (H. R. 7463) granting a pension to Anthony Penson; to the Committee on Pensions.

By Mr. CLARK of Florida: A bill (H. R. 7464) granting an increase of pension to Arabell Hatcher; to the Committee on Pensions.

By Mr. ELSTON: A bill (H. R. 7465) for the relief of the United Dredging Co.; to the Committee on Claims.

By Mr. GENSMAN: A bill (H. R. 7466) for the relief of Ivy L. Merrill; to the Committee on Claims.

By Mr. HARDY of Colorado: A bill (H. R. 7467) granting an increase of pension to James O. Cotman; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 7468) granting an increase of pension to William S. Davis; to the Committee on Pensions.

By Mr. KENNEDY: A bill (H. R. 7469) granting a pension to Joseph M., John R., and Alice M. Bingler; to the Committee on Pensions.

By Mr. NOLAN: A bill (H. R. 7470) granting a pension to George Bingham; to the Committee on Pensions.

By Mr. O'CONNOR: A bill (H. R. 7471) for the relief of William Centlivre; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 7472) to correct the military record of Tennessee McCloud; to the Committee on Military Affairs.

Also, a bill (H. R. 7473) authorizing the Secretary of War to donate to the city of Blountville, Tenn., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7474) granting an increase of pension to Axie M. McClendon; to the Committee on Pensions.

By Mr. ROBSION: A bill (H. R. 7475) granting a pension to Isaac Townsend; to the Committee on Pensions.

Also, a bill (H. R. 7476) granting a pension to Sawyers Webb; to the Committee on Pensions.

Also, a bill (H. R. 7477) granting a pension to Lilly Guffey; to the Committee on Pensions.

Also, a bill (H. R. 7478) granting an increase of pension to Lou Phillips; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7479) granting a pension to Mattie Centers; to the Committee on Pensions.

Also, a bill (H. R. 7480) granting a pension to Leah E. Ford; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7481) granting an increase of pension to Martha Jane Wilson; to the Committee on Pensions.

By Mr. ROUSE: A bill (H. R. 7482) granting a pension to Elizabeth Oliver; to the Committee on Invalid Pensions.

By Mr. SUMMERS of Washington: A bill (H. R. 7483) for the relief of Robert G. Whitfield; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7484) granting a pension to John T. Everett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7485) granting a pension to Maratha J. Turner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7486) granting a pension to Van Letsinger; to the Committee on Pensions.

Also, a bill (H. R. 7487) for the relief of Bertha Patterson; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1644. By the SPEAKER (by request): Resolution passed by the Chinese Consolidated Benevolent Association, etc., of New York, urging the repeal of a law of the Philippine Legislature known as House bill 658; to the Committee on Insular Affairs.

1645. Also (by request), petition of Friends of Irish Freedom, Father John Murphy Branch, urging the collection of money owed this country by foreign nations; to the Committee on Ways and Means.

1646. Also (by request), petition of Rev. John O'Brien and 449 others of the fifth congressional district of the State of Kansas, urging recognition of the republic of Ireland; to the Committee on Foreign Affairs.

1647. By Mr. ARENTZ: Resolution of the Ely Chamber of Commerce, of Ely, Nev., urging the passage of Senate bill 799, what is commonly known as the truth-in-fabric bill; to the Committee on Interstate and Foreign Commerce.

1648. By Mr. BRIGGS: Petition of Texas City Board of Trade, urging the completion by Government of Muscle Shoals project on the Tennessee River; to the Committee on Interstate and Foreign Commerce.

1649. By Mr. BROOKS of Pennsylvania: Petition of citizens of York, Pa., urging relief for the Armenians; to the Committee on Foreign Affairs.

1650. By Mr. CONNOLLY of Pennsylvania: Petition of the Holmesburg Building Association, favoring the enactment of proposed legislation exempting from taxation income received from building and loan association shares to the amount of $500; to the Committee on Ways and Means.

1651. By Mr. CULLEN: Resolutions adopted by the Friends of Irish Freedom, urging that the American Government demand the immediate payment of loans made to England during the war; to the Committee on Ways and Means.

1652. By Mr. DALLINGER: Petition of citizens of Massachusetts, favoring the recognition of the existing duly elected government of the republic of Ireland by the United States; to the Committee on Foreign Affairs.

1653. By Mr. DRANE: Resolutions from Tampa (Fla.) Board of Trade, relative to Bankhead-Borah bill; to the Committee on Irrigation of Arid Lands.

1654. Also, resolutions from Tampa (Fla.) Board of Trade, relative to Hydrographic Office; to the Committee on Naval Affairs.

1655. By Mr. DYER: Petitions from citizens of St. Louis, requesting an amendment to the eighteenth amendment for the use of light wines and beer; to the Committee on the Judiciary.

1656. By Mr. FENN: Petition of Glastonbury Grange, No. 26, Glastonbury, Conn., protesting against the Edge-Ackerman or any other bill which creates daylight saving; to the Committee on Interstate and Foreign Commerce.

1657. Also, petition of Methodist Episcopal Church, West Granby, Conn., for the relief of the Armenians; to the Committee on Foreign Affairs.

1658. By Mr. KAHN: Petition of Luther Elkins and 2,000 residents of San Francisco and California, urging careful consideration of legislation providing for a department of education; to the Committee on Education.

1659. By Mr. KELLEY of Michigan: Resolution of Michigan State Association of Letter Carriers, indorsing House bill 6573, having for its purpose the correction of certain inequalities in

the salary reclassification law of 1920; to the Committee on the Post Office and Post Roads.

1660. Also, resolution of Michigan State Association of Letter Carriers, opposing proposed 1-cent drop-letter rate; to the Committee on the Post Offices and Post Roads.

1661. Also, resolution of Michigan State Association of Letter Carriers, indorsing House bill 104, having for its purpose the establishment of a system to grant the right of appeal to Federal employees when removal is sought; to the Committee on Reform in the Civil Service.

1662. By Mr. KELLY of Pennsylvania: Resolutions of director of Pennsylvania Chamber of Commerce, opposing adoption of the metric system; to the Committee on Coinage, Weights, and Measures.

1663. By Mr. KISSEL: Petition of 62 New York City residents, urging the passage of House joint resolution 18; to the Committee on the Judiciary.

1664. By Mr. RAKER: Petitions of Charles D. Adams, of Sonora; Phil Huber, of Jamestown; T. J. Fleming, of Lincoln; George A. Gladwin, of Auburn; N. Fraser, of Dunsmuir; John B. Medina, of Mokelumne Hill; G. H. Brown, of Loomis; H. Garfield Oates, of Westwood; G. H. Benioff, of San Francisco; and the Church Federation of Sacramento, all in the State of California, indorsing House bill 7 and Senate bill 1252, known as the Towner-Sterling bill; to the Committee on Education.

1665. By Mr. TREADWAY: Resolution of the First Congregational Church of Westfield, Mass., in support of international disarmament and calling of a conference of leading powers to that end; to the Committee on Foreign Affairs.

1666. By Mr. WATSON: Resolutions adopted by the members of the Upper Dublin Lutheran Church, Ambler, Pa., favoring conference regarding international disarmament; to the Committee on Foreign Affairs.

1667. Also, resolution passed by the Wolf Tone Council, American Association for the Recognition of the Irish Republic of Bryn Mawr, Pa.; to the Committee on Foreign Affairs.

1668. By Mr. YOUNG: Memorial of the North Central States Association of Dairy and Food Officials, adopted at a meeting in Sioux City, Iowa, remonstrating against the passage of the so-called Calder bill (S. 1887) in regard to foods and drugs; to the Committee on Interstate and Foreign Commerce.

1669. Also, resolution of the North Central States Association of Dairy and Food Officials, adopted at a meeting in Sioux City, Iowa, favoring the passage of the so-called Haugen slack-fill bill (H. R. 4981), providing for protection against the practice of slack filling of packages of food products; to the Committee on Agriculture.

1670. Also, petition of sundry citizens of Napoleon, N. Dak., praying for the recognition of the Irish republic by the United States; to the Committee on Foreign Affairs.

1671. Also, memorial of the St. Cloud Reading Room Society, of St. Cloud, Minn., remonstrating against a tariff on lumber; to the Committee on Ways and Means.

1672. Also, petition of Women's Nonpartisan League Club No. 104, of Marion, N. Dak., praying that the President call an immediate international disarmament conference, and remonstrating against further increase of appropriations for military purposes; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, *June 30, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we recognize Thy hand in blessing, and we desire more and more completely to recognize Thy will concerning us, so that in all the pathway of life we may honor Thee. That this day may be a day in which Thy glory is conserved in every act of service for our land and for the world at large, we ask in Christ Jesus' name. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes; that the House had receded from its disagreement to sundry amendments of the Senate and concurred therein; that the House had receded from its disagreement to sundry amendments of the Senate and concurred therein with amendments, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to sundry amendments of the Senate.

CONSTRUCTION OF THE TERM "RURAL POST ROAD."

The VICE PRESIDENT. The Chair lays before the Senate, coming over from the preceding day unacted upon, the amendment of the House of Representatives to the bill (S. 1072) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes.

Mr. TOWNSEND. I move that the bill and amendment be referred to the Committee on Post Offices and Post Roads.

Mr. McKELLAR. Mr. President, I move that the Senate concur in the amendment of the House. I may say that on yesterday the Vice President held that a motion to concur was not in order. If the Vice President is of the same opinion, I should like to be heard on the question.

The VICE PRESIDENT. On yesterday the Chair understood the Senator to move to amend the motion of the Senator from Michigan.

Mr. McKELLAR. Oh, no; the Senator from Tennessee moved to concur in the House amendment and, as I understand it, that motion has priority over the motion to refer to the committee.

The VICE PRESIDENT. The Chair is disposed to rule that the motion would not have precedence, but the Chair will hear the Senator from Tennessee.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harreld	Moses	Smoot
Borah	Harris	Myers	Spencer
Brandegee	Harrison	Nelson	Stanley
Broussard	Heflin	New	Sterling
Bursum	Johnson	Nicholson	Sutherland
Cameron	Jones, N. Mex.	Norris	Swanson
Capper	Jones, Wash.	Oddie	Townsend
Caraway	Kellogg	Overman	Trammell
Culberson	Kenyon	Phipps	Underwood
Curtis	King	Poindexter	Walsh, Mass.
Dillingham	Knox	Pomerene	Walsh, Mont.
Edge	Ladd	Ransdell	Warren
Ernst	La Follette	Reed	Watson, Ga.
Fernald	Lodge	Robinson	Watson, Ind.
Frelinghuysen	McCumber	Sheppard	Weller
Gerry	McKellar	Shortridge	Williams
Gooding	McKinley	Simmons	Willis
Hale	McNary	Smith	Wolcott

Mr. TRAMMELL. I wish to announce the absence of my colleague [Mr. FLETCHER], who is attending the funeral of soldier dead at the Arlington National Cemetery.

The VICE PRESIDENT. Seventy-two Senators having answered to their names, a quorum is present.

Mr. NORRIS. Mr. President, I ask unanimous consent to submit a report from the Committee on Agriculture and Forestry.

Mr. UNDERWOOD. Mr. President, morning business has not yet been disposed of?

The VICE PRESIDENT. It has not.

Mr. NORRIS. The pending motion may take up the entire morning hour, I will say to the Senator.

Mr. UNDERWOOD. I have some doubt whether the motion was in order until morning business had been disposed of, if a Senator demands the regular order.

Mr. NORRIS. I would not make the request if it were not for the fact that a motion is made now which, if debated, as it probably ought to be, will take all day, and there will be no chance for morning business.

Mr. UNDERWOOD. I shall not object to the request of the Senator.

The VICE PRESIDENT. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and the report will be received.

[Mr. NORRIS's report appears in its regular order under the heading "Reports of committees."]

Mr. McKELLAR. Mr. President, in reference to the two motions which have been made, I wish to call the attention of the Chair to just what the situation is.

A bill was passed by the Senate some weeks ago to amend an act providing that the United States shall aid the States in the construction of rural post roads, and for other purposes. That bill provided for the expenditure of money in certain Western

States where the United States Government owns a large proportion of the land. That bill went over to the House and the House added as an amendment to it what is known as the Dowell bill, or the substantial provisions of the Dowell road bill, which is an amendment to the present road law. The House committee reported the bill favorably with an amendment, and the House by an overwhelming majority has passed that bill as amended. It now comes back to the Senate. What is known in the Senate as the Phipps bill was amended in the House by the addition of what is known as the Dowell road bill. My understanding of the rule of parliamentary law is that where a motion is made to bring the two Houses together on a proposition, that motion has priority. I think that the Chair's attention was distracted for the moment as I stated that proposition, and I shall restate it. Any motion that tends to bring the two Houses together on a proposition, rather than keep them apart, has priority. If the motion which I have made is agreed to, the bill is passed and that ends it. If the motion which the Senator from Michigan has presented shall prevail, the bill is referred to the Committee on Post Offices and Post Roads and may sleep there eternally unless it is brought out of that committee. In order to bring about an efficient conduct of the business of the Congress, it seems to me that my motion to concur in the House amendment should have the priority.

The VICE PRESIDENT. Can the Senator cite any rule or precedent?

Mr. McKELLAR. I have been unable to find any precedent for the proposition. I submit it to the presiding officer.

Mr. ROBINSON. Mr. President, while I am against the motion of the Senator from Tennessee, I think it my duty to state that I believe a motion to concur has precedence over a motion to refer to a committee. I think that is well established.

The VICE PRESIDENT. That is true of a conference report. The Chair has been unable to find any precedent or rule applying to other cases.

Mr. ROBINSON. The motion to concur usually does not arise on a conference report; it arises on the House amendment to the Senate bill.

Mr. McKELLAR. Mr. President——

Mr. ROBINSON. Just a moment. The only way in which a motion to concur in the House amendment can be made is as now attempted by the Senator from Tennessee [Mr. McKELLAR]; but I want to state to the Senate that I am not in favor of his motion. I think the Senate ought to have a chance to legislate on this subject, and it may have that opportunity if the motion of the Senator from Michigan [Mr. TOWNSEND] prevails.

Now let me state briefly the history of this pending legislation. The Senate passed what may be termed an emergency measure—the Phipps bill—merely extending the time in which existing appropriations available for State aid to roads may be expended.

Mr. KELLOGG. Mr. President, will the Senator permit an interruption?

Mr. ROBINSON. Yes.

Mr. KELLOGG. Let me see if I understand the Senator from Arkansas. The original emergency measure made a certain appropriation for aid of the States in road construction?

Mr. ROBINSON. No; not at all. That is what I am trying to make clear. The original emergency measure made no appropriation. It merely extended existing appropriations and was designed to prevent them from lapsing at the expiration of the present fiscal year. That is a very simple subject and does not involve the very complex and difficult questions that grow out of the legislation relating to State aid to roads as a general proposition.

Mr. KELLOGG. Mr. President, the Senator from Arkansas misunderstood me. I did not mean that the Phipps bill did that. I wanted to understand the situation. The Phipps bill merely extended appropriations which had already been made but which lapse on the 1st of July.

Mr. ROBINSON. Yes.

Mr. KELLOGG. That is as I understand the matter.

Mr. ROBINSON. A number of sums that have been allotted will lapse unless the so-called Phipps bill, or something similar to it, shall be passed.

The House adopted an amendment which constitutes general legislation on the subject of Federal aid in the construction of highways in the various States. This is a question which presents many important difficulties and which requires careful consideration by both Houses of Congress.

If the bill shall be referred to a conference, the limitations imposed on conferees by the rules of the Senate are such that we would either have to concur, with or without amendment, in the House amendment or the House would have to recede and agree to the Senate bill. So if the motion of the Senator from Tennessee prevails, the Senate will accept the House bill without change.

I do not want to do that for a number of reasons in addition to the one already stated, that I think the Senate ought to consider this legislation, important as it is, and act intelligently on it. This bill requires those States whose constitutions do not permit the States as units to create funds for the construction of highways to amend their constitutions before Federal aid can be extended to those States after the expiration of three years from the adjournment of the next regular session of the legislatures of the respective States.

Mr. CURTIS. Mr. President——

Mr. ROBINSON. I yield to the Senator from Kansas.

Mr. CURTIS. As I am very much interested in this subject, and as Kansas happened to be one of the States with a constitution of the character to which the Senator refers, I desire to say that when the bill was before the Senate in 1916 I prepared an amendment which permitted counties to make their appropriations in order to take advantage of the act and receive national aid. I have very carefully read the House bill, and I do not believe section 6 protects the situation. There are two sections in relation to the matter, but section 6 is the one with reference to maintenance. I do not believe it protects the States whose constitutions have been amended but which have enacted no legislation in conformity therewith.

Personally I prefer the House bill to the Senate bill, but I do not believe that the States whose constitutions have not been amended would be so protected, and I do not believe it protects the States whose constitutions have been amended but have neglected to enact legislation. For that reason I shall vote to send the matter to the committee.

I merely wish to ask the Senator if he thinks section 6 would protect the States whose constitutions have not been amended or the States where the constitutions have been amended but no legislation enacted?

Mr. ROBINSON. I do not; but I am sure that under section 2, as the House proposes to amend the bill, Kansas, Arkansas, and probably South Carolina, Texas, and quite a number of other States before they could participate in Federal aid would be required to amend their constitutions.

Mr. KELLOGG. Will the Senator from Arkansas yield to me, as I desire to ask him a question?

Mr. ROBINSON. In just a moment. I do not think Congress ought to undertake to prescribe the terms of State constitutions. Now I yield to the Senator from Minnesota.

Mr. KELLOGG. As I understood the Senator from Arkansas, the bill as the House passed it would not permit the Federal aid to a State which appropriated its money by counties?

Mr. ROBINSON. No; except that in some instances it does protect them for a period of three years after the adjournment of the next session of the legislature. The evident purpose of that provision is to give the States a chance to amend their constitutions and laws to suit the bureau in the Department of Agriculture which will have the administration of this law and which probably wrote the provisions of the bill as passed by the House of Representatives.

This subject is entirely too important, too far-reaching, to be determined on a motion to concur in the House amendment. I should feel constrained to discuss the motion at great length—at very great length, indeed; probably beyond the expiration of the present fiscal year—if the Senate should be disposed to concur in the House amendment.

Mr. McKELLAR. Will the Senator yield to me?

Mr. ROBINSON. I yield to the Senator from Tennessee with pleasure.

Mr. McKELLAR. I should like to make a conciliatory compromise proposition. If the Senator from Michigan [Mr. TOWNSEND] will say that he will give us early consideration in the Committee on Post Offices and Post Roads of the bill as amended by the House and will make a report on the bill at an early date to the Senate, I shall have no objection to the bill being referred to that committee.

Mr. TOWNSEND. Mr. President, does the Senator from Tennessee think that the Senator from Michigan has delayed action on this legislation?

Mr. McKELLAR. No.

Mr. TOWNSEND. The Senator from Michigan has been working on this proposition for months, and he has not been honored with the attendance of the Senator from Tennessee as much as he ought to have been as a member of the Committee on Post Offices and Post Roads.

Mr. McKELLAR. Well, now, Mr. President——

Mr. TOWNSEND. But, so far as I am concerned, if the Senator from Arkansas will yield, I desire to state merely briefly what the situation before the Senate is.

Mr. ROBINSON. I yield to the Senator from Michigan for that purpose.

Mr. TOWNSEND. The Senator from Arkansas has stated the situation correctly, except that the Phipps bill also contained some special provisions for the public-land States.

Mr. ROBINSON. Oh, yes; but they are not of very great importance, and, so far as I understand, no issue is involved as to that feature.

Mr. TOWNSEND. We could get no consideration for that bill in the House. It was an emergency bill. It hung there. Members of the House had framed the Dowell bill, so called, and they struck out all after the enacting clause of the Senate bill and substituted their bill. The Senate has not had any time or any opportunity to consider anything in that substitute bill. The Senate has had no opportunity to consider the bill which the House committee has reported.

All that I have sought by the motion I have made is that this bill be referred now to the Committee on Post Offices and Post Roads, where I believe it can be considered, where it will probably be amended in some particulars where it needs amendment, and then, if the Senate is in session and we have an opportunity to work upon it, there will be no delay. The Senator from Tennessee is no more interested in the subject of good roads than am I; indeed, our bill is the only bill which makes any appropriation for roads next year—not a dollar is appropriated by any other bill. We have got, then, to go through the process of getting an appropriation, and I think there are very many people who do not want an appropriation. I repeat that all I have sought in making the motion——

Mr. POMERENE. Will the Senator yield for a question?

Mr. TOWNSEND. I will yield in just a moment. All I have sought in making the motion is to have the Senate and the House given an opportunity to consider all the propositions submitted on road legislation.

Mr. McKELLAR. Mr. President, will the Senator yield to me?

Mr. ROBINSON. I have the floor.

Mr. McKELLAR. I ask the Senator from Arkansas if he will yield to me for just a moment to make a statement?

Mr. ROBINSON. Yes.

Mr. McKELLAR. Of course, the Senate knows that what is known as the Townsend bill has been favorably reported by a majority of the Senate Committee on Post Offices and Post Roads, and that a minority is opposed to it. My purpose in making the motion I have made is to obtain an assurance, if possible, that we may consider both bills together.

Mr. TOWNSEND. That is my only object, Mr. President, in making the motion I have made. If the House had passed the Dowell bill as their judgment of what legislation should be as a separate measure, so that we could amend it and it could go to conference, there would have been no objection at all. I want the Senate to consider both bills.

Mr. McKELLAR. But whenever the Townsend bill comes up will we have the Dowell bill before us at the same time with a report of some kind from the Committee on Post Offices and Post Roads?

Mr. TOWNSEND. The Senator knows that course will be followed.

Mr. McKELLAR. That is all I want to know. I am perfectly willing to have the House amendment go to the committee under those circumstances. However, if the Senator from Arkansas will permit me just a moment further, I desire to say that, so far as my attendance on the Committee on Post Offices and Post Roads, to which the Senator from Michigan has referred, is concerned, all I can do is to refer to the hearings, the record, which will show that I attended the sessions of the Committee on Post Offices and Post Roads very faithfully, I think possibly as faithfully as any member of that committee. I do not think the chairman of the committee should have made the statement he has made, because he must know that no member of the committee has been any more faithful in his attendance upon the duties of the Committee on Post Offices and Post Roads than have I since I have had the honor to be a member of that committee. Whatever statement may be made by him, I refer to the printed record, which, fortunately, we have, and which shows who was there and who took part in the proceedings before the committee.

Mr. ROBINSON. Mr. President, as I understand, the Senator from Tennessee withdraws his motion?

Mr. McKELLAR. I withdraw the motion I have made. With the assurances we have received that the Dowell bill will receive early consideration before the committee and that whenever the Townsend bill comes before the Senate we shall have an opportunity to consider the Dowell bill at the same time, I have no objection to withdrawing my motion.

Mr. ROBINSON. Mr. President, I understand the parliamentary status now to be that the Senator from Tennessee has withdrawn his motion to concur in the House amendment to the Senate bill, and that the question now recurs on the motion of the Senator from Michigan to refer the bill with the House amendment to the Committee on Post Offices and Post Roads.

The so-called Phipps bill passed the Senate on May 16, 1921. I have not the slightest doubt that the Committee on Post Offices and Post Roads will give consideration to the so-called Townsend bill as in contrast to the House amendment to the Phipps bill. Neither proposition without amendment is satisfactory.

There are two theories of legislation respecting this subject, and those two theories are partly reflected in the two bills, the Dowell bill and the Townsend bill. I wish in concluding what I have to say at this time on the subject to ask that the Committee on Post Offices and Post Roads give very careful consideration to that feature of the House bill and of any other bill which may be proposed which require a State of this Union to modify its constitution and its laws in conformity to a fixed theory of the Department of Agriculture or of the Bureau of Good Roads of the Department of Agriculture before that State may be permitted to participate in the benefits of legislation of this character.

There is lack of uniformity in the State constitutions respecting the subject of internal improvement, and the methods by which funds to be used for that purpose are to be created. We have different views regarding the propriety of those various provisions in the State constitutions. Congress had better leave this subject alone. It had better refrain from creating a fund for Federal aid in the construction of highways than to undertake to dictate to States and coerce them into the adoption of amendments to their respective constitutions in order to secure equality of treatment by the Federal Government.

It may be that in the future this subject will be discussed at great length. Some of the States in adopting their prevailing constitutions and statutes respecting the subject have acted after mature consideration. They are based upon incidents of history of very far-reaching consequence. It may be said that under the Dowell bill, which is the House amendment to the Phipps bill now before the Senate, a State will have the option of choosing between its own constitution, prescribing its own method of raising taxes, and refusing to participate in Federal aid; and it may be also said that no appropriation for Federal aid or for any purpose can be sufficiently influential to intimidate, coerce, or persuade the citizens of States whose constitutions are at variance with the theory of this bill to change their constitutions to conform to it. If the Federal Government wants to help the States build roads, it is concerned in seeing that every dollar that it expends is expended effectively, and that involves the supervision, perhaps, of the question of maintenance; but it ought not to undertake to prescribe what provisions the States shall place in their constitutions for the supplemental funds necessary to be provided under the legislation by Congress.

Mr. POMERENE. Mr. President, would it interrupt the Senator if I should ask him a question?

Mr. ROBINSON. No; I yield to the Senator from Ohio.

Mr. POMERENE. Of course, thus far the Senator has spoken generally as to the situation.

Mr. ROBINSON. Yes.

Mr. POMERENE. I was going to ask the Senator if he would give us the specific provisions which are contained in any State constitution or constitutions which would help us to come to a conclusion?

Mr. ROBINSON. Oh, yes. The constitutions of some of the States that I have mentioned contain a provision which forbids the States from issuing interest-bearing evidences of indebtedness for the purpose of making internal improvements. In some of those States the people adopted that constitutional provision for the reason that under what was known as the reconstruction government bonds to the amount of hundreds of millions of dollars were floated under former constitutions for alleged internal improvements, and no improvements were ever made, the funds derived from the bonds having been dissipated, wasted, or stolen.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. ROBINSON. I yield to the Senator.

Mr. McKELLAR. I want to ask the Senator if any of these State constitutions prohibit the legislatures from raising money by taxation to build roads?

Mr. ROBINSON. Not that I know of.

Mr. McKELLAR. Then, of course, this provision in the Dowell bill would not be inhibitory. It would merely prohibit the States raising the money by bond issues.

Mr. ROBINSON. Oh, yes.

Mr. McKELLAR. But it would not prevent the States from raising the necessary amount by taxation, and it seems to me that could be easily done in all the States.

Mr. ROBINSON. In theory of law that statement is correct. In practice, it has no value whatever, in my opinion, because in order to levy a tax sufficient to meet the funds required to supplement the Federal funds the tax would be so excessive that the people would not levy it. Moreover, the people or localities remote from the roads to be located under this bill would not tax themselves for roads which would benefit them but little.

Most of the States provide the supplemental fund required by Federal-aid legislation through the issuance of bonds. These States that have the constitutional provisions inhibiting the issuance of bonds for those purposes as a rule issue bonds through what are known as improvement districts, or through the authority of subdivisions of the States, and the bonds are just as good, just as well secured as any other bonds, just as good as bonds issued by the State itself.

Believing that the Senate ought to have an opportunity to consider this legislation with some degree of deliberation, I shall support the motion of the Senator from Michigan.

Mr. HEFLIN. Mr. President, I prefer the present Federal road law to either the Townsend bill or the Dowell bill. The preponderance of testimony from the State highway commissioners before the Committee on Post Offices and Post Roads shows that the present law has worked well and given satisfaction to the States. We have made wonderful progress under that law. The Townsend bill completely changes the whole plan of road building in the United States. It abandons Federal aid to intercounty and intrastate roads, and sets up a new system of interstate roads or national highways.

Under the present law the States can, by putting up half the funds, locate roads where they think they are most needed and construct them with Federal aid. Under the proposed plan in the Townsend bill these roads will be laid out or located where the Federal commission here in Washington says they shall be located. No aid will be given to an intercounty or an intrastate system of post roads and farm-to-market roads. Not a dollar will be obtained under it for this purpose; and yet under this bill the States will be required to put up half the funds to build an interstate road where this Federal commission says build it, and assume the cost and burden of the upkeep of that road for all time to come.

That, in a nutshell, is the difference between the Townsend bill and the present cooperative plan of road building in the various States.

The Dowell bill is not all that I would have it. It does, however, retain the provision that permits aid to go to these intercounty and intrastate post roads and farm-to-market roads.

I suggest, in reply to the Senator from Arkansas [Mr. ROBINSON], that we amend the Dowell bill where we think it needs to be amended. I wish to say that I believe the Dowell bill in its main features will satisfy four-fifths of the people of the United States, whereas in my judgment the Townsend national highway bill will satisfy but a very few of them.

Mr. President, I will not oppose the motion to send the Dowell bill to the committee since we have the assurance of the chairman that we will have speedy action upon it, and that it will soon be reported back to this body in some form. I want to say that the present law, known as the Bankhead-Shackleford law, is giving satisfaction, and if I had my way about it I would continue to construct roads under its provisions.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. HEFLIN. Certainly.

Mr. ROBINSON. The Senator made one remark which makes me think that perhaps he misunderstood my position. He suggested that the matter might be satisfactorily adjusted by an amendment to the Dowell bill. I concur in that opinion. Amendments might be made to the Dowell bill, as amendments would have to be made to the Townsend bill, before either of them would meet with my approval; but the motion of the Senator from Tennessee, which I was opposing, shut off amendment. It was a simple motion to concur, which would prevent amendment.

I want the Senator from Alabama to understand my position, since it seems I did not make it clear before.

Mr. HEFLIN. I did not mean to say that the Senator was opposed to the cooperative plan that we now have. I know that he is a friend of that system; but I want all of the Senators to get in their minds, while this matter is up for consideration, the exact situation with regard to the two bills now before us. One of them, the Townsend bill, is a complete abandonment of the present cooperative plan of road building in the States, and calls for the establishment of a national highway system where the States pay half the money to construct them, and furnish all the money for the upkeep for all time to come. Senators will do well to give careful consideration to this question before they swap off the plan that will aid the farmer in getting a post road and a farm-to-market road, the very roads that Gen. Pershing said should be first constructed by the aid of the Federal Government.

Mr. KELLOGG. Mr. President, before the bill goes to the committee, I desire to make a few remarks upon it. I wish to recall the history of the provision as to State constitutions. I think the Senator from Arkansas [Mr. ROBINSON] is somewhat mistaken as to its origin. It was not suggested by any bureau or executive officer of the Federal Government, so far as I know.

Mr. ROBINSON. I happen to know that the officials of the Federal Government have stood persistently for that proposition. Others, of course, may have done so.

Mr. KELLOGG. Very well. I will tell the Senator just how that occurred.

In 1919, when the original bill providing appropriations approximating $200,000,000 to aid the States in the construction of roads was passed, it carried an appropriation of $50,000,000 to be used in 1919, $75,000,000 in 1920, and $75,000,000 in 1921.

It provided for awards to the States upon certain bases, which I will not discuss, but the States were required to make provision for the appropriation of an amount equal to that appropriated by the Federal Government for the construction of roads.

The constitutions of some States prohibited them from making any provision whatever for the construction of roads or other internal improvements. For instance, the constitutions of Minnesota and certain other States prohibited the appropriation of money for internal improvements. So it was necessary, if those States were to have the benefit of these appropriations, for them to amend their constitutions so they could make appropriations for the construction of roads. If they did not wish to do it, of course, they did not have to. The States could not participate, however, in the benefits of that act unless they appropriated amounts equal to those appropriated by the Federal Government.

Provision was made, however, that the counties of the States might arrange for the appropriation of money for the shares of the States, and counties in some States did that to the extent that their local laws permitted, and other States amended their constitutions so that the States themselves could make appropriations of amounts equal to those furnished by the Federal Government.

Under that plan various roads have been laid out in the States, the plans approved by the Federal Government, and construction of those roads has been progressing for the last two years; but much of the money already appropriated by Congress is unexpended and needs to be used this very year in the completion of roads which are now under construction, and in order that the appropriations which were made, which would lapse on the 1st day of July this year, may be used, the Committee on Post Offices and Post Roads reported and the Senate passed the Phipps bill, the main features of which, in a general way, made available any unexpended balance under the appropriation made in 1919. That was the main provision of the Phipps bill.

That bill went to the House. The House, instead of simply passing that bill and leaving the question of future appropriations or future aid to the States to be decided by a new act, amended the Phipps Act and passed a road act along the lines of the original plan of Congress provided for by the act of 1919.

I have not had the time since the bill came over to the Senate to determine the question in my own mind, and it may be that that bill should be amended if the Congress decides to continue the present system of road aid, which has been in existence and in operation for over two years, instead of substituting it for a new plan.

But, Mr. President, the Committee on Post Offices and Post Roads, after the passage of the Phipps bill, adopted an entirely new scheme and reported a bill for the creation of a Government commission consisting of three commissioners, each to

receive a salary of $10,000 a year, to inaugurate a new interstate roads program. That we can discuss, of course, when it comes before the Senate.

It is of very great importance that the appropriations we have already made should not lapse on the 1st of July, and Congress ought to be reasonably expeditious in making available to the States the balance of those appropriations, because contracts are now being let, or have been let, and plans already made are being carried out, and after the 1st of July the money will not be available for that purpose.

Mr. CURTIS. Of course, the Senator realizes that where contracts have been made the money is available.

Mr. KELLOGG. Quite so, where the contracts have already been made and approved by the Federal Government; but where they are in process of being made, where the roads have been laid out, but the contracts not yet approved by the Federal Government, of course no new moneys can be made available, and that work will stop.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. KELLOGG. I yield.

Mr. ROBINSON. Does not the Senator think that if we change the method now prevailing, for Federal aid in the construction of highways, and adopt any radically different plan, whether it be embraced in what is known as the Townsend bill or the Dowell bill, that there ought to be a clause in the legislation validating contracts for Federal aid already made? Otherwise, financial disturbances of very great importance would be likely to occur.

Mr. KELLOGG. Oh, certainly, I think that should be done.

Mr. ROBINSON. Will the Senator yield to me for a further statement?

Mr. KELLOGG. I yield.

Mr. ROBINSON. Mr. President, in the beginning of my remarks I stated my understanding of the effect of the rules of the House of Representatives on the motions submitted by the Senator from Michigan [Mr. TOWNSEND] and the Senator from Tennessee [Mr. MCKELLAR], and I made the assertion that a motion to concur took precedence over a motion to commit to a committee of the Senate.

I think that statement was too broad, and from an examination of the authorities I am convinced that where the stage of disagreement has not been reached there are some authorities in the body at the other end of the Capitol holding to the effect that a motion to commit to a committee takes precedence over a motion to concur in an amendment made by the other House. I make that statement so that it may correct any wrong impression I may have made by my former statement.

Mr. KELLOGG. Mr. President, undoubtedly if any legislation is passed Congress will not undertake to invalidate contracts already made; but Minnesota, and, I have no doubt, many other States have also done so, has made plans for an interstate road running from the southern to the northern border of the State and has planned great trunk lines across the State.

Mr. MCKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Tennessee?

Mr. KELLOGG. I yield.

Mr. MCKELLAR. The proof before the committee shows that practically every State in the Union has done the same thing.

Mr. KELLOGG. Parts of those roads have been constructed under the act, which has been in force for two years. I do not say it was the best plan. I think Congress should make provision, in the construction of these roads, for their maintenance and the protection of the public; but we adopted that plan deliberately, providing that the Federal Government should aid the States, the States to have control of the roads within their borders.

Now it is proposed, by this bill, to entirely reverse that plan, and that the Government shall undertake the construction, maintenance, and control of these roads. That may be wise, but I think it is important for the Senate to expend at least those prior appropriations at the earliest possible date. They have already been made; they are needed by the States, and we should expend them unless we intend to stop this work. We have the assurance that the committee will give immediate attention to that subject, and I have no doubt they will, so that when it comes before the Senate, the Senate will be at liberty to decide on the plan it shall adopt, the one it has been following for two years, or an entirely new plan which scraps the old one.

Mr. SMITH. Was the $75,000,000 provided for 1921 simply an authorization that was dependent upon an appropriation?

Mr. KELLOGG. The appropriation has already been made.

Mr. SMITH. The appropriation having been made, does the law provide that on the 1st of July the use of that appropriation shall cease?

Mr. KELLOGG. My recollection is that the law provides that the appropriations shall expire in two years.

Mr. PHIPPS. The appropriation for the year 1921 would have an additional year to run, but the appropriation for the year 1920, which has not all been used by the different States, would expire by limitation on July 1 of this year, except where contracts have been made. Of course, where road projects have been approved by the Federal Government, the State would have the right to call for its pro rata of Federal money.

Mr. MCKELLAR. But we still have $75,000,000 to go on for 1921.

Mr. PHIPPS. That is true. The point made by the Senator from Minnesota is a very important one in that in the cases of many States which have been unable, for various reasons, to have their projects under way so as to use the allotments which were made to them for the fiscal year 1921, they are in danger of having their shares of the allotments revert to the general fund for redistribution.

Mr. SMITH. My mind was not clear as to what the Senator from Minnesota meant when he said that these projects had been laid out and a systematic plan had been adopted, and that unless there was some provision made by which this money would be forthcoming they would lapse. I want to get the point clear in my mind. As I understand it, where these projects have not been approved, the danger is that they will lapse unless the appropriation is made for them.

Mr. KELLOGG. Yes. I will explain that to the Senator. For instance, the State of Minnesota has laid out a highway from the southern part of the State to the northern part of the State. Last year a part of that highway was constructed by the use of Federal aid and State aid. Contracts were let for only portions of it. They have let contracts for parts of the road and are about to let contracts for other parts of that highway, but the unexpended balance for 1921 ceases to be available to carry out those contracts, and those contracts for the construction of roads to be paid for by the funds appropriated for 1920 can not be continued after the 1st of July, and work will be held up.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. KELLOGG. I yield.

Mr. WATSON of Georgia. I would be glad to have the Senator from Minnesota, as a lawyer, address himself to this question: The bill, as he knows, does not primarily seek to lay out military roads; it does not primarily seek to lay out post roads; but from beginning to end the bill shows its purpose to be to lay out automobile roads, abolishing, virtually, the "big road," the democratic road, of the State. I will be glad if the great lawyer from Minnesota will enlighten the Senate as to where Congress would get their constitutional authority to compel the States to call constitutional conventions, or otherwise, and surrender their sovereignty and their State roads and allow the National Government to come in and change their constitutions and take charge of their roads.

Mr. KELLOGG. The Congress has not attempted anything of the kind and does not attempt anything of the kind. Under the plan which we adopted two years ago the State maintains control of its highways. The Federal Government simply appropriates money to aid in the construction of the highways.

Mr. WATSON of Georgia. The Senator misunderstood me. I agree with him about the present law. My question was directed to the proposed Townsend bill.

Mr. KELLOGG. We will discuss that when we come to it. I think the Congress has power to lay out and build interstate highways and interstate railroads. The wisdom of it is quite another proposition. So far as the Federal Government compelling the States to amend their constitutions is concerned, of course, they can not do that, and that is not contemplated by either bill.

The clause permitting the States to have their share set aside until their constitution could be amended so as to avail themselves of the Federal appropriation was, of course, a mere offer by the Federal Government if the States desired to accept it. That was all.

Mr. SIMMONS. Mr. President——

Mr. KELLOGG. I yield to the Senator from North Carolina.

Mr. SIMMONS. I wish to ask the Senator his views about one aspect of this matter. The Senator has stated, and stated very clearly, that under the present law many States of the Union have proceeded to the adoption of projects of road con-

struction under the provisions of the act. Those roads were selected by local authorities and approved by the Federal authorities.

Mr. KELLOGG. That is quite true.

Mr. SIMMONS. Many of those schemes are very ambitious. In many of the States they have proceeded with great zeal and success in the construction of roads. Large amounts of money have been expended upon them. If we should adopt a new plan such as is suggested in the Townsend bill, conferring upon the Federal authorities the right to select the routes and giving to the State authorities only the right of approval or disapproval, might it not happen and would it not probably happen in many cases that the system of roads projected by the Federal authorities would be entirely different from the system under which the States have already adopted the method and have been proceeding and have in part constructed roads?

Mr. KELLOGG. I think it is quite likely.

Mr. SIMMONS. If that shall happen, would it not be absolutely necessary for the States in many instances to abandon the ambitious projects upon which they have started and upon which they have spent large sums of money, in case they should accept the new plan that may be proposed and forced upon them by the Federal authorities?

Mr. KELLOGG. I think that is quite likely.

Mr. SIMMONS. Would it not be the height of unwisdom for us, after we have begun a system of roads and agreed upon them and spent money upon them while they were in process of construction, but far from being finished, to junk them and enter upon a new scheme of road construction, adopting new routes?

Mr. KELLOGG. I think that is quite true. Now, it may be that the States have not made sufficient provision for the maintenance of these highways. If any further legislation is necessary as a protection to the Federal Government for the moneys expended, I am perfectly willing it should be passed and would advocate it.

But I am opposed to the Federal Government taking over all the activities of this country. They can best be exercised by the States and the counties and the municipalities. They should control local affairs. I do not believe the Federal Government should attempt to control the highways and every enterprise in the country. I realize that it is primarily the duty of the States to raise the money to build their roads, and ordinarily perhaps this measure which we passed two years ago would not have been enacted, but it was passed at a time when there was great necessity and it was deemed wise by Congress to lend some aid to encourage the construction of roads throughout the United States. But it is another question for the Congress to take over the interstate highways and the activities of the States in controlling them. However, we can discuss that question when it arises. I am quite willing that the committee shall give the most careful consideration to this particular bill, but I wish to impress not only upon the committee but upon the Senate the importance of making available the money already appropriated which is necessary to carry on the work in the various States.

Mr. SWANSON. Mr. President, I should like to ask a question of the chairman of the Committee on Post Offices and Post Roads. At the last session I introduced an amendment to the Post Office appropriation bill to make available for another year those funds which might now be covered back into the Treasury proposing to make an appropriation of $100,000,000 available under existing law. That proposed amendment was defeated. I recognized at that time that it was impossible to have a new bill passed.

Could not the chairman of the committee now report a bill which would take care of the situation, simply extending for one year longer the existing law making the appropriation of $100,000,000? Those funds will not be available unless something of the kind is done. Then we would have ample time to discuss the various measures now before us bearing on the question. When the bill came up, although the chairman was sanguine that he would be able to get the bill through by the 1st of July, I was satisfied, with the extra session and the great amount of work involved on the tariff bill and other important measures, that it would be impossible to get road legislation through until too late for the appropriations involved to be used and that we would simply have an interruption or cessation of work on road construction for one year.

Mr. TOWNSEND. I will say to the Senator that we took action early on this very proposition and passed the bill for the purpose of continuing the present Federal aid in the manner in which the Senator has suggested. We had every right to believe that the House would consider that bill upon its merits, but it held it up until just the other day, when it attached a new bill upon it in the form of an amendment and presented it here to the Senate.

I shall not debate the matter at length now. I would like to answer the arguments which have been made by some Senators in opposition to the provisions of our bill. They are not understood, or else they have been misrepresented. There is no proposition here to abandon Federal aid. There is no proposition before the Senate to impose upon the States a new system which would coerce the States into which action to take.

Mr. SWANSON. My purpose was not to debate the relative merits of the two bills.

Mr. TOWNSEND. I know; and I do not wish to do that, either.

Mr. SWANSON. I merely wish to take care of the present situation with regard to road construction. I am asking the chairman of the Committee on Post Offices and Post Roads if he will not consent to urge his committee to report a bill of the character I offered as an amendment to the Post Office appropriation bill last year, simply continuing the appropriations for one year longer.

Mr. TOWNSEND. The Senator knows full well that there would be all kinds of amendments offered to such a bill as quickly as it reached the floor of the Senate, just as there have been amendments made to it on the floor of the House. They have made these amendments to a simple little bill which ought to have been enacted without delay.

Great stress has been laid here upon the fact that we must give immediate attention to the bill if it is referred to the committee. I am ready to give it the best attention and the quickest attention possible, but already some of the members of our committee who now ask that immediate action be taken have asked me not to bring it up until they get back, as they are going to leave here to be gone home for some time, and yet those very Senators are urging me to act promptly in the matter. I shall act promptly if we can get the committee together. I myself am obliged to be absent for several days, but if the other members of our committee are as willing to act as I am myself we will get action at a reasonable date. The course of those who are now asking for quick action has been such as to delay road legislation.

Mr. SWANSON. Would the Senator object to reporting such a bill if he had assurance that it would be promptly considered and probably passed?

Mr. TOWNSEND. I think possibly a joint resolution might be passed to that effect, providing that the funds already appropriated shall be available for another year. I doubt, however, if such action is necessary in order to enable the States to use the Federal money appropriated for the fiscal year 1920.

Mr. SWANSON. Let us make it possible to have the money already appropriated available for another fiscal year, during which we will have an opportunity for further discussion of the matter. Otherwise the people in charge of road building can not make their plans. It takes a year or two to get plans projected, and there will be one year in which there will be an interruption of road building and nothing accomplished. I should like to get the chairman of the committee to consent to such a proposition.

Mr. TOWNSEND. I do not think it will be possible to continue the existing law for another year; that is, no appropriation could be secured for another year unless the law is amended; but I do think it will be possible to pass a joint resolution through the Senate making present appropriations available for one year more if such action is found necessary. I think there is no question that we could do that if Senators would restrain themselves and not offer debatable amendments to such a joint resolution.

Mr. SWANSON. An amendment to the pending bill might be offered or a separate bill introduced continuing for one year longer the appropriations already made in existing law. It seems to me that the chairman of the committee, who we know has great influence in this body, should consent to present a simple bill to make available the funds already appropriated, which will lapse back into the Treasury at the end of the fiscal year if that is not done. Let us continue those appropriations one year longer under existing law, and then we will have ample time to discuss the matter, to get the views of the members of the committee and the views of other Senators; but if something of that kind is not done there will be an interruption of road construction for one year, so far as Federal aid is concerned.

Mr. TOWNSEND. I repeat that we attempted to cover that proposition. We acted very early upon it. We could do that now if we could only be sure that we could get a bill through without subjecting it to the treatment accorded the Phipps bill.

Mr. SWANSON. The Senator simply acted upon the proposition to make funds available that would otherwise lapse.

There are a great many of us who realize that even if the bill should pass there will be an interruption of road construction for one year as aided by the Federal Government. All we have asked is this: We wish to get the road forces organized or reorganized, because once they are scattered it is hard work to get them together again. That is the reason why I offered the amendment last year to the post office appropriation bill. I did not wait for the regular bill to come up because I was satisfied that there would be an interruption in the work, as I have explained. All we ask of the chairman of the committee is to have a joint resolution presented making available the funds which have already been appropriated so that they will not lapse at the end of the fiscal year, and then, pending discussion of the road question under the various bills now before the Senate, we can arrive at some just and proper conclusion.

Mr. McKELLAR. Mr. President, that is already done by section 9 of the bill as it passed the House. That provision is in the Phipps bill as it has already passed the Senate and passed the House. It is to be found in section 9 of the Phipps bill. I think the chairman of the committee is entirely right. The only way that can be done now, since the bill will undoubtedly be recommitted to the committee, will be to bring in a joint resolution embodying the terms of section 9 of the Phipps bill. I hope the chairman of the committee will report out such a joint resolution.

Mr. TOWNSEND. Mr. President, the chairman of the committee, in spite of all that may be said about him, does not have his own way in reference to these matters. There are things which I have attempted to do in conformity with the ideas of the great majority of the Committee on Post Offices and Post Roads—12 of the 16 members—one, the Senator from Maryland [Mr. FRANCE], being absent during all of the consideration of the legislation. We wanted the House to pass an independent bill so that we might go to conference on it at once. I hope that by the adoption of the pending motion we may get the matter to the committee, and we may report something that may be acted upon by both Houses. I think that is the quickest and the only way we can proceed, unless, as I have said, we shall pass a joint resolution extending for a year the appropriations which have already been made. I have no objection to that at all, and I think we could pass such a joint resolution by unanimous consent.

Mr. KELLOGG. If the Senator from Michigan would report such a joint resolution we might try to pass it, for it is evident that no bill providing for a final plan of road construction is going to pass the Senate in a few days; indeed, it is quite likely it would require a few months to pass such a measure; but the existing appropriations should be made immediately available.

Mr. TOWNSEND. I think this is true, though I am not clear about it: The Senator is not right when he says this law was enacted two years ago. The first appropriation was made in 1916, and in 1919 there was an amendment to the law. I think all appropriations have been based upon the original law; and I think that the provision for a 60-day period beyond the term fixed was so construed that these appropriations would be still available for 60 days after the 30th day of June. That is my own opinion in reference to the matter.

Mr. KELLOGG. It is true that the act of 1919 was an amendment of the act of 1916, but the act of 1919 was the one which made a large appropriation. It may be that the appropriation is available for 60 days longer, but, in any event, such a joint resolution as that referred to by the Senator from Michigan should be passed.

Mr. PHIPPS. Question!

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan [Mr. TOWNSEND].

Mr. WILLIAMS. Mr. President, I am quite in accord with the desire so nearly universally expressed to render the past appropriations available beyond the expiration of the fiscal year, but I did not arise for the purpose of discussing that feature of road legislation.

Mr. President, the constitutional warrant for this character of legislation lies in that clause of the Constitution which gives Congress the power to establish post offices and post roads. It was long since construed by the legislative branch of the Government that the word "establish" implied the power to construct post-office buildings. In other words, that when we established a post office the Federal Government had a right to construct a post-office building. The same construction of the latter part of the constitutional clause gives the right to construct a post road under the language "to establish post roads."

The question occurs in constructing or establishing post roads what part the Federal Government shall take with a view to the best interests of the people of the country. Right now it seems to me that the line of demarcation in thought and in argument is very clear. One class of legislators wish to build great national highways, as they call them, being led off from the proper provision of the Constitution which they ought to contemplate to the interstate-commerce clause.

At present and for all time to come the great interstate national highways will be the rivers, the lakes, and the railroads, nor does anybody want to interfere with them. A great so-called "national highway" from New York to San Francisco would mean nothing for the good of the people of the United States, except in so far as it happened incidentally to enable farmers and producers of various commodities to get their products to the railway station, to the river, or to the lake landing. The purpose of the railroad is one thing and the purpose of a dirt or a metaled good road is another thing. Metaled roads ought to be feeders to the railroads, to the rivers, and to the lakes. There ought to be no attempt made to make them take the place of the rivers or the lakes or the railroads. That is not their function at all or, at any rate, it ought not to be regarded as their function.

The people to be mainly helped by Federal aid to States in constructing roads are the farmers and the inhabitants of the little villages who are off the railroads. Now and then there is a little manufactory that hauls its product to the railroad station or to the river landing, but there are not many of them. I think we ought to keep in mind that the object of these appropriations is to feed interstate commerce—not to carry interstate commerce, but to feed it—from the farm to the car or to the boat, and the more we leave that out of sight the worse our legislation is going to be and the less justified it is going to be by any constitutional warrant. The warrant to construct a post road is fully maintained, I think, by the practice of the country in constructing post offices and by the decisions of the courts to the effect that that constitutional warrant did carry that power; so there can not be any question of that kind.

The post routes under rural free delivery are so numerous and have so entirely taken up the map of the country that there is hardly a farm in the United States that has not a post road passing through it or by it to the next railway station, the next river landing, the next lake landing, or the next seaport. If we confine our attention to that, then it follows necessarily that we must leave the States and the counties and the municipalities to initiate the work, because they know where the feeders are needed and where they do not already exist. The Federal bureaus do not know and can not find out without an immense amount of labor and a great deal of expenditure. If we want to help the farmer with good roads, the right way to do it is to build the feeders and not to fool ourselves with the idea that we can have an automobile line take the place of the transcontinental railways from New York to San Francisco or from Chicago to New Orleans. That is not only not the object of the original legislation, and it ought not to be its ultimate object, but it will be tomfoolery besides, because a metal highway of the highest sort, a boulevard, could never compete in interstate commerce with a river or a railroad. All it can do, all it ought to be required to do, and all it was at first expected to do was to feed the railroad or the lake or the river. If it does that by enabling a southern farmer to carry 12 bales of cotton or 20 bales of cotton on a truck, I will say, because that can be done, whereas previously he carried only 3 bales of cotton in a 2-horse wagon, it has benefited the entire country, not only that farmer, but the man who buys his products; from the wholesaler, who buys and resells them, down to the ultimate consumer, and it has lifted a tax not only off of local commerce but ultimately off of interstate commerce, because he can land his bale of cotton at nearly one-seventh the cost on a good road as on a bad one. The same thing applies to the man who sells corn. Fourteen bushels of corn is a load for a 2-horse wagon on a bad road.

The Senate will pardon me for giving expert testimony, but that is a fact. If a road can be built on which a truck can carry ten times the amount of corn, it not only benefits the farmer but it benefits the village dealer who buys the corn; it benefits the mill that receives the corn; it benefits the man who eats the corn meal or the corn batter cakes; it benefits everybody; but if we are going to allow these appropriations to degenerate into a provision for fancy interstate travel by automobile, then we have lost sight of the real and substantial objects of the legislation. It is not to make traveling by passengers easier and better; that is not its object; but it is to make the delivery of products cheaper and easier and better, with less wear and tear

upon the machinery transporting it, and with greater cheapness of transportation itself.

So that I hope that we shall not, if we are going to change the present law, change it upon the theory of providing interstate-commerce facilities. That can never be done by dirt roads, gravel roads, metal roads, or concrete boulevards. It might, perhaps, be done between Rhode Island and Connecticut, States which are so small that they are like two counties in Arkansas and Mississippi, but it can not be done with regard to this great Union, taking it in its entirety.

Mr. McKELLAR. Mr. President, before the bill is referred to the committee I desire to say that the Senator from Minnesota [Mr. KELLOGG], in my opinion, has hit the nail squarely on the head when he says that the whole original question now before the Senate is the question as to whether or not we are going to change the tried system that has been in force now for about five years to an entirely new Federal system. That is a true statement of what we have before us.

I wish to say in passing that we examined 37 witnesses before the Post Office Committee, and, with the exception of 2 of them, as I recall, every one of them testified as to the great advantage and good effect of the present law. They testified that the present law had worked wonders in road building; they testified, I believe, that every State in the Union that had not previously had a highway commission had established such a commission, and that such highway commissions had already laid out and designated, with the approval of the Secretary of Agriculture, the roads in the various States which were to receive the funds.

If the Townsend bill should be adopted, all that would be virtually undone. The designations of roads would have no effect. The commission here in Washington would designate the primary interstate roads that are to receive the funds, and the States will probably be bereft of all power. Their duties in connection with roads and all the duties of the present State highway commissions will be virtually taken away from them, and we will change the system of Federal aid to the States to State aid to the Federal Government in building automobile roads; and it will all be controlled here at Washington.

I offered an amendment—and, by the way, this is in the very terms of the Republican platform on that subject, which says that it should be done by cooperation with the States—providing that the roads should be designated by both the highway commission and the Federal commission acting conjointly, and that amendment was voted down. Cooperation is provided for in the bill; but I call attention to the fact that this additional provision is made—that if any State highway department fails, neglects, or refuses to cooperate, or fails to agree with the commission, meaning the Federal commission, the commission may then determine the selection, designation, and establishment of the route. That vests absolute authority in the Federal commission to establish and designate the routes. The authority to do so of the highway commission of the various States is taken away from them. It is an establishment of a new system of roads, of a Federal system of roads. The Townsend bill is the same plan that has been before the Congress for a number of years. It is supported principally by the automobile associations of the various States. There were five witnesses on behalf of the automobile associations that came before our committee, and, by the way, I think it is just and fair to say that every one of them agreed to the statement that the present system had worked wonders for road building in this country; but after making that statement they then said that they wanted it changed so as to designate a few primary highways running throughout the country, running from State to State, only upon which the Federal funds should be expended.

Mr. President, the Dowell bill is merely a set of amendments to the present law, the principal provision of which is as to the maintenance of roads. President Harding, in his recent message to Congress, suggested that there ought to be a provision declaring more specifically how the States should maintain these roads after they were built; and the Dowell bill does have a provision in accordance with that suggestion by which, if a State does not maintain the roads, the Secretary of Agriculture has the right to take the allotments from the then present appropriation and devote them to the maintenance of the roads, and also to cut off that State from any further participation in the funds until it arranges for the maintenance of the roads—a provision that is quite as strong as the provision for maintenance in the Townsend bill. I think it is quite as effective. I think it is necessary. I think that amendment ought to be adopted, but I do not think we ought to change our system of roads.

This system has been in effect five years; and I venture to say there is not a Senator in this body, whatever view he may have about roads, whether he wants automobile roads or whether he wants farm-to-market roads, whether he wants county roads, or whatever kind of roads he wants, who will not say that this system under the present law has proved the greatest incentive to road building that was ever given to the United States public. It has worked splendidly in all the States, with some trifling exceptions that were found by certain witnesses. All of the 37 witnesses except 2, as I recall, upheld the present system in so far as the great good it had done was concerned. All of the highway commissioners spoke highly of the present system. Some of them thought a new Federal system would be better; but without exception, other than the 2 members of the 37, as I recall now, they indorsed the great value of the present system.

Mr. President, when this bill comes before the Senate I shall go into the testimony at length; but I do not care to have anything further to say at this time.

Mr. TOWNSEND. Mr. President, I do not want to delay action. It is very annoying to me to sit here and hear statements made with reference to testimony and argument of a bill that is not before the Senate which, in my judgment, are not in accordance with the facts. I am asking simply that the Members of the Senate read the testimony. That is the best way to find out what the testimony is and not what garbled statements in reference to the testimony are. But, Mr. President, as I said, there will be a time to argue the bill when we can present the facts as they are. Therefore I do not care to delay action and am very willing to have a vote on this question.

Mr. WATSON of Georgia. Mr. President, having asked a legal question of the Senator from Minnesota [Mr. KELLOGG], I can not allow his answer to go unchallenged. I challenge his answer. I say that it is not good law.

Mr. President, the Federal Government has a perfect right to lay out a post road, but, after having done so, the Federal Government must maintain it. It has no more right to lay out a post road and tell the State to maintain it than it has to select a post office and tell the State to keep the building in repair. The Federal Government has a perfect right to lay out military roads; nobody disputes that; but, having exercised that power, it must maintain the road. It has no right to unburden itself of the upkeep and place it upon the State. In like manner the Federal Government has constitutional authority to open up interstate-commerce roads, but, having done so, it must maintain them. It has no right whatever to come into Alabama or Mississippi or Tennessee or Georgia and arbitrarily select interstate-commerce roads and then say to those States, "You must maintain them forever." On that proposition I am ready to meet any lawyer in this body.

Mr. President, I am fond of the democracy of the open road. It is one of the few places where the pauper is equal to the prince; one of the few places where title, wealth, social position, color, race, previous condition of servitude make no difference between man and man, woman and woman. The only piece of Walt Whitman's poetry that I ever understood was his Open Road. We call them big roads down in the South. We love them. Along those roads every man travels on a footing of absolute equality. He camps by the side of them at night if he wants to; he takes his meal of victuals from his basket or his lunch paper if he wants to. He is as much at home there as if he owned it, because he, as much as anybody else, does own it. The place which he then and there occupies is his, and it is his until he passes on and surrenders it to one who comes after him.

Do Senators understand what the Townsend bill, even as amended, proposes to do? Let me express my profound respect for our chairman. I have it, and that respect mingles very much with affection for him. He will bear testimony to my labors on that committee as I bear testimony to his and to the splendid impartiality with which our chairman presided over the meetings of the Committee on Post Offices and Post Roads. But we honestly differ as to some details of his bill. I do not believe, Mr. President, that there should be held above a State a tempting bribe, no matter how large it is, as a price for the surrender of her sovereignty. Speaking for the State of Georgia, which I in part represent, I say here and now that the Federal Government has not enough money to bribe us into a surrender of our sovereignty.

The imperial crown of Rome was sold, once, on the ramparts by the Prætorian Guard, but Georgia's crown of sovereignty will never be sold here at any price while her representation is what it is at present. We are not going to surrender our sovereignty. We are not going to give up our dirt roads or any other kind of roads; we are going to control them. We

are going to say where they shall be, from the farmer's home to his market town, from one town to another, and from the town to the city.

Talk about expending all this enormous amount of money on laying out other routes for limousines from Detroit to Miami. That is all right. But let the limousine people pay for them. Do not let them come down and select their route from Detroit to Miami or from New York to Augusta and then say to the State of Georgia, "You take what we choose and you bear the expense of it forever," without regard to the convenience of the people who want to go to our county fairs; without regard to the convenience of our people who want to visit one another; without regard to the innocent sports which carry groups of young people from one community to another; without regard to church meetings, educational meetings, political meetings, or any other kind of meetings.

Tell me, Senators, why should this bill ask that Army officers be detailed to supervise our roads? Why should naval officers be detailed to do it? What business have the Army and the Navy in our "big roads" in time of peace? With what authority will they come? The bill does not specify.

In this bill we create an office to which may be assigned a salary greater than that drawn by the President of the United States. It is unlimited. Do you want that kind of an officer at the head of a roads system, enthroned here in Washington City, where everything is coming, with an imperialism that is appalling? Are the States to have nothing at all except the privilege of paying the expenses of the most costly imperialism the world ever knew? Are the States to be mere provinces, sending up annual tribute to the imperialism—militaristic, financial, despotic—enthroned here in Washington?

Mr. President, I say that the present road law goes far enough. It gives satisfaction. My people are satisfied with it, and we have heard, from various States all over the Union, the same comment of approval. We are doing well. Why not let well enough alone? Why embark upon a new system when the present system is giving satisfaction?

We have adjusted ourselves to it. When they first came down from Washington City proposing Federal aid they used the alluring cry, "We come to help you, not to control you." In less than five years they are back there saying, "We are going to control you and put upon you the main expense of maintaining our control."

Senators, be careful how you do that. You invite a revolution of the road system when you do it, and the people will not approve it. Surely New England does not want to give up the sovereignty of her States; surely the great West prizes the sovereignty of her States; surely the North prizes the sovereignty of her States; and I am absolutely certain that there is not money enough on this earth to buy the sovereignty of the Southern States.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The question is on the motion of the Senator from Michigan [Mr. TOWNSEND] to refer the bill and amendment to the Committee on Post Offices and Post Roads.

The motion was agreed to.

PETITIONS AND MEMORIALS.

Mr. WARREN presented a resolution of the Cheyenne Chamber of Commerce, of Cheyenne, Wyo., favoring the enactment of the so-called French-Capper truth in fabric bill, which was referred to the Committee on Interstate Commerce.

Mr. CURTIS presented a petition of sundry members of the Bible class of the Methodist Episcopal Sunday School, of Hays, Kans., praying that relief be afforded the imperiled peoples of the Near East, particularly Armenia, which was referred to the Committee on Foreign Relations.

He also presented resolutions of the congregation of the First Presbyterian Church, the pastor and congregation of the First Methodist Episcopal Church, and the Brotherhood Sunday School class of the First Methodist Episcopal Church, all of Winfield, Kans., favoring the enactment of legislation strengthening the so-called Volstead prohibition act, which were referred to the Committee on the Judiciary.

He also presented two petitions of sundry merchants of Iola, Kans., favoring the elimination of the 10 per cent sales tax on manufacturers of carbonated beverages in closed containers, which were referred to the Committee on Finance.

He also presented a resolution of the congregation of the Methodist Episcopal Church, of Burns, Kans., favoring the calling of an international disarmament conference, which was referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Los Angeles, Calif., praying for the enactment of legislation providing for the public protection of maternity and infancy, which was ordered to lie on the table.

Mr. KNOX presented a resolution of the Philadelphia (Pa.) Board of Trade favoring the early enactment of revised revenue legislation designed to restore the business confidence of the Nation and to extend the commerce of the country abroad, which was referred to the Committee on Finance.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade remonstrating against the enactment of House bill 2242, authorizing the refunding of the national debt, etc., which was referred to the Committee on Finance.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade remonstrating against the enactment of the House bill 4130, granting additional compensation—cash bonus—to ex-service men, etc., which was referred to the Committee on Finance.

He also presented a resolution adopted at the Sunday morning service, June 12, 1921, by the congregation of the First Presbyterian Church, of West Chester, Pa., favoring the affording of relief and protection to the imperiled people of Armenia, which was referred to the Committee on Foreign Relations.

He also presented resolutions of the Kiwanis Club, of Johnstown; the Woman's Auxiliary, Clayton T. Smith Post, No. 93, American Legion, of Media; and the Woman's Auxiliary, James Farrell Post No. 330, of Wayesburg, all in the State of Pennsylvania, favoring the enactment of legislation providing adequate relief for disabled ex-service men, which were referred to the Committee on Finance.

He also presented resolutions of the board of directors of the Crafton-Ingram Building and Loan Association, of Crafton; the board of directors of the Holmesburg Building Association, of Holmesburg; the Building Association League, of Philadelphia; the Art-Workers' Building and Loan Association, of Philadelphia; and the board of directors of the Queen Lane Building and Loan Association, of Philadelphia, all in the State of Pennsylvania, favoring the enactment of legislation exempting domestic building and loan associations from income tax where the income derived by a member from savings in shares does not exceed $500, which were referred to the Committee on Finance.

He also presented resolutions of the Fellowship Club, of Newtown Square, and the Willistown Preparative Meeting of Friends of Chester County, both in the State of Pennsylvania, favoring the calling of an international disarmament conference by the United States, which were referred to the Committee on Foreign Relations.

He also presented a petition signed by sundry members of the Church of the Good Shepherd, of Rosemont, Pa., praying that an international disarmament conference be called by the United States, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the city council of Carbondale, Pa., favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented 46 petitions of sundry citizens of Woodlawn and Pittsburgh, Pa., praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

Mr. LADD presented a resolution of the North Central States Association of Food and Drug Officials favoring the enactment of House bill 4981, the so-called Haugen slack-filled package bill, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution of the North Central States Association of Food and Drug Officials, opposing the enactment of Senate bill 1887, to protect interstate commerce in foods, drugs, and medicines, and to extend the provisions of the food and drugs act of June 30, 1906, which was referred to the Committee on Agriculture and Forestry.

He also presented petitions of sundry citizens of Fargo, N. Dak., praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

Mr. LODGE presented a resolution of the Columbus Republican Club of Massachusetts, of Boston, Mass., favoring the enactment of the so-called Perlman resolution making October 12, Christopher Columbus Day, a national holiday, which was referred to the Committee on the Judiciary.

He also presented resolutions of the Central Labor Union, of Lawrence, and Division No. 11, Ancient Order of Hibernians, of Holyoke, both in the State of Massachusetts, favoring the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

He also presented a resolution of the Canadian Club, of Boston, Mass., remonstrating against the adoption of any resolution pending in Congress for the recognition of the republic

of Ireland, which was referred to the Committee on Foreign Relations.

He also presented a resolution of Unit No. 12, United Veterans of the Republic, of Charlestown, Mass., favoring the calling of an international disarmament conference by the President, which was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. NORRIS. By direction of the Committee on Agriculture and Forestry I report back favorably with amendments the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, and I submit a report (No. 192) thereon. I desire in connection with the report to give notice that as soon as the business of the Senate will permit within the next few days I shall, under instructions from the committee, ask the Senate to consider the bill.

Mr. SMOOT. I should like to ask the Senator from Nebraska if the committee held hearings on the bill?

Mr. NORRIS. It did.

Mr. SMOOT. Are the hearings printed?

Mr. NORRIS. They are in the hands of the printer now.

Mr. SMOOT. When will they be out?

Mr. NORRIS. There is just one witness, Mr. Myer, who had not yet this morning returned his manuscript. We are waiting for that. If that comes in to-day, as I think it will, the hearings will be printed at once.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. SPENCER, from the Committee on Claims, to which was referred the bill (S. 1283) for the relief of the Chicago, Milwaukee & St. Paul Railway Co.; the Chicago, St. Paul, Minneapolis & Omaha Railway Co.; and the St. Louis, Iron Mountain & Southern Railway Co., reported it without amendment and submitted a report (No. 193) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 2189) granting a pension to Ethel M. Greer (with accompanying papers);

A bill (S. 2190) granting a pension to Hannah Vandenburg (with an accompanying paper);

A bill (S. 2191) granting an increase of pension to Ellen Hurlbut (with accompanying papers); and

A bill (S. 2192) granting an increase of pension to John B. Hamblin (with accompanying papers); to the Committee on Pensions.

By Mr. ELKINS:

A bill (S. 2193) granting an increase of pension to William H. Van Name; to the Committee on Pensions.

By Mr. BORAH:

A bill (S. 2194) to encourage the development of the agricultural resources of the United States and the establishment of rural homes through Federal and State cooperation by the employment and settlement of veterans of the Great War upon the land; to the Committee on Irrigation and Reclamation.

By Mr. PHIPPS:

A bill (S. 2195) to add two justices to the Supreme Court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. WILLIS:

A bill (S. 2196) granting a pension to Paul Stanley Adams (with accompanying papers); to the Committee on Pensions.

By Mr. SPENCER:

A bill (S. 2197) granting a pension to Susan J. Embree (with an accompanying paper); to the Committee on Pensions.

AMENDMENTS TO BILL FOR PROTECTION OF MATERNITY AND INFANCY.

Mr. MOSES submitted sundry amendments intended to be proposed by him to the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States, which were ordered to lie on the table and to be printed.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that they presented to the President of the United States the following enrolled bills and joint resolution:

On June 24, 1921:

S. 78. An act authorizing the appointment of an additional judge for the district of North Dakota;

S. 694. An act providing for the appointment of an additional district judge for the southern judicial district of the State of West Virginia; and

S. J. Res. 34. Joint resolution creating a commission to represent the United States in the celebration of the first centennial of the proclamation of the independence of the Republic of Peru.

On June 28, 1921:

S. 1019. An act authorizing the Secretary of War to furnish free transportation and subsistence from Europe and Siberia to the United States for certain destitute discharged soldiers and their wives and children.

On June 29, 1921:

S. 1837. An act to amend section 32 of the act of Congress approved July 17, 1916, known as the Federal farm loan act.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on this day the President had approved and signed the bill (S. 1019) authorizing the Secretary of War to furnish free transportation and subsistence from Europe and Siberia to the United States for certain destitute discharged soldiers and their wives and children.

ARMY APPROPRIATIONS (S. DOC. NO. 43).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, referred to the Committee on Military Affairs, and ordered to be printed:

To the Senate and House of Representatives:

I am advising the Congress of my approval of H. R. 5010, a bill making provision for the maintenance and support of the United States Army for the fiscal year ending June 30, 1922. I can not resist calling to the attention of the Congress at this time the very great embarrassment in carrying out its provisions while dealing justly with the enlisted forces of the Army, so that a later call for a slight modification may not be wholly without notice.

The bill necessitates a very large reduction in the enlisted personnel of the Army and it is doubted that this reduction can be brought about without the summary dismissal of many thousands of men who have a right to expect at the hands of the Government the same moral obligation which the Government requires of them when they enlist for service. In perfect good faith, the Secretary of War will proceed to reduce the Army to figures contemplated by the Congress. The normal expiration of enlistments probably will approximate one-half the reduction which the Congress has directed, and every effort will be made to meet the requirements of the Congress at the earliest possible day. I would not feel justified in asking the Secretary of War to enforce the dismissal of men who have enlisted for a definite term of service. There seems to be a moral obligation involved, the violation of which would be demoralizing to the spirit of the Army itself, and might prove a very serious discouragement when enlistments are desired in the future. I have thought I ought to say these things to the Congress now, because in its earnest desire to reduce the Army personnel and limit Army expenditures the Congress has especially provided that no deficit shall be created. The Secretary of War will seek to avoid the creation of any deficit, but if a probable deficit develops in a just procedure to reduce our enlisted forces I will report to the Congress at the earliest possible day and ask it to relieve the embarrassment of the Secretary of War, and make such provision as will be necessary to deal justly with our enlisted men while attempting to keep faith with the Congress to the fullest possible degree.

WARREN G. HARDING.

THE WHITE HOUSE, *June 30, 1921.*

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 16) repealing the joint resolution of April 6, 1917, declaring a state of war to exist between the United States and Germany, and the joint resolution of December 7, 1917, declaring a state of war to exist between the United States and the Imperial and Royal Austro-Hungarian Government, and for other purposes.

The message also announced that the House had passed without amendment the bill (S. 1881) to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, to establish an Hawaiian homes commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes.

PUBLIC BUILDING CONTRACTORS AND SUBCONTRACTORS.

Mr. FERNALD. Mr. President, I rise to ask unanimous consent that Senate bill 1905 be taken up and considered at this time, and I wish to read a letter in regard to that bill. It is as follows:

In response to your inquiry by telephone of the Supervising Architect of this department, you are advised that 10 claims, aggregating $15,025.16, are all that could be filed under the provision of section 1 of Senate bill 1905.

I ask unanimous consent that the bill be considered at this time. It was before the Senate on June 27, and was read into the RECORD at that time.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1905) providing for the relief of certain contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

REFUNDING OF FOREIGN LOANS.

Mr. UNDERWOOD. Mr. President, the morning hour is about over. I do not intend to detain the Senate very long, even if I trespass to a short extent on the unfinished business of the Senate.

There is a bill now pending in the Senate which, although it has not yet been reported and placed on the calendar, is of such momentous importance that I think I am justified in saying a few words in reference to it and expressing my viewpoint, as it stands at present, notwithstanding the fact that the bill has not been reported from the committee. I refer to Senate bill 2135, a bill to enable the refunding of obligations of foreign Governments owing to the United States of America, and for other purposes.

In order that the RECORD may show the bill in full, I will read it. It provides, after the enacting clause—

That the Secretary of the Treasury, with the approval of the President, is hereby authorized from time to time to refund or convert, and to extend the time of payment of the principal or the interest, or both, of any obligation of any foreign Government now owing to the United States of America, or any obligation of any foreign Government hereafter received by the United States of America (including obligations held by the United States Grain Corporation), arising out of the European war, into bonds or other obligations of such, or of any other, foreign Government, and from time to time to receive bonds and obligations of any foreign Government in substitution for those now or hereafter held by the United States of America, in such form and of such terms, conditions, date or dates of maturity, and rate or rates of interest, and with such security, if any, as shall be deemed for the best interests of the United States of America, and to adjust and settle any and all claims, not now represented by bonds or obligations, which the United States of America now has or hereafter may have against any foreign Government and to accept securities therefor.

Mr. President, that is a very broad bill. It is unlimited in its scope, and it proposes to give the powers in the bill to one officer of the United States Government.

The greatest difficulty confronting the American people to-day, and which will confront them for decades yet to come, is the outstanding indebtedness of this Government, amounting, in round figures, to $25,000,000,000. The burden of taxation must rest on the American people for generations yet to come in order that we may take care of the indebtedness of the Great War. But I wish to point out now that this bill, now pending before the Finance Committee, in its scope embraces an amount equal to two-fifths of the entire indebtedness of the United States. Out of $25,000,000,000, the amount involved here is equal to $10,000,000,000.

The PRESIDING OFFICER (Mr. ODDIE in the chair). The hour of 2 o'clock having arrived, it becomes the duty of the Chair to lay before the Senate the unfinished business, which will be stated by the Secretary.

The READING CLERK. A bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States.

Mr. UNDERWOOD. The debt that is due us from the foreign Governments, which the bill seeks to arrange, was created by our loaning to those Governments through the issue of a like amount of bonds, and therefore represents $10,000,000,000 of the $25,000,000,000 of outstanding indebtedness of the United States to-day.

I do not think it is necessary for me to go further to impress upon those who may be listening to me the importance of the problem involved in the question. Under the terms of the bill it is proposed to leave the settlement of the indebtedness entirely in the hands of one man without responsibility to the President and without responsibility to the Congress of the United States.

Mr. BRANDEGEE. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. The Senator has noted, I think, that it must be done with the approval of the President.

Mr. UNDERWOOD. His original action must be taken with the approval of the President.

Mr. BRANDEGEE. As the President appoints the Secretary of the Treasury, it means that he must approve his acts.

Mr. UNDERWOOD. I am willing to stand corrected technically, but with the vast duties that rest upon the President of the United States, the Senator knows as well as I do that the President can not enter into the details of the business, and in the end it will rest upon the Secretary of the Treasury, as the bill seeks to have it do; and, of course, it eliminates the Congress entirely when we once give our consent in this manner.

Now, so far as I know, this is the greatest power and the widest field of responsibility, if it should become a law, that has ever been given to any officer of the Government. It is true that during the time of the Great War we granted great powers and conferred great responsibilities on the executive branch of the Government, but even in the issuance of the original loans—the loans to the foreign nations to aid in carrying on the war—we did not grant the unlimited responsibility that is contained within the terms of the bill. There we provided the purpose of the loan; we provided the terms of the loan within certain limitations. We knew that it was for the purpose of lending them money that they might buy munitions of war in this country to aid our soldiers on the battle field.

But in the bill to which I am referring—and it seems to stand as a measure of the party in power—they are asking that we confer upon the Secretary of the Treasury unlimited power to settle, compromise, or convert $10,000,000,000 due us from foreign nations without any limitation whatever upon the power of his conversion of the securities. As a matter of fact, everything in the bill is in the present law, except a few words, but where it rests in the present law it is limited by the law now on the statute book, and when it is converted as in the bill it stands without limitation.

The purpose of the bill as I have read it is to authorize the Secretary of the Treasury to take long-term obligations for the short-term obligations that are now due the Government of the United States by the Governments of Great Britain, France, Italy, and a number of other countries. Under the present law there is a limitation that the new securities shall not bear a less rate of interest than that borne by our securities which were issued to raise the money in order to make the loans, and that the loans must not extend beyond the time that our obligations run which we sold to furnish the money.

I do not think that those limitations are really a difficulty to the present administration in reorganizing the indebtedness due us, because I take it for granted that the administration would not extend these loans on a less rate of interest than our own people have to pay for the money we borrowed to furnish those Governments, and I take it that as most of the Liberty bonds run on long terms—all except one series, which has six or eight years yet to run—there is no difficulty in that matter.

There is no dispute about the question of the Secretary of the Treasury or the Government having the power to refund the foreign loans at this time, because the Secretary of the Treasury, who proposed the bill, has said that his power to refund the loans is not taken away from him and will not be taken away from him.

Mr. SMOOT. Mr. President, the Senator from Alabama knows that the law now does not authorize the Secretary to fund the amount of interest due into any kind of an obligation. In other words, there is $1,000,000,000 of interest due the United States to-day from all of the Governments owing the United States. There is no authority in the present law authorizing the Secretary of the Treasury to fund that amount of interest into obligations of any kind nor to extend the time for the payment of the interest.

Mr. UNDERWOOD. I am not sure that the Senator is correct about that. I doubt whether, under the terms of the bill, he is correct; but I am not prepared to answer that question conclusively at this moment. However, I wish to call to the Senator's attention——

Mr. SMOOT. The Secretary has said so.

Mr. UNDERWOOD. He does not say so here. I hold in my hand a transcript of the testimony given before the committee, and that is the reason why I rose to-day to make this statement.

Mr. KENYON. May I ask the Senator if the bill has been reported from the committee?

Mr. UNDERWOOD. No; it has not.

Mr. KENYON. Then what is the real hurry for the statement?

Mr. UNDERWOOD. I am not making the statement to interfere with the bill the Senator has in charge. I voted yesterday to help him take up his bill. However, we may adjourn in a day or two or take a recess, and I may not have another opportunity to make the statement. I wish to have it in the RECORD before we take a recess or adjourn, if we are going to do so.

In answer to the Senator from Utah, I will say that I obtained a transcript of the testimony given by the Secretary of the Treasury before the committee, because I am very much interested in this problem and think it is one upon which the American people should be informed. I have here a transcript which was delivered to the committee by the stenographer, and I have no doubt it contains every word that was said at the hearing yesterday. I intended to read the law first and then refer to what the Secretary of the Treasury had to say.

The Secretary made this statement at page 36 of the typewritten transcript:

Generally this authority—

Referring to the authority conferred in the bill—

should be given in a broad way, because we do not know exactly what conditions we may have to meet. Some of these countries are in a desperate condition economically.

Senator REED. Which ones?

The Secretary answered:

I am not prepared to specify particular countries, but where to-day you could not collect money nor could you get a security that would have a marketable value or be available. These countries as time goes on will become rehabilitated; the people will get back to work; new generations are coming on and working and the whole conditions will change. Those securities that may be put into form now and held will, as time goes on, ripen and become of real value and be found in time to become available. The obvious thing to do in those cases is to put them in the best possible shape and get the best possible security, and then keep them in that shape until they become available. This country is not losing. The interest on the securities will accrue and will perhaps not be paid, but it will accumulate, and the time will come, even in those weak countries, where something of value will be obtained. As to the stronger nations, their securities will sooner become available.

That is practically all the Secretary of the Treasury said. He said more, but that is practically all the argument he made in favor of giving him this power.

Mr. McCUMBER. Mr. President, did the Senator from Alabama look over the very first part of the Secretary's testimony to ascertain whether he had dealt more fully with the matter of the lack of power under the present law?

Mr. UNDERWOOD. Yes, sir; I have read from beginning to end every word of what was said before the committee, I think. The direct question was asked the Secretary in the hearing—I have been trying to put my finger on it, and I shall do so in a moment—whether or not the power conferred on him under the legislation providing for the sale of the Liberty bonds and with the negotiating of these foreign loans was taken away from him, and he said distinctly before the Senator's committee that it was not. That statement is in the testimony.

Mr. SMOOT. Mr. President, I do not know whether or not the Senator from Alabama has followed the testimony closely enough to state, nor do I remember whether the Secretary stated positively to what countries he had reference and what obligations were referred to in the statement that has just been read by the Senator.

Mr. UNDERWOOD. That was the Secretary's general statement.

Mr. SMOOT. What I was going to say was that all of the obligations of foreign Governments to the United States were not incurred under the various Liberty bond acts; in other words, the loans were not all made from funds derived from Liberty loans. Amongst the loans are those four made to foreign countries at the time the relief measure was passed and an appropriation of $100,000,000 was provided to be loaned to foreign Governments. I think that amount was all expended for flour, and was so stated upon the floor. Those obligations, of course, are to be taken care of by the Secretary of the Treasury under the proposed law.

Mr. UNDERWOOD. I realize the truth of what the Senator says, and I have the statement right here. I have it in the letter, read before the Senator's committee on yesterday, which the Secretary of the Treasury wrote to the President, and which was submitted to Congress, as to just what constituted these loans. In the testimony of the Secretary before the Senator's committee yesterday he confirmed the fact that the statement in his letter was the matter to which this bill related. We can very soon find out what that statement is. I read from the letter of the Secretary of the Treasury:

This debt as now held, summarized, is as follows:

Obligations for advances made under the various Liberty loan bond acts, $9,435,225,329.24.

Obligations received from the American Relief Administration, $84,093,963.55.

Obligations received from the Secretary of War and from the Secretary of the Navy on account of the sales of surplus war materials, $565,048,413.80.

Obligations held by the United States Grain Corporation, $56,899,879.09.

Total, $10,141,267,585.68.

Out of the $10,141,267,585.68 due from foreign nations to the United States, less than $700,000,000 was loaned to them outside of the provisions of Liberty bond acts and nearly $9,500,000,000 was loaned under the Liberty loan acts.

There is no occasion to say that we have got to pass a bill to commit this Government to a fiscal policy. I do not say that would be ruinous. I have high respect for the Secretary of the Treasury; I regard him as an honest man; but are you and I willing to buy a pig in a poke, to give unlimited power and responsibility to one man in transactions as to which we know nothing? Even if he is honest he may make mistakes, and the American people are entitled to know what is going to be done and how this great fund that they must carry on their backs for generations yet to come is going to be handled in advance of our passing legislation.

I have read to Senators every word of substance that the Secretary of the Treasury has uttered in reference to this matter. He made other statements in cross-examination, but what I have read is the substance of his statement.

Mr. President, as I have said, the Secretary of the Treasury has the power to handle the situation. I am talking about the money loaned by us under the Liberty loan acts and its adjustment, and not the money due the Grain Corporation.

The Secretary of the Treasury has absolute power to handle this situation if he only wants to renew the obligations of countries that are now indebted to us and does not want to go into the juggling of European finances. Mr. Walker, the chief of the legislative drafting service of the Senate, a very able, capable gentleman, whom we all know well, presented to the Senator's committee the legislation that stands on the statute books affecting these loans and their renewal. In the latter part of section 2 of this law, the second Liberty bond act approved September 4, 1917, is found this proviso:

That the authority granted by this section to the Secretary of the Treasury to establish credits for foreign Governments, as aforesaid, shall cease upon the termination of the war between the United States and the Imperial German Government.

According to any reasonable interpretation that language, and according to the interpretation that the Secretary of the Treasury himself has placed upon it, that does not mean that under the terms of that act he can not renew these obligations and take long-term bonds for short-term bonds, but it means that after we terminate, technically, the war with Germany he can not make any further new loans to European Governments as section 3 which follows clearly shows.

Mr. McCUMBER. Mr. President, will the Senator point out the authority under the old law by which the Secretary of the Treasury can accept long-term bonds for our foreign loans?

Mr. UNDERWOOD. I will read the authority to the Senator.

Mr. McCUMBER. I mean bonds running 40 or 50 years.

Mr. UNDERWOOD. The act does not say anything about 40 or 50 years; it does not specify any particular term; but here is what section 3 of the same act says:

That the Secretary of the Treasury is hereby authorized, from time to time, to exercise in respect to any obligations of foreign Governments acquired under authority of this act or of said act approved April 24, 1917, any privilege of conversion into obligations bearing interest at a higher rate provided for in or pursuant to this act or said act approved April 24, 1917, and to convert any short-time obligation of foreign Governments which may have been purchased under the authority of this act or of said act approved April 24, 1917, into long-time obligations of such foreign Governments, respectively, maturing not later than the bonds of the United States then last issued under the authority of this act or of said act approved April 24, 1917, as the case may be, and—

Now, listen to this as to the authority given—

and in such form and terms as the Secretary may prescribe.

That is the law. It provides that the Secretary can convert the short-term bonds that are due us now into long-term bonds; but the Secretary in another place says that he can not renew them at a less rate of interest than our securities are bearing, and I do not suppose that any Senator here would contend that he should have the power to do so. He also says that the new bonds must fall due within the times that our bonds fall due. That is reasonable; I do not suppose any Senator here is prepared to deny that he should not exceed that limit. Outside of those two limitations the act says, "in such form and terms as the Secretary of the Treasury may prescribe." We can not go any further than that.

More than that—I can not put my finger on the testimony right now, because it is in manuscript form and I have lost the exact place, but the Senator from Utah confirmed my

statement concerning it a moment ago—in the folds of this transcript is the testimony of the Secretary of the Treasury, in which he states that the conclusion of pence between Germany and this country does not take away from him the power to renew these obligations conferred in section 3, which I have just read.

So the Secretary of the Treasury already possesses the power to renew the loans. I am only speaking of the $0,500,000,000 of loans now; I am not talking about what is due the Grain Corporation. That is a small matter compared to the other; and if it is desired to present legislation in regard to that matter, that is a different question. I am now talking about this great loan, and I have shown and the Secretary of the Treasury, who asks for this unlimited right, has admitted that he has the power to deal with the subject.

I want to know why the power is desired? What is this administration intending to do with this power? The people of the country are entitled to know that and the Congress is entitled to know it, if you ask favorable action on our part. What is it intended to do with it? You have the right to renew these loans if the foreign Governments can not pay them; you have the right to accept long-time securities if they can not pay them. What more do you want? Why have you come here at this time demanding this legislation of the Congress of the United States?

Mr. SMITH. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. UNDERWOOD. I yield.

Mr. SMITH. Does the Senator from Alabama interpret the law to mean that after a technical peace has been declared between this country and Germany the Secretary of the Treasury still has the same power?

Mr. UNDERWOOD. Undoubtedly; and the Secretary of the Treasury so states. I could read his statement to the Senator if I could put my hands on it; but he said he had the power and that the declaration of peace would not take it away from him. He said that power was taken away from him to make any more new loans, but the power to deal with the old loans still exists and will continue to exist under present law.

Mr. SMITH. The power granted under the law from which the Senator has quoted, which authorized these loans and the funding of these obligations, is limited to renewals, of course, but it is unlimited within reason as to the length of time, except that they shall be coterminous with our obligations and shall not bear a less interest rate than our obligations?

Mr. UNDERWOOD. They shall not bear a less interest and shall not extend beyond the term of our obligations.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. UNDERWOOD. I do.

Mr. BRANDEGEE. I was about to ask the Senator, in view of the fact that the authority which he says the Secretary has under existing law is limited as to the rate of interest——

Mr. UNDERWOOD. Not limited upward, limited but downward.

Mr. BRANDEGEE. The bonds are to bear not less interest than our Liberty bonds bore, and to run for a period of time not longer than they were to run. Inasmuch as the Secretary is limited in those respects, and inasmuch as these various countries abroad that owe us also owe each other, and inasmuch as it may be desirable for those countries in their own financing to issue one set of bonds which could be taken by all their creditors, bearing the same rate of interest, and running for the same period of time, it would seem to me that under existing law the Secretary might not have authority to come to an arrangement which would simplify the process of those foreign countries in their financing.

Mr. UNDERWOOD. Undoubtedly he has not. Now, does the Senator think that that is what he wants to do?

Mr. BRANDEGEE. I will say, better than by answering simply "yes" or "no," that I agree with the Senator that the grant of authority requested is absolute and plenary, and all the authority that Congress possesses at present is to be turned over to the Secretary of the Treasury. I agree with the Senator that I think the Secretary's plans or proposals ought to be more specifically outlined to Congress if it is possible to do it; and I am wondering whether it is necessary to grant this authority, and whether there is not some alternative plan, or whether some sort of a check may not be devised which would relate the exercise of this power in some way more intimately to Congress, subject to the approval of Congress. However, I am simply in the position of waiting for information, as the Senator himself appears to be.

Mr. UNDERWOOD. The Senator says he does not know, but evidently his mind was running where my mind was running—that the Secretary did not want this power to renew obligations with our debtors and have the obligations of the same debtors that we have now, but that possibly he wanted to make the United States a clearing house for the debts of Europe, and that we might find ourselves in the end in a situation where the great, vast amount of these obligations would be coming from the weaker nations instead of the stronger nations. I am not saying this in criticism of the administration; but let me illustrate what this testimony shows, and what is the fact.

Since Mr. Mellon became Secretary of the Treasury, the Italian Government claimed that under our war promises we owed them $16,000,000. I must say that I do not see myself how we did, because the Italian Government at that time owed us over a billion and a half dollars of obligations that had already fallen due; and although you may have my note, if I have your note for a larger amount I do not owe you anything. Nevertheless, they claimed that under our war agreement we owed them $16,000,000; and what happened? We were not out a dollar of anything. I suppose it was never intended that we should be out a dollar. We gave our draft to the Italian Government for $16,000,000. The Italian Government owed the French Government. They passed our draft on to the French Government, and paid them $16,000,000. The French Government owed the British Government, and they passed our draft, or the money representing it, on to the British Government, and paid them $16,000,000. Then the British Government returned the draft to us and paid us $16,000,000 that they owed us; so the draft got back home. I say "the draft." It may have passed in gold, but I am illustrating by using the word "draft." So when the draft got back home we had not paid out anything at all, but we had swapped our debts around the circle, and we wound up with the Italian Government owing us $16,000,000 instead of the British Government owing us $16,000,000.

Mr. McCUMBER. Mr. President, I am satisfied that the Senator wants to be correct upon that matter; and I think if he will read over the testimony very carefully he will find that he has drawn a wrong conclusion. The British Government received no credit whatever upon that transaction. The British Government returned the check to us, and we gave the French Government a credit of $16,000,000 in the settlement, and it was not a roundabout matter of the character the Senator has spoken of. We agreed to grant credits to these nations, which was merely a right to buy goods in this country, and we paid for them out of those credits. We agreed to allow Great Britain and France and Italy a certain sum, and they were to determine among themselves what each one would need for its particular purposes. When we got through, it was found that Italy had drawn against us about $16,000,000 more than she was entitled to under the agreement between them, and that France had drawn an amount which was less than her proportionate share; and therefore, in the settlement as between these three nations of what they should each of them have out of the credit that was given them by us, and how it should be settled—and it was really the settlement of a past obligation—they settled in the manner that has been indicated, except that the British Government returned the check to us and had it credited to France upon the French indebtedness to us, which just evened the matter.

Mr. UNDERWOOD. The Senator's statement differs in no substantial way from mine. I read this testimony through last night, and while I may have been mistaken in some of the details, the Senator's statement illustrates the matter just as well. We paid to Italy $16,000,000 which they claimed we owed them. I do not think we did, because they owed us a billion and a half that was due at that time; but that is neither here nor there. They claimed that we owed them, and we paid them, and they swapped it back to France; and, as I understand, the Senator says now that we have the Italian obligation for $16,000,000 instead of that of France. That is the same thing except in one less step than I have described; but it illustrates what I mean—that I am not prepared to put in the hands of any one man in the United States, I would not be in favor of putting in my own hands, the right to be the clearing house for $10,000,000,000 of the American people's money. Now, if that is not what you want with this authority, I do not know what you want.

Mr. BRANDEGEE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Connecticut?

Mr. UNDERWOOD. I yield.

Mr. BRANDEGEE. Now, the Senator, after a diversion about the Italian debt, is back to the point which he and I

were discussing a few moments ago; and I assume that what he refers to in the bill which differs from existing law, and which he thinks unnecessary, is the following language:

To refund or convert * * * any obligation of any foreign Government hereafter received by the United States of America * * * arising out of the European war into bonds or other obligations of such, or of any other, foreign Government.

That is the language which the Senator thinks is unnecessary in the bill?

Mr. UNDERWOOD. Exactly. Well, of course, if that language is not in the bill, then there is no necessity of passing the bill at all, because the power granted by all the balance of the language already exists, with the possible exception of the concluding sentence.

Mr. BRANDEGEE. What I mean is, that language being in the bill, if I understand the Senator correctly, he claims that that gives the Secretary authority to swap any bonds that he may take for existing debts into the bonds of any country in Europe?

Mr. UNDERWOOD. I do; and more than that, as I interpret and understand the testimony of the Secretary of the Treasury before the Committee on Finance, he sustained that interpretation.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I yield.

Mr. SMOOT. The Senator is correct in that statement, and I do not think there is anyone who has studied the bill at all but that will acknowledge that that is the purpose of the bill, as to the principal of the original obligation; but this bill goes further than the principal of the obligation. This bill deals also with the interest; and, if the Senator will let me, I should like to read him what the Secretary said in relation to the interest, because the law affects the interest in a different way than the principal.

Mr. UNDERWOOD. I shall be glad to have the Senator do so.

Mr. SMOOT. This is the statement that he made:

I am advised that, except as to the advances made out of the proceeds of the Liberty loan bonds, this department is without authority to consent to any extension of the time for payment of the principal or of the interest of these obligations or to proceed with the refunding thereof.

That is the $700,000,000 that the Senator has reference to in relation to the Grain Corporation, the relief committee, and so forth.

Now:

As to the advances made out of the proceeds of Liberty loan bonds, the existing authority contains such diverse provisions as to interest rates, the maturity, and other terms of the refunding bonds that may be accepted by the department as make it difficult to formulate a plan whereby the interests of this Government may be as well protected and the bonds to be received be in as desirable form as would be the case if the entire debt of each country could be dealt with as a whole and free from such restrictions. * * *

In the case of some of the debtor countries it is impossible for them to make payment of their obligations as they now mature. It is impossible for some of them to make payment of the maturing interest. To insist on payment might be disastrous to the people of such countries, and besides there may have to be given consideration to the bearing of the adverse foreign exchange rates existing at the time against these debtor countries and which may make it desirable to defer payment of interest.

Mr. UNDERWOOD. I do not understand yet, from what the Secretary says and what the Senator has read, that he can not amortize the payment of interest along with the balance of the bonds; but even if he can not, I am not going to stand on that. I will concede it in argument rather than delay the discussion, because that is the smaller part of the case. If it is merely to allow him to make a new loan for the interest, let us say so, and give him the power to make the same countries the same loans for the interest.

Mr. SMOOT. I do not want the Senator to think that I am trying to make it appear that there is not a tremendous power granted under this bill. I do not see how it could be broader.

Mr. UNDERWOOD. Under existing law?

Mr. SMOOT. No; I mean under the pending bill.

Mr. UNDERWOOD. Oh, of course it could not be broader under this bill, but under existing law he has the power. Now, here is where I think the difficulty comes:

After providing for the extension and renewal of these loans, and so on, as the Senator from Connecticut has just read, he can take either bonds or other obligations of such European countries as owe us, "or of any other foreign Government and from time to time receive bonds and obligations of any foreign Government in substitution for those now or hereafter held by the United States of America."

Mr. President, I do not know how far it got, but I know the question of our making a clearing house of this country and swapping these bonds around, letting one country pay with the bonds of another until they all got back to us, was one of the questions advanced at Paris. I do not know how far it went, whether it was merely a tentative matter in public talk or whether it was a mere proposal, because I read of it in the American newspapers, and I do not know how far I could stand on what they said; but I recall that that proposition was proposed by somebody.

Mr. HITCHCOCK. I will say to the Senator that it was definitely proposed by authority and was rejected by American authority.

Mr. UNDERWOOD. I am glad the Senator confirms what I said and sustains it. In other words, these European countries proposed to make us a clearing house for Europe, and our Government rejected the proposition under the Wilson administration. Now, I want to know if, by the terms of this bill, you are proposing to give the Secretary of the Treasury the power to reopen this clearing house and let Europe trade through our coffers and we get what is left.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. UNDERWOOD. I yield.

Mr. McKELLAR. I call the Senator's attention to a question that was asked Secretary Mellon in the hearing on yesterday. He was asked if he would be willing to consent to an amendment providing that the debtor nation could use the bonds of other nations in substitution, but we still continue to hold the obligations of the debtor nation, and he said he did not want to be fettered by that kind of a limitation. That was the substance of it.

Mr. UNDERWOOD. As I understand it, the Secretary said in answer to the question that was put to him about limitations that he had no control over the Congress and had no right to say that limitations should not be put on his power; but he did say that he wanted this bill without limited powers, because he could carry out what he intended to do better as the bill was read than if we limited his power.

That may be all right from the standpoint of the Secretary of the Treasury. The Secretary of the Treasury stands for conducting the affairs of his great office and is responsible to his chief. We hold our responsibility from the people of the United States, the people who must pay the taxes and redeem these bonds if they are not made good by our debtors.

As far as I am concerned, I think the Congress of the United States should halt right here in granting this power, and not grant one iota of it until we know definitely what the Secretary of the Treasury intends to do with it.

Mr. WILLIAMS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Mississippi?

Mr. UNDERWOOD. I yield.

Mr. WILLIAMS. I ask the Senator how in the world the Secretary of the Treasury could know definitely what he intended to do with the power until he could find out what he could do with it, what others wanted to propose? How could the Secretary of the Treasury tell us what he proposes to do, when he not only does not know himself but can not possibly know until after these negotiations are closed?

Mr. SMOOT. And he said so in the hearing.

Mr. UNDERWOOD. There is just where I differ with the Secretary and the Senator. He could not tell us about something he does not know about, and he says he does not know about it. He comes here and says he does not know what can be done or how it can be done, and yet asks for a grant of unlimited power to do something he says he does not know anything about.

Mr. WILLIAMS. He asks the power to do the best he can to save the debts of the United States.

Mr. UNDERWOOD. Undoubtedly. But are we to give him the power to do the best he can? That is another question. I have never known of a situation heretofore—there may be exceptions, but I do not know of them—where any other nation ever owed an indebtedness to this Government or where the question of indebtedness was involved, as it was with Colombia, for instance, when the executive branch of the Government did not work out the terms of settlement first and then submit the terms of settlement to the Congress. That has always been the rule, as far as I am informed. The Senator from Mississippi is better versed in the history of the country than I am, and he may recall a precedent otherwise.

Mr. WILLIAMS. I do not recall any precedent to this war or to this intermingled indebtedness of a part of the world to the balance of the world. Of course, nothing like it ever existed in history before.

Mr. UNDERWOOD. Certainly not. That brings us right down to the question. The Senator from Mississippi will differ with me, but I have my convictions about it, and I think I am right. That is the whole crux, the intermingled indebtedness. If we are going to treat the debts which England owes us, nearly four and one-half billion dollars, as a separate indebtedness—and I think that is the way it should be treated—then I do not see any difficulty whatever in the Secretary of State ascertaining from the British Government the terms on which they want to make a settlement with us, and in our determining as to whether we think those terms are just to us. They are our debtor. We do not owe them; they owe us. They are an honorable, great nation. No man can doubt that they intend to repay the money which we advanced them to save their life and their nation's honor.

It seems to me it would not be a difficult problem for the Secretary of the Treasury, or the Secretary of State, who has this matter in charge for the administration, to inquire of them the terms on which they wish to make a settlement, and then, if the law which is on the statute books is not broad enough to cover it, to submit it to the Congress for additional powers, in that case, and we would know what we were doing. That would throw on it the light of publicity, and the American people would know what it was. I do not think there will be great difficulty in that case, if we stand on a settlement of that kind.

Mr. WILLIAMS. Of course there will be no difficulty in that case, and if that were the only case the question would not be here at all. There is not the slightest doubt about Great Britain paying its debts. Nor is there the slightest doubt about France paying hers, although it will take her two or three times as long as it will Great Britain. But there are all the other little countries intermingled and mixed up with one another, owing one another and owing us, and all of them expecting to get reparation in the shape of gold or bonds from Germany. Much has been said about accepting German bonds. The Senator from Tennessee [Mr. McKELLAR] was talking about that the other day. I can imagine that a German bond would be twice as good to-day as the bonds of some of those little countries. We ought to give to somebody the power to accept their payment in indemnity bonds in lieu of their own obligations. Because you give the Secretary of the Treasury discretion, you are not compelled to argue that he is a fool in the exercise of it. He is not going to accept a German bond for any other bond unless in his opinion the German bond is better, better as an interest payer and better as an ultimate principal payer, than the thing he is going to let go for it.

Mr. UNDERWOOD. Of course, the Senator from Mississippi and I have entirely divergent views on this subject. I think the Secretary of the Treasury has as good judgment about these matters as we have; I am not questioning his judgment. But if he is going into the business of accepting the bonds of some of those countries in place of other countries' bonds, I, for one, am not willing to give him that power. I am not intending any reflection on the Secretary, but I would not give that power to any man. The little countries the Senator speaks of owe us, all of Europe owes us, over $10,000,000,000, and what is due by these little countries, outside of England, France, and Italy, amounts to only about $500,000,000 or $600,000,000. It is a very small portion of the reparations. But I want to know that no bonds of the most solvent country are surrendered for bonds of a less solvent country in the closing up of this transaction, and the only way I can know that is not to give the power.

Mr. WILLIAMS. The Senator means as a substitute for them?

Mr. UNDERWOOD. As a substitute for them.

Mr. WILLIAMS. Has the Senator the slightest idea that the Secretary of the Treasury, who has common sense, would do that?

Mr. UNDERWOOD. The Senator from Connecticut [Mr. BRANDEGEE] suggested it a while ago. There is something in this testimony about that, not that the Secretary said that he would do it, but he said that there had been discussion along that line, which might bear out that viewpoint. If he does not want to do that, if he does not intend to do that, then my argument is that he does not need to have the power to do it given in this bill, because he has the power already. He has the power to do everything that he might want to do—I mean outside of the Grain Corporation indebtedness or the interest; he has power to do everything he might want to do in settlement of the main indebtedness, except to swap securities.

Mr. WILLIAMS. But the maturity of these bonds——

Mr. UNDERWOOD. They are all matured now.

Mr. WILLIAMS (continuing). Must run along with the same maturity our bonds carry, and the interest must be higher. The interest will be higher, of course. Can not the Senator see that he must have some latitude in fixing the maturity of bonds we are going to take in a refunding proposition?

Mr. UNDERWOOD. The Senator probably was not here when I made my first statement.

Mr. WILLIAMS. Yes, I was; and the Senator confessed that the Secretary's power under the present law was limited to this: That the maturity of these obligations which he takes from these nations must coincide with the maturity of our bonds.

Mr. UNDERWOOD. Not coincide with them, but that it should not extend beyond them.

Mr. WILLIAMS. That is the same thing.

Mr. UNDERWOOD. And that the interest should not be less.

Mr. WILLIAMS. Yes.

Mr. UNDERWOOD. He can make that agreement. Our bonds with which these are compared are running at 4 and 4½ per cent interest, so that you would not want them less, and he can go as high as he wants to. So there is no limit. Most of those bonds run 20 or 30 years—I do not remember the exact terms—and that is ample time until he reaches the proposition for the first time; and outside of those two limitations his power is this: That he can make this renewal with bonds in such form and on such terms as the Secretary of the Treasury may prescribe.

He has unlimited power to make these settlements with the nations which owe us the money, except that they shall not pay less interest than we pay, and that their bonds shall not run for a longer period than ours run.

There is no limit, if that is all he wants; but what I contend is that this bill, in this language, "or other obligations of such or of any other foreign Government," gives him the right to swap obligations, and I do not want to consent to that unless I know what he is doing.

Mr. McCUMBER. Mr. President, may I put a proposition to the Senator along that line? The Senator has suggested that in his opinion every possible power which might be needed in the matter of this settlement is now granted under existing law.

Mr. UNDERWOOD. That is for renewal.

Mr. McCUMBER. Suppose we take the case of Jugoslavia. That country is practically bankrupt; she can not pay her interest; she can pay no portion of the principal. It is admitted, probably, that under the present law we have no right to convert the interest into long-time securities. Let us suppose that Jugoslavia was possessed of certain railway bonds of its own country, maturing at different times, and which in a few years would possibly become practically good. Suppose the Secretary of the Treasury desired and was willing to accept those bonds in lieu of the bonds of Jugoslavia, and that it was in his opinion in the best interest of this country to accept them. Has he the power under the present law to do that?

Mr. UNDERWOOD. No, he has not; but let me put the other side of the question to the Senator. Clearly the Secretary has not the power to accept railroad bonds in place of the obligations of Jugoslavia. If the Republic of Jugoslavia made to us a proposal of that kind and we became convinced that it was good, I have no doubt the Congress would accept it.

But now I wish to call the attention of the Senator to the proposition he is putting here and the relativity of it. I quote from the Secretary's letters certain figures that he submitted. Jugoslavia owes us $61,256,000 at 5 per cent interest. Great Britain owes us $4,166,000,000 principal and a very large sum of interest that will bring the total to nearly $4,500,000,000. In order that we may "swap chips and whetstones" over $61,000,000 and the interest on that sum, the Senator proposes to give the Secretary of the Treasury the unlimited right to deal with $4,500,000,000 principal and interest that the British Government owes us. I do not think that is good business on the part of this country.

Mr. McCUMBER. I do not think it would be exercised in that way by any possibility.

Mr. UNDERWOOD. I am not going into the question of that possibility.

Mr. McCUMBER. Let us put another proposition to the Senator.

Mr. UNDERWOOD. I am not bringing any indictment against the Secretary of the Treasury.

Mr. McCUMBER. Let us take the French indebtedness. It will be a long time before France can pay either principal or interest. Suppose the French are willing to give their bonds

for the principal and willing also to give long-time bonds for the interest. Of course, the Senator would say that all could be submitted to Congress.

Mr. UNDERWOOD. That could be done. It does not have to be submitted to Congress.

Mr. McCUMBER. For the interest it could not be done.

Mr. UNDERWOOD. I am not sure about that; but I am not discussing that question.

Mr. McCUMBER. I do not think it could be done.

Mr. UNDERWOOD. The Senator may be right. Why not amend the bill simply by authorizing them to settle the interest rate on the same conditions and terms that the present law fixes with reference to the principal? I do not think we would have any difficulty in agreeing to such an amendment.

Mr. McCUMBER. But suppose it was really in our interest to change the rate. Let us take the case of the French Government indebtedness, probably about $3,000,000,000 or in the neighborhood of that sum. A considerable part of that is for interest. Bearing 4½ per cent interest, probably we could not sell those bonds without a heavy loss. Suppose we were to take the interest that is now due and take a bond, say for 20 years; if we would take the interest now due, figure it up as interest on that bond, instead of 5 per cent we would have 6½ per cent. Then we might be able to float those bonds—that is, to sell them at par—and the Government might in a very short time reap the French debt in that way and get cash out of it.

I do not know that the Secretary of the Treasury has that particular thing in view, but I can conceive of a world condition in such a state that it might be for our very best interest, if we wanted to get the cash as soon as we could, to put the obligations in that shape.

Mr. UNDERWOOD. I will say to the Senator that is a very plausible case. There is nothing in the present law to keep the Secretary from charging 6½ per cent interest if he wishes to do so. As to whether he can deal with the interest at all, I will not contest with the Senator, although I think the Senator is wrong. I simply say if that is all that is involved, say so in your legislation. If that is all that is involved I do not think you would have any difficulty in passing it.

Mr. McKELLAR. Mr. President——

Mr. UNDERWOOD. I will yield in just a moment, if the Senator will pardon me.

But I am not afraid of the French loan, and I would rather have the French loan unpaid and unrenewed, knowing that as time rolls on France will pay her debt to the men who came to her rescue, as Lafayette came to ours, even if the centuries must mark the time. I am not in favor of exchanging the French debt for some one else's debt.

I now yield to the Senator from Tennessee.

Mr. McKELLAR. I wish to say in answer to the suggestion made by the Senator from North Dakota, that if the French debt were refunded on the plan that was suggested by him, France could immediately pay that debt and save the entire accrued interest up to date.

Mr. SMOOT. Where would she get her money?

Mr. McKELLAR. France is a very resourceful nation, as we all know, and if she could save such an enormous amount of interest I do not know whether she would be willing to do it or not. In other words, we would be giving that interest to France if she chose to take advantage of it.

Mr. UNDERWOOD. Of course, it would be possible, and it was pointed out in the hearings yesterday that it could be done; but I am not arguing that. I think it is very clear that the purpose of the legislation is to authorize the Secretary of the Treasury to exchange the indebtedness of one nation for that of another in settling up this transaction. I do not stand for that proposition, I do not believe in it, and if it is to be done, I say the American people are entitled to know it in advance, and not after it has been done.

The reason why I made this statement to-day is not to throw any monkey wrench in the machinery of the party on the other side of the aisle, but on financial matters in closing up the war I think we should be helpful as long as we can do so consistently with business judgment and our responsibilities to our people. But if there is opposition on our part to a great proposal of this kind, it should be settled. I think this administration in one way or another should settle the question of these foreign debts at the earliest date possible. They should take up the matter with the nations abroad, demand payment, as any other creditor would, and receive the reply as to what could be done. Then, if the terms of the law are not broad enough, call upon the Congress for sufficiently broad powers to make a just settlement.

Holding these views, believing that this administration would act hastily, I felt that if I was not willing to give this proposal my support, it was not just for me to sit here and wait until time rolled by and probably a recess of Congress was taken. I do not know that my lack of support would affect the passage of the bill, I do not know what the sentiment is in the other branch of Congress in reference to it, but I did feel that it was nothing more than candid for me to say that if the bill is going to give the unlimited right to the Secretary of the Treasury to exchange this European indebtedness as he sees fit, it will not receive my support.

Mr. WILLIAMS. Mr. President, in our service together in Washington it has not been often that the Senator from Alabama and I have differed upon any great public question. I am sorry, therefore, to have to differ with him about this. I know, of course, he is not trying to throw any political monkey wrench, because it would not be a political monkey wrench. If it was a monkey wrench at all it would be in the rearrangement or the restoration of the world's financial obligations everywhere. This is far above a political question, of course, and I am glad that the Senator takes that view of it. This is a question of aiding in the restoration of sound and stable finance substantially all over the civilized world.

Mr. President, the poorest business man in the world is the creditor who crushes his debtor or, the debtor being already partly crushed, crowds him into bankruptcy. There can not be poorer business than that. The United States is compelled to enter into some sort of negotiation with all of these debtor countries, and she can not enter into negotiations with each for its particular loan, because the power of each country to pay depends very largely upon the indebtedness of other countries to it. That is true eminently of France. It is true of Italy almost to the point of insolvency.

As to taking other bonds for the bonds of our late war associates, is there a bond in the world that you would not have rather than Russian obligations at present? If any of them should offer bonds of little Holland, due 30 years from date, would you not be willing to take them and would you not be willing to take a fewer number of dollars' worth of them than the face value of Russian or Jugoslavian or Polish bonds? Where is there anything that would not be preferable as a substitute for Polish bonds at present, and for many, many years to come, if not forever?

To argue that because we give the Secretary of the Treasury the power to substitute one country's obligation for that of another, that he is going to be ass enough to substitute a valuable obligation for one that has no value or has less value, is to argue, of course, that the Secretary of the Treasury is not only a fool but is a scoundrel besides, because he would be robbing his own country, and robbing it knowingly.

As I said, this is no party question. It rises far, far beyond that. Somebody must have the power to enter into negotiations with all these people together, each of them interlocking with the other, their obligations intertwining, one's solvency depending upon the ability of another to make a reasonable payment. Somebody must have that power. This is not a political question, but as sound politics, speaking now as a Democrat and no longer as an American and still less as a citizen of the world, I am in favor of giving this administration plenary power to settle it and then holding it responsible for the exercise of that power. It may be said that the country will hold us responsible for the power; but it will not. It will hold the party vested with that power responsible for its just exercise. That is what it ought to do and that is what it will do. We want some way of relieving the world from this situation.

Here are great sovereign countries, beloved France, for example, not even paying the interest upon her debt to us, because everything is in chaos and uncertainty for the present, and must remain, to a certain extent, in chaos until there has been a general understanding. It can not be a mere matter of a transfer of one balance with one country to-day and another with another to-morrow, unless each country knows beforehand how the other is going to adjust its claim, because the method of its adjustment settles, to some extent, the possibility, it may be, certainly the probability, of its collecting something that is due to it.

Undoubtedly England, France, and Belgium can and will pay their debts, and it is to be hoped that Italy can. I do not think any man alive with a grain of common sense thinks that Russia ever will, and we advanced her considerable money. I dislike to mention the names of countries, but Greece is going to have a mighty hard time paying her debts, especially if she keeps up her crusading in Asia Minor.

It is perfectly possible that the Secretary of the Treasury may, as would a wise creditor dealing with 100 debtors, determine, "So far as this man is concerned he can not pay; the best he can do is to give us certain securities which he assigns over to us, and we keep him still obligated to us; but he can not pay.

We must give him time." A wise business man always gives the hard-pressed creditor time and terms. That is all that is asked here.

Of course, the authority is upon the face of it a feeder of suspicion, because it is so broad, so plenary; but at the same time I can not conceive of any power less than plenary power that would put the Secretary of the Treasury and the administration in an attitude where they could finally and ultimately settle this chaotic financial condition. It must be settled in behalf of the interests of the whole world as well as of the United States. Of course, we hope to collect every dollar of debt that is due, but I do not think many wise men would say that the hope is very well based. There is much of the debt that must go by the board. There are now countries in Europe of the first or second power in the scale which are wavering in the balance of insolvency. An insolvent debtor can not make his creditor good, whatever else may happen in the business world. A wise creditor proceeds to make an arrangement whereby his insolvent or nearly insolvent debtor may save his solvency, and thereby, in the long run, after a while, pay, keep his word, preserve his honor, and not stain his escutcheon.

I find no politics in the measure. If the present were a Democratic administration, I would support the Secretary of the Treasury in asking this power, and I, for one, shall vote to grant it to a Republican administration. In both cases the country would hold the administration strictly responsible for the wisdom of the exercise of the discretion vested in it.

If the present Secretary of the Treasury were to swap a British bond for one of the bonds worth nothing of some Government—which, it seems, is the bugbear before some gentlemen—he would be impeached here in a moment. There would not be six Republican Senators who would not vote to impeach him. He would be impeached as both a fool and a crook.

In the majority of cases, as I understood the statement of the Secretary on yesterday, the other bonds and other obligations referred to in this proposed act are to be not in lieu of but in addition to the national obligations. Wherever that is the case, even a bad bond as collateral does not weaken a good one. I am the only man I ever knew in my life who refused to take a note with security on it. I once did that. I said to a bank, "If you will get the acceptance of So-and-so down at Vicksburg, I will hold back the suit and not sue at this time." I went down there and I found the acceptance, together with another man's indorsement on it. I said, "Oh, no; I did not say that; I do not want this man's name on the paper." The banker said, "John, this is the first time I ever heard any man in the world say an additional name on a paper made it bad." I said, "You do not know this man; his name on this paper means litigation, and will stir the others up to litigation; send that right back and tell them I want the acceptance without his name, or I will not have it." That, however, was a very exceptional case. As a rule, collateral security does not weaken the evidence of indebtedness under the original obligation.

I have no doubt that most of these so-called other bonds and other obligations will be accepted as additional security and as collateral from stronger nations in Europe which want to support the weaker ones and would be very glad to support them if they could.

I would rather do almost anything in the world than to differ from the Senator from Alabama [Mr. UNDERWOOD] about any question. In fact, very frequently when I do differ from him I never express it and vote with him anyway, just "out of personal love and affection," to use the language of the consideration in old deeds; but this so far transcends not only all mere party but all mere Americanism that I am willing to give the power and hold responsible this administration—not alone the Secretary of the Treasury, but every one of you—for its exercise.

Mr. SMOOT. And the Senator from Mississippi has a right to do that, too.

Mr. WILLIAMS. Yes.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

Mr. McCUMBER. Mr. President, I wish to give notice at this time that immediately after the disposition of the present unfinished business I shall move that the Senate proceed to the consideration of Senate bill 506, the soldiers' adjusted compensation bill, and make it the unfinished business of the Senate.

Mr. UNDERWOOD. Will the Senator give me some information across the line? Does the Senator propose to attempt to pass that bill before we take a recess for the summer?

Mr. McCUMBER. I think we ought to get through with it in a couple of days.

Mr. UNDERWOOD. I want to know the Senator's attitude about it, because if he is going to try to pass the bill to which he has referred I want to cancel my engagements and arrange to stay in Washington.

Mr. McCUMBER. I believe we can dispose of it in two days. I do not know how long it will take to get through with the pending bill, but I do want to get the soldiers' adjusted compensation bill through and send it over to the House.

Mr. UNDERWOOD. I think it very natural that the Senator should want to secure the passage of a bill in which he is interested, but I do not suppose the Senator really thinks that debate on that bill will be disposed of in two days or probably in two weeks.

Mr. McCUMBER. I hope it will; but if it is made the unfinished business I think we can then——

Mr. UNDERWOOD. That is a different proposition. If the Senator merely desires to make it the unfinished business so that it will be before the Senate when we come back to work, that is a very different proposition.

Mr. McCUMBER. There are reasons why I should like to get the bill through and have it go to the House. I should like to have it passed by the Senate, if possible, at the present time.

EXPORTATION OF FARM PRODUCTS.

Mr. NORRIS. Mr. President, since the Senator from Alabama has raised the question and referred to a recess, I should like to say that at a meeting of the Committee on Agriculture and Forestry this morning it was decided that we would ask the Senate before it took a recess to act on the bill which we reported this morning. I shall attempt to make that measure the unfinished business as soon as the consideration of the bill referred to by the Senator from North Dakota has been completed.

Mr. UNDERWOOD. Mr. President, of course we do not control the action of the Senate; the responsibility for management rests with the majority, and properly so—I have no complaint about that—but I had heard rumors that we might take a recess, as our only chance would be now, until possibly the tariff bill should come to the Senate. I take it, however, if the Senator from North Dakota, speaking with the authority of his party, intends to push the soldiers' bonus bill, and the Senator from Nebraska, speaking with the authority of his party, intends to push the bill to organize a $100,000,000 corporation, that the tariff bill will be here before the consideration of those measures is concluded, and we, on this side of the Chamber, might as well recognize that we are not going to have a recess and settle down to the business of the Senate.

Mr. NORRIS. Mr. President, let me say to the Senator from Alabama that I am not speaking with the authority of any organization or party or of anything of that kind. I am speaking, however, for the Committee on Agriculture, and, acting on behalf of the committee, I am going to try to do what I have intimated.

PROTECTION OF MATERNITY AND INFANCY.

Mr. KENYON. I ask that the consideration of the unfinished business be proceeded with. I think a little of the discussion should be devoted to the pending measure.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Brandegee	Heflin	McKinley	Smith
Broussard	Hitchcock	McNary	Smoot
Bursum	Johnson	Moses	Sterling
Cameron	Jones, N. Mex.	New	Sutherland
Caraway	Jones, Wash.	Nicholson	Townsend
Curtis	Kellogg	Norris	Trammell
Dillingham	Kenyon	Oddie	Underwood
Edge	King	Overman	Walsh, Mont.
Elkins	Knox	Phipps	Warren
Gerry	Ladd	Ransdell	Watson, Ga.
Glass	La Follette	Reed	Williams
Gooding	Lodge	Sheppard	Willis
Harris	McCumber	Shortridge	
Harrison	McKellar	Simmons	

The VICE PRESIDENT. Fifty-four Senators having answered to their names, a quorum is present.

Mr. KENYON. Mr. President, I offer the unanimous-consent agreement which I send to the desk. The roll just having been called, I think that will comply with the rule. I should like to have the proposed agreement read, and I should like to have the Senator from Utah [Mr. KING] sent for—I know he has no objection to it—and the Senator from Missouri [Mr. REED]. I think the Senator from Missouri is in the cloakroom.

Mr. KING and Mr. REED entered the Chamber.

The VICE PRESIDENT. The proposed unanimous-consent agreement will be stated.

The reading clerk read as follows:

It is agreed, by unanimous consent, that at not later than 4 o'clock p. m. on the calendar day of July 15, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, upon any amendment that may be offered, and upon the bill (S. 1039) for the public protection of maternity and infancy, etc., through the regular parliamentary stages to its final disposition; and that after the hour of 3 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than five minutes upon the bill or more than once or longer than five minutes upon any amendment offered thereto.

Mr. REED. What is the hour fixed for voting?

Mr. KENYON. Four o'clock on July 15.

Mr. KING. Mr. President, I think there is a disposition on the part of many Senators on the other side of the Chamber, as well as upon this side of the Chamber, to have some little holiday vacation. It is apparent that the only chance there will be for a vacation will be during the month of July. I had hoped that we might take a recess until the 20th of July, or perhaps the 1st of August. Suppose that arrangements can be made satisfactory to Republicans and Democrats, and that we do take a recess until some later date than the 15th, so that we are not in session on the 15th, will the Senator be willing to amend the tendered proposition so that on the third or fourth day after we meet we shall proceed to vote?

Mr. KENYON. I think there is no question that the Senate will be in session up to the 15th of July. The bonus bill is coming, the Norris bill, and there are other bills for the relief of the agricultural situation that will be presented here. I had felt that there was no question that we would be in session up to that time. If by that time we reach a chance to adjourn we can adjourn on the 15th. If before that time there is no business before the Senate, we can recess three days at a time. I want to have some fixed date.

Mr. KING. Suppose we should come to such an agreement, and recess three days at a time, or take an adjournment for a given period which would carry us beyond the 15th, certainly the Senator would not want to bring us back to vote on this bill on the 15th?

Mr. KENYON. Back from where?

Mr. KING. Some of us will go home. Some of us will take a vacation.

Mr. KENYON. I certainly would not care to bring the Senator from Utah back to vote on the bill. I would not insist on it at all.

Mr. KING. No; I am sure the Senator would not.

Mr. KENYON. I should be glad to vote this afternoon, or to-morrow, so far as I am concerned; but I am trying to accommodate other Senators in the Chamber, and this seemed to be the best we could do to accommodate all the Senators. I am not willing to make an agreement that is not definite as to when we shall vote.

Mr. KING. The suggestion which I made, it seems to me, has a sufficient element of definiteness about it——

Mr. KENYON. I do not think so.

Mr. KING. Namely, that if by consent the Senate should adjourn to a day later than that, so that we would not be in session on the 15th, the agreement then shall provide that on the second or third or fourth day after convening—whichever day the Senator indicates—the vote shall be taken at that hour.

Mr. KENYON. The Senator realizes that the date fixed is two weeks from to-morrow. We are going to adjourn, I assume, over the Fourth of July, and some Senators desire to adjourn over Saturday, so that we will be back here Tuesday. It will only be a little over a week until the time of voting on this measure. We certainly will not adjourn inside of that week.

Mr. KING. But assume that we should adjourn now. I am not so sanguine as the Senator. I believe that the sentiment of the majority of the Senators is in favor of taking an adjournment, because as soon as the tariff bill comes before us there is no question that we will be here until December. It does seem to me that there ought to be a little adjournment given to the Senate during these hot days. You Republicans have great problems, the tariff bill and the revenue bill. You want to be here refreshed and invigorated to assume the stupendous responsibilities which those measures will devolve upon you.

Mr. KENYON. We are in reasonably good condition.

Mr. KING. But you will be in far better condition if you take a recess until the 1st of August. Now, I am entirely willing to vote on the 15th if we are in session; but I beg the Senator to supplement the agreement with a provision that in the event that a recess or adjournment shall be taken, so that we are not in session on the 15th, the vote shall be had on the second or third or fourth day, whichever the Senator prefers, after the Senate shall convene. Then, if we should take a recess until the 20th, under the supplement which I have suggested we would vote on the 22d or the 23d, just as the Senator indicates; or if we should take a recess until the 1st of August we would vote on the 2d or 3d of August.

If we are here in session on the 15th I am willing to vote then, but I do not want an agreement here to prevent an adjournment or a recess being taken, so that some of the Senators, if they care to do so, may leave this hot place for a few days. It seems to me that is entirely fair. It is not to prevent a vote on the 15th. If we are here on the 15th I am ready to vote then; but if we should compose our differences, if there be any, and take a recess to a date beyond the 15th, will not the Senator consent to that suggestion?

Mr. McCUMBER. Mr. President, may I ask the Senator why we can not agree to vote on the bill to-morrow?

Mr. KING. We are not ready.

Mr. McCUMBER. I thought the bill had been discussed, and the Senator had made his speech on it, and that all were ready to take it up now.

Mr. KING. That is not the question before us.

Mr. McCUMBER. Of course, if the Senate is not ready, I appreciate that it would not be proper to ask for a vote then.

Mr. REED. Mr. President, I want to make a suggestion to the Senator from Iowa and to the Senate. All that is necessary for the Senate to adjourn is a majority vote and the consent of the House. I have not the slightest doubt that the House of Representatives will consent to the Senate adjourning for 30 or 60 days if we ask it to do so. Now, this situation might easily arise: We might agree to vote on the 15th of July; and if between now and the 15th of July the Senate by a majority vote should determine to adjourn, the Senator would be left with no agreement to vote that could be complied with.

I think it is clearly in the interest of the bill to make the agreement suggested by the Senator from Utah. I think it safeguards the proposition which the Senator has so dear to his heart, the passage of this bill.

Mr. KENYON. Of course I appreciate the Senator's interest in the bill, and his desire to safeguard the matter; but I am perfectly willing to take the chances of the Senate's being in session on the 15th of July.

Mr. REED. I hope it will not be insisted that an agreement shall be made which might have the effect of preventing an adjournment during a part of July if the Senate wants to adjourn; and I say this with all possible good faith. The Senate is pretty well exhausted. We are not doing the kind of work we ought to do. The weather is oppressive to the last degree. Questions are being considered in the Senate frequently when there are very few Senators here. The great work of the committees is to be performed. I apprehend that those committees will be compelled to remain in session. I think the Senate would actually gain time in its labor if it were to take a recess of 30 or 40 or 45 days; that it would make for the good of legislation and the progress of legislation. So that I am averse to doing anything to prevent free action of the Senate in that respect.

I am willing to accept this proposal of the Senator from Iowa if that is the best we can do; but it seems to me it would safeguard his own proposition if a clause were inserted providing that if the Senate were not in session on the 15th day of July, having adjourned or recessed, the bill should then be voted upon within a certain number of days after the Senate reconvened.

Mr. KING. Mr. President, will the Senator permit me an interruption?

Mr. REED. I have finished.

Mr. KING. I venture to suggest to the Senator from Missouri, because I would like to have his opinion, if we should adopt this unanimous-consent agreement to vote upon the bill on the 15th of July, and in the meantime we should agree to take a recess or an adjournment to a date beyond that, does not the Senator think the unanimous-consent agreement calling us for the 15th would prevent an adjournment to a later period?

Mr. REED. I do not think it would actually prevent it, but I think it would be an obstacle, because if the Senate sees fit to adjourn it can adjourn, and that takes precedence of anything. A motion to adjourn is always in order. Anyway, if we adjourn, what would the gentleman do who had a bill here?

Mr. KENYON. Mr. President, I understand there is no objection made.

Mr. KING. I ask the Senator whether he accepts the suggestion which I have made?

Mr. KENYON. I am always glad to accept suggestions of the Senator from Utah when I feel I should, but I can not

do it in this case. I am willing to take the chances of adjournment. If adjournment kills the unanimous-consent agreement, that is a question to be determined later. I am willing to take the chances. I do not think there will be any adjournment for some time. There are a number of very important bills relating to agriculture which have come from the Committee on Agriculture, and more will come, and in the condition of the farmers of the country to-day I do not believe the Senate will be quite willing to adjourn until those bills have some discussion. If I am willing to take the chances, why is not the Senator?

Mr. KING. Will the Senator agree to give an opportunity this afternoon for the leaders of both parties to try to work out some plan for a recess or an adjournment, and if no such agreement shall be made if the Senator will present his request for unanimous consent to-morrow morning I shall join with him in the request.

Mr. KENYON. Mr. President, I have presented it, and if there is objection to it I will withdraw it, or the objection can be made and we can go ahead with the bill.

The VICE PRESIDENT. Is there objection to the request for unanimous consent?

Mr. KNOX. Mr. President, I would like to have the unanimous-consent agreement read.

The VICE PRESIDENT. The Secretary will read the request for unanimous consent.

The reading clerk read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on the calendar day of July 15, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, upon any amendment that may be offered, and upon the bill (S. 1039) for the public protection of maternity and infancy, etc., through the regular parliamentary stages to its final disposition, and that after the hour of 3 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than five minutes upon the bill, or more than once or longer than five minutes upon any amendment offered thereto.

Mr. KNOX. Mr. President, I intend to vote for the bill, but I object to the unanimous-consent request.

The VICE PRESIDENT. There is objection.

PEACE WITH GERMANY—CONFERENCE REPORT.

Mr. LODGE. Mr. President, I ask that the conference report on the peace resolution be laid before the Senate.

Mr. KENYON. A parliamentary inquiry, Mr. President. Is that a privileged matter? If not, I object.

Mr. LODGE. A request that it be laid before the Senate is privileged. I ask that the conference report, which I have heretofore submitted, may be read.

The VICE PRESIDENT. The Secretary will read the conference report.

Mr. KENYON. Mr. President, I would like to have the parliamentary situation clearly understood. I have no objection to laying aside the unfinished business temporarily to take up the matter the Senator from Massachusetts presents.

Mr. LODGE. Mr. President, a conference report can be called up at any time; it has that privilege. When it has been called up and read the privilege expires, and it is then necessary for the Senate to take such action as it pleases. After the reading of the conference report it is my intention to ask that the unfinished business be temporarily laid aside, so that we may dispose of this very important matter as rapidly as possible.

The VICE PRESIDENT. The Chair understands the Senator to ask unanimous consent that the unfinished business be temporarily laid aside.

Mr. LODGE. Yes; I asked for the reading of the conference report, but I will make the request now that the unfinished business be temporarily laid aside so that we may take up the conference report.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The Secretary will read the conference report.

The reading clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 16) repealing the joint resolution of April 6, 1917, declaring a state of war to exist between the United States and Germany, and the joint resolution of December 7, 1917, declaring a state of war to exist between the United States and the Imperial and Royal Austro-Hungarian Government, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with the following amendments:

On page 2, line 7, strike out the word "an" and substitute in lieu thereof the word "any."

On page 2, line 13, strike out the comma and substitute a period.

After section 4 add the following:

"SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

"SEC. 6. Nothing herein contained shall be construed to repeal, modify, or amend the provisions of the joint resolution 'declaring that certain acts of Congress, joint resolutions, and proclamations shall be construed as if the war had ended and the present or existing emergency expired,' approved March 3, 1921, or the passport control provisions of an act entitled 'An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1922,' approved March 2, 1921; nor to be effective to terminate the military status of any person now in desertion from the military or naval service of the United States, nor to terminate the liability to prosecution and punishment under the selective service law, approved May 18, 1917, of any person who failed to comply with the provisions of said act, or of acts amendatory thereof."

And the House agree to the same.

That the Senate recede from its disagreement to the House amendment to the title and agree to the same, as follows: "Joint resolution terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America."

H. C. LODGE,
P. C. KNOX,
Managers on the part of the Senate.
STEPHEN G. PORTER,
JOHN JACOB ROGERS,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. REED. Mr. President, I wish to ask the Senator from Pennsylvania [Mr. KNOX] if in its present form the resolution is satisfactory to him?

Mr. KNOX. Mr. President, the only difference between the Senate and the House with respect to the resolution was, first, that the Senate proposed to directly repeal the resolution declaring a state of war. Then the Senate proposed to make

certain specific reservations as to American rights. The House has agreed to all the reservations protecting the rights of American citizens. The Senate conferees have agreed to waive the formula which was originally presented and had passed the Senate twice and had passed the House twice, that the resolution declaring a state of war should be repealed.

The reason why the Senate conferees did not make a point as to the formula of the House was that the Senate conferees recognized the fact that when there are two acts or two resolutions of Congress which are repugnant the later act is the act which prevails and amounts to a repeal, even though not so designated. Of course, everyone will recognize that there could be no clearer illustration of repugnancy than that between a resolution declaring that a state of war existed and one, which is the final resolution, declaring that the state of war is at an end; so it was purely the difference between tweedledum and tweedledee, which the Senate conferees did not care to take up and argue.

Mr. HITCHCOCK. Mr. President, it will be observed that the conference report is not signed by the representatives of the minority. That is not so much due to the fact that the minority representatives objected to the particular compromise as it is to the fact that they objected to the method of action on the part of the Government of the United States.

Personally, I am willing to say that in this form the resolution is less objectionable than in the form in which it passed the Senate, for the reason that it does not repeal the declaration of war. That was an issue here at the time the resolution was considered. The majority of the Senate adhered rigidly to the determination to repeal the declaration of war, which many thought would reflect upon the action of the Congress in declaring war, and to setting forth in the resolution the reason for the war.

So far as I am individually concerned, I view this as an idle act. The inspired press announces that the peace resolution is going into effect on or before the 4th of July, the Nation's birthday, and the implication is that that great day of rejoicing and pride is to be the occasion of recording a great achievement on the part of this administration. Now, Mr. President, if the passage of the resolution is entitled in any degree to rank as an historical achievement it ought to be because of the long time and the great struggle which the dominant party has taken in order simply to declare the war at an end, because that is practically all the resolution does. For four months the resolution has been one of the issues before this administration. If it has any claims of greatness at all, it must be because of its strong resemblance to that historical event when the mountain labored and brought forth a mouse. It is the long and painful effort rather than the task which gives it cause for historical standing in the United States. The task presented no difficulty. A few lines declaring, on the authority of Congress, that the war with Germany was at an end would have done the business.

Mr. President, we have had a series of resolutions, joint resolutions, concurrent resolutions, Senate resolutions, resolutions with preambles, resolutions without preambles, resolutions repealing the declaration of war, resolutions simply declaring that the war was at an end, and all this mighty change from week to week during this period of four months has resembled in a way the performance of a sort of legislative seesaw, first one end up and then the other end up. Why has all this been done; why all this great motion without any progress, this teeter-totter in the Congress of the United States between these various forms of resolutions? Why this delay of four months?

Why has it taken the Congress of the United States almost as long to pass the resolution which we have heard read to-day, as it took the conference at Paris to agree on the treaty of Versailles, with its hundreds of pages and its hundreds of conferences? What has been the cause of the delay?

Mr. President, I have my theory. I believe that this period has elapsed for the purpose of allowing the administration to make up its mind what it wanted to do. It has been a sort of puppet performance before the country in order that the administration might reach a conclusion. We have had doubt from the very first, doubt all through the campaign, doubt whether we were going into the treaty or not going into the treaty, whether we were to be a member of the league or not to be a member of the league, and this doubt was made more noticeable by the speeches of the Republican candidate for President all through the campaign, and resulted in that great difference of opinion between the illustrious thirty-one who believed so confidently that we were going into the league and the irreconcilable dozen or fifteen in the Senate who were very sure we were not going into the league.

So, after the 4th of March arrived it was necessary to prolong that period of doubt until the period of administrative gestation might have progressed far enough to give birth to a foreign policy. That is my theory. The time now is apparently approaching when the administration will reach a point where it will have no further excuse for delay. It will be bound to make up its mind and when it reaches that moment of decision, it will be absolutely no further along than it was on the 4th of March, and this resolution has not advanced it one inch.

The administration will be compelled some day to decide which of two alternatives it will take. Will it ratify the treaty of Versailles in some form and thus establish the terms of peace between the United States and Germany, or will it go to Germany and negotiate a separate treaty of peace? One of those two alternatives it must take. One of those two steps must be entered upon. No peace can be established with Germany until we enter the treaty of Versailles by a ratification of that treaty or until we negotiate a separate treaty of peace with Germany.

This resolution does not facilitate either one or the other nor prevent the one or the other. All the resolution does, Mr. President, is to limit the power of the President of the United States to negotiate a treaty, for it specifies what sort of a treaty must be negotiated. It does not bind Germany. We can not bind Germany by legislative acts of the United States. It does not give us any further hold upon the property of Germany and of the Germans of which the United States has possession. We can not give any stronger hold than was already given by the act of the Congress of the United States. It does not bind anybody except that it limits the power of the President of the United States.

Now, Mr. President, I hope the time is at hand when we shall know what the foreign policy of the United States is to be. I believe that the troubled condition of the world and the troubled condition of the United States, which is going from bad to worse, as we well know in almost every line of activity, is distinctly due to the fact that we have had this enormous delay in settling the great questions of the war which were postponed when we signed the armistice with Germany. I believe that the resolution has facilitated the matter in no way. It is a nullity, so far as Germany is concerned. It is a repetition of what we have already done, so far as we are concerned. It does not authorize the President to negotiate a treaty because he needed no authority. The President of the United States could have proceeded on the 4th of March to negotiate a treaty of peace with Germany, and if he did not intend to enter the treaty of Versailles by ratifying it he should have begun negotiating a separate treaty of peace with Germany at that time. He has simply lost and this country has lost four months of time in beginning the negotiation of the treaty. The peace resolution, representing, as I say, a sort of legislative teeter totter before the eyes of the country—first one end up and then the other end up—has been nothing but the representation of constant motion without an inch of progress.

For those reasons, Mr. President, I have declined to become a party to this idle act of the Congress of the United States.

Mr. McCUMBER. Mr. President, I should like to have from the Senator from Pennsylvania [Mr. KNOX] an explanation as to the true meaning and intent of section 6—the last section of the joint resolution. The Senator will remember that on March 3, 1921, a joint resolution was passed declaring that certain legislation dependent upon the continuation of the war with Germany should be deemed to be discontinued upon the date of the signing of that joint resolution, but it excepted therefrom the trading with the enemy act. In the trading with the enemy act provision was made for taking possession of alien enemy property. By the joint resolution of March 3, 1921, we especially continued all the powers of the Alien Property Custodian. I think about a couple of weeks ago the Alien Property Custodian took possession, for instance, of the Bergdoll property as being that of an alien enemy, claiming that this law was still in existence; that he still had the power to seize that property; and in that contention he is supported by the Secretary of the Treasury. I want to quote section 6 of the joint resolution, which reads as follows:

SEC. 6. Nothing herein contained shall be construed to repeal, modify, or amend the provisions of the joint resolution "declaring that certain acts of Congress, joint resolutions, and proclamations shall be construed as if the war had ended and the present or existing emergency expired," approved March 3, 1921.

Inasmuch as "nothing herein contained" shall repeal any provision in that joint resolution, and that joint resolution specifically continued the powers of the Alien Property Custodian, in passing this joint resolution which is to close forever the war with Germany we still retain upon our statute books the authority of the Alien Property Custodian to take possession of property. The only ground, it seems to me, upon which such action could be possibly predicated is that the war is declared to have ceased; and there being no war either in

theory or in fact, therefore there can be no alien enemy, and therefore there can be no seizure of alien enemy property. I suppose that that would be the construction which the Senator from Pennsylvania would put on it; but inasmuch, after we had practically ceased war, and none of the reasons for which the power was given existed, the department still directed the Alien Property Custodian to seize property, I might have some fear of the construction which would be given by the Secretary of the Treasury.

I recall speaking with the Secretary of the Treasury but a few days ago and discussing the Knox joint resolution with him. The Secretary declared to me, as to that joint resolution, that even in the form in which it passed the Senate he very much doubted if it would affect the power of the Alien Property Custodian. It does not seem to me that that could be the holding under this proposed legislation; but inasmuch as I have the authority of the Secretary of the Treasury as to his own doubt, I wanted the opinion of the Senator from Pennsylvania in reference to the matter.

Mr. KNOX. Mr. President, it was the purpose of the conferees on the part of the Senate to write into the joint resolution no provision that would in any way affect the acts that had been performed by the Alien Property Custodian in the seizure of the property of alien enemies. It is framed in such a way that after the passage of the joint resolution, of course, there can be no further seizure, because the war is then at an end and we have no alien enemies, so far as Germany and Austria are concerned.

Mr. McCUMBER. I also should think that if we had not specially provided that, all the powers contained in the "trading with the enemy act" should continue.

Mr. KNOX. The language the Senator has in mind only has reference to the thing that has already been done by the Alien Property Custodian. The whole theory is this: Speaking for myself personally, I hope the day is not far away when we shall come back to the traditions of the American people that the right upon land of private property belonging to an alien enemy is a sacred right; that such property may be taken into custody only for the purpose of conservation; and that at the end of a war there shall be a strict accounting to the owners of that property by the Government of the United States, which may take it temporarily into its possession. That is one of the principles for which this country has contended for a hundred years. While, as Chief Justice Marshall said, the Congress may have the power to provide that the private property of alien enemies may be taken during a war, it can only do so by putting upon itself a moral terpitude of which we ought to be ashamed.

The purpose of the joint resolution is simply to hold in statu quo the things that have been done by the Alien Property Custodian. The joint resolution simply states that until a suitable adjustment has been made of the claims of American citizens against Germany for the property that has been seized by Germany, the property in the hands of the Alien Property Custodian shall be held until Congress shall dispose of it.

I do not know whether I have quite answered the question that has been propounded by the Senator from North Dakota, but what I have stated is the whole theory of the joint resolution, not that we are in any way committing ourselves to the proposition that we are going to retain alien enemy property, but that we are going to retain it only until suitable provision has been made for the satisfaction of American claims against Germany and against Austria.

Mr. McCUMBER. The real point concerning which I wanted an explanation from the Senator from Pennsylvania was as to the provision of the joint resolution, which reads:

> Nothing herein contained shall be construed to repeal, modify, or amend the provisions of the joint resolution approved March 3, 1921.

Which joint resolution continued all the powers of the Alien Property Custodian, which included not only the power to hold what property he had taken, but included, according to his construction, the power to take additional property.

Mr. KNOX. Mr. President, it is only intended to perpetuate the powers of administration. There have been vast quantities of property taken by the Alien Property Custodian which have not been administered, which are now in the process of administration. It follows from the fact of the declaration of peace that we can make no fresh seizures, but in respect to those seizures which we have already made the Alien Property Custodian's right to go on and administer them is not interfered with; that is all.

Mr. McCUMBER. I can scarcely understand on what ground the Alien Property Custodian could now seize additional property, inasmuch as, after the passage of the joint resolution, there can be no alien enemies.

Mr. KNOX. The Senator is absolutely correct as to that proposition.

Mr. McCUMBER. But the "trading with the enemy" law itself, with all of the authority contained in it, is continued in section 6.

Mr. KNOX. When we declare that we are at peace with Germany, the German citizens are no longer alien enemies of the United States, and fresh seizures would be impossible under the law to which the Senator has referred.

Mr. WALSH of Montana. Mr. President, while that feature of the report is under discussion, I should like a little information concerning the real significance of that portion of the report to which the Senator from North Dakota has adverted. It provides in substance that all property taken over by the Government of the United States from any of the nationals of the enemy countries shall be retained until, first, provision is made for the payment of claims of citizens of the United States; second, until most favored nation treatment is granted to the nationals of the United States; and third, until these enemy countries—I now read from the report—

> shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

That is to say, we shall hold this property until the Government of Germany shall have waived all claims to these properties or all claim against the United States on account of their conversion; and, of course, when Germany does that, we will be at liberty to give her the property back or keep it, as we see fit. It would naturally seem as though the intention was that there should be some reciprocal arrangement under which we would waive our claims against Germany to an amount equal to what we conceived to be her claims against us, and balance the one against the other; in other words, until she had made an arrangement for the payment of these claims; but the language is that we propose to hold this property until Germany has waived every claim that she has against the United States. I inquire of the Senator from Pennsylvania if that is the real intent and purpose of the language?

Mr. KNOX. Mr. President, unfortunately I did not quite follow the Senator, but I think I get his idea. The purpose of inserting that provision was this: We had a treaty with Prussia running away back, I think, to 1799, and renewed in 1828—I may not be correct about the dates, but the Senator knows of what I am speaking—in which we made a specific agreement with Prussia that even in case of war the rights of private property should be sacred. The State Department under the last administration failed to indicate that that treaty was not in force, and under the general rules of international law it would, I think, be construed to be in force.

Of course the alien enemy act was in direct violation of that treaty if that treaty was in force. Of course the Senator knows the general proposition that the coming on of a war between two countries ipso facto terminates the treaties between those countries; but we made a treaty with the fact in view that we might possibly at some time be at war, and we passed an act of Congress which, of course, violated the terms of that treaty. We did not propose to become complicated with Germany upon that proposition, and therefore this joint resolution suggested that all of the seizures and all of the fines and all of the penalties imposed by the United States upon Germany and German nationals during this war should be confirmed by the German Government, and all claims which, I might state and I think I am entitled to state, morally would have arisen against the United States for the violation of a treaty which she had agreed should subsist even during a war should be waived, not with the idea, however, that ultimately the United States would shrink from her moral obligations to German citizens or nationals whose property she had taken, but until a fair adjustment by treaty should be made between the United States and Germany covering the claims of American citizens against Germany for seizures and fines and penalties that had been imposed upon them.

I might say here and now, in order to clear up this matter so far as I am concerned, that this joint resolution means nothing whatever except an expression by Congress to Germany and to the world that we do not intend, in the final adjustment, to have any of the claims of the people of the United States ignored, waived, or not respected. This is only a suggestion to the President of the United States that when he comes to settle the terms upon which we are to live in peace with Germany these things ought to be taken care of. He may ignore them. The status may be such that when we sit down to

make that treaty we can be very much more lenient toward Germany than this joint resolution indicates. The status may be such that when we come to negotiate that treaty we may have to require even more drastic terms. This is only an expression of the opinion of Congress as it views the situation at this time.

Mr. EDGE. Mr. President, may I ask the Senator a question? Does the Senator from Pennsylvania consider this joint resolution binding to this extent: If the joint resolution had become a law two months ago, prior to the Alien Property Custodian having taken over the Bergdoll property, for instance, would this joint resolution have prevented the Alien Property Custodian from taking over that property?

Mr. KNOX. Well, Mr. President, the Bergdoll case is a mystery to me. I can not in my own mind figure out how Mr. Bergdoll—who, I am ashamed to say, is a citizen of Pennsylvania—can be at the same time an alien enemy and liable to the draft of the United States. Any questions on the Bergdoll case are so confusing that I must decline to undertake to answer them.

Mr. EDGE. I thoroughly agree with the Senator.

Mr. WALSH of Montana. Mr. President, I regret that we should have been diverted from the inquiry with respect to which I addressed the Senator from Pennsylvania. I understood perfectly well that the purpose of the language was to accomplish just exactly what the Senator from Pennsylvania has stated; that is, I imagined that to be the intent of it. That was to be gathered from the general tenor and purport of what was therein said. The treaties of 1799 and 1828 plainly provide, if they are in force, that if unfortunately we should get into war with Prussia the nationals of either country should be permitted a limited time to depart with their possessions, and we did not permit the nationals of Germany to depart with their possessions when unfortunately we got into a war with that country; and undoubtedly Germany will make a claim upon us, we expect her to make a claim upon us, for three-quarters of a billion dollars, at least, because we did not observe the terms of those treaties.

We propose to hold that property until, as I pointed out, three things are done. One of those is the provision for the satisfaction of claims of our citizens. The second is the extension of the most-favored-nation treaty. These two matters are referred to by the Senator from Pennsylvania, but besides that we are going to keep this property until Germany expressly waives every claim which she has against us for the property taken over by the Alien Property Custodian, and there is nothing in the joint resolution to the effect that when she does that we are going to turn over this property to her and pay her for the value of it. We expect Germany, under this joint resolution, to surrender every claim she has against us, leaving us perfectly free to make reparation to her if we see fit. That is the language of this joint resolution.

Mr. HITCHCOCK. Mr. President, I think if the Senator will follow it out he will find that this joint resolution goes much further than that, and involves the distinguished Senator from Pennsylvania in a somewhat embarrassing and contradictory position. For instance, in a speech delivered here in the Senate, I think in the fall of 1919, he used language of which this is a part:

> I think we should renounce in favor of Germany any and all claims for indemnity because of the war, and see that she gets credit for what we renounce, as indeed she should for the value of all she gives up, as against the fixed and ample indemnity.

And yet, notwithstanding that statement, the Senator presents in his joint resolution here, in section 2, the declaration—

> That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of an act or acts of Congress; or otherwise.

The Senator from Montana will see there that the Senator from Pennsylvania in his joint resolution takes a position not only very radical and extreme and to the very limit against Germany, and attempts to secure to the United States all of the benefits under a treaty which we have rejected, but he also acts in direct contradiction to his speech as to what he thought ought to be done, made in the Senate, as I recall, in 1919.

Mr. KNOX. Mr. President, will the Senator yield to me for a moment?

Mr. WALSH of Montana. I yield to the Senator.

Mr. KNOX. I only want to say that the Senator from Nebraska misapprehends my motive and the motive that was intended to be suggested in this joint resolution. I happen to know the trouble and the ferment and the discord that arises between nations in trying to adjust claims diplomatically. My desire was to get the United States in a position where there could be no claim against her except against her conscience. I will go as far as any Senator in this Chamber in trying to deal with the German citizen whose property we have taken on a basis that conforms to the traditions of our country, but I want to avoid the complications that will arise out of claims presented diplomatically and otherwise. God knows that when we have the power to deal with foreign nations in respect to anything we do it with the utmost generosity, liberality, and altruism. I wanted to close the lawsuit and leave it to the conscience of the American people to adjust these matters with Germany as they saw fit.

Mr. WALSH of Montana. I was about to remark that I have no controversy at all with the Senator in the purpose that he has expressed. I have indicated to the Senate my conviction that the language used in this joint resolution is not at all in accord with the idea. The idea is that the one is to be surrendered when the other is. The language is that Germany is absolutely to surrender and waive all her claims, and then we are to adjust them as we see fit.

Mr. President, when this joint resolution was before the Senate for consideration, before it went to the House, I submitted some observations in the nature of an analysis of this particular part of the joint resolution. Those observations evidently secured the consideration by the conference committee to which they were entitled, namely, none. I make bold, however, again to call the attention of the Senate to what I conceive to be a most vital mistake in the language of the joint resolution that does not express what I am confident is the sense of the Senate with respect to the subject with which it deals.

I spoke generally with respect to the second condition under which this property is to be delivered back to the Germans, or the condition under which reparation is to be made to them for taking it, or in connection with which we should proceed to credit it. It is provided here that we shall retain this property; and I may say in that connection that the original joint resolution contemplated and expressly provided that a treaty should be entered into with Germany the terms of which in a general way were set out in this portion of the joint resolution. The report of the committee omits all express reference to a treaty looking to an adjustment of these conflicting claims of the two Governments, but it is perfectly obvious that it contemplates that such a treaty will be entered into; so that this joint resolution must be regarded as in the nature of instructions from the Congress of the United States to the negotiators of that treaty concerning the character of the treaty they are to enter into.

Of course, the surrender of this property or reparation for its conversion will be in the nature of a claim, and this commission, whenever it is appointed, is directed not to agree to make payments for that property or to surrender any portion of it until these things are done.

Let me call your attention to the language of the first amendment. It provides that the property is to be held, and no disposition thereof shall be made, until these Governments "shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly."

Of course, Mr. President, every man who was shot at the front suffered injury in his person by reason of the acts of the German Government. Every disabled soldier of the United States has suffered in his person by reason of the acts of the German Government. We propose to hold this property of the Germans, whether we are compelled under the terms of our treaty with Prussia or not, until Germany pays every dollar of damage suffered by an American boy by reason of injuries sustained at the front.

Mr. KNOX. Does the Senator object to that provision?

Mr. WALSH of Montana. I do object to it, and I will tell the Senator why. I object to it because it is plainly a contradiction of the provision of the armistice under which the Germans laid down their arms, and if the American Government is not willing to abide by the obligations it undertook in connection with that event, then, sir, it is disgraced before the world.

Mr. President, the armistice was entered into pursuant to the communication made by the German Government to the

President of the United States, declaring that they would lay down their arms under terms which conformed substantially to the celebrated fourteen points. That was submitted to the Allies, and it was accepted by them, with certain reservations. There was nothing said in the fourteen points about making compensation by Germany for any damage that had been sustained in their persons by citizens of the United States or of any of the Allies, but when the communication was accepted by the British Government they qualified it by saying as follows:

8. Further, in the conditions of peace laid down in his address to Congress on January 8, 1918, the President declared that invaded territory must be restored, as well as evacuated, and made free. The allied Governments feel that no doubt ought to be allowed to exist as to what this provision implies. By it they understand that compensation will be made by Germany for all damage done to the civilian population of the Allies and to their property by the aggression of Germany by land, by sea, and from the air.

Mr. President, there was no reference in the fourteen points to Germany making reparation for any damage she did, and the only possible reference to that subject in the fourteen points was as follows:

VIII. All French territory should be freed and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly 50 years, should be righted, in order that peace may once more be made secure in the interest of all.

In other words, Mr. President, the Allies, in their response, extended by a large amount the provision of article 8 of the fourteen points. But Germany did not protest, and therefore she undoubtedly became bound by the armistice to make reparation for all property destroyed and all damage done to the civilian population of her late enemies, and accordingly, Mr. President, when the conference committee came to consider the amount of the reparation which should be exacted of Germany it became a matter of great controversy as to what particular claims could be embraced under the terminology "damage done to the civilian population." But no man from any country had the hardihood to demand before the peace conference that Germany make reparation for damage done to the army in the field or to the soldiers.

Mr LODGE. Mr. President, if the Senator will allow me to interrupt him a moment——

Mr. WALSH of Montana. I am glad to yield to the Senator.

Mr. LODGE. In annex 1 of the Versailles treaty, article 244, the treaty that all Europe signed, but which we did not, it is provided that—

Compensation may be claimed from Germany under article 232 above in respect of the total damage under the following categories.

Mr. WALSH of Montana. That is article 232?

Mr. LODGE. Annex 1, article 244. Then it enumerates the damages for which compensation can be claimed, and that the fifth is:

As damage caused to the peoples of the allied and associated powers, all pensions and compensation in the nature of pensions to naval and military victims of the war (including members of air force), whether mutilated, wounded, sick, or invalided, and to the dependents of such victims, the amount due to the allied and associated governments being calculated for each of them as being the capitalized cost of such pensions and compensation at the date of the coming into force of the present treaty on the basis of the scales in force in France at such date.

That is the provision for damages under the treaty of Versailles for injuries to soldiers and sailors of the war.

Mr. WALSH of Montana. The Senator is making my speech for me. I was going to advert to that directly.

Mr. LODGE. It seems to me to contradict precisely what the Senator just said. That is the only reason why I read it.

Mr. WALSH of Montana. No; the Senator is quite in error about that. Pensions and separation allowances have absolutely nothing to do with the question I am discussing.

Mr. LODGE. I read only one clause. There are plenty of others for damages.

Mr. WALSH of Montana. I have before me the entire article 203, which enumerates every specific and special element going into the item of damage to the civilian population.

Mr. LODGE. I am not reading article 203; I am reading article 244, the first annex——

Mr. WALSH of Montana. Whatever it is.

Mr. LODGE. Stating the compensation. If it does not cover every possible damage, I am mistaken.

Mr. WALSH of Montana. The damage to the civilian population was classified under 10 specific heads. All manner of damage that could be claimed to come under damage to the civilian population is included within those 10 heads, but as I have said, there was not a man before the peace conference, in view of the obligations under which every ally was put by the terms of the armistice, who dared get up and ask that all damage done to a soldier in the field should be paid for by Germany.

Mr. LODGE. The one I have read compensates soldiers in the field for damages and wounds received in war.

Mr. WALSH of Montana. The Senator is quite in error about it.

Mr. LODGE. Quite in error?

Mr. WALSH of Montana. Quite in error.

Mr. LODGE. It reads:

As damage caused to the peoples of the allied and associated powers, all pensions and compensation in the nature of pensions to naval and military victims of war.

Mr. WALSH of Montana. A pension is a different thing from payment for damage.

Mr. LODGE. It is compensation.

Mr. WALSH of Montana. You do not pay a soldier a pension for the damage he has suffered. A pension is a mere gratuity on the part of the Government.

Mr. LODGE. I thought pensions were occasionally paid on account of wounds.

Mr. WALSH of Montana. They are; but nobody ever contended that they were full compensation.

Mr. LODGE. I did not say that they were full compensation; but this provides that Germany shall pay them all, whether they are full or not.

Mr. WALSH of Montana. Yes; if they happen to be full, she pays them; but, of course, they never are, and up to the present time we have not paid any pensions.

Mr. President, that was the subject of very heated controversy. The purpose was before the peace conference to expand, expand, expand, and expand the language "civilian population" in this part of the reply of the British Government until the President of the United States protested and said that we would be disgraced before the world if we stood for any of the contentions that were being made in that behalf.

But, finally, Mr. President, that adroit statesman, the premier of South Africa, Gen. Jan Smuts, advanced the idea that if a man were wounded in the field, of course, not being a civilian, no recovery could be had on account of the injury done to him; but it was said in the argument of that distinguished statesman that if his home government grants him a pension that pension must be paid by taxes, and those taxes must be paid by the civilian population, and therefore the civilian population is damaged by the acts of the German Government to the extent of the amounts of such pensions.

But, Mr. President, if you argue that way, the civilian population is damaged to the extent of every dollar they paid out for the maintenance of the war, for munitions, for supplies, and for equipment of all character. The civilian population is damaged in just exactly the same way.

Then he went on further to say that there were separation allowances under the laws of Great Britain and Canada, and perhaps some other countries, that the dependents of the soldiers in the field were allowed certain stipendiary payments, from week to week or from month to month, on account of the taking away of the breadwinner of the family. Then it was argued that the burden fell upon the taxpayers of the community, and therefore the civilian population was damaged by that.

Accordingly, subdivision 5 of the section in controversy, to which attention has been called by the Senator from Massachusetts, was finally adopted, providing that pensions and separation allowances should be deemed to be damages to the civilian population which Germany was required to pay.

But, as I said, no one even pretended to claim that Germany should pay for damage done to the soldier at the front, who, perhaps, was wounded. He went into a hospital and is entirely recovered, so that he is not entitled to any pension whatever. Yet he has been damaged by it, and, according to this declaration, we propose to hold onto this German property until the Germans pay not only all the damages that were done to the civilian population but, in defiance of the express terms of the armistice, all damage done to their persons or to their property. I know the subject has not had the consideration of the Foreign Relations Committee.

Mr. President, that is one side of the question. But the language is rather easy upon the Germans in another provision, because it provides that the amount in which any person has suffered in his person or property by the acts of the German Government shall be considered and included in the demand which the American Government will make on Germany as a condition for the release of this property. So that a man who suffers from a wound upon the front or who suffers by reason of disease contracted in the service or suffers in any other way and lives through the thing may recover; but if he happens to die his dependents get nothing, nor can the Government of the

United States assert any claim against Germany on behalf of the dependents, because they suffered neither in their persons nor their property by reason of the death of the soldier—that is, in contemplation of law.

So we are tying this commission up, when they go to negotiate the treaty, with a declaration and with instructions which I am sure have never had the consideration of the Senate of the United States nor of the committee which prepared the resolution. This was one of the most hotly debated questions before the Versailles conference. It occupied the attention not only of the members of that body but of the great financiers of Europe and the great statesmen of Europe for days and days, weeks and weeks, to solve the thing in a manner that would be reasonably satisfactory and would not exact of Germany anything more than the very language of the armistice required and yet would compel her to make full reparation.

This resolution goes too far in one direction; it goes so far as to violate the terms of the armistice, and it does not go as far as it ought to in another direction. I believe that this is a matter of such serious import that the report ought to be rejected and returned to the conference committee, in order that they might draft a report in conformity with the sacred obligations of the Government of the United States which we all love.

Mr. UNDERWOOD. Mr. President, it is now after 5 o'clock. Of course, there is no more important business to come before the Senate than this resolution. I should like to ask the Senator from Massachusetts [Mr. LODGE], the leader of the majority, if he will not consent to take a recess at this time and let the matter go over until to-morrow?

Mr. LODGE. Mr. President, I shall be very glad to let it go over if it may be understood that we can take a recess and go on with the consideration of the resolution in the morning. I think it is too important a matter to be delayed.

Mr. UNDERWOOD. I assure the Senator there will be no unreasonable delay on this side of the Chamber.

Mr. LODGE. I am sure there will not be, but I should like to make sure of it. That is the reason why I suggested taking a recess this evening.

PROTECTION OF MATERNITY AND INFANCY.

Mr. KENYON. Mr. President, I tried earlier in the day to secure a unanimous-consent agreement for a vote on the bill known as the maternity bill, and did not succeed. I have talked with a number of Senators to-day, and I think we have formulated a unanimous-consent agreement which will be entirely agreeable to the Senate and which will preserve the points which were raised before in the way of an objection. We have a large attendance here at this time, and before the Senator from Massachusetts moves a recess I should like to present that unanimous-consent agreement.

Mr. UNDERWOOD. I have no objection to the Senator proposing the unanimous-consent agreement before we take a recess. I merely desired to discontinue the debate on the peace resolution to-day.

Mr. KENYON. It will be necessary to have a roll call, although there are plenty of Senators here now.

Mr. LODGE. I do not have any objection to the proposal for a unanimous-consent agreement. I only desire to keep the peace resolution before the Senate.

Mr. KENYON. I ask to have the proposed unanimous-consent agreement read, and if there are objections by Senators present they can be stated before the roll is called.

The VICE PRESIDENT. The Secretary will read the proposed unanimous-consent agreement.

The Assistant Secretary read as follows:

It is agreed by unanimous consent that at not later than 4 o'clock p. m. on the 10th legislative day after June 30, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States, through the regular parliamentary stages to its final disposition; and that after the hour of 3 o'clock p. m. on said legislative day no Senator shall speak more than once or longer than five minutes upon the bill, or more than once or longer than five minutes upon any amendment offered thereto.

Mr. KENYON. That will save the question of an adjournment or a recess, and will not prevent it. That is the object.

Mr. BRANDEGEE. I wish to suggest to the Senator from Iowa that while I have no objection to it, the 10th legislative day might be six months hence.

Mr. KENYON. It might be, but we shall have to take our chances on that. I do not think it would be, but it is the best arrangment we have been able to make.

Mr. POMERENE. If I may add a word. I heard some whispering to the effect that there would likely be a recess. I do not know what has been done by the leaders on either side in regard to that, but if there is a recess every third day, or an adjournment every third day, I am not quite sure as to what might be called a legislative day under those circumstances.

Mr. KENYON. If there is an adjournment of course the day to which the adjournment was taken would be a legislative day, and certainly a recess would not run long enough to interfere. That would be 10 times 3 days, or 30 days. I think there is no danger of that.

Mr. POMERENE. That is not probable.

Mr. KING. I think it is all right now.

Mr. KENYON. I ask that the roll be called.

The VICE PRESIDENT. The Secretary will call the roll to ascertain if a quorum is present.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Glass	McKellar	Shortridge
Borah	Gooding	McNary	Simmons
Brandegee	Hale	Moses	Smith
Broussard	Harris	Nelson	Smoot
Bursum	Harrison	New	Spencer
Cameron	Heflin	Nicholson	Sterling
Capper	Hitchcock	Norris	Sutherland
Caraway	Johnson	Oddie	Swanson
Cummins	Jones, Wash.	Overman	Townsend
Curtis	Kellogg	Phipps	Underwood
Dillingham	Kenyon	Poindexter	Walsh, Mass.
Edge	King	Pomerene	Walsh, Mont.
Elkins	Knox	Ransdell	Warren
Ernst	Ladd	Reed	Watson, Ga.
Fernald	La Follette	Robinson	Watson, Ind.
Frelinghuysen	Lodge	Sheppard	Williams
Gerry	McCumber	Shields	Willis

The VICE PRESIDENT. Sixty-eight Senators having answered to their names, a quorum is present. Is there objection to the unanimous-consent agreement? The Chair hears none, and the unanimous-consent agreement is entered into.

Mr. LODGE. Mr. President, I wish to move an executive session, but I yield to the Senator from New Mexico [Mr. BURSUM] to call up a bill.

CONSOLIDATION OF FOREST LANDS IN NEW MEXICO.

Mr. BURSUM. Mr. President, there is on the calendar a bill (S. 920) for the consolidation of forest lands in or near national forests, New Mexico, and for other purposes, which is purely a local matter affecting the forest reserves in that State. I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 920.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Public Lands and Surveys, with an amendment to strike out all after the enacting clause and insert:

Be it enacted, etc., That the Secretary of the Interior be, and he hereby is, authorized in his discretion to accept on behalf of the United States title to any lands within or near the exterior boundaries of any national forest situated within the State of New Mexico, if in the opinion of the Secretary of Agriculture the public interests will be benefited thereby and the lands are chiefly valuable for national-forest purposes, and in exchange therefor may cause to be patented to the party conveying to the United States not to exceed an equal value of such national forest land or timber within the national forests of the State of New Mexico, the values in each instance to be determined by the Secretary of Agriculture and acceptable to the owner as fair compensation, consideration being given to any reservations which either the grantor or the Government may make of timber, minerals, or easements. Any timber given under such exchange shall be cut and removed under the direction and supervision and in accordance with the requirements of the Secretary of Agriculture. Lands conveyed to the United States under this act shall, upon acceptance of title, become a part of the national forest: *Provided*, That before any such exchange is effected notice of the exchange, reciting the lands involved, shall be published once each week for four consecutive weeks in some newspaper of general circulation in the county nearest to the lands affected by such exchange.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 35 minutes spent in executive session the doors were reopened.

RECESS.

Mr. LODGE. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 47 minutes p. m.) the Senate took a recess until to-morrow, Friday, July 1, 1921, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate June 30, 1921.

CHIEF JUSTICE OF THE UNITED STATES.

William Howard Taft, of Connecticut, to be Chief Justice of the United States, vice Edward Douglass White, deceased.

DEPARTMENT OF JUSTICE.

UNITED STATES ATTORNEY.

George W. Coles, of Pennsylvania, to be United States attorney, eastern district of Pennsylvania, commencing August 1, 1921, vice Charles D. McAvoy.

DEPARTMENT OF THE INTERIOR.

UNITED STATES MARSHALS.

Fred Davis, of Iowa, to be United States marshal, northern district of Iowa, vice E. R. Moore, resigned.

Thomas B. Donnelly, of New Hampshire, to be United States marshal, district of New Hampshire, vice Joseph E. La Chance, appointed by the court.

UNITED STATES COAST AND GEODETIC SURVEY.

Leo Clark Wilder, of Washington, to be aid, with relative rank of ensign in the Navy, by reinstatement in the United States Coast and Geodetic Survey, in the Department of Commerce, vice Maurice Kagan, promoted.

PROMOTIONS IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

To be colonel.

Lieut. Col. Patrick William Guiney, Quartermaster Corps, from June 21, 1921.

MEDICAL CORPS.

To be captains.

First Lieut. Michael Gerard Healy, Medical Corps, from June 4, 1921.

First Lieut. DuMont Frelinghuysen Elmendorf, Medical Corps, from June 5, 1921.

DENTAL CORPS.

To be captain.

First Lieut. James Barrett Mockbee, Dental Corps, from May 22, 1921.

REAPPOINTMENTS IN THE REGULAR ARMY.

FIELD ARTILLERY.

To be first lieutenant with rank from June 23, 1921.

Hugh Franklin Conrey, late second lieutenant, Cavalry, Regular Army.

INFANTRY.

To be first lieutenant with rank from June 23, 1921.

David Aston Turner, late second lieutenant, Infantry, Regular Army.

APPOINTMENTS BY TRANSFER IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

Maj. Michael Joseph O'Brien, Infantry, with rank from July 1, 1920.

FIELD ARTILLERY.

Maj. John Earl Lewis, Cavalry, with rank from July 1, 1920.

Capt. Chalmers Dale, Quartermaster Corps, with rank from July 1, 1920.

Capt. Norbert Cecil Manley, Coast Artillery Corps, with rank from July 1, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate June 30, 1921.

TO BE CHIEF JUSTICE OF THE UNITED STATES.

William Howard Taft, of Connecticut.

TREASURY DEPARTMENT.

ASSISTANT COMPTROLLER GENERAL OF THE UNITED STATES.

Lurtin Rufus Ginn.

HOUSE OF REPRESENTATIVES.

THURSDAY, *June 30, 1921.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, we sincerely trust that our belief is in Thee, then shall we be able to triumph over all our fears. Yet while it is a great thing for us to have faith in God, impress us deeply that it is an infinitely greater thing for God to have faith in us. We beseech Thee to make us worthy of Thy confidence. Enable us to go to our labors with a willing spirit, and thus we shall stand above them rather than toil beneath them. The Lord send forth his blessings upon our country and lead our citizens everywhere in the way of national prosperity and individual worth. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

COMMUNICATION FROM GOVERNOR OF IOWA.

The SPEAKER. The Chair lays before the House the following communication.

The Clerk read as follows:

EXECUTIVE DEPARTMENT, STATE OF IOWA,
Des Moines, June 25, 1921.

Hon. FREDERICK H. GILLETT,
Washington, D. C.

MY DEAR SIR: I have the honor to advise you that Hon. JAMES W. GOOD, Member of Congress from the fifth district of Iowa, has tendered me his resignation, effective June 15; and that the same has been accepted by me.

Very truly, yours, A. E. KENDALL.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its secretaries, announced that the Senate had passed bill and joint resolution of the following titles, in which the concurrence of the House of Representatives was requested:

S. 775. An act to confer jurisdiction on the Court of Claims to certify certain findings of fact, and for other purposes; and

S. J. Res. 63. Joint resolution granting consent of Congress to the States of New York and New Jersey to enter into the agreement for the establishment of "the port of New York authority."

The message also announced that the Vice President had appointed Mr. NEW and Mr. MCKELLAR members of the joint select committee on the part of the Senate, as provided for in the act of February 16, 1889, as amended by the act of March 2, 1895, entitled "An act to authorize and provide for the disposition of useless papers in the executive departments," for the disposition of useless papers in the War Department.

SENATE BILL AND JOINT RESOLUTION REFERRED.

Under clause 2 of Rule XXIV, Senate bill and joint resolution of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 775. An act to confer jurisdiction on the Court of Claims to certify certain findings of fact, and for other purposes; to the Committee on the Judiciary.

S. J. Res. 63. Joint resolution granting consent of Congress to the States of New York and New Jersey to enter into the agreement for the establishment of "the port of New York authority"; to the Committee on the Judiciary.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed bills and a joint resolution of the following titles:

On June 28, 1921:

H. R. 2499. An act to provide for the acquisition by the United States of private rights of fishery in and about Pearl Harbor, Territory of Hawaii.

On June 30, 1921:

H. R. 5010. An act making appropriations for the support of the Army for the fiscal year ending June 30, 1922, and for other purposes;

H. J. Res. 82. Joint resolution ratifying the reestablishment of the boundary line between the States of Pennsylvania and Delaware;

H. R. 5616. An act granting the consent of Congress to the commissioners of Venango County, their successors and assigns, to construct a bridge across the Allegheny River, in the State of Pennsylvania;

H. R. 6652. An act to extend the time for the construction of a bridge across the Arkansas River, in Muskogee County, Okla.; and

H. R. 6653. An act to extend the time for the construction of a bridge across the Arkansas River at a point near Webbers Falls, in Muskogee County, Okla.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 2422. An act for the relief of settlers and entrymen on Baca Float No. 3, in the State of Arizona.

PEACE WITH GERMANY AND AUSTRIA-HUNGARY.

Mr. PORTER. Mr. Speaker, I desire to call up the conference report on Senate joint resolution No. 16.

The SPEAKER. The gentleman from Pennsylvania calls up the conference report on the peace resolution, which the Clerk will report.

The conference report and statement were read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the resolution (S. J. Res. 16) repealing the joint resolution of April 6, 1917, declaring a state of war to exist between the United States and Germany, and the joint resolution of December 7, 1917, declaring a state of war to exist between the United States and the Imperial and Royal Austro-Hungarian Government, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with the following amendments:

On page 2, line 7, strike out the word "an" and substitute in lieu thereof the word "any."

On page 2, line 13, strike out the comma and substitute a period.

After section 4 add the following:

"SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was, on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce, and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

"SEC. 6. Nothing herein contained shall be construed to repeal, modify, or amend the provisions of the joint resolution 'declaring that certain acts of Congress, joint resolutions, and proclamations shall be construed as if the war had ended and the present or existing emergency expired,' approved March 3, 1921, or the passport-control provisions of an act entitled 'An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1922,' approved March 2, 1921; nor to be effective to terminate the military status of any person now in desertion from the military or naval service of the United States, nor to terminate the liability to prosecution and punishment under the selective service law, approved May 18, 1917, of any person who failed to comply with the provisions of said act, or of acts amendatory thereof."

And the House agree to the same.

That the Senate recede from its disagreement to the House amendment to the title and agree to the same, as follows: "Joint resolution terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America."

STEPHEN G. PORTER,
JOHN JACOB ROGERS,
Managers on the part of the House.
H. C. LODGE,
P. C. KNOX,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to Senate joint resolution No. 16, entitled "Joint resolution repealing the joint resolution of April 6, 1917, declaring a state of war to exist between the United States and Germany, and the joint resolution of December 7, 1917, declaring a state of war to exist between the United States and the Imperial and Royal Austro-Hungarian Government, and for other purposes," submit the following statement, with an explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

With the exception of two trivial changes in the House amendment, necessitated by errors of the printer, the Senate recedes from its disagreement to the amendment of the House.

Two sections have been added to the House amendment. The first of the new sections—section 5—makes more specific the treatment to be accorded alien enemy property. While in the opinion of your conferees the original House provisions furnish ample safeguards, there appears to be no valid objection to an additional provision of this character.

The second added section—section 6—is intended to remove any possible argument that the act of March 3, 1921, and the passport control provisions in the act of March 2, 1921, are repealed by implication or affected. Again, the conferees on the part of the House were satisfied that any such criticism would be groundless, but, on the other hand, saw no objection to incorporating an express provision to this effect.

STEPHEN G. PORTER,
JOHN JACOB ROGERS,
Managers on the part of the House.

Mr. PORTER. Mr. Speaker, in view of the fact that the Senate accepted the House resolution, it is unnecessary to make other than a very brief statement:

The first added section makes more specific the control of alien enemy property. It is the opinion of your conferees that the rights of the United States and its nationals are fully protected by section 2 of the House resolution, which reserves all the rights, privileges, indemnities, reparations, or advantages under the treaty of Versailles, and the further reservation of all rights, privileges, indemnities, reparations, or advantages "by virtue of any act or acts of Congress." Our possession of the alien property is by virtue of acts of Congress and the reservations of the House resolution are sufficient. However, some concession has been made and it will do no harm to add the section.

Section 6 is intended to prevent any possibility of this resolution being construed as a repealer of the resolution of March 3, 1921, relating to war laws, or the resolution of March 2, 1921, relating to passport control. Again, it was the opinion of your conferees that this section was wholly unnecessary, as there is no conflict between the pending resolution and the resolution of March 3, 1921, or the resolution of March 2, 1921, and therefore they could not be repealed by implication. However, your conferees agreed to it in view of the Senate receding on the two major propositions, namely, the repeal of the declaration of a state of war and the omission of any language which tended to fix the terms and conditions of the treaty with our late enemies.

Does the gentleman from Virginia desire to use any time?

Mr. FLOOD. Yes; I would like to use some time, probably 30 minutes.

Mr. PORTER. All right; does the gentleman desire to use it now?

Mr. FLOOD. The gentleman can go ahead and I will use the time later.

Mr. COCKRAN. I would like to ask the gentleman a question if he will give way.

Mr. PORTER. I will yield.

Mr. COCKRAN. In this additional provision to be added to section 4 it is provided that this property shall be kept until the Austrian Government and the German Government—

shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America.

What is meant by "suitable provision," and who decides whether it is suitable or not? Must every person who has a claim be satisfied, or is the Government to be satisfied?

Mr. PORTER. I take it that the decision would be made by the executive branch of the Government in the treaty.

Mr. COCKRAN. But there is no treaty, as I understand it.

Mr. PORTER. Well, of necessity there must be a treaty or some other means of adjusting these claims.

Mr. COCKRAN. If that be the case, it seems to me the argument in favor of this resolution is greatly weakened.

Mr. PORTER. How much time does the gentleman from Virginia desire?

Mr. FLOOD. Thirty minutes.

Mr. PORTER. I will yield 30 minutes to the gentleman from Virginia [Mr. FLOOD].

Mr. FLOOD. Mr. Speaker, I am opposed to the resolution submitted by the conferees just as I have been opposed to all the preceding resolutions which undertook by ex parte legislation to settle and determine the numerous and various questions between this country and the nations with which we have been at war growing out of war. I believe that the resolution submitted by the conferees in this form is preferable to any resolution which has been heretofore passed by the House; that is, it is preferable, Mr. Speaker, conceding that there is any efficacy in any of these resolutions, which I do not concede, because I believe that all of them are fundamentally wrong and that this resolution is subject to the same objections which have heretofore been urged to the resolutions which have passed the House upon this subject. It is obnoxious from a constitutional standpoint. It invades the powers and prerogatives of the Executive, more so than the preceding resolution, and certainly more so than the resolution which passed the House two or three weeks ago. I was somewhat amused at the statement of the chairman of the Committee on Foreign Affairs who undertook to argue a few moments ago that there had been eliminated from the Senate provisions incorporated in the pending resolution the provisions which were obnoxious from a constitutional standpoint. As I understand the resolution submitted by the conference committee, it takes two sections of the House resolution, or rather the two sections which refer to Germany and two which refer to Austria-Hungary; to these four sections is added a fifth section which, in effect, is the provision of the Senate resolution providing for the terms of the treaties which should be made in the future between this country and Germany and Austria-Hungary.

All of the Senate provisions are embraced in it. And I recall as chairman of this committee the gentleman from Pennsylvania [Mr. PORTER] less than three weeks ago, when his resolution was pending before the committee, used this language:

Further, the Senate resolution fixes many terms and conditions of the treaty to be made with our late enemies, thereby unmistakably invading the Executive's prerogative, which vests him with the exclusive initiative in the making of treaties, "the President originating and the Senate having a negative."

And then Mr. PORTER goes on to say:

We should scrupulously avoid any encroachment upon the prerogatives of the President and exact from him like respect from those of Congress, and thus perpetuate the fundamental principles upon which our Government is founded.

But he brings in a resolution here that contains all these provisions that invade the prerogatives of the Executive that three weeks ago he denounced here before this House. I think his position three weeks ago in that respect was sound. I do not think Congress, as we have argued here on many occasions, had the right to make peace. Our law books lay down that as a fixed principle. Our courts have so held in an unbroken line of decisions, and Congress has recognized that principle for over a hundred years. And recently a very distinguished member of this administration, Secretary of State Hughes—not so recently, but three or four years ago—in an address delivered before the American Bar Association stated the principle quite accurately when he said:

The war powers under the Constitution are carefully distributed. To Congress is given the power "to declare war." The proposal to add "to make peace" found no favor, as this was deemed to belong to the treaty-making power vested in the President and the Senate.

So, Mr. Speaker, I think the pending resolution is obnoxious to this criticism, just as have been those which preceded it. I said I believe this resolution is in better form than any of the resolutions that have been passed by the House during the last two Congresses. In the resolutions heretofore passed no pretense or effort was made by those who framed the resolutions to protect American interests and the rights of American citizens. This resolution does make that effort. The effort is made by those who prepared this resolution to protect the rights of this Government in property which we seized and protect the rights of American nationals in property we have in our possession and protect their rights in the assertion of claims for damages out of the German Government for injuries suffered by reason of the war of various kinds. The resolution which the House voted for three weeks ago made no pretense of doing that, and therefore I prefer the form of this resolution to the other resolution.

The resolution as submitted by the conferees is preferable to the Knox resolution, not in that it does not invade the executive functions, but because it has not in it the open and craven repudiation of the war and the apology to Germany for the splendid part we took in that war. We are saved from the humiliating spectacle of seeing Congress vote a third time to do what the members of the Foreign Affairs Committee of the House and the Republicans of this House have said was repudiation of that war and an apology to Germany. I congratulate the conferees on the part of the House that they have saved the Congress and the country from the humiliating spectacle of having Congress vote a third time to repudiate this war.

It must be embarrassing, though, Mr. Speaker, to Republican Members of this House and Republican Members of the Senate and the Republican Party in the country to know that on two occasions every single Republican Member of this House, except one, a gentleman who sits in front of me, who was a Member of the last Congress, voted twice to do what the Republican membership of this House now says was a repudiation of the war and an apology to Germany. It must be exceedingly embarrassing to Republicans to know that every Republican Member of the Senate save one voted for that humiliation, that humiliating repudiation and apology. And among the Senators who voted last year for this repudiation and apology was President Harding. And this country was saved from the humiliation of seeing that law put on our statute books only by the veto of President Wilson.

I am glad, Mr. Speaker, that the Republicans of the House, while they voted for this repudiation and this apology twice, stall at the idea and the request of having to vote for it a third time.

The gentleman from Pennsylvania [Mr. PORTER], the chairman of the committee, congratulates the House that that provision of the Senate resolution repealing our war declaration is not carried in the conference report, and he does it on that ground. But the Senator from Pennsylvania takes the ground that the formal declaration here in the conference report is just as much of a repeal of the war declaration as was the Senate resolution. I read from an interview given out by Senator KNOX. He says:

Both the Senate and House formulas effect the repeal of the war declaration desired.

The Senate conferees in making concessions gave away nothing of substance in their instructions—

He said, adding that—

A resolution of Congress that a state of war is at an end necessarily repeals that prior (war) resolution.

I will not, Mr. Speaker, undertake to pass upon this question which has arisen between the distinguished Senator from Pittsburgh [Mr. KNOX] and the distinguished Representative from Pittsburgh [Mr. PORTER]. I will leave them to fight that out in the congressional elections in Pittsburgh next fall. I will only add, Mr. Speaker, that I do not believe this resolution in this form or any other form will accomplish its proclaimed purpose.

I believe it will result in a sacrifice of millions of dollars of American interests. I believe it will complicate further our already complicated foreign relations and will be an impairment of American honor and American prestige. But the Republican Party has determined to pass this resolution, and it is encouraging to say after all these months they are at last determined to carry out at least one of President Harding's preelection pledges. [Applause.] Yes; after all these months they are prepared to carry out this one, and in order to permit them to do it I will not longer detain the House. [Applause.]

Mr. Speaker, I reserve the balance of my time.

The SPEAKER. The gentleman has used 19 minutes.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman from Pennsylvania yield?

Mr. PORTER. Yes; I yield to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. I want to ask the gentleman, he being the chairman of the committee, a question. I notice in the statement of the managers this language:

Two sections have been added to the House amendment. The first of the new sections—section 5—makes more specific the treatment to be accorded alien enemy property.

Mr. FLOOD. Right there, will the gentleman suspend a moment?

Mr. COOPER of Wisconsin. Yes.

Mr. FLOOD. I did not understand how much time I had consumed.

The SPEAKER. The gentleman consumed 19 minutes.

Mr. COOPER of Wisconsin. I repeat:

The first of the new sections—section 5—makes more specific the treatment to be accorded alien enemy property.

I observe also in section 5, down pretty well toward the end of the amendment, this language:

And until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

Now, I want to ask the chairman whether that word "seizures" relates only to seizures, or would it, or would any phraseology in this amendment, if enacted into law confirm the sales of the millions of dollars' worth of alien property sold by A. Mitchell Palmer, many of which sales were private?

Mr. PORTER. In the first place, the confirmation is limited to the United States. It does not extend to our nationals. There is quite a distinction between a seizure and a sale. We purposely omitted confirmation of sales for fear it might confirm sales that are alleged to have been fraudulent. A seizure of necessity is by the United States Government, and we merely confirm that act. A seizure may be perfectly legal, as our seizures were, while a sale of the seized property might be illegal.

All through the drafting of this legislation we kept that point to the front, and I feel certain that there is nothing in this resolution that will confirm either directly or indirectly any fraudulent sales, if there were any.

Mr. COOPER of Wisconsin. Will the gentleman give me three or four minutes?

Mr. PORTER. Certainly. I yield five minutes to the gentleman.

The SPEAKER. The gentleman from Wisconsin is recognized for five minutes.

Mr. COOPER of Wisconsin. Mr. Speaker, the gentleman from Pennsylvania, the chairman of the committee, says this point was kept to the front during the drafting of the resolution. Yes; and if I may say it without violating the rules of propriety, I desire to add that I helped to keep it to the front, and that I helped to keep it to the front, Mr. Speaker, because of the work of A. Mitchell Palmer and of what I had learned of the attitude and purpose of his successor, the present Alien Property Custodian.

And this reminds me that yesterday one of the papers published in this city contained the statement that the resolution as now presented to the House by the conferees had been drafted in consultation with, and embodied the suggestions of, the present Alien Property Custodian. Now, his desire and purpose are clearly shown in the brief which he submitted to the Committee on Foreign Affairs, and a copy of which I have in my hand. From it I now read:

And all fines, forfeitures, penalties, seizures, and sales imposed or made by the United States are hereby ratified, confirmed, and maintained.

He wished that all sales made by A. Mitchell Palmer or any of his successors should be by law confirmed and maintained.

He also said in his brief that he wished a certain amendment in order—

to avoid any ambiguity and so enable the custodian to complete any program of sale he has made—

Now listen:

without possibility of contest at law.

Remembering that newspaper statement and remembering the purpose and plan of the Alien Property Custodian, I propounded the very important question to the gentleman from Pennsylvania [Mr. PORTER], and I am glad indeed to have elicited the response that he gave.

There was a hearing before the subcommittee of the Committee on the Judiciary of the Senate in the Sixty-sixth Congress, June 4, 1919, on the nomination of A. Mitchell Palmer for Attorney General. He had sold these millions of property, the owners not knowing anything about the sales. There was, of course, an opportunity for fraud—I make no charge that——

Mr. FLOOD. Mr. Speaker, may I ask the gentleman a question?

Mr. COOPER of Wisconsin. I regret that I can not yield. I have only five minutes.

Mr. Palmer then became a candidate for Attorney General to have charge of possible prosecutions. Here is what Senator FRELINGHUYSEN, of New Jersey, said at that hearing:

Several of my constituents, all Americans, and many others in various States, had complained to me continually of the injustice of the administration of the Alien Property Custodian's office, and Mr. Palmer's interpretation of the law and its administration. There had come under my observation the sale of several properties which, I believe, had been sold at extreme sacrifice.

It is now said, and, I believe, not denied, that one of the assistants of Mr. A. Mitchell Palmer is one of the principal officers of the company which purchased one of these very valuable properties at private sale and at a price greatly below its value.

One statement is made that the property was worth from $12,000,000 to $14,000,000, and that it was sold at private sale for less than $3,000,000.

And yet the present Alien Property Custodian, in his brief, asked not only that all sales made by either of his predecessors or by himself should be by law ratified, confirmed, and maintained, but he also asked that the law should be so drawn as to—

avoid any ambiguity, and to enable the custodian to complete any program of sale he had made without possibility of contest at law.

Mark that language. No matter what the sale might be, he wanted no possibility of contest at law.

Interesting testimony was given on July 15, 1919, at a hearing before the Committee on Ways and Means, by Mr. Francis P. Garvan, a former assistant of A. Mitchell Palmer and his successor as Alien Property Custodian. He was examined by Mr. Moore, then a distinguished Member of the House from Pennsylvania, and now mayor of Philadelphia. I will read some of the questions and answers:

Mr. MOORE. Now, he obtained that legislation [Mr. Palmer] subsequently through the medium of riders to appropriation bills, did he not?

Mr. GARVAN. The facts show. I know there was an amendment passed. What it was a rider to I am not familiar with, but I assume your statement is correct.

Mr. MOORE. I asked the question for this reason: The assumption of Congress, when this bill was passed, was certainly that the Alien Property Custodian would be trustee for property seized?

Mr. GARVAN. Yes.

Mr. MOORE. And I think that originally there was no intent of Congress when this trading with the enemy act was passed to provide the Alien Property Custodian with authority to sell property seized and then convert the proceeds without coming back to Congress.

Certainly not, Mr. Speaker, without coming back to Congress, without reporting the figures at which sales were made, and letting Congress say whether the property of absentee owners should be sacrificed.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. COOPER of Wisconsin. I should like three minutes more.

Mr. PORTER. I yield three minutes more to the gentleman from Wisconsin.

Mr. COOPER of Wisconsin. This continues:

Mr. GARVAN. I think the first intent was only to sell to prevent waste and to protect the property.

And I stop right here in my reading from that record to ask any gentleman here to arise and tell the House if, during the six months' debate, beginning in the spring of 1917 and ending in September, 1917, there was ever a word on this floor or in the Senate, said by Senator or Representative, urging that the Alien Property Custodian be given the right to take that property and in his discretion at public or private sale dispose of it? The debates were very elaborate and exhaustive. Some of the distinguished participants in that debate are here now before me and they can rise and say what the understanding was.

Every one of them will admit—he will not have to admit, but will be glad to say—that the only understanding was that the Alien Property Custodian was to take that property as custodian, and so keep it that it would not go to waste or be seriously injured, and that it should be sold only when a sale should be necessary to prevent waste, and that the proceeds must be retained and turned into the United States Treasury.

Then, Mr. MOORE of Pennsylvania asked this question:

Under the original trading with the enemy act he did not seem to have sufficient power. The present Alien Property Custodian has just stated that Mr. Palmer did not feel that he had sufficient power to sell.

Mr. KITCHIN. But he did get it afterwards?

Mr. MOORE. He did get that power by coming in at a time when all was excitement and secured what he wanted by the passage of riders to appropriation bills.

He got it, Mr. Speaker, and gentlemen, by getting a rider on the urgent deficiency bill, thus amending a law that had been under discussion for six months in the Senate and the House, the only understanding being that, of course, while he had in his hands hundreds of millions of dollars' worth of alien-owned property, he should be a common-law trustee, responsible for an honest, open, and aboveboard dealing with the property of absentee owners.

The SPEAKER. The time of the gentleman has again expired.

Mr. COOPER of Wisconsin. I should like one minute more.

Mr. PORTER. I yield to the gentleman two minutes more.

Mr. COOPER of Wisconsin. Therefore it was, Mr. Speaker and gentleman, that I asked the distinguished chairman of the Committee on Foreign Affairs whether this elaborate amendment with its somewhat involved phraseology would in anywise confirm or ratify any sale made by any Alien Property Custodian, there being now in the courts suits to set aside some of these sales, the complaints charging, in effect, conspiracy to defraud and alleging the acceptance of such small amounts of money for extremely valuable property as in the language of the law to constitute a badge of fraud. Certainly while such suits are pending we ought not to enact a law confirming all sales of such property.

I am very glad that in reply to my question the chairman of the committee said that the distinct understanding of all of the conferees on the part of the Senate and of the House is that in no wise does this amendment affect or make valid or confirm or seek to maintain any sale by any Alien Property Custodian. [Applause.]

Mr. FLOOD. Mr. Speaker, may I ask the chairman of the committee a question?

Mr. PORTER. Certainly.

Mr. FLOOD. I should like to ask the gentleman if the present Alien Property Custodian, Mr. Miller, did not ask that such a provision as the gentleman from Wisconsin is discussing be put into this resolution; that is, a provision protecting sales that have been made by the Alien Property Custodian?

Mr. COOPER of Wisconsin. I mentioned that a moment ago.

Mr. PORTER. Mr. Speaker, for the information of the House I will state that the Alien Property Custodian, I think in perfect good faith, submitted a number of amendments. They were all rejected except a minor one which you will find in line 5, of section 5, where we added the words "or has been the subject of a demand by the United States." It appears that while we are in possession of a large amount of alien enemy property, we have made demands for other property and the demands have not been complied with. As a matter of precaution, to protect those demands, we adopted that one suggestion.

Mr. LUCE. Mr. Speaker, will the gentleman yield for a question?

Mr. PORTER. I yield to the gentleman.

Mr. LUCE. The section under consideration, section 5, appears to reach, in the last line on the first page of the report, a declaration that the future of this property shall be provided for by law. Then the rest of the section appears to go on with provision as to the disposition of the property, but leaves it uncertain whether this provision is to be taken as a declaration of policy or as in itself a statute involving in certain contingencies the fate of the property. Will the gentleman tell me whether it was intended that the latter part of the section should be in the nature of a statute?

Mr. PORTER. The purpose of the section is to perfect all of the rights of the United States and its nationals. It is a reservation of the rights of this country. It is not a suggestion as to the terms of the treaty, our purpose being to preserve the status of the parties.

Mr. LUCE. I quite understand that, and I approve and agree with it, but in the latter part of the section you proceed to declare that this property shall be held until a certain event, namely, the performance of a condition imposed on certain foreign Governments. This leads to serious complication. The gentleman will see on the second page, for example, that this condition has to be fulfilled by the successors of the Royal Austro-Hungarian Government. It is a matter of great perplexity to determine whether or not Czechoslovakia or Italy or Poland or Rumania are successors of that Government. What is to be gained by going beyond the declaration that these things shall be attended to by law?

Mr. TOWNER. Will the gentleman from Pennsylvania yield to me to reply to the gentleman from Massachusetts?

Mr. PORTER. I will yield to the gentleman.

Mr. TOWNER. If I may make the suggestion, I will say to the gentleman from Massachusetts that that is law, that every word of section 5 is law. It is properly what might be called ad interim law. It is made with the expectation that thereafter this Government will take further action about it, either by more law or by a treaty which will have the force and effect of law. It occurs to me that there can be no complication in regard to the matter because in effect all of this is to hold the property in statu quo.

Mr. LUCE. What is the advantage of so much of the section as appears on page 2?

Mr. TOWNER. As far as my own opinion is concerned I think it is exceedingly proper and wise that the reservations have been made. In other words, that the statu quo be specifically stated and made a matter of law, to remain as it is under conditions as they now exist until further disposition, either by treaty or subsequent law to be enacted.

Mr. LUCE. I absolutely agree with that; but still I say that the remaining part of the section is not now law and has no relation to what the gentleman has set forth. He goes far beyond the statu quo. It prescribes a new policy and it will bring upon us complications interminable. I want to enter my protest against the latter part of the section.

Mr. PORTER. Mr. Speaker, how much time have I remaining?

The SPEAKER. The gentleman has six minutes.

Mr. PORTER. Mr. Speaker, I ask unanimous consent that the time be extended 30 minutes, one half to be controlled by the gentleman from Virginia [Mr. FLOOD] and one half by myself.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent that the time for debate on this conference report be extended 30 minutes, one half to be controlled by himself and one half by the gentleman from Virginia [Mr. FLOOD]. Is there objection?

There was no objection.

Mr. PORTER. Mr. Speaker, I yield 10 minutes to the gentleman from New York [Mr. COCKRAN].

Mr. COCKRAN. Mr. Speaker, I venture to trespass on the time of the House long enough to explain that I will support this resolution, as reported from the conference committee, because the feature of it which I think of capital value is preserved in all its integrity, even though the attorneyship embodied in these so-called reservations which is being superimposed on its statesmanship is a little more aggravated than before. [Laughter.] This insertion of additional provisions is simply a case of piling absurdity on absurdity. There is not one of these alleged conditions that can have any actual result whatever.

Let us assume that they were all stricken out. We would have still remaining all that a resolution of this character can possibly effect. You can add nothing to it as a declaration of peace by declarations of what you intend to do with certain property seized in the course of the war.

That property is in our possession—ours to do with it as we please. Whether we declare our purpose in respect to it now or at some other time is of no consequence whatever.

So far as these provisions mean anything, they express an intention to make some disposition of it or other, though just what that ultimate disposition may be will be determined, it seems, by something else which has not yet happened but which apparently is expected. But this property would be in exactly the same condition if all this ridiculous, superfluous matter were expunged from the resolutions, as it ought to be. Its only effect is to declare elaborately what is entirely obvious and which would be equally obvious without a single word of all these resolutions, conditions, or whatever you may term them.

But apart from these preposterous provisions, which belittle it, the resolution declaring peace has a value of its own, and a very great value.

Its value, to my mind, is that it establishes forever the right of Congress to end any war that Congress has declared. [Applause.] Its constitutional right to do this has been disputed by some gentlemen and questioned by others. The basis of their contention seems to be a clause or sentence in the very incomplete report which has been published of the debates of the constitutional convention.

A proposal to clothe Congress specifically with power to declare peace was submitted to that body, but it was not acted

upon. Mr. Speaker, we know very little about the actual proceedings of that convention. Nobody believes that the skeleton of its debates which is now in circulation even pretends to be a complete statement of what occurred during its deliberations. When we realize the scrupulous care with which the drafters of the Constitution avoided employing a single word that was not deemed essential to make its provisions clear, it is entirely probable that the power to declare peace was not conferred in specific terms on Congress because it was not deemed necessary to do so. It was undoubtedly believed that everybody would understand the power to declare war necessarily included power to declare peace. Had I been in that convention, I would have voted against such a specific grant of that power, because I would have thought it manifestly unnecessary. I should have assumed that once Congress was given the power to declare war the power to declare peace must necessarily have been included, or else Congress in declaring war might abrogate its own existence. I do not say it might impair any feature of its rights. It might imperil its very existence, and with it our whole constitutional system.

The President, once equipped with the war power, might refuse to negotiate a treaty of peace even after actual conflict had ceased. We have that precise case here now. It is the case with which you are actually dealing. By refusing to negotiate a treaty the present Executive under this construction would always remain a war President. Under the very conditions now existing he could proceed, as I pointed out the other day, to initiate new aggressions against Germany or Austria, though we are actually at peace with both countries and determined to remain at peace with them. And in doing this he would be acting not in violation of his constitutional oath but in obedience to it.

Now, I consider it a matter of the utmost importance that the right of Congress to recall these powers from the President after war has actually ceased should be settled once and for all. This resolution, when passed by both Houses and signed by the President, will embody the power of Congress to declare peace as well as war firmly in the constitutional system of the country for all time to come. [Applause.]

The character of a constitution is not determined by the words it contains but by the political system it establishes. With this resolution passed and approved, the right of Congress to declare peace will never again be questioned by anyone. A constitution is made more by what is actually done under its operations than by what its framers intended it to do. The framers of our Constitution intended to make the Electoral College the most important feature of our Government, and for that reason they took special precautions to make it independent of any possible influence that might affect its proceedings. The Electoral College as the framers planned it was to be a body of men the best, most enlightened, most patriotic in the land, assembled in a kind of conclave, far removed from any sort of political influence. Lest its independence might be undermined through political ambitions, it was provided that no member could hold any other office. And it was fondly believed that from this body there would be evolved a President of impossible virtues, so absolutely independent of political parties that he would always be found standing impartial between all contending ideas that might seek to affect the body politic. Yet this Electoral College, intended to be the most important feature of our Constitution and the most independent of all political parties, has become a mere formality and the most obedient instrument of the popular will.

Mr. HARDY of Texas. Will the gentleman yield for a brief question?

Mr. COCKRAN. I will.

Mr. HARDY of Texas. Is the making of peace a matter of declaration or a matter of agreement between nations?

Mr. COCKRAN. It is not necessarily a matter of declaration or of agreement. It is a fact, however it may come about. [Applause.] Peace may be restored after war between two nations though one of them did not agree because it had been broken to pieces and was therefore unable to agree. Peace is a fact; war is a fact; the most important facts in the whole range of human concepts.

Mr. HARDY of Texas. Is peace between nations a matter of agreement or of declaration?

Mr. COCKRAN. Not necessarily either. Germany, after our victory, might have been resolved into its constituent elements, and then, when there was no Germany in existence, she would certainly have been unable to agree to peace or anything else.

This declaration of peace is desirable in the highest degree for this people, for ourselves. It does not affect Germany, except in slight degree. Germany now is at peace with us. If we make this formal declaration, it may give her somewhat freer access to funds and credit than she enjoys now. But she has access to them already sufficient for all the necessary ends of commerce. All that this resolution can possibly effect is, by declaring peace, to recall from the President of the United States power to conduct further military operations against either Germany or Austria. Now, I am far from insinuating that the present occupant of the Presidency would take such a step under any circumstances. I do not believe he would even harbor such an idea for a single moment. But for that very reason it is the best time for us to establish forever the right of Congress to end war by exercising that right now, when our action can in no wise be considered as reflecting on the President, and thus make Congress the supreme arbiter of when the sword should be sheathed as well as when it should be drawn. [Applause.]

Congress has no power to direct the conduct of the President in waging a war which Congress has declared. But it has constitutional power—and by the passage of this joint resolution it will have established that power for ever and ever—to say when war shall end or has ended. [Applause.]

And, Mr. President, I think this will be a contribution of such enormous value to our constitutional system that the attorneyship of these ridiculous reservations should be disregarded. I once thought them serious enough to forbid a vote in favor of the resolution that included them. When the original resolution was presented I came into this Chamber intending to vote simply "present." The speech of the gentleman from Rhode Island [Mr. KENNEDY] pointing out that conceding these declarations to be surplusage, as I believed them to be, that fact did not afford a good reason or even a plausible justification for voting against adoption of a resolution embodying a principle so vital to our constitutional efficiency and constitutional security, convinced me that duty enjoined support of the measure. The same reasoning constrains me to follow the same course now. I mention this to show that free discussion in this House always produces enlightenment. I am not ashamed to admit it. I am proud to proclaim here on this floor that Members, when they are allowed to exchange views, can assist each other to conclusions of right and justice, as that argument of the gentleman from Rhode Island guided me to the action which I am proud to have taken for the advantage of my country and the security of her constitutional system. [Applause.]

Mr. FLOOD. I yield 10 minutes, Mr. Speaker, to the gentleman from Texas [Mr. CONNALLY].

Mr. CONNALLY of Texas. Mr. Speaker and gentlemen of the House, I am always charmed by the magnetic oratory and pleasing personality of the gentleman from New York [Mr. COCKRAN], who has just left the floor. I was somewhat amazed, however, to hear the gentleman express such a decided preference for the theory of the British constitution over that of the American Constitution. I knew that in some respects he did not admire things altogether British, but he seems to have the idea of the British constitutional theory, that the Constitution is not what is written in the book, but the Constitution must be an elastic instrument subject to the interpretation of the congressional will whenever the congressional will desires to express itself in a manner different from the Constitution.

Now, the gentleman from New York says that peace is not a declaration—that peace is a fact—and yet the next moment he advocates the doctrine of Congress declaring the existence of a fact or creating a fact. I shall not, however, discuss that phase of this question, because I discussed that at some length when the resolution was before the House on a former occasion. I want to call the attention of the House to the fact, however, that in the conference on the disagreement of the Houses the conferees on the part of the Senate have apologized to the House for the form of the Senate resolution, and the conferees on the part of the House, with equal civility and courtesy, have apologized to the Senate for the form of the House resolution, and in brotherly love and unity they have agreed to put both resolutions into one solidified resolution and report it back to the Houses, and everybody agree to everybody else's resolution. Thus the face of the gentleman from Pennsylvania [Mr. PORTER], who resides in Pittsburgh, is preserved, as well as the face of the Senator from Pennsylvania [Mr. KNOX], who also resides in Pittsburgh. And so the face of the Senator from Massachusetts [Senator LODGE] is saved from any discredit from the position which he occupied in the Senate, and the face of the gentleman from Massachusetts [Mr. ROGERS] is also preserved, and they may all go back to their constituencies and proudly profess that their position on this question has been sustained by the Congress.

Now, what do we find? We find that the only real argument to this whole proposition submitted by the Republicans is that

the resolution will restore trade with Europe and help the American farmer sell his products in foreign markets. Everybody knows there is no restriction now on trade with Europe, except that imposed by the recent emergency tariff, and which will be reimposed by the permanent tariff bill, which was just submitted to the House on yesterday.

And I want to call the attention of the farmers of the country to the fact that, in spite of and in the face of that emergency tariff which was going to help them, wheat which Europe wants to buy and needs, under the protecting ægis of this new tariff declined 9 cents on the markets of the country, and that decline took place after your tariff was in effect and after this resolution had been passed by both Houses of Congress, and after these conferees had reached an agreement on the text of the resolution, although not reported to the House. I hold in my hand an Associated Press dispatch from Chicago, under date of June 28, announcing a drop of 9 cents in the price of wheat, notwithstanding the existence of the emergency tariff bill. July wheat fell to $1.19¼.

Why, my friends, will the farmers believe that trade with Europe can be stimulated by the passage of this resolution when the new Republican tariff bill puts a tariff on potash from Alsace-Lorraine, which must be imported for the benefit of the American farmer? Do you suppose you can fool the American farmer and make him think the passage of a peace resolution will restore trade with Germany when at the same time with the other hand you do something that is absolutely restrictive?

They say that wheat is still $1.19. Yes, it is; after the decline. It has not yet reached the price of $1, which Senator Harding in the Senate on July 21, 1917, said was a profitable price for the farmer in times of peace, and a price which led the farmers of Ohio to pay $150 for the land upon which to raise wheat—wheat at a dollar a bushel.

Here is what he said:

> Mr. HARDING. Mr. President, only enough time to reply to the Senator. I said that raising $1 wheat was a profitable occupation in times of peace, and I say to the Senator from North Dakota that the knowing farmers are buying land in Ohio at $150 an acre for the very purpose of going into a commercial proposition of raising wheat, profitable at $1 a bushel—in times of peace, to be sure.

And Mr. Crissinger, your Comptroller of the Currency, the other day in Atlantic City addressed the New York State Bankers' Association and unfolded a great scheme for stimulating European trade and stabilizing European exchange, but in so doing he also made quite a long reference to profiteers in the country, but he failed to point out any profiteers except the farmers of the Middle West and South.

Mr. Crissinger said in part:

> Yet if you smile the smile of superior sophistication at little Cuba, caught in the wreck of superprosperity, I will retort that Cuba and our own mid-West farming country are in precisely the same pickle. The farmers made money so fast on the high prices that "everybody" did exactly what "everybody" did in Cuba—went to speculating in farms, forcing the prices higher and higher, selling and reselling on small payments, and discounting the notes which represented deferred payments. Then the prices of cotton and wheat and corn and hogs started downward on the same path that Cuba's sugar was following, and our farmers and agricultural speculators found themselves in full fellowship with Cuba's planters.
>
> So we see that the profits of the profiteer, whether in Cuba or here, have disappeared. He can not meet his notes, the banks can not afford to carry him, and both he and the banks are squeezed. Pretty much everybody is directly or indirectly affected, and all of them together stop spending simply because they have nothing to spend. We call it a buyer's strike, but it is really a buyer's paralysis, a clotted circulation, a case of credits congested and "frozen."

Mr. Crissinger made no reference to the United States Steel Corporation, which profited tremendously during the war; neither does he mention the American Woolen Co., which is reputed to have earned a thousand per cent and which will be one of the special beneficiaries of the tariff legislation already passed and that which is in immediate prospect.

The farmer, according to Mr. Crissinger, is a profiteer, therefore he should be taxed still further through the tariff in order to protect the manufacturers, who are already swollen with inordinate profits which they exacted from the American people during the war.

So, gentlemen of the House, you are not going to fool the American people by the theory that you are going to build up trade with Europe by the passage of this resolution, because trade is now absolutely unrestricted save in those respects. This Congress has restricted it, and proposes to restrict it still further.

Now, gentlemen of the House, we are about to have peace. The pledge which your presidential candidate made to certain elements in this country, to certain elements whose hearts in a certain degree are still in a foreign land though their feet are upon American soil, the pledge which your President made to certain foreign elements in this country, that immediately upon his assuming office he would make peace with Germany, is about to be carried out. And yet when you do it you commit a paradox. The only thing that yet remains unsettled by the war is the settlement of the claims and the rights of American citizens. That is all that can be settled, and yet in this resolution you specifically provide all those things shall not be settled by this resolution, but that they shall be left up in the air for some future settlement by some nebulous arrangement through the method of a treaty that may or may not be made.

That is all that you could settle by this resolution, and you specifically provide that those things shall not be settled. You are simply redeeming a foolish and rash campaign speech, made to certain elements in this country who were more anxious to have peace with Germany by any means than they were concerned with other interests of the people of the United States.

So, gentlemen of the House, I am done. I protest against this resolution as being an unconstitutional exercise of power by Congress. We protest against it as being a surrender of the things for which we fought this war. We protest against it as being an abandonment of American claimants to prosecute their own claims without the assistance of this Government; and we furthermore protest against it as furnishing to the world the spectacle of a great office like that of the President of the United States, who under the Constitution is vested with the function of treating and dealing with foreign nations—we object to making a spectacle of that great office and having its incumbent say to the world that he declines to exercise the functions of that office and negotiate with foreign powers and settle the disputes of this Nation with foreign powers, through caution, through hesitancy, through a desire to avoid meeting his responsibility, and passes the buck to Congress, and asks Congress to make peace by a method never heretofore pursued in the history of the Republic. [Applause on the Democratic side.]

Whether the incumbent of the Presidency be a Democrat or a Republican, when he faces a foreign Government he is my President, and he is the President of all the other people of the United States; and in whatever he does in dealing with foreign nations, representing the interests of the United States, I want him to be big enough to fulfill the functions of his office and to respect the functions of that office enough not to invite the Congress to trespass upon the prerogatives that the Constitution gave to him. When he was before the joint assembly of the House and Senate on April 12 in this Chamber, in discussing the peace resolution, he warned Congress. He said:

> However, in making peace by resolution, you must not trespass upon the functions of the Executive.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas. May I have two minutes more?

Mr. FLOOD. Mr. Speaker, I yield to the gentleman two minutes more.

The SPEAKER. The gentleman from Texas is recognized for two minutes more.

Mr. CONNALLY of Texas. When he was in this Chamber he challenged Congress and cautioned you, in making peace by resolution, not to transgress the functions of the Executive. He wanted to preserve the powers of the President under the Constitution.

I want to say to the President and to this Congress that the surest way for the President of the United States to preserve the functions of his office from invasion from any other branch of the Government is for the President himself to exercise the functions of his office, and not ask Congress to exercise them for him. [Applause on the Democratic side.]

If the President of the United States fears that Congress, in making peace, will invade the province of his jurisdiction, he may find complete safety in himself making peace under the Constitution and by methods pursued heretofore throughout the history of this Republic. The curtain, gentlemen of the House, is about to fall upon the war. Four years ago in this Chamber, in a great presence, with the eyes of the whole world looking upon us, we solemnly declared the existence of a state of war. To-day we come to close that chapter, and to the American people all that we offer them, all that Congress gives to the American people for the twenty-five billions of money and for the hundred thousand lives and hundreds of thousands of wounded soldiers is this instrument which you term a declaration of peace, a resolution which surrenders American claimants to their own remedies, and which surrenders the world position which the United States attained as a victor in that great struggle. [Applause on the Democratic side.]

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. PORTER. Mr. Speaker, I yield five minutes to the gentleman from Iowa [Mr. TOWNER].

The SPEAKER. The gentleman from Iowa is recognized for five minutes.

Mr. TOWNER. Mr. Speaker, singular delusion seems still to occupy the minds of some gentlemen on the minority side of the House. There is no delusion that has less foundation than that which they seem to entertain that the only way of ending a war is by a treaty duly negotiated and agreed to.

There is not one single authority of international law that treats of that subject but tells them that they are wrong. There is no decision of any supreme court that has ever passed upon that question but tells them that they are wrong. There is absolutely no foundation for such a position except the desire to embarrass the President of the United States, except in some way or other to find fault with whatever action is taken by the administration.

And another singular delusion seems to exist. It seems to be in the minds of some gentlemen who have addressed the House, not only on this occasion but on previous occasions, that it is utterly impossible for the United States of America, after having made the declaration that peace exists, to enter into a treaty with Germany. That also is utterly without foundation. There have been wars that have ended without treaties of peace, and treaties of peace have followed the ending of war by negotiation.

It will be perfectly proper for the United States to enter into a new treaty of peace with Germany if it so decides. It would be perfectly proper for the United States to so far agree to the treaty of Versailles as it thinks it wise and safe to do. [Applause.] That is still within the judgment and discretion of the United States. That is still within the duty, I will say to the gentlemen on that side, of the President of the United States; and Warren G. Harding will, when the proper time comes, exercise his power as President of the United States to negotiate a treaty of peace with Germany that will satisfy even the critical attitude of gentlemen on that side of the House. [Applause on the Republican side.]

Mr. CONNALLY of Texas. Mr. Speaker, will the gentleman yield?

Mr. TOWNER. I regret I can not yield.

Now, gentlemen, let us see what we have before us to-day. We have a declaration that a state of peace exists, following a declaration at the beginning of the war that a condition of war existed. I congratulate sincerely the gentlemen who have represented the House in the conference negotiations on the fact that they have secured what I believe to be the proper form of declaration.

I congratulate them also that they have agreed to the reservations that have been made to this law, when it becomes a law, that keeps the status of the property now in the hands of the Alien Property Custodian, taken during the progress of the war, to be ultimately determined upon by law or by a treaty which has the force and effect of law. Everything that has been done up to this date, in my opinion, has been well done in these endeavors to bring about a peace status. I would that it had been done sooner, but circumstances prevented that. I ask the gentlemen on the other side to see that this good piece of work does not go into operation to meet with the approval of this country without receiving their sanction also. This is a question that ought not to have any politics in it. We on this side supported you in the prosecution of the war. Now we ask you to support us in the obtaining of peace.

Gentlemen say, "Why, this peace does not amount to anything." Peace does not amount to anything? Why, the prayer of every good man and woman on this continent and on every other continent under the sun during the prosecution of the war was for peace. [Applause.] The prayer of every good man and woman since the war is for peace. The most earnest desire of the world is that peace shall speedily come to all the nations and remain until the end of time. It can not be possible to justify the attitude of the few who, in effect, say "Unless peace can be obtained in the manner I approve, it were better not to have peace at all."

The SPEAKER. The time of the gentleman has expired.

Mr. FLOOD. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Speaker, the gentleman from Iowa [Mr. TOWNER], who last addressed this House, seems to think that we on our side labor under some delusion; that delusion being that we can not declare peace; and that peace can only come by treaty. Nobody on the Democratic side has any such delusion. We can declare peace, but it is equally true that our declaration does not affect the status at all. Peace is a fact. No one on this side has voiced any such idea as stated by the gentleman. Peace can be made by the cessation of hostilities—actual peace—peace in fact, which can not be added to nor subtracted from by any declaration, but the idea we have is that you can not settle the issues arising out of a war by a declaration of either party, and that those issues can be settled only by a treaty.

What are the unsettled issues between the United States and Germany? The property rights involved on the part of German citizens in America, and the property rights of American citizens in Germany, constitute one thing not settled. Those rights can be affected only by a treaty, and this declaration of Congress leaves them absolutely where they stood before the declaration was made. Is not that true and clear? What then is accomplished by this declaration? Nothing in God's world except that we step down from the advantageous position that we have under the armistice, which has not been concluded by a final peace treaty, and we say to Germany, "We estop ourselves from asserting any rights under the armistice. We stand with you on an equality in future efforts to negotiate a treaty and adjust the rights of your people and our people affected by the war, and every single advantage which we gained under the treaty of Versailles is thrown into the waste-basket," and our people, as was said by the gentleman from Texas, are abandoned to their own resources, to assert their rights in Germany, and perhaps a thousand suits will be brought against the Alien Property Custodian or some other functionary of the Government or against American citizens to establish the rights of German citizens here, rights which were all settled by the treaty negotiated by our former President, which ought to have been ratified in some way by the Senate of the United States. This resolution will pass to-day. We will be no more at peace to-morrow than we were yesterday. That is all there is to it. What are you going to do after you pass this resolution?

You will start on a 12 months' negotiation, perhaps, to arrange some kind of a treaty with Germany under which some kind of a solution will be attempted of the rights arising out of the war, some kind of settlement of the wrongs inflicted on our people, but who knows what the solution will be—what that settlement will be? Who knows what the end of this declaration will be? Gentlemen, if the end of this resolution is not destructive or hurtful to American rights and interest, it is child's play. The truth is, all over the land our people are calling for peace. What they mean is that they want the fruits of peace, which this resolution does not give. If your President was not willing to resubmit the treaty of Versailles with a recommendation that it be ratified after making such reservations as he thought wise, he ought long before now to have been engaged in attempting to negotiate a treaty with Germany for the settlement of the questions that grew out of the war. [Applause.] This resolution settles nothing. It is an empty pretense of answer to the earnest demand of our people for a settlement of the war and its issues. The President, with the confirmation of the Senate, can make a settlement by treaty, but Congress is not built for negotiation; it can not make terms with another nation of the earth, although it might declare until its Members were black in the face that peace existed. That does not affect the fact that peace does or does not exist, and this declaration affects it no more than the web of a spider across the noonday sun relieves the brilliancy or casts a shadow. [Applause.]

Many men here are going to vote for this resolution to satisfy what they think is public clamor or sentiment. Let them make no mistake. This country does not want the United States to surrender substantial and vital rights, as this resolution does, for an empty word. When the fruits of this resolution begin to ripen, our people will begin to perceive that its only purpose is to coddle and deceive and its only fruits will be bitterness and disappointment.

Mr. PORTER. Will the gentleman from Virginia use some more of his time?

Mr. FLOOD. How much time have I?

The SPEAKER. The gentleman from Virginia has 14 minutes and the gentleman from Pennsylvania has 8 minutes.

Mr. PORTER. Mr. Speaker, I yield two minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Speaker, ever since I have been a Member of this Congress, concerning every proposition brought before the House on which we are called upon to vote, I have not considered one moment who wrote the proposition or who proposed it, but I looked to the proposition itself to see if it had merit. I scrutinized this resolution critically to find out whether there was some reason that would prevent my voting for it and I could find no such reason, and hence I gave it my support. I have scrutinized critically the conference report and this amended resolution since it came back to the House for some reason why I could not give it my support and I can

find no such reason. I am sorry that I can not agree with the distinguished gentleman from Virginia [Mr. FLOOD] and my distinguished colleagues from Texas, who have opposed this resolution, because I can not follow them on this proposition.

The war is over, the armistice has been signed since November 11, 1918, and we have no reason for not declaring peace, a fact that has existed for months and even years.

When a question came up in the House and by some was made a partisan issue, the election contest between Farr and McLane, when our committee brought in a solemn and unanimous report, defended by the distinguished gentleman from Virginia [Mr. BLAND] asserting that the Republican on the other side of the House was entitled to the seat, I could not set aside the solemn conviction unanimously brought into the House of Representatives by the committee having the investigation in charge. I followed the committee's report even though I am just as partisan a Democrat as is the gentleman from Virginia [Mr. FLOOD] or my colleagues from Texas. I followed the committee's report and voted for the Republican, although I am a partisan Democrat. I do not consider so much the question of politics but above all the question of right or wrong and the merit of the proposition. I intend to support this conference report.

Mr. PORTER. Does the gentleman from Virginia intend to use any more of his time?

Mr. FLOOD. I do not.

Mr. PORTER. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. ROGERS].

Mr. ROGERS. Mr. Speaker, until about a year ago I regarded Mr. Burleson as the greatest asset of the Republican Party. Since that time and until he went out of office last March I have been forced to substitute the name of A. Mitchell Palmer as the greatest asset of the Republican Party. The story of sugar, the story of coal, the story of the alien property disposition, wherever they are understood, mean that the party of which Mr. Palmer is a prominent spokesman suffers, and suffers justly, in the public esteem. I confess I was surprised that on this floor to-day, with the record before the people, a man could be found who would venture to defend the administration of the Alien Property Custodian, A. Mitchell Palmer. [Applause on the Republican side.]

I have listened to the two speeches of the gentleman from Virginia [Mr. FLOOD]. I can not quite reconcile the two speeches. The first time he spoke he apparently thought very highly of the conference report and praised it in unmeasured and glowing terms. The second time, perhaps because something intervened, the gentleman was more caustic in his reference to the conference report.

Mr. FLOOD. Will the gentleman yield?

Mr. ROGERS. No; I can not yield. I am disposed to think that when he talked the first time he was saying what was really in his heart of hearts. He called attention, for example, to the fact that the conference report is an improvement on the Senate form because it omits reference to the repeal of the resolution declaring a state of war. He called attention to the fact that the conference report was an improvement on the House form because he argued that there were additional safeguards for Americans and American property in section 5. He might have gone on and called attention to the fact that in section 6—while it may be that it is unnecessary—nevertheless we make it perfectly clear that we are to be protected in certain ways which are deemed important. The last provision of section 6 says, "Grover Cleveland Bergdoll, we are going to get you and bring you back from Germany and punish you for what you have done." So that the gentleman from Virginia, although he did not sign the conference report, was suggesting by inference to the House that those 60 Democrats who voted for this resolution before had better get in line to-day and do the right thing. The resolution passed the House about two weeks ago, when only 60 Democrats voted against it.

Most of those 60—and I speak without any intent to be invidious—were of the hard-shelled type of Democrats. The Progressives, the new Members of that side of the House, who are fresher from the voice of the people, in general voted for this peace resolution, because they knew that the people of this country are yearning for a resumption of peace. Your own leader of the Committee on Foreign Affairs, your own conferee on this very question, has told you definitely to-day that the conference report presents better legislation than you have had a chance to vote for before. I appeal to you 60 Democrats to cast aside partisan politics, which perhaps actuated some of you before, and get behind this proposal to restore peace to a Nation which is sick and tired of technical war. Three years have elapsed and we have been at war all of that time. This is not the best way, as I have said repeatedly, to get back onto a peace status, but it is the only way that at this moment we have open to us. We must have peace, and I ask the Democrats unanimously to follow the voice of their leader in his first speech and vote for the conference report. [Applause.]

Mr. PORTER. Mr. Speaker, I move the adoption of the report, and on that I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

Mr. ROGERS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 263, nays 59, not voting 108, as follows:

YEAS—263.

Ackerman	Ellis	Lankford	Roach
Almon	Elston	Larsen, Ga.	Robertson
Anderson	Evans	Larson, Minn.	Rodenberg
Andrews	Fairchild	Lawrence	Rogers
Ansorge	Fairfield	Layton	Rose
Anthony	Faust	Lazaro	Rosenbloom
Arentz	Favrot	Little	Ryan
Aswell	Fenn	Logan	Sanders, Ind.
Atkeson	Fess	London	Sandlin
Bacharach	Fish	Longworth	Schall
Barbour	Focht	Lowrey	Scott, Mich.
Beck	Foster	Luce	Scott, Tenn.
Begg	Frear	McArthur	Shaw
Benham	Free-	McClintic	Shelton
Bird	Freeman	McCormick	Shreve
Black	French	McKenzie	Siegel
Blakeney	Frothingham	McLaughlin, Mich.	Sinclair
Bland, Ind.	Funk	McLaughlin, Nebr.	Sinnott
Blanton	Gensman	McLaughlin, Pa.	Sisson
Boles	Gernerd	McPherson	Smith
Bond	Glynn	MacGregor	Smithwick
Bowers	Goodykoontz	Madden	Snyder
Brand	Gorman	Magee	Speaks
Brennan	Graham, Ill.	Mansfield	Sproul
Brooks, Ill.	Green, Iowa	Mapes	Stafford
Brooks, Pa.	Greene, Mass.	Martin	Steagall
Browne, Wis.	Griest	Mead	Steenerson
Burdick	Hadley	Michaelson	Stephens
Burtness	Hardy, Colo.	Michener	Strong, Kans.
Burton	Haugen	Miller	Summers, Wash.
Butler	Hawes	Millspaugh	Swank
Cable	Hawley	Mondell	Sweet
Campbell, Kans.	Hays	Montoya	Swing
Carew	Herrick	Moore, Ill.	Tague
Carter	Hersey	Moore, Ohio	Taylor, Tenn.
Chalmers	Hickey	Moores, Ind.	Temple
Chandler, N. Y.	Hill	Morgan	Ten Eyck
Chandler, Okla.	Himes	Mudd	Thompson
Chindblom	Hoch	Nelson, J. M.	Timberlake
Christopherson	Huddleston	Newton, Minn.	Tincher
Clague	Hukriede	Nolan	Towner
Clarke, N. Y.	Hull	Norton	Treadway
Classon	Humphreys	O'Connor	Tyson
Clouse	Husted	Ogden	Underhill
Cockran	Hutchinson	Olpp	Upshaw
Cole	Ireland	Osborne	Vestal
Colton	James, Mich.	Overstreet	Vinson
Connolly, Pa.	Jefferis, Nebr.	Park, Ga.	Voigt
Cooper, Wis.	Johnson, Wash.	Parker, N. J.	Volstead
Copley	Kahn	Parks, Ark.	Walters
Crisp	Kearns	Patterson, Mo.	Watson
Cullen	Keller	Perkins	Webster
Curry	Kelly, Pa.	Petersen	Wheeler
Darrow	Kendall	Porter	White, Kans.
Davis, Minn.	Kennedy	Pringey	Williams
Denison	Ketcham	Purnell	Williamson
Dickinson	King	Quin	Wilson
Dominick	Kinkaid	Radcliffe	Wood, Ind.
Dowell	Kissel	Ramseyer	Woodruff
Driver	Kleczka	Rankin	Woodyard
Dunbar	Kline, Pa.	Ransley	Wurzbach
Dunn	Knutson	Reavis	Wyant
Dyer	Kopp	Reece	Yates
Echols	Kraus	Reed, W. Va.	Young
Edmonds	Kunz	Rhodes	Zihlman
Elliott	Lampert	Ricketts	

NAYS—59.

Bankhead	Deal	Johnson, Ky.	Rayburn
Barkley	Drane	Kelley, Mich.	Riordan
Bland, Va.	Fields	Kincheloe	Rouse
Bowling	Flood	Lanham	Sabath
Box	Garner	Lea, Calif.	Sanders, Tex.
Briggs	Garrett, Tenn.	Lee, Ga.	Stedman
Brinson	Garrett, Tex.	Lyon	Stoll
Buchanan	Goldsborough	McDuffie	Thomas
Bulwinkle	Hammer	McSwain	Tillman
Byrnes, S. C.	Hardy, Tex.	Oldfield	Ward, N. C.
Byrns, Tenn.	Harrison	Oliver	Weaver
Cantrill	Hayden	Padgett	Wingo
Collier	Jacoway	Parrish	Woods, Va.
Connally, Tex.	James, Va.	Pou	Wright
Davis, Tenn.	Jeffers, Ala.	Raker	

NOT VOTING—108.

Appleby	Cannon	Dale	Fuller
Beedy	Clark, Fla.	Dallinger	Fullmer
Bell	Codd	Dempsey	Gahn
Bixler	Collins	Doughton	Gallivan
Britten	Connell	Drewry	Gilbert
Brown, Tenn.	Cooper, Ohio	Dupré	Gould
Burke	Coughlin	Fisher	Graham, Pa.
Burroughs	Cramton	Fitzgerald	Greene, Vt.
Campbell, Pa.	Crowther	Fordney	Griffin

Hicks	Lehlbach	Paige	Stiness
Hogan	Lineberger	Parker, N. Y.	Strong, Pa.
Houghton	Linthicum	Patterson, N. J.	Sullivan
Hudspeth	Lufkin	Perlman	Sumners, Tex.
Johnson, Miss.	Luhring	Peters	Taylor, Ark.
Johnson, S. Dak.	McFadden	Rainey, Ala.	Taylor, Colo.
Jones, Pa.	Maloney	Rainey, Ill.	Taylor, N. J.
Jones, Tex.	Mann	Reber	Tilson
Kiess	Merritt	Reed, N. Y.	Tinkham
Kindred	Mills	Riddick	Vaile
Kirkpatrick	Montague	Robsion	Vare
Kitchin	Moore, Va.	Rossdale	Volk
Kline, N. Y.	Morin	Rucker	Walsh
Knight	Mott	Sanders, N. Y.	Ward, N. Y.
Kreider	Murphy	Sears	Wason
Langley	Nelson, A. P.	Slemp	White, Me.
Leatherwood	Newton, Mo.	Snell	Winslow
Lee, N. Y.	O'Brien	Stevenson	Wise

So the conference report was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. JOHNSON of South Dakota (for) with Mr. KITCHIN (against).

Mr. A. P. NELSON (for) with Mr. LINTHICUM (against).

Mr. PERLMAN (for) with Mr. RUCKER (against).

Mr. GRIFFIN (for) with Mr. JOHNSON of Mississippi (against).

Mr. KINDRED (for) with Mr. FISHER (against).

Mr. GALLIVAN (for) with Mr. MONTAGUE (against).

Mr. VARE (for) with Mr. STEVENSON (against).

Mr. DALLINGER (for) with Mr. SUMNERS of Texas (against).

Mr. SULLIVAN (for) with Mr. DOUGHTON (against).

Mr. NEWTON of Missouri (for) with Mr. DREWRY (against).

Mr. REBER (for) with Mr. RAINEY of Alabama (against).

Mr. APPLEBY (for) with Mr. BELL (against).

Mr. LUHRING (for) with Mr. GILBERT (against).

Until further notice:

Mr. HICKS with Mr. RAINEY of Illinois.

Mr. CONNELL with Mr. O'BRIEN.

Mr. VOLK with Mr. WISE.

Mr. BIXLER with Mr. SEARS.

Mr. HOGAN with Mr. JONES of Texas.

Mr. PATTERSON of New Jersey with Mr. FULMER.

Mr. HOUGHTON with Mr. MOORE of Virginia.

Mr. COOPER of Ohio with Mr. DUPRÉ.

Mr. CANNON with Mr. TAYLOR of Arkansas.

Mr. DALE with Mr. HUDSPETH.

Mr. GRAHAM of Pennsylvania with Mr. COLLINS.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. WINSLOW with Mr. TAYLOR of Colorado.

Mr. LEHLBACH with Mr. CAMPBELL of Pennsylvania.

Mr. BUTLER. Mr. Speaker, I ask unanimous consent to make a statement. The gentleman from New York, Mr. HICKS, was called from the city this morning and wished me to say that if he were here he would cheerfully vote for this resolution.

The result of the vote was announced as above recorded.

On motion of Mr. PORTER, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

MESSAGE FROM THE PRESIDENT—ARMY BILL (S. DOC. NO. 43).

The SPEAKER. The Chair lays before the House the following message from the President of the United States.

The Clerk read as follows:

To the Senate and House of Representatives:

I am advising the Congress of my approval of H. R. 5010, a bill making provision for the maintenance of and support of the United States Army for the fiscal year ending June 30, 1922. I can not resist calling to the attention of the Congress at this time the very great embarrassment in carrying out its provisions while dealing justly with the enlisted forces of the Army so that a later call for a slight modification may not be wholly without notice.

The bill necessitates a very large reduction in the enlisted personnel of the Army and it is doubted that this reduction can be brought about without the summary dismissal of many thousands of men who have a right to expect at the hands of the Government the same moral obligation which the Government requires of them when they enlist for service. In perfect good faith the Secretary of War will proceed to reduce the Army to figures contemplated by the Congress. The normal expiration of enlistments probably will approximate one-half the reduction which the Congress has directed, and every effort will be made to meet the requirements of the Congress at the earliest possible day. I would not feel justified in asking the Secretary of War to enforce the dismissal of men who have enlisted for a definite term of service. There seems to be a moral obligation involved, a violation of which would be demoralizing to the spirit of the Army itself, and might prove a very serious discouragement when enlistments are desired in the future. I have thought I ought to say these things to the Congress now because in its earnest desire to reduce the Army personnel and limit Army expenditures the Congress has especially provided that no deficit shall be created. The Secretary of War will seek to avoid the creation of any deficit, but if a probable deficit develops in a just procedure to reduce our enlisted forces I will report to the Congress at the earliest possible day and ask it to relieve the embarrassment of the Secretary of War, and make such provision as will be necessary to deal justly with our enlisted men while attempting to keep faith with the Congress to the fullest possible degree.

WARREN G. HARDING.

THE WHITE HOUSE, *June 30, 1921.*

The SPEAKER. Referred to the Committee on Appropriations and ordered to be printed.

AMENDMENTS TO ACT PROVIDING GOVERNMENT FOR THE TERRITORY OF HAWAII.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 135.

Resolved, That immediately upon adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1881) to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, to establish a Hawaiian homes commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes; and, after general debate, which shall be confined to the bill and shall continue not to exceed one hour, one-half to be controlled by the chairman of the Committee on the Territories, Mr. CURRY, and one-half by the ranking minority member of the committee, Mr. WEAVER, the bill shall be read for amendment under the five-minute rule; that at the conclusion of the consideration of the bill for amendment the committee shall rise and report the bill to the House with such amendments as may have been agreed to, when the previous question shall be considered as ordered on the bill and amendments to final passage without intervening motion, except one motion to recommit.

Mr. CAMPBELL of Kansas. Mr. Speaker, since agreeing to the rule providing for not to exceed one hour for general debate I have talked with those in charge of the bill and found it will be satisfactory to them to reduce the time from one hour to 20 minutes. So I ask unanimous consent that the time for general debate be limited to 20 minutes.

The SPEAKER. The gentleman from Kansas asks unanimous consent to substiute 20 minutes for one hour for general debate. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, I just now conferred with the ranking minority member, the gentleman from North Carolina [Mr. WEAVER], and he informs me there is no objection to limiting the debate to 20 minutes, so I assume that there is no objection on this side.

The SPEAKER. The Chair hears none, and it is so ordered.

Mr. CAMPBELL of Kansas. Now, Mr. Speaker, just a brief statement before moving the previous question. This resolution brings before the House a bill at this time relating to the public lands in the Territory of Hawaii. When we took over Hawaii the Territory retained the public lands just as was done by the State of Texas. The Legislature of Hawaii passed a bill in the session of 1919 by practically a unanimous vote of both houses of the legislature, and again in the last legislature, with respect to their lands. It is necessary that that bill shall have the approval of the Congress. The bill has received the approval of the Senate, has been unanimously reported by the Committee on the Territories of the House, and is now brought to the House for consideration under this rule. Certain leases expire to-day which makes it important that this legislation be agreed to and that the bill be passed at the earliest possible moment.

Mr. Speaker, in view of the urgent necessity for the prompt passage of the bill, I move the previous question on the resolution.

The question was taken, and the previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

Mr. CURRY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1881.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1881, with Mr. KELLEY of Michigan in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill S. 1881, which the Clerk will report.

The Clerk read as follows:

S. 1881. An act to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, to establish an Hawaiian homes commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes.

Mr. CURRY. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. CURRY. Mr. Chairman, in the short time allotted for general debate on this bill, it will be impossible clearly to explain its provisions and I shall not attempt to do so. I do not think it would be necessary, however, for the reason that a similar bill, after having been considered by the Committee on the Territories for weeks at the last session of the Congress, was reported favorably to the House by a unanimous report of the Committee on the Territories, passed the House unanimously, and was reported to the Senate with the unanimous report of the Senate Committee on the Territories, but was not considered at that session. This bill, as has been stated, was approved unanimously by the Legislature of Hawaii in 1919, reapproved by the Legislature of Hawaii in 1921, every member of the Territorial senate voting for it and but four members of the house voting against it.

This bill was considered at this session for a number of days by the Committee on the Territories and unanimously reported favorably to the House. It provides for placing on the lands under homestead leases of 99 years Hawaiians of full blood and half blood. There remain but 41,750 Hawaiians, of which number 23,723 are of full blood. It provides that families shall be financed to the extent of $3,000. The money for this purpose will come from the leasing of sugar lands to sugar plantations. Most of the sugar lands in Hawaii are owned by the Territory of Hawaii, and at present they are leased for a small amount of money. Under this bill the Territory of Hawaii will receive an income of a million and a quarter a year from the sugar lands. Thirty per cent of the amount will go to the rehabilitation of Hawaiians and 70 per cent to the general fund of the Territorial treasury. I shall not attempt to go into the details of the bill further, but when it is being read by sections I shall be glad to answer any questions that may suggest themselves to the minds of Members present. I now yield to the Delegate from Hawaii.

The CHAIRMAN. How much time does the gentleman yield?

Mr. CURRY. Whatever time he wants.

The CHAIRMAN. The Delegate from Hawaii is recognized for seven minutes.

Mr. KALANIANAOLE. Mr. Chairman and gentlemen, this bill contemplates new legislation in the way of helping the Hawaiian people, who are dying out, to get back onto the land and rehabilitate themselves. It also affects the organic act. This matter has been considered thoroughly by the people and was the issue in the last two elections. It is the most important matter that has ever been brought before the Congress. To me the rehabilitation portion is most important. The Hawaiian people for the past 100 years have been dying off rapidly. This decline has been recognized by all of our kings since Kamehameha III, Kamehameha IV, Kamehameha V. Lunalilo and Kalakaua have all recognized the decrease and urged that something be done to save the people.

At the present time we have not many lands left. The Hawaiians formerly were farmers, but under the new conditions they were driven out from their lands and came into the city. They were poor, they lived in small tenements, and the consequence is they are dying out rapidly.

Mr. QUIN. Will the gentleman yield?

Mr. KALANIANAOLE. I will.

Mr. QUIN. How much are those lands worth, or what do they sell for, per acre?

Mr. KALANIANAOLE. These lands we are asking now to preserve to the Territory are worth from $500 to $1,000 an acre.

Mr. QUIN. How many acres can one man cultivate?

Mr. KALANIANAOLE. About 20 acres. There are about 24,000 acres of these lands. These lands were formerly Crown lands and were under the control of the king. He could use them as he saw fit.

Mr. QUIN. Just like it is in England?

Mr. KALANIANAOLE. Just like it is in England. These lands came into the possession of the United States Government through a law that was passed by the Republic of Hawaii. The Hawaiians claim that the lands properly belong to them. In the division by King Kamehameha III, in 1848, it was recognized that they had a vested right in the lands of the kingdom. But in the division the common people did not get their share.

Mr. QUIN. Now, when Queen Liliuokalani was on the throne, did she enjoy these particular lands?

Mr. KALANIANAOLE. She did. She received the income from them.

Mr. NOLAN. Will the gentleman yield?

Mr. KALANIANAOLE. Yes.

Mr. NOLAN. How is it proposed to subdivide these 24,000 acres of land?

Mr. KALANIANAOLE. They are not going to subdivide it, but to reserve it for revenue.

Mr. NOLAN. How are the rights of the Hawaiians safeguarded in these 24,000 acres?

Mr. KALANIANAOLE. We are taking second-class agricultural lands, lands that are not developed, but we are asking that these lands, which are highly cultivated, be leased out to the highest bidder, and 30 per cent of the receipts to go toward rehabilitation of those Hawaiians who wish to go on the land.

Mr. NOLAN. Outside of the Crown lands, 24,000 acres, how much land in Hawaii is eligible to location?

Mr. KALANIANAOLE. You mean to homesteading?

Mr. NOLAN. To homesteading.

Mr. KALANIANAOLE. All of them.

Mr. NOLAN. What amount of land? Has there any estimate been made of the public lands?

Mr. KALANIANAOLE. I have not the figures now.

Mr. CURRY. Over 300,000 acres.

Mr. KALANIANAOLE. Over that, I think. We are taking about 200,000 acres under this bill.

Mr. NOLAN. Which will be available for location?

Mr. KALANIANAOLE. For Hawaiians. I claim that the Hawaiians are entitled to these lands.

Mr. NOLAN. The gentleman spoke about the political parties having something about this legislation in their platforms. Did both platforms approve this rehabilitation bill?

Mr. KALANIANAOLE. No. The Democratic platform was opposed, not to the bill, but to some features of it. But at any rate the candidates who represented the different parties, myself included, went before the people with this issue, and in that election I received the greatest majority in any election in my 20 years in Congress. Everybody recognized that something should be done for the Hawaiian people.

I hope, gentlemen, you will vote for this bill, because it is for the benefit of the people of the whole of the Territory. [Applause.]

The CHAIRMAN. The time of the gentleman from Hawaii has expired.

Mr. WEAVER. Mr. Chairman, I yield three minutes to the gentleman from Alabama [Mr. ALMON].

Mr. ALMON. Mr. Chairman and gentlemen of the committee, it becomes necessary for the Congress under the organic law of the Territory of Hawaii to ratify measures proposed by the Legislature of the Territory of Hawaii amending the organic act.

As has been said by the chairman of the Committee on the Territories [Mr. CURRY], who is well informed on this subject and who can answer any question that any member of the committee desires to ask under the five-minute debate, the Legislature of the Territory of Hawaii in 1919 and again in 1921, with practical unanimity, indorsed this legislation. The governor of the Territory during the Wilson administration appeared before our committee at the last session of Congress, together with a commission appointed, consisting of the governor and a number of members of the House and Senate of the Territory of Hawaii, and indorsed a bill similar to this, and again this year, in 1921, the Legislature of the Territory of Hawaii indorsed this legislation. This bill has the indorsement of the Committee on the Territories, after a series of most interesting hearings had at the last session and again at this session.

I call attention to one of the main purposes of the bill that has been known and referred to as the rehabilitation feature, the purpose of which is to prevent the Hawaiian race from becoming extinct. As has been stated by the able and distinguished Delegate from Hawaii [Mr. KALANIANAOLE], who has served in this House continuously from 1900, when the Territory of Hawaii was annexed to the United States, the Hawaiian people naturally were an agricultural people. They lived upon the farms, but on account of unusual conditions at various times they were driven from the farms into the cities, and if you will refer to the census reports of the Territory of Hawaii, incorporated in the hearings had before this committee, you will see

that the race is rapidly becoming extinct. Those that are interested in the welfare of the Hawaiian people, a most noble people, have studied the proposition and have undertaken various means and methods out there of doing something to save the Hawaiian race, and they have finally agreed upon this plan, by which they can lease homesteads and build homes on farms and get assistance from the Territory in the manner provided by the bill, so that they may get back on the farms and become a happy and prosperous people.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. WEAVER. Mr. Chairman, I yield three minutes to the gentleman from Arkansas [Mr. DRIVER].

The CHAIRMAN. The gentleman from Arkansas is recognized for three minutes.

Mr. DRIVER. Mr. Chairman and gentlemen, the purpose of this bill, as stated by the chairman, is to rehabilitate a dying race. They were a happy and contented race of people before receiving the beneficences of the Caucasian civilization. I believe everyone familiar with the history of the Hawaiian people will be much interested in the purposes of this measure.

Some reference to the present population may be illuminating to the Members. There are to-day 255,000 people in the islands of Hawaii. Of that number there are 41,750 Hawaiians of the whole and part blood. Of this number 23,723 are full-blood Hawaiians, with 11,072 a mixture of Caucasian blood and 6,955 with a mixture of Asiatic blood. It may be further illuminating to know that in the islands to-day there are 109,274 Japanese, 23,507 Chinese, and 21,031 Filipinos, together with about 50,000 of all others, Caucasian groups.

Now, under the present law, as I understand it, pertaining to the public lands in Hawaii——

Mr. UPSHAW. Can the gentleman tell how many are Americans, strictly?

Mr. DRIVER. No. This list does not state the number, but it gives the separate and distinct numbers of the different groups of Caucasians.

When 25 residents of Hawaii submit a petition for that purpose the public lands must be opened. When that is done these public lands must be opened to settlement on the part of any of these residents. From this statement you can fully realize the condition of these islanders, competing with all those of other nationalities resident there.

The purpose of this bill is to withdraw these lands for homestead purposes, and through the cooperation of the Commissioner of Public Lands and the Secretary of the Interior, or with his indorsement and approval, these lands will be held in reserve for the purposes prescribed in this bill. Those purposes are to enable these Hawaiians of the full blood and half blood to have an opportunity of acquiring lands of these Hawaiian Islands remaining in the control of the public. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WEAVER. Mr. Chairman, how much time is left?

The CHAIRMAN. Two minutes' time is left.

Mr. WEAVER. Mr. Chairman and gentlemen of the committee, in the short time I have of course I would not undertake to discuss the bill in detail. There is, however, one feature of it to which I wish to call the attention of each Member of the House. It is one of the principal reasons why this House should to-day, immediately, take action upon this bill. As you understand, the principal purpose of the bill is to withdraw certain public lands and open them up for the use of the Hawaiian people and let them return to their normal conditions of living as fully as possible. But it requires some money to do that. A commission is created under this bill to take charge of the work and certain funds are appropriated. Those funds are appropriated, gentlemen of the House, from certain leases of lands that are now made by the Government of agricultural or cane lands, as they are known out there. Those lands were leased many years ago. They belong to the Territory of Hawaii.

They were leased as long as 21 and 30 years ago for sugar plantations, and, of course, at that time these leases were made at a very low rate. These leases expire to-day, on June 30, 1921, and unless the Congress shall take action to withdraw them from general homestead entry they will on to-morrow become subject to homesteading upon the application of any 25 people in the Territory of Hawaii by petition to the land commission.

Now we can lease those lands at the present time for something like $500,000 more than they were leased for formerly, and with that fund it is the purpose to start off on this project of rehabilitating the Hawaiian people. The bill has been carefully considered and passed by the Senate. It has a unanimous report from the Committee on Territories of the House. Last year this committee also held hearings on the proposals of the bill for nearly two weeks, and practically the identical bill passed the House but failed of passage in the Senate. I trust it may now receive again the favorable consideration of this committee and the House.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will read.

The Clerk read the bill.

Mr. CURRY. I move that the committee do now rise and report the bill to the House without amendment, with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. KELLEY of Michigan, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the bill (S. 1881) to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, to establish an Hawaiian homes commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes, had directed him to report the same back to the House with the recommendation that it do pass.

Mr. CURRY. Mr. Speaker, under the rule the previous question is ordered.

The SPEAKER. Under the rule the previous question is ordered. The question is on the third reading of the Senate bill.

The bill was ordered to a third reading, and was accordingly read the third time, and passed.

On motion of Mr. CURRY, a motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. GRIFFIN, for the remainder of this week, on account of important business.

To Mr. HICKS, for one week, on account of important business.

To Mr. MCSWAIN, from July 1 to July 8, on account of illness in his family.

To Mr. BELL, for the remainder of the week, on account of sickness.

LEAVE TO WITHDRAW PAPERS.

Mr. PARRISH, by unanimous consent, obtained leave to withdraw from the files of the House, without leaving copies, the papers in the case of Calvin S. Hines (H. R. 13278); also the papers in the case of John B. Hamilton (H. R. 11946); also the papers in the case of James M. Waide, jr. (H. R. 9814), Sixty-sixth Congress, no adverse reports having been made thereon.

BILLS FROM THE COMMITTEE ON MILITARY AFFAIRS.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules.

The SPEAKER. The gentleman from Kansas submits a privileged report to be read by the Clerk.

The Clerk read as follows:

The Committee on Rules, to which was referred House resolution 128, submits a privileged report on said resolution with the recommendation that it be adopted.

House resolution 128.

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the following bills in the order named herein: H. R. 7158, a bill to amend the Army appropriation act approved July 11, 1919, so as to release appropriations for the completion of the acquisition of real estate in certain cases and making additional appropriations therefor; H. J. Res. 138, a joint resolution to repeal so much of the act of Congress approved February 28, 1920, as provides for Camp Eustis, Va.; H. R. 7111, a bill authorizing the Secretary of War, Attorney General, and the Secretary of the Navy, jointly, to make settlement of damages and compensation due by the United States for infringement of radio patents connected with the prosecution of the war, and for other purposes; and S. 1358, an act to provide for maintaining the Corps of Cadets at the United States Military Academy at its maximum authorized strength, and for other purposes. The consideration of the bills thus made in order shall not displace business provided for on special days nor interfere with business reported from the Committee on Ways and Means.

Mr. CAMPBELL of Kansas. Mr. Speaker, the rule gives a privileged status to these four bills. That is to say, after the adoption of this rule the members of the Committee on Military Affairs may move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of these bills in the order named, the time for general debate and for consideration being within the control of the House. As I understand it, there will be very little general debate. Some of the bills are of very great importance.

The first bill relates to a large number of tracts of land upon which large partial payments have been made by the War Department, and in which in the aggregate the Government holds an equity of $135,000,000. It is estimated that it will require about $4,000,000 to complete the title to all of these tracts of land in the Government if the Congress sees fit to complete the payments in any or all of these cases.

Mr. GARRETT of Tennessee. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. I was under the impression that it was agreed in the committee that the last three lines of this resolution should be stricken out—

The consideration of the bills thus made in order shall not displace business provided for on special days nor interfere with business reported from the Committee on Ways and Means.

Mr. CAMPBELL of Kansas. I omitted to ask unanimous consent that that be done. I do so now.

The SPEAKER. The gentleman from Kansas asks unanimous consent to amend the resolution by striking out the last sentence. Is there objection?

Mr. BANKHEAD. Reserving the right to object, what is the purpose of striking it out?

Mr. CAMPBELL of Kansas. Because it is not necessary in any event under the rulings of the Chair.

Mr. BANKHEAD. This rule will give these bills a privileged status, to be called up when the chairman of the Committee on Military Affairs can get recognition.

Mr. CAMPBELL of Kansas. When the chairman of the Committee on Military Affairs can get recognition from the Speaker, when other business is not pressing.

Mr. BANKHEAD. Not to interfere with the Private Calendar or any other special days?

Mr. CAMPBELL of Kansas. That is the idea.

The SPEAKER. Is there objection?

There was no objection.

Mr. WINGO. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. Yes.

Mr. WINGO. As I understand from the reading of this resolution and from the gentleman's explanation, these are bills from the Military Affairs Committee?

Mr. CAMPBELL of Kansas. All from the Committee on Military Affairs.

Mr. WINGO. Is there anything in these bills that seeks to carry out the recommendation of the President to increase the size of the standing Army?

Mr. CAMPBELL of Kansas. The gentleman means the recommendation of President Wilson to increase the Army to 520,000?

Mr. WINGO. No. I was under the impression that the gentleman realized——

Mr. CAMPBELL of Kansas. No; we are dealing with matters that are brought over from the last administration entirely, except the last bill.

Mr. WINGO. The gentleman, then, at this time is not ready to carry out the recommendation of President Harding to increase the size of the standing Army after we have just cut it down?

Mr. CAMPBELL of Kansas. That is not even referred to, and the matters that are referred to were carried over from the last administration do not refer to the recommendation that was made just before the last administration went out, that the standing Army be increased to 520,000 men.

Mr. GARRETT of Tennessee. In full explanation of the statement of the gentleman from Kansas that this rule proposes to deal with matters brought over from the last administration, it ought to be stated that this is to correct another of the very grievous errors made in the sundry civil bill passed by the last Congress.

Mr. CAMPBELL of Kansas. Something of that sort may be charged during the discussion and consideration of these bills. The other bills relate to matters that should be taken care of as soon as possible.

Mr. KAHN. They are all reported practically unanimous.

Mr. CAMPBELL of Kansas. As I understand it, they are all reported unanimously from the Committee on Military Affairs. One relates to settlement with radio companies and one to Camp Eustis. The last bill relates to the quota of cadets in the Military Academy. Does the gentleman from Tennessee [Mr. GARRETT] desire any time?

Mr. GARRETT of Tennessee. I do not.

Mr. CAMPBELL of Kansas. Then, Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The gentleman from Kansas moves the previous question on the adoption of the resolution.

The previous question was ordered.

The resolution was agreed to.

AMENDMENT OF ARMY APPROPRIATION ACT APPROVED JULY 11, 1919.

Mr. KAHN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7158. Pending that I ask unanimous consent that general debate on the bill shall not exceed 30 minutes, one-half to be controlled by the gentleman from Kentucky [Mr. FIELDS] and one-half by myself.

The SPEAKER. The gentleman from California moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7158, and pending that asks unanimous consent that general debate be limited to 30 minutes, one-half to be controlled by himself and one-half by the gentleman from Kentucky [Mr. FIELDS]. Is there objection?

Mr. McKENZIE. Reserving the right to object, I want to understand what we are doing. Does the gentleman mean that general debate is to include the explanation of the bill? It will take more than 15 minutes to do that.

Mr. KAHN. I have had some requests for time for the discussion of other matters than with reference to the bill.

Mr. FIELDS. I have requests for only 15 minutes.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The question is on the motion of the gentleman from California.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. DOWELL in the chair.

Mr. KAHN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from California asks unanimous consent to dispense with the first reading of the bill. Is there objection?

There was no objection.

Mr. KAHN. Mr. Chairman, I yield as much time as he desires out of my time to the gentleman from Illinois [Mr. McKENZIE].

Mr. McKENZIE. Mr. Chairman and gentlemen of the committee, I do not care to make any speech except to undertake to explain if possible the provisions in this bill. You perhaps are all aware that on our statute book we have a law which is in force in peace times requiring that the War Department comply with certain conditions before they can acquire any real estate. When we got into the war with Germany the provisions of that law were suspended and many camps and cantonment grounds were acquired under the suspension of that law. Later on we passed another law, I think it came from the committee over which Mr. LEVER of South Carolina was chairman, which gave authority to acquire feeds, food, fuel, and other things necessary for the support of the Army and the Navy. Under that law a great many tracts of land were acquired by requisition, by lease, and some by purchase for the purpose of storing the property of the Government of the United States during the war and to be held after the war.

Those of us who followed the course of the War Department during those years and observed the activity of the so-called real estate branch of the construction division of the Army became convinced that after the armistice something must be done to prevent the further purchase and acquiring of real estate by the War Department. So, on the 11th of July, 1919, in an appropriation bill the Committee on Military Affairs succeeded in getting in a limitation which provided that no part of that appropriation, or any of the appropriations made prior to that time, or the unexpended balances of any appropriation could be used for the purchase of real estate. The War Department held that under that limitation they were prevented from settling or paying for certain of the lands that had been acquired under contract of purchase, or under requisition where condemnation proceedings had begun, and they have up to this time declined to settle with the owners of the real estate involved in this bill.

The only purpose of this bill is to authorize the appropriation of a sufficient amount of money to cover the balances due on these various projects and to enable the citizens of our own country to get what rightly and justly belongs to them. It is not the purpose of the Committee on Military Affairs at this time to undertake to justify all these projects. In my judgment many of them were unnecessary; many of them, perhaps, were purchased in the heat of conflict and excitement of war,

but are of no earthly military use to the Government at this time.

But that is not the question involved. The Government has expended something like $131,000,000 on these various projects, and we owe a little over $4,000,000 to complete the title. Now, gentlemen, it is a simple business proposition.

Mr. TOWNER. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. TOWNER. I think the statement that the gentleman is making is very strongly supported in the report of the committee. The total amount to be appropriated is something over $4,000,000, whereas the value of the real estate is $131,000,000.

Mr. McKENZIE. The improvements on the real estate.

Mr. TOWNER. Yes; and this can not be disposed of unless the title is cleared up. We have $131,000,000 of improvements that can not be realized on unless we make the title so that we can dispose of it.

Mr. KAHN. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. KAHN. The War Department stated to the committee that by finishing the purchase of some of these lands it would be an easy matter to sell it to the great advantage of the Government, and by perfecting the title in the way the gentleman from Illinois is explaining the Government will probably get back a good percentage of the money that has already been paid out.

Mr. FIELDS. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. FIELDS. It is probable that out of one or two purchases the Government will realize the amount of money it will take to acquire the entire title.

Mr. KAHN. Yes; that is what the committee was informed by the officers of the War Department.

Mr. BURTON. Will the gentleman yield?

Mr. McKENZIE. Yes; I will yield to the gentleman from Ohio.

Mr. BURTON. I want to ask the gentleman whether it is not true that some parcels of real estate have been acquired by condemnation proceedings so that the Government would have only a qualified title? They might use the land for quartermaster's stores, for cantonments, and if they were abandoned for that purpose the title would revert to the owner of the property before the condemnation proceedings were commenced.

Mr. McKENZIE. I think the gentleman is correct. If it were acquired for a certain specific purpose and there was no longer any need for that purpose it naturally would revert to the original owners.

Mr. BURTON. Was there in any of these statutes providing for acquisition a provision such as has been held valid by the courts that the Government should acquire a fee simple title?

Mr. McKENZIE. I am not certain about that, although if the gentleman will get the report, he will find in the report a copy of the law under which a great many of these facts were acquired.

Mr. BURTON. Then, is it not true that in part at least of these cases, perhaps a majority, the Government by paying the balance due on the land will obtain no disposable title?

Mr. McKENZIE. I do not think so. It is the purpose of the War Department in all of these cases to get an absolutely clear fee simple title. Some of these tracts have been held up, and were held up until after July 11, 1920, on account of the fact that there were defects in the title that had to be perfected and cured before the Government would pay the money.

I want to say further that the War Department does not expect to use all of these various buildings and tracts of land. In fact, the War Department is not making use of some of them. For instance, Hospital No. 19, in the State of South Carolina, is now in the possession of the Public Health Service, but the title is not perfected, and, therefore, we can not make a legal transfer. In the city of Philadelphia the great warehouses that were constructed there are being used by the Shipping Board. In the city of New York one of the great piers that were constructed at a cost of millions of dollars is being rented to the Kerr Co. for $232,000 annually.

Mr. EDMONDS. Mr. Speaker, will the gentleman yield?

Mr. McKENZIE. In a moment. One of the three piers is being utilized by the Shipping Board, for which the Shipping Board is not paying the War Department any rental. The other is being used by the War Department.

Mr. EDMONDS. The piers are being used by the Shipping Board. The Army supply base is being used by the Quartermaster Department.

Mr. McKENZIE. I understood they were being used by the Shipping Board.

Mr. EDMONDS. The piers are being used by the Shipping Board, but not the Army supply base.

Mr. McKENZIE. I want now to take up the bill. The first item is for the Army supply base at New Orleans. The acreage is 39.97 acres; 10.72 acres were acquired and there are 29.25 acres yet to be acquired. On this property the Government constructed a wharf with a two-story structural-steel warehouse 2,000 feet long and 140 feet wide. The land has already cost the Government $51,800, and they need $282,000 to complete the contract. The Government has expended $12,500,000 on this project, making a total investment of $12,833,800.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. HUDDLESTON. Will the gentleman permit me to call his attention to the fact that the amount mentioned here for the purchase of these lands is not the limit provided by the bill which may be paid for them, because the bill authorizes, in lines 9 and 10, and so on, on page 2, the use of all available unexpended balances, the amount of which I have not the slightest idea, and it is not indicated by the report?

Mr. McKENZIE. In some of the appropriations there are some small balances remaining that were held up by the limitation of July 11, 1920. This simply releases those for these specific purposes.

Mr. HUDDLESTON. So that whatever the aggregate of these available amounts is, it might be paid for this particular land in addition to the amount of $282,000.

Mr. McKENZIE. I think the gentleman is mistaken.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FIELDS. Mr. Chairman, does the gentleman desire some more time?

Mr. McKENZIE. I do not care for any time if the members of the committee do not care to have the bill explained. I am ready for a vote. I think the bill ought to be enacted into law.

Mr. FIELDS. I would be glad to yield to the gentleman some of my time if he desires it.

Mr. ALMON. I would like to ask the gentleman a question or two.

Mr. McKENZIE. I would be glad to explain these matters briefly.

Mr. FIELDS. Mr. Chairman, I yield to the gentleman from Illinois such part of the time that I have as he may need.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman permit me to inquire further?

Mr. McKENZIE. Certainly.

Mr. HUDDLESTON. Can the gentleman advise us what the aggregate of these unexpended balances is?

Mr. McKENZIE. I can not.

Mr. GREENE of Vermont. Mr. Chairman, if I may be permitted, on page 6 of the report, following the inventory of the property, there is a statement that the total amount authorized to be appropriated in the bill is $4,140,105.72.

Mr. HUDDLESTON. There is to be appropriated this aggregate of these amounts mentioned in the paragraph, but that does not include the unexpended balances. There is no reference to what the unexpended balances will aggregate.

Mr. GREENE of Vermont. The idea, as I understand it, is that some of these matters are already in process of adjustment, and the sum is not specific as yet.

Mr. HUDDLESTON. I would like to have the gentleman from Illinois [Mr. McKENZIE] tell me—and I suppose other Members of the House have the same legitimate curiosity—what is to prevent the War Department from taking all of these aggregates and adding the amount to any amount here specifically appropriated for any item and expending the entire amount for that item?

Mr. McKENZIE. I assume that the officials in the War Department, when Congress authorizes them to expend $282,000 to make a purchase in the city of New Orleans, would not undertake to expend that $282,000 and then spend a few thousand more that might happen to be in an unexpended balance of an appropriation that had in the first place been made to cover this particular item.

Mr. HUDDLESTON. But that expenditure is authorized in addition to the unexpended balance.

Mr. McKENZIE. It is so intended.

Mr. HUDDLESTON. The bill provides that when these amounts are exhausted, then that the following amounts are authorized to be appropriated. Permit me to say that I have very little confidence in the business capacity of the War Department.

The justification of that is found in the fact that all of these millions have been spent upon lands we did not own, and anybody who would be guilty of that kind of a thing ought not to be trusted with any further discretion in connection with it.

Mr. McKENZIE. I concede there is some ground for suspicion in some of these things.

Mr. WHITE of Kansas. Will the gentleman yield?

Mr. McKENZIE. For a brief question.

Mr. WHITE of Kansas. I will make it brief. I would like to ask the gentleman this question: Page 2, in line 21, there is an item for "quartermaster warehouse, Baltimore, Md., $100,000," or the Secretary of War is authorized to sell to the Canton Co., of Baltimore, the improvements erected upon the site within 90 days from the enactment of this law for the sum of $300,000—with interest at the rate of 6 per cent, and so forth.

Now, I would like to ask the gentleman why limit the opportunity of the Secretary to drive a shrewd bargain? If this should be amended to read "for the sum of not less than $300,000," I think it would be well. I do not see any other authorization, Mr. Chairman, in this bill, though I have not read it carefully.

Mr. McKENZIE. If the gentleman will just allow me, I will explain the matter. About a year ago the Canton Co., of Baltimore, attempted to enter into agreement with the War Department for the purchase of these particular warehouses for the sum of $300,000, and that was agreed upon. The War Department insisted that they pay so much down, and then in 10 equal installments, and on the deferred payments the Canton Co. was to pay 6 per cent interest. They declined to do that. They wanted to get the contract and pay 3 per cent. Therefore, the whole negotiation fell through. We felt, after hearing the testimony, that it would be perfectly proper to give them an opportunity, even at this time, to renew those negotiations, and if they can sell that property for $300,000, with 6 per cent on the deferred payments, we thought it would be a good thing to do, and we simply give them the permission to do that if possible. That is all there is to it, and we hope they may be able to do that.

Now, in regard to this property at New Orleans. These storehouses are used for general storehouses. From there they supply the Panama Canal to a great extent and they will be very useful in case of any trouble with our neighbor, Mexico, and it is advisable that the War Department should retain them at least, and if they lease them they will keep a string on them so as to be able to take them over in case of war. I can see I will not have time to explain all these items, but if the gentlemen will get the report and read it they can get the facts.

Mr. WHITE of Kansas. Will the gentleman yield for another short question?

Mr. McKENZIE. I will.

Mr. WHITE of Kansas. If I recollect the statement of the gentleman correctly, I believe he stated that a large sum of money might be realized from the sale of these bases, supply posts, and so forth. I wonder that the committee has not included more authorizations in this bill for sale.

Mr. McKENZIE. Well, I know my good friend from Kansas would not purchase a piece of property if he did not have a perfect title; my good friend from Vermont [Mr. GREENE] and my good friend from Kentucky [Mr. FIELDS] are working on a plan with me to enable the War Department to dispose of these properties, and I hope it will be done, but we first want to perfect the title so that we will have something which we can transfer.

Mr. WHITE of Kansas. Well, the information is very reassuring to the gentleman from Kansas, and no doubt the few of the committee are in attendance who are delighted to hear it.

Mr. McKENZIE. I see that I will have to explain these items, if necessary, under the 5-minute rule. But I want to call attention to one thing that is in connection with Camp Grant. If gentlemen will read the bill, you will notice there is a provision directing the Secretary of War to drop all condemnation proceedings relative to three tracts of land involving about 500 acres of the best farming land in the country. That land is estimated to be valued at $500 to $1,500 an acre. It is land lying nearest to the city of Rockford, and very near the north end of the camp on this property are certain temporary buildings.

Down here at this point on one of the tracts near the Rock River are the water works, and we have provided in the bill that the owners all make an agreement with the Government to protect that water system and all other matters necessary to take care of the interests of the Government. But we did feel and want to insist—and probably it will be some consolation to the heart of the gentleman from Kansas to know, that so far as I am concerned, and I know members of the Committee on Military Affairs feel—that it is outrageous in time of peace to undertake to pay $500 an acre, or any such sum, for land to be utilized for polo grounds or for any other military purpose, when down at the lower end of this camp on the Kishwaukee River they can buy all the land they need, if they want any more, at a cost of $150 to $200 an acre. And why should they undertake to say we shall go through with this condemnation proceeding involving these valuable farm lands and utilize them in peace time as a training camp is beyond my comprehension. Therefore, we put this provision in the bill to undertake to test out the sentiment of the House and the Senate to ascertain whether there is any limit to these expenditures. Now, gentlemen, when we take up the bill under the 5-minute rule if there are any questions in regard to any of these items which you wish to ask I hope either the gentleman from Vermont, the other members of the subcommittee, or myself will be able to satisfy you that this bill ought to be enacted into law, and that very speedily. [Applause.]

Mr. FIELDS. Mr. Chairman, I only wish to say that I feel that the enactment of this law will mean economy to the Government, on the one hand, and justice to the men whose property has been taken, on the other hand. The bill should have been enacted at an earlier date, and its enactment should not be longer delayed, and I trust, in the interest of economy to the Government, on the one hand, as I have said, and justice to the former property owners, on the other hand, that it may be enacted soon.

The CHAIRMAN. The time of the gentleman has expired. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the provisions of the Army appropriation act, approved July 11, 1919, making unavailable, with certain exceptions, appropriations for the support of the Army or the Military Establishment for the purchase of real estate, as amended by the act approved February 28, 1920 (Public, No. 151, 66th Cong.), be, and the same are hereby, further amended (1) so as to authorize completion of the acquisition of the real estate hereinafter specified in respect whereof requisition notices had been served or given before July 11, 1919, under section 10 of the act approved August 10, 1917 (40 Stat. L., p. 276), or in respect whereof agreements had been made for purchase thereof, or proceedings begun for condemnation thereof, which requisition notices, agreements, proceedings, and all acts of entering into possession thereunder are hereby adopted, ratified, and confirmed, and (2) so as to authorize the use therefor of the unexpended balances of said appropriations which are available for such purposes, and when any such balances are exhausted, then the use of the following sums, which sums are hereby respectively authorized to be appropriated, to wit: For Army supply base, New Orleans, La., $282,000; for Army supply base, Brooklyn, N. Y., $1,590,675.52; for Army supply base, Philadelphia, Pa., $766,937; for Army supply base, Charleston, S. C., $159,020; for Army supply base, Norfolk, Va., $190,000; for Army reserve depot, New Cumberland, Pa., $92,500; for Army reserve depot, Schenectady, N. Y., $3,000; for quartermaster depot, Jeffersonville, Ind., $225,000; for quartermaster warehouse, Baltimore, Md., $100,000, or the Secretary of War is authorized to sell to the Canton Co., of Baltimore, the improvements erected upon the site within 90 days from the enactment of this law for the sum of $300,000, plus interest at the rate of 6 per cent per annum on all deferred payments; for quartermaster warehouses, Newport News, Va., $223,670; for Artillery range, Tobyhanna, Pa., $7,533.67; General Hospital No. 19, Azalea, N. C., $58,000; for site for septic tank, Southern Field, Americus, Ga., $750; for ordnance depot, Savanna, Ill., $500; for ordnance depot, Pedricktown, N. J., $215,652.90; for sewer right of way for housing project, Bethlehem, Pa., $275; for ordnance storage depot, Middletown, Pa., $50,000; for Aberdeen Proving Ground, Md., $174,591.63.

Mr. BURTON. Mr. Chairman, I move to strike out the last word.

These expenses are evidently a part of the aftermath of war, due to a preparation for the great emergency, in some cases extravagant and wasteful. The object of the bill is plain. It is perfectly clear, also it is sensible that the United States should obtain from the wreck as much as it can. I am, however, not satisfied about one point concerning which I have asked. In this first section it is evident that there are two methods by which it is expected final title will be obtained, one by agreement, as specified in line 4, page 2, and the other, "or proceedings begun for condemnation thereof," in lines 5 and 6. Now, manifestly, if this land is to be acquired by condemnation the Government will have no disposable title. The property can be used for that for which it was requisitioned or the purpose specified in the proceedings instituted for condemnation.

That is, if it is a proving ground, it is only a proving ground; if for a warehouse, only for that purpose; or if a cantonment or camp, only for that purpose. Now, I do not wish to postpone action on this bill. It seems to me this committee should take up that subject and ascertain whether it is not possible to secure a fee simple title. The information can be obtained by resolution directed to the War Department or in some other way. I would like to ask the gentleman in charge of the bill

one question: Is this $159,020 at Charleston, S. C., for the land upon which a warehouse was constructed some 10 or 12 miles up the Ashley or the Cooper River, where it was discovered after the construction was nearly completed that the channel between that point and the ocean was entirely unnavigable?

Mr. McKENZIE. I heard that statement made some years ago as to the Portsmouth Navy Yard, but I never have heard that statement in regard to this. I want to say to the gentleman from Ohio that I think the location and acquiring of this property at Charleston, S. C., is probably subject to more condemnation than probably any other project in this bill, but we on the Committee on Military Affairs felt that it was not our duty to go into that, inasmuch as it would not do any good.

Mr. BURTON. That belongs to the past.

Mr. McKENZIE. We have spent millions of dollars down there, and if it was a mistake to locate it there we are not chargeable with that. But the citizens whose lands have been taken are entitled to compensation, and this bill is for that purpose, and the use we can make of that property, if we get it, will have to be hereafter determined. I think it was a mistake to locate there.

Mr. BURTON. As to this large construction in Brooklyn, will that be valuable?

Mr. McKENZIE. Yes, sir. While it is large and cost the Government several million dollars more than it ordinarily should have cost, it is located at a place where, if we have trouble with a foreign country, it is on the seashore. And there are magnificent eight-story concrete warehouses that are full of Army material. And the piers are great, substantial piers. It is really a piece of property that the Government can probably afford to be proud of.

Mr. BURTON. I can confirm the statement of the gentleman from Illinois in regard to the value of that property.

Mr. BLANTON. Mr. Chairman, on page 3, line 11, I move to strike out the words "proving grounds."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 3, line 11, strike out the words "proving grounds."

Mr. BLANTON. Mr. Chairman, this Committee of the Whole House on the state of the Union is the proving ground for passing proper legislation. I wanted to ask the distinguished gentleman from California [Mr. KAHN], who is very close to the War Department——

Mr. KAHN. No closer than is the gentleman from Texas.

Mr. BLANTON. But the gentleman will not deny he has always been close to the War Department?

Mr. KAHN. I am no closer than the gentleman from Texas or any other Member of the House.

Mr. BLANTON. The gentleman has been spokesman for the War Department.

Mr. KAHN. I have not been the spokesman for the War Department or anybody in the War Department.

Mr. BLANTON. Well, the gentleman has been the spokesman for at least one administration on certain bills. Will he deny that?

Mr. KAHN. Whenever a bill appeals to the gentleman from California as being a proper bill the gentleman, as chairman of the committee, since he has been chairman of the committee, has taken the liberty of presenting the bill to the House.

Mr. BLANTON. Well, then, the gentleman is qualified to answer my question.

I wanted to ask the distinguished gentleman from California whether or not the War Department is going to permit us to consider at any early date the bill which he properly reported to the House making a distribution of the captured war trophies?

Mr. KAHN. The War Department has nothing to do with that. But I will say it is the hope of the chairman of the Committee on Military Affairs to bring up that bill the first Calendar Wednesday the Committee on Military Affairs has, and as things are going, we will probably reach that in three or four weeks.

Mr. BLANTON. I am very glad to hear that, Mr. Chairman, because, as I said before, this Committee of the Whole House on the state of the Union is the proving ground for Congress in passing proper legislation. And I have been very apprehensive of the fact that by reason of the gentleman from California not having called up this bill under such a rule as he is now operating under, possibly the War Department, that exerts so much influence on the legislation passed in this House, had possibly passed its orders down the line to the gentleman from California that it objected to that bill and was not going to let it pass.

Mr. KAHN. Will the gentleman yield?

Mr. BLANTON. I yield. I am seeking light.

Mr. KAHN. I have heard nothing from the War Department at any time as to that bill. But the gentleman from California thought it best to ask for a rule for bills where the money of private citizens of this country and the property of private citizens of this country were concerned.

The other legislation the gentleman refers to affects the personal matters of the Members of the House. The chairman of the committee thought that those could wait three or four weeks longer, and that the bill could be taken up at that time.

Mr. BLANTON. I am certainly glad to hear that, because next to the numerous letters that I receive every day in behalf of disabled soldiers asking that their accounts be straightened out, I have received more letters, I believe, from my district concerning the distribution of these war trophies than I believe I have received on almost any other subject. They are writing to me every day—members of posts of the American Legion—inquiring, "What are you going to do with these trophies that we made it possible to have brought back from France? We understand they are out in the weather, exposed, rusting, with no care taken of them. We understand that the War Department here and there is sending a cannon or two to various communities, but why is there not a general distribution made?" While the War Department is in fact sending out a cannon here and there to various communities, I am informed that those are obsolete cannon that never saw a war; but these men are asking——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLANTON. I ask unanimous consent to proceed for two minutes more?

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. BLANTON. They are asking why it is that we can not get up this bill, about which Members talk so much, and pass it. I endeavor to assuage their anxiety for getting early action by telling them that the gentleman from California has that subject in hand; that he knows how to pass legislation; that he is not only close to the powers that be in the War Department but is close to the powers that be in this House, and that he helps sometimes on the outer edges to carry out the manipulations of the steering committee, and I give them my honest opinion that the gentleman from California soon is going to get up that bill and pass it.

Mr. KAHN. Well, the latter part of the gentleman's sentence is a matter of opinion. The gentleman from California is going to try to pass it. The House alone can pass it.

Mr. BLANTON. But, as I said a moment ago, something was holding it back, and I was afraid it was a certain opinion that had been sent down from the War Department. I want to tell my colleagues here on both sides of the aisle that the War Department is running this Government right now.

We sent to the President the Army bill, on which this House has passed several times, saying that the number of men in our Army shall be reduced to 150,000; and yet our great President, who is pledged to the people for a reduction of armies and armaments, demonstrates that he is still a human being and is subject to the same influence of this War Department that the gentleman from California and every other one of us is and he has sent that bill back to us and said, "Although I have signed it, I have signed it with reservations, and I am not going to let the War Department understand that it has to keep within this fund unless it wants to."

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. GREENE of Vermont. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Vermont moves to strike out the last word.

Mr. GREENE of Vermont. Mr. Chairman, my colleague the gentleman from Illinois [Mr. McKENZIE], who is in charge of this bill, informs me that the opening paragraph of the statement of Brig. Gen. Carson, of the Quartermaster Corps, in the hearings on this bill has not been formally called to your attention, and as I know from experience that it is somewhat inconvenient to get copies of these hearings on rather sudden notice, like this, I ask your indulgence while I read that opening paragraph to you. I do this because it seems to me that the whole story of the bill, its purpose and its intent, is told in this opening paragraph. It may save some questions and

answers that will consume our time later in the afternoon. I read:

Mr. Chairman, the amounts asked for in this bill, H. R. 204, are for the purpose of completing obligations incurred by the War Department during the process of acquiring real estate upon which the various barracks are located. In some instances the property was under contract. In others it would be requisitioned at the time of the passage of the act of July 11, 1919, which prevented any further moneys being expended for the purchase of real estate by the War Department. In all cases the War Department is definitely obligated for the amount, and this bill in no way contemplates the purchase of any additional real estate, but is solely based on the idea of completing obligations already made and protecting the large investments on the various sites involved.

Mr. HUDDLESTON. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Vermont. In a moment, if you please?

That, of course, is the substance of what was stated to you by my colleague [Mr. McKENZIE], but it seems to me there is the authoritative and official declaration of the purpose and intent of the War Department itself, put away in very compact, concise, and convincing language.

Now I yield to the gentleman from Alabama.

Mr. HUDDLESTON. In view of what the gentleman has stated, I am wondering what is the consequence of the provision of this bill with relation to the condemnation proceedings. In other words, if there has been a contract that the department is seeking to live up to, why is it necessary to have condemnation proceedings to carry it out?

Mr. GREENE of Vermont. I do not know as to that. I understood in the progress of the hearings that in some of these instances the department and the persons in interest, the people who had original possession of the property, had pretty well-nigh reached an agreement about those things when they were arrested in that process by the passage of the act to prevent any further purchases of real estate, and so there were some phases of those negotiations which are not reducible to exact terms of language. Some of them, if not all, have passed beyond the stage of condemnation proceedings; possession had been had by the War Department, buildings had been erected, and the land put to use, and the original owners put out of use and subjected to actual loss and deprivation, and are now still waiting for their money.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. GREENE of Vermont. Yes.

Mr. FIELDS. In answer to the question of the gentleman from Alabama [Mr. HUDDLESTON], for instance, as to acquiring large areas of land, some of the landowners did not enter into negotiations respecting parts of that land, and condemnation proceedings had to be instituted, so that in one area a part of it is to be acquired, probably most of it, by negotiations conducted between the landowners and the Government, whereas in some parts condemnation proceedings were necessary.

Mr. HUDDLESTON. Then the statement of Gen. Carson would have no application whatever to that kind of a case, as it applies only to cases in which there have been definite contracts made with the owners?

Mr. GREENE of Vermont. I do not understand that all the contracts may be said to have been standardized in the sense that they are definite. There were some still in process of completion; but Uncle Sam had exercised his option and gone onto the property and is using it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREENE of Vermont. May I have five minutes more?

The CHAIRMAN. The gentleman from Vermont asks unanimous consent that his time be extended five minutes. Is there objection?

There was no objection.

Mr. GREENE of Vermont. So that while the precise terms of a contractual agreement might not have been arrived at, Uncle Sam had incurred the moral obligation by going onto the property, and has held it ever since. It may be that in some small instances there is some such thing to complete, but what I want to emphasize, by quoting the language of Gen. Carson, is this, that the Committee on Military Affairs does not come before the House with any proposition of a policy in behalf of the War Department, or with any suggestions for the purchase of new real estate, or with the proposition that the War Department shall enter upon any new activities or acquire any new possession, or do any of the things which as members of the committee and as Members of this House we know that the House is earnestly determined it shall not do.

Mr. FIELDS. Will the gentleman yield?

Mr. GREENE of Vermont. Certainly.

Mr. FIELDS. The fact is, is it not, that the War Department is to-day in possession of every acre of land to which this bill relates?

Mr. GREENE of Vermont. Precisely.

Now, I want to call attention to this, which perhaps may be a sequence to what is done by the House to-day. There is in operation in the Committee on Military Affairs now, and has been for the last six or eight months, a subcommittee that is making a careful, painstaking inventory of every parcel of real estate that is held by the United States Government for and on behalf of the War Department. It is the first time, so far as we can find out, that that kind of an inventory has been undertaken, at least within this generation; because before the Civil War the real estate holdings of the War Department were not of such an extent and volume as probably to worry anybody very much about taking an inventory. But at all events, we have run down some oddities in that search for the real estate so owned, and we find that we are being happily encouraged by the War Department itself in the policy which actuates us in that search, which is, first, to get the property list actually and officially classified so that it may be permanently of record and easily accessible to anybody in the Government or to any citizen; secondly, to find out what part of those vast holdings of real estate have long since passed out of immediate military value, or which are now being held to no practical military purpose, and which might better be returned to the civilians of this country to be again under taxation, tillage, or use in some manufacturing or industrial way. We are making a careful survey of that thing, and, as I say, have been engaged on it for the last six or eight months, and we hope one of these days to come before you with a proposition which perhaps for the first time in the last several years will make a military proposition rather welcome on the floor of this House. I hope so.

Now, all this bill does when you get through with it is to permit Uncle Sam to keep good faith with his own family in every one of these instances in which he has dispossessed them of their property. That is all there is to that. But it does not signify that having bought or completed the title to any one of these parcels of real estate, the War Department is by this bill or by the action of this House to-day pledged or promised or authorized to go ahead as if it had the sanction of Congress for the beginning of any new activity on these lands. As soon as these titles are completed these parcels will become real estate that this Government owns on behalf of the War Department, and by that fact those parcels of real estate will pass under the review of this very subcommittee about which I have been speaking to you, and you need not be surprised if this subcommittee should come before you later in its general report offering you the opportunity to get rid of some of the very pieces of property the title to which you may complete if you pass this bill to-day.

Mr. TINCHER. I move to strike out line 14 of the bill, for the purpose of asking the gentleman in charge of the bill some questions.

The CHAIRMAN. There is an amendment already pending.

Mr. BLANTON. My amendment is a pro forma one, and I ask unanimous consent to withdraw it.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw his pro forma amendment. Is there objection?

There was no objection.

Mr. TINCHER. I move to strike out line 14 of the bill.

The CHAIRMAN. The gentleman from Kansas moves to strike out the last word.

Mr. TINCHER. I want to ask the gentleman in charge of this bill what the $282,000 is to be used to pay for, in line 14, on page 2?

Mr. McKENZIE. That is the first item in the bill. I will say to the gentleman that is to pay for 29.25 acres of land located on the wharves in the city of New Orleans, and the buildings thereon.

Mr. TINCHER. We have 10.72 acres that we now own.

Mr. McKENZIE. Yes.

Mr. TINCHER. And it is proposed to buy these 29.25 acres in addition to that?

Mr. McKENZIE. Yes.

Mr. TINCHER. That is not one of the cases where they contemplate the sale of a portion of the property in the immediate future, is it?

Mr. GREENE of Vermont. We have improvements and buildings on it.

Mr. TINCHER. What I am trying to get at is whether it is the idea of the committee that it is necessary that we have to own this additional land and keep it, or whether this is one of the transactions that you are consummating with the idea of selling a portion of the property.

Mr. McKENZIE. I will say to the gentleman from Kansas that in the hearings he will find the testimony of the officers

was to the effect that they probably would not need all of the storage space, all of the other improvements we had down there, for war uses during peace times, and that they might be able to lease a portion of it, or perhaps all of it, but it was property that Gen. Carson and Col. Bush, who testified before the committee, thought it would be wise for the Government to keep in its possession for the reason that in case of war it gave storage on the wharf in the city of New Orleans where we would have an outlet to all of the country to the south, and that it would be very advantageous. I asked him if it would not be well to keep a string on that particular piece of property, and he said yes.

Mr. TINCHER. Is there some kind of a transaction on to purchase the extra 29 acres?

Mr. McKENZIE. No; the buildings have been erected on this land; we have the improvements on the land to which we do not have a legal title. We want the legal title to the land.

Mr. TINCHER. Are we going to pay $282,000 for 29 acres of land on which we own the improvements?

Mr. McKENZIE. I so understand it.

Mr. TINCHER. Who recommended to the committee that the United States Government pay this amount of money for the land?

Mr. McKENZIE. I will say that during the war we had what is known as a real estate division in the War Department that undertook to purchase these various tracts of land. If you want to interrogate me as to my opinion on the wisdom of some of the transactions carried on by these gentlemen, that is one thing; but if you want to interrogate me on my reasons for supporting the bill, it is that the representatives of the Government pledged the word of the Government to the citizens of this Government to do a certain thing. We are bound by that contract, and therefore, while it may hurt and while it may not have met with my approval originally, I believe we should do no other thing than to say we are bound in an honorable way to carry out the contract made with the citizens by the representatives of the Government. [Applause.]

Mr. TINCHER. I do not object to its being carried out in an honorable way, but I want to find out whether there is a contract down there with a man who claims $282,000 for 29 acres of land.

Mr. McKENZIE. In this case there was a contract.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TINCHER. I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. TINCHER. I understand in the gentleman's opening statement concerning the bill that there was some prospect that portions of the contracts for land to be carried out would be acquired for the purpose of making title, and that the Treasury could hope to be reimbursed. I understand that the New Orleans proposition is not one of those propositions. I do not charge any bad faith or intimate anything of the kind. I hope, however, that the carrying out of these contracts, finishing the transactions, will be on a business basis and not on a military basis as far as it is possible to do so. The land may be worth the money; I don't know.

Mr. McKENZIE. I may say, as has been stated by the gentleman from Vermont [Mr. GREENE], that it is the policy of the Committee on Military Affairs to unload everything which is a needless expense to this Government and now connected with the War Department, and my hope is that in the other great branch of the national defense of this country, the Navy Department, the Committee on Naval Affairs will get busy along the same lines and help those of us in the Committee on Military Affairs who are trying to bring about some real economy in the war expenditures. [Applause.]

Mr. TINCHER. I will say that I do not carry the views of the distinguished gentleman from Texas [Mr. BLANTON], who said that he thought the War Department was running this Government. I was proud this afternoon to be a Member of this Congress and to be on this side of the aisle when the President of this great country had the courtesy, instead of vetoing a law passed by this Congress, to call our attention to the difficulties of administering that law.

I am frank to say that I am sanguine for the future, and I have faith in the business ability of the Secretary of War. I do not agree with the present Secretary of War as to the size of the Army, but I have confidence in his business ability, and I hope that these matters will be carried on in a business way. This bill carries one-tenth as much money in the way of authorization of appropriations as it would take to run the great Department of Agriculture 12 whole months, with all the regulations of business that some gentlemen are opposed to that the Department of Agriculture is engaged in, so I thought it would be all right to take a few moments to inquire into some of the figures involved in this bill.

Mr. BLANTON. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. BLANTON. The gentleman has no more regard for our President than I have, but did not Congress declare affirmatively that we would reduce in three months our Army to 150,000 men?

Mr. TINCHER. That is right; and this Congress has been declaring for a year that it would; but there was no impropriety, in my judgment, in the Chief Executive of this Nation calling the attention of Congress to the fact that giving them from July 1 to October 1 to make the reduction was a short time, and I say it was manly and American on his part to say to Congress, "I will do it if I can. But I want to tell you it is going to be a hard job to maintain the organization and make the reduction." I think he favors a small Army as much as I do. I think it was an act of manhood and of Americanism on his part to write to Congress a frank letter, as he has, instead of vetoing the bill, as was the custom for the first two years I was here in Washington. [Applause.]

Mr. BLANTON. The question I wanted to ask the gentleman if he will permit me——

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BLANTON. I move to strike out the paragraph, because I want to finish my question.

Mr. TINCHER. I shall ask for additional time, because I want to answer all of the questions which the gentleman may propound.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas may proceed for two additional minutes.

The CHAIRMAN. Is there objection?

Mr. SUMMERS of Washington. Mr. Chairman, I object.

Mr. BLANTON. Mr. Chairman, I move to strike out the paragraph.

Mr. HUDDLESTON. Mr. Chairman, I claim the right of recognition.

The CHAIRMAN. The gentleman from Texas moves to strike out the paragraph.

Mr. HUDDLESTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HUDDLESTON. Mr. Chairman, I addressed the Chair two or three times, and I want to know the basis on which recognition is given.

The CHAIRMAN. The Chair did not see the gentleman desiring recognition, and the Chair has already recognized the gentleman from Texas.

Mr. BLANTON. Mr. Chairman, I can state to the distinguished orator from Alabama [Mr. HUDDLESTON] that I shall not take more than a moment and that he shall then have the floor. The question I want to propound to the genial gentleman from Kansas [Mr. TINCHER] is this: Congress did not say to the War Department, "You should, if you can, reduce the Army in three months to 150,000 men," but the Congress said, "You must reduce it." Is this not so?

Mr. PARKER of New Jersey. The Congress said nothing about 150,000 men, not a word.

Mr. BLANTON. The Congress said in that bill, "You shall not go beyond the appropriation that we have given you," and the money which we gave the War Department was figured to allow only 150,000 men. We thus told Secretary Weeks, "You must reduce the Army to 150,000 men, and you must do it in three months," and now the President comes back and says, "I have told the War Department to do it if they can, but if they can not I am going to ask you for more money."

Mr. UPSHAW. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. UPSHAW. If the President of the United States frankly says, after conferring with the Secretary of War, that the matter is a difficult thing to do, does the gentleman think there is anything wrong in his taking Congress into his confidence and telling us about it? [Applause on Republican side.]

Mr. BLANTON. Even as great a man as the President of the United States is—and he is one of the greatest men I ever saw—he is imposed upon by this War Department, and he seems to have gotten under its influence. If the department will turn loose every man from my district who wants to get loose, and every man from my State who wants to go home, I honestly believe the Secretary of War will be on the road to reducing the Army to 150,000 men within the time limit. The trouble is that the department will not turn them loose, when they want

to be discharged. All of the noise that our friend from Iowa [Mr. HULL] got into the RECORD concerning this "moral obligation" excuse, and which caused this action by the President, is foolishness, pure and simple. The men themselves want to get loose. They do not want to stay. When I was at a camp the other day I told a Texas boy that we were going to pass this law reducing the Army, and that he could get out if he wanted to, and I want to tell you that I spent an hour that evening answering questions of other men from other States who wanted to get out and who were clamoring for the information that we were going to pass a law to let them out.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HUDDLESTON. Mr. Chairman, whether we will proceed to consummate these land purchases is a purely business matter. No Member of the House, not a member of the Committee on Military Affairs, can have any confident judgment on such a proposition. It is a matter for a hard-headed business man to consider and decide after having all the facts before him.

The statements of fact in the committee's report are wholly insufficient, in my opinion, to justify me in concluding that the committee had the essential facts before them sufficiently to enable them to form any judgment that others are justified in relying upon. Whether we should buy a certain piece of land depends on whether we have a valid agreement to buy, whether the price is fair, and whether the land involved is essential to the project. I have no means of knowing whether the improvements which it is said have been made are on the land proposed to be purchased or not. I do not know whether as to these projects the land is held by a single owner, whether it is to be a single transaction, or whether it is merely intended by these appropriations which are authorized, to pick up odds and ends of land owned by a number of people that may not be essential to the project. The improvements may not be on the land, and perhaps it could be abandoned without any loss, and to the advantage of the Government. I do not believe the committee had those facts before them, because no attention has been called to any such facts. No doubt the committee is relying on the advice of the Army officers who appeared at the hearings as is customary.

The business transactions of the War Department during the last three or four years have thoroughly discredited the Army as a business organization. Its achievements on the field are such as to fill us all with pride, but when we examine the details of the transactions under which supplies were purchased, under which real estate was acquired and camps constructed, and the details that require sound business judgment, honesty, and diligence in business to take care of, we find nothing but flat and ridiculous failure. Instead of filling us with pride, it is enough to fill us with shame.

Mr. GREENE of Vermont. I desire only to call the attention of the gentleman from Alabama to the fact that the Army, of course, fulfilled its primary and general mission when it was in the field fighting. It is not constituted to be a business organization. It is the fault of our policy that we ever permitted——

Mr. HUDDLESTON. Oh, let me dissent positively from that. It will not do to say that the Army is merely intended to fight in the field. That is the smallest part of a really efficient army. I have been a soldier and I know something of what is required of the soldier. There are 365 days of the details of getting ready to fight and only one-fourth of a day's fighting. An army which is efficient merely in actual fighting is bound to be a failure, and there is no way out of it.

Mr. GREENE of Vermont. The gentleman realizes, of course, by virtue of the very military experience which he is proud to remember, with reference to transportation and supply it does not rest upon business experience nor involve any particular business ability, but it is the tactical employment of the army from the point of military science. That is another thing. This bill concerns itself with real estate agencies.

Mr. HUDDLESTON. But the business of supplying an army and providing camp sites and material—arms, ammunition—and handling its business affairs generally is just as much a part of the efficiency of the army administration and the actual fighting.

The effort is made to place the blame upon the emergency officers. Now, that is an excuse that will not answer. The responsibility is upon the head of the bureau—is upon the General Staff—and the blame for failure goes there. I hold them responsible for failures which made these scandals—no other word will fitly describe them—possible. The fault was with the General Staff, and the Army is thoroughly discredited so far as business efficiency is concerned.

Mr. GREENE of Vermont. If the gentleman will permit me further to suggest, the Army was under a civilian all that time.

Mr. HUDDLESTON. A civilian who relied upon the General Staff, who took its advice, who was, indeed, merely its puppet. Oh, that is merely another way that the Army has of "passing the buck."

Mr. UPSHAW. Without condoning any standard or excusing a mistake in face of the condition that existed for haste, does not the gentleman think that we ought to forget these things in our common glory? We won the war.

Mr. HUDDLESTON. The gentleman will pardon me for not answering that statement. [Applause.]

Let me say this: It was well said that military men knew from the beginning that the World War was a war of resources. Any soldier who knew anything worth knowing knew that supplies and finances would decide who would win. It was said at the beginning that the war would be fought with silver bullets. Never was a wiser thing said. Let me ask this for your rumination: If the war had gone on with us as long as it did with the European nations engaged in it and the same gross waste, extravagance, and business incompetency had prevailed, what would have been the result to our country? Why, bankruptcy, defeat, and ruin. The valor of our boys would have been in vain—in vain the tears of the mothers of America—all the sacrifices which were made, the blood that was shed, would have been in vain, and we would have lost the war because of business incompetency and inefficiency, chargeable to the General Staff—to those men down there at the War College who had been supposed to be learning how to be all-around soldiers. And I am not going to give them any more money to spend unless I know what they are going to spend it for.

Mr. GREENE of Vermont. In response to that question, I want to say to the gentleman in the statement it says "in all cases the War Department is definitely obligated for the amount." It is not a conjecture.

Mr. HUDDLESTON. The gentleman read that before, and when I asked him why it was necessary to carry on condemnation proceedings if contracts had been made he did not know. And so I do not attach much value to that.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. CABLE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. CABLE: Page 2, line 9, after the word "use" strike out the balance of line 9, and all of lines 10 and 11.

Mr. CABLE. Mr. Chairman, I believe this bill is a good business proposition, but I also think that the House should know just exactly how much money it is proposed to authorize for the completion of these contracts. On page 2 it is provided that the bill authorizes the use of the unexpended balances of said appropriations, and, in addition, specific sums for special items set out in this bill. In other words, it seeks to authorize the $4,000,000, and in addition any unexpended balance of former appropriations, the sum of which is unknown. For that reason I believe that the bill should be limited to exactly the amount necessary to complete these contracts and nothing more.

Mr. BEEDY. Will the gentleman yield?

Mr. CABLE. I yield.

Mr. BEEDY. Has the gentleman endeavored to get any information either from the committee or otherwise as to what is meant or covered by the term "unexpended balances"?

Mr. CABLE. I have endeavored to find out the amount of the unexpended balances from the committee, and also have called up the War Department, but I am unable to ascertain. Therefore I would like the committee to advise the House how much the unexpended balances are they seek to authorize here in addition to the specific and special items set out in the bill to complete each contract, whether these balances are hundreds, thousands, or millions of dollars.

Mr. GREENE of Vermont. I doubt if the first intention of this language is to permit the expenditure of these sums in addition to the amount which may be contained in the unexpended balances. I think the language intends, and I know it was our understanding, to open up the unexpended balance matter, which is now closed, and to pay all out of that that they can.

Mr. CABLE. I call attention to the wording of the bill, which says, that after the amount is exhausted for these unexpended balances, then the following items are appropriated. It does not say the necessary portion, but it says you can use the unexpended balance in whatever amount it may be, and then, in addition, the following items, and the bill proceeds to

enumerate the specific amount needed to complete each contract. For that reason I believe it is a safe plan to insert in the bill the particular items and amounts necessary for the completion of each contract and not leave the doors of the Treasury of Uncle Sam open and unguarded so far as "the unexpended balances" are concerned.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. WINGO. Mr. Chairman, I rise in opposition to the amendment. My good-natured friend from Kansas [Mr. TINCHER] a moment ago said he was proud of being a Member of that side of the House after he heard the President's message read, and his boon companion, the gentleman from Georgia [Mr. UPSHAW], said he thought we were complimented. I dislike to differ with such a distinguished pair, but I do not so interpret the President's message.

Frankly, I think the President is a suave, diplomatic man, and does not use the plain, blunt language that characterized Theodore Roosevelt. Any man of ordinary intelligence who reads the President's message will readily understand that what he intends to tell Congress in a diplomatic way is, "Gentlemen, you have been guilty of both immorality and stupidity." That is what he intends to say to you. Furthermore, he intends to say that "You have imposed upon the Secretary of War foolish restrictions in two particulars, and I am not going to permit him to comply with either, but in order to keep you from having your feelings hurt, I am going to find a way later on to call on you to correct your stupidity and immorality." To show how clearly, though diplomatically, he thus denounces Congress I shall read a part of his message. He says:

I can not resist—

That sounds like the olden times, except that the old formula was "Permit me to direct your attention," or "May I not?" [Laughter.] But the expression of the present President is, "I can not resist." I am afraid he is going to get into trouble if he does not resist some gentlemen. [Laughter.] He says:

I can not resist calling to the attention of the Congress at this time the very great embarrassment.

It would be shocking for this Congress to embarrass the Secretary of War and the President. It would be awful! He does not use the "big stick" on you. Oh, no; but says it will embarrass him and the Secretary of War to comply with the law reducing the size of the Army and not spend any more money than appropriated, and that they will not stand for it, and tells you now—

so that a later call for slight modification may not be wholly without notice.

He has put you on notice. Later on he is going to make you march down the hill of reducing the Army up which you just marched with shouting voices. After the hip, hip, hoorah is over and the Republican campaign committee has sent out word that you had responded to the popular demand to reduce the Army to 150,000 men by October 1, the President calmly tells you, "I give you notice that I will have you make a slight modification that will correct your stupidity and immorality." What will be the modification? It may be wrapped in fine phrases, but the effect will be to increase the Army so as to relieve the President and Secretary of War of the "embarrassment" of reducing it to 150,000 men by discharges.

Let us read further from this amazing message. He says:

In perfect good faith the Secretary of War will proceed to reduce the Army to figures contemplated by the Congress.

That is a diplomatic expression. It is pretty suave. Whenever I hear a man use an expression like that I say to myself, "Look out; he is preparing to slip it into you." [Laughter.] And what follows? I read:

The normal expiration of enlistments probably will approximate one-half the reduction which the Congress has directed, and every effort will be made to meet the requirements of the Congress at the earliest possible day.

Now for the interpretation of my sweet friend from Kansas and my friend from Georgia that is a roundabout way of saying, "You ignorant asses, don't you know that it is impossible to reduce the Army by more than one-half of what you have provided?" [Laughter.]

Then he says:

I would not feel justified in asking the Secretary of War to enforce the dismissal of men who have enlisted for a definite term of service.

In other words, he says, "Here, you ignorant, immoral rascals, I am not going to ask the Secretary of War to carry out your orders." [Laughter.] That is what he means to tell you. Then he adds:

There seems to be a moral obligation involved, the violation of which would be demoralizing to the spirit of the Army itself.

By that he means to say, "You poor, stupid cusses, you have overlooked the 'morality' of this matter. You have done something that would tend to demoralize the spirit of the Army by this fool provision; but I put you on notice that later on, by a slight modification, I will see to it that the mistake is corrected. I will make you eat crow." [Laughter.] He says:

It might prove a very serious discouragement when enlistments are desired in the future.

Then he proceeds:

I have thought I ought to say these things to the Congress now because in its earnest desire to reduce the Army personnel and limit Army expenditures the Congress has especially provided that no benefit shall be created.

Now, listen. He means, "Not only will he not carry out your stupid provision to reduce the size of the Army, but your law against the Secretary spending more than you authorize will be ignored, and I will call on you to condone the offense. Listen to his words:

The Secretary of War will seek to avoid the creation of any deficit, but if a probable deficit develops in a just procedure to reduce our enlisted forces I will report to the Congress at the earliest possible day.

He is going to "try" to avoid it, but if he does incur a deficit, he says:

I will report to the Congress at the earliest possible day and ask it to relieve the embarrassment of the Secretary of War.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. WINGO. Mr. Chairman, may I have five minutes more?

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. WINGO. He says:

I will report to the Congress at the earliest possible day and ask it to relieve the embarrassment of the Secretary of War.

That is to say, "It is somewhat embarrassing for a Cabinet officer to have to violate the law, and I want you to relieve the Secretary of War of that embarrassment." [Laughter.]

The whole message plainly serves notice on Congress that the President and the Secretary of War are going to usurp the power of Congress to fix the size of the Army and the amount of money to be spent and then make Congress approve their policy.

Gentlemen may talk about "moral obligations." There is an obligation to the taxpayers of the United States that the President does not say anything about. [Applause on the Democratic side.] What about the "contract" to cut down the size of the Army that you made with the people? The fact is that Congress has attempted to cut down expenses in the only place where it is possible to cut them down, and that is the Military and Naval Establishments.

Every Member knows that in the contract of enlistment of every enlisted man there is a provision that the Government can release him at any time. Such is the feeling of many enlisted men, you will have none of them protesting on this far-fetched claim of "moral obligation," but to the contrary, there will be more willing and glad to be released than will be possible under the reduction ordered.

The Government is not violating its obligation when it exercises its option in the contract, because the contract says you can release them. What I am talking about is the moral obligation to the taxpayers of the country. [Applause.] We acted either wisely or unwisely in reducing the Army. Either the President is right or he is wrong. The gentleman from Kansas [Mr. TINCHER] says he is proud to belong to this side. Let us wait to see whether or not you will stand hitched, and stand by your mature, deliberate judgment, as expressed in the Army appropriation bill, and hold the Army down to the measure that the Republicans and Democrats alike said you wanted it, or will you yield to that later "call to relieve the embarrassment of the Secretary of War" when he creates a deficit, and standing back behind an assumed "moral" duty say, "I can not send these poor protesting boys home because they say, 'Oh, I love the Army service so, I want you to protect me from that stupid, immoral Congress. Do not send me back to pa and ma, but let me stay with Gen. Jack and Col. George.'" [Applause.] This plea of "moral obligation" is a specious plea trumped up to avoid the real moral obligation we owe to the public to cut down the Army and reduce expenses. It remains to be seen if Congress will stand firm or make a humiliating surrender. How are you going to answer the President's "call"? [Applause.]

Mr. McKENZIE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio.

I am not certain but that perhaps in my opening statement I may have misled some members of the committee as to the

language in the bill which the gentleman from Ohio undertakes to correct, and I can not explain it any better than by reading to you a short paragraph from the hearings on the last item in the bill. That is for the Aberdeen Proving Ground, Md.

Mr. GREENE of Vermont. What page of the hearings?

Mr. McKENZIE. Page 43. That item is for $174,591.63. The bill provides that the unexpended balances of appropriations heretofore made shall be released to be used in the payment for these various projects, and in addition thereto, appropriations are authorized for the various amounts stated in the bill.

If you will give me your attention for a moment, I will read this paragraph from the testimony of Maj. Bussche. If the gentleman from Alabama is here, I would like to have him pay attention so he will get this idea:

Mr. McKENZIE. The next item is for the Aberdeen Proving Ground, Md., $174,591.63.

Maj. VON DEM BUSSCHE. This project is known as the Aberdeen Proving Ground, located in Baltimore and Harford County, Md. The area consists of approximately 35,000 acres. The acquisition began in October, 1917, and has not yet been completed. Approximately 100 acres have not as yet been paid for. The improvements consist of barracks, officers' quarters, administration buildings, offices, warehouses, proving grounds, bombing fields, etc. The investment amounts to $7,000,000 appropriated by the act approved October 6, 1917. The appropriation was increased to $8,480,000 by act approved July 8, 1918. From the foregoing appropriations $3,563,503.20 has been allotted for procurement of land and payment of damages in connection therewith. Of these allotments, $74,591.63 remains unexpended. In addition to this unexpended balance, it would require approximately $100,000 to complete the purchase of land and pay land damage claims. It is understood that practically all of the balance of the appropriation has been expended for buildings and improvements.

Now you can clearly see the point. When these appropriations were made the War Department made certain allotments to be used for each one of these various projects. Out of the allotment made for Aberdeen there remains in the unexpended balance of that appropriation $74,591.63. There is yet to be paid to complete the title $174,000, which will include the unexpended balance and an original appropriation of $100,000. But if you adopt the amendment offered by the gentleman from Ohio, you simply appropriate $100,000 and still keep the $74,591.63 tied up, which was held in abeyance by the limitation placed on the appropriation bill of July 11, 1919.

Mr. CABLE. Will the gentleman yield?

Mr. McKENZIE. I yield to the gentleman from Ohio.

Mr. CABLE. I will ask the gentleman if he is not appropriating some of this money twice? For example, of this amount of $174,591.63 the sum of $74,591.63 remains unexpended, and you authorize an appropriation of $100,000; but instead of authorizing an appropriation of $100,000 plus the $74,000 you add this.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. McKENZIE. I ask that I may have five minutes additional so that I may explain this.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent for an additional five minutes. Is there objection?

There was no objection.

Mr. CABLE. I will ask the gentleman if he is not appropriating the $74,000 twice?

Mr. McKENZIE. No.

Mr. CABLE. If we authorize the appropriation of $100,000 and this unexpended balance, that makes up the amount that is necessary.

Mr. McKENZIE. If the gentleman from Ohio had been in Congress at the time that the limitation was put onto that appropriation bill he would understand the effect of that limitation. The money has been appropriated. It is now in the Treasury, but the limitation put on by Congress at that time prevents the department from using it. Now, this bill releases that $74,000 which remains unexpended of that appropriation and authorizes an appropriation of $100,000 additional to care for the entire project.

Mr. BLACK. Will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BLACK. What I want to know is how much is it estimated will be required, including the unexpended balance, to complete the Aberdeen project?

Mr. McKENZIE. One hundred and seventy-four thousand five hundred and ninety-one dollars and sixty-three cents.

Mr. BLACK. Now, that much will complete the project, including the unexpended balance, yet the committee is authorizing the expenditure of the unexpended balance and authorizing an appropriation of $174,000, which would be raising the limit of cost on this project.

Mr. McKENZIE. No.

Mr. BLACK. I think it will.

Mr. McKENZIE. Let us see. Suppose on July 11, 1919, when we were considering the appropriation bill which had items in it for new projects and for a reappropriation of funds that had been appropriated in former sessions, that we owed the people at Aberdeen $174,000 and at that time there was $74,000 in the Treasury of the United States which had been appropriated for that purpose and allotted to this particular project, and we put a limitation in the bill saying that you can not use that money to pay these people at Aberdeen, neither can you use any part of this appropriation. These people would have a claim of $174,000. What does this bill do? The bill simply takes off the handcuffs from the $74,000 and authorizes the appropriation of $100,000.

Mr. BLACK. I beg the gentleman's pardon, the bill does authorize the committee to appropriate $174,000.

Mr. PARKER of New Jersey. Mr. Chairman, I think this is a question of language. I was going to suggest that if the bill is amended as I have suggested it will be complete. If you take the words of the bill and strike out the words "then the use," at the end of the line, and insert the word "remainder," and strike out the words "which sums" in the next line, so that it will read "so as to authorize the use thereof of the unexpended balances of said appropriations which are available for such purposes and when any such balances are exhausted the remainder of the following sums are hereby respectively authorized to be appropriated." Then it would be perfectly clear and meet the point which the gentleman makes.

Mr. McKENZIE. I want to say to the gentleman from New Jersey that while this may seem complicated to the Members who have not given it a practical study, to my mind it is perfectly clear, and the bill as it reads now accomplishes the end and it does not require any change.

Mr. BLACK. Mr. Chairman, if we should adopt the amendment of the gentleman from Ohio, it would leave the bill to read "so as to authorize the use of the following sums, which sums are hereby respectively authorized to be appropriated." Now, I believe that Congress is pretty well of the opinion that it is inadvisable to make reappropriations and to authorize the expenditure of unexpended balances. We have had considerable discussion recently as to what the expenditures of the Government for the fiscal year 1922 will be, and a few days ago Mr. MADDEN, a member of the Committee on Appropriations, undertook to make a statement of what the aggregate of appropriations would be. There was considerable controversy as to the correctness of his figures on account of the fact that he did not include certain reappropriations and certain authorizations of unexpended balances. If Congress wants to keep a check on expenditures, wants to hold the purse strings, the way to do it is to appropriate for each separate item; and if these projects in this bill are such as the War Department should carry on to completion, then the Secretary of War or some one representing him can go before the Committee on Appropriations and have each and every one of these items appropriated for separately. So I think it would be in the interest of systematic business and the interest of economy to adopt the amendment of the gentleman from Ohio.

Why did we adopt the amendment to the House rules some time ago concentrating all the appropriating jurisdiction in one committee, the Committee on Appropriations? It was because we thought it was good business to have all these appropriations center in one committee.

Therefore I contend that in this bill we should simply authorize appropriations for these several projects up to the limit of costs in the bill and require the final appropriations to be made in the regular way after inquiry and investigation.

Mr. FIELDS. Mr. Chairman, I rise in opposition to the amendment of the gentleman from Ohio [Mr. CABLE]. It may possibly be that there is a duplication or that the figures are too large in the item for the Aberdeen Proving Ground. But here is the situation: This is only an authorization for an appropriation. If the amendment of the gentleman from Ohio be adopted, as has been well said, these unexpended balances will be tied up, they will not be available, the hands of the War Department will be tied in settling up these accounts and closing up these estates. If the unexpended balances are not sufficient to meet the Government's obligations, then there is authority of law given in this bill for the Appropriations Committee to appropriate such amounts as may be required to settle them, but if the amendment of the gentleman from Ohio is adopted, nothing can be done until the Committee on Appropriations acts and an appropriation is made for the whole thing. If the bill be enacted into law as it is now, then the unexpended balances which are tied up will be let loose, and many of these projects can be closed, and they ought to be closed.

Mr. JONES of Texas. Mr. Chairman, will the gentleman yield?

Mr. FIELDS. Yes.

Mr. JONES of Texas. Would not these old sums be available without any amendment to the law?

Mr. FIELDS. No; the act of July 11, 1920, tied them up, and it takes legislation to make them available.

Mr. JONES of Texas. Does not the gentleman think this bill should be so amended as to make it clear that these final sums that are set out include the unexpended balances?

Mr. PARKER of New Jersey. That is what I wanted to do by my substitute amendment.

Mr. FIELDS. They must make a showing to the Committee on Appropriations that the amount is needed, and if the amount authorized in the bill is not necessary, that committee will not appropriate it.

Mr. PARKER of New Jersey. Mr. Chairman, I offer the following substitute amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey as a substitute for the amendment offered by Mr. CABLE: Page 2, line 11, after the words "then the," strike out the word "use" and insert in lieu thereof "remainder"; also strike out in line 12 the words "which sum."

Mr. PARKER of New Jersey. Mr. Chairman, I desire to say that makes it perfectly clear. It would then read:

(2) So as to authorize the use therefor of the unexpended balances of said appropriations which are available for such purposes, and when any such balances are exhausted then the remainder of the following sums are hereby respectively authorized to be appropriated.

Will the gentleman accept that as a substitute?

Mr. McKENZIE. Suppose there is an item of $150,000 and there is an unexpended balance of $50,000. Suppose there is an authorization for an original appropriation of $100,000. We release the $50,000. Does the gentleman mean that that $50,000 would be taken out of the $100,000 and the remainder appropriated?

Mr. PARKER of New Jersey. Certainly. Why not? If there is $100,000 to be expended in a certain project and there is an unexpended balance of $50,000 available, then when the $50,000 is used you can appropriate $50,000 more toward that end.

Mr. CABLE. Mr. Chairman, will the gentleman yield?

Mr. PARKER of New Jersey. Yes.

Mr. CABLE. Under the gentleman's amendment we still would not know how much the unexpended balances are, and the purpose of my amendment is to confine the War Department to the specific sums and not to authorize them to spend a dollar more.

Mr. PARKER of New Jersey. There is an unexpended balance on these separate accounts, and the remainder of the sum authorized ought to be appropriated.

Mr. CABLE. Does the gentleman not think it proper, until the House knows the amount of the unexpended balances, not to authorize it?

Mr. PARKER of New Jersey. No; I do not; because we authorize the use of the unexpended balance, so far as necessary, for the payment of that sum. When that is once done, then the remainder is appropriated.

Mr. GREENE of Vermont. It has been already authorized and partly spent, and then all at once came this inhibition, which held them up, and now they want to use it again, and all they can use is the remainder of what was once authorized. They can not use any more.

Mr. PARKER of New Jersey. Then, when that is used, if there is a remainder of the sum not used, it authorizes that to be appropriated.

Mr. CABLE. How much is there in the remainder of the unexpended balances—$4,000,000 or $8,000,000 or $10,000,000?

Mr. PARKER of New Jersey. On each of these projects there is a certain small sum.

Mr. CABLE. Does the gentleman know how much?

Mr. PARKER of New Jersey. I do not.

Mr. CABLE. That is the reason I offered my amendment.

Mr. GREENE of Vermont. The total amount is a little over $4,000,000.

Mr. CABLE. Then, let us specifically authorize $4,000,000.

Mr. GREENE of Vermont. All we are doing, if the gentleman will permit me to remind him, in so far as the unexpended balance is concerned, is to reauthorize the original use and application except such money as may have already been spent out of that. Nothing more, therefore, can be spent.

Mr. CABLE. Except that, according to the amendment of the gentleman from New Jersey, they can authorize these additional millions——

Mr. PARKER of New Jersey. No; I authorize only the remainder of these sums to be appropriated after the unexpended balance that is applicable for use has been used, so as to make perfectly plain that what was intended by the committee is intended by the bill.

Mr. CABLE. But the gentleman does not tell the House what is the original sum he wanted to use.

Mr. PARKER of New Jersey. That will appear by the books of the War Department.

Mr. O'CONNOR. Will the gentleman from New Jersey yield?

Mr. PARKER of New Jersey. With great pleasure.

Mr. O'CONNOR. I do not think the gentleman accurately expressed the idea he had in mind. If the gentleman will permit me, the gentleman means to suggest something beyond what has already been spent?

Mr. PARKER of New Jersey. I authorize the remainder after the application of the unexpended balance. It authorizes the unexpended balance to be used and after that, if there is anything remaining in this particular fund, why then it can be appropriated.

Mr. ARENTZ. If the gentleman will permit, would there not be a similar condition when we had the budget system in operation—that there be a certain amount, say, for the War Department, the State Department, the Post Office Department, and the budget will come in requiring a certain amount of money for each one of those departments, and if we should say, then, that those certain amounts of unappropriated money shall be taken from the amount of money asked for by the budget?

Mr. PARKER of New Jersey. Yes.

Mr. ARENTZ. That is a similar case.

Mr. PARKER of New Jersey. I say that the remainder of the following sums, not the remainder of the appropriation, but the remainder of the following sums, is hereby appropriated.

Mr. BLANTON. Mr. Chairman, I make the point of order that we have not a quorum. These are awful hot days.

Mr. MONDELL. I thought we might dispose of this one amendment.

Mr. BLANTON. I will withdraw the point if that is all the gentleman is going to do.

The CHAIRMAN. The question is upon the substitute offered by the gentleman from New Jersey to the amendment offered by the gentleman from Ohio.

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from Ohio.

The question was taken, and the Chair announced the ayes appeared to have it.

Mr. PARKER of New Jersey. Mr. Chairman, let us have a division.

The committee divided; and there were—ayes 20, noes 26.

Mr. BLANTON. Mr. Chairman, at this juncture, before that vote is concluded, I make a point of order there is no quorum present.

Mr. KAHN. Mr. Chairman, I move that the committee do now rise.

Mr. BLANTON. I think the vote is too close to let it go that way. I make the point of no quorum.

The CHAIRMAN. The gentleman from Texas makes the point of order there is no quorum present.

Mr. CAMPBELL of Kansas. Mr. Chairman, the gentleman from California moves to rise.

The CHAIRMAN. The point of no quorum is in order——

Mr. WINGO. But the gentleman can move to rise; that is the only thing he can do.

The CHAIRMAN. The gentleman has the right to move to rise; that motion is in order. The Chair was only stating the point of order raised by the gentleman from Texas.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill H. R. 7158, had come to no resolution thereon.

GENERAL AMNESTY.

Mr. LONDON. Mr. Speaker, I ask unanimous consent that to-morrow, after the reading of the Journal, I may address the House for 20 minutes on the subject of general amnesty.

The SPEAKER. The gentleman from New York asks unanimous consent that to-morrow, immediately after the reading of the Journal, he may address the House for 20 minutes on the subject of general amnesty. Is there objection?

Mr. McKENZIE. Mr. Speaker, reserving the right to object, are we expected to go on with these military bills to-morrow?

The SPEAKER. The Chair thinks so.

Mr. McKENZIE. Then, with all due deference to my friend from New York, I shall most respectfully object until we get through with them.

Mr. LONDON. After the conclusion of this bill.

Mr. McKENZIE. We have several others.

Mr. MONDELL. I am afraid we can not make the arrangement now. We will try to provide for the gentleman later on.

Mr. LONDON. I withdraw the request.

ADJOURNMENT.

Mr. KAHN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned until Friday, July 1, 1921, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BURTNESS, from the Committee on the Public Lands, to which was referred the bill (S. 732) to extend the provisions of section 2455, Revised Statutes, to the lands within the abandoned Fort Buford Military Reservation, in the States of North Dakota and Montana, reported the same without amendment, accompanied by a report (No. 244), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Miss ROBERTSON, from the Committee on Indian Affairs, to which was referred the bill (H. R. 7051) to authorize the Secretary of the Interior to execute deeds of reconveyance for certain lands in the city of Mount Pleasant, Isabella County, Mich., reported the same without amendment, accompanied by a report (No. 241), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. KAHN: A bill (H. R. 7488) to authorize the acquisition of lands for military purposes in certain cases and making appropriations therefor, and for other purposes; to the Committee on Appropriations.

By Mr. ANDREWS: A bill (H. R. 7489) providing for the extension and enlargement of the post-office and court building at Grand Island, Nebr; to the Committee on Public Buildings and Grounds.

By Mr. BANKHEAD: A bill (H. R. 7490) to encourage the development of the agricultural resources of the United States and the establishment of rural homes through Federal and State cooperation by the employment and settlement of veterans of the Great War upon the land; to the Committee on Ways and Means.

By Mr. McDUFFIE: A bill (H. R. 7491) to amend section 6 of an act approved May 29, 1884; to the Committee on Agriculture.

By Mr. MILLER: A bill (H. R. 7492) authorizing the acceptance by the Navy Department of a site for a naval aviation base at Sand Point, Wash., and for other purposes; to the Committee on Naval Affairs.

By Mr. SMITH: Joint resolution (H. J. Res. 167) authorizing the Joint Committee on the Library to provide for the restoration and completion of the historical frieze in the rotunda of the Capitol; to the Committee on the Library.

By Mr. IRELAND: Resolution (H. Res. 138) providing for compensation for substitute telephone operators; to the Committee on Accounts.

By Mr. VARE: Memorial of the Legislature of the State of Pennsylvania, asking Federal cooperation in arranging for the proposed sesquicentennial exposition at Philadelphia; to the Committee on Industrial Arts and Expositions.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDREWS: A bill (H. R. 7493) authorizing the Secretary of War to donate to the county of Webster, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7494) authorizing the Secretary of War to donate to the county of Adams, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7495) authorizing the Secretary of War to donate to the county of Chase, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7496) authorizing the Secretary of War to donate to the county of Clay, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7497) authorizing the Secretary of War to donate to the county of Dundy, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7498) authorizing the Secretary of War to donate to the county of Phelps, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7499) authorizing the Secretary of War to donate to the county of Red Willow, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7500) authorizing the Secretary of War to donate to the county of Perkins, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7501) authorizing the Secretary of War to donate to the county of Nuckolls, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7502) authorizing the Secretary of War to donate to the county of Kearney, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7503) authorizing the Secretary of War to donate to the county of Hitchcock, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7504) authorizing the Secretary of War to donate to the county of Hayes, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7505) authorizing the Secretary of War to donate to the county of Harlan, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7506) authorizing the Secretary of War to donate to the county of Hall, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7507) authorizing the Secretary of War to donate to the county of Furnas, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7508) authorizing the Secretary of War to donate to the county of Gosper, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7509) authorizing the Secretary of War to donate to the county of Frontier, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7510) authorizing the Secretary of War to donate to the county of Franklin, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7511) authorizing the Secretary of War to donate to the Nebraska State Hospital, Ingleside, Nebr., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7512) authorizing the Secretary of War to donate to the College of Agriculture, Curtis, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7513) authorizing the Secretary of War to donate to the Grand Island College, Grand Island, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7514) authorizing the Secretary of War to donate to the Hastings College, Hastings, State of Nebraska, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7515) authorizing the Secretary of War to donate to the Hastings Business College, Hastings, Nebr., one complete set of small arms and ammunition containers and trophies; to the Committee on Military Affairs.

Also, a bill (H. R. 7516) granting a pension to Burton Cure; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7517) granting a pension to Anna Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7518) granting a pension to Mathilde Richter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7519) granting a pension to John E. Clendening; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7520) granting a pension to Lorenzo D. Brown; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7521) granting a pension to Clarence M. Burnham; to the Committee on Pensions.

Also, a bill (H. R. 7522) granting a pension to Rosa M. Story; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7523) granting a pension to Mathias Chada; to the Committee on Invalid Pensions.

By Mr. BOWERS: A bill (H. R. 7524) granting a pension to Andrew Shillingburg; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 7525) granting a pension to Sarah Oswald; to the Committee on Invalid Pensions.

By Mr. ELLIS: A bill (H. R. 7526) granting an increase of pension to Mary B. Morgan; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 7527) granting a pension to Charles L. Rice; to the Committee on Pensions.

Also, a bill (H. R. 7528) granting a pension to George D. Smith; to the Committee on Pensions.

Also, a bill (H. R. 7529) granting a pension to Mary M. White; to the Committee on Pensions.

Also, a bill (H. R. 7530) granting a pension to Mortimer S. Martin; to the Committee on Pensions.

Also, a bill (H. R. 7531) granting a pension to Kathryn Hatley; to the Committee on Pensions.

Also, a bill (H. R. 7532) granting a pension to Addie I. Meuli; to the Committee on Pensions.

By Mr. HUSTED: A bill (H. R. 7533) granting a pension to Benjamin Currey; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 7534) granting a pension to Mary B. Hazelrigg; to the Committee on Invalid Pensions.

By Mr. LAYTON: A bill (H. R. 7535) for the relief of Christian Christensen; to the Committee on Claims.

By Mr. MOORE of Virginia: A bill (H. R. 7536) for the relief of Daniel Glover; to the Committee on Claims.

Also, a bill (H. R. 7537) for the relief of the widow of W. J. S. Stewart; to the Committee on Claims.

By Mr. PARRISH: A bill (H. R. 7538) granting a pension to Harry G. Hodges; to the Committee on Pensions.

By Mr. TAGUE: A bill (H. R. 7539) for the relief of George E. P. Mitchell; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1673. By the SPEAKER (by request): Petition of Gen. Richard Montgomery Branch, Friends of Irish Freedom, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1674. By Mr. CAREW: Petition of board of directors of the Brooklyn Chamber of Commerce, urging legislation for the relief of disabled soldiers; to the Committee on Interstate and Foreign Commerce.

1675. By Mr. KAHN: Resolutions adopted by the San Francisco Chapter of Disabled American Veterans of the World War, concerning the conditions at the United States Public Health Service hospital at Palo Alto; to the Committee on Interstate and Foreign Commerce.

1676. By Mr. KISSEL: Petition of Diarmuid Lynch, of New York City, urging the collection of money owed this country by foreign nations; to the Committee on Ways and Means.

1677. Also, petition of John Campbell & Co., aniline colors and coal-tar products, favoring a tariff on dyestuffs; to the Committee on Ways and Means.

1678. By Mr. MORIN: Petition of the Teachers' Association of Pittsburgh, Pa., indorsing Senate joint resolution 31, proposing an amendment to the Constitution authorizing uniform marriage and divorce laws; to the Committee on the Judiciary.

1679. Also, petition of the Teachers' Association of Pittsburgh, Pa., urging the immediate passage of the Towner-Sterling bill; to the Committee on Education.

1680. Also, petition of Benjamin Franklin Branch of Friends of Irish Freedom urging immediate steps be taken to collect both principal and debt due us by the allied Governments; to the Committee on Ways and Means.

1681. By Mr. RAKER: Petitions of Dr. D. H. Hornor, O. L. Luttrell, E. N. Babb, L. H. Williams, A. R. Wilkins, F. C. Pearce, J. H. Biederman, and A. Levy, of Dunsmuir; Arbell Apperson and John W. Schuler, of Sisson; Charles F. Bouvier, of Nevada City; E. T. Anderson, of Retreat; Anna M. Dixon, of Doyle; and Dr. J. E. O'Brien, of Stockton; all in the State of California, indorsing House bill 7 and Senate bill 1252, known as the Towner-Sterling bill; to the Committee on Education.

1682. Also, petition of Seismological Society of America urging extra appropriation for the Coast and Geodetic Survey for California; to the Committee on Appropriations.

1683. Also, petition of Jes Marzen, jr., of Truckee, and E. A. Bridgford, of San Francisco, both in the State of California, urging action by Congress in behalf of the Armenians; to the Committee on Foreign Affairs.

1684. Also, petition of Ethel Marzen McBride, of Truckee, Calif., urging action by Congress in behalf of the Armenians; to the Committee on Foreign Affairs.

1685. Also, petition of California Automobile Trade Association, Oakland, Calif., indorsing the Townsend bill; to the Committee on Roads.

1686. Also, petition of California Manufacturers' Association, Oakland, Calif., indorsing House bill 227 and urging its passage; to the Committee on the District of Columbia.

1687. By Mr. SPROUL: Petition of sundry citizens of Blue Island, Ill., urging immediate and permanent relief and protection for the Armenians; to the Committee on Foreign Affairs.

1688. Also, petition of sundry citizens of the third congressional district of Illinois, requesting an amendment to the prohibition law to allow the manufacture and sale of beer and light wines; also protesting against the enactment of so-called Sunday blue laws; to the Committee on the Judiciary.

1689. By Mr. TAGUE: Petition of 60 citizens of Boston, Mass., for the recognition of the republic of Ireland by the Government of the United States; to the Committee on Foreign Affairs.

1690. Also, petition of 110 retailers of carbonated beverages, of Boston, Mass., concerning taxes on soft drinks; to the Committee on Ways and Means.

1691. By Mr. TINKHAM: Petition of William H. Shepherd and 58 others of the fourteenth congressional district of Massachusetts, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *July 1, 1921.*

(Legislative day of Thursday, June 30, 1921.)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

PEACE WITH GERMANY—CONFERENCE REPORT.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the joint resolution (S. J. Res. 16) repealing the joint resolution of April 6, 1917, declaring a state of war to exist between the United States and Germany, and the joint resolution of December 7, 1917, declaring a state of war to exist between the United States and the Imperial and Royal Austro-Hungarian Government, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. LODGE. Mr. President, I make the point of no quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Hale	Moses	Spencer
Borah	Harreld	Nelson	Sterling
Brandegee	Harris	New	Sutherland
Broussard	Harrison	Nicholson	Swanson
Bursum	Heflin	Norris	Townsend
Cameron	Hitchcock	Oddie	Trammell
Capper	Johnson	Overman	Underwood
Caraway	Jones, Wash.	Penrose	Wadsworth
Culberson	Kellogg	Phipps	Walsh, Mass.
Cummins	Kenyon	Poindexter	Walsh, Mont.
Curtis	King	Pomerene	Warren
Edge	Knox	Robinson	Watson, Ga.
Ernst	La Follette	Sheppard	Watson, Ind.
Fernald	Lodge	Shields	Williams
Fletcher	McCumber	Shortridge	Willis
Frelinghuysen	McKellar	Simmons	
Gerry	McKinley	Smith	
Gooding	McNary	Smoot	

The PRESIDENT pro tempore. Sixty-nine Senators have answered to their names. A quorum is present.

Mr. WALSH of Montana. Mr. President——

Mr. SMITH. Will the Senator yield to me for a moment or two? I desire to place in the RECORD a report which I had the Comptroller of the Currency send to me yesterday.

Mr. WALSH of Montana. I yield to the Senator for that purpose.

THE FINANCIAL SITUATION.

Mr. SMITH. Mr. President, I think this is a matter of such importance that the Senate ought to be advised of the condition as well as the public at large. I inquired of the comptroller as to the condition of the reserve in this country. I thought that would be a matter of prime importance to us in view of the distressed condition in which business finds itself and the general reports to the effect that money is so scarce and difficult to obtain. I wish to call attention to this report as relates to Federal reserve banks. It reads as follows:

Reserves of Federal reserve banks on June 22, 1921, also stock of gold in the United States on May 31, 1921.

Reserves of Federal reserve banks:		
Total gold reserves		$2,450,488,000
Legal tender notes, silver, etc		169,517,000
Total reserves		2,620,005,000
Required reserve against deposits	$594,046,000	
Required reserve against Federal reserve notes	1,055,728,000	
Total required reserves		1,649,774,000
Excess reserves (free gold)		970,231,000
Stock of gold in the United States on May 31, 1921:		
Gold coin (including bullion in the Treasury)		[1] 3,175,037,198

The particular item to which I desire to call the attention of the Senate is the excess reserve denominated in this communication as free gold, practically $1,000,000,000 in excess of all legal requirements. It seems to me that we have an excess of money in our reserve system. There is a billion dollars in excess of outstanding Federal reserve notes and the 35 per cent legal requirements against deposits. In other words, there is in the Federal reserve system, lying idle and unused, that might be made available for commercial purposes, $1,000,000,000.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. SMITH. Certainly.

Mr. ROBINSON. Did the Senator ascertain the reason for maintaining so large a reserve in excess of the reserve required by law?

Mr. SMITH. I did not, for the reason that, as every Senator here knows, there has been boasting in certain quarters that we have called in outstanding circulation and canceled some billions of dollars of Federal reserve notes, to the distress of commerce and to the distress of the agricultural districts of the country, and yet the report shows that we have $1,000,000,000 in excess of all requirements.

Mr. ROBINSON. Can the Senator state how long that condition has prevailed?

Mr. SMITH. The gold reserve is 61.4 per cent, while the legal requirement is about 40 per cent. That has been the condition, although not so great in proportion, but with an increasing percentage, for at least the last five months.

Mr. ROBINSON. Does the Senator know whether it is the fixed policy of the authorities in charge of the subject to maintain a reserve very largely in excess of the amount required by law?

Mr. SMITH. I do not know that it is the fixed policy, but this is the inevitable result of their policy of deflation and contraction of credits.

Mr. KENYON. Mr. President——

Mr. SMITH. I yield to the Senator from Iowa.

Mr. KENYON. Does the Senator know the various discount rates or rediscount rates, and with this showing, what is the need for having high discount rates?

Mr. SMITH. I am glad the Senator has asked the question. I had understood that we organized the Federal reserve system to create a reserve to meet exactly the condition that now confronts us. For all practical purposes money is a commodity in the market. The rates become high when money is scarce, and the rates become low when money is plentiful. Now it is declared that we have a billion dollars in excess of all legal requirements, and the rate of rediscount is as high as it was at the peak of the demand for money.

Mr. ROBINSON. If the rate of rediscount were reduced, it would operate naturally to reduce the amount of reserve toward the normal.

Mr. SMITH. As a matter of course.

Mr. ROBINSON. In addition to that, it would provide the means to transact a much larger volume of business.

Mr. SMITH. As a matter of course. When the question is propounded as to why the rate of rediscount is lowered in the 12 districts, the reply is that in some districts they are being gradually reduced. In other words, Mr. President, why should the banks of the Government hold this money at 6 and 7 per cent rediscount when it is coolly asserted that they have $1,000,000,000 unemployed?

Mr. WATSON of Georgia. Will the Senator allow an interruption?

The PRESIDENT pro tempore. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. SMITH. I yield.

Mr. WATSON of Georgia. Can the Senator from South Carolina explain to the Senate why the Federal Reserve Board is now trying to force the banks of the South to sell the cotton of the cotton farmers of the South, whether margined or not, before the new cotton crop comes in?

Mr. SMITH. The question of the Senator is pertinent to the showing that I am making in reference to the action of the Federal Reserve Board. Every expert whom we have had before us, including Mr. Meyer, Mr. Hoover, and the Secretary of Agriculture, recognizes the fact that the demoralized condition of the market makes it impossible for the planters and producers of the country to market their crop without bankruptcy to themselves and the ruin of their banks. If we have $1,000,000,000 of gold, 40 per cent of which only is needed as a reserve, and 100 per cent may be issued on it, if there is 60 per cent of commodity value attached thereto, why is it not possible, why is it not the thing to be done, for the Federal reserve banks to accept the paper on staple farm products at the lowest possible rate of interest and extend the time, in order that the markets may be opened and a reasonable profit guaranteed to those upon whom the prosperity of the country rests?

The Federal reserve banks have $1,000,000,000 of unused gold, while Senators have received letters from all over the country to the effect that the banks are being asked to liquidate their loans to force agricultural products on the market at bankrupt prices, with a high rate of rediscount and a correspondingly high rate of primary discount.

The Senate should investigate the matter. We should not sit here and turn over the vital interests of the country to the men who seem not to understand that we enacted the Federal reserve law to meet just such an emergency as the present and that the Federal reserve banks should meet it.

I have asked the question—I asked it yesterday and I repeat it to-day—why 6 and 7 per cent rediscount is demanded by the Federal Reserve Board when they have $970,000,000 in gold unused and unpledged?

Mr. WATSON of Georgia. Mr. President——

Mr. SMITH. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. I desire to suggest to the Senator from South Carolina that a member of the Georgia delegation in the House of Representatives ventured to criticize the Federal Reserve Board the other day in a speech on the floor of the House, and a member of that board wrote him a most insolent letter, which I read in my office yesterday morning. In that letter the member of the reserve board threatened to make war upon that Representative in his district in Georgia at the next election because he had dared to criticize the Federal Reserve Board.

Mr. SMITH. Mr. President, I do not care more than to state the facts as they appear in the communications I have here and to call the attention of Senators to them. The Federal Reserve Board is a creature of Congress. The law which provided for it is the expression of Congress as the result of a hundred years of experience of panics that have from time to time stayed the progress of commerce and blasted the hopes of millions. We had thought that we had found a solution of at least the acute and terrific form of panics, but here we are in the midst of one which is, to all intents and purposes, perhaps, the worst that this country has ever encountered, though growing, I will admit, in part out of demoralized conditions throughout the world resulting from the World War; but in America there is an oversupply of money lying unused in the vaults of the creature which we created while the banks and the producers of the country are distressed for means with which to maintain themselves until a normal period shall have arrived. For what purpose did we create the Federal reserve system? Did we provide for a reserve to lie idle in the vaults of the banks of the system or did we provide it for the purpose of bridging over just such a period as is the present?

Mr. President, if it were not for the fact that Congress will probably soon take a recess, I myself would now introduce, as I intend later to introduce, an amendment to the Federal reserve act requiring, whenever there is any reserve in excess of the legal requirements that the rate of rediscount shall be lowered by the Federal reserve banks in accordance therewith.

[1] Exclusive of foreign coin and gold bullion held outside the United States Treasury. On April 30 gold reserves of the Federal reserve bank of New York included about $80,000,000 of foreign gold coin and gold bullion, which is not treated by the Treasury Department as a part of the country's monetary stock of gold.

There is no reason in the world why, with a billion dollars of unused capital in their vaults, the rate of rediscount of our Federal reserve banks this morning should not be 4½ or 4 per cent; and yet the country is suffering distress by reason of the lack of money to hold conditions in statu quo until relief is afforded from the situation which now confronts us.

In addition to that, Mr. President, I think the time has come when, in the light of the experience through which we have passed, we should still further amend the Federal reserve law and by law require that the board of governors of the Federal reserve system shall be composed in part of men other than bankers, and not of men who come solely from the ranks of commercial bankers. That board should be composed of men representing the basic industries of the country, so that they would intimately know the needs of the people, and when such conditions as are here shown exist, that the people who produce the wealth of the country might at least have the means of liquidating that wealth in times of distress.

This is the most monstrous showing that was ever made in the midst of the most distressing conditions that ever confronted the commerce and production of this country. Our banks have the right to demand that their paper shall be extended and the rate of rediscount lowered, so that the people may be encouraged to continue their different vocations and avocations. I have had communications shown me from men representing agricultural districts where the bankers are being required to liquidate their holdings, rather than extending the time and lowering the rate of rediscount.

Let me repeat in closing that the billion dollars excess of free gold represents $2,337,000,000 of credits in the form of Federal reserve notes that might be issued for the purpose of liquidating some of the indebtedness or at least of extending credit for its further continuance.

We are confronted, Mr. President, with the necessity of collecting revenues to run this Government. Where are the revenues to come from if the gold necessary to liquify business and to cause commerce to prosper is to be withheld and reported as free gold, while commerce is stagnant and men can not develop their own resources for the lack of capital? The debts of the United States were contracted when money was plentiful, but now we must pay them when prices are cut in two and in some instances four times reduced. It may be that unless the present policy is reversed the United States Government will find itself face to face with a condition where something will have to be done in order to meet the interest of our indebtedness, much less to retire our bonds. When we are face to face with an interest amounting to something like two or three billion dollars, with a country stagnant, and with no prosperity anywhere, it will become a question of getting money to pay the interest, much less to meet the principal.

The PRESIDENT pro tempore. The question is on agreeing to the conference report.

Mr. WALSH of Montana obtained the floor.

Mr. SMOOT. Mr. President, I should like to say a word or two. I will not take more than a few minutes of the time of the Senate if the Senator from Montana will yield to me.

Mr. WALSH of Montana. I yield to the Senator from Utah.

Mr. SMOOT. Mr. President, there are two sides to the question discussed by the Senator from South Carolina. I have not the time now, and it would not be proper to ask the Senator from Montana to yield to discuss in full the other side of the question, but if we were in a position to loan money to foreign countries upon the securities which they have, so that they could purchase our surplus products, then this question could be solved very easily. The trouble, however, is that a world condition exists that never existed in the world before. The trouble is that foreign countries can not purchase our products and pay for them in the appreciated money of America.

There are countries, Mr. President, that are turning out paper money without limit, running the printing presses day and night. Poland, to whom reference was made here yesterday, is one of them; her money is almost worthless. The money of Austria is almost worthless; and Austria and Poland, the Baltic States, and many others which I might mention can not buy our products, because it is an absolute impossibility for them to pay for them in the appreciated money of the United States.

People think that it is a very easy proposition to pass a tariff bill under the conditions existing in the world to-day, but I say it is the most difficult thing that ever was undertaken by a legislative body.

Mr. SIMMONS. Mr. President, I want to ask the Senator if he believes in the present condition of affairs it is possible to frame a tariff bill which will be just to the business interests and to the people of this country.

Mr. SMOOT. To frame such a measure as would be just to all countries of the world is impossible.

Mr. SIMMONS. My question is, Can it be done with reference to the business interests and the welfare of the people of this country? What does the Senator think about that?

Mr. SMOOT. I think we can pass a tariff bill that will be of benefit to the American people; but, as I have said, to frame a tariff bill that will be just to all countries, I doubt very much if that can possibly be done. We can, however, at least pass a tariff bill that will be an immediate benefit to the industries of the United States.

The money question is one that goes into the homes of the peoples of all countries. There is one danger our country is facing to-day, and that is the piling up of a large percentage of the gold of the world in America. As effecting the increased sale of American products we have too much gold in this country to-day.

The Senator from Montana will excuse me; I did not even expect to take this much time, but I wish to say——

Mr. WALSH of Montana. The Senator from Utah is not intruding.

Mr. SMOOT. I wish to say that before this question is finally determined I think there can be reasons given, and good reasons, too, why America should go slowly in accepting credits from foreign countries, even though it be in exchange for our commodities that we desire to dispose of so badly.

So, Mr. President, I do not disagree entirely with the Senator from South Carolina; but I do say that, in my opinion, there has to be some way found so that when our commodities are sold to foreign lands we will know for a certainty that we can receive payment for them, not in notes extending over a period of 20 years or 25 years, but receive a return for them that can pay our laboring men, keep the wheels of industry running, and furnish the products of the farm and of the factory not only to the American people but to the peoples of the world that can pay for them.

I simply wanted to say these few words at this time, because I did not want it to go unchallenged that it was merely a matter of lending to the American people a billion dollars more money by the Federal reserve banks, because we have a larger gold reserve than is necessary under the existing law.

Mr. SMITH. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from South Carolina.

Mr. SMITH. If the Senator will allow me a word in reply to what the Senator from Utah said, he has taken the position that all of us know to be correct, that there is more or less doubt as to the ability of certain foreign countries at this particular time to take our commodities in the volume necessary to relieve the surplus in some quarters. For that very reason those who have in good faith produced these commodities should be extended every accommodation possible during the interim until these markets may be opened; and that is what I rose to emphasize—that the producers of our commodities who desire to hold them and market them as the foreign and domestic markets guarantee a profit should be extended the accommodation necessary to do it and not be forced to liquidate when there is practically no market and when their commodities must be sold on such a low basis as to guarantee a profit to the man who has the money to buy and speculate on the labor of those who produce.

That is the point I am making, and one that I believe every Senator who has studied the problem will insist upon.

Mr. HEFLIN. Mr. President——

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I agreed to yield to the Senator from Alabama.

Mr. HEFLIN. Mr. President, I see in the paper this morning that it has been suggested that the Senate take a recess for a month or six weeks. Unless we can do something to require the Federal Reserve Board to reduce the rediscount rate and extend the loans on farm paper, I protest against any recess or adjournment.

The Federal Reserve Board is charging the farmers of the South and West to-day a larger rate of interest than this Government is charging foreign nations for money loaned. This Government is discussing ways and means for continuing the credits of foreign countries and permitting them even to hold back the interest upon their indebtedness, and it is proposed in solemn fashion in some circles that we ultimately give this indebtedness to foreign countries, when in the case of thirty-odd millions of American people right here at home in the cotton-growing States—a section that produces two-thirds of the world's cotton supply—threats are being made to call the loans and destroy the business of the American cotton producer.

Mr. President, I said once before on this floor, and I repeat it, if the Federal Reserve Board that President Harding is holding in place and power to-day continues this policy, it is guilty of murder. In the State of Georgia a few weeks ago an ex-Member of the House, one of the wealthiest bankers in the State, put a pistol to his head and killed himself, and it was found when the trouble was over that he had assets enough to have taken care of all of his indebtedness if he had been treated fairly. There are a number of instances of this kind. Senators, something must be done to stop it. The Bible says, "By their fruits ye shall know them." Is such as this to continue to be the fruit of the administration of the Federal Reserve Board? A few days ago in South Carolina the most popular and prominent banker in the State put a pistol to his head and shot his brains out. He left a note telling his wife that he could not stand the strain and the uncertainty of the situation, and it was found that he had assets sufficient to have tided him over and put him on his feet again. I mentioned this here a day or two ago, but I wanted to bring it to your attention this morning while some are thinking about taking a recess for 30 days.

Is this administration going to permit the Federal Reserve Board to leave in its wake the wreck and ruin of the agricultural business, and the dead bodies of men driven to take their own lives, while the board controls idle gold to the enormous amount of $2,450,000,000? Look one way, and you see the glittering ore piled up, two billions and more. Look the other way, out where the people are calling for help, and you see business threatened with ruin. What good is to come by accumulating such an enormous gold supply when more than one-fourth of the population of the United States is in distress, its business paralyzed, and its property threatened with destruction? Mr. President, is this awful condition to continue? When I voted for the Federal reserve bill I did it with the belief that it would meet any and every emergency that might arise. That was the purpose of it. I believed that if the people engaged in legitimate business in any section of the country should encounter some unforeseen trouble, something against which they could not provide and had no warning, the Federal Reserve Board would go to them and say: "You do not make your money fleecing the people upon speculative exchanges. You are the great producing mass of the people. Upon you the whole life of the world depends, and we intend to see to it that you are tided over this temporary embarrassment, and here are the instruments, the currency, or the credits necessary until normal times come back."

That was the purpose of the Federal reserve act; but what is its unfair, unintelligent, and hurtful policy doing to-day? It is killing men. The small banker walks up and down his hall and says, "If I could just be helped for 60 or 90 days more, I could get on my feet, but they tell me that they are going to call my loans; and if they do my business is ruined, and I will be forced to go out to the farmer and tell him: 'Bring in your five bales of cotton; you have got to sell it for $40 a bale. That, I know, is less than it cost you to pick it, gin it, and put bagging and ties on it, but you have got to sell it;'" and then what does the farmer find when he comes into the market place? He finds a buyer who says: "I do not want your cotton. I do not know what I am going to do with it"; and yet, Mr. President, the Federal Reserve Board is threatening to force the cotton producer to sell his cotton under just such disturbed and demoralized market conditions.

The proper thing, the right and fair thing, to do is for the Federal Reserve Board to reduce rediscount rates on farm paper and grant an extension of time on cotton loans.

What are we doing for foreign countries? We have issued no edict that they have got to pay. This Government is not even pressing them for the three years' interest that they owe; but the Federal Reserve Board is threatening to say to the loyal American cotton farmer who gave all that he could to save his country when its liberties were imperiled, who gave up his boy to go out from his home and die for his country in France, "You bring in your cotton and throw it on the market if it crucifies you and your whole family and destroys the cotton industry."

Mr. President, I want President Harding to give serious consideration to this very serious matter. I believe that the President wants to do the right thing. I have not seen enough yet to know what kind of a President he is going to make. I think he wants to make a good one, and I trust that he will, but he is responsible for the acts of the Federal Reserve Board. He has it in his power to retain or discontinue their services. No man should permit anybody to remain under him who is pursuing a policy that means ruin to the legitimate business of the country. The President can direct specific action by the Federal Reserve Board when the exigencies of business require it, and I call on our President to act in the interest of the agricultural industry of the South. We are entitled to ask that this aid be granted.

I want to read to the Senate some facts regarding certain doings of the Federal Reserve Board. I read from one who knows:

> While the farmers have in some cases been absolutely denied the credit necessary for their preservation, while in other cases small country banks, four-fifths of whose loans are to farmers and cattle raisers, have been charged 25 per cent, 50 per cent, and 75 per cent, and in one instance in Alabama as high as 87½ per cent, per annum in exceptional cases by Federal reserve banks, the big speculators and speculative syndicates in New York City have been handed out money by the Federal reserve bank of New York in sums from $125,000,000 to $150,000,000 to individual banks, these funds being used largely for the speculative operations of the executive officers of those banks and of their syndicate associates in all kinds of schemes at rates of 5, 6, and 7 per cent per annum. It is not too much to say that there have been times when the money loaned by the Federal reserve bank of New York to member banks of that city and used by those member banks for the speculative operations of their executive officers and directors would, if it had been disbursed and dispensed among the farmers and cattle raisers of the Northwest, Southwest, West, and South, have saved thousands from ruin and many from suicide.

What a terrible picture this letter discloses.

This letter is from a man of the highest character, a man of unimpeachable integrity.

Again, he says:

> Wise and intelligent action by the Reserve Board would unquestionably have saved the country from much of the misery and disaster of recent months.

Mr. President, in still another place he says:

> Four banking institutions in New York City were borrowing in the aggregate from the Federal reserve bank approximately $500,000,000, an average of over $118,000,000 apiece. The money which these four banks were then borrowing amounted to practically as much as the five Federal reserve banks of St. Louis, Kansas City, Minneapolis, Dallas, and Richmond all combined were lending to the more than 4,000 member banks in 21 States, comprising more than one-half of the area of the United States.

Again I say if the Federal Reserve Board, favoring New York banks as this letter discloses, calls the loans on cotton it will commit a crime against a great American industry and be guilty of murder. Will the President permit this thing to be done? How much longer will the Federal Reserve Board be permitted to have its way in destroying legitimate business amongst the farmers and furnishing millions to gamblers of Wall Street to beat down the produce upon which the farmer relies for his livelihood, and upon which he must depend for money to settle his indebtedness? They tell us that he must pay; that they can not grant an extension of time to him. Every dollar that a speculator wants he gets. The producer, who agrees with his neighbor that cotton is 20 cents a pound below the cost of production, is certainly entitled to have a price that will cover the cost of production, and yield him a little profit. He says, therefore, "I will not sell. What do you say, my neighbor?" And his neighbor says, "I will not sell, either, because if I do the price is so low that it will not even cover the cost of production." So he joins his neighbor in holding his cotton until market conditions improve. And then what happens? Right up there in Wall Street they go to selling the name of cotton against that which the farmer has taken off the market, and they beat down the exchange price of the stuff they deal in and then go out and tell the farmer to bring his cotton out from under the shelter and sell it at a price they fix by selling a fictitious stuff called cotton, when they have not a pound of cotton, and never deliver a pound of cotton. That is what is going on now, Mr. President.

What good purpose can be served by this strange conduct of the Federal Reserve Board? In whose interest is it? I know that it benefits the stock gamblers and produce gamblers of Wall Street and I know that it is ruinous to the interests of the great producing masses of America. It is wrong, it is a crime, and it ought not to be countenanced any longer.

In response to our request that the Federal reserve system go to the rescue of business in distress we are told that that system made nearly a hundred million dollars in interest last year. But how about the business affairs of the American people? What about the people themselves? And some one tells us that business needs assistance and that people failing to obtain financial aid are killing themselves. The Federal reserve banking system was not created for the purpose of making money. It was created for the purpose of preventing and not for creating business disaster.

Mr. President, it is a serious thing to take a farmer with 120 acres of land and make him bring up all that he produced on it last year and sell it, when he can not get the cost of production, and foreclose the mortgage on his land and turn him out, with his wife and children, with nothing to do, no employment, and not a dollar to live upon and a large portion

of the debt still hanging over him, and yet that is what will happen if the Federal Reserve Board calls the cotton loans.

This farmer's business is small, but it means much to him, Mr. President. It represents all that he has.

Mr. President, I repeat in part what I said here the other day. You go to a street car company and say, "You must reduce your fares," and they say, "We can not do it. The operating expenses is so much that we have to have the price we charge."

Go to the railroad company and say, "You must reduce your freight rates," and they will say, "We can not do it. We have got to have enough money to cover the operating expenses and give us a little profit"; and they are entitled to a profit.

You go to the merchant and buy a collar from him, a cotton collar, and he charges you a quarter. At that price the collars made out of a bale of cotton that would sell for $40 now would bring $3,500. You ask the merchant to reduce the price of that collar, and he will tell you, "I can not do it, because I had to pay so much for it from the manufacturer, and I must cover the cost of production and have a little profit." And he is entitled to a profit.

Then we go to the farmer, the man to whom the manufacturer has to go to get the cotton with which to make the collar, and say to him, "How much did it cost you to produce your cotton?" And he says, "It cost me 30 cents a pound." You say, "What is the price quoted to-day?" He answers, "11 or 12 cents, but the average price is about 8 cents. That is $40 a bale; $110 a bale less than the cost of production." You say, "What are you going to do about it?" And he says, "I do not want to sell." Why should he be forced to sell in such a demoralized market? Every man who produces has a right to some voice in the matter of fixing the price of what he produces, and it is a crime to force the farmer to place his produce on the market when to do so means ruin to his business. The farmer says cotton prices will be better after awhile, and they will, and I want to hold my cotton and get the benefit of the increased price.

I protest against it in the name of those loyal, patriotic people of my section. I protest against it, Mr. President, because it is murder and crime. Why should this cotton be taken away from the farmer and turned over to speculative interests that would get it and hold it for a good price—the price which would go to the farmer if he is permitted to hold. I call upon the President to see to it that our cotton farmers are not sacrificed at the whim and caprice of the bear speculators of Wall Street.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 5222) to provide for the retention by the Government of the property in Seward, Alaska, known as the Alaska Northern Railway office building, and its use for court purposes, and it was thereupon signed by the Vice President.

ADJOURNMENT OVER FOURTH OF JULY.

Mr. WALSH of Montana. Mr. President——

Mr. LODGE. Will the Senator from Montana allow me to make a motion in regard to adjournment?

Mr. WALSH of Montana. Gladly.

Mr. LODGE. I am very much obliged to the Senator.

Mr. President, I move that when the Senate adjourns to-day it adjourn to meet at 12 oclock on Tuesday next.

The VICE PRESIDENT. The question is on the motion of the Senator from Massachusetts.

The motion was agreed to.

PEACE WITH GERMANY—CONFERENCE REPORT.

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the joint resolution (S. J. Res. 16) repealing the joint resolution of April 6, 1917, declaring a state of war to exist between the United States and Germany, and the joint resolution of December 7, 1917, declaring a state of war to exist between the United States and the Imperial and Royal Austro-Hungarian Government, and for other purposes.

Mr. GERRY. Mr. President, there are a number of Senators who are very anxious to hear the Senator from Montana [Mr. WALSH] when he discusses the resolution now before the Senate. I therefore suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Caraway	Ernst	Harreld
Borah	Culberson	Fletcher	Harris
Brandegee	Cummins	Frelinghuysen	Harrison
Broussard	Curtis	Gerry	Heflin
Cameron	Dillingham	Gooding	Hitchcock
Capper	Edge	Hale	Johnson
Jones, N. Mex.	Moses	Robinson	Underwood
Jones, Wash.	Nelson	Sheppard	Walsh, Mass.
Kellogg	New	Shields	Walsh, Mont.
Kenyon	Nicholson	Shortridge	Warren
King	Norris	Simmons	Watson, Ga.
Knox	Oddie	Smith	Watson, Ind.
La Follette	Overman	Smoot	Weller
Lodge	Penrose	Sterling	Williams
McCumber	Phipps	Sutherland	Willis
McKellar	Poindexter	Swanson	
McKinley	Pomerene	Townsend	
McNary	Ransdell	Trammell	

The VICE PRESIDENT. Sixty-nine Senators having answered to their names, a quorum is present.

Mr. WALSH of Montana. Mr. President, the attention given by the Senate to the remarks made by me last evening touching the resolution now before the Senate for consideration has emboldened me to take the floor again this morning to elaborate somewhat and support the ideas which I at that time presented.

I recall to the minds of Senators the particular point to which I was endeavoring to direct their attention, namely, that under the resolution our negotiators who will be charged with the duty of framing a treaty with Germany are directed to hold the property seized by us until satisfaction is made by that Government of all claims against said Government, of all persons wheresoever domiciled who have suffered loss, damage, or injury to their persons or property, directly or indirectly, by the German Government, while we are obligated under the negotiations leading to the armistice to demand reparation not for all losses suffered by all persons, but only for losses suffered by and damage done to the civilian population. The difference, of course, is distinguishable.

It was clearly intended in the negotiations leading to the armistice to exclude all damage done to the armed forces in the field, the reparation to be restricted to civilian injury. That, of course, would include all damage done to the population of unfortified cities by aerial bombardment. It would include all damage done by the retreating German forces to the factories and mills of Belgium and France and the destruction wrought in the mines of France. It would include all damage suffered by shippers or the owners of ships by reason of the unlawful submarine warfare. But it would exclude, utterly exclude, all legitimate war cause, including injuries suffered by the soldiers in the field.

Now, I shall take the time of the Senate this morning to review this question as it is discussed by some of the men who were directly concerned in negotiations touching this important part of the treaty of Versailles, as well as by writers who on the ground witnessed, if they did not take part in, the debate upon that particular subject.

Candor compels the admission, as history will attest the fact, that President Wilson, on the whole, took a very indifferent lot of advisers and counselors with him to Versailles, but if there was one man who measured up fully to the task imposed upon him in that body—and in my judgment he did—it was the Hon. Bernard M. Baruch. I believe that every member of the Committee on Foreign Relations who heard his illuminating testimony before that committee concerning the reparation clauses of the treaty will concur in that view if they do not express it. He gives a very clear account of the protracted debates which occurred over the stipulations which should enter into the treaty concerning the reparation that was to be made by Germany. At the risk of some tedium I shall ask attention to some extracts from his book entitled "The Making of the Reparations and Economic Sections of the Treaty." I read from page 18, as follows:

> The American reparation delegates approached their task with a fairly definite program. As to the actual physical damage wrought by Germany, their knowledge probably surpassed that of any other delegation. This was the result of field examinations which had been conducted by a number of the experts referred to above immediately at the conclusion of the armistice.
>
> The American principles were based on prearmistice negotiations as to what were to be the "terms of peace." President Wilson in his fourteen points had originally stipulated for healing acts to repair the structure and validity of international law and for the restoration of invaded areas. Before accepting these terms the Allies stated that by restoration they understood "that compensation will be made by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air."
>
> This interpretation had been accepted by the United States and by Germany. Accordingly the American delegates prepared and filed with the reparation section of the peace conference a statement of reparation principles which involved:
>
> (1) That Germany make good the damage resulting directly from acts clearly in violation of international law, such as the breach of the treaty of neutrality in favor of Belgium, illegal treatment of prisoners of war, etc.
>
> (2) That Germany make good her prearmistice agreement as to compensation for all damage to the civilian population and their property, this being construed by the American delegation to mean direct physical damage to property of nonmilitary character and direct physical injury to civilians.

The American delegation was the only one to present any definite scheme of reparation. The other delegations merely filed general statements to the effect that the war being a wrongful act by Germany, Germany was responsible for all the loss and damage, direct and indirect, which resulted therefrom.

One of the Allies went even further and made claim for loss and damage resulting from the fact that the armistice was concluded so unexpectedly that the termination of hostilities involved it in financial losses. In no statement of principles other than that of the United States was any reference made to the prearmistice negotiations as a foundation for, or limitation of, the Allies' rights to reparation.

The American program, as the most concrete and definite, at once became the basis of discussion. During several weeks of debate it was subjected to the criticism of the other delegations, all of which, with the exception of the Belgian delegation, which was acquiescent, took strong exception to it.

The American contention is then stated:

The American contention was that we did not have a piece of plain, white, unscratched paper upon which to write the treaty, but that there already was written upon it, because of the acceptance of the fourteen points, a limitation which stated that only reparation of damage should be collected, and not the costs of the war.

The argument in favor of war costs was led by the British delegation, comprising Mr. Hughes, premier of Australia, Lord Sumner, and Lord Cunliffe. It was natural that the British should have vigorously supported the inclusion of war costs.

Mr. Lloyd-George had just been reelected to power on a platform of collecting from Germany the costs of the war, "shilling for shilling and ton for ton." The American program absolutely opposed this and would have brought little reparation to the British dominions. That for Great Britain would have been limited to shipping losses and damages from aerial raids.

Thus, having stated the two contentions, he addressed himself to the argument made by the American delegation:

The texts of the opening and closing addresses of Mr. Dulles and addresses by Mr. Hughes and Mr. Klotz are contained in the addenda to this volume. A reading of the arguments will give an appreciation of the difficulties inherent in the solution of these problems, as well as of the vigor with which the conflicting viewpoints were urged.

The debate which the American program had evoked did, in fact, impress the other delegates. They could not, however, bring themselves to adopt this program. The American delegation thereupon proposed that the question of the inclusion of war costs be referred without prejudice to the supreme council. Mr. Hughes, earnest and sincere, fighting to the last for war costs, attempted to force a vote prior to this reference to the supreme council. He was confident that this would have shown the American delegation as a minority of one.

However, the motion for a vote was lost, and the matter was referred to the supreme council without a record of the decision of the delegations upon the question. After this action, taken in accordance with the American suggestion, the formulation of the reparation clauses of the treaty passed from the reparation section of the peace conference and became subject to the direct treatment of Mr. Wilson, Mr. Lloyd-George, Mr. Clemenceau, and Mr. Orlando, with their several technical advisers.

President Wilson was on the ocean returning to America when the supreme council first took into its hands the problem of reparations. The American delegation had, however, presented to the President by wireless a full and impartial report of the divergent points of view. They requested his instructions as to whether they should persist in their original attitude with reference to war costs.

The President replied to the effect that the American delegation should dissent, and, if necessary, dissent publicly, from a procedure which "is clearly inconsistent with what we deliberately led the enemy to expect and can not now honorably alter simply because we have the power."

Fortified by this vigorous support from the President, the American delegates, in informal conference, were able shortly to secure the acquiescence of Mr. Lloyd-George, Mr. Clemenceau, and Mr. Orlando in the fundamental principle originally enunciated by the American delegation. This was that Germany's reparation obligations were to be determined in accordance with a fair construction of the Allies' prearmistice declaration, and that such construction excluded imposing upon Germany the "costs of the war," but was limited to what may be called actual damage.

That principle having been established, no serious trouble arose, but they had to determine just exactly what ultimately should enter into the question of what was the damage to civil population, and over that they thrashed and debated for weeks and weeks. Mr. Baruch continued:

There remained to be settled precisely what should be considered as damage as distinct from war costs. After considerable discussion and debate, the 31 categories of damage which had been reported by the Commission on Reparation were reduced to 10 (see p. 32). On these there was general agreement except as to pensions and separation allowances. The inclusion of these items was vigorously urged by all the Allies, particularly Great Britain and France. With the abandonment of general war costs, these items afforded the only remaining basis for a large financial compensation from Germany for the tremendous sacrifices in blood and treasure which had been made by the British Empire. The French were insistent in view of the demands of their people that Germany should pay and thus relieve this sorely tried people, who have suffered more than the world probably will ever realize.

These two contentions of separation allowances are the items that are taken care of in subdivision 5, referred to yesterday by the distinguished chairman of the Committee on Foreign Relations. Mr. Baruch continued:

The final argument that won the unanimous approval of what was known as the Big Four was a memorandum submitted by Gen. Smuts. He, as is well known, was one of the most liberal and courageous men at the peace conference.

Then is quoted the argument of Gen. Smuts, to which I referred on yesterday, but the result was that everybody conceded that nothing should be exacted from Germany in the way of war costs and that her reparations should be for damages to the civilian population of her enemies.

Now, having had the view of this discussion, and of course it presents a difficult problem and construction, from the standpoint of representatives of this country, I invite attention to what is said by the spokesman for the French Republic, Monsieur Andre Tardieu, well known as the chairman of the high commission of France to this country. He discussed the subject in his book, The Truth About the Treaty. I refer to page 285 of his book, where he, too, calls attention to the fact that by the prearmistice negotiations the reparations were to be restricted to the damage to the civil population. I called attention on yesterday to the language of the reply made by the Allies to the communication from President Wilson sent to them upon the receipt of the proposition of an armistice by the German Government.

Mr. Lansing reproduced that in his communication upon this subject. Tardieu said:

Concerning reparations the important passage is found in Mr. Lansing's telegram of November 5, 1918. It is worded as follows:

"When the President formulated his peace conditions in his address to Congress on January 8 last, he declared that the invaded territories must be not only evacuated and liberated but restored. The Allies think that no doubt should be left as to what this stipulation means. They understand by it that compensation will be made by Germany for all damage done to the civilian population of the Allies and their property by the aggression of Germany by land, by sea, and from the air. The President is in agreement with this interpretation."

But it was claimed that there was a certain clause in the armistice which in a measure nullified the obligation thus expressed, or at least was supplemental to it. That was as follows:

It would be prudent to preface the financial questions in the armistice itself with an explicit reservation of all future claims of the Allies, and I propose the following text: "With the reservation that any subsequent claims by the Allies and the United States of America remain unaffected, reparation for damage done."

Tardieu continues:

The meeting of February 10 showed that these texts had given rise to two contradictory interpretations. One was put forward by all the powers represented, with a single exception; the other by the delegate of the United States. The views of the majority found an admirable interpreter in Great Britain's principal delegate to the commission, Mr. Hughes, prime minister of Australia, a little man, deaf, impetuous, clear-minded, a blunt and aggressive orator. This view was that Germany, without exception or reserve, should reimburse all the costs of the war, including damage to persons and property and war expenditures.

I invite your attention now to the contention made by Mr. Hughes that Germany should pay for all damages to persons and property. I also invite your attention directly to the fact that that idea was utterly abandoned and rejected, as recited by Mr. Baruch in his story. Then follows the argument of Mr. Hughes, from which I read the most expressive paragraph, as follows:

The house or the factory of the Belgian is in ruins. The Englishman's is mortgaged for war expenditure. The damage to him is quite as real, quite as great, quite as direct. Germany owes Great Britain reparation for war costs as unquestionably as she owes reparation to Belgium for the ravages she has committed.

So Mr. Hughes contended that the man in Australia who mortgaged his house and his farm in order to get the money with which to buy a bond suffered just as much damage as did the man in Belgium whose property was destroyed by the German forces, and that therefore the man who had to mortgage his property in Australia suffered damages and ought to be compensated for them.

The American consul—

Continues Mr. Tardieu—

Mr. J. F. Dulles, a clear and forceful logician, did not, of course, deny any of Germany's responsibility, but, as a lawyer, he declared that he was dealing with a contract which, in his opinion, limited the right of the Allies to claim anything beyond reparation for all acts committed in violation of international laws and for direct damages suffered by the civilian population. He said:

Quoting from Mr. Dulles—

The American delegation associates itself absolutely and without reserve with all that has been said concerning the enormity of the crime committed by Germany. Besides, the United States have their war debt also, constituting a terrible burden. So, as it is in accord with our inmost feelings that the principles of reparation should be severe, and with our national interest that these principles should be given the widest scope, why is it that we propose only a limited reparation?

It is because we are not facing a blank page, but a page covered with a document at the foot of which are the signatures of Mr. Wilson, M. Clemenceau, M. Orlando, and Mr. Lloyd-George.

The proposal of the United States is therefore that we demand from Germany full reparations, but only those stipulated in the contract with Germany concerning the conditions on which peace could be signed.

Accordingly, first comes reparation for acts which constitute an obvious violation of international law. This, therefore, implies complete reparation for Belgium.

Then, restoration of the invaded regions, and reparation for damage done to the civilian population and its property.

Then, after having told about how the demand for complete war costs was abandoned and the treaty negotiators confined themselves to damages to the civilian population, and how the contention arose concerning reparation and separation allowances at first fought by the Americans, and finally, out of force of circumstances, conceded by them, Andre Tardieu continues:

The Americans had made a thoroughly just concession to Franco-British demands by adding pensions to damages to persons and property and agreeing that deaths and wounds should be considered as injuries suffered by families, whose resources were lessened by the loss or incapacity of their members. This done, they were ready to write purely and simply in the treaty, "Germany shall reimburse damages and pensions." The British and the French in fundamental agreement with this asked, however, that for political and moral reasons something further be added. They wanted the treaty to make clear in law Germany's total responsibility for all the expenses of the war. They wanted it to make clear by specific declaration that, if full and complete reparation were not demanded, it was only because of material impossibility. They wanted this impossibility to be set forth in such manner as not to shock public opinion, ill informed, as one may imagine, as to the statistical facts.

So they put in a general declaration that Germany is morally responsible for all the costs of the war, but they say in view of the conditions that confront us all that we will ask them to pay is damage to the civilian population. Now, however, we are instructing our negotiators at this history of the case never to surrender an item of property that we have seized from Germany until she makes complete satisfaction for all damages suffered by any person owing allegiance to the United States, whether at the front or at home.

Mr. President, at an earlier stage of the discussion upon this subject reference was frequently made to the famous book by Keynes, originally one of the financial representatives of the British Government, at the peace conference. In language that would do credit to Macaulay he lampooned and caricatured the President of the United States, to the immense comfort of opponents of the treaty within and without this Chamber, who took pride in the humiliation thus administered to the head of their Nation. Perhaps now they will be glad to hear something which was said by Mr. Keynes upon the subject which we are now considering. I read from his book, The Economic Consequences of the Peace, at page 56:

The thoughts which I have expressed in the second chapter were not present in the mind of Paris. The future life of Europe was not their concern; its means of livelihood was not their anxiety. Their preoccupations, good and bad alike, related to frontiers and nationalities, to the balance of power, to imperial aggrandizements, to the future enfeeblement of a strong and dangerous enemy, to revenge, and to the shifting by the victors of their unbearable financial burdens onto the shoulders of the defeated.

Two rival schemes for the future policy of the world took the field—the fourteen points of the President and the Carthaginian peace of M. Clemenceau. Yet only one of these was entitled to take the field; for the enemy had not surrendered unconditionally, but on agreed terms as to the general character of the peace.

It is now proposed to take the other attitude.

I now read from page 113:

The categories of damage in respect of which the Allies were entitled to ask for reparation are governed by the relevant passages in President Wilson's fourteen points of January 8, 1918, as modified by the allied Governments in their qualifying note the text of which the President formally communicated to the German Government as the basis of peace on November 5, 1918. These passages have been quoted in full at the beginning of Chapter IV; that is to say, "compensation will be made by Germany for all damage done to the civilian population of the Allies and to their property by the aggression of Germany by land, by sea, and from the air." The limiting quality of this sentence is reenforced by the passage in the President's speech before Congress on February 11, 1918 (the terms of this speech being an express part of the contract with the enemy), that there shall be "no contributions" and "no punitive damages."

He continues:

It has sometimes been argued that the preamble to paragraph 19 of the armistice terms, to the effect "that any future claims and demands of the Allies and the United States of America remain unaffected," wiped out all precedent conditions and left the Allies free to make whatever demands they chose. But it is not possible to maintain that this casual protective phrase, to which no one at the time attached any particular importance, did away with all the formal communications which passed between the President and the German Government as to the basis of the terms of peace during the days preceding the armistice, abolished the fourteen points, and converted the German acceptance of the armistice terms into unconditional surrender, so far as it affects the financial clauses. It is merely the usual phrase of the draftsman who, about to rehearse a list of certain claims, wishes to guard himself from the implication that such list is exhaustive. In any case, this contention is disposed of by the allied reply to the German observations on the first draft of the treaty, where it is admitted that the terms of the reparation chapter must be governed by the President's note of November 5.

Assuming, then, that the terms of this note are binding, we are left to elucidate the precise force of the phrase, "All damage done to the civilian population of the Allies and to their property by the aggression of Germany by land, by sea, and from the air." Few sentences in history have given so much work to the sophists and the lawyers, as we shall see in the next section of this chapter, as this apparently simple and unambiguous statement. Some have not scrupled to argue that it covers the entire cost of the war, for, they point out, the entire cost of the war has to be met by taxation, and such taxation is "damaging to the civilian population." They admit that the phrase is a little cumbrous and that it would have been simpler to have said "all loss and expenditure of whatever description"; and they allow that the apparent emphasis on damage to the persons and property of civilians is unfortunate; but errors of draftsmanship should not, in their opinion, shut off the Allies from the rights inherent in victors.

Then he continues, at page 151:

I can not here describe the endless controversy and intrigue between the Allies themselves, which at last after some months culminated in the presentation to Germany of the reparation chapter in its final form. There can have been few negotiations in history so contorted, so miserable, so utterly unsatisfactory to all parties. I doubt if anyone who took much part in that debate can look back on it without shame. I must be content with an analysis of the elements of the final compromise which is known to all the world.

Thus, Mr. President, great experts from all the countries of the world wrestled with this problem for months and months, and yet gentlemen now rattle it off in the resolution before us without the slightest contemplation, I venture to say, of the considerations which were addressed to the great peace conference.

Mr. President, I trust that our national morality has not yet fallen so low that an obligation of this Nation of ours contracted in one administration will be repudiated in a succeeding one upon political consideration.

There is another feature of the resolution before us to which I should like to address myself if I could command the attention of Senators upon the other side who will be responsible for the measure if it shall be adopted by the Senate. I regret exceedingly that the distinguished Senator from the State of Pennsylvania [Mr. KNOX], who is generally regarded as the author at least of this part of the resolution, has found it absolutely necessary to leave the city, but I should say in this connection that he was courteous enough to advise me of the necessity which compelled him to absent himself. I do hope, however, that the distinguished chairman of the Committee on Foreign Relations [Mr. LODGE], whom I see in the Chamber, will not be unmindful of what I say with respect to a new feature not heretofore discussed by me.

Mr. President, although it does not say so in express terms, it is clearly implied in the joint resolution that when our negotiators enter into the discussions of the treaty with representatives of the German Government, they shall agree to surrender to Germany all of the property seized by our Government belonging to her or her nationals. Bear in mind, the language of the joint resolution is, "All the property seized." Now, the property seized was of two kinds. First, we seized all of the German ships interned in our ports. These were taken without any direct authorization by Congress. They were seized and occupied by marines and sailors before any action was taken by Congress at all, and justly and properly so under international law, for under well-settled rules of international law as soon as a state of war exists between two countries either has the right to seize, wherever they can be found, the ships of the other nation.

But, Mr. President, all other personal property belongs in an entirely different class. The officers of our Government have no right to seize any personal property on land belonging to German citizens until they are authorized to do so by an act of Congress. Indeed, as was told the Senate yesterday by the distinguished Senator from Pennsylvania [Mr. KNOX], our country time out of mind has stood for the doctrine that private property on land ought to be sacred in time of war and immune from seizure, but we deemed it wise to depart from that, and to declare that all of the property of German nationals in this country should be seized and held by the Alien Property Custodian, and afterwards we provided that he might dispose of that property. In other words, the law recognizes an essential difference between ships and other property of a belligerent.

That was recognized, as I have indicated, by the legislation as well as the acts of our Government. Moreover, they stand upon entirely different footings with respect to our treaty obligations with Germany.

Reference was made yesterday to the treaty of 1799. That treaty has no reference whatever to ships of Germany which were seized when we unfortunately got into war with her. It reads as follows:

If war should arise between the two contracting parties, the merchants of either country—

Bear in mind, "the merchants of either country"—

then residing in the other shall be allowed to remain nine months to collect their debts and settle their affairs, and may depart freely, carrying off all their effects without molestation.

Of course, nobody is going to contend that that language extends to ships seized in our ports or upon the high seas. As I say, the two stand upon an entirely different footing. For many years it has been argued that the doctrine ought to be accepted by all nations of the inviolability of private property on land during time of war, but it never has been urged, so

far as I have been able to learn, that the ships of a belligerent should be exempt from seizure. Indeed, it would be next to impossible for many nations to carry on war under any such rule as that.

Now, Mr. President, I maintain that so far as the ships of German nationals which we seized are concerned, we are under no kind of obligation, under either treaty or international law, to surrender those ships back to Germany or to make reparation to her on account of them. We are in quite a different situation with reference to property seized upon the land, both from the standpoint of international law and under the express provisions of the treaty to which I have referred. But, Mr. President, under this joint resolution when Germany complies with the conditions referred to therein we are in a way obligating ourselves to surrender to Germany all property that we took from her, ships as well as property that we took upon land. Those ships have a value, or did have at the time they were seized, of somewhere from one hundred million to two hundred million dollars, and according to this we are to make a present to Germany that we are under no obligation to make of property of a value of from one hundred to two hundred million dollars.

I simply mean that these matters have not had the consideration of any Senators who have been called upon to deal with this subject, and I undertake to say that they have not had the consideration of the other House; at least, if they have, the subject has not been matter of debate.

Accordingly, I shall regard it as extremely unfortunate if we adopt this conference report as it stands now. It ought to be sent back, and should be so framed as to leave the exact terms and conditions of the treaty much more flexible than they are here. The hands of the President of the United States ought not to be tied in this way when he comes to negotiate this treaty.

But it is said that this does not amount to anything; that this is a mere expression of opinion. Mr. President, we are expressing the opinion of the Congress of the United States now that our legislators ought to violate the terms of the agreement under which the armistice was entered into. Do we care to go upon record in that way? How do we know that our negotiators will not feel bound by the instructions which thus come to them from the Congress of the United States and thus imperil and delay, if not utterly defeat, the speedy conclusion of a treaty by which peace shall be restored—a desire that is possessed by all of us?

Mr. UNDERWOOD. Mr. President, I shall not detain the Senate long in discussing the pending joint resolution; but as one of those who believe that peace should have been concluded with Germany through the treaty negotiated at Versailles I do not think I can let the joint resolution pass without saying a few words to indicate my opposition to this manner of attempting to conclude a treaty of peace with the German Government.

Mr. President, I take it that it can be said without contradiction that peace, so far as the aggressive features of war are concerned, was concluded when the armistice was signed; that we have had actual peace with the German Government and the German people for more than two years; and that no action taken by any nation could be more conclusive in the confirmation of that idea than when the President of the United States ordered 2,000,000 American soldiers to return from their battle camps on the Rhine to their homes in America, mustered them out of the Army, and reduced the standing Army of the United States to less than 200,000 men. So far as actual fighting is concerned, peace was concluded by that act; but technical peace has not been concluded and, in my judgment, will not be concluded by the passage of this joint resolution.

Mr. President, in my judgment, never before in the history of a great nation has the conclusion of an event of such momentous importance to the people of the country been reached in a more careless and ill-considered method than the proposal and passage of the pending joint resolution. It did not need this joint resolution to notify the German people that our battleships would no longer fire on their flag on the high seas and that our soldiers would no longer invade their territory. We fought a successful war. We entered the war only after great provocation; and now all that our soldiers won on the battle field is to be surrendered in this hour in payment of a political understanding.

If that was all, we might adapt ourselves to the terms of the resolution to our own embarrassment; but the adoption of this resolution goes far beyond that question. Always remember the American people have rights to be protected in the settlement of the war issues. We have the right to have the war settled according to the terms that the victor may prescribe to the vanquished at the conclusion of a war. By that I do not mean unreasonable terms, unjust terms, but I mean those terms which our own people are entitled to on the basis that we have won a war that we were driven to by the ruthless conduct of a foreign nation, and in this hour it is proposed to surrender that status, without an understanding that to-morrow the settlement of war terms with Germany will be on the same basis, and arrived at under the same conditions as if we were negotiating a treaty with the Republic of Switzerland, with whom we have had no differences in the past.

When you are making peace with a nation with which you have been at war, you have the right, not only according to the terms of international law, but the right according to the terms of international law, to dictate the terms of peace and see that your own people are protected in peace terms. But when you make a contract, a treaty, or an agreement with a nation with which you are not at war, and with which a status of peace exists, then you can only go to the point of insistence, without force and without demand.

To-morrow, when you attempt to adjust the differences between these two great nations you can only reach an agreement with Germany so far as Germany is willing to give its unlimited consent, for if you go further you would have to yourself become the aggressor and declare war, and again dictate terms at the point of the sword.

So far as the main terms of this resolution are concerned, you accomplish nothing for your country. Actual peace has been here for two years. Technical peace may be declared without accomplishment of any kind.

I regard this resolution as only a political surrender, because the administration now in charge of the Government of the United States is unwilling either to ratify the treaty of Versailles, either with or without amendments or reservations, or to negotiate a treaty of peace and amity and commerce with the Government of Germany in advance of this declaration. Of course, everyone knows that this is not the last chapter, that in the end we must negotiate a treaty of commerce and amity with the German Government. But to-morrow we will negotiate that treaty with our hands tied. To-day we would have the right to stand as the victor to the vanquished and demand just terms of peace. A man might as well, when the ship was sinking at sea, ask that his hands be shackled before he goes into the water, as to say that we are going now to negotiate a treaty of amity and commerce with Germany, and tie our hands in advance by the passage of this resolution.

More than that, Mr. President, there has been much said here about our returning to German citizens the property taken by this Government during the war. Reference is made to the old treaties which were made a hundred years ago with the Kingdom of Prussia, it being contended that those treaties still bind the people of the United States. I myself doubt whether they do, technically. I know of no affirmative act on the part of this Government in recognition of their binding effect. But even if they do, it is attempted to make treaties that we made with one State in the German Empire include all the States of Germany. Even if they have a binding effect, the terms of those treaties do not cover the classes of property we took during the war. Except where a citizen of Germany residing in the United States was interned for offensive acts, as a dangerous enemy to this country, I know of no instances where the Alien Property Custodian took over the property of German citizens residing in the United States. The treaty of peace with Prussia in no way referred to the property of German citizens not residing in the United States. All this talk about our violating a treaty with Germany would have been regarded as disloyal three years ago, and I do not regard it as patriotic now.

Mr. President, conditions of the world change, and the laws of men and the principles of nations must change with them. A hundred years ago, when the shot of a cannon was only effective at a 3-mile range, when wars were made by princes and rulers, and not by people, the laws governing the rights of citizens and peoples in war were very different from what they are to-day. To-day, by reason of the inventive genius of the world, the substitution of a gun that can shoot effectively 75 miles for one that could shoot 3, the conquering of the air, the making of war under the seas, the high explosives on the land which are just as apt to destroy the lives of private citizens as the soldiers in the field, the scope and the battle ground of war have entirely changed.

I think one of the most effective steps this Government took during the late war was to recognize that the battle was between the peoples as well as the armies, and I think one of the most effective steps to keep the peace of the future would be

for this Government to stand on the proposition in the future for which it stood three years ago, in war; that is, to let the great wealth of the nations of the world understand that if they have property in these United States, and their Government makes war on our people, we will confiscate their property. It is the best pledge of peace, the best guaranty of the maintenance of Christian civilization for the future that I know of.

Yet this resolution which the Republican Party offers to the country as the conclusion of a war status seeks to surrender all that, to guarantee to the junker class of Germany, which stood behind the initial steps of this war and maintained it as long as it was possible for them to do so on the battle line, the return of their property which we took as an act of war. I am not in favor of doing so.

More than that, the settlement of this question in the treaty of Versailles was a far more satisfactory settlement than anything that is contained within the pages of this resolution. It was a final settlement between the two Governments. If we are to make any settlement now expressing our viewpoint in this resolution and afterwards carry it out when we make a treaty of peace with Germany, it would be far better for us and our citizens to dispose of the property that is in the hands of the Alien Property Custodian according to those clauses in the treaty of Versailles which related to it. As to how far the party in power politically may be committed against that action I do not know.

Mr. SHIELDS. Mr. President——

The PRESIDING OFFICER (Mr. MCCUMBER in the chair). Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. UNDERWOOD. Certainly.

Mr. SHIELDS. Does the treaty of Versailles provide that we shall in any way account for the German property seized through the Alien Property Custodian?

Mr. UNDERWOOD. No; it does not.

Mr. SHIELDS. My recollection is that it provides otherwise—that we shall not.

Mr. UNDERWOOD. It does; and that is what I am coming to.

Mr. SHIELDS. In regard to the Senator's position that we are not under law or morals bound to surrender the property of German aliens seized by us during the war, does the Senator understand the pending resolution provides for any such thing as that?

Mr. UNDERWOOD. Yes.

Mr. SHIELDS. I understood that it provided just the opposite, and therefore I did not understand the Senator's position.

Mr. UNDERWOOD. I understand that the resolution provides that when the German Government has made reparation to us and our citizens for all war damages we shall return the property which we took, or at least that we hold it until that time, which I understand would be interpreted to mean that after they had made reparations for all war damages we would then turn back the property.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Montana?

Mr. UNDERWOOD. Certainly.

Mr. WALSH of Montana. May I inquire of the Senator from Alabama if Germany did comply with the terms of the resolution and did actually make reparation for all the damages done to all the persons owing allegiance to the United States and did extend favored-nation treatment to all American nationals and did confirm and pay all fines, forfeitures, and penalties and waive all claims she had against us, whether it would then be honorable in the United States, in view of this resolution, to hold that property?

Mr. UNDERWOOD. Certainly not. The party in power or those in the Senate who vote for the resolution, I think, would in all honor be committed to that procedure in the future. It is not so much a question of dollars and cents, because if Germany does comply with the terms of the resolution it will probably cost her as much as it would if we kept the property. But that is not what is in my viewpoint. I believe in the progress of civilization, that all nations and all men ought to do all in their power for the future peace of the world. The poor people of the countries of the world are not those who make war. If war and war sentiment comes—and I mean offensive war and not defensive war—it is from the ruling classes and the wealthy of the country, due to a desire for aggression, backed by the contemptible motive of greed. I say that one of the greatest barriers that we can erect to war in the future is to let it become a part of the international system of the world, the principle that when a nation goes to war the wealth of that country is in jeopardy. That principle is surrendered in the resolution pending to-day in the Senate.

Mr. President, aside from that, if we leave the question open in the way the resolution is worded we shall have great trouble and unlimited difficulty in the future in trying to determine when proper reparation has been made to our people, and when this issue between our country and Germany shall have been settled. In the meantime here are seven or eight hundred million dollars of claims by American citizens now pending in the State Department as the result of injuries by the aggressive forces of the German Government. Those American citizens must await in patience and await in distress the settlement of the conclusion as to when the German Government is going to make reparation.

On the other hand, if the party in power, determining that it would not ratify the treaty of Versailles and would not make a treaty of peace with Germany before it declared peace, had written in this resolution that the future of the property in the hands of the Alien Property Custodian shall be determined, so far as we are concerned, by those clauses in the treaty of Versailles that related to them, and that Germany accepted, to-morrow we could pass laws that would allow American citizens to go into our own courts, not German courts, not foreign courts, but our own courts, and set up their claims for the damage done by the German Government and pay them out of the Alien Property Custodian fund.

But you are now closing the doors to your own citizens. Do not tell me that we are doing an unjust act when we take this property of the German junkers, and then tell me that we are not doing an unjust act to the widows of the American citizens who were murdered when the *Lusitania* sank and who ought to have reparation now and could have reparation if by law the courts were opened and they were allowed to present their claims against the German property we have in our possession. But you are closing those doors by the resolution, you are telling them to wait, to wait, and that you will hold this property intact until the German Government, in the years or the decades or the ages to come, shall do justice by them.

Mr. President, I shall not detain the Senate further. So far as the pending resolution is concerned, I feel that it is a surrender of our national honor, our national rights, and the rights of the American citizen which our boys fought to protect.

Mr. POMERENE. Mr. President, on the 15th of May, 1920, when the original Knox resolution was pending before the Senate I discussed it from the constitutional standpoint, as well as of national policy. During the earlier part of the present session of Congress I joined with the minority in submitting a report which presented our views. I have no desire at the present time to repeat the arguments which I made in that speech and which are contained in that report. I only desire to say that my further reflection has confirmed the views then expressed.

I had expected to discuss the question to-day somewhat along the lines which were pursued by the distinguished Senator from Montana [Mr. WALSH], but nothing will be gained by repetition. Suffice it to say that I am in entire accord with what he has said as to the unwisdom of the resolution at this time.

Mr. President, I regret exceedingly the controversy between President Wilson and the United States Senate with reference to the ratification of the treaty. I do not refer to it with the purpose of renewing the discussion but only to make the suggestion that because of that controversy, whatever its merits and demerits, it may be that, viewing the subject from a purely political or partisan standpoint, it was sufficient in the eyes of Republicans to justify them in presenting the Knox resolution.

It will be borne in mind that at that time the Senate and the House were both Republican, and I can not refrain from the thought that the resolution was introduced and fathered in large part by Republicans because of the fact they expected some partisan advantage from it. If they gained any such advantage, they are welcome to it. If there was an excuse at that time for the presentation of the resolution, there is no excuse now for the presentation of it or trying to bring about peace through the agency of the Congress of the United States. Both the Senate and the House are now overwhelmingly Republican. We have a Republican Executive. The ordinary way to settle international controversies is through the agency of the Executive and the Senate of the United States. Why depart from that now?

Nearly four months of time have passed since the Republican Party has been in control of the entire executive and legisla-

tive branches of the Government, time sufficient, it would seem to me, to enable the Executive and the State Department to come to some conclusion as to whether they intend to present the Versailles treaty to the Senate in its present form or in any modified form, or, if they do not intend to do that, at least to have attempted to negotiate a treaty direct with Germany.

That has not been done. Why, then, should the Congress of the United States be now called upon to usurp the functions of the treaty-making power? What is to be gained by it? In the course of the present session of Congress, when the Senator from Idaho [Mr. BORAH] presented his disarmament amendment to the naval appropriation bill, we heard on the floor of the Senate and in the cloakrooms objection constantly urged that it was an attempt to tie the hands of the Executive; that the Executive ought not to be interfered with; that the Congress of the United States should not even make a suggestion as to what it conceived to be the view of the country as to disarmament. For a long time—I think my brethren will agree with me in the statement—we were of the opinion that the Borah resolution was going to be overwhelmingly defeated in the Senate; but after an exchange of thought, and perhaps after hearing from home, it was decided that there would be no opposition whatsoever to it, and there was not a single Senator who had the courage to record his vote against it.

Then the subject was taken up in the other House and the Porter resolution, a little broader in scope, was presented. It looked for a time as if the Porter resolution, or something like it, was to be substituted for the Borah resolution. The other day the President of the United States, according to the public prints, made a suggestion that he "objected to having the Executive hand forced by Congress in the realm of disarmament." Why limit it to disarmament? Later on, in his letter of June 25 to Mr. MONDELL, the President said:

> It is wholly desirable to have the expression of a favorable opinion on the part of Congress relating to this world question, and it would seem to me ample if it should be expressed in the broadest and most general terms.

I do not know what brought about this change of heart on the part of our Republican friends, but there has been a change. However, the President is still of the opinion that his hand must not be forced on that subject. Now, let us pause for a moment to analyze the present proposition which is before the Senate.

Mr. FLETCHER. Mr. President, will the Senator yield to me for an inquiry?

Mr. POMERENE. I yield.

Mr. FLETCHER. As I understand, we get practically nowhere, even if this conference report is concurred in, unless it is followed by a treaty with Germany?

Mr. POMERENE. Certainly not.

Mr. FLETCHER. Why should not a treaty have been negotiated, or have been attempted to be negotiated, before calling upon us to pass this joint resolution?

Mr. POMERENE. The Senator from Florida is anticipating my argument. The Senator says we get nowhere. I want to correct him. By the adoption of this resolution we get to a place that is worse than nowhere.

What is the situation? While the Republicans have been fearful that they were going to force the hand of the President in the disarmament proposition, when it comes to the settlement of our international relations with Germany they propose to declare a state of peace; in other words, now they are quite willing not only to force the hand of the President but they are willing to go further and to tie the hand of the President.

Is there any reason why, from a Republican standpoint, a commission could not have been appointed, if that course was thought wise, to enter into a separate peace with Germany? Is there any reason why a commission should not have been appointed and proceed to act long before this? If it took seven months for 42 nations around the peace table to settle their differences of view, it seems to me that when there were only two nations involved, if a separate peace were thought desirable, at least they might have reached a point in four months where they could have reported some progress.

Mr. WALSH of Montana. Does the Senator from Ohio recall when this joint resolution was introduced?

Mr. POMERENE. I do not. I know the original resolution was before the Senate in the spring of 1920, but I can not give the exact date.

Mr. WALSH of Montana. The Senator's view, as I understand, is that since the 4th of March, up to this time, a treaty might easily have been negotiated?

Mr. POMERENE. That is my judgment, if it was thought wise, or we could have had some final statement with regard to the Versailles treaty. Now, however, the Congress of the United States, with the concurrence of the majority side of the Senate, are willing to surrender the treaty-making power which they possess, or, at least, a part of it.

What will be the result of this action? It must be borne in mind that there are now pending controversies with reference to the seizure of goods and merchandise and property in the United States belonging to aliens; that there is pending in Germany a controversy with reference to American property located in Germany, and there is pending the proposition of securing indemnity and reparation for wrongs suffered by the American Government and by her nationals. All these controversies must be settled. What jurisdiction has the Congress of the United States to settle the status of American property in Germany? If I may use a legal illustration, all of this property—all of these issues—are now in litigation. Commercial relations are at present maintained between the two countries merely by permissive right. There are no German consular agents in the United States and there are no American consular agents in Germany. Germany and her nationals are anxious to-day to borrow vast sums of money in the United States, the only creditor nation of the world. They want such an opportunity above everything else. Naturally, financial houses hesitate about making any arrangement of this kind so long as there is, legally and technically speaking, a status of war; but now our Republican friends come in with this joint resolution and say there is a state of peace. Senators, the financial relations to which I have just referred are only one of the questions that are in litigation between the United States and Germany. The Alien Property Custodian advises me that at the present time there are something like 39,000 alien trusts in his control. There is some uncertainty as to the value of those trusts, but I am told this morning that they amount at least to $400,000,000. The Alien Property Custodian in his report which was presented in March, 1919, stated at that time that, while the books were not entirely complete, there were then 32,296 trusts, and he estimated their value to be $502,945,724.75. Further on in his report he estimates that the property which will be administered upon by the Alien Property Custodian's office will amount to $700,000,000. I am not able to say what amount of American property has been seized by the Germans and is now in their control.

Mr. KING. Mr. President, will the Senator yield?

Mr. POMERENE. I yield.

Mr. KING. If the Senator desires that information, I can give it to him.

Mr. POMERENE. I should be very glad to have it.

Mr. KING. In February of last year I offered a resolution directing the State Department to transmit to the Senate "a full and complete statement of all claims, and the amount of each, filed with the State Department by American citizens against the German Government since August, 1914. Also the names of the claimants, together with all facts in the possession of the department relating to such claims, the nature and character of the same, and all evidence bearing upon their validity and merits."

Under date of March 2 the President transmitted to the Senate a reply, which seems not to have been called to the attention of Senators. It was prepared under the direction of Mr. Colby. On page 8 of that report this statement appears:

> The treatment of American-owned property of various descriptions in Germany is a possible source of further claims. Several thousand American citizens have filed with the department statements describing their property in Germany and giving an estimate of its value. An abstract of information furnished the department regarding American interests in Germany follows:

Character of property:	Estimated values.
Real estate	$10,271,449.48
Debts, including accounts and bills receivable	29,267,147.27
Securities	67,183,750.55
Deposits	30,951,549.20
Miscellaneous property	49,910,371.10
Inheritances, real, personal, and miscellaneous	3,563,079.16
Total	191,147,346.76

The German Government appears to have attempted to follow a high standard of international morality, and in 1920 passed an ordinance for the return to American nationals of all their property which had been seized, and the German Government have returned to the owners thereof all real estate and a part of the personal property, and the residue would have been returned, as I am advised, except for the confused and vacillating course which has been adopted by the Government of the United States in dealing with the Versailles treaty.

Mr. POMERENE. I am obliged to the Senator from Utah for his contribution to the discussion.

Mr. SHIELDS. Mr. President, if I may interrupt the Senator from Ohio, I should like to get very briefly the views of the Senator from Utah upon the question.

Mr. POMERENE. I do not like to have my speech broken into, but if the Senator merely desires to ask a question I shall not object.

Mr. KING. If the Senator from Tennessee will wait until the Senator from Ohio concludes, then I shall be happy to reply, if I can.

Mr. SHIELDS. I simply wanted to know if the Senator from Utah thought we ought to return all this alien property as the Germans have returned all American property?

Mr. KING. I regret very much to be compelled to differ from my distinguished leader, whom I am proud to follow upon most occasions, but I can not assent to the views which he so forcefully expressed this morning. I believe that it is the duty of this Government, regardless of whether our nationals are paid by Germany, except by resort to war, for what they have lost, to return to German nationals all property which we have seized belonging to them.

Mr. SHIELDS. Then the Senator does not approve the Versailles treaty, which provides that the Germans shall release all claim against the United States for the property of German subjects or nationals seized?

Mr. POMERENE. Mr. President, I do not ordinarily object to interruptions, but I did not intend to discuss the ethical side of this proposition now. Those are questions that must come up, and they must be properly cared for at the proper time.

Mr. UNDERWOOD. Mr. President, I do not want to interrupt the Senator, but will he allow me to say just one word? As I understand, the amount of property taken by the Germans from American citizens is about one-tenth of the property we hold. Their claims are in like proportion.

Mr. KING. Mr. President, will the Senator pardon me? One hundred and ninety-one million dollars of claims have been presented. I do not mean to indicate that that is all the property in Germany owned by Americans and which was sequestrated at the beginning of the war by the German Government.

Mr. POMERENE. Mr. President, this little colloquy demonstrates conclusively one thing—that there is not one controversy here; there are literally thousands of controversies.

Now, the Congress of the United States approves this conference report. Has any man on the Republican side of the Chamber indicated to us that he has any intimation from the State Department or the President that the German Parliament will pass similar legislation? Does anyone know whether they will ever agree to any treaty that will embody within its four corners our contentions or our settlement as we conceive we ought to have it? No; not that, but the one thing above everything else that the German people to-day want is the right to negotiate loans in the United States, and I apprehend that when it comes to that honorable regard which ought to actuate all nations in their international affairs the present Government of Germany does not differ radically from the Kaiser's government.

Mr. President, we pass the joint resolution. Assume for the sake of the argument that on that particular proposition as to a state of peace Germany meets us halfway. She gets, then, all the money that she can from our nationals and from our banking houses; and when are we going to get any settlement of the claims of the American Government and the American nationals? When are we going to settle any of these controversies?

I regret that the distinguished Senator from Pennsylvania [Mr. KNOX] is not here, because ordinarily I do not like to discuss a Senator's speech in his absence; but on yesterday I was profoundly impressed with this statement, coming from that very eminent lawyer. He said, on page 3250 of the CONGRESSIONAL RECORD, as to the motives which prompted him in the presentation and advocacy of this joint resolution declaring a state of peace:

> I wanted to close the lawsuit—
>
> Think of it!
>
> And leave it to the conscience of the American people to adjust these matters with Germany as they saw fit.

"I wanted to close the lawsuit." This involves the Germans' rights to get money here in the United States. It involves the settlement of 39,000 claims.

Mr. ROBINSON. Mr. President, will the Senator yield to a question?

Mr. POMERENE. Yes.

Mr. ROBINSON. Is it within the power of Congress, by what is in the nature of an ex parte proceeding—the passage of a joint resolution to which Germany is in no sense a party—to close the lawsuit?

Mr. POMERENE. Absolutely not.

Mr. ROBINSON. May I ask the Senator a further question? What will be the necessary legal effect of the passage of a joint resolution of this nature? It can not bind Germany. It can only morally bind the Congress of the United States. Can it legally bind the President in the negotiation of a treaty?

Mr. POMERENE. No; but one effect it will have will be to demoralize the Republican Party as they have never been demoralized before.

Mr. ROBINSON. The Senator, I think, has already stated that it is within the power of the President to negotiate a new treaty of peace, the treaty of Versailles having failed. No attempt so far has been made to negotiate that treaty. Is it not apparent therefore that the Executive is waiting for the passage of this joint resolution before attempting to negotiate a treaty?

Mr. POMERENE. Why, Mr. President, when I have in mind the opposition there was among the Republicans to the Borah resolution, which was to the effect that "you should not force the Executive to disclose his hand," I do not understand why the advocates of this joint resolution, who are the party supporters of the President, want to tie his hands at this time.

Mr. ROBINSON. Will the Senator yield to a further inquiry?

Mr. POMERENE. I do.

Mr. ROBINSON. The Senator recalls, of course, that when the treaty of Versailles was scrapped by the Senate and thrown upon the waste heap we were told that in due course a new treaty would be promulgated, and that a new association of nations would be formed for the prevention of future conflicts between the nations. Has any action been taken looking toward the accomplishment of either of those ends?

Mr. POMERENE. Mr. President, I do not know. I suspect that that is in a sort of embryonic state, and I can not anticipate what manner of child it will be.

Mr. ROBINSON. Mr. President, the negotiation of a treaty, which is the only recognized way in which controversies between nations are adjusted, is an executive function. Congress can not control that.

Mr. POMERENE. Certainly not.

Mr. ROBINSON. The act, then, of Congress in passing this joint resolution is purely voluntary and advisory. It can have no effect except to put Germany upon notice as to what the United States may require in the negotiation of a treaty and what she may concede in the negotiation of a treaty. The only effect of this joint resolution, then, in so far as the reservations contained in it are concerned, is either to force or to bind the hand of the Executive in the negotiations.

Mr. POMERENE. Yes.

Mr. BORAH. Mr. President, this joint resolution can not bind the Executive with reference to any treaty that he desires to make. It is at most advisory.

Mr. ROBINSON. No; I have said that. It can be a moral influence upon him, however; and since he has waited patiently for more than four months since the beginning of his administration to begin the negotiation of a treaty, and has made no attempt to negotiate a treaty, it looks like the Executive has invited that moral influence.

Mr. BORAH. I hope so.

Mr. POMERENE. Mr. President, it is quite true that this joint resolution can not bind him, but it can hobble him.

Mr. ROBINSON. Yes; it can embarrass him.

Mr. BORAH. No; it can not hobble him, and it can not embarrass him. To make suggestions or offer advice ought not to embarrass. It may be helpful.

Mr. ROBINSON. Then what is the use or effect of it?

Mr. BORAH. Mr. President, so far as I am individually concerned I do not care a thing about this joint resolution or any part of it except that which establishes a state of peace. The rest of it, so far as I am concerned, is of no moment whatever. It may have some virtues, but I do not value them highly. Now, I agree perfectly with the very able argument made by the Senator from Montana [Mr. WALSH]. I think he is entirely correct in his proposition; but what difference does it make until we come to the time when we really make a treaty? We will all have to be guided by actual conditions and circumstances as they then present themselves.

Mr. ROBINSON. Now, will the Senator yield to me just for a moment? The Senator from Idaho and I are very nearly in accord upon this proposition. When the Senate passed its joint resolution declaring a state of peace, of which the conference report is the outcome, that joint resolution contained a provision repealing the declaration of war. Senators may do me the honor to remember that I declared that course outrageous, humiliating, compromising, and inexcusable. The Senator from Idaho says that the only part of this joint resolution in which

he feels any interest is the declaration of the state of peace. I ask the Senator from Idaho whether the Congress creates the state of peace by this declaration, or whether it merely recognizes existing facts, and declares the facts to be as they already exist? Does the joint resolution create a state of peace, or does it recognize and declare the state of peace already existing?

Mr. BORAH. My opinion is that it recognizes and declares a condition which already exists.

Mr. ROBINSON. That is my opinion, too. I am reinforced by the Senator.

Mr. WALSH of Montana. Mr. President——

Mr. POMERENE. Mr. President, I have been very generous to my friends.

Mr. ROBINSON. I thank the Senator for yielding.

Mr. POMERENE. I am very glad to extend the courtesy.

Mr. BORAH. I thank the Senator, also, and apologize for having interrupted.

Mr. WALSH of Montana. Mr. President, may I interrupt the Senator notwithstanding his patience in yielding heretofore?

Mr. POMERENE. Well, just this once.

Mr. WALSH of Montana. I was going to ask the Senator from Idaho how he can take the position which he has just announced. He fought very valiantly, and we fought with him, for a declaration by Congress requesting the President to call a conference on disarmament. Of course the President of the United States can disregard that; he need not pay any attention to the request if he does not want to; but of course the Senator from Idaho felt that he would not disregard it, but that he would act accordingly. We now pass a declaration asking the President of the United States, when he negotiates a treaty with Germany, to negotiate it upon certain terms. Of course he can disregard that if he wants to; but what is the use of supposing that he will regard the advice of the Congress in the one case and disregard it in the other?

Mr. POMERENE. Mr. President, I hope Senators will not pursue that subject further. I want to be as indulgent as I can, with a little sense of justice to myself.

Mr. BORAH. I shall not, in view of his request, interrupt the Senator now, but I may take a moment after the Senator has concluded, or I may avail myself of a private conversation with the Senator from Montana.

Mr. POMERENE. Mr. President, I join whole-heartedly with the Senator from Idaho in the hope that there will be complete peace and complete settlement of every controversy between the United States and Germany, and I could hope further that some omnipotent power would enable the human race to blot out all memories of this awful carnage which we have gone through.

It is because of that feeling that I take the position I now occupy. I referred to what the distinguished Senator from Pennsylvania [Mr. KNOX] said about the settlement of a lawsuit. Germany wants finances. I have never heard that Germany was eager to settle any claims for reparation or indemnity that were presented by any of the nations of the world, and I remember, after the treaty of Versailles was signed and ratified by 42 nations of the world and they had fixed certain reparations and certain indemnities and provided the time of the payment, that the payments were not made until France, with an army of 600,000 men under arms, and the great British fleet in the British Channel were standing there and with the moral influence of their guns persuaded Germany to proceed to carry out her agreement.

In international affairs the only voice to which Germany will listen seems to be that of force, and now, when we shall have given to Germany all that she wants—and we would be the beneficiary of the settlement of the other controversies—how are we going to get Germany to come into court and negotiate or litigate and pay the judgment or award?

We are not like France, a next-door neighbor. We are not like Great Britain, with her great fleet, though we have a good one; and I trust that it may not be necessary at any time for us to attempt to settle any one of these controversies at the point of the sword. But if Germany has that which she wants and hesitates about giving up that which we want, how are we going to settle it?

The Senator from Pennsylvania spoke of the settlement of a lawsuit. Suppose my good friend Senator KNOX in the days of his active practice of the law had sent a law clerk out to settle a lawsuit involving a thousand different causes of action, he representing the plaintiff, and the defendant had one cause of action that he was particularly interested in, and the clerk came back, and the Senator said:

Did you settle?

And the clerk replied:

I settled one cause of action.
Which one?
The one the defendant wanted to settle.
Are the others unsettled?
Yes.
Why did you not settle them?
I thought we would let those remain until a later day.

That law clerk would not remain very long in Senator's KNOX's law office.

Mr. President, again let us remember the Republican Party have a tariff bill pending. Germany wants access to our markets. Many of our Republican brethren want to build a tariff wall so high that no German-made goods can come in here. These controversies are still pending. Germany might well say, "Well, you cut down your tariff wall a little, and we will be disposed to settle." What are you going to do about this thing? What assurance can you give us that you are going to get these controversies settled?

Mr. President, again I say there was a time when you could advance party purpose as the excuse for this resolution. You can not do it now. Can anyone give a sound reason to-day why the Republican President and the Republican State Department can not go on with these negotiations of settlement without our trying to usurp their functions? I have not heard any, and it is not because there is a dearth of talent on the other side of the Chamber, because there are many very able men over there.

Mr. President, it is most unfortunate that this international controversy has not been settled before. Senators differed on both sides of the Chamber as to the wisdom or unwisdom of the Versailles treaty. That day is past now, at least until some other move is made by the Executive. Some Senators take to their souls the sweet unction that because there was a majority of 7,000,000 in favor of the dominant party at the November election it was a condemnation of the treaty. But, Senators, even though there was that 7,000,000 majority then, it does not follow that there would be 7,000,000 majority now for that party if there were an election to-day.

Mr. President, I have been hoping that out of all this debate, covering long months, we might by this time at least have taken some step which would lead to a settlement of all of these matters. The step to-day that you are taking is not the settlement of a lawsuit; it is a breeder of lawsuits, and, it may be, of other controversies which can only be settled by a resort, possibly, to arms.

Mr. ROBINSON. Mr. President, will the Senator yield for a suggestion in that connection?

Mr. POMERENE. I yield.

Mr. ROBINSON. The illustration might be carried out by saying that in a sense it is a dismissal of our complaint and leaves the cross bill still pending.

Mr. POMERENE. Mr. President, that is a very happy suggestion, and I will be most anxious to hear the wonderful defense our Republican brethren will make in the next campaign of that course of procedure.

Mr. ROBINSON. If it has any effect at all it places Germany on an equality with the United States in negotiating the treaty to be negotiated by the present administration, whereas if the treaty be negotiated during the state of war the United States can treat with Germany as a victor rather than as an equal.

Mr. POMERENE. It is not quite an equal footing. The fact is that while ordinarily the victor dictates it will be the vanquished that will be dictating to the victor.

Mr. ROBINSON. Yes; in the sense that the vanquished will be under no compulsion to agree to anything that the United States suggests and desires to have it agree to, whereas during the state of war she would be under that compulsion.

Mr. POMERENE. My distinguished friend the Senator from Georgia [Mr. WATSON] the other day gave me the benefit of a little historical incident which occurred at the time Gen. Breckenridge and Gen. Joseph E. Johnston were negotiating the terms of surrender to Gen. Sherman. There was a little of the water of joy on tap at the time, and after a little while Gens. Johnston and Breckenridge began to press their claims, and Gen. Sherman, in language that I can not repeat here on the floor of the Senate, said, "Who is surrendering, you or I?"

After you pass this resolution I will want to know who is surrendering, Germany or the United States. That is the situation we are being placed in.

Mr. President, I do not want to say things that are offensive and I do not say this with any offense in my heart, but when I contemplate the enormity of this controversy and the consequences that are dependent upon a proper settlement of it, it seems to me that the attempt to pass this joint resolution in this

way is the most childlike performance of a man's job I ever witnessed.

Mr. BRANDEGEE. Mr. President, in order that I may not be put to the trouble of reading the two resolutions, I ask that the resolution which was approved on the 6th of April, 1917, signed by the President, by which we recognized the existence of a state of war, and the pending joint resolution, by which we declare that the state of war is terminated, may be printed as a part of my remarks.

The joint resolutions were ordered to be printed in the RECORD, as follows:

[Public resolution No. 1, Sixty-fifth Congress.]

Senate joint resolution 1.

At the first session, begun and held at the city of Washington, on Monday, the 2d day of April, 1917.

Joint resolution (S. J. Res. 1) declaring that a state of war exists between the Imperial German Government and the Government and the people of the United States and making provision to prosecute the same.

Whereas the Imperial German Government has committed repeated acts of war against the Govornent and the people of the United States of America: Therefore be it

Resolved, etc., That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared; and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government, and to bring the conflict to a successful termination all of the resources of the country are hereby pledged by the Congress of the United States.

The joint resolution, as agreed to by the managers of both Houses at the conference, reads as follows:

Joint resolution (S. J. Res. 16) terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America.

Resolved, etc., That the state of war declared to exist between the Imperial German Government and the United States of America by the joint resolution of Congress approved April 6, 1917, is hereby declared at an end.

SEC. 2. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.

SEC. 3. That the state of war declared to exist between the Imperial and Royal Austro-Hungarian Government and the United States of America by the joint resolution of Congress approved December 7, 1917, is hereby declared at an end.

SEC. 4. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 3, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Saint Germain-en-Laye or the treaty of Trianon, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.

SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce, and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have, respectively, confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

SEC. 6. Nothing herein contained shall be construed to repeal, modify, or amend the provisions of the joint resolution "declaring that certain acts of Congress, joint resolutions, and proclamations shall be construed as if the war had ended and the present or existing emergency expired," approved March 3, 1921, or the passport control provisions of an act entitled "An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1922," approved March 2, 1921; nor to be effective to terminate the military status of any person now in desertion from the military or naval service of the United States, nor to terminate the liability to prosecution and punishment under the selective service law, approved May 18, 1917, of any person who failed to comply with the provisions of said act, or of acts amendatory thereof.

Mr. BRANDEGEE. Mr. President, Germany never declared war upon the United States. A few days before April 6, when Congress passed a joint resolution recognizing the status of war, the Senator from Virginia [Mr. MARTIN], who was then the leader of what was then the Democratic majority of the Senate, introduced a joint resolution, which, I am informed, was drawn in the executive branch of the Government. It was referred to the Foreign Relations Committee of the Senate, certain amendments were suggested by that committee and were adopted by the Senate, and the joint resolution was passed, as follows:

Whereas the Imperial German Government has committed repeated acts of war against the Government and the people of the United States of America: Therefore be it

Resolved, etc., That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared—

And so forth.

The resolution that we are now considering provides—

That the state of war declared to exist between the Imperial German Government and the United States of America by the joint resolution of Congress approved April 6, 1917, is hereby declared at an end.

The resolution is entitled "Joint resolution terminating the state of war between the Imperial German Government and the United States of America," and so forth.

Mr. President, the substantive effect of this resolution intended to be accomplished is simply to declare as a fact what has existed as a fact without a declaration ever since the armistice.

Mr. McKELLAR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Tennessee?

Mr. BRANDEGEE. I yield.

Mr. McKELLAR. The Senator was speaking about the effect of this resolution if passed. The Senator is a great lawyer and a man of very excellent judgment, and I want to know if one of the effects of this peace resolution will be to require our soldiers who are now quartered in Germany to be returned to the United States.

Mr. BRANDEGEE. Mr. President, I had not intended to attempt to anticipate all the things which might have to be done, or whether anything would have to be done, if we should adopt this resolution, but at first blush, to answer the Senator as frankly as I may, and with as full a knowledge as I possess, I should say that after this Government, in both its executive and its legislative branches, had declared that we were at peace with Germany, the President, as the Commander in Chief, having sent American troops into Germany when we were at war with Germany, could not maintain them there after we were at peace.

Mr. McKELLAR. In other words, as I understand the Senator, if the resolution has any force at all—of which I have very grave doubt—after it is passed, it would be in substance and effect a new declaration of war if the United States should keep our soldiers on German territory, would it not?

Mr. BRANDEGEE. No; I do not think it would be a declaration of war; but I think it would be a gross usurpation on the part of the President of the United States to assume that simply because he was Commander in Chief of the Army and Navy he could maintain troops within the borders of a country with which we were at peace, and I think Germany might well regard it as an act of war.

Mr. McKELLAR. I was just about to say that certainly it would be regarded as an act of war if this peace resolution should have the effect of putting us into a state of peace with Germany.

Mr. BRANDEGEE. Of course, I am not the official interpreter of the mind of Germany, and I do not want to say how they would regard it; but if I were in their place I should regard it so, just as much as I would consider it an act of war if a German Army should march into this country without our consent, just as we asserted in the joint resolution, when we recognized a state of war to exist, that Germany had com-

mitted repeated acts of war upon us, because they had assaulted our vessels on the high seas.

Mr. McKELLAR. If the Senator will permit me again, I will say that I have very grave doubt about any efficacy whatsoever of this resolution if it passes, but if it does have any efficacy, certainly the first fruits of it would be a return of our troops to the United States. I sincerely hope that if it has no other effect, it will have the effect of bringing our troops back.

Mr. BRANDEGEE. Mr. President, I can not speak for the Commander in Chief, but I have no doubt one of his first acts will be to withdraw our troops from the Rhineland. At any rate, I hope that will be one of his first acts.

But, Mr. President, right on the threshold of my remarks, which I hope to make very brief, I ask Senators if they will be kind enough not to divert me from what I am about to start to say, because I would like to get started, or, as Tom Reed would say, at least be allowed to warp away from the wharf, to get out into the stream, before I am submarined.

Mr. WALSH of Montana. Mr. President——

Mr. McKELLAR. I beg the Senator's pardon. I did not know it would interfere with him in that way or I should not have interrupted him.

Mr. BRANDEGEE. The Senator made the statement that I was a great lawyer; so I was very glad to yield to him.

Mr. McKELLAR. I meant that.

Mr. BRANDEGEE. I now yield to another great lawyer from Montana.

Mr. WALSH of Montana. I wish to inquire of the Senator what there is in the resolution which affords him room for hope that as a consequence of its passage the troops will be withdrawn. They are there now, as I understand the matter, to insure that there shall be no recrudescence of the German military power; they are there, as I understand it, to see that Germany faithfully carries out the terms of the treaty; but they are supplemented by the troops of the other Allies, who have actually made a treaty of peace with Germany, and if, notwithstanding the treaty of peace with Germany on the part of the other Allies, their troops do not come home, what is there to encourage the belief that the mere passage of this resolution on our part will bring our troops home?

Mr. BRANDEGEE. I do not know what there is to encourage the belief in the mind of the Senator, Mr. President, but to my mind it is quite convincing that those troops will be withdrawn from a country with which we have formally declared we are at peace.

The Senator says that he understands our troops are there for various purposes, one of which, if I caught his words correctly, was to enforce the treaty of Versailles. I must express my astonishment. If our troops are being maintained in Germany or on the Rhineland to enforce the terms of a treaty which we have repudiated, I have all the more desire to have them hurried home as quickly as possible. But I have no other understanding as to why our troops are there except that they went there at the time the armistice was declared, and under the terms of the armistice they were placed upon this police duty, you might call it, I assume, to maintain order in the country, under the theory, perhaps, that the treaty of Versailles would be ratified by this country. They have been maintained there, and if there is any authority at all for their maintenance there, it is upon the theory, I assume, that being there under the armistice, and we still being technically at war with Germany, the President had a technical right to keep them there.

Mr. WALSH of Montana. I invite the attention of the Senator to the fact that the troops of these other nations, which are unquestionably at peace with Germany, are still there.

Mr. BRANDEGEE. I am glad to have my attention directed to that fact, but my highest aspiration is to look after our own troops and our own country and mind our own business, so far as Europe will allow us to do so.

Now, to come back to my berth at the wharf, and attempt to emerge once more, Mr. President, this resolution, as I said, does nothing, in my opinion, of a binding nature, except to make an official declaration of what everybody admits and has admitted for three years is an actual status. We recognized the status of war in 1917. Now we say that status of war is terminated, and that now a status of peace exists between us and Germany and Austria, the Central Powers.

If we had a right to declare that a status of war existed, as we did undoubtedly under the Constitution, in my judgment—and I have always maintained it—we have an equal right to declare that there is no longer a status of war, but that there is a status of peace.

In doing that I do not think we hobble the President any; neither do I think we hobble him by stating that we reserve to ourselves whatever rights we have under the treaty, or in any other way. I can not conceive that we are hobbling the President when the President voted for this very resolution in the Senate before he was nominated for the Presidency, and in almost every speech he made during the campaign asserted that one of the first acts of his career as President he hoped would be to sign a joint resolution of Congress which should declare that we were at peace with Germany.

But if he thinks it hobbles him in any way, all he has to do is to veto it, just as his predecessor did, and keep us at war another year or two. But if he does not think it hobbles him, and if he thinks it is a fair carrying out of his campaign pledge, and the pledge of the Republican Party, now in control of the Government, made in its platform, then he will sign it. If he signs it he will not be very much offended as to our trenching upon his constitutional prerogatives.

What are the constitutional prerogatives of the President? I do not wish to trespass upon them and do not intend to, because he has no intention of trespassing upon ours. He is half of the treaty-making power in the sense that he alone can negotiate a treaty up to the time that he sends it to the Senate, and then I think the proceedings of the Senate upon the treaty, making reservations and amendments, are a part of the negotiations. I think the Senate participates with the President in the negotiation of a treaty up to the time when it passes the resolution of ratification, so called. I think so because even after the Senate has placed upon a treaty proposed reservations and amendments, the process of negotiation still has to be continued by the President, to see whether the other contemplated signatory to the treaty will accept the reservations and make new ratifications upon the basis of the Senate amendments and reservations.

But, be that as it may, this could not possibly hobble the President even if we had authority to pass it—and I do not state whether we have or not—without the signature of the President. It could not hobble him. We say this state of peace is hereby declared. Then we assert that we reserve to ourselves certain rights. If we have no rights, we can not reserve them. If we have, it may be they can not be reserved by a command of Congress. If they can not, no damage is done. I assume the intention is, as the Senator from Tennessee said, to serve notice upon the world, and especially Germany, that inasmuch as we have not made peace by ratifying the treaty of Versailles, but have made peace by ceasing to fight, and then by every agency of our Government competent to speak have asserted and officially declared that we are at peace, they shall not in any wise be allowed to think that we by that declaration abandon any rights that we may have. That is all there is to the resolution.

Mr. McKELLAR. Mr. President, would it inconvenience the Senator if I ask him a question at this point?

Mr. BRANDEGEE. I yield.

Mr. McKELLAR. Unquestionably no one denies that the President has the right to negotiate a treaty of peace, to be of course approved by the Senate. In our entire history as a nation no treaty of peace has ever been concluded by a resolution of the two Houses, either with or without the approval of the President. The Senate was not satisfied with the treaty of peace as concluded by our last President. The present administration has been in power for nearly four months. Is there any reason that the Senator knows why the President of the United States, following the Constitution, in accordance with the precedent established in our country on numerous occasions, could not have negotiated a treaty of peace in the usual, ordinary, and constitutional way, and submitted that treaty to the Senate for its approval?

Mr. BRANDEGEE. None whatever, so far as I know, except that the President had stated that if Congress would pass a resolution he would sign it and bring about peace in that way. I presume he wanted to give Congress sufficient time to get the resolution through and to have a compromise between the conflicting views of the two Houses as to exactly the language in which it should be couched. Of course while he could have done it he would have been accused immediately by disinterested patriots of running off and making a separate peace with Germany. The fact is the Allies have made their peace with Germany and have done it without waiting to see whether the terms were satisfactory to half of the treaty-making power of the United States. They made their peace, and we were left to handle the job the best way we could.

Of course I can understand the agony with which certain gentlemen, who still protest to be more or less friendly to the ratifying of the treaty of Versailles, view the present situation and the reason why the former President would not approve it when we passed the former resolution, because they hope

by keeping us at war they may make it so disagreeable to this country as to compel us to get peace by accepting the treaty of Versailles.

Mr. McKELLAR. Unquestionably, however, the Senator must admit that we must have a treaty of peace with Germany.

Mr. BRANDEGEE. I do not admit any such thing.

Mr. McKELLAR. Then a treaty is not to follow this resolution?

Mr. BRANDEGEE. No; not a treaty of peace.

Mr. McKELLAR. A treaty of commerce restoring pleasant relations is apt to follow, and there will have to be a separate treaty after all.

Mr. BRANDEGEE. Certainly; but I notice the Senator is fond of saying that this is a mere idle and futile proceeding when the Congress and the President who declared war now declare peace; that though we can declare war we can not declare peace except by a treaty of peace. My conviction about it is—and I do not pretend to be infallible in my international law—that when this resolution has been adopted and signed by the President we are at peace, and there will be no attempt to negotiate a treaty of peace, because we have arrived at peace and we shall be at peace.

The treaty of Versailles itself, which went into effect and is in effect, in international law, at least among those who signed it, provided that as soon as it went into effect ambassadors and diplomatic agents and consuls should be sent to Germany and should resume their activities; but even if that does not justify us in resuming our relations with Germany, undoubtedly we would make a treaty of commerce with Germany and put into it anything that the parties agreed upon.

If the President ever appoints a commission or attempts himself to negotiate a treaty of commerce with Germany, I have no doubt that he will put into it anything that he wants to, in spite of or, perhaps, contrary to any desires expressed in this joint resolution, because, as I said, I admit that we have no right whatever to instruct him, and if we should attempt to do so it would be nugatory. We can not deprive him of any of his constitutional powers, one of which is the full right to negotiate such a treaty as he pleases and hand it over to the Senate, and then the right of the Senate is to make such amendments to it as we wish and return it to the President.

Mr. McKELLAR. I know the Senator will agree that the resolution has no binding force on Germany; and if it has no binding force on the President in his conclusion of a treaty of peace, why pass it and what good will it do?

Mr. BRANDEGEE. The resolution does have force, as the Senator knows perfectly well. I have read and will now read again the part of the resolution in which I am interested and which I think is the main feature of it:

> That the state of war declared to exist between the Imperial German Government and the United States of America by the joint resolution of Congress approved April 6, 1917, is hereby declared at an end.

I think that settles that whole business. I do not know whether the second part of the resolution, as to what rights we reserve and what Germany shall do in the way of yielding and compensating, and so forth, binds Germany or not. I do not think it does. I think that is our declaration of what we should like to have her do. It will bind her if it goes into a treaty of commerce, but if it does not I do not think it will bind her. I do not think it affects the declaration and I do not think it in any wise affects the fact that this resolution will then put this country at peace where she has been for three years.

Mr. McKELLAR. It seems to me that the Senator and I are not far apart in our views as to the second portion of the resolution. I think it is mere surplusage and may or may not have some beneficial effect. For instance, we might put the Lord's Prayer at the end of it, which is a splendid document, but the effect of it might or might not be good. So it is with all that part that the Senator admits is of doubtful value. But the first part, by which the Senate and House merely state that the war is ended or that the state of war is ended, does not add anything to the fact that it is already ended.

The war has been in fact ended for more than two years. If we pass the resolution and then on Monday and Tuesday and Wednesday of next week reiterate it, it wouuld not change the fact, because we are in a state of peace, actual peace, with Germany already. Unless we can get some value, unless there can be some consideration coming to this country, why take all this time, fully three months, in passing a resolution which it seems to me is nothing in the world more than the statement of a fact that is patent to all the world, and brings no real consideration to us of any kind, nature, or description.

Mr. BRANDEGEE. I assume from what the Senator says that if the Versailles treaty should by any untoward event be sent to the Senate again he would not vote for it, because we are at peace already, and we would not need any treaty of peace.

Mr. McKELLAR. Quite the contrary. The Constitution points out that the President of the United States shall negotiate treaties of peace and all other kinds of treaties, and before they can become the law of the land they must be approved by the Senate. If the President of the United States were to submit to us the treaty of Versailles, or any other treaty of peace, or any other kind of treaty with Germany, it would be our duty to pass upon it if it met with our approval. I do not think the cases are parallel at all.

Mr. BRANDEGEE. We are to pass upon it, whether it meets our approval or not, but if it did not have our approval we would pass it up. The Senator is perfectly illogical if he thinks that because he would vote for a treaty of peace with Germany if the President should send it here, by a parity of reasoning and cogency he ought to vote for this joint resolution. He fails to distinguish, in my opinion, the difference between being in fact at peace, in the sense that no one is fighting any more, and having an authoritative governmental declaration to that effect that goes all over the world under the great seal of the United States.

Many of the war acts that we passed provided that they should remain in effect until the President, by proclamation, declared that the war was at an end. Certain events are of common knowledge all over the world that are not officially known and will not be officially taken cognizance of by the courts unless they are officially certified. Indeed, if I am not mistaken, the Supreme Court of the United States in the past has upheld several acts, passed to continue in effect while we were at war, on the theory that while we were not fighting there had been no official declaration that we were at peace, and therefore the war statutes were held to be in existence.

The only effect of this resolution is to say that we are at peace when the previous declaration of Congress upon this subject said we were at war. I have not a doubt that it produces peace, in spite of the iterated and reiterated editorial and senatorial utterances that there is no way in which this country can get at the peace which actually exists and enjoy it except by negotiating a treaty of peace with Germany or some other European power. That is perfectly absurd. All the writers on international law state how peace can come about—by the cessation of hostilities, by recognition of the parties, by resuming trade, or by treaty. The fact that there may not be any instances in the great national life of this country where we attained the peace with a belligerent foreign power except by a treaty is perfectly immaterial. The history of the world is filled with cases where nations have come to peace and resumed their business relations without any treaty of peace whatever.

Mr. President, I regard most of this debate as perfectly inconsequential. I would not have said a word on the subject if certain utterances had not been made by Senators who are opposing the resolution, because the Senate acted upon it once. This is substantially the same resolution that we passed here a few weeks ago. All the reserved rights which are so much criticised were in the other resolution just as they are in this one. The only substantial difference, and that is not a difference in effect, between this resolution and the one previously passed by the Senate is that the previous one repealed the resolution of Congress which recognized the state of war, and this one simply declares that the state of war is at an end. That is all there is to it. The legal effect is just the same.

Mr. JONES of New Mexico. Mr. President, in the proceedings of this body I have always endeavored to obtain some clear notion of my own as to what the Senate was trying to do. I think I have generally succeeded in satisfying my own mind, but I must confess that the action which the Senate is called upon to take now is not clear. I confess great confusion of thought as to what this joint resolution is. I have endeavored to analyze it; I have endeavored to get at the legal effect of the joint resolution. It may be that it has the same effect as the joint resolution which we passed a few weeks ago, which directly repealed what we know as the war resolution. The Senator from Connecticut [Mr. BRANDEGEE] takes that view of it; the Senator from Pennsylvania [Mr. KNOX], the original author of the joint resolution, judging from his remarks on yesterday, takes the same view of it. If I recall the statement of the Senator from Pennsylvania on yesterday, he said that legally the joint resolution operated in about this way: That section 1 of the joint resolution is repugnant to the joint resolution of April 6, 1917, and therefore repeals that joint resolution. In that way he would reason out constitutional efficacy for the pending joint resolution. Evidently he adheres to his original view that Congress has not the power under the Constitution to declare peace as such, and as an affirmative act;

but, inasmuch as the joint resolution is repugnant to the original joint resolution declaring a state of war, it is a repeal of the original joint resolution, and therefore a state of peace is brought about. That is the position as I understand it.

However, I want to invite the attention of the Senate to the language of section 2 of the pending joint resolution:

That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same.

And so forth. There is an express reservation which is specifically made a part of the declaration contained in section 1. I again invite the attention of the Senate specifically to that provision:

That in making this declaration, and as a part of it, there are reserved—

And so forth. What is a reservation? In some connections it is construed as an exception. An exception, to use the common illustration known to the legal fraternity, amounts to this: If you convey a farm by general description, excepting a described portion of it, there is an exception; it is not the conveyance of the entire farm, but it is the conveyance of only a portion of the farm. If the word "reservation" here is to be construed as an exception, then we have not a declaration of peace; we have only a declaration of a part of peace—a partial peace, if you please. Is that what is intended here?

If the word "reservation" is not construed as an exception, then we are forced to the other definition—that the reservation creates a new right arising out of the transaction. Then, what new right is created here? This is a unilateral contract, if it is a contract at all. How can we create a new right arising out of such a transaction? With whom do we create the right?

Mr. President, when we consider the language of the joint resolution, it is absolutely meaningless or else it is deceptive. We either have a reservation here or we have not. If we have a reservation, we have no unconditional peace declared; it is but a conditional peace. We are forced to accept one of the two situations. In any event, I submit that the joint resolution will tend only to deceive the people of America.

The people of the country are expecting real peace; they are expecting a resumption of industrial and commercial relations with Germany. This joint resolution, in my humble opinion, will not advance those relations one particle. It will simply mislead the people of our country. We either have a declaration of peace unreservedly or we have none at all. This reservation being included in the joint resolution—which, I repeat, is unilateral—I do not see how it can have any effect. I am inclined to the belief that the only effect the joint resolution will have, as a matter of law, if it will have any, will be that indicated on yesterday by the Senator from Pennsylvania—that is, being repugnant to the joint resolution of April 6, 1917, it is a repeal of that joint resolution.

What does that mean, Senators—a repeal of the joint resolution of April 6, 1917, after these years of war?

Are we going before the American people and say to them, after the sacrifices we have made, that we quit the fight; we will not fight any more; we repeal the joint resolution which brought the resources and manhood of this country into the war? Is that what the House of Representatives and the Senate are willing to do? I do not believe, Mr. President, that it will meet with the approval of the people of this country; I do not believe that it will meet with the approval of even those people who are hoping to resume commercial relations with Germany; I do not believe that it will meet the approval of all those good citizens who made the sacrifices to carry on the World War; I do not believe that it is going to be approved by those who walk the streets of the cities of our land to-day, maimed and crippled for life; I do not believe that it is going to be approved by the mothers and the fathers of this land whose boys lie under the sod of a foreign country.

Senators may repeal this joint resolution if they wish to do so, but why do they not do it in the open? Why take this circuitous plan to do it? Why do they not say to the country just what they mean? Do they insist upon the reservations? They say not; they say they do not care for the reservations. Then, why are they put in here? Is it merely for the purpose of misleading and deceiving the people of the country? With the administration presided over by a Republican President, with a Republican Congress, why can we not pursue the old order of things? Why can we not follow the paths which have been laid out by the fathers of our country? This is an innovation. Nothing of the kind has ever before been attempted. Why should it be attempted now? Has it come to this, that the great American Nation is willing to play politics with our foreign relations and with the honor of our country?

Mr. KING. Mr. President, owing to the lateness of the hour, I shall detain the Senate but for a short time. I had intended to discuss the resolution at some length, but will abstain from so doing because Senators are anxious to reach a vote in order that some may leave the city this afternoon. I should not venture to trespass upon the Senate if it had not been for an observation made by the distinguished Senator from Alabama [Mr. UNDERWOOD], for whom I entertain profound affection and whose leadership I cheerfully acknowledge. In effect the Senator's position was, if I interpreted it correctly, that notice should be given to the nationals of all countries that their investments beyond the borders of the countries to which they owe allegiance should be regarded in the nature of a pledge to prevent war and subject to confiscation in the event of war between their own country and any warring nation; in other words, that private property is not to be respected by belligerent nations, and any investment made by an American citizen in any foreign land is not to be protected in the event of war between the United States and such foreign country.

I can not support that view. It seems unsound as a legal proposition, if we concede that there may be international principles resting upon legal grounds or sanctions, and, in my judgment, is not to be defended upon the highest principles of international justice and right. I have not been able to accept the view, which formerly was quite universally entertained and perhaps now finds sanction in some stagnant or retrogressive countries, that the private property of individuals is subject to seizure and confiscation by warring nations. Of course, I concede the technical right of a belligerent nation to seize the property of the nationals of the nation with which it is at war, and I also concede that there are precedents supporting the proposition that such sequestered property may be confiscated. But progress has been made, Mr. President, and we have moved a long way forward as the centuries have come and gone. There was no international law at one time, and slowly humanity emerged from the darkness into the dawn and light of a better day. A recognition of the rights of individuals grew slowly. It was a long journey from status to contract.

Municipal law is a plant of slow growth, and the spirit and precepts of municipal law found slow application to the relations between nations. When Grotius gave to the world his great work on the "Rights of War and Peace" he entered a field which was but little understood and encountered a heterogeneous mass of precedents from which it was difficult to extract any just or rational international code for the guidance of progressive and civilized States.

War had been the most familiar phenomenon of history; and equality among nations, or rights of nations as an ideal to which men should aspire, was scarcely comprehended by the people. Grotius resorted to humanity for authority for the law of nations. He contended that nations were but aggregations of individuals, and that through no accident of geographic boundary the demands for justice could be obliterated, because such demand "springs from the nature of man as a moral being." So, upon the nature of man, as a rational intelligence, Grotius founded his system of universal law. And we have made progress since Grotius wrote and the harsh and inequitable views of primitive peoples have yielded to the more humane doctrines which a higher civilization and the development of a Christian tolerance have expounded and applied.

This Republic from the beginning has sought to introduce into international law the principles of equity and justice. It has consistently contended for the principles now accepted by most civilized nations, that the property of nationals shall be exempt from confiscation by belligerent powers. During the Revolutionary War some of the Colonies, or States as we now denominate them, enacted legislation confiscating the private property belonging to and debts owing to certain British subjects.

The treaty of 1782 provided that the collection of debts by British subjects should meet with no lawful impediment. It provided that Congress should recommend to the various States that all property seized or confiscated under State laws should be restored to the owners of the same, or where restitution in kind of the property was impossible that the value of the property so confiscated should be paid to the original owner of the same. As I recall, the provision in the Federal Constitution to the effect that treaties then in existence or those thereafter made should be the supreme law of the land was designed among other things to protect those whose property had been confiscated by the States. Even Tories were to be protected and their property made secure against confiscatory legislation of sovereign States. Because this treaty did not afford full protection, the Jay treaty, entered into in 1794, contained provi-

sions which sought to carry out what was conceived to be a just and proper policy. This treaty provided for the appointment of a commission to ascertain the amount of debts owing to British subjects due and unpaid by reason of the operation of various legal impediments, and the United States agreed to make full and complete compensation for the debts found due by the commission. One of the articles of the Jay treaty declared that it is—

unjust and impolitic that debts and engagements contracted and made by individuals, having confidence in each other and in their respective Governments, should ever be destroyed or impaired by national authority on account of national differences and discontents.

Senators will recall that this treaty was bitterly assailed in the United States, and Washington and his advisers were the objects of severe condemnation even by many patriotic Americans. Alexander Hamilton under the name of "Camillus" defended the treaty in a series of letters of extraordinary force and ability. Mr. Hamilton's genius was revealed in his discussion of great principles of international law and comity, as well as in his discussion of vital domestic problems. Speaking of the confiscation of private property by warring nations, Mr. Hamilton said:

No powers of language at my command can express the abhorrence I feel at the idea of violating the property of individuals, which in an authorized intercourse in time of peace has been confided to the faith of our Government and laws, on account of controversies between nation and nation.

In another letter Mr. Hamilton said:

The right of holding or having property in a country always implies a duty on the part of its Government to protect that property and secure to the owner the full enjoyment of it. Whenever, thereafter, a Government grants permission to foreigners to acquire property within its territories, or to bring and deposit there, it tacitly promises protection and security. It must be understood to engage that the foreign proprietor, as to what he shall have acquired or deposited, shall enjoy the rights, privileges, and immunities of a native proprietor without any other exception than those which the established laws may have previously declared.

How can anything else be understood? Every State, when it has entered into no contrary engagement, is free to permit or not to permit foreigners to acquire or bring property within its jurisdiction; but if it grant the right, what is there to make the tenure of the foreigner different from that of the native if antecedent laws have not pronounced a difference? Property as it exists in civilized society if not a creature of is, at least, regulated and defined by the laws. They prescribe the manner in which it shall be used, alienated, or transmitted; the conditions on which it may be held, preserved, or forfeited. It is to them we are to look for its rights, limitations, and conditions. * * * It is neither natural or equitable to consider him as subject to be deprived of it for a cause foreign to himself; still less for one which may depend on the volition or pleasure even of the very Government to whose protection it has been confided; for the proposition which affirms the right to confiscate or sequester does not distinguish between offensive or defensive war, between a war of ambition on the part of the power which exercises the right or a war of self-preservation against the assaults of another.

Mr. President, in my opinion, the leading authorities upon international law condemn the confiscation of privately owned property, because it is immoral and because it is destructive of that freedom of commercial intercourse required by modern conditions of trade. This view is expressed in Alma Latifi's work entitled "Effects of War on Property" (p. 48), where this language is employed:

What is the present rule of law? Will the conscience of civilized mankind permit a return to what appeared even to the rough barons who extorted the Great Charter from King John to be too harsh a system, or is the private property of the citizens of the hostile State to remain inviolable within a belligerent's jurisdiction, as it practically is in hostile territory, under military occupation?

The enormous improvement in the means of communication and the increased sense of solidarity amongst civilized nations have made a return to the older principle impossible. Commerce and social movements tend more and more to be international and the money market has become so already. There are few nations whose citizens do not possess large stakes in almost every quarter of the globe and every important country nowadays has a considerable floating population of foreigners at all seasons. The tourist and the merchant are welcome everywhere as importers of wealth, and the shopkeepers of Italy and France would be disconsolate if deprived of their Anglo-Saxon visitors and their gold. A State that plunders its guests would be killing the goose that lays the golden egg.

Both reason and authority justify the conclusion that the property of enemy subjects found within a belligerent's jurisdiction can not be captured as an ordinary measure of war. * * *

One of the ablest writers upon international law is L. Oppenheim, and in his work on International Law, Volume II, page 39, it is stated:

In former times, all private and public enemy property, immovable or movable, on each other's territory, could be confiscated by the belligerents at the outbreak of war, as could also enemy debts; and the treaties concluded between many States with regard to the withdrawal of each other's subjects at the outbreak of war stipulated likewise the unrestrained withdrawal of the private property of their subjects. Through the influence of such treaties, as well as of municipal laws, and decrees enacting the same, an international usage and practice grew up that belligerents should neither confiscate private enemy property nor annul enemy debts on their territory. The last case of confiscation of private property is that of 1793, at the outbreak of war between France and Great Britain. No case of confiscation occurred during the nineteenth century, and although several writers maintain that according to strict law, the old rule, in contradistinction to the usage which they do not deny is still valid, it may safely be maintained that it is obsolete, and that there is now a customary rule of international law in existence prohibiting the confiscation of private enemy property and the annulment of enemy debts on the territory of a belligerent. * * *

Mr. Page in his work entitled "War and Alien Enemies," second edition, page 32, states that while many authorities on international law take the position that property belonging to alien enemies within the jurisdiction of the belligerent State may be confiscated and that such an act would not involve a breach of settled international law, still there is, however—

a strong feeling among civilized States against the retention or exercise of such a right in the territory of a belligerent, and so far as this country (Great Britain) is concerned, in 1817, in an action in which the assignees in bankruptcy of British subjects in partnership sought to recover a debt due from a Danish subject to the British partners, and which debt has been sequestrated and seized by the State of Denmark under an ordinance by which all ships, goods, money, and money's worth of, or belonging to English subjects, were declared to be sequestrated and detained, Lord Ellenborough decided that the payment to the Danish Government under the ordinance was no defense to the claim, and gave judgment to the plaintiff on the ground that the Danish ordinance was "not conformable to the usage of nations."

Mr. Edwin M. Borchard, in his work on International Law, Codified, and Its Legal Sanction, section 1611, page 590, declares that—

The private property of enemy citizens should be regarded as inviolate in war on land as well as in maritime war, subject, however, to the limitations which may be regarded as based upon the necessities of war, the damages and destruction justified as incidental to attack or defense, and in certain well-established cases, the liability to confiscation, when the belligerent may be regarded as authorized to exercise the right of prize capture.

Mr. Hall, in his able and comprehensive work, Treatise on International Law, third edition (p. 440), states:

Upon the whole, although subject to the qualification made with reference to territorial waters, the seizure by a belligerent of property within his jurisdiction would be entirely opposed to the drift of modern opinion and practice, the contrary usage, so far as personal property is concerned, was until lately too partial in its application and has covered a larger field for too short a time to enable appropriation to be forbidden on the ground of custom as a matter of strict law; and as it is sanctioned by the general legal rule, a special rule of immunity can be established by custom alone. For the present, therefore, it can not be said that a belligerent does a distinctly illegal act in confiscating such personal property of his enemies within his jurisdiction as is not secured upon the public faith; but the absence of any instance of confiscation in the more recent European wars, no less than the common interests of all nations and present feeling, warrant the confident hope that the dying right will never again be put in force, and that it will soon be wholly extinguished by disuse.

Mr. Bentwich, in his work, War and Private Property, states that—

During the nineteenth century the theory was continually growing stronger which makes war primarily a relation between States, and therefore leaves the rights of private property intact, except so far as they are disturbed by the necessities of war. This theory found its expression in the laws which were drawn up by the representatives of the powers at The Hague in 1899, and ratified by their Governments.

He further states that—

The doctrine of the British and American courts, that war renders confiscable enemy property found within the State at the outbreak of war, but does not ipso facto confiscate it, was regarded as correct at the beginning of the present century. It was laid down by the Supreme Court in the case of Brown *v.* The United States, when it was further decided that by the Constitution an act of Congress was necessary to effect confiscation, whereas in Great Britain a royal proclamation was sufficient. But it may be questioned whether the old law is still in existence.

For nearly a century it has not been acted upon, save in the one instance of 1861; and the circumstances under which this solitary return to former severity took place deprive it of much weight as a precedent for international action. What is done by the weaker party in a bitter civil war is hardly a guide for ordinary belligerents in a struggle between independent States. If we are right in arguing from the practice of nations to the law of nations we shall hardly be wrong in asserting that the general usage of civilized powers extending over a period of 80 years is sufficient to justify us in regarding the contrary usage of a previous period as no longer a sufficient foundation for a rule which will have authority to-day. The most conservative estimate of the situation compels us to say that the right to confiscate under the circumstances we have been considering is rapidly coming to an end, if it has not already ceased to exist. * * *

At one time letters of marque and reprisal were issued, but such a course would now be condemned among civilized nations. Chief Justice Marshall in the case of Brown against United States (8 Cranch, 110) refers to the policy of confiscating private property in time of war and declares that—

The mitigation of this rigid rule which the humane and wise policy of modern times has introduced into practice will more or less affect the exercise of this right but can not impair the right itself.

Referring to an English judge whose opinions uphold the confiscation of privately owned ships of the enemy, he said:

It is impossible to consider them attentively without perceiving that his mind leans strongly in favor of captors.

In a great maritime country, depending on its navy for its glory and safety, the national bias is perhaps so entirely in this direction that the judge, without being conscious of the fact, must feel its influence. However this may be, it is a fact of which I am fully convinced, and on this account it appears to me to be the more proper to

investigate rigidly the principles on which his decisions have been made and not to extend them where such extension may produce injustice.

Further recognizing the necessity to commerce of protecting enemy property, he continues:

Commercial nations in the situation of the United States have always a considerable quantity of property in the possession of their neighbors. When war breaks out, the question what shall be done with enemy property in our country is a question rather of policy than of law.

The rule which we apply to the property of our enemy will be applied by him to the property of our citizens.

In 1823 Mr. Adams, then Secretary of State, wrote to our minister to England:

It has been remarked that by the usages of modern war the private property of an enemy is protected from seizure and confiscation as such; and private war itself has been almost universally exploded upon the land. By an exception, the reason of which it is not easy to perceive, the private property of an enemy upon the sea has not so fully received the benefit of the same principle. Private war, banished by the tacit and general consent of Christian nations from their territories, has taken its last refuge upon the ocean, and there continued to disgrace and afflict them by a system of licensed robbery, bearing all the most atrocious characters of piracy. To a Government intent, from motives of general benevolence and humanity, upon the final and total suppression of the slave trade, it can not be unreasonable to claim her aid and cooperation to the abolition of private war upon the sea.

From the time when the United States took their place among the nations of the earth, this has been one of their favorite objects.

At The Hague peace conference of 1907 provision was made for the extension of immunity to property on land as well as on sea. Mr. Oppenheim states that the reason the United States refused to sign the convention was because the stipulations were regarded as retrogressive and less liberal than the practice which has prevailed in the United States since 1864.

Mr. Justice Peckham, of the Supreme Court, said on December 11, 1899, that—

It is historically accurate to say that this Government has always been in its views among the most advanced of the Governments of the world in favor of mitigating, as to all noncombatants, the hardships and horrors of war. To accomplish that object it has always advocated those rules which would in most cases do away with the right to capture the private property of an enemy on the high seas.

I advocate this as a matter of humanity and morals. It is anachronistic when private property is respected on land that it should not be respected at sea.

On February 8, 1917, a statement was issued by the State Department, declaring that—

The Government of the United States will in no circumstances take advantage of a state of war to take possesison of property to which international understandings and the recognized law of the land give it no just claim or title. It will scrupulously respect all private rights alike of its own citizens and the subjects of foreign States.

I omitted to refer to the language of Mr. Justice Clifford, of the Supreme Court of the United States, who stated that—

In former times the right to confiscate debts was admitted as an acknowledged doctrine of the law of nations, and in strictness it may still be expected to exist; but it may well be considered as a naked and an impolitic right, condemned by the enlightened conscience and judgment of modern times.

Mr. President, I voted for the act under which the property of alien enemies found within the United States should be sequestrated, but I announced at the time the measure was under consideration that I did not understand that it contemplated the confiscation of the property which was to be seized under the act. Indeed, I believe it was the understanding of Members of both the House and the Senate that when the war terminated all property seized would be returned to the owners of the same. Every Senator would have repudiated the thought that the course then taken contemplaed the confiscation of privately owned property. It was deemed proper to impound the property owned by Germans and found within the United States in order that it might not be used by its owners to aid the cause of our enemies. While we recognized the right of a belligerent nation to seize and impound during the war alien enemy property, I assert there was no Senator or Representative who believed that the United States had the moral right to confiscate the property of alien enemies found within the United States.

I regret to say that there has been considerable sentiment in favor of confiscating the property in the hands of the Alien Property Custodian for the purpose of satisfying the claims of the United States or of Americans against the German Government. I have opposed this view and have insisted that the property so seized and now in the hands of the Alien Property Custodian should be returned to its rightful owners. I have insisted, however, that the return should not be made until the owners, as well as the Government of Germany, should give proper acquittances or assurances that no claim would be made because of the seizing of the property or its transmutation into some other form. I felt that the ends of justice would be met and the principles of enlightened international law observed, if the proceeds derived from the sale by the Government of the property so seized be delivered in lieu of the property. It became necessary even, for the conservation of the property, to dispose of it during the war, and I have felt that if the proceeds derived from the sale of the property were delivered to the alien owners, they should be satisfied and give a full acquittahce and discharge to the Government of the United States, and also that the German and Austrian Governments should also guarantee that the United States should be held harmless by reason of its seizure and conversion of the property.

Of course, I am assuming that the United States and its agents in the seizure and handling of such property exercised due care and diligence and were not guilty of waste or any tortious acts or omissions. But while I approve of the seizure of the property, I refuse to subscribe to the doctrine that it should be confiscated by the United States or that the property should be resorted to, either by our Government or by American citizens, to compensate for valid and legitimate claims against the German Government. Even though Germany should fail to do justice to this Nation and to American citizens, I would not approve the confiscation of the private property of German citizens and its application to the satisfaction of the claims of our Government or of American citizens.

Mr. President, there is something in this world more important than money and property. The material things of life engage our attention, and with respect to them we devote most of our lives and energies. But there are some things more important than wealth and property and the material values of life. The enduring, indeed, the fundamental, things are of a nobler and higher texture. They rest upon the foundations of honor and justice and righteousness. Justice and honor between individuals are of the highest importance, but between nations they rise, if possible, to higher levels. The wars and controversies between nations have often resulted from a departure by one or both of the belligerent nations from the principles of international justiee. Our Nation must have no stain upon its brow. It must lead all nations where questions of justice and of international honor are involved. No nation must be as just as our Nation and no people should be as proud to defend the principles of international justice and righteousness as those who live under the flag of this great Republic.

Believing as I do that we hold as a trustee the property of German citizens, which was seized by the Alien Property Custodian, I have contended for its return, and have upon two occasions offered bills in the Senate to accomplish that result. The reception accorded my proposition has not been such as I could have desired. Indeed, I confess that the proposition has not met with general favor. There has been an insistence in many sections of our country that the property in the hands of the Alien Property Custodian, amounting to between five and seven hundred millions of dollars, should be retained and applied to the satisfaction of the claims of our Government and of American citizens by reason of the wrongs inflicted by Germany upon our Nation and upon American citizens. Of course, I should like to see this Nation and American citizens who have valid claims against Germany obtain full compensation. The Versailles treaty made provisions for full reparation to our Government and to American citizens. Germany agreed in that treaty to reimburse her citizens for all property which they had in the United States and which might be devoted, under the terms of the treaty, to the satisfaction of the claims of our Government and of our citizens.

I wish that some other manner had been provided in the Versailles treaty for the payment of the claims of our Government and our citizens, but with the guaranty—and the treaty was a guaranty—that Germany would fully indemnify her citizens for whatever property the German Government took from them, to be used in payment of American claims. Perhaps it can be contended that the property of German citizens was not confiscated.

But we rejected the Versailles treaty, and I believe that if Germany does not promptly pay her citizens for the property which the Alien Property Custodian seized we should, by appropriate legislation, restore such propertv to its owners. The Senator from Alabama indicated that the property held by the Alien Property Custodian was owned by the junkers of Germany. It is quite likely that some of this property is owned by the junkers and members of the military caste in Germany, but a large part of the same is owned by the classes of Germans not embraced within the category of junkers. Thousands of small investors sent their money to the United States. My information is that trust funds and the property of widows and orphans were invested in the United States and constitute a considerable portion of the property seized by the United States and now in the possession of the Alien Property Custodian.

There are nearly 40,000 trusts under the control of the Alien Property Custodian—that is, the property seized belongs to at least 40,000 owners—but in many instances the property seized consisted of plants or corporation holdings; so that while, apparently, there are but 40,000 owners or trusts hundreds of individuals may be interested in many of such trusts. It is quite likely that the property seized is owned not by 40,000 persons only but by hundreds of thousands of persons. My information is that thousands of persons have interests in the five or six hundred million dollars of property which has been seized. The holdings and interests in the main are small; so that if we should confiscate this property we would be inflicting suffering upon not a few junkers or a very few rich persons residing in Germany but upon tens of thousands of Germans of limited financial resources.

Mr. President, it is altogether to the credit of the United States that it has contended for the immunity of private property. This was done when it was a debtor nation, but the United States is now a creditor nation. Hundreds of millions of dollars came to the United States from Holland and France and Great Britain and Germany and other lands and were invested in industries and enterprises in the United States.

These investments materially aided in the development of our country. Railroads were built, smelters were erected, mines were opened up; factories and plants and important industries resulted from these enormous foreign investments. They contributed to the prosperity of the American people. It was known that foreign property in the United States would be protected and that this Nation had announced a policy conformable to the highest principles of international justice and honor. We can not afford now to abandon that high principle. It would be dishonorable and immoral. Moreover, it would be impolitic and unwise upon purely material and utilitarian grounds. If we announce that the investments of aliens in our land shall be made at the peril of seizure and confiscation in the event of war, it will react to our disadvantage and will profoundly influence the civilized nations against us, and the reactions in many ways will be most unfortunate. During and since the war we have extended credits to the allied and associated nations to the extent of billions of dollars.

We have been importuned by officials in the Government and by men of influence politically, financially, and otherwise in our Nation to make investments—capital investments, if you please—in other lands. In order to promote our foreign trade it became necessary that we should make capital investments. The Government of the United States has extended credits to the extent of nearly $10,000,000,000, exclusive of interest due. These credits were absorbed in the main by the purchase of our commodities, and the American people were directly benefited by the transaction. But American business men have extended credits during the past two years to the stupendous sum of approximately $6,000,000,000. By this course markets have been found for our surplus agricultural and other products, and this has resulted in great benefit not only to the American agriculturists and manufacturers, but to the American workingman. It is apparent that we must make capital investments abroad. The world is bankrupt and this Nation is solvent. In extending credits under reasonable restrictions and subject to proper limitations, we can help other nations and at the same time benefit ourselves.

The productivity of our Nation is so great that there must be an outlet for our surplus capital, and our foreign investments will stimulate our foreign trade, and this will increase our domestic production, which in turn will bring prosperity to the American people. With billions of dollars invested in the securities and properties of other nations, it would be the height of folly, to say nothing of the immorality of the policy, to declare for the confiscation of private property of the nationals of an alien enemy.

I repeat, Mr. President, this Nation must pursue a course that will command the admiration and, indeed, the affection of the world. We can not afford to adopt any course that will occasion distrust upon the part of other nations of our rectitude and moral integrity.

When the Senator from Ohio was speaking I called attention to a resolution which I offered during the last administration and the reply submitted thereto by President Wilson and the then Secretary of State.

By an ordinance of January 11, 1920, various war measures adopted by the German Government relating to enemy property in Germany were repealed.

By the terms of the ordinance mentioned, property subject to the administration of the German trustee of enemy property was to be released on the application of the owner, but such releases were to be without prejudice to the regulations relating to the "clearing office" provided for in article 296 and the annex thereto of the treaty of Versailles. Under the terms of the treaty the Government of the United States would have had one month from the date of ratification in which to decide whether it would adopt the provisions of the treaty relating to the establishment of a system of clearance houses as between the United States and Germany for the purpose of settling debts.

Then it proceeds to discuss the fact that we failed to ratify the treaty. Mr. President, this reply seems to indicate that Germany attempted to observe the principles of international law, and passed an ordinance to restore to the nationals of all of the belligerent powers with whom she had been at war all property which they had in Germany and claims have been presented to the State Department by several thousand Americans. However, it is true that the Versailles treaty required that Germany restore the property belonging to allied nationals.

I do not mean by that statement, neither does the Secretary of State mean, that the only property, or that the aggregate of all the property, that Americans had in Germany is comprised within the maximum stated of $191,000,000. I have no doubt that there are thousands of Americans who have not presented their claims to the State Department, so that when we have full information as to the investments of American citizens in Germany we will find that our citizens have in Germany nearly as much property as is now in the hands of the Alien Property Custodian seized from German subjects. If Germany is willing to restore to American nationals property seized by it, where do we find justification for adopting a policy less honorable and certainly one which is in contravention of the highest principles of morality and of international law?

Mr. President, when this resolution was before us for consideration some time ago, I expressed my views at considerable length with regard to it, and I shall content myself at this time with a very brief reference to the subject.

If our Republican friends and the administration are determined not to ratify the Versailles treaty—and it ought to be ratified, excepting therefrom, if we do not want the League of Nations, Part I and Part XIII—if they will not ratify it, then the right procedure would be as outlined in a resolution which I offered some time ago, which reads as follows:

Whereas the state of war between the United States and Germany which was declared to exist by the joint resolution approved April 6, 1917, entitled "Joint resolution declaring that a state of war exists between the Imperial German Government and the Government of the United States, etc.," was in fact brought to an end by the capitulation of Germany contained in the articles of armistice on November 11, 1918; and

Whereas there is an existing state of peace between the United States and Germany, which state of peace has not been formally declared or recognized by the Government of the United States: Now, therefore, be it

Resolved, That the President is respectfully requested to negotiate a treaty with Germany which shall secure from Germany a complete recognition and assurance of the rights and interests of the Government of the United States and its nationals stipulated in the treaty of Versailles, settle and adjust all outstanding questions and claims of the Government of the United States and its nationals against the German Government, and provide for amity and commerce between the United States and Germany.

We now have a resolution presented which will involve us in controversies. Senators like the able Senator from Montana [Mr. WALSH] and many others—and I am among them—place a construction upon the resolution before us entirely different from that placed upon it by the able Senator from Tennessee [Mr. SHIELDS] and by the distinguished Senators upon the other side of the aisle—or many of them, at least.

Why, Mr. President, should we now declare peace? Why should we not negotiate a treaty of peace and settle all outstanding controversies between the United States and the Central Empires? We are in effect in a condition of peace. Trade relations exist. We have our representatives abroad, and German business men are here, and trade to the extent of hundreds of millions of dollars annually is being carried on between Germany and the United States. In my opinion—and I say it without criticism of President Harding—it would have been the wise and the prudent policy when he came into office to have immediately attempted to negotiate a treaty of peace with Germany, assuming that the policy of the administration was not to ratify the Versailles treaty, with reservations or with amendments. Then we would not be confronted with the anomalous situation that is now before us. A treaty could have been negotiated, doubtless, and we would have been called upon to ratify a treaty, instead of being called upon to merely declare that a status of peace exists.

I ask Republican Senators what they propose to do after they have passed this resolution. What does the President propose to do? The Senator from Pennsylvania [Mr. KNOX] and others have indicated that a treaty will be negotiated with Germany. Why have they not attempted the negotiation of a treaty in the past?. Why has the present Executive delayed a duty which so heavily rests upon him? Why this delay? The termination of the war called for a treaty. President Wilson appreciated that fact and promptly associated himself, as the representa-

tive of this Nation, with the responsible leaders of the allied nations, and together they formulated a treaty which all but the United States have accepted.

Promises were made by Republican leaders that if they won the election they would promptly make peace with Germany. The impression was conveyed by Republicans either by direct or indirect and evasive statements that the Versailles treaty would be ratified with reservations or that a new treaty would be promptly negotiated, which would protect the honor of this Nation and provide indemnities and reparations for all Americans who had suffered at the hands of the Central Empires. But nothing has been done. No treaty has been formulated, and none is assured. The party which promised action seems unable to function, and its only contribution to the perplexing and serious problems which envelop the world is a declaration that there is peace between the United States and the Central Empires.

It is proposed to cast away the weapon within our hands and the advantages which victory assured to us and to place this Nation in the position of a supplicant before the doors of the defeated nations. Republican statesmanship strips the crown of victory from the brow of our own Nation and places it upon the heads of the German and Austrian Empires. It is an ignoble proceeding. The passage of the Knox resolution will bring no glory or honor to the party in power; it will constitute a blot upon American statesmanship.

Mr. HARRISON. Will the Senator yield for a question?

Mr. KING. I yield.

Mr. HARRISON. The Senator is discussing the proposition of the future policy of the new administration touching this treaty. I hope the Senator from Massachusetts will listen to this interrogatory, and maybe he can answer it.

The papers throughout the country have carried the statement that the majority party are getting ready to resubmit the treaty of Versailles. It has been published in all the papers, everywhere. The question was asked in the debate to-day, I think, by the distinguished Senator from Connecticut [Mr. BRANDEGEE], of the junior Senator from Tennessee [Mr. MCKELLAR], what he would do if the treaty should be resubmitted to the Senate.

In view of the vote we are now going to take on this proposition, will not the Senator from Massachusetts, if the Senator from Utah will permit, tell us, if it is not a secret, if the administration has any plan of resubmitting the treaty, what they propose to do, whether or not the league will be stricken from it, or whether or not the Senator still adheres to the statement he made some weeks ago, on April 30, 1921, when he said:

> That covenant, as the Senator from Tennessee has pointed out, is so intertwined and involved—I wish to give President Wilson the credit of saying that he had involved it knowingly with the treaty of Versailles—that it will require, on the best calculation I have been able to make, at least 72 amendments to the treaty of Versailles to get the League of Nations out of it, and when we have got it out nothing but a shell remains.

I am wondering if the papers have quoted correctly, whether or not this treaty will be resubmitted, and I hope the distinguished chairman of the Foreign Relations Committee will enlighten the Senate and the country on just what is proposed, unless it is a secret, unless they do not want to take us into their confidence.

Mr. LODGE. I have no secrets whatever, in reply to the Senator's question.

Mr. HARRISON. I did not think the Senator had.

Mr. LODGE. There is no such plan to resubmit the treaty of Versailles of which I have any knowledge whatever.

Mr. KING. Mr. President, I very much regret that the administration has concluded to follow the course which the reply of the Senator from Massachusetts [Mr. LODGE] indicates it has adopted. It is at variance with some of the declarations made by President Harding. One of his statements which I am now referring to is found in his address to Congress delivered April 12 last. He then said that we should engage under the treaty, and he further said then, or upon some other recent occasion, that whatever was good in the treaty should be accepted and whatever was bad should be rejected. When we "engage under the treaty," obviously we must accept the treaty.

If the President would resubmit the treaty to the Senate for ratification, the Senate would have the right to ratify it with reservations and to except from the resolution of ratification Part I of the treaty which contains the League of Nations provisions.

It is this part of the treaty which encountered opposition in this body and in some parts of the country, and which prevented the ratification of the treaty.

Mr. BRANDEGEE. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Connecticut?

Mr. KING. I yield.

Mr. BRANDEGEE. Did I understand the Senator to say that the President has ever said that we should engage under the treaty of Versailles?

Mr. KING. Yes.

Mr. BRANDEGEE. I think the Senator does not quote the President correctly. The expression occurred in the President's message to Congress at the opening of the special session, as I recall it.

Mr. KING. Will the Senator quote it, if I am in error?

Mr. BRANDEGEE. I have not the RECORD before me, as the Senator has before him, but my recollection was that he said, in substance, that it might be best to engage under the treaty of Versailles; but he expressed no opinion upon whether he would recommend it or not.

Mr. KING. When the President expressed it in that tentative way, obviously he intimated that it was the subject, at least, of consideration upon his part, and might be worthy of consideration upon the part of the Senate.

Mr. BRANDEGEE. I think no doubt he has given it consideration himself; but, the wish being father to the thought on the part of the Senator, I do not blame him at all for hoping against hope that the President had definitely promised to do it. I do not understand it so myself. I think, upon further consideration, perhaps, he may have modified even the hypothetical statement he made several months ago.

Mr. KING. Mr. President, I have not all of the President's address here, but this is, in part, what he did say:

> To establish the state of technical peace without further delay, I should approve a declaratory resolution by Congress to that effect, with the qualifications essential to protect all our rights. * * *
> Such a resolution should undertake to do no more than thus to declare the state of peace.

I congratulate our Republican friends for following that part of the suggestion of the President, which perhaps caused the elimination from this resolution of the unwise, not to say foolish, provision which repealed, or attempted to repeal, an event which had transpired.

Proceeding, the President said:

> It would be idle to declare for separate treaties of peace with the Central Powers on the assumption that these alone would be adequate, because the situation is so involved that our peace engagements can not ignore the Old World relationship and the settlements already effected. * * *
> The wiser course would seem to be the acceptance of the confirmation of our rights and interests as already provided—

Provided where? Of course, in the treaty of Versailles—

> and to engage under the existing treaty, assuming, of course, that this can be satisfactorily accomplished by such explicit reservations and modifications as will secure our absolute freedom from inadvisable commitments and safeguard all our essential interests.

The President of the United States in his address did say, "The wiser course would seem to be the acceptance of the confirmation of our rights and interest as already provided and to engage under the existing treaty."

Mr. BRANDEGEE. "Assuming, of course," as the Senator read.

Mr. LODGE. Yes; "assuming, of course."

Mr. KING. "Assuming, of course," and the Senator from Massachusetts assumed, of course, that those rights could be preserved because the Senator from Massachusetts submitted what were known as the "Lodge reservations," which he undoubtedly believed did protect the United States in all of its essential rights. And so believing, he and other Republicans, including President Harding, voted to ratify the Versailles treaty, which President Harding now says it would be the wiser course to engage under.

Mr. BRANDEGEE. I do not know what the Senator [Mr. LODGE] would think now about that.

Mr. KING. I am sure the Senator from Massachusetts has not changed his mind.

Mr. BRANDEGEE. I can not think of the Senator voting for the treaty with the Lodge reservations if it should come before us to-morrow, but still a great deal of water has gone over the dam since the Senate reservations were perfected.

Mr. KING. Of course the Senator from Massachusetts has not changed his mind.

Mr. BRANDEGEE. Oh, I have known him to do that.

Mr. KING. In view of his record with respect to the League of Nations and cognate questions, I am not justified in making the statement—that the Senator from Massacusetts has not changed his mind—because he has heretofore very eloquently spoken in behalf of a league of nations or of a union of nations, and he has also very strongly inveighed against the United States making a separate peace with Germany.

Mr. BRANDEGEE. While we were at war.

Mr. LODGE. Yes; while we were at war.

Mr. KING. While we were at war, surely, and after the war was over the Senator from Massachusetts indicated that there should be no separation between the United States and her allies and the associated powers.

Mr. BRANDEGEE. But the Senator will not make anyone run out of the Chamber by changing his mind, because we would all go out if that were true.

Mr. KING. Oh, no; I concede that the gyrations of our Republican friends indicate that one of their chief accomplishments is their ability to change their minds.

But I wish the Senator from Connecticut to remember these words:

> The wiser course would seem to be the acceptance of the confirmation of our rights and interests as already provided and to engage under existing treaty.

That is, the wiser course to pursue is to ratify the treaty of Versailles with such reservations and exceptions as may be deemed necessary for the preservation of our rights. Let us ratify the treaty, let us secure the "confirmation of our rights" and "engage under the treaty" with those reservations which the ability of the distinguished Senator from Massachusetts will enable him to submit for our consideration.

But instead of pursuing the "wiser" course the Republican Party pursues, as it so often does, the unwise course. They tender to us now a resolution declaring a state of peace, and then they will be compelled to go with hat in hand and beg Germany to enter into negotiations for the purpose of making a peace treaty, and Germany, we know, will write only such treaty as will suit her. We ought to remember, Mr. President, that if we adopt the resolution, if we again reject the Versailles treaty and are compelled to negotiate a separate treaty, we must expect that Germany will be confronted with the limitations which the Versailles treaty impose upon her. She can make no treaty at variance with the Versailles treaty. No treaty which will be acceptable to the United States, if we repudiate the Versailles treaty, can be made unless it transcends the provisions of the Versailles treaty.

Mr. President, the act which we are about to commit is one of futility. It is the height of absurdity and, in my opinion, it does no honor to the party in power, but rather is discreditable to the Government of the United States.

I referred to the fact that the treaty of Versailles should be ratified, and have pointed out that President Harding had in effect suggested the same course. On the 30th of April last, I offered the following resolution, and I submit that it should be adopted:

> Whereas the state of war between the United States and Germany which was declared to exist by the joint resolution approved April 6, 1917, entitled "Joint resolution declaring that a state of war exists between the Imperial German Government and the Government of the United States," etc., was, in fact, brought to an end by the capitulation of Germany made in the articles of armistice of November 11, 1918; and
>
> Whereas the executory terms and covenants of peace were, pursuant to the stipulations of said armistice, incorporated in the treaty of Versailles which was signed by the plenipotentiaries of the United States and of Germany on the 28th day of June, 1919, which treaty has been irrevocably ratified by Germany and has been in force since January, 1920; and
>
> Whereas by said treaty Germany cedes to the United States, in conjunction with Great Britain, France, Italy, and Japan her overseas possessions, including the German colonies in Africa, the German islands in the Pacific Ocean, and the German cables in the Atlantic and Pacific Oceans, and makes other stipulations which inure to the benefit of the Government and people of the United States; and
>
> Whereas said treaty provides for the resumption of diplomatic relations and of the other relations of peace with Germany; and
>
> Whereas the Government and people of the United States can not obtain the benefit of such stipulations and covenants in their favor without a ratification of the articles of said treaty which inure to the benefit of the Government and people of the United States; and
>
> Whereas Part I of said treaty, comprising articles 1 to 26, inclusive, being the articles of the League of Nations, and Part XIII of said treaty, comprising articles 387 to 427, inclusive, which is ancillary to Part I, are distinct and separable parts of said treaty, and do not qualify the rights, titles, and interests of the Government of the United States and of its nationals stipulated and contained in the other parts and articles of the treaty; and
>
> Whereas the Senate of the United States, two-thirds of the Senators concurring, will not agree to advise and consent to the ratification on the part of the United States of Parts I and XIII of said treaty; and
>
> Whereas it is imperative that the terms of peace with Germany be confirmed by the United States; that impediments to the execution of the treaty of Versailles as affecting the interests of the United States and of the allied and associated powers be removed; that the existing state of peace be formally recognized and proclaimed; and that the relations of peace be resumed with Germany: Now, therefore, be it
>
> *Resolved*, That it is the sense of the Senate that the treaty of peace concluded at Versailles on the 28th day of June, 1919, be ratified with suitable reservations excepting Part I, comprising articles 1 to 26, inclusive, and Part XIII, comprising articles 387 to 427, inclusive, and that the President is respectfully requested to submit said treaty to the Senate in order that the Senate may advise and consent to the ratification of said treaty with suitable reservations, Parts I and XIII thereof to be expressly excepted from the act of ratification.

When I was discussing this Knox resolution on the 30th of April last, I said in part the following, which I submit is entirely pertinent to the present resolution and the present discussion:

> This Knox resolution, if adopted, repudiates the Versailles treaty, together with all of its provisions, both those favorable to the Allies and those inuring to the advantage of the United States and the American people. If the treaty is repudiated, then the so-called reservations found in this resolution are as inocuous as the cries of the baying dog to the passing moon. From a legal standpoint, the Knox resolution is a waiver of all claims for indemnity, and the United States, if it subsequently attempted to negotiate a treaty, would be estopped from making claims for indemnities or to secure reparation in behalf of the Government or its nationals. Could not Germany reply she had entered into a treaty fair and just, which had been repudiated by the United States, and that after such repudiation the United States had declared the war to be over and that a status of peace existed and that the declaration of war had been repealed? Could she not successfully contend that this was tantamount to an abandonment of all claims for restoration? This resolution, if adopted, would leave no question arising out of the war for determination or negotiation, and if the United States should persist in demanding indemnities, Germany could regard such course as a casus belli which might eventuate in actual war.
>
> The Knox resolution in effect declares that the provisions of the Versailles treaty are ignored or repudiated and are of no concern to the United States and that European affairs growing out of the war bear no relation whatever to this country. If we pass this resolution it is a declaration that the new Governments which we helped to set up are to be abandoned by the United States. Indeed, the resolution is a proclamation that the United States withdraws from Europe, abandons the fruits of the victory gained by the allied and associated powers over the Imperial Governments of Germany and Austria and their vassals, and leaves to its associates in the Great War the tasks and problems of establishing order and bringing peace to the distracted peoples of Europe and of other lands.
>
> The passage of the Knox resolution will be an encouragement to Germany to not only evade the treaty but to seek for its destruction. It would encourage resistance to the enforcement of its terms and be regarded by Germany as evidence that this Nation will give no support to the Allies in their attempts to enforce the treaty and to protect the new nations and the new interests arising therefrom.
>
> Such action makes the United States more than a neutral. It places her in the position of giving moral support to Germany in her opposition to the treaty. Thus, the United States will be counted the potential and moral ally of Germany. This resolution, though not intended to drive a wedge between the United States and the Allies, will have that effect and will greatly contribute to the growing discontent among the German people, which may culminate in their open hostility to the treaty and the allied nations. This resolution, in a sense, is a war measure and will tend to promote war. It follows propaganda in the United States and elsewhere in support of Germany and antagonistic to the Allies and the allied cause. It finds support in the views of Mr. Kynes and in the radical propaganda here and elsewhere against the victorious nations. If the Knox resolution is passed, German nationals will immediately demand the return of their property, as the policy of the United States has always been against confiscation of the property of nationals of belligerent countries. If the Versailles treaty were ratified, the United States could honorably insist that Germany pay her nationals for property now in the hands of the Alien Property Custodian, and it would thus escape the charge of being a moral delict.
>
> The Versailles treaty binds Germany. The Knox resolution seeks to release her. It is solely in the interest of Germany, and it is a direct assault upon the allied nations and a thrust at our own country. If the Knox resolution is passed and the Republicans believe a new treaty can be negotiated, permit me to inquire what kind of a treaty is desired and what will be its terms? Will it be in aid to Germany or will it be in aid of the American people? If it is not in the interest of Germany, Germany will refuse to make a treaty.
>
> If she refuses, we can not compel Germany to sign, except by resort to war, which must be a victorious war, and if the United States should make war upon Germany the allied nations would invoke the provisions of the league and we might discover that we were making war upon most of the nations of the world.
>
> If the Knox resolution is passed, what do the Republicans propose to do? Will they, prior to negotiating a treaty, receive a German ambassador and send an American ambassador to Germany? Will they seek to form an alliance with Germany, ignoring the league and the nations within the league, and particularly the allied nations who are charged with the duty of enforcing the terms of the Versailles treaty? Will these Republicans attempt to negotiate a treaty with Germany in which the latter's right to maintain an army and navy is recognized? Will they support terms promising aid to Germany in her efforts to escape from the Versailles treaty? Will they join with Germany in a treaty which antagonizes the league and seeks to emancipate Germany from its economic provisions and free it from the reparations covenants?
>
> In other words, is it the purpose of the Republicans to make common cause with Germany against the Allies and to enter into an alliance with her, as was promised by some Republicans during the recent campaign? Is it the purpose of the Republicans to aid Germany and to condemn our allies, and to destroy not only the League of Nations but the Versailles treaty, and to contribute to the disorders and aggravate the tragic conditions in Europe? Is it the plan of our Republican friends to offer impediments to the allied nations in their heroic efforts to liquidate war problems and pacify Europe, and preserve not only the form but the substance of national life and of civilization?

Mr. BRANDEGEE. Mr. President, the Senator talks about making a treaty of peace with Germany after we pass the joint resolution. I do not think any such procedure is contemplated. I can not conceive why it is necessary, after we have declared we are at peace, to make a treaty to declare the same thing over again. I have not the slightest idea that any such thing will be done. I have no doubt a treaty of commerce will be made with Germany. I have no doubt, as the Senator from Ohio [Mr. POMERENE] stated over and over again this morning, that Germany is exceedingly anxious to resume relations with this country. I think she is so anxious to do

it that there will be no trouble whatever about her agreeing to such an arrangement in a treaty of commerce as will give the United States all that we ought to have. As the Senator said, and of course it is true, Germany can not make arrangements by treaty which would be in conflict with the engagements into which she has entered by the treaty of Versailles.

It is inconceivable to me that the great powers with which the Central Powers have engaged under the treaty of Versailles, having got all their claims for damages and reparation and we having made no claim for reparation, would stand in the way of Germany agreeing to just treatment of the United States, which saved them and their Governments from the Central Powers.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. BRANDEGEE. Certainly.

Mr. KING. If I understood the Senator correctly, he stated that there would be no treaty of peace.

Mr. BRANDEGEE. No; I said in my opinion there would be none.

Mr. KING. In the Senator's opinion, and he speaks as one of the leaders of the Republican Party——

Mr. BRANDEGEE. Not as a negotiator of treaties.

Mr. KING. I am glad to recognize him as one of the leaders of the Republican Party. He states that there will be a treaty of commerce negotiated. Does the Senator mean that we are not going to ask any indemnity or any reparation from Germany; that we shall content ourselves by negotiating merely a treaty of peace, the same as we would with any nation which was just created or with which we have had no particular troubles in the past?

Mr. BRANDEGEE. The Senator's hearing is good, but his attention was diverted when I just stated that I thought there would be no trouble in Germany making a treaty of commerce containing all the provisions necessary to secure all our rights and claims. My personal opinion is, if they want to be our friends, as I believe they do, that they will incorporate in our treaty of commerce everything that we would get under the treaty of Versailles.

Mr. KING. Then it will be more than a treaty of commerce, will it not?

Mr. BRANDEGEE. No; it will be a treaty between the two nations, a treaty of amity and commerce and taking up certain disputed matters between the countries. It will be in no sense a treaty of peace. There will be no necessity whatever for a treaty of peace because both the contracting parties will be at peace by the time they make the treaty of commerce.

Mr. KING. It will be a liquidation of whatever claims or unadjusted matters there are growing out of the war?

Mr. BRANDEGEE. Certainly, and whatever else two friendly nations that desire to resume trade and commerce with each other would include which would bring about those objects.

Mr. FLETCHER. Mr. President, does the Senator from Connecticut think it is entirely appropriate to provide in a treaty of commerce for such losses as, for instance, parcel-post losses, cargo losses, 48 vessels, either owned or operated by the Shipping Board and sunk by submarines? Are all those appropriate subjects to be adjusted in a treaty of commerce?

Mr. BRANDEGEE. A treaty of commerce and amity would, I suppose, contain any provision necessary to establish full and friendly relations of commerce and intercourse between the two countries. There is no question of germaneness and appropriateness as to what should be put in a treaty of commerce. That is a mere detail. It is a matter of contract. There can be put into the contract between the two nations any provisions desired, but if they should think it better to have several treaties instead of one treaty, they could make several treaties about trade and commerce and claims. They could make a treaty of adjusted claims between the two Governments. They could settle all international claims as we did at the close of the Civil War with Great Britain by the Court of Alabama Claims, or by a court of Spanish commission claims. These are mere money claims. There are a dozen ways in which by diplomacy or by separate treaty provision they may be settled.

The only point I am making is that whatever treaty or international contract is made upon the subject would in no way be a treaty of peace, because both the parties who would be making the treaty would then and there be at peace.

I understand the strong tendency which tempts various Senators to keep intimating that we can not have peace without making a treaty.

Mr. FLETCHER. Of course, we can have peace. There is a kind of peace that is said to pass understanding, and that may be the kind we are driving at here.

Mr. BRANDEGEE. Yes; that passes some people's understanding.

Mr. FLETCHER. But as far as the adjustment of claims by separate commissions as between belligerents is concerned, those are claims between countries that were formerly at war. All matters between those countries pending at the time of the conclusion of conflict ought to be adjusted in a treaty, it seems to me, at the time peace is made, and not have the peace first and then a treaty afterwards.

Mr. LODGE. Mr. President, after the War of 1812 we made peace with Great Britain at Ghent in 1814. We made a treaty of commerce and amity with Great Britain three years later. We made our treaty of commerce and amity with Spain some time after the treaty of peace. They do not usually go together.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. UNDERWOOD. On that I demand the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. LA FOLLETTE. Mr. President——

The reading clerk proceeded to call the roll, and Mr. ASHURST responded in the negative.

The VICE PRESIDENT. For what purpose does the Senator rise?

Mr. LA FOLLETTE. I rose for the purpose of discussing the resolution. I addressed the Chair before the roll call was begun.

Mr. ASHURST. Mr. President, I withdraw my vote.

Mr. BRANDEGEE. Mr. President, I heard the Senator from Wisconsin address the Chair before the Senator from Arizona answered to his name.

Mr. ASHURST. I ask unanimous consent to withdraw my vote.

The VICE PRESIDENT. The Chair will recognize the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, I hail with satisfaction the opportunity to vote to end the technical state of war which still exists between the United States and the Governments of Germany and Austria-Hungary. It is nearly two years and eight months since the war ended in fact. It is irrational, absurd, and stupid that a state of peace was not formally declared by our Government just as soon as it became apparent that we would not ratify the treaty of hate and greed which was consummated at Versailles.

I shall, therefore, vote for this conference report, embodying the peace resolution, because in its first section it formally declares the war at an end.

The reputation of this Nation for integrity and honor has suffered too much already through an attempt to commit us to the cruel and unspeakable terms of the Versailles treaty. It is admitted that provisions contained in sections 2, 3, 4, and 5 of the resolution can not bind the Executive in initiating the negotiations for the treaties which eventually will be made with the German and Austro-Hungarian Governments. The only purpose, therefore, which such provisions in this peace resolution can serve is to express the sense of the Congress that they should be embodied in the treaties hereafter to be negotiated and ratified.

And before I cast my vote for this belated declaration which technically and formally ends the war, I here and now record my dissent from the provisions of the resolution which "reserve" or seek to reserve, or attempt to set up any "rights, privileges, indemnities, reparations, or advantages" in behalf of this Government or its nationals, outside of and in violation of the letter and spirit of the terms of the armistice.

I furthermore record my dissent from any provisions in the resolution which seek acquittance for the lawless acts of the Alien Property Custodian and to impose certain conditions to the return of the private property of German citizens and of the citizens of Austria-Hungary which was seized in the United States by the Alien Property Custodian during the war. Among these conditions it is provided in section 5 that all such property shall be retained by the United States until such time as the German Government and the Austro-Hungarian Government shall have made provision for the satisfaction of all claims of all nationals of the United States against said Governments respectively, or who have suffered through the acts of the German Government or the Austro-Hungarian Government any loss or damage or injury to their persons or property, directly or indirectly, in consequence of hostilities or of any operations of war or otherwise, and until the German and the Austro-Hungarian Governments shall have waived any and all pecuniary claims against the United States of America.

Mr. President, during the war between the United States and the Central Powers this Government took possession of the

private property, located on land in this country which belonged to German citizens and to the citizens of Austria-Hungary, amounting in value to hundreds of millions of dollars.

It was not the property of the Governments with which we were at war. It was and still is the private property of more than 40,000 different owners.

The citizens of Germany and Austria-Hungary, welcomed by this country, had in good faith invested their money in various manufacturing and business enterprises in the United States knowing that it was the established foreign policy of this Government that such investments were protected against seizure even in time of war. This property was absolutely inviolable by an unbroken rule of international law observed by our Government consistently since 1815. Besides, we were bound by the treaty with Prussia made in 1799, renewed in 1828, and never abrogated, by the very terms of which the private property rights of the citizens of Germany should, even in the case of a war between the two Governments, be held sacred and inviolable.

This property was seized by our Government and turned over to the Alien Property Custodian. It has been charged that some of the property was sold at scandalously low prices and that not a little of it has been scattered, dissipated, and unlawfully appropriated to serve personal and private interests.

Whatever may be said of its seizure, as to every dollar's worth of that property seized upon land there can be no question in international law and good morals that it is held by this Government in trust and that there rests upon this Government the legal and moral duty to return the property or to account for its full value to its rightful owners.

It can not lawfully be confiscated. It is not only held in trust, but we are bound by treaty in the event of war to hold the private property of the citizens of Germany inviolable.

It can not be offset or used to liquidate any claims which this Government or its private citizens may set up against the Governments of either Germany or Austria-Hungary, or their successor or successors, for "loss, damage, or injury in consequence of any operations of war." It is not the property of either of such enemy Governments. It is private property and can not be used to offset or liquidate any claims we may have against Governments with which we have been at war. Moreover, damages due to war have never been regarded under international law as property recoverable, from an enemy government, by the private individuals injured.

It can not rightfully be held until the Governments with which we were at war, or their successor or succesors, "shall waive any and all pecuniary claims against the United States of America" for its taking. To enforce that provision against the private property rights which we had pledged by treaty not to violate, in the event of war, is to secure an advantage by our own wrong.

Under the rules of the Senate we are not permitted to amend a conference report. Hence we must vote for or against this report as a whole.

I shall vote for it because it declares the war at an end. When the President shall have approved it we shall be at peace with the foreign powers with which we have been at war.

The other sections and the provision of the resolution, to some of which I have made reference, are effective only in so far as they may be taken as an expression of the Senate as to the conditions upon which treaties will hereafter be concluded with these foreign Governments.

Mr. President, resolutions adopted by the Senate with respect to the negotiations of treaties in advance of their making are not new. They have been passed many times by the Senate. They have sometimes been invited by the Executive. They have been passed by the Senate without awaiting the invitation of the Executive. They have always been passed, sir, as indicating the views of the Senate upon the subjects embraced in the terms of such resolutions. I take it that in so far as the Senate is concerned the sections of the pending joint resolution to which I have specifically referred are designed to indicate to the Executive the views of the Senate with respect to the negotiations of a treaty between this Government and its recent enemies. They point the way for the Executive. Otherwise they serve no purpose in this resolution.

I believe the conditions suggested are in violation of the rights of the citizens of the nations with which we were at war. Certain other provisions, in my judgment, violate the letter and spirit of the armistice, as does the treaty of Versailles. Moreover, I deem it irrational and inconsistent that we should assert claims as the resolution does to profit under the infamous Versailles treaty, which we refused to ratify and which the American people rejected at the polls in a "solemn referendum."

Other Senators may content themselves with the suggestion that the provisions of this resolution, outside of the sections which declare the war at an end, are not binding upon the Executive and that they may therefore vote for the resolution even though they would not hereafter favor a treaty made in conformity with those provisions.

Each Senator will decide as to that for himself. For my own part I feel bound to say here and now that I shall hold myself free to oppose any treaty which may hereafter be negotiated which would absolve this Government from any obligations which ought to bind it under the rules of international law or from the pledges which it has solemnly made to the Governments with which we have been at war.

The VICE PRESIDENT. The question is on agreeing to the report of the conference committee, on which the yeas and nays have been ordered. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. HARRISON (when his name was called). On this question I am paired with the junior Senator from West Virginia [Mr. ELKINS]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay." If the Senator from Nevada were present, he would vote "nay."

Mr. MOSES (when Mr. KEYES's name was called). I wish to announce the absence of my colleague [Mr. KEYES] upon business of the Senate, and to state that if he were present he would vote "yea."

Mr. STERLING (when Mr. NORBECK's name was called). I wish to announce the unavoidable absence of my colleague [Mr. NORBECK], and to say that if he were present he would vote "yea."

Mr. POMERENE (when his name was called). On this question I am paired with the junior Senator from Pennsylvania [Mr. KNOX], and I therefore withhold my vote. If the Senator from Pennsylvania were present, he would vote "yea." If I were at liberty to vote, I should vote "nay."

Mr. SHIELDS (when Mr. REED's name was called.) The Senator from Missouri [Mr. REED] is unavoidably absent from the city. I am requested by him to state that he is paired with the senior Senator from Texas [Mr. CULBERSON], and that if present the Senator from Missouri would vote "yea."

Mr. SIMMONS (when his name was called). I have a general pair with the Senator from Minnesota [Mr. KELLOGG], who is absent, and I am unable to get a transfer. If at liberty to vote, I should vote "nay."

Mr. McNARY (when Mr. STANFIELD's name was called). I desire to announce the absence of my colleague [Mr. STANFIELD] on account of business connected with the Senate. If he were present, he would vote "yea."

Mr. TRAMMELL (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence, being unable to obtain a transfer, I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. He is absent, and being unable to obtain a transfer, I am unable to vote. If I were at liberty to vote, I should vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. WOLCOTT], which I transfer to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

The roll call was concluded.

Mr. GERRY. I desire to announce that the Senator from Wyoming [Mr. KENDRICK] is paired with the Senator from Illinois [Mr. MCCORMICK]. The Senator from Wyoming is absent on account of death in his family. If present, he would vote "nay."

I also desire to announce the following pairs:

The Senator from South Carolina [Mr. DIAL] with the Senator from Colorado [Mr. PHIPPS];

The Senator from Oklahoma [Mr. OWEN] with the Senator from New Jersey [Mr. EDGE];

The Senator from Kentucky [Mr. STANLEY] with the Senator from Kentucky [Mr. ERNST];

The Senator from Mississippi [Mr. WILLIAMS] with the Senator from Pennsylvania [Mr. PENROSE]; and

The Senator from Delaware [Mr. WOLCOTT] with the Senator from Indiana [Mr. WATSON].

All of these Democratic Senators, if present, would vote "nay."

Mr. NORRIS. I have been requested to announce that the junior Senator from North Dakota [Mr. LADD] is detained from the Chamber on account of illness. If he were present, he would vote "yea."

Mr. JONES of New Mexico (after having voted in the negative). I have not observed that the Senator from Maine [Mr. FERNALD] has voted. I have a general pair with that Senator, and I am unable to obtain a transfer. I therefore necessarily withdraw my vote.

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from Maine [Mr. HALE] with the Senator from Minnesota [Mr. NELSON];

The Senator from Connecticut [Mr. MCLEAN] with the Senator from Montana [Mr. MYERS]; and

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS].

I also desire to announce that the Senator from New York [Mr. CALDER], the Senator from Oklahoma [Mr. HARRELD], the Senator from Michigan [Mr. NEWBERRY], the Senator from New Hampshire [Mr. KEYES], and the Senator from Maryland [Mr. FRANCE] would, if present, vote for the adoption of the conference report.

The result was announced—yeas 38, nays 19, as follows:

YEAS—38.

Ball	Johnson	Nicholson	Townsend
Borah	Jones, Wash.	Norris	Wadsworth
Brandegee	Kenyon	Oddie	Walsh, Mass.
Bursum	La Follette	Poindexter	Warren
Cameron	Lodge	Shields	Watson, Ga.
Capper	McCumber	Shortridge	Watson, Ind.
Cummins	McKinley	Smoot	Weller
Curtis	McNary	Spencer	Willis
Dillingham	Moses	Sterling	
Gooding	New	Sutherland	

NAYS—19.

Ashurst	Glass	King	Sheppard
Broussard	Harris	McKellar	Smith
Caraway	Harrison	Overman	Swanson
Fletcher	Heflin	Ransdell	Underwood
Gerry	Hitchcock	Robinson	

NOT VOTING—39.

Calder	Hale	McLean	Pomerene
Colt	Harreld	Myers	Reed
Culberson	Jones, N. Mex.	Nelson	Simmons
Dial	Kellogg	Newberry	Stanfield
Edge	Kendrick	Norbeck	Stanley
Elkins	Keyes	Owen	Trammell
Ernst	Knox	Page	Walsh, Mont.
Fernald	Ladd	Penrose	Williams
France	Lenroot	Phipps	Wolcott
Frelinghuysen	McCormick	Pittman	

So the conference report was agreed to.

The joint resolution, as agreed to by the managers of both Houses at the conference, reads as follows:

"Joint resolution (S. J. Res. 16) terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America.

"*Resolved, etc.*, That the state of war declared to exist between the Imperial German Government and the United States of America by the joint resolution of Congress approved April 6, 1917, is hereby declared at an end.

"SEC. 2. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.

"SEC. 3. That the state of war declared to exist between the Imperial and Royal Austro-Hungarian Government and the United States of America by the joint resolution of Congress approved December 7, 1917, is hereby declared at an end.

"SEC. 4. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 3, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of St. Germain-en-Laye or the treaty of Trianon, have been stipulated for its or their benefit; or to which it is entitled as one of the principal allied and associated powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.

"SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or of any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered, through the acts of the Imperial German Government, or its agents, or the Imperial and Royal Austro-Hungarian Government, or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war, or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively confirmed to the United States of America all fines, forfeitures, penalties, and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America.

"SEC. 6 Nothing herein contained shall be construed to repeal, modify, or amend the provisions of the joint resolution 'declaring that certain acts of Congress, joint resolutions, and proclamations shall be construed as if the war had ended and the present or existing emergency expired,' approved March 3, 1921, or the passport control provisions of an act entitled 'An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1922,' approved March 2, 1921; nor to be effective to terminate the military status of any person now in desertion from the military or naval service of the United States, nor to terminate the liability to prosecution and punishment under the selective service law, approved May 18, 1917, of any person who failed to comply with the provisions of said act or of acts amendatory thereof."

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

Mr. HITCHCOCK. Will the Senator permit me to submit a report?

Mr. LODGE. I must insist on my motion at this time.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 20 minutes spent in executive session, the doors were reopened.

PETITIONS AND MEMORIALS.

Mr. WARREN (for Mr. KENDRICK) presented a petition of sundry citizens of Parkman, Wyo., praying for the enactment of legislation to create an agricultural farm trade financing corporation, with a capital stock of $50,000,000 to be advanced by the Government, and so forth, which was ordered to lie on the table.

Mr. WILLIS presented a resolution of the John Hancock Council, of Elyria, Ohio, favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Cleveland (Ohio) City Council favoring the enactment of legislation making permanent

the provision in the so-called emergency tariff act covering low-grade greases so as to afford protection to municipally owned garbage disposal plants, which was referred to the Committee on Finance.

He also presented a letter in the nature of a memorial of the Daudt Glass & Crockery Co., of Toledo, Ohio, remonstrating against the enactment of legislation to include the so-called "American valuation plan" in the proposed tariff bill, which was referred to the Committee on Finance.

He also presented a resolution adopted at the annual convention of the Ohio Grain Dealers' Association at Toledo, Ohio, June 23, 1921, favoring the repeal of the act creating the Federal Trade Commission, which was referred to the Committee on Agriculture and Forestry.

He also presented a resolution adopted at the annual convention of the Ohio Grain Dealers' Association at Toledo, Ohio, June 23, 1921, in the nature of a memorial, remonstrating against the enactment of class legislation seeking to afford the so-called cooperative movement of producers immunity from the Sherman antitrust law, etc., which was referred to the Committee on Agriculture and Forestry.

Mr. CAPPER presented a petition of sundry citizens of Junction City and Dwight, both in the State of Kansas, praying for the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented a letter in the nature of a petition of Lawrence-Brunswick Post, No. 240, American Legion, of Chapman, Kans., praying for the enactment of Senate bill 506, to provide adjusted compensation for veterans of the World War, etc., which was ordered to lie on the table.

He also presented a resolution of the Women's Auxiliary, American Legion, of Pratt, Kans., favoring the enactment of legislation to provide adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES.

Mr. SPENCER, from the Committee on Military Affairs, to which was referred the bill (S. 150) to provide longevity pay for reserve officers and National Guard officers serving under orders of the War Department, reported it without amendment and submitted a report (No. 194) thereon.

Mr. CAPPER, from the Committee on Military Affairs, to which was referred the bill (S. 943) for the relief of John Lyons, reported it without amendment and submitted a report (No. 195) thereon.

Mr. BURSUM, from the Committee on Military Affairs, to which was referred the bill (S. 430) to protect the name and insignia of the World War organizations, reported it with an amendment and submitted a report (No. 196) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent the second time, and referred as follows:

By Mr. PENROSE:

A bill (S. 2198) granting an increase of pension to Charles Stackhouse (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 2199) to provide for the marking of anchorage grounds in waters of the United States; to the Committee on Commerce.

By Mr. NELSON:

A bill (S. 2200) to amend section 5219 of the Revised Statutes of the United States, relating to national banks; to the Committee on Banking and Currency.

A bill (S. 2201) to amend section 140 and to repeal sections 62 and 65 of an act approved March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States," and for other purposes; to the Committee on the Judiciary.

By Mr. SUTHERLAND:

A bill (S. 2202) to carry out the findings of the Court of Claims in the case of David X. Junkin; to the Committee on Claims.

AMENDMENT TO POSTAL RECLASSIFICATION BILL.

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, which was ordered to lie on the table and to be printed.

REDUCTION OF FEDERAL RESERVE REDISCOUNT RATE.

Mr. KING (by request) submitted the following resolution (S. Res. 104), which was referred to the Committee on Banking and Currency:

Whereas on December 30, 1920, the gold reserves of Federal reserve banks amounted to $2,059,000,000 and the outstanding Federal reserve notes in circulation amounted to $3,345,000,000, against which the Federal reserve banks held, exclusive of said gold reserves, discounts and other earning assets in the amount of $3,263,000,000; and

Whereas it is alleged that the policy of the Federal Reserve Board limits and restricts the volume of current mercantile paper and the volume of business of the country by the imposition and exaction of unreasonable and unwarranted rates of rediscount; and

Whereas it is impolitic and unwise for the Federal Reserve Board to establish or maintain the rediscount rates so as to unreasonably restrict the volume of mercantile paper or curtail the facilities for the clearing of mercantile bills; and

Whereas such policy on the part of the Federal Reserve Board tends to the depression of business and retardation of the settlement and clearing of mercantile bills and accounts and reacts adversely upon the commerce and industry of the country and the prosperity of the people: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Federal Reserve Board should reduce its rediscount rate for member banks to a maximum of 5 per cent and adopt a policy which shall facilitate and increase the business of the country.

PRESIDENTIAL APPROVAL.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that on this day the President had approved and signed the bill (S. 1837) to amend section 32 of the act of Congress approved July 17, 1916, known as the Federal farm loan act.

PUBLIC HEALTH SERVICE HOSPITALS.

Mr. ASHURST. Mr. President, I ask unanimous consent to have printed in the RECORD a copy of an editorial which appeared in the Prescott (Ariz.) Evening Courier—a metropolitan daily printed in Prescott, Ariz.—in its issue of Saturday, June 25, 1921. United States Public Health Service Hospital No. 50 is located in Prescott, and this editorial relates thereto.

The VICE PRESIDENT. Without objection, the editorial will be printed in the RECORD.

The editorial is as follows:

[From the Prescott Evening Courier of Saturday, June 25, 1921.]

RANDOM STATEMENTS AND THE GENERAL PUBLIC.

"Last Wednesday a hospital patient testified before a Senate investigating committee, and in doing so he failed to find anything to praise in any of the public-service hospitals where he had been. It seems he had been in six hospitals, which would indicate he had not been careful to live up to the rules, for a number of transfers indicates the patient was not mindful of the regulations, for transfer is the only manner in which reprimand can be made.

"Among the hospitals mentioned was the one at Whipple Barracks. Just what he found wrong here and what he said in regard to the local institution is not known, but it is strange that he discovered something hundreds of other patients have not found out. Many Prescott people frequently visit the hospital, and there are a number of local women who go there regularly in order that they may do what they can toward brightening the lives of the former service men.

"When local people go to Whipple Barracks Hospital they have opportunity to talk with the boys in a confidential way and with no listeners. If there was any fault to find with the hospital, does it not seem reasonable that at some time during these conversations the disabled veterans would have voiced their complaint? The writer of this editorial happens to know two boys at the hospital quite well, and knew them long before they were in the Army. They are earnest in their praise of the hospital and of the men and women there who so energetically are trying to rebuild the bodies of the lads who sacrificed their health for the great cause.

"On last May 12 hundreds of Prescott people took advantage of hospital day and visited the local institution. They were surprised not only at the equipment of the hospital but at the spirit of contentment reflected on the face of every patient there.

"If the Senate committee would come out here and see for itself and not pay heed to an isolated case just because it brings forth criticism instead of praise, they would accomplish more real good and gain possession of facts instead of fancies."

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 5622) providing for the appraisal and sale of the Vashon Island Military Reservation, in the State of Washington, and for other purposes.

The message also communicated to the Senate the information that Hon. HORACE M. TOWNER, a Representative from the State of Iowa, had been appointed Speaker of the House pro tempore, in the absence of the Speaker, and that said designation had been approved by the House.

ENROLLED JOINT RESOLUTION SIGNED.

The message further announced that the Speaker pro tempore of the House had signed the enrolled joint resolution (S. J. Res. 16) terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America, and it was thereupon signed by the Vice President.

ADJOURNMENT.

Mr. LODGE. I move that the Senate do now adjourn.

The motion was agreed to; and (at 5 o'clock and 5 minutes p. m.) the Senate adjourned until Tuesday, July 5, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 1 (legislative day of Thursday, June 30), 1921.

TREASURY DEPARTMENT.

COLLECTORS OF CUSTOMS.

Harry E. Murray, of Honolulu, Hawaii, to be collector of customs for customs collection district No. 32, with headquarters at Honolulu, Hawaii, in place of Malcolm A. Franklin, resigned.

Robert W. Humphreys, of Liberty, Tex., to be collector of customs for customs collection district No. 22, with headquarters at Galveston, Tex., in place of Fred C. Pabst.

COLLECTORS OF INTERNAL REVENUE.

George C. Hopkins, of Winnsboro, Tex., to be collector of internal revenue for the second district of Texas in place of Scott Reed, resigned.

James W. Bass, of Waco, Tex., to be collector of internal revenue for the first district of Texas to fill an existing vacancy.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 1 (legislative day of Thursday, June 30), 1921.

TREASURY DEPARTMENT.

COLLECTOR OF INTERNAL REVENUE.

Cyrus Durey to be collector of internal revenue, fourteenth district of New York.

HOUSE OF REPRESENTATIVES.

FRIDAY, *July 1, 1921.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, we come to Thee with no complaint; we find no fault. We can wholly trust Thy love and be sure of the way. Thou art full of grace and truth. O magnify these virtues in us, that we may always be strong and aroused to good, earnest, and patriotic endeavor. Let Thy common benediction fall upon all of us as impartially as the light of the day. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

DESIGNATION OF SPEAKER PRO TEMPORE.

The SPEAKER. The Chair is not going to be present tomorrow and part of this afternoon, and as there might be some bills which would need the signature of the Speaker, the Chair designates Mr. TOWNER, of Iowa, to act as Speaker, and asks the approval of the House of that designation, which meets the requirements of the law as to signing bills. Is there objection?

There was no objection.

LEAVE TO PRINT.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that the address of the gentleman from Mississippi [Mr. LOWREY] at Arlington on the 5th of June, Confederate Memorial Day, be printed in the RECORD.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the address of Mr. LOWREY delivered at Arlington on the 5th of June may be printed in the RECORD. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 1905. An act providing for the relief of certain contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes; and

S. 920. An act for the consolidation of forest lands in or near national forests, New Mexico, and for other purposes, which is purely a local matter affecting the forest reserves in that State.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 920. An act for the consolidation of forest lands in or near national forests, New Mexico, and for other purposes; to the Committee on the Public Lands.

S. 1905. Providing for the relief of certain contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes; to the Committee on Public Buildings and Grounds.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 5222. An act to provide for the retention by the Government of the property in Seward, Alaska, known as the Alaska Northern Railway Office Building, and its use for court purposes.

RESIGNATION OF A MEMBER.

The SPEAKER. The Chair lays before the House the following communication, which the Clerk will read:

The Clerk read as follows:

HOUSE OF REPRESENTATIVES,
Washington, D. C., June 30, 1921.

Hon. F. H. GILLETT,
Speaker of the House of Representatives,
Washington, D. C.

SIR: I beg leave to inform you that I have this day transmitted to the governor of Massachusetts my resignation as a Representative in the Congress of the United States from the sixth district of Massachusetts.

Very respectfully,

W. W. LUFKIN.

THE TARIFF BILL.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Texas asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, we have before us now for consideration, not in the House, but as Members, the tariff bill reported from the Committee on Ways and Means, containing 346 pages of printed matter. The hearings on this bill embrace 4,466 printed pages. The Payne-Aldrich bill and the Underwood bill and the other bills which we must consult in connection with this bill amount to another thousand pages, and yet we are called upon next Wednesday to begin the consideration of this measure.

Mr. MADDEN. Does the gentleman want to wait until next winter?

Mr. BLANTON. I submit to the membership of this House that we who are much concerned with this legislation, whose districts are much concerned with it, ought to be given more time in which to give careful consideration to this measure.

Mr. MADDEN. The number of pages in the hearings really is of no consequence, because they were supplied to every Member every day, and they could have been read.

Mr. BLANTON. Oh, yes; but until the measure was reported, and printed copies were available, the hearings could not be considered properly, and I submit that we would save time if we would be given until the 1st of September to consider the bill before it is taken up in the House.

Mr. DOWELL. Has not the gentleman already been complaining because we have not been considering this bill earlier?

Mr. BLANTON. Oh, yes; but because you have not reported it earlier somebody in this House is entitled to give it due consideration besides a little bunch called the majority of the Ways and Means Committee.

Mr. SANDERS of Indiana. I will ask the gentleman if that delay would expedite the consideration of the tariff bill?

Mr. BLANTON. It would expedite the passage of proper tariff legislation.

The SPEAKER. The time of the gentleman from Texas has expired.

VASHON ISLAND MILITARY RESERVATION, WASH.

Mr. JOHNSON of Washington. Mr. Speaker, I move to take from the Speaker's table House bill 5622, a bill providing for the appraisal and sale of the Vashon Island Military Reservation, in the State of Washington, and for other purposes, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. The gentleman from Washington moves to take from the Speaker's table the bill H. R. 5622, with a Senate amendment, and agree to the amendment. The Clerk will report the bill by title and report the Senate amendment.

The Clerk read as follows:

A bill (H. R. 5622) to provide for the appraisal and sale of the Vashon Island Military Reservation, in the State of Washington, and for other purposes.

The Senate amendment was read.

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. Is this a request for unanimous consent, or a motion to take up the bill and agree to the Senate amendment?

The SPEAKER. A motion simply to agree to the Senate amendment.

Mr. JOHNSON of Washington. The amendment inserted by the Senate places a limit on the time in which settlers on this island may make improvements.

Mr. GARNER. This bill is from what committee in the House?

Mr. JOHNSON of Washington. It is reported from the Committee on the Public Lands. It was passed in the House by unanimous consent.

Mr. GARNER. Has the Public Lands Committee knowledge of the fact that the gentleman was going to call it up and ask concurrence in the Senate amendment?

Mr. JOHNSON of Washington. Yes, sir.

Mr. MILLER. Is the Senate amendment agreeable to the gentleman from Washington?

Mr. JOHNSON of Washington. I think it is an improvement. It fixes the limit in which those who want to make improvements may do so.

The SPEAKER. The question is on agreeing to the Senate amendment.

The Senate amendment was agreed to.

ACQUISITION OF REAL ESTATE FOR THE ARMY.

Mr. KAHN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7158.

The SPEAKER. The gentleman from California moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7158. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Iowa [Mr. DOWELL] will please take the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7158, with Mr. DOWELL in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7158, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 7158) to amend the Army appropriation act approved July 11, 1919, so as to release appropriations for the completion of the acquisition of real estate in certain cases and making additional appropriations therefor.

Mr. JONES of Texas. Mr. Chairman, I desire to offer a substitute for the amendment of the gentleman from Ohio [Mr. CABLE].

The CHAIRMAN. At the time the committee rose the vote was being taken on the amendment of the gentleman from Ohio [Mr. CABLE], when the point of no quorum was made. The committee then rose.

Mr. CABLE. Mr. Chairman——

Mr. JONES of Texas. Does not the point of no quorum do away with the vote?

The CHAIRMAN. The question now before the committee is the amendment of the gentleman from Ohio [Mr. CABLE].

Mr. KAHN. A parliamentary inquiry, Mr. Chairman.

Mr. BLANTON. A point of order, Mr. Chairman. The gentleman from Ohio [Mr. CABLE] is trying to get recognition in order to withdraw his amendment.

The CHAIRMAN. The Chair is only stating the parliamentary situation and will recognize the gentleman from Ohio.

Mr. KAHN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KAHN. As I remember the parliamentary situation the point of no quorum was made in Committee of the Whole. A roll call would not have brought a vote on the amendment that was pending, would it, in Committee of the Whole?

The CHAIRMAN. The question now before the committee is upon the amendment of the gentleman from Ohio [Mr. CABLE], and the Chair is about to recognize the gentleman from Ohio.

Mr. KAHN. As I recall, the Chair announced that the ayes were 20 and the noes were 26.

The CHAIRMAN. Then the point of no quorum was made.

Mr. SANDERS of Indiana. And that vacated the vote.

The CHAIRMAN. That vacated the vote.

Mr. CABLE. Mr. Chairman, I ask unanimous consent to withdraw the amendment which I offered yesterday.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. CABLE. Now, I desire to offer another amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

Amendment offered by Mr. CABLE: Page 2, line 11, strike out lines 11 and 12, and line 13 to the colon, and insert in lieu thereof the following: "And such additional sums are hereby respectively authorized to be appropriated: *Provided, however*, That the total amounts herein authorized to be appropriated shall not exceed the following sums, to wit."

Mr. CABLE. Mr. Chairman, the purpose of this amendment is to permit the War Department to expend the respective sums set out in the bill, and no more. Yesterday I was unable to ascertain the amount of the unexpended balances; but I went to the War Department this morning and was given the amount of $3,908,995.42 as the sum of the unexpended balances. Now, under this bill as it is drawn the committee desire that we authorize the unexpended balances and then, in addition, the following sums: For example, for Army supply base, New Orleans, La., $282,000. The amount is unexpended and still remains; but if the bill goes through as it is we will authorize the expenditure of the $282,000 under the first clause for unexpended balances, and then under the second clause we will authorize the same amounts again. For that reason I have offered the amendment, so that the total amount authorized to be appropriated shall be the respective sums set out after each particular item, and no more. [Applause.]

Mr. GREENE of Vermont. Does the gentleman release any part of the unexpended balances?

Mr. CABLE. This amendment authorizes the use of all the unexpended balances, and if they are not sufficient such a further amount as is necessary, but the total amount is limited to the amount you set out in your bill. In other words, it is a limitation on the amount desired to be authorized.

Mr. JONES of Texas. Mr. Chairman, I have drafted an amendment, which, while I did not get the exact language of the amendment of the gentleman from Ohio, I think arrives at the same thing, and I therefore rise to support the amendment of the gentleman from Ohio, which is along the same line as mine. Under the bill as it reads at the present time we authorize the use of the unexpended balances of such appropriations as are available for such purposes, and in addition to that when such balances are exhausted the use of the sums set out in the bill which are hereby respectively authorized to be appropriated. Now, if you will turn to the measure it is very clear that the first section of the bill authorizes the sums set out here and in addition authorizes the unexpended balances. The hearings show that even those who agitated these appropriations did not ask for that amount. For instance, here is the testimony of Maj. von Bussche. Referring to the last item in the bill, for the Aberdeen Proving Ground, Md., $174,591, here is the testimony of that witness on whose statement this bill was prepared, and it says that of these allotments $74,591 remains unexpended, and that in addition to this unexpended balance it would require approximately $100,000 to complete the purchases of the land and pay the land damage claims. In other words, all they asked for in this testimony was $174,000 for that item. Now, the bill authorizes the use of the $74,591 unexpended balance, and when that is exhausted authorizes $174,591 more. In other words, it authorizes $248,000, when all they asked for was $174,000. I take it that is true of all the other items in the bill. It is a mistake in the framing of the language. I prepared an amendment that would simply make the totals include the unexpended balances, which is what the testimony calls for. I do not know who drafted that language, but it is just as clear as the English language can make it that it authorizes the unexpended balances plus the different items set out here, whereas those

who were asking for the appropriation—and the Lord knows that Army men ask for all the appropriations they need—only asked in this particular case for $174,000.

Mr. FIELDS. Will the gentleman yield?

Mr. JONES of Texas. I yield to the gentleman from Kentucky.

Mr. FIELDS. Then would it not be proper to strike out the figures "$174,591.63" and insert in lieu thereof the figures "$100,000"?

Mr. JONES of Texas. That would arrive at the same end, but the amendment of the gentleman from Ohio [Mr. CABLE] will do the same thing. Another way you could do would be to adopt my amendment, which reads as follows:

And there is hereby authorized to be appropriated such further sums as, when added to such unexpended balances, shall total the following amounts.

I take it the gentleman's language means the same thing. But that is not what the bill does. Some one of these amendments ought to be adopted. We have before us the amendment of the gentleman from Ohio [Mr. CABLE] which I think clearly and explicitly accomplishes the purpose and simply puts the appropriations squarely where those who asked for them placed them. Who can gainsay the justice of that proposition?

Mr. BEGG. Mr. Chairman and gentlemen of the committee, I would like to ask the chairman of the committee, or some other gentleman, a question or two.

Mr. KAHN. The gentleman from Illinois has charge of the bill and has looked into these matters very carefully.

Mr. BEGG. I should be delighted to ask the gentleman from Illinois a question. We are asked to vote for a number of appropriations which, as I analyze them, amount to adjusted war claims. They may be all right. Have any of them been tried out in the Court of Claims?

Mr. McKENZIE. I do not think so.

Mr. BEGG. Why do we have a Court of Claims if this House is to continually keep on allowing claims? [Applause.]

Mr. McKENZIE. I will say that I do not understand that a citizen of the United States who has entered into a contract with representatives of the Government of the United States for a certain sum of money for certain property conveyed to the United States, and which he has abandoned to the Government, which has taken possession of it, should be compelled to go into the Court of Claims, or even wait three years for payment, as they have had to do in this case. I think it is a clear case of delay on the part of the Government in carrying out a contract which apparently the War Department has been prevented from doing on account of Congress permitting them to do so.

Mr. BEGG. I want to say in reply to the gentleman's statement that I would with very much more grace vote to authorize the man to go into the Court of Claims and the United States pay whatever costs he was put to in prosecuting that claim to ascertain and arrive at the right amount, rather than to arrive at it on a guess proposition like what you are asking us to do here. And then I read in the paper every day that the Attorney General is about to ask for more money in order to prosecute the dishonest contracts of the war. You can read that in the morning paper—the Attorney General is reported as saying it will take a vast increase of force to prosecute all of the dishonest contracts.

I want to remind the gentleman from Illinois—and I have very great respect for all gentlemen interested in this bill and in their judgment and absolute confidence in their honesty—that they were among the men who advocated and recommended to me as a new Congressman the putting on of legislation to stop this very thing of purchasing real estate promiscuously. Yet a Congressman told me that he knew first-hand of a contract for land that seemed fraudulent, and you have got a provision in here for the same thing.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. BEGG. Yes.

Mr. GREENE of Vermont. The gentleman says that he knows of a fraud in one of these items——

Mr. BEGG. No; I beg the gentleman's pardon. I said a gentleman told me that he knew of a contract that looked to be fraudulent.

Mr. GREENE of Vermont. That is correct.

Mr. BEGG. Which is a decided difference between my statement and the gentleman's statement.

Mr. GREENE of Vermont. I am not inclined to put the obligation on the gentleman, but I am suggesting that if he volunteers that information on the floor and he knows of a witness who can testify to a fraud which we are asked to condone by legislation, it is his duty to reveal the facts. [Applause.]

Mr. BEGG. Well, I never go back on a statement I make, and I will produce the man's name who told me, whenever the Attorney General will prosecute the case.

Mr. GREENE of Vermont. And in the meantime the gentleman will let us legislate in the dark?

Mr. BEGG. In one of your items here you are asking me to vote more money for a contract which a gentleman told me a gang of fellows had put over by unloading on the Government a piece of land that they bought for $5 an acre and sold for as high as $60 an acre.

Mr. GREENE of Vermont. Will the gentleman tell us about it and produce the proof so that we can eliminate it?

Mr. BEGG. The gentleman can read it in the bill. I will say to the gentleman that I do not know that this is exactly the same thing, but it is the same place; but how am I to find the information when the gentleman's committee does not give us the information and can not answer our questions? Why does not the gentleman make it possible for every man that claims an obligation owing him from the Government afford him an opportunity to go to the Court of Claims or let the Court of Claims make a recommendation, and then every man in the House will vote for it.

Mr. GREENE of Vermont. This is not a case within the jurisdiction of the Court of Claims.

Mr. BEGG. It is entirely possible to put it within the jurisdiction of the Court of Claims.

Mr. GREENE of Vermont. And probably delay the claimant four or five years longer.

Mr. BEGG. The claimant can not be damaged in the Court of Claims if it allows him the amount to which he is entitled plus the interest.

Mr. FIELDS. There is no controversy here over the amount.

Mr. GREENE of Vermont. No; and there is no jurisdiction in the Court of Claims.

Mr. BEGG. There can be jurisdiction, and the gentleman knows it.

Mr. GREENE of Vermont. There can be, but it will be a manufactured jurisdiction.

Mr. BEGG. The Court of Claims has whatever jurisdiction we give them.

Mr. GREENE of Vermont. It is a manufactured jurisdiction because there is no claim in the sense of that word. It is an arrested contract and the parties are ready to come to an agreement.

Mr. BEGG. I will cite the gentleman a case, although it is small, only $275. In this bill you have a provision "for sewer right of way for housing projects, Bethlehem, Pa., $275."

What are we doing now? We are selling every one of these housing propositions at from 30 to 50 cents on the dollar, and the gentleman can not cite a single one of them that is bringing 50 cents. Where are we going to get anything out of it? You can sell it for as much money without that. If that is true in that case, how am I to know that it is not true of all of them?

Mr. GREENE of Vermont. The present policy of this Government is not involved here. We are here trying to pay people a contractual obligation which was made in war time, which is now pending on an old policy that is a legacy from the last administration.

Mr. BEGG. How does that harmonize with the reports continually coming out of the Attorney General's Department, presumably—at least we read them in the newspapers, and I know the gentleman must have seen them—that he is going to prosecute and investigate a number of these war contracts? Here we are going on and adding more and more.

Mr. GREENE of Vermont. These are real estate contracts which were in process of completion when the House suddenly cut off the payment of any money, it made no difference whether the contract was good, bad, or indifferent. These particular instances come here and the situation is such that if they are not closed up, all of the former owners or occupiers of this land are to be put to years more of distress, because they are in dispossession. There is no controversy about the amount to be turned over. The money was once appropriated for by this Congress, and it is in the Treasury now. We are asking that that appropriation be now released so that it can be applied to its original purpose.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McKENZIE. Mr. Chairman, I want to be recognized for one moment in order to ask the gentleman from Ohio [Mr. BEGG] a question. Take the case of Americus, Ga. Admit that there was fraud in the purchase of the land. The contract was entered into by a representative of the Government and certain citizens of Georgia. Let us admit that the contract is tinctured with fraud. After the contract was entered into the

Government took possession of the property as one of the many flying fields—and I may say that flying seems to be a very popular thing just at present—and hundreds of thousands of dollars were expended by the Government in improvements on the land. As a matter of policy, would the gentleman abandon this property and ask these people to go into the Court of Claims and let the Government's property go to waste, or would he as a business proposition pay the balance, take charge of the property, transfer it if we can, and get something out of it, and then have the Attorney General, who happens to be from the gentleman's own State of Ohio, put a little energy into his department and go after the gentlemen if they are guilty of the crime to which he refers? I am one of those who have said repeatedly that in my judgment if there ever was a time in the history of our country when grafters came to the surface and men robbed the Government, it was during the war, and I want them prosecuted, every one of them. [Applause.] If the present Attorney General does not do his duty, then he will not fulfill what we expect of him as the Attorney General of the United States. I want to say to the gentleman from Ohio that those matters are not involved in this bill. This bill is a business proposition, and we ought to pass it.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. BEGG. Will the gentleman state to this committee that if the United States did not pay these items to-day it would jeopardize the United States in her position in a suit before the Court of Claims?

Mr. McKENZIE. I did not say anything of the kind.

Mr. BEGG. I understood the gentleman to imply that in his statement a moment ago.

Mr. McKENZIE. This is a plain, simple contract.

Mr. KAHN. Mr. Chairman, will the gentleman yield?

Mr. McKENZIE. Yes.

Mr. KAHN. A great many of the people who were really dispossessed of their farms by the Government on the score that the Government needed the land, had to get out, and they have not been paid.

Mr. BEGG. The gentleman knows that that is a rare case.

Mr. KAHN. It is not a rare case.

Mr. BEGG. They were not dispossessed of this land; they were not living on it.

Mr. KAHN. It is not a rare case.

Mr. BEGG. Oh, yes; it is, where the actual owner was dispossessed and did not get anything for his land.

Mr. KAHN. Those cases are numerous.

Mr. BEGG. It is not a bad thing to be dispossessed from $5 an acre land if you can get $60 for it.

Mr. KAHN. I would like to see some farm land that you can buy for $5 an acre.

Mr. DUNBAR. Mr. Chairman, I move to strike out the last word. I have listened to the remarks of the gentleman from Ohio [Mr. BEGG] with considerable interest and also with a degree of disapprobation when he informs us that the items contained in this bill for which authorizations for appropriations are made should be referred to the Court of Claims. That might be true possibly in some instances, but I want to tell you that it is not true in all instances in this bill, and it is to the shame and disgrace of the United States that some of these items for which appropriations are provided for in this bill have not been authorized by this or by some previous Congress.

I represent the district in which Jeffersonville, Ind., is located. The largest quartermaster depot in the United States is within its boundary. During the war 35,000 Army shirts were made there each day when they had the material with which to make them. Eight thousand people were employed. Before the war commenced 200 people only were employed and less than 20 acres of land were occupied by the site. During the war the Government preempted 235 additional acres of ground, took the ground away from the people who owned it. Some of those people had improvements on their ground and those improvements were razed to the ground, and to this day those people have not been compensated for property taken away from them by the United States in order that opportunity might be afforded to prosecute the war to a successful conclusion. On that land the Government of the United States has erected buildings that have cost more than $2,000,000. To-day there are employed more than 2,000 people. It is a permanent depot, a depot that is ideally located, and one that furnished more supplies to the United States Army than any other camp in America.

Now, I know some of those people there whose property was taken away from them, whose houses were torn down. They have not yet received pay for the property taken away from them. Why should they be required to go to the Court of Claims in order to prove their case? There is not any question about the amount of money due to those people in Jeffersonville, some of whom have never received a cent. Why should we delay longer in paying those people the money that is owing to them by our Government?

Mr. BLANTON. Will the gentleman yield?

Mr. DUNBAR. I will yield.

Mr. BLANTON. I appreciate what the gentleman is saying, but suppose in Indiana they wanted to condemn for public use the gentleman's property. Does not the gentleman have to go through orderly court procedure, through condemnation proceedings?

Mr. DUNBAR. No Government should go out and condemn any property and take it away from me——

Mr. BLANTON. That is the law of the land.

Mr. DUNBAR. And dispossess me for four years, and then when the proposition is made to pay me the Congress says, "No; go to the Court of Claims, employ a lawyer, go into litigation that may take 10 years before a decision can be made, and perhaps after many of them may have been molding in their grave.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Texas. Mr. Chairman, I move, on page 3, lines 5 and 6—is there an amendment pending?

The CHAIRMAN. There is an amendment pending.

Mr. GARRETT of Texas. Then I will move to strike out the last two words, and address my remarks to this matter. I understood the gentleman from Ohio [Mr. BEGG] has stated upon the floor of this House, as a Member of this House, that another Member of this House from the State of Georgia had stated to him that this item—I think he said a Member from the State of Georgia, or maybe I misquote him.

Mr. KING. He did not.

Mr. GARRETT of Texas. Then he said a Member of this House stated to him—I do not care whether he is a Member from Georgia or somewhere else—that he knew that this item, which is as follows—

For site for septic tank, Southern Field, Americus, Ga., $750—

is covered up with collusion and fraud, and that the Government has been imposed upon, and that some Member of this House knows of this fact. Now, I want to move, when the time comes, to strike that paragraph out of this bill, and ask the chairman of the Committee on Military Affairs to join me in it, and request the gentleman who made that charge to introduce a bill covering this one item and appear before the Committee on Military Affairs and show the committee the facts.

Mr. BEGG. Will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. GARRETT of Texas. Yes; I will yield.

Mr. BEGG. I think the gentleman misunderstood my statement. I did not make any such statement, and the stenographic report——

Mr. GARRETT of Texas. I certainly do not want to misquote the gentleman. Will the gentleman then please state what he said?

Mr. BEGG. I said a gentleman had told me that the original purchase of the land——

Mr. GARRETT of Texas. By a Member of this House, I understood the gentleman?

Mr. BEGG. That the original purchase of the land had been made by a crowd of fellows down there for $5 an acre, and they had unloaded it on the Government at as high as $60 an acre, but I did not say that I knew there was any fraud. I said the Attorney General's office was being quoted every day that there was fraud in these contracts, and I for one want to know the truth about the matter.

Mr. GARRETT of Texas. Does the gentleman know enough of the truth of this item to vote this item out——

Mr. BEGG. As far as I am concerned, I expect to do my best and vote it all out; the gentleman can do as he pleases.

Mr. KAHN. Mr. Chairman, I take it from the gentleman's statement this item in this bill is not involved at all. What the gentleman from Ohio is talking about is an executed contract. That the land was bought at a low figure and it was sold to the Government at a high figure, and the Government now owns that land. That is a matter that the gentleman should bring to the attention of the Attorney General of the United States.

Mr. BEGG. I am trying to bring it to the attention of the House first.

Mr. GARRETT of Texas. The attitude I take before the House as a member of this committee is that I am unwilling for any item to remain in any bill that comes from the committee of which I am a member when a Member rises upon the floor of this House and states upon his responsibility as a Member of this House that another Member of this House has told

him of irregularities in certain items in the bill, and which information he has withheld from his colleagues and the members of the Committee on Military Affairs. I say I would not want that kind of an item here. I want it to go back to the Committee on Military Affairs and let this matter come before that committee and let the gentleman making the statement tell that committee what he knows about it.

Mr. KAHN. I fully agree with the gentleman, but in making that definite statement he said that he did not refer to this item, but to the land on which this was located.

Mr. GARRETT of Texas. I will ask the gentleman this question: Did he refer to this item of $750 or something foreign to this?

Mr. BEGG. Not in particular——

Mr. GARRETT of Texas. Then I have got nothing further to say. I thought the gentleman was talking about something in the bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SANDERS of Indiana. Mr. Chairman, I move to strike out the last word. Mr. Chairman, there has been so much discussion about various other matters since this amendment was proposed by the gentleman from Ohio that I am afraid some of us may forget the substance of his motion. I think the motion of the gentleman from Ohio ought to be adopted, and I think that in adopting the motion we will carry out the purpose of the bill proposed by the Committee on Military Affairs. If I am incorrect in my statement, I want to be corrected by some member of the Committee on Military Affairs, and I would like, if I may, to have the attention of the gentleman from Illinois, in charge of the bill.

Take, for instance, the Army supply base at New Orleans, La. It is my understanding that the $282,000 includes any unexpended balance of the appropriation. That the whole total of that expenditure is $282,000. Is that correct?

Mr. McKENZIE. I can not answer the gentleman on that point definitely, because I do not know whether there is any unexpended balance left in the Treasury covering that item.

Mr. SANDERS of Indiana. If there were no unexpended balance, then you want to authorize the whole $282,000, and the amendment proposed by the gentleman from Ohio [Mr. CABLE] will do that. But what I mean, if the gentleman from Illinois please, is that under any and all circumstances you need but $282,000 for that Army supply base at New Orleans?

Mr. McKENZIE. I would not say that to the gentleman from Indiana, because I do not know. But I assume that that is correct. I understand that the figures in this bill total up the amount set forth in the report, of $4,140,000.

Mr. SANDERS of Indiana. That is all that is needed?

Mr. McKENZIE. That takes care of the unexpended balance. In some cases, probably, there is no unexpended balance, and in other cases there may be a few dollars, but that will cover the whole matter.

Mr. SANDERS of Indiana. Then, if that is true, I think the amendment offered by the gentleman from Ohio ought to be adopted, because it simply provides that the only amount stated in here be authorized, and that there be no addition.

Mr. McKENZIE. The gentleman from Ohio is mistaken when he says that I am the author of this bill. I did not write the bill, and, furthermore, I have no pride whatever in the language, and I have no objection to having the language corrected to mean exactly what they want to do down in the War Department. I know what they want to do, and I felt that the language of the bill covered it, but if the members of the committee feel that it is not plain enough I have no pride in it.

Mr. SANDERS of Indiana. That is what I thought. I think the amendment of the gentleman from Ohio will accomplish precisely what the gentleman from Illinois wants accomplished.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. ANDREWS. These figures are quoted from the books of the War Department, are they?

Mr. SANDERS of Indiana. Yes.

Mr. ANDREWS. These figures can not be conclusive. They are presumably correct. The only conclusive figures that can be quoted from the books would be from the Division of Bookkeeping and Warrants in the Treasury Department. Many times differences appear between the books of the auditor's office and the books of the Treasury Department, and the Treasury Department books alone are conclusive upon matters of that sort.

Mr. SANDERS of Indiana. The point I was making is that in the amount set forth in this bill you have the estimates that the War Department thinks are necessary to complete the projects, and we do not want any additional appropriations.

Now, I want to say a word as to the question whether the report on these matters should be referred to the Court of Claims.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. SANDERS of Indiana. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. SANDERS of Indiana. There is a provision in the Constitution of the United States which reads as follows:

> Nor shall any private property be taken for public use without just compensation.

The Government of the United States, under the authority of an act passed by this Congress, has entered into solemn contractual obligations with citizens of the United States for their private property, for use for war purposes. On that private property they have erected valuable improvements, running out into millions upon millions of dollars. In other cases, under the authority of laws passed by this Congress, condemnation proceedings have been instituted, and they have reached the point where it is necessary for the appropriations to be authorized.

Now, can it be justly contended that when our Constitution provides that just compensation must be paid in the event we take over property, is it to be contended that these private citizens whose property we have in our possession, in our use, and which we intend to keep, must be compelled, in addition to the litigation in the condemnation proceedings, in addition to bringing about these contracts, to go into the Court of Claims and establish their claims there? The Court of Claims was not established for that purpose. It was established for the disposal of unliquidated claims against the Government which necessitate litigation. Whenever a solemn contract fixes the amount, you need no litigation, and all you need is an appropriation by the Congress. When you have a condemnation proceeding, when you have an adjudication by that tribunal, you need no Court of Claims. All you need is an appropriation of the amount fixed.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. TINCHER and Mr. BURTON rose.

The CHAIRMAN. The gentleman from Kansas [Mr. TINCHER] will be recognized. The Chair will recognize the gentleman from Ohio [Mr. BURTON] in a moment.

Mr. TINCHER. Mr. Chairman, I think that it is manifest to every Member of the House that it is impossible for all the Members of the House to go into all these matters and thoroughly acquaint themselves with the facts concerning them, and for that reason I am glad that we have a Committee on Military Affairs that the membership of the House can rely upon in cases of this kind. I do not entirely agree with the policy, if it can be called a policy, announced by the gentleman from Illinois [Mr. McKENZIE] in the questions that he asked of the gentleman from Ohio [Mr. BEGG], and if there is such a policy as that in the Committee on Military Affairs, I hope that it will not be followed. For instance, if there is in this bill an authorization for the use of public money to carry out a contract in which fraud is conceded to have existed in the inception, I do not think for a moment that the committee ought to report that item. I do not believe that because we had possession of a tract of land that had been purchased by reason of fraud we should carry out that contract any more than an individual would carry out such a contract. I believe that that matter should be decided upon its merits.

I do not so understand this bill. The item that the gentleman from Ohio mentioned in the Georgia case was for a septic tank to cost $750.

Mr. UPSHAW. May I suggest to the gentleman, to clear up this whole situation, that there is not an acre of land within a hundred miles of Americus that could be bought to-day for $5 an acre, and that those lands which used to be worth $5 an acre are now worth from $100 to $150 an acre.

Mr. TINCHER. That is not in this bill, and there is in this bill an item for septic tanks. But I wish to discuss the amendment, and I do think that a mistake has been made in this bill on the face of it, as shown by the hearings. I do not think there is any question but that the gentleman from Ohio [Mr. CABLE] is right in his amendment, and I think the committee ought to agree to his amendment. Probably it is a mistake in the language of the bill, because I do not think you want to authorize an appropriation for the War Department for an amount greater than they really ask for on these claims.

I have just this one little thought to leave with the committee, and that is that if there was fraud in the inception of these claims—for that is what they really are—do not carry out the contract and say to the Attorney General, "Bring a lawsuit," but do as any individual would do if there was fraud in a contract on which some one was trying to make him pay out money, and that is to stand upon the question that there was fraud and have it tried out before paying out the Government's money.

Mr. BLACK. I agree absolutely with the contention of the gentleman, but I think if he will read the language of this bill he will find that we are absolutely ratifying and confirming every agreement, whether it is tainted with fraud or not, and I propose to try to clear that up in a moment. Let me read the language:

Which requisitions, notices, agreements, proceedings, and all acts of entering into possession thereof are hereby adopted, ratified, and confirmed.

Mr. TINCHER. I took the floor because of the remark that one of the Members had made that led me to believe that probably their policy on that question was a little wrong. I agree with the gentleman that we ought not to do that. What could the Attorney General do after we came along and confirmed all those acts?

Mr. BLACK. Not a thing.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BURTON. Mr. Chairman, it seems to me there is a good deal of unnecessary confusion in this discussion. This is really a very simple proposition. Under the pressing demands of war the Government of the United States required certain pieces of real estate. It was necessary to have them immediately. We could not wait upon the ordinary processes. The general law is very well established that private property can not be taken for a public use except by due process of law and after the payment of just compensation. But an exception has been made when property is required by the United States, and in some States a similar rule is enforced. There is an elaborate decision by Mr. Justice Harlan on this subject which I remember reading some years ago.

For the efficient prosecution of the war, we took possession of these parcels of real estate and made improvements upon them, and I call attention to the interest of the Government in acquiring this land, because valuable improvements have been erected on much of this property. For instance, on the land acquired in Brooklyn, N. Y., improvements to the value of $26,000,000 have been erected. Upon the Army supply base in Philadelphia, Pa., improvements amounting to $13,000,000 have been erected, and it is of the utmost importance to the United States that those titles be confirmed. Now, I do not profess to know what share of the cases have been determined by private agreement with the owners and what by condemnation. If there is fraud in any transaction, it ought to be investigated and punished. Perhaps some limitation is necessary in this bill to secure the rights of the public against any possible fraudulent transaction under which the Government paid more than it ought to have paid. But we ought to pass this bill. Otherwise the rule that the Government may take property without regard for the ordinary processes of purchase or condemnation would work oppression, yes, tyranny like the tyranny of a Kaiser or of a Czar. Requisition is an exceptional proceeding for the benefit of the United States, and it is a power which the Government ought to exercise with due regard for the interests of private parties. However, I think the amendment proposed by my colleague from Ohio [Mr. CABLE] ought to be adopted, because it looks here as if there was provision for appropriations for the whole amount required for the purchase, when in some instances, if not all, there is a balance for that purpose remaining in the Treasury. I must condemn, however, unqualifiedly the suggestion of my other colleague from Ohio [Mr. BEGG] that these claimants who have been deprived of their rights and whose property has been wrested from them should be compelled to go into the Court of Claims.

Mr. BLACK. Mr. Chairman, I have a substitute for the amendment, which I now offer.

The CHAIRMAN. The gentleman from Texas offers a substitute, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLACK as a substitute for the amendment offered by Mr. CABLE: Strike out the section down to the words "to wit," in line 13, page 2, and in lieu of the matter stricken out insert the following:

"That the provisions of the Army appropriation act approved July 11, 1917, making unavailable, with certain exceptions, appropriations for the support of the Army or the Military Establishment for the purchase of real estate, as amended by the act approved February 28, 1920 (Public, No. 151, 66th Cong.) be, and the same are hereby, further amended so as to authorize completion of the acquisition of the real estate hereinafter specified in respect whereof requisition notices had been served or given before July 11, 1919, under section 10 of the act approved August 10, 1917 (40 Stat. L., p. 276), or in respect whereof agreements had been made for purchase thereof or proceedings begun for condemnation thereof.

"All unexpended balances of any appropriations heretofore made for any such purposes are hereby repealed. For the purpose of carrying out the provisions of this section the following amounts are hereby authorized to be appropriated."

Mr. BLACK. Mr. Chairman, I do not charge that any frauds have been committed in the making of these agreements. I am never free in making charges which I do not have the facts to support. I do not believe that the claimants should be compelled to go into the Court of Claims to establish their claims against the Government, but I do contend that there is language in the present bill as it is now drawn which goes too far and which I do not believe Congress desires to retain. Let us suppose that in one of these several projects fraud has been committed against the Government in the sale of lands. What protection would we hereafter have? I read the following language in the bill:

Which requisitions, notices, agreements, proceedings, and all acts of entering into possession thereof are hereby adopted, ratified, and confirmed.

Now, suppose that some Army officer, representing the Government of the United States, has entered into a fraudulent agreement for the purchase of some of this land or has agreed to pay an unreasonable and outrageous price for some of it.

Mr. FIELDS. Will the gentleman yield?

Mr. BLACK. Yes; I will be glad to.

Mr. FIELDS. The general law under which this property was acquired contains ample provisions for all that the gentleman is seeking to accomplish by his amendment.

Mr. BLACK. It is within the power of Congress to repeal former laws, and if the gentleman will permit, I submit that the language I have just read ratifies, adopts, and confirms all contracts that have been entered into in the purchase of this land. Therefore any measure of protection heretofore existing as to these agreements would, I think, be repealed by the provision I have just read.

Mr. JONES of Texas. If the language is adopted as written in the bill, even though some man had committed fraud by selling land worth a dollar an acre for $100 an acre, the purchase would be ratified and confirmed.

Mr. BLACK. Undoubtedly, but I am sure that the Committee on Military Affairs, for whom I have the highest respect, do not want to go to that extent. It is not necessary that we do that. We ought not to do it. The present language of the section now under consideration does four things: First, it authorizes completion of these agreements and requisitions. That is one thing it does. Second, it does just what I have undertaken to argue, it ratifies, adopts, and confirms all of the agreements and requisitions; third, it authorizes the use of expended balances of present appropriation; fourth, if the amendment of the gentleman from Ohio is adopted, it authorizes additional appropriations for whatever amounts are necessary to make up the maximum amounts named in the bill. If my substitute is adopted it will do three things: It will first authorize the completion of these agreements or requisitions. I am earnestly in favor of that. I have no desire that the Government repudiate any of its contracts fairly made. I think they should be carried out. Second, my amendment strikes out that language whereby we ratify and confirm all these agreements, because, indeed, we might not want to do that. It might be found desirable to inquire into some of them. Also, it repeals the unexpended balances and simply authorizes the Committee on Appropriations to appropriate amounts up to the maximums provided in the bill.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. HUDDLESTON. Will the gentleman permit me to call his attention to the fact that this system of making appropriations by unexpended balances is the very thing condemned by the administration.

Mr. BLACK. Yes; it is a bad system from many standpoints. We created one centralized Committee on Appropriations for the purpose of requiring all these projects to be brought before that one committee, so that they might determine in the consideration of such matters the amount of appropriation which should be made.

Mr. FIELDS. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. FIELDS. The gentleman will recall that the money was formerly appropriated by the committee having charge of the matter for this purpose, but by the act of July 11, 1919, the payment of that money was stopped. It is only to remove

this disability. I do not agree to that as a general policy, but this is a particular case where this particular inhibition was placed against the payment of the money appropriated for these specific purposes.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. BLACK. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. BLACK. Now, I want to answer the inquiry of the gentleman from Kentucky. Congress did adopt by the resolution of July 11, 1919, a repeal of the authority heretofore granted to complete these projects, and we adopted that repeal upon the recommendation of the Committee on Military Affairs. Now we are asked to revitalize these provisions, and I am willing to do it provided proper safeguards are made. If my amendment is adopted it will authorize the Secretary of War to complete these requisitions and agreements, but he will have to go before the Committee on Appropriations to get an appropriation for the amount necessary to pay them.

Mr. FIELDS. And that will delay the payment of the claims many months which we ought to settle right away.

Mr. BLACK. It should not make for any unreasonable delay. We have an estimate that in most all of these cases the unexpended balances now available will be insufficient to pay the amount, and the officials of the War Department will have to go before the Committee on Appropriations anyway. Why not make it necessary for them to do that in the first instance? For example, suppose the Committee on Appropriations should conclude that some of these contracts are unfair and provide for extravagant and unreasonable payments. Then we would have half of the amount already paid in the unexpended balance and the Government could only protect itself as to the remainder. I contend that we will do full justice and equity to parties interested in this land if we authorize the completion of the agreement and authorize the Committee on Appropriations to make an appropriation to satisfy the claims in full.

Mr. McKENZIE. Will the gentleman yield?

Mr. BLACK. I will.

Mr. McKENZIE. If I understand the gentleman's amendment, it provides for appropriations for the various amounts in the bill.

Mr. BLACK. Yes.

Mr. McKENZIE. And cuts out the part that confirms the title in the Government after the money has been paid.

Mr. BLACK. No; it cuts out that part which ratifies and confirms and adopts all of these agreements and requisitions in advance of the payment.

Mr. McKENZIE. Does not the gentleman think that in order to do an up-to-date job he ought to add there that the Attorney General of the United States, before any payment shall be made hereafter, shall investigate all the titles as the law requires to be done in time of peace?

Mr. BLACK. Oh, no; I want to ask the gentleman a question. Does the gentleman think that the Government is protected if we adopt the language in this bill which provides that all these requisitions and agreements are hereby adopted, ratified, and confirmed?

Mr. McKENZIE. I will say to the gentleman from Texas that, in my judgment, perhaps in a number of these cases, and perhaps in all, the Government will get the worst of it.

Mr. BLACK. Then the gentleman believes, as I do, that we should adopt this amendment and the Committee on Appropriations will still have some power to keep a hand on the purse strings?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MONDELL. Mr. Chairman, a very interesting question has arisen. May I ask the gentleman from Illinois in charge of the bill if he or his committee anticipate the necessity of any greater expenditure in the acquisition of the title to these tracts than the sums set out in the bill? For instance, does he anticipate the necessity of using more than $282,000 for the acquisition of the Army supply base at New Orleans?

Mr. McKENZIE. I will say that as far as I am personally concerned I do not know what these figures are. The Aberdeen award is $174,000. We understood there was $74,000 unexpended balance which would be used in part payment, and that there would be an original appropriation or authorization of $100,000, making a total appropriation of $174,000.

Mr. MONDELL. Is the gentleman replying to my question, or is he discussing some other item?

Mr. McKENZIE. I said to the gentleman that I did not have the figures in mind.

Mr. MONDELL. The gentleman has the bill before him. I am taking the first item, for Army supply base, New Orleans, La., $282,000. Is that all that is necessary to be paid to complete that purchase?

Mr. McKENZIE. I so understand it, but I do not know whether there is any unexpended balance remaining in the Treasury that could be applied to that payment.

Mr. MONDELL. If the gentleman will allow me, that is not my question. I am not interested about unexpended balances? My question is a very simple one.

Mr. McKENZIE. I know, and I answered the gentleman in the affirmative.

Mr. MONDELL. Would it cost more than $282,000 to secure that supply base?

Mr. McKENZIE. No; not more than that. The gentleman asked me in the first place if that would not pay the claim and I said yes.

Mr. MONDELL. Two hundred and eighty-two thousand dollars will meet the obligations?

Mr. McKENZIE. I do not know, I suppose so. I did not write the bill.

Mr. MONDELL. It seems to me that the gentleman in charge of this bill should know how much we are to obligate ourselves in these matters. The statement ought not be made that the total obligation is the sum of these various items, if in addition we are to make unknown sums of unexpended balances available, because in that event the total of the obligation might be far in excess of the sums set out in the bill.

Mr. GREENE of Vermont. Mr. Chairman, if the gentleman will permit, attention was called yesterday to the fact that on page 6 of the report the statement was made that the total amount to be appropriated in the bill is $4,140,105.72, which is the total of the various items, sums of money, set forth in the bill.

Mr. MONDELL. Yes; but in addition to that the committee reappropriates all of the unexpended balances that may be in the Treasury, appropriated at one time or another for these purposes.

Mr. BLANTON. And as I understand it, that aggregates $3,000,000 and more.

Mr. GREENE of Vermont. Personally, in order to expedite the passage of this bill, I have no objection to the amendment of the gentleman from Ohio, because it carries out apparently in the language that he has chosen the intent that we have. I have never been able to see, however, that the language carried in the bill does not do the same thing, and that it has the advantage of having a legal interpretation.

Mr. MONDELL. We now understand that what was intended was to authorize the use of the sums stated in the bill for the purposes intended and no more. If that is the intent, then we ought to adopt either the amendment offered by the gentleman from Ohio [Mr. CABLE] or the amendment offered by the gentleman from Texas [Mr. BLACK].

In different form both amendments accomplish the same thing, one quite as well as the other, except that if we are going to accept the amendment of the gentleman from Texas we should not use the word "repeal" in respect to unexpended balances, but should provide that the unexpended balances shall be covered into the Treasury. The amendment offered by the gentleman from Ohio meets the situation exactly, and the amendment offered by the gentleman from Texas with that modification, that the unexpended balances should revert to the Treasury, does the same thing in different form.

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MONDELL. I do not want to be misunderstood in the matter. I am willing to follow the committee, if the committee believes that we should appropriate the sums set out and also certain other definite sums in unexpended balances, but I want to know just what it is that the committee intends. If the committee does not intend obligations in addition to the sums set out in the bill, then it should be made clear that the only obligation we intend to assume or to authorize the Committee on Appropriations to provide for is the amount of the sums set out in the bill. Either amendment will accomplish that very desirable result.

Mr. FIELDS. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. In a moment. The members of the committee suggest that they did not intend to obligate the Government in a sum in excess of the sums set out. That being true,

it is absolutely essential that we shall modify the language, because it is very clear to me that as the language now stands the unexpended balances, no matter how large, might be used, and in addition to that the Appropriations Committee might appropriate the sums carried in the bill. I now yield to the gentleman.

Mr. FIELDS. Going over the hearings in respect to the New Orleans item, I notice that the proposition aggregates $315,000. They want $282,000 to complete the payment. Evidently there is an unexpended balance applicable to this item amounting to the difference between $282,000 and $315,000.

Mr. MONDELL. The gentleman evidently has a different idea of what is intended than the gentleman in charge of the bill, and in order that there shall not be any uncertainty about it, one or the other of these amendments ought to be adopted so that we shall know that we are obligating the Treasury only in the sum of the total of these items.

Mr. SANDERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. SANDERS of Indiana. It seems to me clear from the report filed with the bill that the amounts appropriated, respectively, are intended to be the entire amount appropriated, including the new authorization and the old. Take, for instance, the inquiry the gentleman addressed to the gentleman from Illinois [Mr. MCKENZIE]. The report shows that the entire amount that will be needed will be $282,000, and the others in the same way.

Mr. MONDELL. I think the gentleman will agree that that ought to be made clear.

Mr. SANDERS of Indiana. I quite agree with the gentleman.

Mr. MONDELL. It can be made clear by the adoption of one or the other of these amendments.

Mr. KAHN. Mr. Chairman, I move that all debate upon the paragraph be closed in five minutes.

Mr. BLACK. Mr. Chairman, before that motion is put, will the gentleman permit me to submit a request for unanimous consent?

Mr. KAHN. Certainly.

Mr. BLACK. Mr. Chairman, I ask unanimous consent that that part of my substitute which relates to the unexpended balances be modified in the manner of the language which I have sent to the Clerk's desk.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to modify the substitute amendment as the Clerk will report.

The Clerk read as follows:

Strike out the language of the Black amendment reading as follows: "All unexpended balances of any appropriations heretofore made for any of such purposes are hereby repealed," and insert in lieu thereof, "All unexpended balances of any appropriations heretofore made for any of such purposes are hereby directed to be covered into the Treasury."

The CHAIRMAN. Is there objection to the modification?

There was no objection.

Mr. KAHN. I move that all debate upon the pending amendments do now close.

The motion was agreed to.

The CHAIRMAN. The question is upon the substitute amendment of the gentleman from Texas to the amendment of the gentleman from Ohio.

The question was taken, and the substitute amendment was agreed to.

The CHAIRMAN. The question now recurs upon the amendment as amended by the substitute.

The question was taken, and the amendment as amended by the substitute was agreed to.

The Clerk read as follows:

SEC. 3. That the Secretary of War be, and he is hereby, authorized and directed, at the time of the expiration of the leases now held by the War Department covering the several tracts of land hereinbefore described, to enter into new contracts for the lease of such portions of said land as he deems necessary, and for such length of time as he deems advisable, to enable the War Department to remove all Government buildings and other property now located on said premises: *Provided*, That the Secretary of War be, and he is hereby, authorized to purchase from the owner or owners such number of acres as in his judgment is necessary for the operation of the water plant now located thereon, or to lease the same for a term of years, as his judgment may direct; and in the event of his inability either to lease or purchase the land necessary for the water plant from the owner or owners thereof, that he is authorized to acquire the same through condemnation proceedings: *Provided further*, That the owners of said tracts of land, prior to the dismissal of all legal proceedings now pending, shall enter into contract and agreement with the War Department covering all rights of removal of Government property after the expiration of the lease if not removed before the expiration of the lease; and also for the protection of the Government in relation to any water mains or sewer pipes which may cross any portion of said land. He is authorized to approve judicial or administrative awards heretofore made and to have new awards made in respect of any such interest or estate in said lands as can not be purchased at a reasonable price. If the amount of the award in any case be accepted by the owner or owners in full satisfaction, payment of such award with interest thereon at the rate of 6 per cent per annum from the date of said award is authorized to be made to the owner or owners of the property upon receiving good and sufficient deeds conveying the title of said lands to the United States. If the amount of the award be not accepted in full satisfaction, the Secretary of War is authorized to pay to the owner or owners of the premises 75 per cent of the amount of the award upon the execution of good and sufficient deeds conveying title thereof to the United States without prejudice to his or their right to recover any balance due; and the owner or owners of the premises shall have the right to sue in the district court of the United States for the judicial district in which the land lies for the difference between the amount so paid and the just value of the property to which the owner or owners thereof is entitled as determined in said suit, whether the value so determined be more or less than the amount of the award: *Provided, however*, That any addition to the value of the premises resulting from the improvements thereto or in the vicinity thereof made by or at the expense of the United States shall be excluded from the sum paid to or recovered by the owners. Where the owner or owners of the property refuse or neglect to execute such conveyance, and a reasonable time therefor has in the judgment of the Secretary of War expired, or where their title to the premises is in doubt, the Secretary of War may cause condemnation proceedings to be instituted for the acquisition of the title, in which proceedings any addition to the value of the premises resulting from improvements thereto or in the vicinity therefor made by or at the expense of the United States shall not be included in the award to the owners. The Secretary of War is authorized and directed to pay from the funds made available by this act the amount awarded by the court in either of the proceedings aforesaid, together with such expense of the proceedings as the court may adjudge to be properly chargeable to the United States.

Mr. KAHN. Mr. Chairman, I move that the committee do now rise——

Mr. SANDERS of Indiana rose.

Mr. KAHN. What does the gentleman desire?

Mr. SANDERS of Indiana. I want to make some inquiry in reference to this paragraph.

Mr. KAHN. Mr. Chairman, I withdraw my motion for the present.

Mr. SANDERS of Indiana. Mr. Chairman, I move to strike out the last word. Near the bottom of page 5, section 3, it says:

At the time of the expiration of the leases now held by the War Department covering the several tracts of land hereinbefore described—

I could not find anything to which that referred.

Mr. MCKENZIE. All of these tracts of land are now held by the Government under lease and that has reference to those tracts.

Mr. SANDERS of Indiana. The gentleman means all of these lands that the Government has taken possession of?

Mr. MCKENZIE. That refers to land at Camp Grant which we are endeavoring to have the War Department turn back to the owners.

Mr. SANDERS of Indiana. Does the gentleman mean the land described in section 2?

Mr. MCKENZIE. Yes. There are three tracts of land hereinbefore described now held by the Government under lease. The War Department is leasing and paying $20 an acre annually as rental for that property. That refers to that.

Mr. SANDERS of Indiana. On page 8, line 7, the bill says:

The Secretary of War is authorized and directed to pay from the funds made available by this act.

That was always used when the committee had appropriating power. Should it not be "hereby authorized to be appropriated"? It is available when appropriated.

Mr. GREENE of Vermont. Made available by the act. There will not be any funds available by the act until the Appropriations Committee——

Mr. SANDERS of Indiana. It is authorized by the act. It is authorized to be appropriated, but it is not made available by this act.

Mr. GREENE of Vermont. That is true.

Mr. SANDERS of Indiana. If the gentleman has no objection I shall offer that amendment.

Mr. MCKENZIE. If the gentleman will permit, is it not a fact that the funds are made available by this act? In other words, the Committee on Military Affairs must first authorize the appropriation; that is the initiative of the whole thing. Then when the Committee on Appropriations sees fit to make the appropriation, then the Secretary of War was directed to make payments out of the sum made available by this act. It seems to me the language is all right.

Mr. SANDERS of Indiana. Of course, no funds are made available until the Secretary can use them.

Mr. KAHN. Will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. KAHN. The unexpended balances have already been appropriated and are now available and they were stopped by act of Congress.

Mr. SANDERS of Indiana. But the gentleman's bill did not do that. It did not repeal that part of the appropriation act.

It simply authorizes it, and the Committee on Appropriations will have to act on that part of the bill, too.

Mr. McKENZIE. There may be something in the criticism of the gentleman from Indiana, but I do not think it is fatal at all.

Mr. SANDERS of Indiana. I shall not offer the amendment.

Mr. BLANTON. Mr. Chairman, I offer an amendment. On page 8, line 11, strike out the words "properly chargeable to."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 8, line 11, after the word "be," strike out the words "properly chargeable to."

Mr. BLANTON. Mr. Chairman, there are certain responsibilities that are properly chargeable to the Congress. Not a day passes hardly but that some Government employee, who by reason of the exigencies of the present situation has been discharged from his or her position and who ought to be sent home, comes to us to be reinstated. There is a responsibility that is properly chargeable to each one of us with respect to that situation. I will tell you what I tell them, not one but every one of them who comes to me from my district, friends of my friends, daughters of my constituents, and I realize what I am doing when I tell them. I say, "You came here when we needed you in an emergency. That emergency has passed. You are superfluous now and ought to be sent home, and you should not ask me as your Congressman to go down here and try to keep you on the pay roll when your Government does not need you, and I appeal to your patriotism to accept the situation and go on home where you belong." That is what I am telling them. I want to ask my colleagues if you are telling them that? I have heard several such interviews lately—just happened to overhear them—where sometimes even girls were crying when they came to their Congressmen. They said, "I have lost my job. I have been living up to my salary; I have not enough money to tide me over; please help me to get my job back," and my colleagues, sympathetic as they ought to be, lose their judgment sometimes and say, "I will go down and help you get it back. I will make an appointment for 4 o'clock and will go and see if I can not get you back." I have heard of them even to say they would get their Senator to go along with them and they would both try to get the employee back on the pay roll. If we do not stop doing that, instead of getting rid of the 40,000 surplus clerks in this city of ours we are going to have them here on the 1st of August, the 1st of September, and even on the 1st of next January, and I want to tell you something. You may get the particular friendship of that girl or boy that you help to get back in some department, but our constituents at home, the people who pay the expenses out of their pockets through taxation, they are going to hold us responsible for it.

And we may get the friendship of them here and there; but these very girls, when they get to thinking about it in their mature deliberation, are going to say: "My Congressman did not do his duty. He ought to have told me to go back home, where I belong, instead of putting me back on the pay roll."

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment of the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, that was merely pro forma, and I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw the amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. KAHN. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and Mr. TOWNER having assumed the chair as Speaker pro tempore, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 7158) to amend the Army appropriation act approved July 11, 1919, so as to release appropriations for the completion of the acquisition of real estate in certain cases and making additional appropriations therefor, had instructed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

Mr. KAHN. Mr. Speaker, I move the previous question on the amendment and the bill to final passage.

The previous question was ordered.

Mr. BLANTON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. The previous question having been ordered on this bill, if the House should adjourn this bill would be the first thing in order when we meet again, would it not?

The SPEAKER pro tempore. It would come up the first thing, I suppose.

Mr. BLANTON. It would be in order to vote on the bill when we meet again?

The SPEAKER pro tempore. The Chair thinks so.

Mr. BLANTON. I think we should have a quorum, and I make the point of no quorum.

Mr. KAHN. The naval bill must come in.

Mr. BLANTON. I withdraw it, then.

The SPEAKER pro tempore. The question is on agreeing to the amendment recommended by the Committee of the Whole House on the state of the Union.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BLANTON. Mr. Speaker, now I renew the point of no quorum.

Mr. KAHN. Mr. Speaker, I move a call of the House.

Mr. GARRETT of Tennessee. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER pro tempore. Will the gentleman desist for a moment?

Mr. BLANTON. Mr. Speaker, I withdraw the point of no quorum, and I move that the House stand in recess until 5 o'clock p. m.

Mr. GARRETT of Texas. I object to that, Mr. Speaker. You have got to have it done by unanimous consent.

Mr. BLANTON. I ask unanimous consent.

Mr. KAHN. I object, Mr. Speaker.

Mr. BLANTON. I make the point of no quorum.

Mr. KAHN. Mr. Speaker, I move a call of the House.

The SPEAKER pro tempore. The gentleman from California moves a call of the House.

Mr. GARRETT of Tennessee. I move that the House do now adjourn.

Mr GARRETT of Texas. Regular order, Mr. Speaker.

Mr. GARRETT of Tennessee. I will withdraw the motion for adjournment temporarily.

The SPEAKER pro tempore. The question is on the motion of the gentleman from California for a call of the House.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

Ackerman	Ellis	Lee, N. Y.	Robsion
Anderson	Fairchild	Lehlbach	Rodenberg
Ansorge	Fenn	Linthicum	Rogers
Appleby	Fess	Longworth	Rossdale
Aswell	Fish	Luhring	Rouse
Bacharach	Fisher	Lyon	Rucker
Bell	Fuller	McFadden	Sanders, N. Y.
Bixler	Gahn	McLaughlin, Pa.	Schall
Bland, Ind.	Gallivan	McSwain	Scott, Mich.
Bond	Gensman	Madden	Sears
Bowers	Goldsborough	Maloney	Shreve
Brennan	Goodykoontz	Mann	Siegel
Brooks, Pa.	Gould	Merritt	Slemp
Brown, Tenn.	Graham, Ill.	Michaelson	Snell
Browne, Wis.	Graham, Pa.	Mills	Snyder
Burke	Greene, Mass.	Mondell	Stafford
Burroughs	Griffin	Montague	Stevenson
Butler	Hammer	Moore, Ohio	Stiness
Campbell, Kans.	Hicks	Morin	Sullivan
Cannon	Hill	Mott	Sumners, Tex.
Carew	Hogan	Mudd	Tague
Chandler, N. Y.	Houghton	Murphy	Taylor, Ark.
Chandler, Okla.	Hudspeth	Nelson, A. P.	Taylor, Colo.
Clark, Fla.	Husted	Nolan	Taylor, N. J.
Clarke, N. Y.	Hutchinson	Norton	Tillman
Classon	Jacoway	O'Brien	Tilson
Codd	James, Va.	Oliver	Tinkham
Connally, Tex.	Johnson, Miss.	Olpp	Treadway
Connell	Johnson, S. Dak.	Padgett	Vaile
Connolly, Pa.	Johnson, Wash.	Paige	Vare
Cooper, Ohio	Jones, Pa.	Parker, N. Y.	Volk
Copley	Kelly, Pa.	Patterson, N. J.	Volstead
Cramton	Kendall	Perkins	Walsh
Crisp	Kennedy	Perlman	Ward, N. Y.
Crowther	Kiess	Peters	Wason
Cullen	Kincheloe	Petersen	White, Me.
Dale	Kindred	Pringey	Winslow
Dallinger	Kirkpatrick	Radcliffe	Wise
Dempsey	Kitchin	Rainey, Ala.	Woodyard
Dominick	Kline, N. Y.	Rainey, Ill.	Wyant
Doughton	Knight	Ransley	Yates
Drewry	Kreider	Reavis	Zihlman
Dunn	Langley	Reed, N. Y.	
Elliott	Layton	Riordan	

The SPEAKER pro tempore. The roll call has disclosed the presence of 255 Members. A quorum is present.

Mr. KAHN. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The SPEAKER pro tempore. The gentleman from California moves that further proceedings under the call be dispensed with. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. The Sergeant at Arms will open the doors. The question is on the final passage of the bill.

The question was taken, and the bill was passed.

On motion of Mr. KAHN, a motion to reconsider the vote whereby the bill was passed was laid on the table.

ORDER OF BUSINESS.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. GARRETT of Tennessee. Mr. Speaker, if I am correctly informed, it is desirable that the House shall remain in session for some hours, or be in session at some hour late in the afternoon, to the end that it may receive the naval appropriation bill, so that it may be signed by the Speaker, in accordance with the rules of the House. May I ask the Speaker if that is correct?

The SPEAKER pro tempore. That is my information, I will say to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Many Members of the House are desirous of knowing why we should remain, and I thought it might be well to have some public statement concerning it.

The SPEAKER pro tempore. The Chair thinks it entirely proper.

Mr. GARRETT of Tennessee. I would suggest, Mr. Speaker, if I may be permitted to go further, that the minority, of course, is always willing to cooperate, within proper limits, but it is not the duty of the minority to furnish a quorum.

Mr. KAHN. A quorum has been developed by a roll call.

Mr. GARRETT of Tennessee. I was speaking of later in the afternoon.

Mr. BLANTON. But after that train leaves for the fight you will not have a quorum.

Mr. KAHN. Is the gentleman going to attend?

Mr. BLANTON. No. I do my fighting here, not in New Jersey. [Applause.]

Mr. McKENZIE. Mr. Speaker, I move to lay House bill 204, which is now on the calendar, on the table. It is a bill similar to the one we have just passed.

The SPEAKER pro tempore. The gentleman from Illinois moves to lay on the table the House bill which he designates. The question is on agreeing to that motion.

The motion was agreed to.

PROTECTION OF MIGRATORY WILD FOWL.

Mr. ANTHONY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by publishing a letter from the Secretary of Agriculture on the bill H. R. 5823, a bill introduced by me.

The SPEAKER pro tempore. The gentleman from Kansas asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. ANTHONY. Mr. Speaker, the bill H. R. 5823, which has for its object the further protection of migratory wild fowl, to establish game refuges and breeding grounds, provide shooting grounds for the public by requiring a Federal hunting license, has been referred to the Secretary of Agriculture by the Committee on Agriculture, and the following are the views of Secretary Wallace in regard to same:

DEPARTMENT OF AGRICULTURE,
Washington, June 21, 1921.

Hon. G. N. HAUGEN,
Chairman Committee on Agriculture,
House of Representatives.

DEAR MR. HAUGEN: I am in receipt of your letter of May 31, inviting my attention to a bill, H. R. 5823, "Providing for establishing shooting grounds for the public, for establishing game refuges and breeding grounds, for protecting migratory birds, and requiring a Federal license to hunt them," and requesting an expression of opinion concerning it.

According to the terms of this bill, it proposes to accomplish two main objects:

First. The purchase, or rental, and maintenance of marsh and water areas especially suitable for migratory wild fowl, which shall be used as free public shooting grounds in the open hunting season and safeguarded as breeding and resting places for these birds in the close season.

Second. The administration of the migratory bird treaty act in order to more adequately maintain and increase the supply of migratory birds, including not only the ducks, geese, and others classed as game, but the great host of smaller species which are so vitally essential to the agricultural interests of the country through their unceasing war on injurious insects.

The bill provides the means for carrying out its purposes through a fund to be created from the proceeds of a Federal hunting license fee of $1 a year, to be paid by each person who hunts migratory game birds. It is not possible to ascertain definitely the number of hunters who would take out Federal licenses for this purpose, but it would probably be between one and two millions. The money to be used for increasing the supply of migratory game birds and perpetuating wild-fowl hunting in the United States would be contributed by the hunters of migratory game birds, the people most directly benefited thereby, thus relieving the Government from appropriating a considerable sum each year, amounting for the fiscal year 1922 to more than $154,900 for the administration of the migratory bird treaty act, the Lacey Act, and the Federal bird reservations.

The provisions in this bill whereby the licenses are to be made available to the public through the post offices throughout the country utilize governmental machinery already established, thus avoiding the excessive cost of setting up a new service. This not only provides economy and effectiveness of administration but should be a highly appreciated convenience to the public.

The bill also confers the police powers necessary to its enforcement, and the penalty clauses are carefully drawn. It is important that these features of the bill be retained. The birds must be protected on the refuges and the public shooting grounds effectively administered if the desired results are to be obtained. The provisions of the bill along this line are quite similar to those found in the migratory bird treaty act and are well adapted for the vigorous enforcement of a statute of this character.

The clauses in the bill providing for investigations and publication of information relative to birds will meet a necessary requirement for intelligent conservation and increase of migratory birds.

The present appropriation for the administration of the migratory bird treaty act provides for less than 30 full-time wardens to enforce the law throughout the 48 States and Alaska, an obviously inadequate force to cover such a vast territory. In 1920 the State of New York alone had a force of 145 game wardens; Pennsylvania, 110; Michigan, 97; and California, 78, to enforce their game laws, as against 28 Federal wardens in the entire United States to enforce the migratory bird treaty act. The fund resulting from the establishment of a Federal hunting license, as provided in this bill, would end this embarrassment and enable the department to meet the insistent and growing demand for adequate warden service.

Reports received by the department from all parts of the country agree that the alarming decrease of migratory wild fowl which preceded the negotiation of the migratory bird treaty and the passage of the act by Congress for the protection of migratory birds has changed to a marked increase. These reports show a cumulative increase not only in such migratory wild fowl as ducks, geese, and other game birds, but also of many insect-eating birds. Good evidence of the increase of migratory wild fowl under the migratory bird treaty act is contained in the report of the State game warden of Minnesota that during the hunting season of 1919 about 1,800,000 wild ducks were killed in that State. The meat value of these birds undoubtedly exceeded $2,000,000. This indicates the economic advantage to the country at large to be derived in food value alone from the enactment of this bill. It is evident that the carrying out of the proposed conservation program under the Federal hunting license law would increase the total value of migratory wild fowl taken by hunters each year in the United States by millions of dollars, in addition to insuring the perpetuation of this valuable natural resource.

It is generally acknowledged that even with the inadequate sums available for enforcing the migratory bird treaty act the successful outcome of this great conservation measure has become apparent more promptly than was anticipated by its friends. Thus the passage of the migratory bird treaty act constituted the first important step toward insuring the perpetuation of our wild fowl and our wild-fowl hunting. Another step of almost equally vital importance if we are to hold what we have gained remains to be taken. This is provided for in the present bill and consists of the conservation and perpetuation of a sufficient number of small inland lakes, as well as inland and coastal swamp and marsh areas, to provide our migratory wild fowl necessary feeding, resting, and breeding places within the United States.

The bill provides for the use of not less than 45 per cent of the funds obtained from Federal hunting licenses for the purchase or rental and maintenance of suitable breeding places and feeding grounds for wild fowl to be used as public shooting grounds in the open season. It is absolutely necessary that not only during the breeding season, but during their migrations and in winter wild fowl have necessary places in which to live. There is no question that vast areas of swamp land in Alaska and northern Canada will in the indefinite future supply abundant breeding places for innumerable wild fowl. The maintenance of suitable homes for these birds while in the United States owing to activity in draining operations is becoming more and more precarious and their entire future is seriously threatened.

This part of the bill, although primarily intended to increase the number of wild fowl and to perpetuate wild-fowl hunting, really involves a number of other important factors of definite advantage to the public. The mistaken idea is prevalent that the drainage of practically all water or marsh areas is a public benefit. Experience has shown in numerous instances that drainage has resulted in destroying a water area with its varied uses and left in its place land of little or no value. A careful survey by qualified experts should be made in which the community values of the water areas should be considered before individual drainage projects are undertaken. Under proper conditions many lakes, ponds, swamps, and marsh areas will yield a distinctly larger return than would the same area drained for agricultural purposes. The development and utilization of all available products of such areas might be termed "water farming."

In addition to the returns from water areas in wild fowl, they may also yield the following products:

1. A valuable supply of food and game fish.

2. An annual return of furs from such fur bearers as the muskrats, skunks, and raccoons frequenting them.

3. The production in certain areas of grasses valuable for forage and for the manufacture of grass rugs, which has become a profitable industry; also, in suitable areas, the production of willow suitable for basketry and other purposes.

4. A natural ice supply.

5. A definite help in maintaining the underground water level which is frequently essential for the production of forest growth and other vegetation.

6. An invaluable help in holding back the run-off of flood waters, assisting in preventing excessive erosion, and other flood damage. There is little doubt that if shallow lakes and swamp areas along drainage ways are systematically drained, the danger of terrific floods

and the enormous destruction of lives and property will be seriously increased. This effect of extensive drainage work deserves careful attention in view of its definite relation to the public welfare.

7. Many of the more attractive of such water areas lend themselves admirably for educational uses and to assist in interesting the people of the State in out-of-door recreation and in the natural resources of plant and animal life which are so important in supplying useful commodities.

There is, however, little question that the greatest benefit of all from the establishment of public hunting grounds through the enactment of the present law would be its contribution to the public welfare.

At the present time it is estimated that more than 6,000,000 people in the United States engage in hunting of one kind or another each year. The rapidly increasing drainage of marsh areas threatens the continuance of one of the most popular kinds of hunting, which will be perpetuated under the terms of the present bill. With the growing congestion of population and the unrest which such massing produces, the maintenance and development of opportunities for out-of-door recreation, such as is here contemplated, places this bill in the front rank among legislative measures bearing on the public welfare. Throughout the United States a very large proportion of the men who spend a certain period each year in hunting are undoubtedly among our most desirable citizens. Through their out-of-door recreations they develop their resourcefulness and maintain a physical and mental health which is of the utmost value in relation to their civic usefulness.

Under present conditions many of the most favorable marsh areas for wild-fowl shooting have been purchased and are being held by wealthy sportsmen as hunting clubs, thus curtailing opportunities for wild-fowl hunting by the general public. The growing absorption of such areas by hunting clubs has created much bitter criticism on the part of those who, through lack of means, are unable to enjoy such privileges. The enactment of the present bill and the establishment of public shooting grounds under its provisions would give the general public equally good shooting privileges with those had by the clubs, but without individual additional cost, and should completely obviate any cause for the antagonistic feeling on the part of the public now existing.

The purchase, or rental, and maintenance of public shooting grounds, as provided for in the present bill, would maintain for the benefit of residents in both country and town large opportunities for continued wild-fowl shooting that will be impossible in any other way. It might, in fact, be stated that it would provide Federal shooting clubs for the benefit of the general public at the nominal cost of a Federal hunting license of $1 a year.

The bill is well drawn and offers a solution of the problem of raising adequate funds for migratory-bird protection and for the acquisition of public shooting grounds without the necessity of regular annual appropriations. Incidentally, if enacted, it will accomplish many other desirable objects, and, as a simple, practical conservation measure of great value, it has the approval of this department.

Very truly, yours,

HENRY C. WALLACE, *Secretary.*

CAMP EUSTIS, VA.

Mr. KAHN. Mr. Speaker, the Committee on Military Affairs has two or three more bills to dispose of, and I now move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of House joint resolution 138.

The SPEAKER pro tempore. The gentleman from California moves to take up House joint resolution 138. The question is on agreeing to that motion.

Mr. BLANTON. Mr. Speaker, a point of order.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. Under what rule of the House is such a motion in order? This is not Calendar Wednesday.

Mr. KAHN. A special rule was adopted by the House yesterday.

Mr. BLANTON. On one bill, was it not?

Mr. KAHN. On four bills.

The SPEAKER pro tempore. The question is on agreeing to the motion of the gentleman from California [Mr. KAHN].

The motion was agreed to.

The SPEAKER pro tempore. The House will resolve itself into Committee of the Whole House on the state of the Union, and Mr. MCLAUGHLIN of Michigan will please take the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. MCLAUGHLIN of Michigan in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of House joint resolution 138, which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 138) to repeal so much of the act of Congress approved February 28, 1920, as provides for Camp Eustis, Va.

Mr. KAHN. Mr. Chairman, I ask that the first reading of the resolution be dispensed with.

Mr. GARRETT of Tennessee. It is a very short resolution.

The CHAIRMAN. The gentleman from California asks unanimous consent that the first reading of the resolution be dispensed with, and objection is made. The Clerk will read.

The Clerk read as follows:

Resolved, etc., That so much of the act of Congress approved February 28, 1920 (41 Stats., p. 454), as provides: "That no part of the unexpended balances of appropriations heretofore made for the support of the Army shall be expended for construction at Camp Eustis, Va.; and the Secretary of War is hereby directed to sell the real estate and buildings of said camp to the best advantage of the Government, the proceeds of such sale to be covered into the Treasury to the credit of miscellaneous receipts," be, and the same is hereby, repealed.

Mr. KAHN. First of all, Mr. Chairman, I wish to provide for general debate. It should have been done before. I will take my hour and then yield such time to the gentleman from Kentucky [Mr. FIELDS] as he desires.

Mr. FIELDS. All right.

Mr. KAHN. Mr. Chairman, this camp is in Virginia and fronts on Chesapeake Bay. The War Department asked that this portion of the act where we provided that Camp Eustis be not further developed after July 1, 1921, should be repealed.

Camp Eustis is that camp of the War Department which is used for developing our railroad artillery. The World War, which has just been concluded by the adoption of our peace resolution, showed that railroad artillery was an exceedingly important factor of the military establishments of many of the great countries of the world. If you will recall, toward the end of the war in Europe our Government was able to send to the other side five of our great naval 14-inch guns, and they participated in the closing battles in the Meuse-Argonne. It has been deemed necessary by our military authorities to develop a good-sized railway artillery. Of course the fortifications are stationary. Large sums of money have been expended on these fortifications, but after all their use is only limited. They can defend the harbors to the extent that their largest guns will carry.

The purpose of this camp is to devise artillery that can be sent over the railroad lines of the country on the coast to the proper points where they will be available against the great naval ships of any possible enemy of this country.

Mr. RAKER. Will my colleague yield for a question?

Mr. KAHN. Yes.

Mr. RAKER. Is there any other camp of a similar character or maintained for the same purposes by the War Department?

Mr. KAHN. No; this is the only one.

Mr. RAKER. Will the gentleman yield for another question?

Mr. KAHN. Yes.

Mr. RAKER. Approximately what has been the cost of this camp up to the present time?

Mr. KAHN. I do not recall, but it is some millions of dollars.

Mr. RAKER. The retaining of the camp in its present form will not really cost any more, but the idea is to hold it for development of this class of work?

Mr. KAHN. Some doubt is expressed about that. There are advocates of one place and advocates of another, and it was thought that possibly the buildings could be erected in some other place and the same results attained.

Mr. RAKER. What I was getting at was this: The Government already having expended its money in assembling this plant, if the guns mounted there are to be transported by railroad, it strikes me it is practically immaterial where the camp is located.

Mr. KAHN. Of course, that is largely true. The gentleman is quite right about that.

Mr. STEPHENS. Will the gentleman yield?

Mr. KAHN. Yes.

Mr. STEPHENS. Where is this camp located?

Mr. KAHN. It is down on Chesapeake Bay near the James River.

Mr. STEPHENS. That is not far from Old Point Comfort?

Mr. KAHN. About 30 miles from Old Point Comfort, near the James River.

Mr. STEPHENS. Is it used simply as a proving ground?

Mr. KAHN. Oh, no; it is the railway artillery camp.

Mr. STEPHENS. I know that, but where do they get their artillery?

Mr. KAHN. They bring it there.

Mr. STEPHENS. Then, this camp is used to prove the artillery?

Mr. KAHN. Oh, no. They mount the artillery there. They have a whole plant there for putting these guns on railway cars.

Mr. STEPHENS. But this camp has nothing to do with the manufacture of the guns or anything of that kind?

Mr. KAHN. Oh, no. There are no facilities of that kind there at all.

Mr. STEPHENS. How many acres of land have they there?

Mr. KAHN. Eight thousand acres, so that probably they can try these guns, so far as the water is concerned, by shooting into Chesapeake Bay. Then, again, they can also shoot probably on the 8,000 acres of land.

Mr. STEPHENS. Then, they do prove the guns there? They fire them there?

Mr. KAHN. I do not think they prove them there. We have other proving grounds, and the guns are proved before they are sent there, but they use them for target purposes there.

Mr. STEPHENS. Where do they come from?

Mr. KAHN. The guns are sent there from our arsenals that make them. Watervliet is one of them.

Mr. McKENZIE. Many of these guns were taken from the fortifications during the war and mounted on railway carriages.

Mr. KAHN. Yes; but I am told they have made about forty 14-inch guns, which they are now trying to mount on railway cars.

Mr. STEPHENS. After these guns are made they are shipped in there and mounted?

Mr. KAHN. The gentleman is quite right.

Mr. STEPHENS. How far from this camp is the place where the guns are manufactured?

Mr. KAHN. We make them over in New York, and also, I think, we have a factory in Pennsylvania.

Mr. STEPHENS. Then, they are sent from New York or Pennsylvania to this camp?

Mr. KAHN. Quite right. The trucks and carriages for these guns which are being mounted there are being made by the Pullman Co. and the Standard Car Co. There is a considerable amount of money invested at this camp. These guns are very expensive. In peace time it takes three years to make a single 14-inch gun. In war time, when they are working under pressure, it takes two years to make that kind of a gun. The 16-inch gun which they are now making takes practically three years to make in war time.

Mr. STEPHENS. This is the only camp of this kind that the department has?

Mr. KAHN. Quite so.

Mr. SANDERS of Indiana. Will the gentleman from California yield?

Mr. KAHN. Yes.

Mr. SANDERS of Indiana. I am quite in sympathy with the resolution, but is not the title of the resolution misleading?

Mr. KAHN. I do not know.

Mr. SANDERS of Indiana. The title of the resolution is:

To repeal so much of the act of Congress approved February 28, 1920, as provides for Camp Eustis, Va.

Should it not be, "As provides for the abandonment of Camp Eustis, Va." ?

You are repealing the clause which provides for the abandonment of it.

Mr. KAHN. We can change the title.

Mr. SANDERS of Indiana. Of course, it would not be changed in committee, but in the House after the bill is passed.

Mr. KAHN. Yes; after the bill is passed I shall be very glad to accept the gentleman's suggestion.

Mr. SUMMERS of Washington. Will the gentleman from California yield?

Mr. KAHN. I yield to the gentleman from Washington.

Mr. SUMMERS of Washington. How many men are stationed at Camp Eustis, and what is the expense of maintaining it?

Mr. KAHN. I am told by my colleagues on the committee who have been there that there is a full regiment of men there.

Mr. SUMMERS of Washington. What is the expense of maintaining the camp as such, not including the soldiers that may happen to be there?

Mr. KAHN. I can not tell the gentleman just how much the appropriation from the general fund for that purpose is; I do not know. I dare say it is expensive enough.

Mr. SUMMERS of Washington. Can the gentleman tell us a little more of what there is there?

Mr. KAHN. I will yield to the gentleman from Kansas [Mr. ANTHONY], who has been there and has seen the buildings.

Mr. WARD of North Carolina. Will the gentleman yield for a question?

Mr. KAHN. Yes.

Mr. WARD of North Carolina. How does the gentleman account for the change of view so quickly since February 20; what is the explanation?

Mr. KAHN. The Military Committee sent out a subcommittee to view the various camps that had been acquired. We felt that there were too many altogether for the use of the Government. The subcommittee began to investigate, to see whether some of them could not be abandoned. Frankly, the committee did not at that time have an opportunity to go to Camp Eustis to study the situation thoroughly and was not as fully advised regarding it as they were later on.

Mr. WARD of North Carolina. I understood that there was only one camp of this particular character.

Mr. KAHN. That is true.

Mr. WARD of North Carolina. The gentleman says there are several camps?

Mr. KAHN. It was thought possible by members of the subcommittee that the camps could be consolidated with a large camp with a great deal of land at some other place.

Mr. WARD of North Carolina. So, as I understand, it is the result of an investigation by the subcommittee.

Mr. KAHN. Exactly so. Now I will yield to the gentleman from Kansas to explain the character of the buildings that are there.

Mr. ANTHONY. Mr. Chairman, I was on the subcommittee that recommended the abandonment of Camp Eustis. As the gentleman from California states, about two years ago a subcommittee of the House visited a number of the larger camps which had come to us as the result of the war. We have down at Camp Bragg, N. C., a reservation of over 100,000 acres, which the War Department authorities said at that time they wanted to use for long-range artillery firing. They have a range there where they can fire large pieces of artillery 27 miles. The bulk of the 100,000 acres had all been purchased and paid for by the Government. We recommended that Congress authorize the completion of the purchase already under contract, and that would give the Army 100,000 acres for a range at Camp Bragg to fire the big guns. They also stated that they could concentrate there the railroad artillery. Camp Bragg could be used for the firing of the railroad artillery just as well as Camp Eustis. The committee did not go to Camp Eustis, because we knew that while they had a good firing range of about 20 miles, a water range, that the Government already had plenty of artillery ranges. We had visited Camp Bragg, knew that we would have to go through with its purchase, and knew it was suitable also for the railroad artillery. At Aberdeen we had another great firing range, where they could fire 39 miles, where they could also handle the railroad artillery, and we felt that those two ranges were enough for the Army; and so we recommended the disposal of the Camp Eustis property.

Another thing that alarmed the committee was the War Department program involving the expenditure of $4,500,000 for additional improvements at Camp Eustis. We thought it was not necessary at that time, nor is it at this time, so we recommended the sale of Camp Eustis. I will admit it is convenient for the War Department to have this water range, where they can fire railroad artillery. These railroad guns are all built and constructed, and they should simply be kept in cold storage in case we want to use them; but one large firing range is sufficient, and there is no use for maintaining three. Which one is the best—Aberdeen, Eustis, or Bragg—I can not say, but we do not need three.

Mr. KAHN. Will the gentleman yield?

Mr. ANTHONY. Certainly.

Mr. KAHN. I have never been to these camps, but I have heard what gentlemen who have visited there had to say. Gen. Coe, who testified before the committee recently, made this statement:

We can not use Camp Bragg for training railroad artillery in use against naval targets, which I think is most important and perhaps the primary use of railroad artillery.

Mr. ANTHONY. I think very probably that is true; but if the House adopts the joint resolution, it should couple with it an order for the disposal of Camp Bragg, because both places are not necessary.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. ANTHONY. I will.

Mr. WILLIAMSON. Has the gentleman any idea of the additional cost of maintaining Camp Eustis?

Mr. ANTHONY. No; I have not.

Mr. GREENE of Vermont. Will the gentleman yield?

Mr. ANTHONY. Yes.

Mr. GREENE of Vermont. Did the gentleman from Kansas find, when the committee visited Camp Bragg, facilities that would permit the same kind of practice that is required for railroad mounts?

Mr. ANTHONY. As the gentleman from California says, Camp Eustis is the only place where they can fire them at water targets, unless it is at Aberdeen, but there are also any number of existing Coast Artillery posts where the railroad mounts can be run in and fired.

While there is no water range at Camp Bragg there is no reason why they can not get the same length firing range and the same precision of fire at Camp Bragg that they can get any place else. If I may proceed for a moment further, I think that the real reason why they are asking for the retention of Camp Eustis at this time is the jealousy that has grown up between the Coast Artillery and the Field Artillery over which branch shall have these railroad mounts. I think that naturally they belong with the Field Artillery, and they ought to go down

there to Camp Bragg, but in some way the Coast Artillery has gotten control of them, and now they want a separate place to hold them.

Mr. GREENE of Vermont. Mr. Chairman, I remind the gentleman that when we went through the process of preparing the Army reorganization bill the Chief of the Field Artillery said he preferred that the administration of the railroad mounts should go to the Coast Artillery Corps.

Mr. ANTHONY. I do not believe in that connection that the use of this railroad artillery is going to be confined solely to use against ships and on the water.

Mr. GREENE of Vermont. No.

Mr. ANTHONY. They can be used all over the country. They are mobile artillery, and properly should be with the Field Artillery.

Mr. GREENE of Vermont. I can see that same connection. I am in sympathy with the gentleman's idea, in part perhaps. If, as suggested, we should adopt the Camp Eustis site for these railroad mounts and should abolish Bragg, what large terrain then would we have for the practice of the Field Artillery that Camp Bragg now affords?

Mr. ANTHONY. You have Camp Knox in Kentucky, an admirable field which affords while not as great firing range, yet as long a range as is necessary for field guns, and then there is Fort Sill, Okla.

Mr. GREENE of Vermont. I think the gentleman realizes from his long experience with military affairs that it is not a question of distance in range that is the particular and only object of artillery practice fire, but it is the character of terrain to be shot over, because it is no longer point-blank target practice; it is no longer shooting at bull's-eyes. The test of artillery to-day is to shoot over such a varied terrain as to hit objects and places of defense that are concealed.

Mr. KAHN. Mr. Chairman, that is a very nice theory, but the practice is otherwise. I happen to live in San Francisco, which has a magnificent harbor, and which is very well defended by fortifications. Those guns fire at moving targets on the water, and do not have to shoot over any land to aim at them.

Mr. GREENE of Vermont. If the gentleman will permit, he is mistaken in what I had in mind. Of course, what he says is true. I was talking about the mobile fieldpieces.

Mr. KAHN. As far as the fieldpieces are concerned, I do not agree with my friend from Kansas [Mr. ANTHONY]. Whenever an enemy once makes a landing in this country, which will require us to send big field guns on railways to meet that enemy, then this country will be in pretty bad shape. The field guns or the big guns that we are putting on railroads to ward off enemy warships are all important, to prevent them if possible from getting a landing in this country, and that is what is intended by the guns that we are mounting on railways for the use of the Army. They are to be used primarily for defense against the ships of an enemy. Once in a while they will have to be sent on railroads from one end of the continent to the other, but they will seldom be used except for target practice on the mainland of the United States. The facts show in this country that both coasts are very well covered with railroads running up and down them, and it will be an easy matter to take one of these big railway guns, run it along the railroad on the coast, and when it gets near where the enemy ships are stop it and have it trained on the ships. That is the purpose of this whole class of artillery. Of course, once in a while it may be used for other purposes, but, as I understand it, the main purpose is defense against enemy ships.

Mr. ANTHONY. The only use that was made of them in the World War was on land.

Mr. KAHN. That is very true, because conditions over there are very different. These large Navy guns were brought up within a comparatively few miles of the fortified city of Metz, and they shot shells right into that city, but in this country they would not be used to shoot at any of our cities, but would be used to prevent the troops that might be in an enemy vessel from landing on our shores.

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. KAHN. Yes.

Mr. WILLIAMSON. Can the chairman give us any idea as to what the additional cost will be of maintaining this camp at Camp Eustis? About what will be the annual expense of maintaining the camp?

Mr. KAHN. The additional expense, the overhead charge?

Mr. WILLIAMSON. How much more will it cost to maintain it than if we were to abandon it?

Mr. KAHN. I have not figured that out. Of course, they will have the overhead charges, and I say frankly to the gentleman that I do not like too many camps, because every time you put up a camp it makes additional overhead charges. That is very undesirable, and one of the purposes of the Military Committee in sending out this subcommittee to look into the encampments was to try to do away with the expense of the overhead charges—try to consolidate the camps. Of course, there will be considerable expense in maintaining this camp, but I want to say to my friend that in my humble opinion I do not think that this country will ever get into war where we will be acting on the defensive, at the beginning at least, defending our coasts, but that we will have to have some of the very mounts and cannon that they propose to build and send out from Camp Eustis.

Mr. WILLIAMSON. Has the gentleman in mind the abandoning of any of these three field camps that have been spoken of?

Mr. KAHN. I think some of them have been ordered abandoned.

Mr. WILLIAMSON. I refer to the three that are mentioned to-day.

Mr. KAHN. No; the three that were mentiond to-day were Camp Bragg, Camp Eustis, and Aberdeen. It is not the intention at present to abandon them, although I think, with the gentleman from Kansas [Mr. ANTHONY], that possibly we can well afford to abandon Camp Bragg.

Mr. Chairman, I reserve the remainder of my time.

Mr. FIELDS. Mr. Chairman, I desire recognition in my own right. Inasmuch as I have a request from one or two gentlemen who desire to speak on subjects other than the bill, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection?

Mr. KAHN. Mr. Chairman, reserving the right to object, I hope that that request will be granted. It was my intention to ask for some general debate before going into the committee, but I failed to do so. I hope the request of the gentleman will be agreed to.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FIELDS. Mr. Chairman, I yield 15 minutes to my colleague from Kentucky [Mr. GILBERT].

Mr. GILBERT. Mr. Chairman, I am advised that no action is contemplated by the Committee on Foreign Affairs on the Armenian situation. This impresses me as surprising when both political parties in their platforms promised relief. There is an insistent demand that this Congress take some action.

As the Republican Party is in absolute control of all legislation and responsible for all acts of omission as well as commission, I will quote from its platform of 1920:

> We deeply sympathize with the people of Armenia and stand ready to help them in all proper ways—

And so forth.

Therefore this party should show us "the proper way" and not be content to simply oppose the mandate for Armenia asked for by President Wilson.

The Christian people of America demand from those controlling legislation that they show us "the proper way," so that we may proceed to follow that way blazed for us by "superior wisdom?".

Our public conscience, if we have any left, must be shocked by the Armenian outrages, and if we would not be too late we must hasten to her relief with material, tangible, and substantial help. [Applause.]

Had I the power, I would not shirk from demanding immediate cessation of her persecutions and back that demand, if need be, with the exhaustless power of this mighty Nation.

I will remind you of her previous history and present humiliation. Armenia lies in the highlands above Mesopotamia in Asia. Here are the headwaters of the Tigris and Euphrates, the sacred rivers of the ancients; here in all probability was the cradle of the race of men. The Armenians trace their descent from Japhet, son of Noah. However obscure the beginning of any race, we know Armenia to be of the oldest of civilizations. By authentic history this nation is centuries older than the Jewish. Haik, its founder, lived 300 years before Abraham.

In that early period just preceding history, when total darkness had not become full day, and facts and myths are mingled together and blurred as objects seen in twilight, a great conflict was fought between European and Asiatic peoples known as the seige of Troy. This fact is known, though the details assume fantastic forms. Armenia was then a leading nation under the banners of Priam, King of Troy, and Zarmair, her leader, fell by the hand of Achilles, the great Greek hero, whose feats are sung by the immortal Homer.

In early times Armenia had risen to great power, defeating the armies of Media, Persia, Babylon, and Assyria. Her empire extended from the Caspian to the Mediterranean Sea.

Long after her military supremacy succumbed to constant war, her indomitable spirit was proven by her stubborn resistance to invasion. She repulsed the Greeks under Andronicus, and even the Roman legions under Lucullus were driven from within her borders.

She has, however, for 3,000 years, by reason of her position, been harassed by devastating armies and migrating hordes. Medes, Persians, Babylonians, Assyrians, Greeks, Romans, Saracens, and Turks have in turn trodden her under foot. Nebuchadnezzar, Xerxes, Alexander, and Tamerlane have passed her way and left her trampled into the dust.

In 1397 she was annihilated by Moslem invaders and fell under the scourge of hell's most accomplished pupil, the Turk, and her history since then is simply an accumulation of horrors. That there is yet a remnant her indomitable spirit and Christian fortitude are alone responsible.

She is the oldest Christian nation. Abgar, her King, was the first monarch to accept Christianity. He was baptized by the apostle Thaddeus in A. D. 37. The entire nation had become Christian by A. D. 276, which was 37 years before the Roman Emperor Constantine issued his edict of toleration. Their Christianity has been sincere and conspicuous. When the crusaders sought to rescue the holy sepulcher, Armenian blood mingled with that of her allies in that worthy but foolish enterprise, and in the holy war of A. D. 451 she did for the Christians in Asia what at the Battle of Tours Charles Martel did for the Christians in Europe.

Since losing their national existence nearly 700 years ago they have as individuals suffered all the tortures that hellish infidelity could invent. This cruelty was not wanton but purposeful.

The Ottoman Empire is Mohammedan in religion, with the exception of Armenia. It has ever been regarded by monarchs that unity in religion is necessary for the unity of the kingdom. "There is no room in the empire for both Armenians and Turks" is their open position. So the extermination of an entire race has been systematically undertaken.

I will, for the illumination of this subject, recite a few of the cruelties employed in this nefarious enterprise. The finger nails of both hands have been torn out by the roots. Women in the last days of pregnancy are driven under the whip like cattle, giving birth to offspring on the road and dying from hemorrhage. Sixteen hundred Armenians had their throats cut in the prison at Diyarbekir; the bishop there was burned alive, while the scene was accompanied with music. Seven hundred children in the orphanage at Gendge were drowned in a lake. After the massacre at Benia there was not a male over 13 years of age left alive; one girl of 15 was made the sport of 10 Turkish officers.

Fire was set to large wooden sheds in Alidjan, in which vast numbers of women and children had been collected, and they were roasted to death; 24,000 Armenians were slaughtered in three days in Ardjish and three neighboring villages. These methods being too slow, great armies were driven into the desert and starved. No pen can describe the tragic procession. Each fraction had its individual tragedy. Here is a mother with six children, one on her back, one clasped to her breast, the third falls down into the road, and in shrieks is left because it can not drag itself farther. The three others wail in sympathy, and the poor mother, tearless as a statue, is powerless to help. But why recite details that only draw bitter tears. The result in figures tells only too well how efficient this extermination has been, for Armenia, with its previous 40,000,000 people, now has only 4,000,000 left.

What are we going to do about it? Nothing, I suppose. It is the pride of this administration to be unconcerned in the affairs of other nations. Our foreign policy finds its parallel in the exclamation of the first murderer, "Am I my brother's keeper!"

Armenia is the challenge that Christianity places before the nations of the world, and woe unto that nation that does not answer the call. It will be told, "I was ahungered and you gave me no meat, athirst and you gave me no drink, sick and in prison and ye visited me not, naked and ye clothed me not; depart from me, I know ye not."

A statesman, with broad vision and moral courage, counseled you in behalf of Christianity to accept a mandate for Armenia, but you were too little and too selfish to rise to the opportunity. You are only concerned with materialism. You are oblivious to the lessons emblazoned in the history of the past. No nation ever fell until it followed the gilded path that leads to destruction. The race never learns that—

> Ill fares the land to hastening ills a prey,
> Where wealth accumulates and men decay.

[Applause.]

We hasten to get into the long procession of empires that forget their duty to man and their responsibility to God in the quest of their golden ambitions. Ninevah, Babylon, Athens, and Rome, weakened by luxuries and burdened with gold, have followed the same path to destruction.

In olden times when a nation bowed before the golden calf a prophet was wont to arise and rebuke it. I am not a prophet nor the son of a prophet, but it requires neither to see that this Nation is losing its soul. [Applause.]

Mr. UPSHAW. Will the gentleman yield?

Mr. GILBERT. Yes, sir.

Mr. UPSHAW. May I ask the gentleman, following this terrific arraignment of Turkey and America's silence, if he does not believe that if the nations near Armenia that claim to be civilized will not rise and stop Turkey that America ought to do it, and if he does not further believe that if America would demand of Turkey that she stop these massacres Turkey would cease?

Mr. GILBERT. I have no authority to speak but for one Member, and for myself I say unhesitatingly and unequivocally, yes; but if she did not honor the demand use such force as necessary. [Applause.]

The CHAIRMAN. The gentleman has used 12 minutes.

Mr. GILBERT. I will yield back the remainder of my time.

Mr. FIELDS. I will yield five minutes to the gentleman from Georgia [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, in the bill just passed there was a little item of $750 for the payment of 4.6 acres of land, on which is located a septic tank, adjoining or near and used in connection with Souther Field, at Americus, Ga. This little item in reference to Souther Field seemed to provoke more attack than any other item in the bill, and my genial friend, the gentleman from Ohio [Mr. BEGG] saw fit to make a very vicious and reckless attack on the acquisition of the 400 acres of land which was purchased for the Souther Field. He indicated that a Member of this House was in possession of information which was imparted to him which would show that a most gigantic fraud had been perpetrated upon the Government by some citizens of Georgia in the sale of this 400-acre tract of land. Now, Mr. Chairman and gentlemen, the unvarnished facts about the transaction are these: The land on which the Souther Field is located was owned by a reputed millionaire in New York, who gave the Government an option to acquire this land at $80 per acre. It seems for some reason the option was not closed, or perhaps had expired, and this New York millionaire then undertook to hold up the Government for $100 an acre for these 400 acres of land. Then it was that the good people of Americus, Ga., came to the rescue and paid this millionaire the $100 an acre which he exacted and sold the identical land to the Government at $80 an acre. [Applause.] Now, about the little 4.6 acres that is to cost the Government $750. The facts are that Sumter County, of which Americus is the county seat, is one of the most fertile agricultural counties in the United States, and this 4.6 acres which is adjacent to the Souther Field is in the middle of a large, fertile field and the owner of this field strenuously objected to parting with that little tract in the center of his field at any price, and the Government then instituted condemnation proceedings and the result was that the Government is to pay $750 for the tract. Now, Mr. Chairman, I make this explanation because of the fact that Souther Field is located in the district of our genial colleague, Mr. CRISP, of Georgia, who is to-day upon a sick bed and unable to be here. [Applause.]

I yield back what time may be remaining.

The CHAIRMAN. The gentleman yields back one minute.

Mr. FIELDS. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Chairman, I was very much interested in the President's letter which was addressed to the Congress yesterday with reference to the Army bill, and I am also considerably disappointed in the tone of that letter and, I may add, very much surprised. For more than a year the Congress has been trying to get the Department of War to comply with its manifested and stated purposes from time to time. I do not blame the Army people nor the Secretary of War nor anyone else for advocating a larger Army. That is any American's privilege. But when the law is made and stated it is just as much the duty of the Secretary of War, of the President, and of everyone else who has anything to do with it, to carry out its purpose as it is for any man to discharge his duty under any circumstances under the law. Over in Java and in some places in the Philippine Islands they have what is called the upas tree. This upas tree has poisonous ingredients, a sort of poisonous fluid, and it is said that it throws off poisonous fumes. Fable has it that when the natives come into the presence of this tree they are charmed or so affected that they

can not get away from it; that its poisonous fumes and liquids cause them to become obsessed and lose their sense and have no desire to get away, but that they stay within its shadows in a stupefied condition until it proves fatal; that notwithstanding they all know of the dangerous tendency of this tree they can not resist the temptation of getting under its shade and within the circle of its fumes, and they go there and drink from the liquid and breathe the fumes and become charmed by the spell, and once getting within its charms they never escape. Now, every time a man gets under the shadow of the General Staff it seems a little bit like that of the upas tree. You find a man whom you think will be all right, but he gets under the upas tree that exists down here and immediately surrenders. A great many said the present Secretary of War would not do that, but he has acted in the same way with reference to the size of the Army. My friends, the President in this letter says:

> The bill necessitates a very large reduction in the enlisted personnel of the Army, and it is doubted that this reduction can be brought about without the summary dismissal of many thousands of men who have a right to expect at the hands of the Government the same moral obligation which the Government requires of them when they enlist for service.

That would be true if the Government contracted that it would keep a man for a year or for two years or for three years. But the enlistment contract reads that a man enlists for that period unless he is sooner discharged by proper authority, which, of course, is the Secretary of War. Now, how do you have a moral obligation to keep that man when it is embodied in the contract in black and white, and it is not concealed from him? It has been in all the enlistment blanks. How do you get a moral obligation on the part of the Government to keep those men in the service when their own contract of enlistment reads that they may be discharged at any time by the Secretary of War?

Mr. STEAGALL. Will the gentleman permit an interruption?

Mr. JONES of Texas. I will.

Mr. STEAGALL. Does the gentleman know of any reason why that contract is any more sacred than the oath that is taken to obey the laws enacted by the American people?

Mr. JONES of Texas. I most certainly do not.

Mr. STEAGALL. And is not this practically a suggestion to the Congress that, although we passed the law over the protest of the War Department, they are not going to obey it.

Mr. JONES of Texas. There is not any question about it. There is not a man that can read that letter and not see shining through every sentence a defiance of the Congress of the United States and the American people and their wishes. Of course, the letter does not say in so many words "I am not going to obey the law." He is too diplomatic for that, but the plain inference is that suggested by my friend from Alabama. Near the end of the letter Congress is warned of a probable deficiency, notwithstanding the specific instructions in the law that the Army shall be reduced so that the funds appropriated by the bill shall pay the entire expense for the year.

Mr. BANKHEAD. Will the gentleman yield?

Mr. JONES of Texas. I will.

Mr. BANKHEAD. There has been a good deal of discussion of the character and interpretation of the contract of enlistment. Does the gentleman think it will be possible to secure a copy of the actual contract and incorporate it in his remarks?

Mr. JONES of Texas. I intend to do so. I will insert at the end of my remarks the oath and certificate of enlistment. I asked one of the members of the Committee on Military Affairs for the wording of that clause, and he has agreed to furnish it to me, and I will insert it at the gentleman's request. Now, however that may be, I do not believe it is necessary to go to the question of whether or not you are legally obliged to keep these men, because if you let it be known to the men in the United States Army that you are going to discharge a certain number up to a certain point, on their simple application, you will have plenty of applications, so that you will not be compelled to discharge anybody who does not want to be discharged.

Mr. TINCHER. Does my friend think there is anything in the letter of the President that will warrant assuming that anyone who applies for discharge from now to October 1, until the reduction to 150,000, will be denied a discharge?

Mr. JONES of Texas. I will say to the gentleman that I think there are three or four instances in my office now where the soldiers have been denied their discharge when they thought they had some ground for it. Of course, no one up to this time has applied for a discharge when they did not think they had some ground for it. And it has been known since early in the year, by resolutions passed by this House, that the Army would be reduced to 175,000 men, and it has not been done. I dare say other Members have had the same experience. In February the Congress passed a resolution directing that no further enlistments be made until the Army was reduced to not more than 175,000 men. Nearly two months ago the House adopted the Byrnes amendment for 150,000 men. And yet through it all the Army has been maintained at 220,000 men.

Mr. TINCHER. This law, in which it is claimed that they wanted to cut the Army down to 150,000, took effect yesterday. Is there anything in the letter of the President that they would be denied the discharge?

Mr. JONES of Texas. Yet the law, with the limiting provision, has been pending in Congress for weeks and no one doubted its final passage. This letter was also written yesterday. It calls attention to the moral obligation to keep the men if they want to stay, and it does not say anything about the moral obligation to discharge men when they want to be discharged, and the obligation to the American taxpayers, if they want to reduce the Army to 150,000 men. The wishes of the American people should control in this matter. No one doubts what they want. Let me read:

> I will report to the Congress at the earliest possible day and ask it to relieve the embarrassment of the Secretary of War and make such provision as will be necessary to deal justly with our enlisted men when attempting to keep faith with the Congress to the fullest possible degree.

Now listen. I have heard all along here that you would wreck the Army by discharging these men. Perhaps you would injure it if you discharged them all the same day. But when the armistice was signed we had 4,000,000 men in the Army. They were discharged, three and one-half million of them, within a period of about 8 or 10 months, at the rate of 10,000 men a day. Did that wreck the Army?

Mr. GREENE of Vermont. Will the gentleman permit a question?

Mr. JONES of Texas. I will.

Mr. GREENE of Vermont. They were discharged from units that disappeared when they went out of them. They were not premanent units, as those in the Regular Army are.

Mr. JONES of Texas. Of course, they were not permanent units, but you reduce the number of units in the Regular Army if you reduce the strength to 150,000. You necessarily reduce your units if you cut the Army from 220,000 to 150,000—and the new law says you shall do that. Of course, there is some difference in discharging an army that was organized for the emergency, but there were a great many of those emergency men who were put in the Regular Army. I do not say you can discharge them all in one day; but there is not a business concern in the United States that does not sometimes say, "We are going to let a certain per cent of our men out on the 1st of July because of the necessary reduction of force," and let them off at one time. They do this without wrecking their business. This law gives three full months to reduce the Army from 220,000 to 150,000 men. Surely that is reasonable.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FIELDS. Mr. Chairman, I yield to the gentleman five minutes more.

Mr. ROSE. Will the gentleman yield?

Mr. JONES of Texas. I will.

Mr. ROSE. The gentleman will recall at the time that we were considering this bill there was a marked difference of opinion expressed as to the real meaning of the clause you are just referring to. Some said there was a moral obligation resting on this Government not to discharge the men, as you are now urging. The section of the contract you have just quoted was the subject of long debate, and it would appear the President recognizes a moral obligation.

Mr. JONES of Texas. I do not urge that they be discharged all at once, but I do say that a third of the Army can be discharged by October 1 if the man who is in charge of the War Department tries, in good faith, to comply with the law. You would have to discharge more than a few hundred a day to do that. I have not figured out the exact number, but a business concern reduces its men on a day certain after giving notice. It seems to me that by giving notice and taking off a few hundred a day you could easily reduce the Army by October 1 to 150,000 men.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. McKENZIE. Under the law that we have just enacted, it is provided that the soldiers may be discharged on their own application.

Mr. JONES of Texas. We have been discharging them for years on their own application when their grounds were deemed sufficient.

Mr. McKENZIE. Under the terms of the law we have just enacted. Prior to that time we could not. The gentleman has stated that he has applications on his desk of a number of soldiers asking to be discharged who seem to think, some of them, that they have good reasons for their discharge. What does the gentleman think about it?

Mr. JONES of Texas. I did not go into the grounds of discharge, but since the time Congress declared that the Army should be reduced to 175,000 men I believe that those men ought to have been discharged until they got down to where the units in which they were serving had been reduced to their proper proportions. I did not say that all in any particular branch should be discharged. I am not sufficiently familiar with the different divisions of the Army to specify as to this, but I say that they should be cut down to two-thirds. That is what the law says. They ought to have accepted that application and discharged the boys with or without what they considered good grounds. I say they ought to have discharged them under those circumstances after the desire of Congress was made clear. The Government is a business concern, and there ought to be some business judgment exercised in the Army. There is not a business concern in the United States which has made a success of its business that would not be able to reduce its force between now and October 1 and not injure its business organization any more than if they give them a year in which to do so.

The law does not say they should do so by July 1, but surely the Congress of the United States has been more than generous when it gave them until October 1 in which to reduce the Army to 150,000 men.

There is something due to the taxpayers of the country. They are not against the Army. The men who have fought a large Army all along have not been against the Army, but they realize the importance of economy, and if you gentlemen who have followed the lead of the President who has talked so much on economy wish to be consistent you must cut down expenses.

Mr. FREE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. Yes.

Mr. FREE. Do you mean since this legislation was enacted?

Mr. JONES of Texas. No. I mean since the declaration of the opinion of Congress was made—that the size of the Army should be reduced. It should have been done since then in good faith. The wish of Congress was specifically and clearly stated. I submit that there has been too much of a tendency on the part of the War Department of the United States to flaunt their own ideas in the face of the American people as expressed through their accredited Representatives.

Mr. CHALMERS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Texas. I yield for a question.

Mr. CHALMERS. It is not a question. I say there will be a good-faith effort to discharge them.

Mr. JONES of Texas. Now, it seems to me that this letter might at least have stated that we are not only going to discharge those who have reasonable grounds, but also those who make application, so long as we do not reduce their units beyond their ratable proportion. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

(The oath and certificate of enlistment referred to by Mr. JONES of Texas is as follows:)

OATH AND CERTIFICATE OF ENLISTMENT.

THE UNITED STATES OF AMERICA.

STATE OF ———; *city, town, or military post*, ———, *ss:*

I [1] ——— (Christian name in full) ——— (surname), born in [2] ——— (city, town, or county), ——— (State or country); on (date) [3] ———, and now aged — years and — months, do hereby acknowledge to have voluntarily enlisted this [3] ——— day of ———, 19—, as a soldier in the Regular Army of the United States of America for the period of (word and figure) —— years and under the conditions prescribed by law, unless sooner discharged by proper authority; and do also agree to accept from the United States such bounty, pay, rations, and clothing as are or may be established by law. And I do solemnly swear (or affirm) that I will bear true faith and allegiance to the United States of America, that I will serve them honestly and faithfully against all their enemies whomsoever, and that I will obey the orders of the President of the United States and the orders of the officers appointed over me according to the Rules and Articles of War.

Signature,[4] ———

(1. First Christian name. 2. Middle initial. 3. Surname. For example, "William H. Smith."

[1] Carefully compare with name at top of page 1.
[2] Compare with answer to question 1, Declaration of Applicant.
[3] The dates in the oath and certificate must be the same.
[4] The signature must be identical with that subscribed to Declaration of Applicant.

I certify that the above oath was subscribed and duly sworn to before me this [1] ——— day of ———, A. D. 19—. I further certify that this soldier was minutely inspected by me previous to his subscription to the oath, that I found him entirely sober and in full possession of all his mental faculties, that to the best of my judgment and belief he fulfills all legal requirements, and that in enlisting him into the service of the United States I have strictly observed the regulations which govern the recruiting service. I further certify that the above oath as filled in was read to the applicant before his subscription thereto.

———, *Recruiting Officer.*
(Signature.) (Name typed.) (Rank and organization.)

Mr. FIELDS. Mr. Chairman, I desire to say a few words along the same line that the gentleman from Texas has discussed. In view of the letter received from the President yesterday, the question that concerns this country now is, Who shall control? Shall the people control in determining what size Army they will maintain, or shall the Army officers determine it? If it is left to the Army officers to determine the size of the Army that this country shall maintain, we know what the result will be. If, in the face of the resolution that was passed by Congress a few months ago and the legislation that ensued, the Military Establishment says they can not and will not reduce the Army, and receives the support of the Chief Executive, what shall the people and the Congress do?

I want to say, in passing, that, first, if there is any embarrassment to the War Department in reducing the Army as requested by the resolution and the legislation, the minority of the Committee on Military Affairs of the House is not responsible for that embarrassment. I desire again to remind the House that the minority of the committee attempted to reduce the Army to 175,000 men when the Army reorganization bill was written, more than a year ago, but the majority of the committee, sustained by a majority of the House, favored an Army of 280,000 enlisted men. But the majority of the committee, in response to the demands of the people, at a later date joined the minority and provided that the Army should be reduced.

Now, since that has been done and a conflict has arisen between the Military Establishment on the one side and the people on the other, through their duly chosen Representatives in the Congress, whose views shall prevail, and what position will you gentlemen of the majority take when this conflict rises to fever heat? You have criticized the former Secretary of War, Mr. Baker, and charged him with being dominated by the influence of the Military Establishment. Will you likewise criticize Mr. Secretary Weeks, or will you renege and say, "That which thou hast said must be correct, because thou hast said it"?

I believe, gentlemen of the majority, that you will keep the position that you have taken. I believe that you will give your Secretary of War and your Chief Executive to understand that the Army of the United States is maintained for and by the people, and that the people shall determine what the size of the Army shall be.

Some may say, "Oh, how will we do it?" And some may say, "What remedy is there for military officers who fail to observe the law?" I, as many of you will recall, have long since entertained the opinion that when a military officer fails to observe the law or commits some act not authorized by law Congress has a remedy, and that remedy is this: When the proper appropriation bill is passed, write into that bill a provision providing that no part of the funds therein contained shall be applied in the payment of such an officer.

That, of course, brings up the question as to what will become of the officer. Some may say, "Oh, he is commissioned and we have still got him, and he must be paid." But, mark you, officers are not going to fail to observe the law or disregard it when the Congress of their country calls them by name and says no part of the funds appropriated shall be expended in the payment of their salaries as such officers; they will take heed. And in view of the apparent determined effort on the part of the War Department to disregard the mandates of Congress, I want to serve notice now that I, for one, propose to leave nothing undone on my part that the Congress can do to enforce the verdict of Congress in this matter in which the people of America are so vitally interested. [Applause.]

Mr. Chairman, I reserve the balance of my time.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. TOWNER having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House of Representatives to the joint resolution (S. J. Res. 16) terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America.

[1] The dates in the oath and certificate must be the same.

ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER pro tempore announced his signature to enrolled joint resolution of the following title:

S. J. Res. 16. Joint resolution terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America.

CAMP EUSTIS, VA.

The committee resumed its session.

Mr. HULL. Mr. Chairman, I yield to myself 22 minutes.

Gentlemen of the House, as the author of the resolution which fixed the size of the Army and directed the Army how to proceed to reach that size, I want to say that I am perfectly satisfied with the letter of the President of the United States. [Applause.] That amendment had a very peculiar course. If you will remember, the Democratic side of the House were the chief supporters of the amendment. I could not have had the amendment agreed to at all if it had not been for the support that it received on the Democratic side.

Mr. STEAGALL. May I ask the gentleman a question?

Mr. HULL. Yes.

Mr. STEAGALL. I will try to make it fair. I understand the gentleman to say that he is satisfied with the President's letter?

Mr. HULL. Certainly.

Mr. STEAGALL. I want to ask the gentleman, if the Army officers refuse to obey the law passed by Congress, and if they continue to maintain an enlisted force in excess of the number fixed by law, will the gentleman validate the violation of the law and make an appropriation to pay for the number in excess of that authorized by law?

Mr. HULL. I certainly will not, and the officers have not asked for that.

Mr. STEAGALL. They have not asked for it yet.

Mr. HULL. On the Democratic side of the House you are so accustomed to an administration that has defied the law of Congress that I do not blame you. For eight years you had an administration that belonged to your side of the House that openly defied Congress. This is not your administration. It will carry out the law of Congress. Do not worry about that.

Mr. GREENE of Vermont. Will my colleague permit a suggestion?

Mr. HULL. Certainly.

Mr. GREENE of Vermont. Let the gentlemen on that side of the House make all the campaign material they can out of an event that has not yet happened. When the event does happen it will put them out of busines and everything will be all right. [Laughter.]

Mr. HULL. I want to be fair with you gentlemen. I do not want to play politics on this question, and I am satisfied that if you will allow the operation of the amendment that you helped put on the bill, your Army will be down to 150,000 by the 1st day of October, or by the time that they would have to create a deficiency; and if you will read the President's letter carefully, you will find that he intends to follow the amendment that you put on the bill and reduce the Army to 150,000 as quickly as possible. There is nothing to the statement that he says he is not going to do. He expressly says he is going to do it. If in 30 days any of the gentlemen of the House have any enlisted soldiers in the Army who have applied 10 days previously for discharge and have not received it, then they will have some cause for complaint against the Army and not until then. I simply want to say this in order that you may understand what you did when you passed the bill. You directed them to discharge men who applied for discharge.

Now, my friends, perhaps that is all that is necessary to be said. I do want to say this, that in my opinion it would be a calamity, it would be dishonest, it would be immoral on the part of the Government to discharge summarily an enlisted man who has a contract with the Government. I do not think any such thing will happen, and I hope it will not.

Gentlemen on both sides of the House refer to the saving clause in the contract. I call your attention to the fact that in every Government contract there is that same saving clause. Every one of you has in his district post offices which are rented by the Government. In those contracts there is that same saving clause, and if the Government of the United States should break its contracts with the capitalists of your districts who hold these contracts, you yourselves would be the first men to come to Congress and ask us to pay them for the loss that they suffered from a violation of their contracts by the Government. You have done that before, and you will do it again, and I ask only the same treatment for the enlisted personnel that you ask for the capitalists of this country. [Applause.]

Mr. FIELDS. Did the gentleman take that position when he reduced the Army from 175,000 to 150,000 men?

Mr. HULL. I certainly said so at the time, that you had no right to break your contracts with these enlisted men, and if you will read the speech I made you will see that I called attention to that fact at that time that you could not discharge these men summarily without breaking faith, and that is dishonest.

Mr. WINGO. Will the gentleman yield for a question there?

Mr. HULL. Certainly.

Mr. WINGO. Does the gentleman think the Secretary of War would be justified in violating the law?

Mr. HULL. I certainly do not think he would be justified.

Mr. WINGO. Is a man ever justified in violating the law?

Mr. HULL. He would be justified in sending a message to Congress asking them to provide funds, and if they refused then he would have nothing else to do but to carry out the will of Congress. But he has the right to call your attention, as he has called your attention, to the fact that he considers it his duty to send to Congress and ask for that money. That is all he has done, and the gentleman as a lawyer knows it if he has read that letter correctly.

Mr. WINGO. Will the gentleman yield for another question?

Mr. HULL. Yes.

Mr. WINGO. Who has the right to fix the size of the Army, the Secretary of War and the President or the Congress of the United States?

Mr. HULL. The Congress of the United States. We set the size of the Army a year ago, and for nine months your Democratic administration violated the law and defied Congress by enlisting the Army far above the strength that we authorized. [Applause.]

Mr. WINGO. Will the gentleman yield for another question?

Mr. HULL. Yes.

Mr. WINGO. Does the gentleman think because one Secretary of War violated the law contemptuously that that justifies his successor in doing the same thing? Is that the gentleman's contention?

Mr. HULL. No; and this Secretary of War will carry out the law, and has called attention to the fact that he will do so, and he said expressly that he will carry out the law. He said that in the letter published in the RECORD of yesterday.

Mr. WINGO. Why did he write that letter?

Mr. HULL. If you will give him 10 days you will see that the law is being carried out. The law went into effect last night, and you fellows are throwing cat fits because it has not been carried out already. [Laughter.]

Mr. GREENE of Vermont. Is not it true that the proposition these gentlemen want carried out is that we shall burn down the barn in order to get rid of a few rats?

Mr. HULL. Yes. Now, I want to say a few words about Camp Eustis.

Mr. JONES of Texas. Will the gentleman yield?

Mr. HULL. Yes.

Mr. JONES of Texas. Would the gentleman justify the Secretary of War, if there should be no application for discharge, in maintaining an Army of 240,000 men the whole year?

Mr. HULL. Certainly not.

Mr. JONES of Texas. How would you go about it if there should be only 10,000 applications for discharge?

Mr. HULL. Oh, the gentleman will find out how we will go about it.

Mr. WINGO. Is the gentleman talking about the President or the Secretary of War?

Mr. HULL. I was talking about the Secretary of War. Now, I want to say a few words about Camp Eustis. If you do not want to hear me, I will say nothing.

Mr. WINGO. I was trying to provoke the gentleman into saying something.

Mr. HULL. Well, the gentleman can not do that, but if you want me to say a few words about Camp Eustis I will do it. I want to say to you gentlemen on both sides of the House that I have visited practically all of these camps—Camp Bragg, Camp Eustis, Camp Knox, Camp Benning, and a number of other camps. In many of the cases I recommended that they be kept. I recommended in the case of Camp Bragg that we keep it. I think we could have got along without it. As a matter of fact, I believe it never should have been purchased, but when we visited it it was like a great many other camps—they had evicted practically all of the landowners. They had purchased two-thirds of the land and paid for it and there was one-third of the land that was not paid for. I think they paid a little too much, more than they should have paid; perhaps not an exorbitant price, but the question was, What should we do?

If we abandoned it and did not pay farmers for the land you committed, in my opinion, an immoral act, and these men were the losers. I thought, as most of the committee did in these cases, that it was better for the Government of the United States to pay these poor people for their land, for the Government to take the land, and afterwards, if we could, we might salvage some of these camps.

Now, in the case of Camp Eustis, as was stated by the gentleman from California, the committee did not visit Camp Eustis. We ordered it sold. Afterwards some of us went down and visited the camp. After looking the camp over, considering the fact that it had the only mobile railroad artillery that we had in this country, with several hundred guns already mounted and stored, the committee decided that it ought to be kept. But the main consideration was, as it was with nearly all these camps, that if you do not pass this bill you will order sold something that you can not sell.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. HULL. Yes.

Mr. MOORE of Virginia. As I understand, provision has been made for the sale of Camp Eustis, and the only effect of this resolution is to suspend that action?

Mr. HULL. Yes.

Mr. MOORE of Virginia. This is only to hold up the sale that had heretofore been ordered?

Mr. HULL. That is true. Now, the gentlemen speak about using Camp Bragg for the same purpose. There is no railway at the present time at Camp Bragg that could carry this artillery. It requires a very heavy roadbed, very heavy bridges to carry this railway artillery. From Camp Eustis you can reach the entire Atlantic coast of this country far beyond Boston with railroads built strong enough to carry this kind of artillery. Also, it will reach to Jacksonville, Fla., and they are trying to extend the range so that they can go farther down the coast than Jacksonville. You have got to have railroads heavy enough to carry this artillery. I think it would be a tremendous mistake to sell Camp Eustis at the present time. I do not think there is any argument about it. There is nothing else involved in this resolution but Camp Eustis. If you can get for Camp Bragg 75 per cent of the money we have there, I would be in favor of selling it. I would not be in favor of selling Camp Eustis at the present time, and I am satisfied that if you order it sold you would not get 10 per cent of the money. And then if anything happens in the next six months you would have to buy it and it would cost you a great deal more money.

Mr. ANTHONY. Will the gentleman yield?

Mr. HULL. Yes.

Mr. ANTHONY. This resolution repeals that part of the act which says that no part of the unexpended balances of the appropriation heretofore made for the support of the Army shall be expended for new construction at Camp Eustis, Va. Why does the gentleman repeal that? Does the War Department desire to go ahead with a new construction?

Mr. HULL. No; it is not understood that way at all.

Mr. ANTHONY. Would it not be advisable to amend the resolution by permitting that prohibition to stand?

Mr. HULL. I am not certain about that. I would have to look it up, but I think there is no unexpended balance that could be utilized for that purpose.

Mr. ANTHONY. I call the gentleman's attention to the fact that they wanted $3,500,000 for new construction at Camp Eustis a year ago, and it was held up by the resolution passed at that time. If we repealed that, they could go ahead and use it.

Mr. HULL. They have not the money or anything like that, because we refused to give it to them.

I think they have a few thousand dollars there that they can utilize. As I understand it, there is no intention of going ahead at all. I will say further that of all the camps that I have visited, at Camp Eustis they showed a better spirit of trying to take care of Government property than they did anywhere else. They were using the enlisted men to keep the property in good order, and the property was being kept in the very best of order, so far as we could observe, and that without any additional expense to the Government, excepting, perhaps, the purchase of nails or something of that kind.

Mr. FIELDS. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, there is only one argument that I know of that will answer the gentleman from Iowa [Mr. HULL] on the size of our Army, and that is the logic that Uncle JOE FORDNEY used as late as last night in the Republican caucus when he expounded on the watermelon and the peanut. I do not know of anything other than the story on JOHN GARNER that I once heard that will give us exactly the situation with respect to the size of the Army, the War Department, and Congress. JOHN GARNER was walking across a little sward of Bermuda grass down here one day when a new policeman—if he had not been new he would not have accosted JOHN—hollered at him and said, "Hey there, fellow, stop!" JOHN stopped, as he always does, for he is usually ready to talk, and the policeman said, "Keep off that grass; who told you to walk across there?" JOHN said, "Who told you to tell me not to do it?" The policeman answered that the chief of police told him, and then JOHN said, "You go to the chief of police and tell him that you told JOHN GARNER, of Texas, that he said to keep off this grass, and that JOHN GARNER, of Texas, did not pay a damn bit of attention to you." That is about what the War Department has done with respect to our regulating the size of the Army. We told the War Department that we did not want more than 150,000 men, and they have not paid a bit of attention to us. We told them emphatically that they must reduce in three months the size of the Army to 150,000 men. They forced us to give them three months' extra time, and then the President comes back and says that he will tell them to do it if they can, and if they want to; but if they do not want to, that he is going to get more money from us—and he is going to get it. That is just the way the business is being transacted now. Take, for instance, the great naval bill which we passed, carrying $410,000,000.

I did not vote for the bill because it has $150,000,000 in it too much, more than should be expended on the purposes defined in the bill. Much of that money is provided for to-day's expenses, and yet our Republican brothers have not been able to put that into a law, and somebody—I do not say who it is—right now is fiddling while Rome burns. If that bill is not brought back in here this evening, you know what will happen to-morrow. Suppose it is brought in here to-morrow, do you think the Speaker can sign it? He can not, and I will tell you why. Your majority leader had an agreement put into the RECORD the other day which is a solemn, binding agreement on this House, that when we meet to-morrow nothing can be done except to read the Journal and to adjourn immediately—with emphasis on the immediately, that no business should be transacted. Unless you can get that changed by a rule—and I doubt whether you could do that and keep faith with the membership of the House—the Speaker can not sign that bill to-morrow, and it will have to go over until Wednesday, to which time this House will adjourn to-morrow, and your whole Naval Establishment will be kept out of funds until next Wednesday, July 5, because some one is fiddling while Rome is burning. Such men as the distinguished gentleman from Pennsylvania [Mr. TEMPLE] who stands on the floor now, with his great ability and the ability of his colleagues, ought not to permit a condition of that kind to exist in this Nation. You think you are going to get a continuing resolution passed. How are you going to do it. Such a resolution would be necessary to put funds into the hands of the Navy Department to-day and to-morrow and the next day and Monday and Tuesday, up until Wednesday, but how are you going to pass it?

Mr. WILLIAMSON. Oh, the gentleman will donate the expense.

Mr. BLANTON. Oh, yes; the gentleman himself may do it, but $410,000,000 is more than I have to donate.

Mr. FIELDS. Mr. Chairman, I yield five minutes to the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. Mr. Chairman, I should not trespass on the time of the committee were it not that I have such a high regard for the gentleman from Iowa [Mr. HULL] and have been one of his humble lieutenants in getting through his reducing-the-Army amendment, and now find myself both shocked and grieved that he has failed to comprehend the offense of the President in the lecture that he read to Congress in the letter which he wrote us yesterday. I am also very much grieved to find that the distinguished gentleman has adopted the tactics resorted to by one class of criminal lawyers from time immemorial—that is, whenever a man commits a crime he seeks to justify it by saying that somebody else did the same thing before him. Suppose Newton D. Baker did violate the law—which he did not, for the law then permitted a deficit; but even had he done so, that would not justify the present Secretary in violating the law. We all remember how the gentleman from Wyoming [Mr. MONDELL] threw what the gentleman from Iowa calls a cat fit here when he wrongfully charged that Mr. Baker had contemptuously disregarded the will of Congress; and yet when the President of the United States now sends a message in here and coolly tells Congress it has been unjust, it is immoral, it is stupid; that it has put a restriction and limitation on the

President of the United States and upon his Secretary of War that is embarrassing; and that he is going to have the Secretary of War coolly and contemptuously do like you falsely charged Mr. Baker did—disregard the order of Congress with reference to cutting down the size of the Army—the gentleman from Iowa [Mr. HULL], who applauded with a good deal of energy the utterances of Mr. MONDELL when he was criticizing Mr. Baker, now comes to the rescue of President Harding and accuses me of throwing a cat fit because I condemn the threat of the President to do what you charged Baker with doing. Baker did not enlist as large an Army as Congress authorized him to do, but simply created a deficit which was then authorized by law. Now there is a law against it, and we condemn the President for suggesting a probable violation.

What does the President say? Read his letter. Evidently it was written by Secretary Weeks—and I am not criticizing the President for that—but what does the letter say? It plainly says the Secretary can not reduce the Army as directed by Congress without doing what the President says he does not feel justified in doing. Gentlemen, you know how they got the raise of $5,000,000 when the Army bill came back to the House from conference.

You know that the House faced that proposition. The President now says that we violate a moral obligation and that we are unjust to the soldier. You know that the Secretary of War either misled the House or he misled the President of the United States when he got him to sign that message. You know that Mr. Weeks told the conferees that if we would give him the $5,000,000 additional, he could and would reduce the Army to 150,000 by October 1 as directed by Congress. This House would never have given the increased amount to him if it had not believed that he was going to honestly and in good faith do what he pledged his word he could and would do, and yet hardly were his words of promise dry on his lips, before he went down to the White House and had the President write this contemptuous letter to Congress, and say what? The Secretary can not obey the law without violating our falsely alleged moral obligation to keep the enlisted men in the Army for the full term of enlistment, if they so desire, and that he, the President, does not feel justified in directing the Secretary to do this, and as a result he will create a deficit, which is another violation of law, and puts the Congress on notice that later on he will advise you of these violations and ask you to relieve them of their embarrassment.

Ah, gentlemen, that is the thing I complain about. The Congress of the United States alone has the right to pass upon its obligations to enlisted men when it is enacting laws. [Applause.] And it comes with poor grace for the President of the United States to write a letter to this Congress upon discharging its duties. There is not only a moral obligation on him and the Secretary but a positive legal obligation. Let him and Secretary Weeks discharge their duty and obey the law. That is not only their moral but sworn legal duty. At this time the most dangerous thing that threatens our institutions is a disregard for law in this country. The law-abiding, patriotic man obeys the law even though he disagrees with it, and I regret that the President of the United States and the Secretary of War even intimate that the law is so embarrassing to them that they must feel "justified," to use the President's word, not to carry out the law. God pity this country when the chief law officer of the Nation says that he will not feel justified in requiring his Cabinet officers to obey the law. Let us have obedience to the law of this land. Let this Congress exercise the right to fix the size of the Army and the expenditures that can be made for the Army and the other branches of the Government, and then let the Executive in good faith obey the law. If he disapproves a law, he may veto it, but if he has not the courage to veto it, then it is his duty to execute the law without evasion. Gentlemen being unable to defend the President's action, descend to ridicule by accusing me of throwing a cat fit. Let the President and Secretary violate this law and I shall make the gentleman from Iowa throw a cat fit or else vote to condemn his master's unlawful act. [Applause.]

Mr. FIELDS. I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND of Virginia. Mr. Chairman and gentlemen of the committee, I am going to ask your careful consideration of the pending measure, which repeals the provision in the bill of February 28, 1920, directing the sale of Camp Eustis. In the beginning, I desire to say that it was not the purpose, as I understand, of the committee that the unexpended balances of past appropriations should be made available. I understand that it will be entirely acceptable to the committee for an amendment to be offered to eliminate that provision of the bill. That amendment will reduce the pending proposition to the narrow one of repealing the provision contained in the bill of February 28, 1920, directing the sale of Camp Eustis. What is the situation? There was attached to that provision a limitation that the sale should not be had prior to June 30, 1921, so that there is effective to-day the provision of the law which makes the sale of Camp Eustis mandatory. I consider it unnecessary for me to discuss before this committee the importance of the railway mounted artillery for seacoast defense, as that must be apparent to all and must be conceded. It appears that there is in the minds of some Members the thought that this is a fixed, definite policy on the part of the Congress. That is not true. All in the round world that is done by the bill to-day is to say that Camp Eustis shall not be immediately sold. The distinguished gentleman from Vermont [Mr. GREENE] said that the subject of acreage owned by the War Department is receiving the careful consideration of a subcommittee of the Committee on Military Affairs and that subcommittee is going to arrive at some definite policy. All that I ask you to do, and all that this resolution seeks, is to place Camp Eustis in such a position that it may be considered by this subcommittee along with the other camps of this country; in other words, you are asked not to pronounce judgment when the case has not been considered by that committee. Let me say this, gentlemen: That when this question was before the Congress before not a member of the Committee on Military Affairs had been to Camp Eustis, and does it not appeal to the intelligence of this House that since that time every member of the Committee on Military Affairs who has been upon the ground and who has examined the camp has come back agreeing that Camp Eustis ought to be retained?

I am going to ask you gentlemen to consider, not my statement, because I do not claim to be a military authority, but the statement of Gen. Coe. I can not go at length into his statement, but there are some things to which I wish to call your attention particularly. There is located at Fortress Monroe, 25 miles from Camp Eustis, the only Coast Artillery school in the United States, and within the last week students of that school have been at Camp Eustis studying the science of firing these railway mounts. In addition, the work at Camp Eustis is coordinated with the Air Training Service which is at Langley Field. At Langley Field there is the training school for the Air Service. Langley Field is about 25 or 30 miles away. With Camp Eustis retained, you have those services coordinated. I submit further for your consideration, gentlemen, that it takes something more than firing at a fixed object in order to train men for the proper use of this railway artillery in coast defense. But it is said they may be trained at Camp Bragg. That question will be determined by the Subcommittee on Military Affairs when it comes before them, but, gentlemen, you know that there is a vast difference between firing at a moving target out in the water as at Camp Eustis and firing at a fixed target on land as at Camp Bragg. When are you going to use your railway artillery? You are going to use it primarily to repel an invasion. You are going to use it when you are attempting to repel the ships that are moving rapidly on the sea. For, if the time ever comes that you are compelled to use artillery on fixed points, then, gentlemen, Heaven help us, for the landing will already have been made.

Gen. Coe was definitely asked this question by Mr. MCKENZIE:

Mr. MCKENZIE. General, you are chief of the Coast Artillery Corps of the United States Army?

Gen. COE. Yes, sir.

Mr. MCKENZIE. And among your other duties is that of visiting and inspecting all of the Coast Artillery camps and posts throughout the country and in our island possessions?

Gen. COE. Yes, sir.

Mr. MCKENZIE. I would like to have you state for the benefit of the record, having such information, whether or not you can say without hesitation that this is the only place in the possession of the United States at the present time that could be utilized successfully for this particular purpose?

Note, gentlemen, the answer of Gen. Coe:

That is my emphatic opinion, Mr. MCKENZIE.

Assigning the reasons why this camp should be retained, Gen. Coe says that there is a water range over which daily and periodic target practice against moving targets may be conducted throughout a course about 10 miles in length without interference of shipping and a land range of about 25,000 yards. He mentions further:

Railway connections with the Chesapeake & Ohio Railroad and, by way of railway barges, with the railroads at Norfolk and Cape Charles, and water connections with Chesapeake Bay by way of a 17-foot channel in the James River.

Interpolating, gentlemen, this will allow the railway artillery crossing by barges or floats to Cape Charles to move thence parallel with the coast up to New York and Boston for defense of that particular section, and this will allow it to move to Norfolk and down to the South for the entire defense of your southern coast.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLAND of Virginia. May I have additional time?

Mr. FIELDS. I yield to the gentleman from Virginia the remainder of my time, three minutes.

Mr. BLAND of Virginia. Gen. Coe gives as further reasons why this camp should be retained the following:

Approximately 22 miles of standard-gauge railway track within the camp available for firing and instruction and for storage purposes and warehouses and machine shops equipped for making ordinary repairs to the armament and railway rolling stock.

It adjoins the Lee Hall Balloon School, one of the three Government balloon schools in the United States, which was erected on the reservation of Camp Eustis at a cost of $1,000,000 for the specific purpose of enabling the balloon personnel to receive joint instruction with the personnel of the railway center.

It is within about 15 miles of Langley Field, a permanent and the most important coast defense aeronautical station in the United States, erected at a cost of $8,700,000, the equipment of which includes airplanes and dirigibles.

The activities of both of these stations are so closely related to those of Camp Eustis that the joint training of the personnel of all three stations is an essential requisite for their proper training, and the abandonment of Camp Eustis would militate against the efficient operation of these stations. The Director of the Air Service reports that from an aviation standpoint Camp Eustis affords an ideal site for the joint instruction of Air Service and railway artillery units.

To interpolate what I have been saying at this point, we have been working in every way to economize in connection both with men and camp sites and everything else, and the balloon school at Camp Eustis will eventually be abandoned. That was necessary when we went to a further reduction of the Army. There will be only one balloon school maintained, which will be in California, where the opportunities for training can be provided at a less cost.

We will, however, maintain at Langley Field or at Camp Eustis, if Camp Eustis is retained, two balloon units for training purposes with the railway artillery. It will not be a balloon school.

The balloon and airplane methods of observing and controlling fire are absolutely essential for the railway artillery. That, I think, will appeal to the committee without any further discussion, because they know that with such long ranges terrestrial observation is generally impossible.

Camp Eustis is within 28 miles of the Coast Artillery school at Fort Monroe, Va., permitting student officers at the Coast Artillery school to receive tactical instruction in the service of railway artillery.

Gentlemen, in conclusion I want to say to you that you may rely upon the judgment of the men who have been there. When this question was up formerly, the Military Affairs Committee had not been down to visit the camp. I do not censure them. They were pressed for time. They had not had the opportunity. The distinguished gentleman from Kansas [Mr. ANTHONY], with the frankness which always characterizes his utterances upon this floor, has said that he was not prepared to say whether, as between Bragg or Eustis, Eustis should not be retained. Gentlemen, there is no fight between these camps. The sole question to-day is the retention of this camp, that it may be considered by your subcommittee along with its consideration of the other important camps of this country. [Applause.]

The CHAIRMAN. The Clerk will report the bill for amendment.

The Clerk concluded the reading of the bill.

Mr. McKENZIE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman and gentlemen of the committee, I want to say just a few words in regard to this bill. As one member of the Committee on Military Affairs, I have been greatly interested in trying to get the overhead expense of the War Department reduced. I am still of that opinion. I think there is a great deal that can be done to coordinate the activities of the War Department, and we can dispense with very many of the properties that we now own and still have a splendid organization in peace times. In doing that, however, we ought to use some judgment. We ought not to act hastily and without consideration. I realize, as a member of that great committee, that in this country to-day there is a certain prejudice existing against the Military Establishment, a very natural thing after a great war. But I want to appeal to you, gentlemen, to consider this proposition without prejudice and look at it from a business standpoint. For one, when the legislation that we are now trying to repeal was enacted I voted for it. I had not seen Camp Eustis. I followed the gentleman from Kansas [Mr. ANTHONY] and the other members of the subcommittee, who recommended the abandonment of Camp Eustis, but did it without ever having visited the camp. Since that time I have heard a great deal about Camp Eustis, and I made up my mind I would investigate the matter for myself. And while it may not be any credit to me, I paid my own expenses, traveled to Camp Eustis, and made an investigation. And I want to say to the Members of this House that in my judgment this bill ought to be enacted into law. It simply means that for the time being, at least, we will retain Camp Eustis until we can make a more complete survey of all of our holdings and then determine which of these numerous camps we should retain permanently.

Camp Eustis is located on the peninsula lying between the James River and the York River, on the north bank of the James River, a few miles from historic old Yorktown, 22 miles from Hampton Roads and about 30 miles from Old Point Comfort, as the gentleman from Virginia [Mr. BLAND] stated, where the great artillery school is located. There is leading from Fortress Monroe out to Camp Eustis one of the finest roads I ever had the privilege of riding over, constructed by the Government, a concrete road, leading over to the naval activities on the York River, a wide expanse of the James River giving opportunity for the testing of these guns at target practice upon moving targets upon the water, with 8,000 acres of land, giving them ample range to test out the guns on land, a few miles from Langley Field, where we have the aircraft to do the observing to enable the artillery students to learn to fire correctly, and——

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. McKENZIE. Mr. Chairman, I will ask for the privilege of speaking five minutes more in order that I may make myself clear.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five minutes more. Is there objection?

There was no objection.

Mr. McKENZIE. Where we can have the aircraft for observation purposes. On that tract of land there is now laid 26 miles of permanent railroad track. There is constructed there a permanent waterworks system; not wooden tanks, but a permanent waterworks system, and many very good buildings.

But that is not all. That is not what appealed to me so much. I realize that we must have one camp where we can train some of our artillerymen in the handling of these mobile railway artillery guns, as you may term them. It requires special training, and we can train a regiment of soldiers down there in that work, so that if the time ever comes when we shall need to use these guns that are down there, many of them, we can send them out in charge of the men who know how to set them and how to do the firing.

In my judgment there is too much prejudice existing against the boys who are in the Army, now that we are in a time of peace. After all, they are American boys. After all, the officers who make up the little Army that represents the United States and have ever kept that old flag floating in the air on every battle field are your boys and mine. [Applause.] The men from West Point are selected by us. They go into the Army to serve you and to serve me, and I want to say to you that in my judgment when we call them into the service in peace times they should be encamped in places that are fit for human beings to live.

We visited some camps that were used during the preparations for the war, and I say they ought to be abandoned, because they are not fit places for men to live in times of peace. But down here at Camp Eustis there is a character of soil that grass will grow upon; there are beautiful forest trees there. You can build up a camp there, and I can see it, as I look forward through the years, a beautiful spot, a place far removed from the great cities of the country, and a place where the boys of the future who go into the Army to learn to be artillerymen, whom we will need some time, will have a place surrounded with broad lawns and beautiful forests, with the expanse of the York and the James Rivers near them, where they will be content to live, and where they will become interested in the work as soldiers of this country of ours, and come out after the expiration of the period of their enlistment better citizens.

Gentlemen, we have $11,500,000 invested there now, and I ask you is it not good policy to think twice before we say that this shall be junked without consideration, when we have all the railroad facilities necessary there, the trackage on which we can store these cars, with their mighty guns mounted upon them, and where, if the time comes that they shall be needed, we can run them out on the old Chesapeake & Ohio route that runs down the James River Valley, and down along the coast, and into the inland of the United States to the threatened areas?

I am sure, gentlemen, there is not a man in this House who will say that I am not at all times animated with a desire to see an economic administration of the Government. But do not let us junk this camp. Let us hold this camp for the time being, until we can make a thorough survey, and then after that is done, if it is so indicated, it can be abandoned if necessary.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. OLDFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing a speech delivered in Washington on April 15 by John Skelton Williams.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to insert in the RECORD a speech delivered by John Skelton Williams. Is there objection?

Mr. GREENE of Vermont. Reserving the right to object, Mr. Chairman, but only as a matter of form, I think the Committee of the Whole does not extend such a privilege.

Mr. OLDFIELD. I consulted the parliamentary expert before I asked unanimous consent, and he said it was proper.

Mr. GREENE of Vermont. I am glad to have the gentleman get his extension, but I thought it was out of form.

The CHAIRMAN. Is there objection?

Mr. McKENZIE. Mr. Chairman, I ask unanimous consent to extend my remarks by including a statement furnished to me by Gen. Coe.

The CHAIRMAN. Will the gentleman withhold that until this other request is disposed of?

Mr. McKENZIE. Yes.

Mr. BEGG. Reserving the right to object, Mr. Chairman, I will ask the gentleman from Arkansas what is in that speech?

Mr. OLDFIELD. It is a speech discussing credits. It contains a great many valuable facts.

Mr. BEGG. Has it any reference to any Members of Congress in it?

Mr. OLDFIELD. Oh, no. It is impersonal.

Mr. BANKHEAD. Does he speak of the situation of our foreign credits?

Mr. OLDFIELD. No. He refers to the amount of crops in the West and Southwest, wheat crops and corn crops.

Mr. ANDREWS. Does he speak of the action of the Federal Reserve Board in this matter of credits?

Mr. OLDFIELD. He quotes passages of letters that he has written to the Federal Reserve Board, Mr. Harding, the governor, and others.

Mr. ANDREWS. I understand he delivered a speech at Baltimore some time ago concerning the work of the Federal Reserve Board on the deflation of credits.

Mr. OLDFIELD. This speech was delivered here on April 15.

Mr. ANDREWS. If it is the speech delivered in Baltimore, I shall be very glad to have it printed.

Mr. BEGG. I hope the gentleman will withdraw his request for the time being, because personally I am not going to let it go in until I know what is in it. If the gentleman wants to press his request, all right.

The CHAIRMAN. Is there objection?

Mr. BEGG. I object.

Mr. OLDFIELD. I shall be very glad to have the gentleman look it over and to renew my request later in the day.

Mr. BEGG. Then I will simply object.

Mr. OLDFIELD. If the gentleman will withdraw his objection, I will withdraw my request for the present.

The CHAIRMAN. The gentleman withdraws his request.

Mr. McKENZIE. I ask unanimous consent to extend my remarks in the RECORD by including a statement furnished to me by Gen. Coe, Chief of the Coast Artillery, in reference to Camp Eustis.

The CHAIRMAN. The gentleman asks unanimous consent to extend his remarks in the RECORD by including the matter referred to. Is there objection?

There was no objection.

The statement referred to is as follows:

The continued development of railway armament, particularly in its application to coast defense, is regarded as a matter of national interest and importance. Such development involves the perfection of serviceable designs and the training of personnel in its employment, and these in turn can not be insured unless there be available a reservation that will permit of daily instruction and frequent target practice. A satisfactory reservation for this purpose should fulfill the following requirements: (a) Afford facilities for daily drill with moving water targets; (b) afford facilities for target practice at fixed and moving water targets; (c) afford facilities for target practice against land targets; (d) have railway connection with the railway systems of the country; (e) afford storage tracks for railway armament and accompanying locomotives and cars, and firing tracks and spurs leading to various gun positions, and shops and warehouses for the maintenance, repair, and storage of material; (f) be in sufficiently close proximity to a balloon station and aviation field to permit joint training therewith; (g) be in proximity to an industrial center containing skilled machinists; (h) be equipped with barracks and quarters and other necessary accommodations for sheltering the personnel assigned to the armament.

An inland reservation will not meet these requirements, particularly as the primary purpose of the armament will be in its employment against moving water targets, proficiency in which will be more difficult of attainment than in the case of land targets, which, for armament of this type, are fixed targets. In the selection of the site no consideration need be given to strategic requirements. The reservation required is needed for a development center in time of peace. In time of imminent war the railway armament would be transferred to and held at one or more railway centers in rear of and serving the threatened sectors of the coast line.

Camp Eustis, Va., is the only Government reservation meeting these requirements. No inland reservation meets them or can be adapted to meet them. No other seacoast reservation can be adapted to meet them in the same measure as Camp Eustis.

Camp Eustis is situated on the northern bank of the James River, about 18 miles above Newport News and comprises approximately 8,000 acres. It was established and equipped in 1918 as a training center for heavy artillery (railway and tractor drawn) for service in France, and contains cantonment accommodations for two brigades of railway artillery. It is now occupied by one brigade of railway artillery, which is to be the normal garrison in time of peace. The total cost of the camp has amounted to about $11,500,000.

The advantages of Camp Eustis as a railway training center are:

(a) A reservation of about 8,000 acres, affording a variety of sites, and in consequence opportunities for varied instruction in the selection and preparation of positions.

(b) A water range over which daily drill and periodic target practice against moving targets can be conducted throughout a course of about 10 miles in length without interference from shipping.

(c) A land range of about 25,000 yards.

(d) Railway connection with the Chesapeake & Ohio Railroad, and via railway barges with the railroads at Norfolk and Cape Charles; and water connections with Chesapeake Bay via a 17-foot channel in the James River.

(e) Approximately 6 miles of standard gauge railway track within the camp, available for firing and instruction, and for storge purposes; and warehouses, and machine shops equipped for making ordinary repairs to the armament and railway rolling stock.

(f) Adjoins the Lee Hall Balloon School, one of the three Government balloon schools in the United States, which was erected on the reservation of Camp Eustis at a cost of $1,000,000 for the specific purpose of enabling the balloon personnel to receive joint instruction with the personnel of the railway center.

Within about 15 miles of Langley Field, a permanent and the most important coast defense aeronautical station in the United States, erected at a cost of $8,700,000, the equipment of which includes airplanes and dirigibles.

The activities of both these stations are so closely related to those of Camp Eustis that the joint training of the personnel of all three stations is an essential requisite for their proper training, and the abandonment of Camp Eustis would militate against the efficient operation of these stations. The Director of the Air Service reports that from an aviation standpoint Camp Eustis affords an ideal site for the joint instruction of air service and railway artillery units.

Within 28 miles of the Coast Artillery School at Fort Monroe, Va., permitting student officers at the Coast Artillery School to receive practical instruction in the service of railway artillery.

(g) Within 18 miles of the shops of the Newport News shipyards, which insures the availability of a supply of skilled machinists and affords shop facilities for supplementing the repair facilities at Camp Eustis.

(h) Equipped with barracks and quarters of the cantonment type, which were sufficient to shelter the personnel of two brigades of railway artillery under the training conditions obtaining during the World War, and which will suffice to shelter one brigade in time of peace.

(i) Climatic conditions are such as, except for brief periods, to permit outdoor work throughout the year.

14. The question of the retention of Camp Eustis, Va., may be summarized briefly as follows:

(a) The development of railway artillery permits the United States to effect a radical and far-reaching betterment of its system of seacoast defenses. In future the railway gun will be the rule; the fixed seacoast gun the exception. A secondary, but still important, field of application will be that of supporting a field army in land operations.

(b) Unless the United States is prepared to depart advisedly from its established policy of endeavoring to maintain an effective system of seacoast defenses, it should foster the development of railway artillery.

(c) Probably the most essential requisite in such development is the provision of a training and firing center at which the matériel can be tested and the personnel trained under conditions approximating those that will obtain in service.

(d) Camp Eustis is the only Government reservation that meets the primary requisites of such a center. No inland reservation can be adapted to meet them, and no other seacoast reservation can be adapted to meet them in the same measure as Camp Eustis. Investigations to date have revealed no site, public or privately owned, that combines more advantages for the purpose than Camp Eustis.

(e) Camp Eustis represents a Government investment of $11,500,000. If abandoned, its salvage value will be only a small percentage of that sum. Moreover, its abandonment would decrease the efficiency of the two neighboring aeronautical stations, erected at an aggregate cost of about $10,000,000.

(f) Railway armament is destined to play so important a rôle in our system of coast defenses that it appears reasonably certain that, if Congress should direct the abandonment of Camp Eustis, it would feel impelled subsequently to reappropriate large sums for the establishment of a training center.

(g) It appears that the retention of Camp Eustis will be in the interest of military efficiency and of ultimate economy to the Government.

15. The Army has on hand the following railway artillery:

7-inch guns and railway mounts	12
8-inch guns and railway mounts	47
10-inch guns and sliding railway mounts	18
12-inch mortars and railway mounts	91
12-inch howitzer and railway mount	1
12-inch guns and railway mounts	12
12-inch guns and sliding railway mounts	3
14-inch gun and railway mount	1
14-inch guns and sliding railway mounts	5
16-inch howitzer and railway mount	1

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not wish to delay this bill and shall not delay it, but I do wish to proceed for three or four minutes in an effort to do what I conceive to be justice to a former high official of this Government—former Secretary of War Baker. I

am not willing that the assertion shall pass unchallenged here that Secretary of War Baker in any way violated the law of the country. He did not. It is neither fair nor proper that such statement should be even made. I did not agree with Secretary Baker that the Army should be increased beyond the amount that was appropriated for. But that was a question of individual judgment. What happened? The General Staff recommended, and the Secretary of War, Mr. Baker, communicated to Congress the recommendation, that there be an Army, I believe, of about 500,000 men. Congress refused to stand for that, but Congress did provide that there might be an Army of 280,000 men. When that bill came before the House the gentleman from Alabama [Mr. Dent] offered an amendment which, if adopted, would have limited the size of the Army, as I now recall it, to 175,000 or 165,000 men—I think the former figure. There was a roll call upon that proposition, and the Dent amendment was voted down in the House by a large majority, so that there was left a provision of law that the Army might number 280,000, and there was left in the law the authority to the Secretary of War to create a deficiency. Therefore it is not right, it is not fair, I repeat again, that gentlemen should rise upon this floor and allege that Secretary of War Baker violated the law. Gentlemen who say he violated the will of Congress must be unfamiliar with the law. I have in former speeches attempted to point out the folly of such assertions, because Congress on the Dent amendment expressed its permission that there might be an Army of 280,000 men and left in the law the authority to create a deficit, so that that number might be provided for if the Secretary of War saw fit to do it. I think this much ought to be said in justice to a really great official who rendered great service in a crucial hour of our country's history. [Applause.]

Mr. UPSHAW. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. UPSHAW: Page 1, after line 12, after the word "repealed," insert:

"*Resolved, further*, That the Secretary of War is hereby directed to postpone the sale of Camp Gordon, Ga., for two years from June 30, 1921."

Mr. TINCHER. Mr. Chairman, I desire to make the point of order against the amendment that it is not germane.

Mr. UPSHAW. Will the gentleman withhold his point until I make a statement?

Mr. TINCHER. I reserve the point of order.

The CHAIRMAN. The gentleman from Kansas reserves the point of order.

Mr. UPSHAW. Mr. Chairman, I ask permission to proceed for seven minutes.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to proceed for seven minutes. Is there objection?

There was no objection.

HUMANITY AND GOVERNMENTAL ECONOMY.

Mr. UPSHAW. Mr. Chairman and gentlemen, I think this amendment ought to pass without a dissenting vote. It is based on two sane considerations—humanity and governmental economy. This week Gen. Pershing and Gen. Sawyer called on the Secretary of War and urged permanent retention, or certainly postponement, of sale of Camp Gordon because of the hospital facilities already there, some 1,500 beds that could be made ready in a few days for disabled soldiers, and likewise because of the splendid climatic conditions there, at an elevation of about 1,100 feet, at the largest railroad center in the Southeast. There is too much at stake in this splendid property for it to be practically thrown away. We have 2,800 acres which the Government owns in fee simple, a property which cost, with its improvements, practically $12,000,000. Gen. Pershing told me with enthusiasm, basing his opinion on what he saw when he recently inspected the camp, that he would like to see a great citizens' training camp at Camp Gordon, the camp whose site was selected by Gen. Leonard Wood with the idea that it might be made the permanent home of a division. This camp has a splendid equipment—60 miles of paved streets, a septic tank costing a million dollars, waterworks costing a million and a quarter, spacious warehouses with concrete foundations, good for 50 years, and other general equipment which caused the subcommittee to report the best foundation for permanency that they had seen at any camp. Gen. Pershing said he would just love to try his hand at having a great training camp there next year. Recognizing the fact that America does not want a large standing Army, and yet that we must look in a sane way after our common defense, he said his heart was set on having a citizens' training camp that might be made to mean so much in the proper training of our young men. And with such a railroad center and the attractions of a great city of progressive Christian ideals he could bring together the greatest aggregation of citizen defenders in all the South. Gen. Sawyer also requested that an examination be made by a committee of physicians, appointed by the mayor of Atlanta, to report on the expense that would be necessary and the time that would be required before disabled soldiers could be put in those 1,500 beds.

I hold in my hand the report which was submitted by that committee of competent physicians and laid before Gen. Pershing and Gen. Sawyer. It brings out the fact that with comparatively little expense this splendid hospital could be ready for occupancy in a few days. And it seems utter financial folly to spend millions for new hospitals when this one is ready now.

GIVE PERSHING THIS OPPORTUNITY.

And I have a conviction, gentleman, that proper deference for the commander in chief of the Army of America, who is to be the Chief of Staff and who is anxious to build the common defense in such practical sanity, should keep for this great experiment this magnificent camp where the famous Eighty-second Division was trained, at a city with 14 railroads and with such ideal climatic conditions. Therefore, I hope that the gentleman from Kansas will not make the point of order against this amendment. He believes in governmental economy. His party and the new administration are pledged to economy; and I tell you frankly that the values in our section are so low now as the result of the great financial depression that if this camp were put on the market right now it would hardly bring half of what it would bring two years from now. Even if there were no hospital there ready for our soldiers, even if Gen. Pershing did not wish to establish there the greatest citizens' training camp in the South, even if Gen. Wood had not selected Atlanta for this superb camp that it might serve a great, permanent, military purpose, I want to say to the gentleman from Kansas that regardless of the fact that the camp is in my district I believe that common sense and governmental economy would call on us to keep the camp standing as it is now, until the present low values shall recover from the shock of war and the present tragic depression. I verily believe that the present value will increase at least 100 per cent in two years. Because the situation is so unusual, the patriotic chairman of the Military Committee and the genial chairman of the subcommittee, who know the facts, have not made the point of order against this amendment. Certainly, then, it seems to me the gentleman from Kansas an all others ought to refrain. Every consideration of humanity in the immediate care of disabled soldiers and every consideration of governmental economy demand the passage of this resolution. [Applause.]

By unanimous consent, Mr. Chairman, I incorporate as a part of my remarks the following report and letters which came in response to a request from Brig. Gen. Sawyer, who is greatly interested in expediting the efficient governmental care of disabled soldiers. This report of high-class physicians—leaders of the medical profession in my home city, Atlanta—puts into italics the fact that we ought to proceed to use immediately this costly equipped Government property instead of scrapping it in financial folly and then going out to spend many months of time and millions of Government money to find, buy, and equip new property.

REPORT OF MEDICAL COMMITTEE ON HOSPITAL AT CAMP GORDON.

Mayor JAMES L. KEY,
Atlanta, Ga.

DEAR SIR: In accordance with your request that a committee from the Fulton Medical Society be appointed to investigate the conditions of the establishment of a Government hospital at Camp Gordon, as to the availability of the Government property there for such purpose, and as to the prospects for securing 50 physicians and 150 nurses for such service, the board of trustees of the society was instructed to make such investigation, and report its conclusion to you.

Following is the report of the board, which by a vote of the society is to be considered the opinion of the whole society. The board of trustees consists of the five last presidents and the present president, vice president, and secretary.

"We find the buildings of the former base hospital at Camp Gordon well adapted for the desired purpose. The site is accessible to the city of Atlanta by good paved roadways, an electric car line, and the Southern Railway, with adequate sidetracks.

"The climate of the section is unexcelled, and the healthfulness of the community is a model for all the surrounding country. The location is upon an undulating tract of land 1,100 feet above sea level. Drainage is all that could be desired, and the fertile soil of the surrounding country offers excellent advantages for agricultural and horticultural pursuits. The Red Cross building adjacent to the hospital is in fine condition and will furnish a most satisfactory recreation center.

"The buildings once used for hospital purposes are in a fair state of repair. Their arrangement is excellent. The section devoted to administration, admission, officers' and nurses' quarters, laboratories, operating rooms, kitchens, dining rooms, etc., can be so utilized again. The wards can be made to accommodate 1,500 patients.

"The underpinning of the building will need repair, but the roofs will need little. Some of the beaver-board ceilings and inner walls

will have to be replaced. The floors are in good shape. A great many plumbing and electric-light fixtures are gone, but can easily be replaced. Some parts of the furnace have been removed, but enough still remain to heat the greater part of the hospital. The rest of the heating plant, including pipes and radiators, is available for use. Sewerage, pipes for water, and electric wiring are in perfect condition.

"Much of the furniture and other equipment of the base hospital is still stored in warehouses on the grounds, and we are informed by the officer in charge that the Government warehouse of medical supplies in Atlanta contains a bountiful supply of necessary material.

"Taking these things into consideration, we believe Camp Gordon most excellently suited for the hospitalization of ex-soldiers and Government employees.

"Our survey convinces us that the requisite number of physicians, both for full time and part duty, can be obtained without difficulty. After canvassing the situation in regard to procuring an adequate staff of the nurses, we are satisfied that they also can be available."

In conclusion, the medical profession of Atlanta and Fulton County welcomes this proposition enthusiastically, and pledges its full cooperation in putting it into effect. We await your further instructions.

W. A. SELMAN, M. D.,
Chairman Board of Trustees Fulton County Medical Society.

STATE MEDICAL ASSOCIATION,
Atlanta, Ga., May 25, 1921.

Congressman W. D. UPSHAW,
Washington, D. C.

DEAR MR. UPSHAW: In the effort to establish at Camp Gordon, Atlanta, Ga., a rehabilitation hospital, I wish to pledge, as president of the Medical Association of Georgia, the full cooperation of this organization. Command me if you wish service from us and we shall render it to the fullest.

The association will spare no energy in rendering the department every possible aid in this movement, both in its establishment and future operation.

Yours, truly,

E. C. THRASH,
President Medical Association of Georgia.

OFFICE OF THE MAYOR,
Atlanta, Ga., May 21, 1921.

Hon. W. D. UPSHAW,
Kimball House, Atlanta, Ga.

DEAR SIR: I desire to acknowledge my appreciation of the interest which you have taken, and are taking, in retaining Camp Gordon, or at least a part of it, for Government hospital purposes.

There has been no suggestion made at the present time with reference to the future use of Camp Gordon that has appealed to the public so much as the proposed use for hospital purposes. The suggestion has met with enthusiastic support from the medical profession. As you know, Atlanta has become a real medical center. This by reason of the fact of our unrivaled climate, splendid water supply, accessibility from every section of the surrounding territory, and the marked advances in technical medical education. The doctors will give enthusiastic support to this proposition because it lies in the line of their ambition to make this a real medical center. The interest which they would have from an employment standpoint would be quite secondary to the other larger consideration.

You can assure Gen. Sawyer and others interested from a medical standpoint that they will receive no better support anywhere in the United States than they will get here from the medical profession.

I would appreciate it if you would extend to Gen. Pershing my personal regards and inform him that there has been no incident in the history of our city since I have known it that gave more pleasure to our people than his visit to us last year.

Sincerely,

JAS. L. KEY, *Mayor.*

FULTON COUNTY MEDICAL SOCIETY,
May 25, 1921.

Hon. WILLIAM D. UPSHAW,
Congressman Fifth District of Georgia, Atlanta, Ga.

DEAR MR. UPSHAW: Accompanying the report of the committee from the Fulton County Medical Society upon the availability of Camp Gordon for a Government hospital site, I wish to assure you of the hearty and sincere cooperation of the Fulton County Medical Society in the matter.

We have more than 600 physicians in this city, 60 per cent of whom belong to this society. During the past few days we have been besieged with applications from capable physicians offering their services to the Government in case this project is put into effect.

We are delighted to know that steps are being taken to preserve and put into useful operation such a valuable piece of Government property as Camp Gordon. As friends of the Government and as loyal citizens of this community and as medical men, we will do everything in our power to make the hospital proposition a great success.

Yours, very sincerely,

FRANK K. BOLAND, M. D.,
President Fulton County Medical Society.

The CHAIRMAN. What is the point of order of the gentleman from Kansas?

Mr. TINCHER. That it is not germane to the bill. If the proposition has the merit which the gentleman from Georgia says it has, and certainly with the indorsement that he says it has, legislation can be procured in the regular and lawful manner, and I insist on the point of order.

The CHAIRMAN. The Chair thinks that the amendment is not germane to the resolution, and the Chair sustains the point of order.

Mr. LONDON. Mr. Chairman, I move to strike out the last two words.

Mr. BLANTON. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Would it be in order to ask that the gentleman from Georgia give us the benefit of that splendid report he speaks of from Brig. Gen. Sawyer?

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. LONDON. Mr. Chairman, I ask unanimous consent to speak out of order for 10 minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent to speak out of order for 10 minutes.

Mr. UPSHAW. Mr. Chairman, may I ask the privilege, before the gentleman from New York begins to speak, of incorporating in my remarks the report that was furnished me concerning Camp Gordon? It is brief and right to the point.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the RECORD by printing the report referred to. Is there objection?

Mr. BLANTON. Reserving the right to object, for one to reach the grade of brigadier general he must have had such a great amount of experience with respect to military and surgical matters that I do not object.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia? The Chair hears none. The gentleman from New York asks unanimous consent to speak out of order for 10 minutes. Is there objection?

There was no objection.

Mr. LONDON. Mr. Chairman, I have been anxious for some time to present to you the subject of general amnesty for political offenders.

I shall define a political offender as one who has since the declaration of war come in conflict with war-time laws because of a sincere and disinterested advocacy of an economic doctrine, of a political theory, or of a religious philosophy, the advocacy or the support of which would not constitute an offense in ordinary times.

Ever since the armistice the Socialist Party, the American Federation of Labor, and numerous civic bodies have been urging the restoration to liberty and to full civic rights of all who come within my definition of political offenders.

Sometime during September, 1920, a large delegation representing the American Federation of Labor and headed by its president, Mr. Samuel Gompers, secured a hearing on the subject of amnesty before the then Attorney General. Mr. Gompers and I were the spokesmen of the delegation. In a public statement issued on the same day the Attorney General spoke of the technical difficulty of applying a general amnesty, said that it involved the necessity of examining each individual case, that such an examination had been conducted for some time, and that recommendations had been frequently made to the President, resulting in pardons or commutations of sentences. It is generally understood that the Attorney General has recommended the release of Debs, but that President Wilson has refused to act in the matter.

A short time after the inauguration of President Harding the President was kind enough to receive a large delegation of the American Federation of Labor, the delegation again being headed by Mr. Gompers, who spoke on behalf of organized labor. Mr. Gompers dwelt at length upon the valuable services rendered by organization labor during the trying days of the war, and in the name of the millions of organized workers urged that the Nation be generous and that the severity of war legislation give place to the kindness and love so essential to peace. I was a member of that delegation and delivered a short address.

The present session of Congress was opened on the 11th day of April, 1921. On the 12th and 13th days of April a national convention of the political amnesty committee was held at the city of Washington. On the 13th day of April, the anniversary of the incarceration of Debs, delegations of the political amnesty committee presented to the President, to the Vice President, and to the Speaker of the House petitions bearing nearly a million signatures and appealing for general amnesty. All these petitions and appeals have so far been in vain.

There is pending before the Senate an amnesty resolution introduced by Senator FRANCE, of Maryland. An identical resolution was introduced by myself in the House on the 19th day of April, 1921.

There is hardly a civilized country in the world but has since the war granted amnesty. It is rather significant that the first amnesty proclamation by the King of the Belgians was issued while he was at the city of Washington in the United States of America. Some of these amnesties cover not only military and political offenses but even cases involving moral turpitude, such as stealing military material or receiving stolen military material, and other infractions of the usual provisions of the penal codes. Some of these proclamations embrace the relatives of men in the service on the theory that because of the absence of the breadwinner they have been driven by distress to violate the law.

It has been argued that there is no such thing known to American law as a political offender. That is not so. In our immigration laws and treaties a sharp line of distinction is drawn between crimes involving moral turpitude and offenses of a purely political character. You are all familiar with the proclamation of George Washington after the so-called whisky rebellion, the numerous proclamations during the Civil War and during the reconstruction period. In one of his proclamations Abraham Lincoln, in an attempt to distinguish between ordinary criminals and political prisoners, uses the expression "State prisoners." The phrase "political prisoners" occurs in one of the proclamations of President Roosevelt.

In drawing a clear line of demarcation between the political offender and the person guilty of moral depravity in our treaties and immigration laws we always took cognizance of the fact that the political offender was a political dissident, who clashed with his Government not because of his moral unfitness but solely because of his advocacy of a principle.

From the American standpoint the political protestant was of better human material than the foreign Government which prosecuted him. That is why our immigration laws made exceptions in his favor and our extradition treaties refused to extradite him. In favoring the political rebel the American people were conscious of the fact that the European political offender had incurred the hostility of his Government because of his attempt to exercise elementary and inalienable human rights, such as freedom of the press, freedom of speech, the right of petition and of peaceful assembly, or because of his endeavor to bring about a form of government under which such rights would not be disputed.

Whatever might have been the intention of Congress and however unassailable—in so far as the language of the law reads—it may be from the standpoint of constitutionality, the espionage law has had the effect of curtailing the freedom of press and of speech, without which no free people can live. In their practical application these laws nullified the provisions of the first amendment to the Constitution, which reads:

> Congress shall make no law respecting an establishment of religion or prohibiting the free exercise thereof, or abridging the freedom of speech or the press, or the right of the people peaceably to assemble and to petition the Government for a redress of grievances.

That is how we have come to have in America American political offenders. That is how clean men and good women have found themselves under the ban of the law.

The espionage law was born of unreasoning fear. The law did not confine itself to the prohibition of spying. It practically reenacted the sedition act of 1798, an act which buried forever the Federalist Party, and the victims of which were all released by Thomas Jefferson. A great many things which Thomas Jefferson said would be punishable under the so-called espionage act.

The law created a censorship of the press and made it dangerous to speak. It proceeded upon the indefensible theory that any criticism in war time was treasonable. While it is true that none may be safely permitted to so conduct himself as to prevent the successful carrying on of military operations, it is just as true that neither the theory nor the form of the American Government can be or should be changed during war.

This Government is at all times but an agent of the people. The people are at all times the principal. It is not for the servant to prohibit his master from expressing an opinion, from suggesting a change, from making demands upon the servant, or from removing him altogether.

The necessity for correcting the mistake made in electing the wrong kind of a servant is so much more imperative in times of stress and danger. I pointed that out in one of my talks in opposition to the espionage act when I said:

> When we are put to the test we discover everything that is wrong with us. When a nation is called upon to exercise all its energy, then all the weakest spots in its economic, social, and political institutions come to the surface. Take as an illustration the fact that 29 per cent of the young men of this country when called into military service have been found to be physically defective. We have discovered that there is an alarming condition of illiteracy in some parts of the country. Now, of course, some students of those subjects knew that before. We all protested in ordinary times against profiteering, but we never realized what a curse it was; we never realized it to the extent that we realize it now, and every economic institution of the country is closely connected with its political institutions, and therefore to say to the people that just at the very hour when you discover the defects—just at the hour of stress—you are not to suggest any changes or make any criticism is poor advice indeed.

The President of the United States is the Commander in Chief of the Army and Navy, and he can command the Army and Navy only under such regulations as may in conformity with the Constitution be adopted by Congress. Neither he nor any member of his Cabinet can be made the commander of the thoughts and of the opinions of the people.

To adopt the doctrine that once war is declared no act of the Government is to be challenged by the people and that all criticism should be suppressed would mean that an ambitious Government by plunging the country into war could destroy every vestige of democracy. American history does not bear out any such contention. Charles Sumner, Daniel Webster, Abraham Lincoln, and a host of others did not fail to protest against the carrying on of unjust wars.

The Congressional Globe shows that on the 12th day of January, 1848, the day Abraham Lincoln was excoriating President Polk for his war on Mexico, petitions were presented to the Senate in which the petitioners asked not only for the termination of the war with Mexico but that reparation be made to the sister Republic for the injury inflicted upon her by an unjust and unlawful war.

Monarchical government had its origin in war. War and democracy make very poor partners.

Congress a few days ago adopted a resolution declaring the war to be at an end, thus establishing the right of Congress not only to declare war, but to terminate it. It is self-evident that if Congress has a right to fix the time when a war shall end it may determine on what conditions it shall end. Can anyone seriously question the right of the people to have their say as to how and when a war shall end? Some of the belligerent countries in Europe suspended parliamentary elections during the war. We not only had an electoral campaign in 1918, during the most critical period of the war, but the then President made a special appeal that adherents of his party should be chosen to carry the war to a successful conclusion. To what extent his appeal helped elect a Republican Congress is still a matter of conjecture.

Mr. Chairman, I wonder whether I could get an extension of time?

Mr. MONDELL. Does the gentleman desire more time?

Mr. LONDON. Yes.

Mr. MONDELL. I ask unanimous consent that the gentleman may have 10 minutes additional time.

The CHAIRMAN. Is there objection?

Mr. DEAL. What is the question?

The CHAIRMAN. That the gentleman have 10 minutes additional. Is there objection? [After a pause.] The Chair hears none.

Mr. LONDON. But of what avail is it to argue law or reason, when as practical men we know that war suspends both law and reason? The voice of humanity is drowned by the beating of the drum. It was bad enough in previous struggles between nations. The recent contest with its poison gas, with airplanes raining dynamite upon slumbering cities, with submarines sinking merchant ships, with the civil population undergoing privations, with distress brought close to every home, has melted every good, human instinct in the devouring flame of hate.

Mankind was driven mad. On the firing line men became mere automatons of destruction and thousands of miles away from the battle field entire communities became mobs.

The frenzy of the noncombatants in this war knew no limits. The farther away from the battle field the greater was the fury. Philosophers, savants, divines, statesmen, talked the incoherent language of angry children.

"We and our allies believe that we are fighting to maintain the cause of Christ," says the Bishop of Norwich, England. "A war for truth and right, for humanity and morality; a war for Christianity itself," announces Pastor Dorfuss, of Germany.

"The struggle of civilization itself against barbarism," from Bergson, of France, the author of "Creative Evolution." "A war between Germanism and barbarism—the logical successor of our war against the Huns," from Karl Lamprecht, of Germany.

"The killing of Germans is a divine service," Archbishop Wilberforce, of England. "Bayonetting the enemy is serving God," Pastor Schletter, of Germany.

The two contending alliances included on one side the Czar of Russia and the Mikado of Japan and on the other side the Sultan of Turkey.

Nor could Government officials or the courts escape the effect of war hysteria and war hypnotism.

It was humanly impossible for juries or for courts to administer justice without prejudice or partiality. Can you imagine a juror who had a son in the trenches giving calm and dispassionate consideration to the case of a defendant whose alleged seditious speech contained unpopular political or economic doctrines?

In the hearings had before the subcommittee of the Judiciary Committee of the Senate on the question of amnesty and in the further hearings of charges of illegal practices on the

part of the Department of Justice, held between the 19th day of January and the 3d day of March, this year, before a similar subcommittee, overwhelming evidence was submitted of abuse of lawful process by persons in authority, of cruel sentences, and of miscarriages of justice.

The cases are too numerous to be given in detail. The case of Mollie Steimer may serve as an illustration of justice in war time. Mollie was 17 years old when she became stranded in the United States. After the armistice she was distributing circulars protesting against the blockade of Russia. She threw the circulars from the top of a tenement. The janitor of the building objected to having the sidewalks littered with paper, and called the attention of the authorities to the culprit. The circulars were found to contain strong language, so strong that the Government of the United States and its institutions were concluded to have been endangered. She was tried, found guilty, and, in order to make the world safe for democracy, sentenced to 15 years' imprisonment. Her sentence was afterwards commuted to three years. She is still in jail.

Take the Debs case. Debs has been a Socialist and has been preaching international peace for more than 27 years. Although the Socialists have for years kept on warning the world that race and national hatreds, rivalry for markets, and the increase of armaments were leading to a tragedy, the war came to them as a shock. That was particularly true so far as this country is concerned.

Mr. LINEBERGER. Mr. Chairman, will the gentleman yield?

Mr. LONDON. If my time is extended, I shall be glad to yield.

No one in his senses would have believed 10 years ago that we would be at war with one of the great European peoples. The Socialists could not get themselves to believe that with all our churches, our universities, our temples of art, with all the glories of our civilization, mankind would be mad enough to engage in a fratricidal conflict for five years. Many of them clinging to their ideals, insisted that the time to speak against war was not only when there was peace but that the time to emphasize their philosophy and to demand its application to life was when men were killing one another.

Mr. LINEBERGER. Does the gentleman mean their philosophy or their cowardice and treason?

Mr. LONDON. To one who has no idea of what an idea is, every minority opinion is treason. It has at all times required more courage to be a Socialist than as a Republican or a Democrat to be one of the gang. Throughout the world the Socialists have been the brave minority that opposed war. Were they in power in 1914 there would have been no World War. It is just as silly to refer to Debs, the American Socialist, as a coward or traitor, as it would be to apply these terms of Karl Liebknecht, the martyr of socialism in Germany.

I want the gentleman [Mr. LINEBERGER] who asked me the question, as one who is not a coward, as one who participated in fighting, as a fighter, and not as a mere lip patriot, to recognize the fact that the lives of a million American boys were saved by the resistance of the German social democracy to Kaiserism. It was they who helped break down the resistance of the German Army.

I can not permit myself to further digress from the subject. In speeches previously delivered on the floor I pointed out the valiant efforts made by the Socialists to prevent the war and to bring about its conclusion.

Debs was taken to jail after the signing of the armistice. He had delivered a speech at Canton, Ohio, which, under the espionage law, was held to be calculated to obstruct the war and to prevent enlistment. Idealist and dreamer that he is, big-hearted man that he is, Debs stood not only by what he himself had said, but he indorsed and stood sponsor for the things said and alleged to have been said by comrades who agreed with him in a general way.

Mr. LINEBERGER. The gentleman says that Debs is a dreamer. Was he not a very practical obstructor of the draft?

Mr. LONDON. No. Debs is a true believer in the gospel of the fatherhood of God and the brotherhood of man. Others found it easy to reconcile universal brotherhood with universal slaughter. To him all war was an abomination. Although 60 years old, he has the fervor and the enthusiasm of the recent convert. He is all love and devotion. It was surely not the love of Kaiserism nor his prefereace for any other land over America, the land of his birth, that animated Debs.

A magnetic orator, an artist of the spoken word, and optimist that he is, he surely believed, when he addressed that Canton audience, that his flaming word of protest against war would be reechoed by men preaching the same gospel in the land of the enemy. And who knows but that some brave soul in the land of the enemy was at the very same moment paying a penalty for making the same appeal over there. It was certainly far from his thought that by his plea he might weaken America and strengthen the foe.

Debs spoke the thoughts of many. Shall Debs continue to be a vicarious sacrifice to the unrealized ideal of world peace?

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LONDON. Yes.

Mr. BLANTON. The gentleman, though a Socialist and a loyal one, still believes that everyone should be treated alike by the Government?

Mr. LONDON. Yes.

Mr. BLANTON. Does the gentleman believe that this Government has any more right to give Debs carte blanche to leave the penitentiary and come here to Washington and go back the same way, unattended, than it has any other convict in the penitentiary?

Mr. LONDON. All Socialists are loyal to the highest ideals of this country or they could not be Socialists. If the Attorney General will show the same intelligence in dealing with the entire Debs case as he did on the occasion the gentleman from Texas is referring to he will merit the approval of all thinking men.

Mr. LINEBERGER. Will the gentleman yield for a question?

Mr. LONDON. Yes.

Mr. LINEBERGER. I have very great regard for the gentleman himself, because I know he is sincere, but I would like to ask the gentleman whether he desires us to understand he is including with his friend Debs our "Benedict Arnold of the World War," Bergdoll, the arch slacker and traitor to his country, while he is making his plea for amnesty. How far does the gentleman expect to go?

Mr. LONDON. The gentleman has been here throughout my remarks. He should know by this time that I asked that for the present amnesty be extended to those that have come in conflict with war-time laws because of the advocacy of a philosophy.

Mr. LINEBERGER. Will the gentleman answer the question as to the contemptible slacker Bergdoll?

Mr. LONDON. The question has been answered. It seems to me that you are trying to move a mountain to crush a mouse. The entire problem of the draft evader will, I am confident, be taken up by the American people and be solved in a generous spirit.

My time is running out. Mr. Chairman, may I ask that my time be further extended for five minutes?

The CHAIRMAN. The gentleman has two minutes remaining.

Mr. LONDON. Let me have five additional minutes.

The CHAIRMAN. The gentleman from New York asks unanimous consent that his time be extended five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. LONDON. I want to conclude.

It is universally conceded that there can be no justice in war time. It has become the uniform custom of civilized governments to relieve the victims of war legislation by generous amnesties.

This has been the policy of the United States from the inception of the Republic.

Of the three groups of political prisoners that I referred to in the beginning of my remarks, those who violated war laws because of their religious scruples have been released. Of the latter two groups, it is reported that nearly 200 persons are suffering imprisonment or are under indictment.

The continued imprisonment of men for their adherence to unpopular theories encourages all sorts of excesses on the part of the unthinking and is a direct stimulant of mob action. Such a condition is intolerable in a free country. The administration has taken a forward step when the Postmaster General restored the mailing privilege to a number of Socialist publications, a privilege of which they should never have been deprived. The administration should take the next step and without any prompting by Congress should release and restore to full civic rights the men and women on whose behalf I have spoken.

In the early days of the Civil War Gen. Scott said:

> When this war is over it will require all the physical and moral power of the Government to restrain the rage and fury of the noncombatants.

We are all noncombatants now. There is no occasion for rage and fury.

The war is over. Let us forget its cruelties and build anew on the foundation of love. A democracy can not afford to be revengeful.

Mr. HULL. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. TOWNER, as Speaker pro tempore, having resumed the chair, Mr. MCLAUGHLIN of

Michigan, the Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration House joint resolution 138, had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. ROBSION (at the request of Mr. OGDEN), for two days, on account of official business; and

To Mr. HAMMER, from July 6 to July 17, 1921, on account of important business.

Mr. BLANTON. Mr. Speaker, I make the point that there is no quorum present. No; I will withdraw that.

CAMP EUSTIS, VA.

Mr. HULL. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of House joint resolution 138.

The SPEAKER pro tempore. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of House joint resolution 138. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. MCLAUGHLIN] will please resume the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of House joint resolution 138, with Mr. MCLAUGHLIN of Michigan in the chair.

The CHAIRMAN. The House is again in Committee of the Whole House on the state of the Union for the further consideration of the resolution which has been reported.

Mr. HULL. Mr. Chairman, I offer an amendment on line 5: Strike out lines 5, 6, and 7 down to and including the word "Virginia."

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HULL: Page 1, line 5, strike out all of lines 5, 6, and 7 down to and including the word "Virginia," which reads: "That no part of the unexpended balances of appropriations heretofore made for the support of the Army shall be expended for construction at Camp Eustis, Va."

Mr. GARRETT of Tennessee. You do not want to have that stricken out?

Mr. HULL. Surely; "that no part of the unexpended balances" shall be expended for new construction.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HULL. Certainly.

Mr. BLANTON. What is the necessity of this amendment?

Mr. HULL. To prevent the expenditure of the unexpended balances for new construction.

Mr. BLANTON. Does that do that? The way I understand it, it permits them to use unexpended balances.

Mr. HULL. No. It is to cut them out.

The CHAIRMAN. The Chair wishes to ask the gentleman from Iowa a question. Should not the word "and" also be stricken out on line 7 after the word "Virginia"?

Mr. HULL. That is right.

The CHAIRMAN. That will be included in the amendment offered by the gentleman from Iowa. The question is on the amendment.

The amendment was agreed to.

On motion of Mr. HULL, the committee rose; and Mr. TOWNER having resumed the chair as Speaker pro tempore, Mr. MCLAUGHLIN of Michigan, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration H. J. Res. 138, to repeal so much of the act of Congress approved February 28, 1920, as provides for Camp Eustis, Va., had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the joint resolution as amended do pass.

Mr. HULL. I move the previous question on the joint resolution and amendment to the final passage.

The SPEAKER pro tempore. The gentleman from Iowa moves the previous question on the joint resolution and the amendment to final passage.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The joint resolution as amended was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

Mr. SANDERS of Indiana. Mr. Speaker, the title to the joint resolution ought to be amended in accordance with the suggestion I made to-day in the Committee of the Whole.

The SPEAKER pro tempore. By unanimous consent, if there be no objection, the title will be amended to conform to the action of the House.

There was no objection.

On motion of Mr. HULL, a motion to reconsider the vote by which the bill was passed was laid on the table.

NOTIFICATION OF PRESIDENT AND SENATE.

Mr. MONDELL. Mr. Speaker, I move that the President and the Senate be notified of the election of the Speaker pro tempore and of the authority given him to sign bills.

The SPEAKER pro tempore. The gentleman from Wyoming moves that the President and the Senate be notified of the action of the House in electing a Speaker pro tempore and giving him authority to sign bills.

The motion was agreed to.

LEAVE TO EXTEND REMARKS.

Mr. BRIGGS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Texas asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, I make the point of no quorum present.

ADJOURNMENT.

Mr. HULL. I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 5 minutes p. m.) the House adjourned until Saturday, July 2, 1921, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. ROSE, from the Committee on Claims, to which was referred the bill (S. 1434) for the relief of the Fidelity & Deposit Co. of Maryland, Baltimore, Md., reported the same without amendment, accompanied by a report (No. 245), which said bill and report were referred to the Private Calendar.

Mr. GLYNN, from the Committee on Claims, to which was referred the bill (H. R. 5249) for the relief of Ephraim Lederer, collector of internal revenue for the first district of Pennsylvania, reported the same without amendment, accompanied by a report (No. 246), which said bill and report were referred to the Private Calendar.

Mr. UNDERHILL, from the Committee on Claims, to which was referred the bill (H. R. 5965) for the relief of the owner of the vessel *Maria Artau*, reported the same without amendment, accompanied by a report (No. 247), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 6927) granting an increase of pension to Charles A. Swartz; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7271) granting a pension to Mathilde Eck; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7410) granting an increase of pension to James G. Fallansbee; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HUSTED: A bill (H. R. 7540) amending section 97 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. SWEET: A bill (H. R. 7541) providing for a commissioned status to sanitary engineers in the Public Health Service of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. KELLY of Pennsylvania: A bill (H. R. 7542) to provide for inspection of aliens desiring to emigrate to the United States at the ports of embarkation; to the Committee on Immigration and Naturalization.

By Mr. BYRNS of Tennessee: A bill (H. R. 7543) to authorize the President to prevent the obligation of certain appropriations during the fiscal year ending June 30, 1922; to the Committee on Budget.

By Mr. STEENERSON: A bill (H. R. 7544) authorizing the Postmaster General to temporarily reduce the pay of rural carriers for disciplinary purposes instead of suspending them without pay; to the Committee on the Post Office and Post Roads.

By Mr. SWING (by request): Joint resolution (H. J. Res. 168) extending the thanks of Congress to members of local and district boards, Government appeal agents, and members of medical and legal advisory boards, and their regularly appointed clerks, and authorizing the President to appoint by brevet the members of same as officers in the Army of the United States; to the Committee on Military Affairs.

By Mr. STEENERSON: Joint resolution (H. J. Res. 169) to provide that the equalized payments authorized by section 9 of the Post Office appropriation act of February 28, 1919, to soldiers, sailors, and marines detailed to the building of roads (outside of cantonments and military reservations) during the war with Germany shall be paid out of future as well as past Federal-aid post-road appropriations; to the Committee on Roads.

By Mr. SCOTT of Michigan: Memorial of the Legislature of the State of Michigan, favoring the improvement of the Great Lakes to ocean highway; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRENNAN: A bill (H. R. 7545) for the relief of Giles Gordon; to the Committee on Military Affairs.

By Mr. CARTER: A bill (H. R. 7546) for the relief of the heirs of Israel Folsom, deceased; to the Committee on Indian Affairs.

By Mr. DEAL: A bill (H. R. 7547) authorizing the Secretary of War to donate to the town of Windsor, Va., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7548) for the relief of Lieut. Commander J. A. Guthrie, United States Navy, retired; to the Committee on Naval Affairs.

By Mr. DENISON: A bill (H. R. 7549) for the relief of Nancy J. Quillman; to the Committee on War Claims.

By Mr. FESS: A bill (H. R. 7550) granting a pension to Alice Henrietta Williams; to the Committee on Invalid Pensions.

By Mr. FREEMAN: A bill (H. R. 7551) authorizing the Secretary of War to donate to the town of Clinton, State of Connecticut, one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. JACOWAY: A bill (H. R. 7552) granting a homestead patent to Mrs. Zella Hargrove Gaither; to the Committee on the Public Lands.

By Mr. JOHNSON of South Dakota: A bill (H. R. 7553) granting a pension to Mary C. Olson; to the Committee on Invalid Pensions.

By Mr. KNIGHT: A bill (H. R. 7554) granting an increase of pension to Elizabeth E. Rettig; to the Committee on Invalid Pensions.

By Mr. LUHRING: A bill (H. R. 7555) granting a pension to Kate Wilder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7556) granting a pension to Caroline E. Harris; to the Committee on Invalid Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 7557) granting a pension to Fannie Knowles; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 7558) granting a pension to Lydia Johnson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1692. By the SPEAKER (by request): Petitions and resolutions from John Hancock Council, American Association for the Recognition of the Irish Republic, Elyria, Ohio, and of Thomas Doyle and 200 others, of the eleventh congressional district of Missouri, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1693. By Mr. ARENTZ: Petition of International Association of Machinists, Lodge No. 279, of McGill, Nev., urging the passage of House bill 5351; to the Committee on the Judiciary.

1694. By Mr. BRENNAN: Petition of Robert Emmett Branch, Friends of Irish Freedom, Detroit, Mich., urging immediate steps to collect both principal and interest due the United States by the allied Governments; to the Committee on Ways and Means.

1695. By Mr. CURRY: Petition of Rev. W. A. Orr and a number of other citizens of Linden, Calif., for the relief of people of the Near East; to the Committee on Foreign Affairs.

1696. By Mr. DARROW: Memorial of Philadelphia Board of Trade opposing Senate bill 1915, to provide for the purchase of farm products in the United States and sell same in foreign countries; to the Committee on Agriculture.

1697. By Mr. KISSEL: Petition of Joseph Weimer and Emanuel Victor, of Brooklyn, N. Y., urging the recognition of the Irish republic; to the Committee on Foreign Affairs.

1698. Also, petition of the Armenia-America Society of New York City, opposing placing the Armenians under the administration of the Turks; to the Committee on Foreign Affairs.

1699. By Mr. LARSON of Minnesota: Resolution from the Grace Methodist Church of Duluth, Minn., on the subjects of the Armenians and international disarmament; to the Committee on Foreign Affairs.

1700. By Mr. LINTHICUM: Petition of Guy D. Taber, of Baltimore, favoring Smith-Towner bill; to the Committee on Education.

1701. Also, petition of Black & Decker Manufacturing Co., Baltimore Optical Co., Steuart Son & Co., and H. B. Davis Co., all of Baltimore, Md., favoring House bill 6307; to the Committee on the District of Columbia.

1702. By Mr. RAKER: Petition of the Elysian Heights Civic Club, California Federation of Women's Clubs, of Los Angeles, Calif., indorsing the California Indians Court of Claims bill; to the Committee on Indian Affairs.

1703. Also, petitions of C. H. Schoenfeld, S. Ginsberg, Rose Schoenfeld, Louise Gillette, and H. Ginsberg, all of San Francisco, Calif., indorsing House bill 7 and Senate bill 1252, known as the Towner-Sterling bill; to the Committee on Education.

1704. By Mr. YATES: Petition of Wisconsin Lime & Cement Co., protesting against the coal industry stabilization bill introduced by Senator Frelinghuysen; to the Committee on Interstate and Foreign Commerce.

1705. Also, petition of American State Bank, Chicago, Ill., protesting against Senate bill 39; to the Committee on Banking and Currency.

1706. Also, petition of R. J. Ferris, Cairo, Ill., recommending adequate tariff on aluminum cooking utensils; to the Committee on Ways and Means.

1707. Also, petition of Woman's Department of the Chicago Church Federation, protesting against further appropriation for building of ships of war; to the Committee on Appropriations.

1708. By Mr. ROUSE: Resolution of Newport Lodge, No. 358, Free and Accepted Masons, by Chester A. Keslar, secretary, indorsing the Smith-Towner education bill; to the Committee on Education.

1709. By Mr. SINCLAIR: Petitions of the Women's Nonpartisan League Club, No. 139, of Wilton, and the Women's Nonpartisan League Club, No. 194, of Coal Harbor, both in the State of North Dakota, favoring an international disarmament conference; to the Committee on Foreign Affairs.

1710. By Mr. STINESS: Memorial of United Spanish War Veterans, Department of Rhode Island, urging the passage of House bill 4, known as the War with Spain pension bill; to the Committee on Pensions.

HOUSE OF REPRESENTATIVES.

SATURDAY, *July 2, 1921.*

The House met at 12 o'clock noon and was called to order by Mr. TOWNER as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father's God, as we stand in the foreglow of our Nation's birthday we lift unto Thee our prayer of peace and thanksgiving. We render our homage and gratitude unto Thee because Thou hast crowned our national life with manifold mercies and blessings that can not be numbered. Thy holy footprints parallel the tramp of our forefathers in defense of the right and in defeat of the wrong. We are heirs in equity of a most glorious past. We bless Thy holy name for this heritage of a free

people. May Columbia's traditions and freedom's bulwarks that are baptized with the sacrifices of our grandsires continue to inspire our wills and cheer our hearts that we may labor and wait for all that is best and grand in our civilization. Keep Thy holy eye upon our Republic. Be Thou the captain of our salvation in the lookout of the old ship of state that it may breast all seas and cast a jubilant anchor of peace and good will in the harbors of the world. Through Jesus Christ our Lord. Amen.

THE JOURNAL.

The Journal of the proceedings of yesterday was read.

Mr. BLANTON. Mr. Speaker, I desire to correct the Journal just read. On the roll call yesterday afternoon the Chairman announced that there were 245 Members who answered present. I think the reporter's notes will show that, because I was present and heard the announcement. The Journal shows that 255 Members were present. I think we have grown into the habit after a roll call has been announced of letting Members come in and be marked "present" after the roll call is over. I think it is a bad practice, and I make the objection at this time as a protest against that practice. Members who are not here to answer from the well when both rolls have been called, and who come in after the Chair has announced the result, ought not to be marked "present," whether that applies to the gentleman from Texas, or the gentleman from Iowa, or anybody else. I make the point that the Journal does not respond to the statement of the Chair at the time.

The SPEAKER pro tempore. The gentleman is correct in saying that the number announced by the Chair was 245. The gentleman will readily understand that that is subject to correction upon careful recapitulation. It is made hurriedly in order to save time. The Clerk tells me that the roll shows 255 Members present.

Mr. BLANTON. I merely raised the point as a protest.

The SPEAKER pro tempore. The Chair will say that it is perfectly proper to call attention to it in order that Members may understand the situation. The Chair relied entirely upon the statement of the Clerk at the time.

Mr. BLANTON. A parliamentary inquiry, Mr. Speaker.

The SPEAKER pro tempore. The gentleman will state it.

Mr. BLANTON. A less number than a quorum, of course, can adjourn the House?

The SPEAKER pro tempore. Yes.

Mr. BLANTON. That is very fortunate, for otherwise we who are here would not be able to adjourn the House until the last train from New Jersey reaches Washington to-night.

The SPEAKER pro tempore. Is there objection to the approval of the Journal?

There was no objection and the Journal was approved.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn until Wednesday, July 6, 1921.

The motion was agreed to; accordingly (at 12 o'clock and 10 minutes p. m.) the House, in accordance with its previous order, adjourned until Wednesday, July 6, 1921, at 12 o'clock noon.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HARRISON: A bill (H. R. 7559) to repeal all transportation taxes on grain, vegetables, live stock, milk, butter, fruit, and other farm products; to the Committee on Ways and Means.

Also, a bill (H. R. 7560) to limit the rediscount charges by Federal reserve regional banks in aid of the agricultural industry; to the Committee on Banking and Currency.

By Mr. HAWES: A bill (H. R. 7565) to prohibit the importation and entry of goods, wares, and merchandise made, in whole or in part, by convict labor or made, in whole or in part, from materials which have been made, in whole or in part, or in any manner manipulated by convict labor; to the Committee on Interstate and Foreign Commerce.

By Mr. KISSEL: Resolution (H. Res. 139) directing the European Relief Council to furnish to the Congress certain information regarding moneys spent in Europe; to the Committee on the Judiciary.

Also, resolution (H. Res. 140) directing P. N. Gray & Co., of New York City, to furnish to Congress certain information; to the Committee on the Judiciary.

Also, resolution (H. Res. 141) directing the United States Grain Corporation, of New York City, to furnish to Congress certain information; to the Committee on the Judiciary.

Also, resolution (H. Res. 142) directing the American Relief Committee for German Children (Inc.), of New York City, to furnish to Congress certain information; to the Committee on the Judiciary.

Also, resolution (H. Res. 143) directing the Custodian of Alien Property to furnish to Congress certain information; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. LINEBERGER: A bill (H. R. 7561) granting a pension to Harriet J. Houghtaling; to the Committee on Invalid Pensions.

By Mr. SHELTON: A bill (H. R. 7562) granting a pension to Clara Blunt; to the Committee on Invalid Pensions.

By Mr. SPEAKS: A bill (H. R. 7563) granting a pension to Phebe A. Moore; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7564) granting a pension to Hugh Lawson Cansler; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, the following petitions and papers were laid on the Clerk's desk and referred as follows:

1711. By the SPEAKER (by request): Petition of members of the Niagara Women's Christian Temperance Union expressing their approval of the vote for the antibeer bill, and assuring their cooperation in helping to enforce it as soon as it becomes a law; to the Committee on the Judiciary.

1712. Also (by request), petition of Mrs. C. N. Harris and 297 others of the tenth Congressional district, B. Kelly and 164 others of the State of North Dakota, and 900 people of New Orleans, La., urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1713. By Mr. KISSEL: Petition of Brooklyn Chamber of Commerce in regard to legislation for the benefit of ex-service men; to the Committee on Ways and Means.

1714. Also, petition of Union M. E. Church, Brooklyn, New York City, urging relief for peoples of the Near East; to the Committee on Foreign Affairs.

1715. Also, petition of New York Typographical Union No. 6, New York City, favoring the passage of H. R. 4092; to the Committee on Printing.

1716. By Mr. TEMPLE: Petition of Chandley Bros., Beaver Falls, Pa., in support of H. J. Res. 102; to the Committee on Banking and Currency.

1717. Also, petition of Pittsburgh Tool Steel Wire Co., Pittsburgh, Pa., in support of H. R. 1894, providing for the amendment of Section 22 of the Interstate Commerce Act to permit the issuance of interchangeable mileage tickets, etc.; to the Committee on Interstate and Foreign Commerce.

1718. Also, resolution of S. C. B. A., of St. Titus Church, Branch 1269, Woodlawn, Pa., supporting H. J. Res. No. 1; to the Committee on Foreign Affairs.

1719. Also, petition of Pennsylvania State Chamber of Commerce, Harrisburg, Pa., opposing legislation making the metric system of weights and measures compulsory; to the Committee on Coinage, Weights, and Measures.

1720. Also, petition of Chamber of Commerce of Beaver Falls, Pa., in support of the truth in fabric bill (H. R. 64); to the Committee on Interstate and Foreign Commerce.

SENATE.

TUESDAY, *July 5, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O God of our fathers, we bless Thee for their accomplishments in their reliance on Thee. We bless Thee for the heritage which they have transmitted unto us; and we humbly beseech Thee that with the same conscientious regard to duty, to high principle, and with splendid endeavor we may fulfill the task of these days. Grant unto our entire citizenship a higher conception of law and order, and so permeate our land that liberty rather than license shall be proclaimed to all the inhabitants thereof. We ask in Christ Jesus' name. Amen.

The Assistant Secretary proceeded to read the Journal of the proceedings of the legislative day of Thursday, June 30, 1921, when, on request of Mr. LODGE and by unanimous con-

sent, the further reading was dispensed with and the Journal was approved.

Mr. LODGE. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McNary	Smoot
Ball	Glass	Moses	Spencer
Borah	Gooding	Myers	Sterling
Brandegee	Hale	Nelson	Sutherland
Broussard	Harreld	New	Swanson
Bursum	Harris	Nicholson	Trammell
Cameron	Johnson	Norris	Underwood
Capper	Jones, N. Mex.	Oddie	Walsh, Mass.
Caraway	Kellogg	Owen	Walsh, Mont.
Culberson	Kenyon	Pittman	Warren
Cummins	Knox	Poindexter	Watson, Ind.
Curtis	La Follette	Pomerene	Williams
Dillingham	Lodge	Ransdell	
Edge	McCumber	Shortridge	
Fernald	McKinley	Simmons	

Mr. MOSES. I wish to announce the absence of my colleague [Mr. KEYES] on account of illness. I ask that this announcement may stand for the day.

Mr. NORRIS. I desire to announce that the junior Senator from North Dakota [Mr. LADD] is detained from the Chamber on account of illness.

The VICE PRESIDENT. Fifty-seven Senators having answered to their names, a quorum is present.

PROPOSED SUMMER RECESS.

Mr. LODGE. Mr. President, I ask the attention of the Senate for a moment. During the past week Senators in large numbers from both sides of the Chamber have come to me urging that the Senate shall take a recess. I think it is a question that should be decided by the Senate, not by me, and I wish to call the attention of the Senate very briefly to the situation.

We have been in session continuously since the 11th of April. If we do not take a brief recess now, after the tariff bill comes over and the tax bill we shall have no opportunity whatever to take a recess. If we are to take a recess at all this summer, we must take it now. I do not think that it will cause any delay of measures that are pending, because the House will not deal with Senate bills while they have the tariff and the tax bills under consideration. When those bills are passed by the House, the House will undoubtedly take a recess, and we shall be obliged to remain here, of course, to deal with those great measures. That is the reason why I offer the following concurrent resolution. A similar resolution was offered and passed by the House two years ago and concurred in by the Senate. I have no doubt the House will concur in the wish of the Senate, but I desire to know the will of the Senate in regard to the matter of a recess. I send the concurrent resolution to the desk and ask that it be agreed to.

The VICE PRESIDENT. The concurrent resolution will be read.

The Assistant Secretary read the concurrent resolution (S. Con. Res. 6), and the Senate, by unanimous consent, proceeded to its consideration, as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Thursday it stand adjourned until 12 o'clock meridian on the 28th day of July, 1921.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

Mr. NORRIS. Mr. President, it is true, as the Senator from Massachusetts has well said, that it is difficult to perform legislative work during the hot weather. It may be true also that the House will not consider Senate bills which we may pass while they are considering the tariff and the revenue measures. But it ought to be added also that if we take a recess and reassemble, when the House does pass the tax bill and the tariff bill and those bills come over to the Senate there will be no time then for the Senate to pass other bills. I believe, difficult as it is for us to stay here and work, that we ought not to adjourn until the Senate has not necessarily passed, but, at least, has considered and disposed of some of the bills relating particularly to agriculture. I have in mind, first, the bill now on the calendar regarding the formation of a governmental corporation to assist in the exportation of agricultural products to foreign countries. It seems to me we ought to pass that bill now. It is in the nature of emergency legislation. If we get the Senate in such shape that when we reassemble we will have other business to take up, like the tariff and the revenue measures, we will not be able then to dispose of what we ought to dispose of now, it seems to me.

There is another bill which will be reported to the Senate very shortly, I think, from the Committee on Agriculture and Forestry, with reference to grain exchanges. It is a House bill. It ought to be passed before the marketing of the new wheat crop comes on. It ought to be disposed of now. It is a House bill and will not necessarily take very much time.

As far as I am concerned, and I think I am expressing the sentiment of practically all the members of the Committee on Agriculture and Forestry when I say I am not willing to take a recess until the Senate has disposed of some of these bills. It ought not to take long, it seems to me, if the discussion is confined to those bills, to dispose of them.

The farmers of the country are in a deplorable situation. They are now confronted with the condition that they have a surplus of products on hand which they can not sell. They are not able to finance the selling of their surplus of agricultural products in foreign countries, and unless some legislation is passed that will assist in bringing about the financing of agricultural exports the agricultural condition will get continually worse rather than better. Senators who are familiar with the conditions affecting agriculture throughout the country do not need to be told that they are now deplorable. That the situation affecting agriculture extends to the banks, particularly to the banks which are known as country banks, which loan their money to farmers and are unable to get payments from them, while their deposits are going down because there is not a market for agricultural products.

The world is confronted with the fact that in a number of foreign countries people are starving for the very things which we have in abundance but for which they are unable to pay cash. They are willing to mortgage everything they have to purchase of us. In my judgment no risk will be run in selling to them on time, because if the world is ever to be rehabilitated it must be brought about by those people getting on their feet. If they do so, they will be able to pay for what they buy from us.

It seems to me that delay is dangerous and that the country is now confronted with a condition that will not admit of delay. The farmers of the country are toiling in the sun, reaping the new harvest which is now coming on, and, although it may be difficult and burdensome, it strikes me that we are now confronted with a situation to meet which we ought to be willing to do something. Therefore, I am opposed to any adjournment or any recess or the taking of any other step that will prevent the Senate from acting upon the bills which should be now disposed of.

Mr. BORAH. Mr. President, I do not know whether the resolution says all there is to be said or whether there is something back of it. But, in the first place, if we are to adjourn for the purpose of getting a rest or a vacation, it would not be any rest or any vacation to those of us who are fortunate enough to live in a country which is fit to be inhabited at this time of the year. We can not go home; we shall be compelled to remain here; and I had much rather be at work than to be here and not doing anything. If we are simply going to adjourn until the 28th of July, the reason for taking such a recess does not obtain at all except with reference to a comparatively few Members of the Senate.

Secondly, I should like to know from the Senator offering the resolution what is the probability of our having any opportunity to have passed bills in which we are interested after we come back, in view of the fact that we shall have tariff and taxation legislation pending, which, I presume, will take all of the remaining time until December.

Mr. LODGE. Mr. President, the tariff bill, I suppose, will come over to the Senate at the end of July; I can not name the exact day; but it is hoped to get it over here about the 28th of the month. Then it will go to the Finance Committee. I think when I estimate that it will take the Finance Committee a month to consider and report the bill, I am making a very conservative estimate as to the time. We shall then have a month in which to deal with the other bills to which reference has been made.

Mr. BORAH. Then it is the understanding that we are to come back here on the 28th and go to work?

Mr. LODGE. Of course, we shall have to do so. If the Senate should wish to adjourn again, that is another thing; but I am speaking only of the resolution which I have offered, which will provide for an adjournment for three weeks in July. Then, if the tariff bill comes over from the other House during that time—and I earnestly hope it will—it will go to the Committee on Finance. I have been a member of the Committee on Finance while that committee has considered a half dozen tariff bills, and I do not think I ever saw one which was disposed of within a month. However, I am assuming that the Committee on Finance will occupy a month in consideration of the tariff bill after it shall have been received. During that month the Senate will be here, and it can dispose of any bills of which it wishes to dispose.

Mr. NORRIS. May I interrupt the Senator from Idaho?

Mr. BORAH. Yes.

Mr. NORRIS. If we come back on the 28th of July and undertake to pass the other bills, the weather, probably, then will be just as hot as it is now. Why would it not be just the same, if that program is to be carried out, if we now pass those bills and then on the 28th of July adjourn, if we have those bills disposed of, while the Finance Committee is considering the tariff bill? We should not gain any time by adjourning now, and we should lose the possibility of legislating on some matters that are of an emergency nature.

Mr. LODGE. Mr. President, if the Senator from Idaho will allow me, I desire to say that the bill in which the Senator from Nebraska [Mr. NORRIS] is interested, the maternity bill, and the bonus bill would, of course, not be retarded at all by being put back three weeks and not being passed on, because the other House will not take up outside legislation, I am certain, while it is dealing with tariff legislation. There is an amendment to the Volstead Act, which is a House bill, and I do not think any great injury would be done if that went over for three weeks; but it is not for me to pass upon that. However, I do not see that any harm will be done in any direction by now taking a three weeks' recess. This is the only time when we can surely take it.

Mr. STERLING. Mr. President, since the Senator from Massachusetts has alluded to the Volstead bill, which has passed the House and is now before the Senate Committee on the Judiciary, I think it proper for me as chairman of the subcommittee which has the bill in charge to say a word. The Volstead bill is in the nature of an emergency measure and there is great necessity for action on the part of the Senate on the bill at the earliest possible date. There will be no meeting of the full Committee on the Judiciary until to-morrow. I think the committee will be able to report the bill out to-morrow.

Mr. BORAH. I do not think so. While I do not oppose the bill, it should have very careful consideration.

Mr. STERLING. If the bill should be reported to-morrow and if we should take an adjournment on Thursday, that would leave a very limited time for the consideration of the bill by the Senate.

Mr. BORAH. Mr. President, I doubt if we can report out the Volstead bill to-morrow, it does not make any difference what is done. Even those who are in favor of prohibition are not willing to pass measures of that kind without reading them.

Mr. STERLING. I supposed that the Senator would have time to read and fully consider the bill before the meeting of the committee.

Mr. BORAH. It is a very important measure and ought to have consideration.

Mr. STERLING. I think the Senator from Idaho realizes what the main feature of the Volstead bill is?

Mr. BORAH. I do.

Mr. STERLING. And how the emergency for its consideration arises. There is very little other question, I think, about the bill.

Mr. BORAH. Mr. President, I have looked over the bill, and I think it is a very important measure, and that it ought to have real consideration and not perfunctory consideration. In saying this I mean no more than it requires to be studied.

Mr. STERLING. I hope that real consideration can be had to-morrow, I will say to the Senator.

Mr. BORAH. I do not think it can. But, Mr. President, so far as I am concerned, if we are coming back here on the 28th of July I can perhaps get up the bill in which I am particularly interested. I had understood that we were going to take another recess then. If so, I was at a loss to know when we would pass measures, in some of which I am naturally much interested, prior to the time when we dispose of the tax question and the tariff question. I do not desire to inconvenience my colleagues who will wish to take a recess, but I simply say that it will not give Senators who live west of the Mississippi River any opportunity at all to visit home.

Mr. McCUMBER. Mr. President, I rose a few moments ago simply to explain to the Senator from Nebraska that his fear that there would be no time after the tariff bill and the revenue bill came over to the Senate to pass any of the other bills was based entirely on an erroneous assumption. The Senator from Massachusetts [Mr. LODGE], however, has explained that it will take some time after the bills come over to the Senate before they can be reported out by the Committee on Finance.

Mr. President, I am not so much interested, so far as I am personally concerned, whether we take a recess or not. I expect to be here; and during the proposed recess, if we shall have one, the Committee on Finance will necessarily have quite a number of meetings, as there is nothing to prevent us from having hearings upon the tariff bill the moment it is introduced in the House, even though we continue the hearings after the bill comes to the Senate.

I think there will be plenty of time to consider all the bills to which reference has been made, after the 28th day of July before either the revenue bill or the tariff bill come before the Senate for final action. As suggested by the Senator from Massachusetts, it will take at least three or four weeks to consider and report the tariff bill to the Senate. There are so many Senators who desire to get away during the hot weather that I am inclined to vote for the resolution allowing them to go home and get a rest while I, with others, stay here and go over the revenue bill in the committee.

Mr. KENYON. Mr. President, may I ask the Senator from North Dakota a question?

Mr. McCUMBER. Certainly.

Mr. KENYON. I should like to inquire of the Senator the status of what is known as the Sweet bill, the bill to coordinate the various bodies dealing with soldier questions? Is not that before the Senator's committee?

Mr. McCUMBER. It is; but the Senator will have to ask the chairman of the committee or some other Senator who can speak for him as to the present status of that measure.

Mr. KENYON. The chairman of the committee is not present.

Mr. SMOOT. Mr. President——

Mr. McCUMBER. I will ask the Senator to wait for just a moment. We have reported the soldiers' compensation bill.

Mr. KENYON. It is the Sweet bill I am inquiring about.

Mr. McCUMBER. I desire to bring up the soldiers' compensation bill as soon as the Senate has disposed of the maternity bill. I do not think I have a right to attempt to crowd it in ahead of that bill, which the Senator from Iowa has been pressing here for some time, but I shall insist that, outside of that measure and conference reports, the Senate shall take up the soldier compensation bill as soon as we dispose of the maternity bill. There may be other measures, of course, which can be laid aside, but I intend to press the soldiers' compensation bill for consideration as long as we are in session.

Mr. NORRIS. May I ask the Senator from North Dakota a question?

Mr. McCUMBER. Certainly.

Mr. NORRIS. Does the Senator from North Dakota expect to wait until the maternity bill is disposed of before he asks for the consideration of the soldiers' compensation bill?

Mr. McCUMBER. No. If we are in session in the meantime before the maternity bill is voted on I shall ask the Senator having that bill in charge to temporarily lay it aside for the consideration of the soldiers' compensation bill.

Mr. KENYON. Mr. President, will the Senator from Utah explain the status of what is known as the Sweet bill, and what the prospect is of getting it out of the committee?

Mr. SMOOT. Mr. President, the subcommittee of the Finance Committee met this morning at 10.30 o'clock to hold hearings on the so-called Sweet bill. There was no one present to testify, so the committee began the consideration of the bill.

On June 28 we received from Col. Forbes, Director of the Bureau of War Risk Insurance, suggested amendments to the Sweet bill. I saw Mr. Taylor, the congressional representative of the American Legion, in relation to those proposed amendments to the bill as it passed the House. He told me that he agreed with all the amendments which were suggested by Col. Forbes, and that he did not care about appearing before the committee. The subcommittee considered that bill this morning up until quarter to 12 o'clock. The subcommittee has already agreed upon all the amendments proposed with the exception of one. The junior Senator from Massachusetts wanted to look over that one very carefully, and we have already called a meeting for Thursday morning for final action upon the bill. When the bill is reported to the Senate I am going to ask unanimous consent for its immediate consideration. I do not think there is a Member of the Senate who will oppose it in any way, and I hope that the bill will pass on Thursday during the morning hour.

Mr. STERLING. Mr. President, I simply want to say that under all the circumstances the proposition involved in this concurrent resolution seems to me a little bit unreasonable. We complain of the heat, and yet we propose to take an adjournment to a time when we will be in the very midst of the heated term, the 28th of July. It will be hotter then, if it is as hot as it usually is, than it is at the present time; and, Mr. President, I appreciate what the Senator from Nebraska has said about the importance of certain legislation in which he is primarily

interested, and of which he has charge. It seems to me that if we can consider at this time any legislation which promises legitimately to afford relief to the farmers of the country, who are sweltering in their anxiety, if not on account of the heat, we ought to do it, as to some measure of relief for them, and ought to give earnest attention to their needs and their desires, and ourselves endure the heat and the burden of the day for a little while longer, for the next two weeks at least; and then, when we adjourn, it seems to me we ought to adjourn to a time when we will be beyond the midst of the heated term—until the middle of August, for example, when we will be beyond the greater part of the summer's heat. We will in the meantime have considered the legislation referred to by the Senator from Nebraska. We will have considered and acted upon the bonus bill, likewise the maternity bill, which are pending, and which may be considered at this time urgency if not emergency measures, and that will give also full opportunity to consider the bill to which I referred a while ago, and which is in fact an emergency measure.

Let me say in a word how it comes to be an emergency measure. It is because of the ruling of the former Attorney General to the effect that under the national prohibition act beer might be prescribed. The right to prescribe beer, of course, gives the right to prescribe beer by the case or by the keg. There is no limit to the quantity that may be prescribed, and it renders your national prohibition law a farce if that is to be the interpretation put upon it; hence the necessity for early action upon legislation of this kind.

It seems to me that that ought to be the course of the Senate—to remain in session for the next two weeks, at least, and then take our adjournment until a later date than is proposed by the concurrent resolution.

Mr. FLETCHER. Mr. President, I presume this matter is largely in the hands of our friends on the other side of the aisle; but I want to offer a few observations in this connection and to express my desire that we continue in session.

Of course, a lapse of 20 days or more might give time for our friends who have the majority in this body and in the other end of the Capitol—perhaps an unwieldy majority—to get together on some sort of a program. We might not lose any time if they had the opportunity in some degree to get united action upon measures which there is great need for enacting, according to their view, and certainly the situation throughout the country at this time is very unsatisfactory, disturbed, and in some instances distressing.

I do not know that we would accomplish much if we remained in session continuously. The experience of the past few months does not give us much encouragement in that direction. We have been in session ever since the 11th day of April, working quite diligently, both sides of the legislative branch of the Government, and what have we accomplished?

We passed an emergency tariff bill which everybody recognizes was an arrant fraud, a humbug, a pretense. It does nobody good, and was never intended to do anybody good, perhaps, on the part of a great many. Certainly it has not met the expectations of our friends on the other side, who are very much like the Irishman—they did not expect it would.

The next thing we did was to pass a budget bill, which, of course, was called for by the past administration. In fact, everything that amounts to anything that has been done by this administration, both with reference to our domestic and foreign affairs, has been done in pursuance of the principles and policies of the Democratic administration.

We had been given notice, at least, that one of the first items to be considered by this Congress was the peace resolution. That had been pending for about three months. Our friends on the other side were unable to agree upon the form it should take. In the House they were unable to agree upon the form. In conference they had great difficulty about agreement, and probably in a formal way they came to some fixed understanding about it, but it met with the views neither of the House nor of the Senate. At last we passed that resolution the other day, and we supposed that the dove of peace would settle down upon a troubled and ailing world, and everybody would be happy. I have not observed any great change in conditions, psychological or otherwise.

The blot on the signature to that joint resolution is symbolic of the blot on our national honor and the marring of our good faith. Instead of a real dove of peace we have a fake dove in a wooden cage passed around for exhibition.

Our friends on the other side of the aisle wanted to first press forward tax legislation. That is to say, they insisted that the tax laws should be simplified, modified, and revised. That was urged by the last administration. They have insisted that that should precede the tariff legislation. The majority party in the other body insist that tariff legislation shall precede tax legislation, and there we are. Over here the majority want the tax measures to be taken up first, over there they want the tariff measure to be taken up first, and thus far nobody has agreed upon what shall be done.

First, there came up, of course, the Army appropriation bill. Our friends on the other side could not agree as to the size of the Army. In the House they could not agree as to the size of the Army. In conference they could not agree as to the size of the Army. Finally we got through a bill which satisfies nobody.

The same thing is true as to the Navy bill. They could not agree on the other side as to the size of the Navy, and in the House they could not agree as to the size of the Navy, and now that is in limbo, hanging in a state of suspended animation. We have not passed the Navy bill even yet, although we have been in session here for three months.

The proposition now is by the Republican majority in the House to pass a tariff bill—a high protective tariff bill. Every manufacturer, every merchant, every banker, every business man, every producer, every man engaged in industry of any sort, knows that there is no need at this time for any high protective duties in this country. He knows that there is no demand for that kind of legislation. He knows perfectly well that if you want a tariff bill to raise revenue all you have to do is to get around the table and in half an hour you can write a bill imposing 50 per cent duties on coffee, cocoa, tea, silk, rubber, ivory, precious stones, and on other things not produced in this country and raise $500,000,000 of revenue, if that is what you want. But no; you want protection—protection! A great giant here, with all the gold in the world and all the credit in the world, demanding protection against a weakly cripple on the other side of the sea—protection against a cripple, and protection to such an extent that you do not propose to allow that cripple to be strong enough to pay you what he owes you! Everybody knows that a high protective tariff now is a humbug and a fraud upon the American people.

What is the use of spending time discussing that question? There is not a business man in the country with sense enough to get out of the way of an automobile who does not know that there is no need and no call for high protective duties at this time, and yet that is insisted upon in the other body as the first thing on the program.

So that is about what we have accomplished thus far. As I say, we got the budget bill passed, and perhaps with sufficient "hell and Maria" in that we will get beyond the stage where we are merely "beating the air" with reference to the budget.

Of course, I realize that our friends on the other side have had their hands full attending to other matters. The country has been suffering. The people are struggling, burdened with taxation. They want some kind of relief as to these tax matters. The majority does not seem to have learned yet what is as plain as that two plus two make four—that the only way in which you can reduce taxes in this country is to reduce expenditures. If I pay out more money in meeting my expenses than my income amounts to, it is simply a question of time when I must either increase my income or lessen my expenditures or go bankrupt, and the same is true with any Government.

You can not increase your income unless you levy more taxes on the people. Everybody says, "We will not do that." Then, you must reduce your expenditures, if you are to lessen the taxes upon the people. There is no escape from that conclusion.

Is there any effort being made in that direction? The discharge of a few hundred Government employees does not meet the situation. You discharge a few of these nominally paid employees and call that economy. At once you proceed to create new Federal judgeships all over the country. At once you increase the number of places for high-paid officials in every department of the Government, nearly. Every committee of the Senate has an extra allowance for clerk hire, reporters, and what not, in order that the committee may give hearings, and that sort of thing. These employees—doorkeepers, policemen, guards, and what not—are falling over each other in every direction. You have not reduced any expenses. You do not propose to reduce expenses.

As I said, you have been very much occupied with other things. I realize that. The fleshpots have had to be looked after. When you have 100,000 people rushing to the pie counter, and you only have pie enough to go around for 1,000, then you are in trouble. Let us get away from this matter of job hunters and pie eaters and get down to the serious business of the Gov-

ernment. Maybe this recess will give you a little time to do that. But, as I said, I think that this question of filling Government jobs, this question of displacing Democrats and putting Republicans in their places, and passing out the pie, has occupied very largely the attention of our friends on the other side.

The Republican Party reminds me of that little melodrama I witnessed, performed here in Washington a little while ago, entitled "Lady Billy," a play based upon the story of an old castle in the Tyrol, or somewhere in the Alps.

The former owner of this old castle had died and left nothing but the castle, and no money to take care of it. The heir, being this little girl called the Lady Billy in the play, had no resources with which to maintain the castle or to pay her servants. So a scheme was devised to advertise this castle so that it would be visited by tourists in Europe as a great attraction, and it was to be characterized as having mysterious and extraordinary features. One was an echo and the other was a ghost.

Tourists did come from far and near to visit this old castle, and there was conveniently placed near the entrance a box labeled, "For the poor." Tourists were expected to put a little contribution into this box "for the poor," as they heard this echo and beheld this marvelous vision of the ghost on the stairway, and the proceeds from this box enabled the owner to maintain the castle and take care of her servants.

It turned out, in the course of the play, that both were pure fakes; that an old servant produced the echo and that Lady Billy herself was the ghost, who came at a certain hour every day down the stairway. Both were fakes.

So it is with the Republican Party to-day. Its whole stock in trade, its capital subscribed and paid up, consists of two huge fakes—the echo of protection and the ghost of internationalism. I think we had better get down to some serious business. I do not know what can be done in the way of legislation to relieve these conditions, but some matters are pending that would help in several directions.

In the fifth chapter of Acts we are told about a Pharisee by the name of Gamaliel. He was a doctor of laws, and he rendered some very noble services in saving the lives of the Apostles.

Gamaliel of later time, with all due respect, has summoned to his assistance "the best minds" of the country. There has been a serious situation to be met, not only here but abroad, and "the best minds" were called upon to devise the ways and means and prescribe the program for the legislative branch of the Government. So far "the best minds" have not seemed to get very far. At any rate, they have not been able to unite the forces controlling both this body and the other body upon any definite plan for relief of the people of the country.

In the tenth chapter of Acts we have another precedent, and to that I would invite the attention of our friends. It appears that Cornelius, a Roman Centurian, was a good man, a very righteous, prayerful man. He was generous in the dispensation of alms——

Mr. SIMMONS. Mr. President, there is so much talking on the other side of the aisle that Senators over there will not have an opportunity to hear this illustration the Senator from Florida is about to refer to, and it might be very beneficial to Senators on the other side.

Mr. FLETCHER. It does not disturb me. They will listen later on.

Indeed, Cornelius was what might be called, in the highest sense, in modern terms, a great philanthropist, a very devout man, who feared God. He became very much concerned about his future. He fasted, and in one of these stresses an angel appeared to him and said to him: "You send down to Joppa and fetch one Simon who is surnamed Peter; he lodgeth with one Simon a tanner, whose house is by the seaside."

So Cornelius sent down two messengers with a soldier to Joppa, on the coast of the Mediterranean, and they found Simon whose surname was Peter, and they gave him the message from Cornelius, relating all the circumstances in connection with their mission.

Simon Peter returned with them and approached Cornelius, who had gathered together the Jews and the Gentiles. In those days the Jews considered themselves much superior to everybody else, as our Republican friends apparently consider themselves better than others to-day. The Jews did not recognize the Gentiles as more than common and unclean people. But the Jews and Gentiles were all gathered together, neighbors and friends of Cornelius, to hear this message which was to be brought to them by Simon Peter, instruction from on high as to what to do so as to take proper care of the future.

Cornelius rushed forward and fell on his knees, and Simon Peter said, "Stand up; I myself also am only a man," and asked him what he wanted to know from him. Cornelius explained to him:

We are all here present in the sight of God, to hear all things that have been commanded thee of the Lord.

Peter said, in the first place, that God was no respecter of persons; that no man is common or unclean; that they are all on the same footing. He said it is as true concerning nations as it is concerning individuals, that if you work righteousness, if you fear God, if you walk humbly in His sight, love mercy, and do justly, you are acceptable to Him. That was the message he delivered, and the Holy Writ tells us that the Holy Ghost settled upon them.

If you have not proper instruction from your best minds, if you have not been able to conclude among yourselves what must be done, you had better look out for some Simon Peter somewhere to tell you what to do in these trying days, because I say to you, my friends everywhere, that the problems which confront this country and confront the world to-day need to be approached on your bended knees.

The Senator from Nebraska spoke about the condition in agriculture. We all know that industry is halted. We all know that the transportation situation is a desperate one, both on land and on sea, and we all know that agriculture, that great basic industry, is languishing to-day as never before.

This morning I received a letter from the commissioner of agriculture of the State of Georgia, which reads as follows:

GEORGIA DEPARTMENT OF AGRICULTURE,
OFFICE OF THE COMMISSIONER,
Atlanta, June 27, 1921.

Hon. DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SENATOR FLETCHER: Yours of May 19, inclosing your speech on the farm loan act before the Senate on May 6, 1921, received. Note your request for any criticism, commendation, or suggestion.

Beg to say that I am in hearty accord with the plan of extending to farm loan bonds the discount privilege with Federal reserve banks when utilized as collateral security.

As commissioner of agriculture of Georgia, I have gone very thoroughly into the conditions surrounding agriculture, and unless something can be done to aid the farmer in securing money with which to liquidate his indebtedness and cover the tremendous losses sustained by deflation on his profits our agricultural interests are headed toward bankruptcy and ruin. For the past 35 years I have been in constant touch with agricultural conditions, and never in my lifetime have I seen the farmers of the country so depressed and in such an alarming financial condition as they are to-day. I doubt if the agricultural interests of this country have ever been in such a serious condition since the founding of our Government.

I hope that you may be successful in arranging credit for the farmers that will enable them to survive the financial disaster which now confronts them.

Thanking you for the interest manifested, and with best wishes, I am,
Respectfully, yours,

J. J. BROWN,
Commissioner of Agriculture.

That comes from the commissioner of agriculture of Georgia. Can we do anything? At least, in my humble judgment, it is our duty to stay here and try. Let us go on with this work. Let us keep it up and do the very best we can. Let us stay here until we get through.

That suggests a story I read once about an Englishman who, walking along the street in Boston, observed, in front of a restaurant, a carte de jour which had on it, "Beefsteak, 50 cents." He was a little hungry, so he walked in and took his seat at a table. Soon a girl with a black skirt and a white shirtwaist and a white apron appeared to take his order, and he said, "I want some beefsteak." The girl replied, being from Boston, "The beefsteak is all over." He, being an Englishman, responded, "All over what?" She, in true Boston style, answered, "All over with."

I say, let us stay here and do the things we should do until we get it "all over with."

I ask permission to insert as a part of my remarks a letter bearing on the question of freight rates.

The VICE PRESIDENT. Without objection, it will be so ordered.

The letter is as follows:

CHASE & CO.,
Jacksonville, Fla., July 2, 1921.

Hon. DUNCAN U. FLETCHER,
United States Senate, Washington, D. C.

DEAR SENATOR: Referring further to your letter of the 22d instant, regarding an amendment to the transportation act, contemplating elimination of the guaranty clause, etc.

Our Mr. Chase wrote you on the 25th, making some general remarks in connection with this case. Therefore we will just take an opportunity to supply you with as much data as we have available to show that the high freight rates on Florida fruits and vegetables are injuring the industry.

We attach hereto statement in duplicate showing the average market price realized on cabbage in hampers in New York City

between February 14 to March 8, 1921, inclusive. We have taken these dates because they represent that period during which the cabbage shipments are heaviest, and therefore represent the true value of the commodity in question to the growers. Of course, when there are only a few shipments moving to market the prices are higher and the grower who is fortunate enough to have any early shipments realizes a better price. However, the prices we show on our statement are what the majority of the growers receive for their product at New York.

New York market has always been considered as a price barometer, and when the market falls off at New York it falls off, as a general rule, all over the United States.

If you will carefully review this statement, you will note that the average market value was $1.42, from which should be deducted freight and refrigeration $1.26, war tax 4 cents, and commission of 14 cents. This makes a total charge of $1.44 against the market value of $1.42, leaving a deficit of 2 cents per hamper.

Also on this statement we have used the same market value and deducted prewar charges, leaving a net of 47½ cents per hamper for the shipper. We call your special attention to the relation the present freight rate has to the present market value compared with the prewar freight rate. You will note the present rate which includes war tax, which, amounting to $1.30, practically absorbs the entire market value of the shipment.

The transportation executives are endeavoring to show that the high freight rates have not retarded the movement of fruits and vegetables from Florida. Therefore we attach hereto statement dated April 10 showing comparison of shipments from Florida for the past two seasons and wish to call your attention to the cabbage shipments of this season and last. You will note there has been a decrease of almost 3,000 cars, and when you consider again the statement we have mentioned above showing the average market price realized on cabbage you can readily see that there was no profit for the grower and for that reason cabbage was allowed to rot in the fields or was plowed under by the farmer instead of being shipped.

You will probably be interested to know that at the beginning of the season it was estimated from the acreage of cabbage planted in Florida that shipments would be equally as heavy this season as last. However, when the growers found out that the high freight rates were eating up proceeds realized at market they could not afford to ship. Therefore practically 3,000 carloads of cabbage were left in the fields.

Before we leave the subject of cabbage I wish to state that we used the rate between Miami and New York, as we consider this is fair to everyone because a great deal of cabbage is produced on the east coast and shipped in hampers, and Miami, Fla., is about the average shipping point in that section.

We also attach a similar statement on lettuce in hampers, and the same remarks apply in connection with this commodity as stated above on cabbage. Palmetto, Fla., is used as an average shipping point on which to figure freight charges in this case, because this point was used by the railroads and shippers as a basis on which to figure charges in exhibits presented at hearings before the commission in connection with perishable protective tariff No. 1.

The actual number of cars shipped from Florida containing lettuce this year is about 100 short of last. However, there were lots of carloads of lettuce produced in Florida during this season that were never shipped. We have advice from our Sanford office that at least 500 cars did not move from that section on account of the high freight rates, and it is reasonable to suppose that there were at least 500 cars more from the balance of the State that did not move, making a total of 1,000 cars of lettuce that never did go forward.

We attach a copy of the Sanford Daily Herald, dated Wednesday, April 13, 1921, which publishes a statement showing the estimated freight charges collected by the transportation lines on vegetables shipped from the Sanford district this season. You will note that three-fourths of a million dollars excess freight charges were paid out by the Sanford shippers.

It is estimated that 1,500 acres were planted in vegetables in the Sanford territory. Therefore this would figure the growers have been compelled to pay $500 per acre additional freight charges last season over prewar freight charges. This is a heavy burden for the growers to carry, and we feel at liberty to state that this burden is going to kill the industry very shortly.

The next statement shows the total number of cars of Florida oranges sold at auction in New York between November 1, 1920, and March 31, 1921, inclusive, and the percentage of cars that sold for less than freight and marketing charges, the percentage that sold for enough to pay freight and marketing charges but less than cost of production, and the percentage that sold for enough to leave a margin of profit.

Any profit at all made by the Florida citrus-fruit growers this year has been very little, and a great percentage of the fruit that has heretofore realized some return to the grower has this season proven a loss. If you will refer to statement mentioned above you will note that class B and class B-2 cars amount to 40 per cent of the entire shipments sold in New York during the five months mentioned, and this 40 per cent did not realize enough to pay all charges.

We attach a similar statement showing prices realized on the same commodity during the same period at Philadelphia, which you will note shows a greater percentage of loss than the cars sold at New York. This is largely due to the fact that there are some very fancy brands of fruit sold at New York on which the demand has been established, and this keeps the market up on this higher grade of fruit.

You will note that practically 50 per cent of the oranges sold in Philadelphia during the five months did not bring enough to pay all charges, or, in other words, there were 1,692 cars of oranges sold and 860 of these cars were sold for a loss to the growers.

We attach some information that is being distributed broadcast by the Association of Railroad Executives in regard to the wages paid to the railroad employees for the last two seasons. You will note there has been a decrease of over 20 per cent in the wages paid during last March, and the further decrease that went into effect yesterday should enable the transportation lines to operate with less cost.

The present high freight rates compared with the present market values show conclusively that fruits and vegetables are laboring under a transportation charge that is greater than the industry can bear, and unless some relief is furnished to the growers they will quit producing and abandon their farms, and should this happen the transportation people will have a hard time inducing them to start operations again.

Intelligent farmers will not operate without a profit, and when they find that this means of livelihood results in a loss every year they will turn their hand to something else.

At the beginning of the season it was estimated by the railroad representatives and the large growers and shippers that the crop of citrus fruit this season would amount to 14,000,000 boxes. However, now that the entire crop has been shipped, it has fallen short of the estimate of about 1,500,000 boxes. This is largely due to the fact that the growers did not ship a certain percentage of their fruit because of the high freight rates, and this fruit was allowed to remain on the trees until it fell off. There is a certain percentage of second-grade fruit that has heretofore been shipped out of the State, realizing a margin of profit and providing full tariff revenue to the carriers that has not moved so freely this year on account of the high freight rates. The growers have not felt justified in going to the expense of preparing and shipping this fruit when it would not bring enough to pay transportation.

Any of the railroad solicitors or representatives who have traveled through the State of Florida this past season will confirm our statement that a large quantity of fruits and vegetables have been produced but never shipped.

The railroad executives who are distributing so much propaganda stating that the high freight rates have not curtailed the shipment of fruits and vegetables, seem to overlook the fact that the crop which has just been shipped was produced before the high freight rates went into effect, and as nature is a producer that does not stop whenever conditions are not satisfactory, the crop was shipped when ready. However, the effect of the high freight rates will be felt to a greater extent next year, when the growers curtail their operations on account of not having realized any profit from the past season's shipments.

The shipment of manufactured goods can be stopped or delayed when there is no profit in view, but the farmers have their crops produced and feel that anything they can realize at all above freight charges can lessen the loss that they know they will have to stand even if they do not ship anything. It costs these farmers something to produce their crops and most of them have fertilizer and labor bills to pay, and if they can get anything over the transportation charges it is so much realized to offset their outstanding bills.

We see no reason for the present high freight rates, as the price of everything has been reduced and the railroads can now purchase material at a much lower cost.

They have also secured a reduction in wages, and they certainly must be able to operate at a much lower cost than during the last couple of years.

We consider that these blanket increases in freight rates were war measures in order to assist the carriers. However,

everything else is returning to normalcy, and we consider that the transportation lines should reduce their freight rates, too.

The Interstate Commerce Commission has always considered the market value of any commodity as a basis for the reasonableness of the freight rate, and when you consider the present relationship between the present market values and the present freight rates you can readily see that the freight rates are now unreasonable.

We hope you will be successful in securing some relief for the Florida fruit and vegetable growers and shippers from these high transportation charges, either through legislation or otherwise, and secure at least the cancellation of the last increase of 33⅓ per cent granted in ex parte No. 74 before the beginning of the next shipping season.

If there is any special information that we can furnish you with, please do not hesitate to call on us for same and we will be glad to furnish same, if possible.

Yours, very truly,

CHASE & CO.,
By ROBERT MORROW.

Mr. KENYON. Mr. President, I think nearly everyone would like to get away from here now for a few weeks. I have been wondering the last few weeks of heat why the Capital was located in Washington anyway. At the same time I am in hearty agreement with the statement of the Senator from Nebraska [Mr. NORRIS] that we ought to stay here and work out an agricultural program if it is possible to do so.

I am not one of those who believe we can cure all these agricultural troubles by law. There are a great many economic principles which we can no more change than we can the tides of the sea, but at the same time we can do something. As the Senator from Florida [Mr. FLETCHER] has said, the agricultural situation in this country is the most distressing and depressing that it has been within our knowledge. I know all lines of industry are suffering also, but I think agriculture peculiarly so. It is a fearful indictment of the civilization of the world that people are starving in Europe and starving in China, and yet our farmers are becoming bankrupt because they can not dispose of the things that would keep those people from starving.

I do not know what we can do in the way of an agricultural program. Some of us have been meeting and discussing the problem of what could be done practically, not any wild schemes, not any political nostrums that amount to nothing, but some real work to help the agricultural situation. We have felt that the amendment to the joint stock land bank law which was passed by the Senate, authorizing the issuance of bonds at 5½ instead of 5 per cent in order that we might compete with the multitude of tax-exempt bonds, should be passed and would be a relieving measure. That proposed amendment has passed the Senate, but seems to be blocked in the House.

The Curtis bill for the deposit of $50,000,000 in the Federal farm-loan banks to be loaned to farmers has passed the Senate and the House with amendments. I am not certain whether the conferees have agreed upon the matter at present.

Mr. CURTIS. Mr. President, I may say that the Senate agreed to the House amendments.

Mr. KENYON. I am very glad. That is one measure apparently that has been passed for the benefit of the farmers of the country.

Mr. POMERENE. Has the Senator forgotten the emergency tariff bill?

Mr. KENYON. Yes; I have forgotten that for the present. It may have done some good; I hope so. That will develop later.

The maximum amount that may be loaned by the Federal farm-loan banks ought to be increased from $10,000 to $25,000. That is a very important measure that is pending here now before the Committee on Banking and Currency. The chairman of that committee has promised me that he would hold hearings on it, and I am sure he will.

The Norris bill is entitled to careful consideration by Congress as a measure of relief to agriculture.

The bill of the Senator from Kansas [Mr. CAPPER] to place the Secretary of Agriculture on the Federal Reserve Board ought to be considered. There would be a great deal of psychology about the passage of that bill, because the farmers of the country have a right, I think, to feel that they have not had a square deal from the Federal Reserve Board.

These are some of the practical things—they are not wild, they are not unsafe—that we could do to relieve the agricultural situation. We ought to do it. If the Members of the Senate could get out among the farmers of the country, they would find a very unpleasant state of mind. The farmers of the country are not going to become bolsheviks, and the seeds of bolshevism can not be planted among the farmers, but they are simply asking for a square deal. They recognize that their problems can not entirely be solved by legislation, but they want something done to alleviate the situation in the way of credit and giving them better opportunities for loans.

Then there is the bill of the junior Senator from Kansas [Mr. CAPPER] for the regulation of the grain exchanges. That will be reported out of the Committee on Agriculture and Forestry in a few days. It will tend to stop some of the gambling on the boards of trade.

This is a line of practical measures for agriculture. I know there is a feeling that this session of Congress should do no further work than the tariff and revenue bills. There is a feeling that there is an attempt here to pass legislation to interfere with business and to regulate business, and that the best thing to do is to quit and go home and stop all such legislation. That is one force, I think, back of the concurrent resolution. Another, of course, is the desire to get away. But while it is difficult to stay here, while we are not doing good work—and I do not think we are—while we may not do good work, yet we can keep pounding along and get something done. If we could come back here on the date fixed, with the understanding that we would then go ahead and work on the bills that were pending, I would feel quite differently about it; but I feel pretty well satisfied, as the Senator from South Dakota [Mr. STERLING] suggested, that we will come back here in heat worse than this, if that could be imagined.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. KENYON. I yield to the Senator from Nebraska.

Mr. NORRIS. I am moved to interrupt the Senator by his suggestion that he would be inclined to consider the proposition of adjournment if he knew that when we came back we could take up these matters. Is it not quite apparent to the Senator, if we come back about the 1st of August, that it will be a physical impossibility to pass the bills to which he has referred before the tariff and the revenue bills will be ready to be taken up? Does he not know in advance and do we not all know that any one of those bills could be easily delayed by unlimited debate in the Senate, so that it would be a physical impossibility to consider them before the cry would come, "Let us take up the tariff bill."

Mr. KENYON. Yes; of course, that could be done.

Mr. NORRIS. In addition to what the Senator suggests, if an agreement could be had by which we would fix definite dates upon which votes would be had on some of the bills, I would look with some favor on the proposition myself, but from what I understand it will be absolutely impossible to get any agreement for the fixing of any date for a vote upon any of these bills.

Mr. KENYON. I wish that might be done, but I imagine it would be impossible. Of course, the Senate is tired out; there is no question about that; and this weather is not conducive to good work, but I do think, especially in view of the agricultural situation of the country, that we ought to stay here and try to work out some of these measures. For that reason I shall vote against the resolution.

Mr. ASHURST. Mr. President, I recognize, of course, the right of the majority, within proper limitations, to determine what the period of adjournment shall be and when the adjournment shall be had. The burden of legislation rests upon the majority. Under the adjournment plan as proposed it means that the Senators from the Western States will have no opportunity to go home. The California, Oregon, Washington, Montana, Arizona, and other Senators from the West would no sooner get home when they would be obliged to return here. That means some of us would have no vacation.

It seems to me the dates would better be adjusted. If it be the purpose of the Senate to have a vacation, the dates should be adjusted so that all Senators may share in the vacation. I do not, however, perceive the necessity of a vacation. I have refrained, to use the vernacular, from throwing monkey wrenches in the Republican machinery. Your tasks are heavy, and it becomes a Senator, whether Democratic or Republican, to assist you in any of your proper efforts to perform your duties.

I think it ill becomes the Senate to take an adjournment at this time, much as we in fact would welcome it. This hot weather reduces our vitality to a low degree and makes us inefficient; but in a manner we are like the soldiers in the trench—because, forsooth, the fire is distressing we can not abandon the guns and run away.

Here pending is the soldiers' adjusted compensation bill that ought to be passed. I need not supplement what has already been said with respect to the necessity for consider-

ing the agricultural interests of the country. Consider the stupid action of the Federal Reserve Board last fall in intimating a deflation. Just when the farmer, the cotton raiser, and the live-stock grower had some hope that he would receive a fair price for his produce, the order of deflation came. The only person deflated under that intimation was the farmer and the live-stock grower. I do not now say that any bill could be passed which would remedy the evil effects of the slump in the prices of farm produce last fall, but I do say that within some measure we may do something to relieve the situation. The stockmen ought to have some relief in the way of legislation which will guarantee and grant to them full discount privileges and long-time credits on farm and live-stock paper.

There are various bills, and I shall not relate them all, that we ought to consider. I believe that the interests of the country would be served at this particular juncture by staying here, notwithstanding the hot weather, and at least passing the vital bills pending before the Senate. At least we should stay here until the House passes the tariff bill and it is committed to the Senate Committee on Finance, so that the Committee on Finance may proceed with the examination of that measure.

Mr. LA FOLLETTE. Mr. President, I sincerely hope that the resolution will not be adopted. I believe it would be a very great mistake on the part of the majority. It is not timely. If a recess is to be taken, it ought to be taken after the Senate receives the tariff bill. It will be necessary to recall a sufficient number of Senators here to constitute a quorum in order to refer the tariff bill to the Senate Committee on Finance when that bill shall be received from the House.

I do not believe that many Senators here can seriously accept the proposed adjournment for the brief period of three or four weeks as the ultimate object of the resolution. At the end of this suggested recess we will meet a proposal to further adjourn for another month. I venture to say now that if the resolution is adopted the Senate will transact no more legislative business until we approach the beginning of September.

Mr. President, a recess at this time is wholly unnecessary. We have had an unusually good working temperature here in Washington ever since the beginning of this extra session. There is no need for the adjournment. In the many years that I have spent in Washington I never have known a season where the weather was less taxing to strength and endurance and more comfortable in every way than it has been throughout this season, excepting the last few days.

We have had only about a week or 10 days of oppressive weather, and to run up the white flag at this time and refuse to go on with the job, I think, would be inexcusable and ought to and will subject us to the severest censure.

Moreover, it will be much more burdensome for us to return after a three or four weeks' recess and resume our legislative work here right in the middle period of the heated term which we always have in Washington in the last days of July and the beginning of August. So I say that Senators in voting for this resolution might as well understand now that it is simply the first stage of a longer recess which is finally to be adopted by the Senate laying aside work until September. Mr. President, I do not think we ought to do that.

Five or six million men are out of employment in the United States to-day. The farmers, the agricultural interests of this country, never before since I have been in public life, and I doubt if ever before in the history of the country, have experienced a depression so severe as that which they are suffering to-day. They made their crop of 1920 under conditions which imposed the heaviest burdens of expenditure upon them that were ever incurred in the history of agriculture. That crop, sir, should have brought the farmer a fair price. It brought him instead a ruinously low price, and in many cases he has not been able to market it at all.

The responsibility for the farmers' situation to-day rests largely with the Federal reserve bank for its arbitrary restrictions of credit to the agricultural interests, which received but 14 per cent of the total rediscounts, and was forced to pay unreasonable rates for the little it received. The deflation which agriculture suffered resulted in a money loss to farmers on the crop of 1920 amounting to $7,000,000,000. There were no reasons for the ruinous depression of the prices of farm products. Surely the demand for the agricultural crop of 1920 was just as great in the United States as it ever was in the history of the Government.

We upon this side are continually instructed that there is sold within the borders of the United States almost all of the agricultural crop produced in this country every year, and that the prices in the American market measures the return that the farmer receives for his crop. If that be so, with the great domestic demand for the crop of 1920, supplemented by the world demand for our surplus, why should not the farmer have received fair prices for the crop produced last year and why should he not also receive fair prices for the crop which will be produced this year? I say that it is largely due to the policy and practices of the Federal Reserve Board. When the Federal reserve act was passed we legalized the control of the money power of this country in the hands of seven men whose interests and sympathies are with the money power. The day is not far distant when the business interests of this country and the great body of the American people will demand either the radical amendment of that law or its repeal.

Mr. President, we were called here in extraordinary session by the President of the United States to do certain things. I have been glancing over the President's message. What have we accomplished in legislation that we were convened to consider at this session? The farmers' emergency tariff bill, in the list so far as I have been able to cover it, is practically all that we have to our credit which the President enumerated as being urgent. I have not reread the President's entire message since it was brought to my desk, but no one will have the hardihood to claim that the emergency tariff act has afforded the farmer any large measure of relief.

We have done none of the vitally important things that the President urged upon our consideration when he convened this Congress in extra session. He started his list of the important things on which action should be taken by this Congress with the reduction of taxes.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. LA FOLLETTE. I yield.

Mr. NORRIS. I want to remind the Senator from Wisconsin that we did give Colombia $25,000,000.

Mr. LA FOLLETTE. Yes; that should not be overlooked in enumerating the blessings which this session has conferred upon the taxpayers of this country.

The President in his message referred especially to the fact that "agriculture is menaced and its products are down to prewar normals through the high cost of transportation from farm to market." Nothing has been done to reduce transportation charges to the people. We have accomplished none of the things for which we were called into extra session by the President. Quoting from the President's message, he said:

> There are two agencies to be employed in correcting the intolerable tax burdens: One is rigid insistence in appropriations and the other the utmost economy in administration. We must have both.

We have done neither the one nor the other at this session. On the contrary, where we might have reduced expenditures we have increased expenditures. We have enlarged the personnel of the Navy; we have increased the expenditures of the Navy; we have adopted legislation providing a large standing Army of 150,000 men and a National Guard estimated at the end of the present year at not less than 150,000 men more; and we have on the statute books legislation that is ultimately to make the National Guard, when it reaches its full strength, number not less than 450,000 men, in addition to our standing Army of 150,000.

Mr. President, if this resolution passes, knowing as I do the conditions with regard to agriculture in the Middle West, I undertake to say that Senators from that section of the country at least had best not go home during the vacation; they will have a much happier time if they stay here in Washington and swelter and prepare to do something before they go back to face a disappointed constituency.

I sincerely hope the resolution will not be adopted. We should stay on the job and make an earnest fight to pass the Norris bill for the relief of agriculture, the bill to put an end to grain speculation, the Panama free-tolls bills, a just bill to recompense the soldiers, a bill to reduce transportation charges, and the other measures in the public interest for which this extra session was convened.

Mr. WILLIAMS. Mr. President, in these troublous days my memory goes back to 1893, when a great panic came not only upon the United States but upon the entire world. It began in the Argentine Republic, spread to Australia, went to Austria, continued spreading until it reached us. Republican politicians charged that that world panic arose out of "anticipation of Democratic victory in the election" in the United States, and was emphasized by Democratic victory and Republican defeat. If I were a Republican I might imitate that example—one might make a great deal out of that sort of slosh and slush—but fortunately I am not a Republican, and I have not the slightest idea that any of the present troubles of the world

grow out of any action or nonaction of the Republican Party. The Republican Party is too small a thing upon the map of the world to be able to cause world depression in business, industry, and production, just as the Democratic Party in 1893 was too small a thing upon the map of the world to bring about a similar result. Existing conditions have been brought about by the Great War, the temporary exaltation of men's spirits and their subsequent depression, the temporary profiteering, and high prices and the subsequent fall toward normal conditions. It is a serious matter; we must all cooperate in trying to remedy the conditions to the best of our ability, and God pardon the man who remembers that he is either a Republican or a Democrat while he is trying to do his part in bringing about a return to normal conditions. I do not say "normalcy" because that is not good English; it is a geometric term that has nothing to do with legislation so far as I have discovered. In the effort to bring back things to normality or to normal conditions we owe it to the American people to do everything that we know how to do.

So far as I am concerned, thus far I have discovered no panacea. I would be glad to welcome one if anybody would suggest it; but I do not find after any great war spread around amongst many great nations—I started to say after any great world war, but the recent war is the only World War the human family ever saw—that conditions have become normal immediately on the cessation of hostilities.

In the first place, during the war there was an inflation of all sorts of currencies and credits. Then immediately after the war there was a deflation of all sorts of currencies and credits; there necessarily must be of credits, at any rate, whether of currencies or not, and the nearer the deflation of currencies keeps up with the deflation of credits the more early the return to normality.

That is what is taking place now, and we together as American citizens, regardless of politics, have got to try to see if we can not find some way to "tide the situation over." That is all we can do. We can not bring war conditions back in peace times; there is no way of getting war prices for cotton in peace times, nor for wheat, nor for clothing, nor for anything else that I know of, because during war times, especially a great war like the recent one, when 12,000,000 men quit the fields of production and emphasized consumption, there must during that abnormal period be a season not only of high prices and of inflation of currencies, credits, and production, but there must be at the same time a period of profiteering so long as there are dishonest men, and I am afraid there will always be dishonest men. We have gone through with it. The main thing that I see before us is to draw our belts tighter, resort to the old-fashioned virtues of thrift, economy, and hard work, and try to restore things. There is very little that laws or governments can do except to check up the wagon on its decline, to scotch the wheels a little.

I have been of the opinion, and I am now of the opinion, that if we could increase the millions of dollars in the postal banks by appealing to the people to put more and more there, so that it might be used by the Government for governmental and for other purposes, we could do some good.

I am of the opinion that if the Federal Reserve Board would let a part of its more than a billion of gold come out until it approached the 40 per cent reserve mark indicated by the law, that would do some good. I am of the opinion that the organization of a great corporation, in which the Government itself would have stock, to lend upon farm products on safe security at small interest would do good. I am of the opinion that if the Federal Reserve Board would send word to the bankers of this country, "Make your security good; where it is not already good, owing to falling prices, make it good, and we will reduce the rate of interest to 3 per cent," that would do good. That would help tide it over.

I just wanted to make these few remarks, because I wanted to call attention, in the first place, in a little spirit of vindictiveness, to the difference in Republican and Democratic spirit when a panic or a depression is over the country, just as there was when a President was wounded. This is a depression and not quite a panic, and the only reason why it is not a panic is because of the Federal Reserve Bank system, originated by and passed by a Democratic administration. If it were not for that, there would be as bad a panic to-day as that of 1893, and I doubt not that there would be people standing here upon our side of the line charging it all to the "anticipation of Republican victory" at the polls and to the later realization of that victory.

That is one reason why I wanted to say what I have said. The other reason why I wanted to make a few remarks was to discourage as far as I can on both sides of the Chamber, but especially upon my own, because I think maybe I have more influence here than on the other side, any attempt to make politics out of this situation. God knows it is bad enough, and the man that is suffering is not the man that ought to suffer. It is not the man that profiteered during the war, the dishonest scoundrel that took advantage of his country's condition to take all the profit that the business could bear, but it is the carpenter and the blacksmith and the brick mason and, above all, the farmer. I said "above all"—no; above all, it is the salaried man—the preacher and the school-teacher and the clerk and people of that sort, who have not got increased wages, or salaries, as they prefer to call them—the "white shirt" folks, as the laboring people call them.

I do not know whether we can do any good by staying here during these dog days or not. Until you have something ready to enact I do not see how your mere presence here can work any miracle. In fact, Mr. President, I do not see how a government, a congress, a parliament, a corps legislatif, or any other body that ever existed to make laws can work any miracle at all. I do not see how any laws that could be conceived can counteract and defeat the laws of economics. I do not see how any law can prevent a thing that goes away up from coming down after a while. Economic gravitation demands it, just as the ordinary law of gravitation demands the same thing of a stone or a ball that is thrown up in the air.

It is, of course, an awfully discouraging thing, outside of economics, to think that all the world for three or four years had its soul exalted until it was communing with God and ready to give its life, and that immediately after it was over the reaction came, with its abnormal selfishness—the swing of the pendulum as far in the wrong and the selfish direction as it had previously swung in the right and the patriotic and the altruistic direction.

Whether we are going to take a recess or whether we are not, for God's sake let us have our minds full of these troubles, and either here or when we come back let us to the best of our ability meet these evils with such remedies as we can administer, if only in alleviation. I frankly confess that I do not see that we can administer any remedies that shall totally stop the depressed condition, but there are many things we can do in alleviation. I have tried to mention a few of them.

If I thought that those things could be put through any quicker by staying here for the next two or three weeks than they can be by thinking about them and getting them into shape during the two or three weeks in order to act upon them when we get back together, I should stand here very much opposed to considering any recess of any description, although I am frank enough to confess that I am very anxious personally to escape from Washington during the dog days.

I want to see the maternity bill go through. I do not see any reason why a man who voted for hog-cholera and Mehican boll-weevil appropriations can not vote to help women in hospitals while we are taking care of children, who are perhaps the most precious crop that the country has; but I do not see that a recess would interfere with the bill. Instead of taking an order to vote 10 calendar days after the agreement, you took an order to vote 10 legislative days after the agreement, and there you are.

I sometimes wish, Mr. President, that I were really a wise man, that I were really a man with a comprehensive intellect who knew what to do. I sometimes regret horribly that in spoiling, perhaps, a good architect or something else, Mississippi made out of me a rather bad politician. What I wanted to do was to impress upon all of you this cardinal idea: Whether we are here or whether we are away, for God's sake let us all be thinking about some way or other of helping the people a little bit, anyhow, and especially the farmers.

Mr. UNDERWOOD. Mr. President, the Senator from Massachusetts [Mr. LODGE], as the leader of the majority party, has proposed a program for the Senate. Programs, legislation, the business of the Senate, rest in the power of the majority party, and it has always been recognized that they should propose what bills should come to the front, and the time when they should be considered. It is not primarily the business of the minority, unless the minority believes that the program is injurious to the country, and then it has a right to resist it.

I intend to vote with the Senator from Massachusetts. I think it will be to the interest of the conduct of business for us to take a recess at this time. My principal objection to the program proposed by the Senator from Massachusetts is that he makes this recess only three weeks. I think he would accommodate the situation better if he had proposed four weeks' vacation rather than three, as the three weeks is ample to give a rest to men who live close by, but men who live several thousand miles away can not get home and back again and

spend much time at their homes if their time is limited to three weeks.

As I analyze the situation before the Senate, and the necessity for our staying here, as argued by some of those who are not in favor of the concurrent resolution, it is that we have pending a bill known as the maternity bill which should be passed. I have already indicated my desire to support the measure, but that has been arranged. The time has been fixed for a vote on it. It can not be displaced. It is the subject of a unanimous-consent agreement, and its ultimate passage will not be either hastened or delayed by the Senate staying here.

Another proposal as to why we should stay here is based upon the so-called bonus bill. The legislation proposed by the majority party to pay the soldiers of the country additional compensation for the patriotic services they rendered is so organized that none of them can get any of the compensation until the 1st day of July, 1922. There will undoubtedly be a vote on the bill before that time, and how taking an adjournment can affect the result of that legislation one way or another I do not know.

As to the other proposal, the proposal of the Senator from Nebraska [Mr. NORRIS], he has reported a bill to organize a corporation with a capital of $100,000,000 to relieve the agricultural situation in the country. If we are going to pay a bonus of $4,000,000,000, it seems to me that we are spending very little money to aid the agricultural interests of the country, on whose prosperity must depend the prosperity of us all—$100,000,000!

Mr. SIMMONS. Mr. President, if the Senator will pardon me——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. UNDERWOOD. I do.

Mr. SIMMONS. I am under the impression that the bill of the Senator from Nebraska authorizes the board that is created by the bill to issue bonds to the amount of ten times the amount of the capital stock, instead of $100,000,000.

Mr. UNDERWOOD. I meant $100,000,000 as the capital stock.

Mr. SIMMONS. Yes; the bill provides for $100,000,000 of capital stock, and they are authorized to issue bonds for ten times that amount.

Mr. UNDERWOOD. It is not the credit of the Government, it is the credit of the company that will stand behind these bonds. In these times how far those bonds can be sold, and how far they will go to relieve the situation, no man can predict.

I myself am disposed to make any reasonable effort that can be made to relieve the situation, if it can be relieved by legislation. In the end I think that relief will come to the world only when we get the machine back to a point where it can run, as I view the economic situation of the world, because we are only a part of it. The telegraph line, the steamship, the railroad train have brought the world so close together in the last half century that we are now a great organized machine, and if you dismember one part of the machine it affects every other part.

We are very much in a condition to-day which I may describe by likening it to a great Corliss engine, a highly organized piece of machinery that has been up on props in the last two decades, away up in the air, and the fears of the world determined that it could not run on that elevation, that the foundation was becoming weakened, and they started to lower it, and they have lowered one end of it down into the mud. You may say that is the agricultural end of it, the price of agricultural products. You have the other end way up in the air, whence it started. Building materials, certain classes of wages, certain classes of retail goods have not come down at all, but the other corners are halfway down.

That organized piece of machinery can not possibly run in the position in which it is. There is nothing the matter with the engine. The machine is still perfect. It is an organized machine, but it can not run with one end up in the air and the other down on the ground, and you have either to bring the end on the ground partly up and the other down and give it a chance to function, or you have to let it all come down to the ground before this organized machine may function and go back to business.

That is the difficulty in the world. It is not here alone; it is a world condition. The organized machine of the great business of the world is not on an even keel, and until it either gets itself back on an even keel or the statesmen and the business men of the world can help get it back on an even keel it is not going to function and it is not going to run.

The bill proposed by the Senator from Nebraska may be helpful if it will work, and I am disposed to take the chance on the side of its being helpful. But I know, and the Senator from Nebraska knows as well as I do, that the passage of that bill is not going to be expedited much, if at all, by our refusing to take this recess.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. UNDERWOOD. Certainly.

Mr. NORRIS. Does it not appear plain to the Senator that if we do take a recess the bill will not pass prior to the time when the tariff bill will be ready for us to take up, and that there is therefore danger of our not being able to take it up at all unless we delay the tariff bill?

Mr. UNDERWOOD. Does the Senator expect his bill to be of service in the marketing of crops this year?

Mr. NORRIS. Yes; just as soon as it can be gotten into operation. It probably could not be gotten into operation for several months.

Mr. UNDERWOOD. The Senator says it can not be gotten into operation for several months?

Mr. NORRIS. Yes.

Mr. UNDERWOOD. Then it will not be of any service in the marketing of the crops this year.

Mr. NORRIS. It will not be if we continue to adjourn and can not take it up.

Mr. UNDERWOOD. This is July, and several months from now would bring us to October. If we were all business men, the most efficient business men in the United States, and we started out to organize a hundred-million-dollar corporation without any legislation, had the money in our pockets, and then proceeded to expand our credits and sell our bonds, and had nothing else in the world to think about but that one thing, we would not have that corporation functioning before this time next year, and we would be fortunate if we had it by that time. I am not going to hold out to my constituency, most of whom are in the agricultural business, that we are going to pass some legislation to-day which will relieve them to-morrow. I am prepared to say that I will assist in passing helpful legislation if I can, but I am not going to say to them that the corporation provided for under the Senator's bill will be functioning and the bonds sold. A hundred million dollars, as the Senator knows, if it rested on that, would not begin to touch the sides or the bottom in affecting the agricultural situation of this country, and unless he can sell his bonds and get a vast deal more money than the capital stock provided for in his bill he can not relieve the situation. He admits it, or he would ask for a direct appropriation of a hundred million dollars. He knows he can not; and he could not make it function for this fall.

Therefore I say that whether we take this recess or not it can not seriously affect the purpose the Senator has in mind.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. UNDERWOOD. I yield.

Mr. NORRIS. If the recess is going to run the Senate up to the point where it will take up the tariff and revenue legislation, of course we will not pass that bill in the next six months. It seems to me it is vital that it be passed at once.

Mr. UNDERWOOD. The Senator knows the Senate just as well as I do. The Senator knows that if the great body of the Senate has made up its mind that his legislation should pass he can get it through in a very short time; but if there is a considerable minority, I do not mean an effective voting minority, but if there is a considerable minority on the floor of the Senate that has made up its mind that he can not pass his bill, it will be next year before he gets any chance to do it, and the Senator knows that as well as I do. On the other hand, if that is not the case, we will pass it when we come to it without any great difficulty. I can not say what the situation is in that regard. The Senator may know about that better than I do. But I know one or the other of those two situations exists.

It is not my business—it is not the business of this side of the Chamber—to propose a program, but I suppose the Senator from Massachusetts intends to have the roll called, and I think I owe it to my own side of the Chamber to say why I intend to vote for his resolution.

The business on which we were called here, and the business of the gravest importance before the country, is the business of reorganizing the finances of this Government from war to peace conditions, and that is the great responsibility which rests on the party in power. They talk about a tariff bill. That is only one of the items in it, and a minor item. I think the great thing the Congress of the United States can do for the Ameri-

can people, the one effective thing they can do to aid in getting out of this slough of despond we are in to-day, is to put the finances of this country back on a safe and sound basis and give the business people of the country and the world confidence that will enable them to go on and transact business. You can not do that until you reorganize the tax system of this country, which is destroying business. No man will attempt any expansion of business under the present system of taxation.

I am not here to criticize the other side of the Chamber. It is not fair to criticize you yet. You are entitled to a reasonable time to do your work for the country. But if I were standing here to criticize the Republican Party, I would criticize it because it is bringing before the country other measures, and not bringing before the Senate and the House the principal measure that you were called together to attend to, and the one governing cause, the governing force, that will stand for good or ill of this Nation in the time to come. Bring back this country to a sound business basis, bring back confidence to the business of the world that is going ahead, and you will not need a corporation organized to enable the farmers to sell their crops. Good business conditions will settle it.

Bring back this country to a sound business basis so that men can get employment and do business, and you will have done a good deal more for the soldier boys of this country than by giving them $50 once a quarter. That is the way I look at it.

Here is the point I have in mind: Senators are no different from any other set of men. They can work effectively just so far, and then their mental capacity for work breaks down and they will not work. I am talking about the men who work, who carry the responsibility of making legislation in their heads and on their shoulders. If with this minor legislation you drive this team through July and into August, when the time comes that the House of Representatives shall send to this body the great problem that is before us, the question of solving the finances of this country and putting them on a safe and sound basis, you will not have a Senate here to attend to business, or one that is capable of attending to business.

I do not say that theoretically. I have tried it. I was honored once by being selected as leader of the body at the other end of the Capitol. I had the same responsibility on my shoulders, and I reached the point once where I wanted to adjourn Congress, but other influences insisted that I should not do so, and I drove that Congress through a long, hot summer, and then critical legislation came up for consideration. I could not get a quorum, and the only way I brought an effective quorum there was by having passed a resolution cutting off the pay of every Member of Congress every day that he did not answer a roll call. It was unfortunate, it was drastic, but it had to be done in order to function.

We have to decide the question now. We can not play children at it; we must either determine now that we are going to take a recess, go to our homes, attend to our business, and come back here and spend August and September and October in work, or that we are going to stay here, and this is the end of it. In my judgment, if you defeat this resolution now, I say that in September, when this great financial legislation comes before the Senate—at least, I hope it will be here by that time—the Senator from Massachusetts will find himself without a team to drive. The Senate will be broken down under its labors of the summer, and I do not believe any real injury is going to be done to the country or the people of this country, no matter what avocation in life they follow, if we do not stay here at this time.

In conclusion, Mr. President, I hope the Senator will bring this to a decisive vote on the real issue. Of course, I will not interfere, as it is his business, not mine, and I will not propose an amendment, but I would like to see him extend the time one week so as to give men who live a distance time to get home and attend to their business.

Mr. LODGE. That is what I was going to suggest. I ask that the resolution be modified by changing the date of adjournment from Thursday to Saturday, because we must give time for the conference report on the naval appropriation bill to go to the House and be acted on there. Then I would modify further by changing the other date to August 8, which would give an additional week, which I think fair criticism justifies.

I only wish to add my entire agreement with the statement of the Senator from Alabama. I can stand remaining here as well as anyone, but I think in the interest of legislation and of good legislation that it is wiser for the Senate to take a recess. Unless it takes it now I can not see the possibility of it taking any recess at all, because I anticipate that the tariff and the revenue bills will keep us here until the new session of Congress convenes.

The VICE PRESIDENT. The concurrent resolution as modified will be read.

The Assistant Secretary read as follows:

Resolved by the Senate (the House of Representatives concurring), That when the Senate adjourns on Saturday, July 9, 1921, it stand adjourned until 12 o'clock meridian, Monday, August 8, 1921.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business——

Mr. LODGE. The resolution which I have offered is a privileged matter. I do not think it can be set aside at 2 o'clock by the unfinished business.

The VICE PRESIDENT. Without objection, the Senate will proceed with the consideration of the concurrent resolution.

Mr. NEW. Mr. President, I am opposed to the passage of the resolution even in its modified form, although I believe in that form it is preferable to that in which it was originally presented. I may not agree with some Senators as to just how important their measures are. I have none of my own to press in which I have any personal interest. Some Senators have—and I mean that, of course, in a perfectly proper way. I do think it would be a mistake for us to adjourn.

Something has been said by Senators on the other side of the aisle concerning what has been accomplished and what has not been accomplished thus far at this session of Congress. The Senator from Florida [Mr. FLETCHER] spoke of the number of public employees that were still retained by the Government. As I understood him, he complained that there had been no material reduction of the number. Why, Mr. President, if the Senator from Florida had sought to inform himself he might have learned that, for instance, the working force of the Senate, this very body, has been decreased by 28 individuals below what it was when the party to which the Senator from Florida belongs was in power. In the governmental departments the employees have been let out by hundreds and thousands. I know that the path to my office is kept hot by ex-employees of the various departments who are appealing to me to exercise some influence to have them reinstated in the positions from which they have been dismissed. This process of dismissal is going on as rapidly as the heads of the departments can find that the services of particular individuals can be dispensed with.

That, perhaps, has nothing to do with the legislation before the Senate. However, it is not fair for the Senator from Florida to say that none of these reductions have been made when they have been made in the most conspicuous and successful manner.

Something has been said here of the length of time that has been taken in the preparation and presentation of the tariff and revenue bills. I have before me a document which refers to the last seven or eight tariff bills that have been prepared by previous Congresses. The Senator from Alabama [Mr. UNDERWOOD] has spoken of the length of time that was required in the preparation of the bill which bore his name. I submit that we have been as expeditious as any other Congress has been without exception.

Mr. UNDERWOOD. If the Senator will pardon me, I did not say it in the way of criticism, and the bill I was referring to a while ago was not a tariff bill. In order that the RECORD may not contain a mistake, I will say that the present tariff law was passed within 30 days after we were called together in session to pass it.

Mr. NEW. Very well. I have no desire to misquote the Senator, but what he said does not change the situation a bit. I am speaking of the preparation of the bill by the Ways and Means Committee of the House and not the time required for its passage by the House. Our tariff bill has not yet reached that stage.

The tariff bill of 1883 was introduced in the House on March 29, 1882. It was not passed until March 4, 1883, or an interval of almost 11 months. The tariff bill of 1890 was introduced April 16 and passed October 6, an interval of 6 months. The tariff act of 1894 required for consideration from December 19, 1893, to August 27, 1894, or 9 months. The tariff act of 1897 required 5 months; the Spanish War revenue act of 1898, 2 months; the tariff act of 1909, 5 months; the tariff act of 1913, 6 months.

So that it does not do to charge this Congress with being dilatory. As some one said a few moments ago, Senators are much like other men, and the same is true of Representatives in the House. It requires as much time to harmonize the views of Representatives and of Senators as it does to harmonize the views of men of similar character in other callings. These things can not be done in a minute.

I think this session of Congress has been fairly expeditious and is not justly subject to the criticisms that have been made, some of them on this side of the aisle. Some of the criticisms of what has been done and what has not been done have been offered by Senators who have injected into this body measures that I think, and a good many of us think, are not of prime importance at all, and have been productive of the very delay of which they complain.

I am not quarreling with Senators who have done that. They have followed their own judgment and are entitled to an expression of it and the exercise of it, but there are many of us who believe that a good many of the measures that have been introduced by those Senators who now criticize might well have been left out and the matters passed by until the time when Congress had less serious business to consider than it now has.

This session of Congress was called primarily to consider two questions—first, a revision of the tariff; and, second, the preparation of a revenue measure. Both of those measures are in process of preparation and passage. As I said, I do not think there has been undue or unusual delay in either case. I do believe that Congress should remain in session, and I shall vote against the resolution for that reason, believing that there are things that should be presented here which are entitled to immediate consideration.

Mr. SIMMONS. Mr. President, I am very reluctant to interfere in this matter, because I regard it as a part of the privilege of the majority to determine questions connected with adjournment and the working hours of the Senate. If certain legislation which I regard as of the highest emergency character had been enacted, or if the time for the beginning of the recess had been set sufficiently far in the future to enable us to reasonably consider and pass that legislation, I should have no objection to the proposed recess.

I think it would do Senators good if they could go home and consult their constituents. Situations have changed very materially in certain industries in the country since this session of Congress convened. I am quite sure that some Senators are out of touch with the present sentiment, especially of the agricultural and the working classes of the country. It would do them good if they had an opportunity and would avail themselves of it to get in touch with those classes of people. But all of us know that if the adjournment is taken Senators are not going to mingle with their constituents. They are going to seaside resorts and places where they can be comfortable and rest. So I do not believe we would get the benefit of closer touch with the people from the proposed recess.

The people of the United States were told, and the election returns would indicate that they believed, that if the Republican Party came into power it would pass legislation that would greatly relieve the situation in the country, not the situation applied to one class of people, not the situation as applied to finance alone, not the situation as applied to manufacturing alone, but the situation as it applied to all the people of the country. They were, it was claimed, going to relieve every interest that was suffering, and would do it speedily.

It is a well and universally recognized fact in this country that the one element in our population that has been hardest hit by the conditions which have existed here is the farming element; that the farmer has been reduced to a state of helplessness and of practical insolvency. In the program of relief naturally the farmer should have received attention first.

The farmer did attract some attention. Some measures have been introduced, and one has been passed, ostensibly for the benefit of the farmer; but I do not think there is a Senator in this Chamber now, some months after that bill was passed, who would be willing to stand up here and say that it has been of any practical relief or benefit to the farmer or that it is going to be of any practical benefit or relief to the farmer. Some other measures have been proposed in behalf of the farmer, but there is no one who seriously believes that anything has been done by this Congress affording substantial relief to the farmers of the country. There is no one here who believes that anything has been done that has helped the farmer's situation one particle, and there is not a Senator here, if he will speak the truth as he understands it and sees it, who will not say that the farmer, instead of having been helped, is in a worse condition now than he was at the beginning of this Congress.

Mr. President, the fact stands out in connection with the agricultural situation that if the farmers do not secure for the crops which they are now cultivating and which they will begin to gather and house in September any better prices than they secured for the crop of 1920 the entire agricultural structure of this country will topple to the ground and there will be widespread bankruptcy and ruin among the farmers of the United States.

How is the farmer to get—what reason has he to expect that he is going to get any more for his wheat and his cotton and his tobacco and his wool this year than he received last year, unless we provide some way by which the accumulated surplus of those products may be sold in the only market that is open to him—the foreign market? Carry the present agriculture surplus to the time of the marketing of the present crop, and is there a man of common sense in this body who does not know that the next crop will bring no more than those products have commanded in the markets of the world during the past 12 months? There can be no relief from the present low and distressing and ruinous prices of agricultural products until the accumulated surplus is disposed of. Taking that surplus and adding to it the surplus of next year—and most of the next crop will be surplus—if the present surplus be not absorbed, can the mind picture the distressing, the overwhelming, the ruinous condition of agriculture that will prevail in this country?

Mr. President, I maintain that the only hope of the farmer to get anything for this year's crop is that we provide in anticipation of its marketing some means to dispose of the surplus now on hand. The farmers begin to gather their crops in September and some of them in August. If the Senate at this session of Congress adjourns before doing anything in that direction—it has done nothing yet in that direction, and Senators know it has not—if the Senate adjourns now for one month before doing anything in that direction and then we have to go to work upon the tariff and revenue legislation, we shall not reach the legislation which is necessary to relieve the farmer and to enable him either to hope or to expect better prices for this year's crop than he has been getting for last year's crop. When shall we begin to consider the bill of the Senator from Nebraska [Mr. NORRIS] if we now take a month's recess? If at the expiration of the proposed recess we are not ready to enter upon the consideration of the tariff, it will be well into the middle of August before we can begin to consider the bill of the Senator from Nebraska; and we will then be hardly a month from the gathering of the next crop and the placing of it upon the market. Cotton will already by that time be coming in in large quantities; the farmers will be compelled to sell it for whatever price they can obtain. They can not wait; they must have money or be forced to the wall.

An adjournment now, Senators—and we would as well look the situation in the face and let the farmers understand it—means that the farmers are not to have legislation that will enable them to take care of the surplus that is now pressing down the prices of their products, and we shall thereby by our neglect destroy the prices of the products of the next crop for to-day, to-morrow, or any time when that crop will be of any help to them.

Mr. WATSON of Indiana. Mr. President——

Mr. SIMMONS. Just a moment. Senators say if we will wait and let the great fundamental laws of economics and trade take their course and stabilize conditions here and abroad, then everything will be all right. Yes; that is true; but how long is it going to require to accomplish that; and what is going to become of the farmers while that process is going on?

Mr. WATSON of Indiana. Will the Senator yield?

Mr. SIMMONS. Yes; I yield.

Mr. WATSON of Indiana. What legislation does the Senator from North Carolina propose?

Mr. SIMMONS. I am now referring to the legislation proposed by the Senator from Nebraska [Mr. NORRIS].

Mr. WATSON of Indiana. Is the Senator referring to any other legislation?

Mr. SIMMONS. No. I have particularly in mind now the bill providing for the exportation and marketing of the cotton and other agricultural products, which, I understand, is the bill of the Senator from Nebraska. Senators say that will not do much good—like the other legislation that we have passed. Does the Republican Party, then, propose to throw up its hands and say to the farmers of the United States, "We are unable to enact any legislation that will relieve you from the distressing situation in which you find yourselves," although that situation has been very largely brought about by the unreasonable and discriminating rulings and actions and program of an agency of this Government which is now under the control of the Republican Party—the Federal Reserve Board? Of course the Federal Reserve Board is not responsible for general conditions that affect everything, but it is more responsible for the conditions that have brought disaster upon the farmers of this country than any other agency of the Government, and that board is now controlled by the Republican Party. The Secretary of the Treasury is the head of that agency, and the Comptroller of the Currency is a member of that board. I happen to know the ex-

ecutive head of the Government expected the Secretary of the Treasury, because of his splendid capacity, in his opinion, to exert great influence upon that board in bringing it to reason, but the influence of the present Secretary of the Treasury has apparently not been exerted in behalf of the relief of the stringent credit and interest rules that have worked so much havoc in this country not only to agriculture, but to every other interest.

If he and the Comptroller of the Currency have seen fit to exercise their influence, which I say ought to be predominant and controlling, on the reserve board in the interest of the farmer and in the interest of the general business of the country, we have had no evidence whatever of it up to this time.

Senators say the bill of the Senator from Nebraska will not do any good. Oh, Mr. President, I know the financiers of the country do not like legislation of this character. Only a few days ago we in the Senate were about to pass a bill requiring the Government to advance $50,000,000 for the relief of the stock growers of the country; we had practically agreed upon the measure; it was ready to be passed by both branches of the Congress; but when it became known that we were really going to pass it the financiers of the country at once said, "Do not do that; that is not necessary; we will mobilize the banks; we will get the $50,000,000." So we stopped, and I am told they are undertaking to gather together the $50,000,000.

Mr. KENYON. Mr. President, may I interrupt the Senator right there?

Mr. SIMMONS. Yes.

Mr. KENYON. I have been told this morning on what I consider good authority that those negotiations are practically failing now.

Mr. SIMMONS. They may fail now; I would not be surprised if they should fail now, for the financiers have accomplished their purpose; they have taken Congress off the track; they have prevented the Government from coming to the rescue of the stock growers to the extent of $50,000,000, and the financiers may now get from under.

But what I was going to say is that the measure of the Senator from Nebraska should be passed and become a law immediately. Why is it necessary to hold up a farmers' relief measure of that character here for weeks and even months before we pass it? Everybody recognizes that it is merely a modicum of what we ought to do for the farmers; everybody recognizes the situation which addresses itself to us as one which ought to be relieved, and why should we take a long time in passing the bill? The moment, however, the bankers of this country realize that the United States Treasury stands ready to advance $100,000,000 in cash for financing the surplus crops of the farmers, or even for financing one crop, they will in all probability do exactly what they did when the Government was on the point of coming to the relief of the stock growers with $50,000,000 in cash.

The bankers of this country do not wish the Government to go into the money-lending business or to finance the moving of crops. That is their province, in their judgment. They desire to preempt it. They desire to keep out all interlopers. If there is any profit in it, they want to make it. They have no disposition to help the farmer, as they have shown, in his distress, unless the Government is going to go into the business of helping the farmer, and then they are ready to come to his relief.

I have no doubt that if we can pass the bill of the Senator from Nebraska it will be of great assistance to the farmer. Senators say it provides for only $100,000,000, and that that is inadequate. But it provides for the sale of bonds. And it does not impose upon these tax-free and practically Government bonds, because issued by a corporation in which the Government will be the sole stockholder, those limitations as to interest which have made it impracticable and impossible for the Federal land banks to dispose readily of their issues of bonds.

But, Mr. President, if the bill of the Senator from Nebraska is not going to do any good, I wish to ask, has the Republican majority in this body no measure which it can propose to the Senate and to the country for the relief of this sorely stricken part of our population, constituting 43 per cent of it, now upon the very brink of ruin, pressed to the wall by their creditors, their lands in jeopardy, the sheriff ready to take possession unless relief is speedy? Has the Republican majority nothing further to offer if these measures do not avail to help? If this measure and the other measures pending in the Senate at this time for the benefit of the farmer amount to nothing for his relief, I call upon the majority to tell me if they are unable to work out anything—the responsibility is on them for a measure which will be of relief to the farmer—or is it that the Senators on the other side who know realize that any measure that would be adequate to relieve the farmer in this distressing situation could not get the sanction of a majority of the Members of the Senate on the other side of the Chamber who are supposed to be much more concerned about some other and possibly conflicting interests than they are about the farmer? Do you wish to confess your imbecility and incapacity? Do you wish to say that you adjourn now before passing this, the only farm-relief measure that is pending, upon the ground that it is not expedient or wise to stay here and pass this and any other measures, because if you enact them they will do no good? Do you want to take that attitude, and confess your imbecility and your utter impotency in the face of the present agricultural condition in the United States, threatened by a twofold worse condition unless you devise some method to help to dispose of the surplus of last year before the gathering of the crop of this year?

Do you desire to make that confession? If you do, you may adjourn, and I can have no quarrel with you. The farmers will have one, though. You know perfectly well that if you adjourn there is not going to be any time for anything else except tariff and revenue legislation after you get back here. Did you not hear the Senator from North Dakota [Mr. McCUMBER], in charge of the tariff bill, say that his committee is going to work, if you take this recess, having hearings and getting ready to bring the tariff bill to the Senate? They are not going to have extensive hearings—oh, no. I have been doubtful whether they are going to have any or not. I have been hearing that they are going to take the House hearings, which amount to nothing except the discussion of general principles of the tariff, without any concrete consideration of measures at all.

I suppose we shall have some hearings in the Finance Committee, but I suppose they will be limited; and if you recess for a month and the Finance Committee goes on at once it will be ready to report the bill pretty soon after you return here. Anyhow, it will leave you no time for measures for agricultural relief. It will leave you no time for these investigations that we have been ordering into the wrongdoings and the robberies and the grafts of big business. It will leave no time for that.

I do not know how other Senators feel about that, but I know that there is an element in this country, big business, that does not want any of this Government relief legislation, that does not want any of this Government bond legislation for the relief of agriculture, the live-stock growers, or for anybody else, and that does not want any more of this legislation that it calls "interfering with business," although that business may be a highway robber or an outlaw, not only in fact but under the laws as written in the statutes.

It must not be interfered with. The people comprising this element do not want any legislation of that sort. They do not want you to have any time to look into things. They will be delighted to have this recess. They will be delighted if you bring about a condition that will prevent you from dealing with anything except the tariff, and they expect you to deal with that in a way that will increase their privileges and their opportunities of exploitation and graft and robbery. They will be delighted if you just go on with your tariff, and, when you shall have gotten through with that, they wish and expect you, then, to pass your revenue laws, and relieve them of the profits tax, and the high surtax, and the high schedules of the income tax, and put them back to the position they occupied when the Democratic Party came into power and said, "Under Republican rule the wealth of this country has escaped taxation to support the burdens of the Government, and that shall not be. That is wrong. That is unjust. Wealth should not pay more than its share, but wealth should pay its share. The whole burden of the expense of this Government should not rest upon the shoulders of the consumer, who is generally the toiler on the farm and in the factory and in the shop."

Oh, that is the kind of legislation the exploiters and big interests desire. That is the kind of legislation they expect you to give them. They are eager for it, Mr. President. They do not wish this other kind of legislation—the kind embodied in the bill of the Senator from Nebraska. This proposed recess will be very pleasing to them. They will say, "We have avoided the kind of legislation that we feared; that we did not want; that intruded upon our privileges; that curtailed our opportunities; that limited and curtailed our exploitations. We have gotten rid of that, and we have arranged it so that from now on we are to have the undivided attention of the Senate of the United States in the passage of legislation that will inure to strengthening us in our position, if it does not altogether put us back into the intrenched and fortified position that we occupied before the war began. It will carry us nearly back to

'normalcy'—to the time of the absolute dominance and control that we enjoyed before the Democratic Party came into power in the United States."

Is that what the majority in the Senate desire? If so, proceed, but the farmers of America shall understand just what you are doing and just what your action means.

The PRESIDING OFFICER (Mr. CURTIS in the chair). The question is upon the concurrent resolution as modified.

Mr. KENYON and Mr. NORRIS called for the yeas and nays, and they were ordered.

The legislative clerk proceeded to call the roll.

Mr. MCCUMBER (when his name was called). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the junior Senator from New York [Mr. CALDER] and vote "yea."

Mr. STERLING (when Mr. NORBECK's name was called). I desire to announce the unavoidable absence of my colleague [Mr. NORBECK] and to state that if he were present he would vote "nay."

Mr. SIMMONS (when Mr. OVERMAN's name was called). My colleague [Mr. OVERMAN] is unavoidably absent from the Chamber. He is paired with the senior Senator from Wyoming [Mr. WARREN].

Mr. STERLING (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to my colleague [Mr. NORBECK] and vote "nay."

Mr. TRAMMELL (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence I transfer that pair to the junior Senator from Texas [Mr. SHEPPARD] and vote "nay."

Mr. WARREN (when his name was called). I have a general pair with the Senator from North Carolina [Mr. OVERMAN]. I transfer that pair to the Senator from Maryland [Mr. WELLER] and vote "nay."

Mr. WATSON of Indiana (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. WOLCOTT], which I transfer to the senior Senator from New York [Mr. WADSWORTH] and vote "yea."

The roll call was concluded.

Mr. BALL (after having voted in the affirmative). Has the senior Senator from Florida [Mr. FLETCHER] voted?

The VICE PRESIDENT. He has not.

Mr. BALL. I have a general pair with that Senator, which I transfer to the junior Senator from Vermont [Mr. PAGE] and let my vote stand.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the Senator from North Dakota [Mr. LADD] and vote "nay."

Mr. OWEN. I transfer my pair with the Senator from New Jersey [Mr. EDGE] to the senior Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. WILLIAMS. Regretting the absence of the senior Senator from Pennsylvania [Mr. PENROSE], with whom I have a pair, who is unfortunately unable to be present, and transferring that pair to the junior Senator from Rhode Island [Mr. GERRY], I vote "yea."

Mr. WALSH of Montana. I have a general pair with the senior Senator from New Jersey [Mr. FRELINGHUYSEN], which I transfer to the junior Senator from Alabama [Mr. HEFLIN] and vote "yea."

Mr. MCNARY. I desire to announce the absence of my colleague, the junior Senator from Oregon [Mr. STANFIELD], on official business. If present, he would vote "nay."

Mr. FERNALD (after having voted in the affirmative). Has the senior Senator from New Mexico [Mr. JONES] voted?

The VICE PRESIDENT. He has not.

Mr. FERNALD. I have a pair with that Senator, which I transfer to the junior Senator from New Hampshire [Mr. KEYES], and permit my vote to stand.

Mr. NORRIS. I desire to announce the absence of the junior Senator from North Dakota [Mr. LADD] on account of illness. If he were present, he would vote "nay."

Mr. GLASS. I desire to announce that the senior Senator from Virginia [Mr. SWANSON] is paired with the senior Senator from Washington [Mr. JONES], and both are absent on official business.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The junior Senator from Kentucky [Mr. ERNST] with the senior Senator from Kentucky [Mr. STANLEY];

The senior Senator from Illinois [Mr. MCCORMICK] with the junior Senator from Wyoming [Mr. KENDRICK];

The senior Senator from Colorado [Mr. PHIPPS] with the junior Senator from South Carolina [Mr. DIAL]; and

The junior Senator from Ohio [Mr. WILLIS] with the junior Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 24, nays 27, as follows:

YEAS—24.

Ball	Fernald	McCumber	Shortridge
Brandegee	Glass	Moses	Smoot
Cameron	Harreld	Nelson	Underwood
Cummins	Johnson	Oddie	Walsh, Mont.
Curtis	Knox	Poindexter	Watson, Ind.
Dillingham	Lodge	Robinson	Williams

NAYS—27.

Ashurst	Harris	Nicholson	Sterling
Borah	Kellogg	Norris	Sutherland
Broussard	Kenyon	Owen	Trammell
Capper	La Follette	Pomerene	Walsh, Mass.
Caraway	McKinley	Ransdell	Warren
Gooding	McNary	Simmons	Watson, Ga.
Hale	New	Spencer	

NOT VOTING—45.

Bursum	Harrison	McLean	Smith
Calder	Heflin	Myers	Stanfield
Colt	Hitchcock	Newberry	Stanley
Culberson	Jones, N. Mex.	Norbeck	Swanson
Dial	Jones, Wash.	Overman	Townsend
Edge	Kendrick	Page	Wadsworth
Elkins	Keyes	Penrose	Weller
Ernst	King	Phipps	Willis
Fletcher	Ladd	Pittman	Wolcott
France	Lenroot	Reed	
Frelinghuysen	McCormick	Sheppard	
Gerry	McKellar	Shields	

So the concurrent resolution was rejected.

ADDRESS BY SENATOR KNOX.

Mr. MOSES. Mr. President, I ask unanimous consent to have printed in the RECORD and as a Senate document an address delivered by the junior Senator from Pennsylvania [Mr. KNOX], on the occasion of the Independence Day celebration at Independence Square, Philadelphia.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

"ADDRESS OF HON. PHILANDER C. KNOX, DELIVERED AT INDEPENDENCE SQUARE, PHILADELPHIA, PA., JULY 4, 1921.

"THE ALTAR OF OUR NATIONALITY.

"We are met on this, its natal day, at the birthplace of the Nation, the altar of our nationality. We are come together to witness to the Father of all nations—who gives and takes as to Him seems best the life of peoples—our gratitude and joy for the blessings, the achievements, the triumphs for human liberty that have been ours in the past, and to plight in humility and sanctification our faith, our works, and our lives to the perpetuation of our institutions in the future.

"Ours has, indeed, been a mighty record, unparalleled in the whole recorded history of the race. Imperial Rome worked through many centuries ere the Seven Hills became the center of the power of the world, the fountain head of the law that ruled all peoples. Britain, whose lands lie under every sun, whose people comprise all races, has traveled a thousand years to achieve her present greatness. Yet we who stand in the world unrivaled in our potency may count our term of life in a few paltry decades. So young are we that the eldest ones among us have heard from those who lived then of the hardships, the miseries, the woes which they themselves suffered when freedom came to us; we have had mirrored to our youthful gaze from the eyes that saw them the events that waited upon the birth of the Nation; we have had echoed in our ears by those who heard them the vibrant ecstacy of the bell tones that pealed out from yonder belfry a new doctrine of human liberty.

"In all this the Father of nations in the dispensation of His wisdom gave to us of this State a peculiar part; upon us He bestowed the heights and the depths of that mighty epoch, pregnant with the political salvation of the world.

"It was in yonder hall that when the motherland's oppression had become no longer tolerable a few great spirits, filled with the inspiration of Almighty God, proclaimed to the world, in words that shall last while history is written, those great principles upon which our Nation is builded.

"It was Benjamin Franklin who, sent by the war-ridden young Colonies to the capitals of Europe, secured from France by his tact, learning, wisdom, and loftiest patriotism the help of money and men, without which it seems we should hardly have won our independence.

"It was Robert Morris who, gifted with the touch of Midas, wrought as by a miracle, almost from the stones themselves, the scanty sustenance which barely supported our enfeebled forces.

"It was upon our soil and under our chastening skies that the rigors and lessons of Valley Forge were brought to us. It was there that we gained the fire, the enthusiasm of Lafayette not only, but the patience, the skill of De Kalb also. It was at Valley Forge that we suffered most, that we endured through the depths, and climbed slowly, painfully, to the heights.

"There the fires of liberty burning lowest, all but flickered out, yet rekindled, flared upward till they reached the skies and lit the way to victory. It was in yonder hall that there gathered, after the gaining of independence, those weary, disheartened souls, who feared they saw slipping away from us the inestimable blessings for which they had fought so long and well. We had tried to live under the loose Articles of Confederation and had failed. Before us seemed chaos or resubjection to Europe, that stood waiting ready to seize us if we fell. Washington, weighted with care and anxiety, presided.

"We sent to that body the venerable Franklin, philosopher, scientist, writer, diplomatist, statesman; Robert Morris, the financier of the Revolution; Thomas Mifflin, a member of Washington's staff; Thomas Fitzsimmons, who saw service with the Army; Gouveneur Morris, statesman; James Wilson, George Clymer, Jared Ingersoll. Each and every one of these men had seen service in the Continental Congress. They knew the problems before them. They knew the fate that waited on the first misstep. The spirit that fired the zeal and raced through the veins of those who ten years before had proclaimed our independence had all but spent itself. Sobered with years and experience, disillusioned, they sat down, with the earnestness of desperation, to save again this people. It were too long a task to follow them through the weary, anxious, soul-trying days of the convention. But at last their work was done and God set up, through them, this Union.

"Nor was Pennsylvania's part less glorious when, the Union being threatened, we helped to save it. Our brothers died in every skirmish and on every battle field. The Revolution gave us Valley Forge, the pivotal point in the War of Independence; the Civil War gave us Gettysburg, the high tide of the Confederacy. The Father of Nations has showered us with his choicest honors. It is a glorious record.

"But we name these things with no boast, but with chastened pride and with a fervid prayer that in the dispensations of the future we shall not be found less worthy.

"For the future holds its own problems, unlike those we have successfully met in the past, but just as far-reaching, just as vital to our welfare, to the perpetuation of our institutions, as those of the Revolution or of the Civil War.

"We would not live vassals of any law; we could not live a conglomerate of loosely knit independent States; we could not live half slave, half free, and slavery had to go. Can we live a polyglot people?

"We ourselves at the time of our independence were largely of one race, one language, one literature, one set of ideals and aspirations. We are now of many races, many languages, many ideals and aspirations. We were originally traditioned and seasoned in self-government. We knew its limits, we understood and appreciated its blessings.

"To-day there are coming to us by the millions peoples from races untraditioned and unseasoned in self-government, peoples unfamiliar with and largely unappreciative of its goods, and untutored to tolerate and meet its evils.

Mighty ferments are at work amongst us governmentally and socially. Just as the commingling of members of different races from different climes with different customs of life exposes each of the individuals to new and strange bodily ailments and disease, so the intimate actions and reactions of diverse race members bring novel theories of government and social and economic life.

"Were their new theories tried, had they been effectively used by any race, had any people or nation risen to wealth, power, and happiness under them, we might hope that adjustment thereof to our environment would make them tolerable. But such were not the facts. These strange doctrines came primarily from races unskilled in self-government, untaught in the fundamentals of free government, uneducated in the basic discord between liberty and license. Their doctrines are born of the ills of the lands from which they came. They are radical remedies, sometimes self-annihilating to those using them, for ailments unfamiliar to our system of government and life. Bolshevism may be the heaven of the theorist crushed under the weight of a cruel czarism, but it bears no true relation to the inconsequential defects of free government.

"Yet there are those amongst us who deny the very basis of our social order, the very foundation of our whole system. They challenge the equality of man, they repudiate the great theorem of our system, 'That all men are created equal,' that they have 'certain inalienable rights,' among which are life, liberty, and the pursuit of happiness. But they speak a strange tongue; they belabor an alien thought; they are the children of despotism.

"We, standing here in this sanctuary, before this altar, can neither utter nor think this blasphemy. To us, and for us, God has set up this one Government founded on the equality of man. Our feet must not depart from the paths He has marked for us. Ours is the duty to keep the faith untainted. We shall not wander after false gods.

"Our fathers fought physical foes and subdued them; we must do battle with foes of the mind and the heart; we must combat the diseased mind, and conquer. And be not, fellow citizens, I beseech you, deceived or lulled into that false security which brings destruction. The enemy is alert, active, cruel, relentless. He plans, he works always. Your welfare, your happiness, your liberties are at stake. There has been intrusted to our keeping the most priceless heritage which the ages have conferred upon any nation or people; our duty to our fathers, to our children, and to our God demands we transmit it, intact, pure, and undefiled, to the unborn myriads of our posterity.

"Being thus alert against insidious foes, I believe we can and are assimilating those who have sought refuge here from the oppression of other lands. To them America has for many years been a land of promise, flowing with milk and honey. America has filled their thoughts by day and their dreams by night. It has been to them a land of freedom, equality, and justice. It has been to them all that their own country was not. They realize that life here is an expression of achievement wrought out of conditions and opportunities unknown in any other age and unknown in any other country. It is a continuing and increasingly emphatic protest against the pessimism of the unthinking, the ungrateful, the envious, and the unjust.

"These honest men and women have become a part of our citizenry and are doing their part in the great experiment of welding together in one great and homogeneous nation the lovers of human liberty from all lands.

"With vigilance and devotion let us, all united, serve our country. We may not be able to make our service conspicuous; we can certainly make it useful."

PETITIONS AND MEMORIALS.

Mr. CURTIS presented resolutions adopted at a mass meeting of sundry citizens of Leavenworth, Kans., in relation to the recent race riots at Tulsa, Okla., and the suffering caused the colored people of that city, which were referred to the Committee on the Judiciary.

Mr. HARRIS presented a resolution of the commissioners of roads and revenues of Tift County, Ga., favoring the enactment of House bill 5693, providing for continued Federal aid to the States for post-road construction and maintenance, etc., which was referred to the Committee on Post Offices and Post Roads.

Mr. CAPPER presented a telegram in the nature of a petition from 30 members of Hines Post, American Legion, of Ellinwood, Kans., favoring the immediate enactment of Senate bill 506, to provide adjusted compensation for veterans of the World War, and for other purposes, which was ordered to lie on the table.

RUSSIAN RAILWAY SERVICE CORPS.

Mr. MYERS, from the Committee on Military Affairs, to which was referred the bill (S. 28) providing for the men and officers in the Russian Railway Service Corps the status of enlisted men and officers of the United States Army when discharged, reported it without amendment and submitted a report (No. 197) thereon.

PERRY'S VICTORY MEMORIAL COMMISSION.

Mr. MOSES. I ask unanimous consent that the Senate reconsider the vote by which it passed Senate resolution 87, on the 7th of June, that resolution being a resolution for printing of the first annual report of the Perry's Victory Memorial Commission.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the vote by which the resolution was passed is reconsidered.

Mr. MOSES. I report from the Committee on Printing sundry amendments to the resolution and ask unanimous consent for its immediate consideration.

I move to amend the resolution, in line 2, after the word "commission," by striking out "December 6, 1920," and inserting "submitted to the Senate on May 5, 1921," and in line 3, after the word "document," by striking out the period and

inserting "with accompanying illustrations," so as to make the resolution read:

Resolved, That the first annual report of the Perry's Victory Memorial Commission, submitted to the Senate on May 25, 1921, be printed as a Senate document, with accompanying illustrations.

The amendments were agreed to.

The resolution as amended was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CUMMINS:

A bill (S. 2203) to provide for the consolidation or redistribution of the powers and duties of the several executive departments of the Government of the United States relating to the Territory of Alaska, and for other purposes; to the Committee on Territories and Insular Possessions.

By Mr. BALL:

A bill (S. 2204) for the relief of Christian Christensen; to the Committee on Claims.

A bill (S. 2205) to amend an act entitled "An act to provide for the support and maintenance of bastards in the District of Columbia";

A bill (S. 2206) to amend an act entitled "An act to create a juvenile court in and for the District of Columbia";

A bill (S. 2207) to amend the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921;

A bill (S. 2208) to provide for examinations by the Public Health Service of persons brought before the Juvenile Court of the District of Columbia; and

A bill (S. 2209) to amend an act entitled "An act making it a misdemeanor in the District of Columbia to abandon or willfully neglect to provide for the support and maintenance by any person of his wife or of his or her minor children in destitute or necessitous circumstances"; to the Committee on the District of Columbia.

By Mr. STERLING:

A bill (S. 2210) for the relief of Lucy Paradis; and

A bill (S. 2211) authorizing the Secretary of the Interior to issue patents in certain cases to missionary or religious organizations; to the Committee on Indian Affairs.

By Mr. CURTIS:

A bill (S. 2212) for the future safeguarding of the White House collection of the presidential china; to the Committee on the Library.

By Mr. TRAMMELL:

A bill (S. 2213) to grant and confirm the title of the State of Florida in and to all school lands heretofore conveyed to it by the Congress of the United States; to the Committee on Public Lands and Surveys.

By Mr. JONES of New Mexico:

A bill (S. 2214) changing the time for the doing of the annual assessment work on mining claims from the calendar to the fiscal year; to the Committee on Mines and Mining.

AGRICULTURAL RESOURCES OF THE UNITED STATES.

Mr. BURSUM submitted an amendment intended to be proposed by him to the bill (S. 2170) to encourage the development of the agricultural resources of the United States through Federal and State cooperation, giving preference in the matter of employment and the establishment of rural homes to those who have served with the military and naval forces of the United States, which was ordered to lie on the table and to be printed.

THE PHILOSOPHY OF THE LAW.

Mr. UNDERWOOD. Mr. President, I hold in my hand the annual address before the Alabama Bar Association, delivered by the Hon. L. E. Jeffries, one of the most distinguished lawyers in this country, a man of great learning and ability, in which he discusses the Constitution of the United States in reference to recent decisions. It reflects so clearly on many issues now involved and the slant of public opinion that I ask unanimous consent that it be printed as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ANNUAL ADDRESS BEFORE ALABAMA STATE BAR ASSOCIATION, DELIVERED BY L. E. JEFFRIES, OF WASHINGTON, D. C., APRIL 29, 1921.

"Mr. President and members of the Alabama State Bar Association, I thank you for the opportunity of coming home and intermingling with those I love—love far more than any personal ambition I have or any personal opportunity that being away from my native State may present; it is a pleasure, it is a privilege, to be with you.

"It has been said of a great teacher that 'he taught the law and the reason thereof.' According to this teacher a correct understanding of the law could not be had in the letter alone, but must be found in the spirit as well as in the letter of the law. I believe that the application of this philosophy in the interpretation of our Constitution made possible the development and growth of our Government and that its future is dependent upon its interpretation in the light of this philosophy. Because of this belief it is my purpose to talk to you to-day on what I have chosen to term the philosophy of the law. Under this theme I want to present to you in a homely way some of the ideas that have occurred to me in connection with the application of this philosophy and some of the influences that are affecting its present-day application.

"Our republican form of government was welded together by the adoption of the Federal Constitution. It was neither feasible nor practicable, however, to embody in this written instrument all the essentials necessary to insure the development and growth of this republican Government. The nature of this Constitution required, as said by Mr. Chief Justice Marshall, 'that only its great outlines should be marked, its important objects designated, and the minor ingredients which compose these objects be deduced from the nature of the objects themselves.' (McCullough *v.* Maryland, 4 Wheat. (U. S.), 316, 407.) Inasmuch as the written Constitution contains only these broad outlines, the development and perpetuation of this Government can not be found in the written Constitution alone, admirable though it be. What, then, in addition thereto has made possible this great Government?

"Behind the written Constitution and forming, as it were, a background thereto was and is an unwritten constitution that is as essential to the perpetuation of democracy as the written instrument itself. This written Constitution was begot by men surrounded, on the one hand, by oppression, trials, and life perplexities; on the other by visions of love, citizenship, freedom, liberty, property, and sacredness of life. The American Government, both State and Federal, is founded upon the unwritten as well as upon the written Constitution. In construing the written Constitution the unwritten is the yardstick by which the meaning of the written is measured.

"It has been said: 'It is not the words of the law but the internal sense of it that makes the law; the letter of the law is the body; the sense and reason of the law is the soul.' (Civil Rights cases, 109 U. S., 3, 26.) So the written Constitution is the body and the unwritten is the internal sense, the reason and soul of the law.

"The growth and perpetuation of this Government and of civilization have been accomplished at every step by giving meaning to the written law through the unwritten. The philosophy of the law—that is the ascertainment of the meaning of the written through the unwritten law—must extend as far as civilization and human rights extend.

"Our Federal Supreme Court in its consideration of a case (Missouri *v.* Holland, 252 U. S., 416, 433) before it, has said:

"We are not yet discussing the particular case before us, but only are considering the validity of the test proposed. With regard to that we may add that when we are dealing with words that also are a constituent act, like the Constitution of the United States, we must realize that they have called into life a being the development of which could not have been seen completely by the most gifted of the begetters. It was enough for them to realize or to hope that they had created an organism; it has taken a century and has cost their successors much sweat and blood to prove that they had created a nation. The case before us must be considered in the light of our whole experience and not merely in that of what was said a hundred years ago.

"The adoption of this organic law was, as said, the first step in molding a republican form of government. The Constitution as adopted, however, did not have in itself the vitality necessary for the growth and perpetuation of the Government. It yet remained for men like Marshall, Taney, Story, and others, as jurists; Martin, Webster, and others, as lawyers; Washington, Hamilton, and others, as statesmen, to give it the breath of life, to endow it with that elasticity which makes it the mudsill upon which the Government rests and upon which it must rest as long as it exists.

"It was at this juncture that Marshall gave us his great State papers—they are more than legal opinions; that Martin and Webster, as lawyers, contributed their wisdom in briefs and in argument; that Washington and Hamilton, as statesmen, disclosed their vision of a stable and enduring Government. All these united in the common cause kept the Republic together until the breadth of the written law could be comprehended by the people in the light of the unwritten. Each had his task, and sometimes in our better moments we conclude that they were divinely guided in its performance. Their duties being done, the result is a perpetuating form of government that will endure as long as the precepts of these men are followed. As

the great tasks of these men so ably performed loom before me, the eloquent words of a recent author (Hampton L. Carson, in American Bar Association Journal for March, 1921) applied to another great judge are fresh in my mind as peculiarly applicable to Marshall:

"Instead of first looking at the record, he looked first at the Constitution. He saw a vision of the Nation that was to be, his mind quivering with ecstasy as he looked. He divined the future, while reflecting on the past, and rose to heights of judicial inspiration.

"The Constitution having been adopted, it yet remained to determine the lines of demarcation between the coordinate branches of the Federal Government, to define the extent and limits of the function of each branch and their relation to each other. More important than this even, it was necessary to settle at once the question of the relation of the National Government to the State governments, the question whether the National Government was supreme in its sphere of action or whether the States, notwithstanding the grant of powers contained in the Constitution, still retained those attributes of sovereignty that had inhered in them prior to the adoption of the Constitution. Upon the answer to this question the existence and continuance of this Republic depended.

"This answer, however, could not be found in the letter of the Constitution. It had to be sought in the spirit of the law; that is, in the unwritten Constitution embodying those basic and fundamental principles that are not within the broad outlines of the written Constitution. It has been said: 'The letter killeth, but the spirit giveth life' (Dr. Charles Zuberlin); and it is upon the law having life through the spirit that democracy is built. In answering this great question, it was the province of Marshall to determine what the spirit was that made of the Constitution a living organism through which the National and State Governments could function in harmony.

"In addressing himself to this task, Marshall was not unmindful of that school of politics that sought by construction to destroy the Federal Constitution as a living organism. In Gibbons *v.* Ogden (9 Wheat. (U. S.) 1, 222), he characterized this school and its work, and pointed out the means of finding the spirit that made the Constitution an enduring instrument, in this language:

"Powerful and ingenious minds, taking, as postulates, that the powers expressly granted to the Union are to be contracted, by construction, into the narrowest possible compass, and that the original powers of the States are retained, if any possible construction will retain them, may by a course of well digested but refined and metaphysical reasoning, founded on these premises, explain away the Constitution of our country, and leave it a magnificent structure indeed, to look at, but totally unfit for use. They may so entangle and perplex the understanding as to obscure principles which were before thought quite plain, and induce doubts where if the mind were to pursue its own course none would be perceived. In such a case it is peculiarly necessary to recur to safe and fundamental principles to sustain these principles, and, when sustained, to make them the test of the arguments to be examined.

"Thus Marshall, in seeking the spirit that made of the Constitution a living organism, found it in the philosophy of the law. He recurred to those safe and fundamental principles of law and government embodied in the unwritten constitution and through them gave meaning to the written.

"In solving the question upon which the existence and continuance of the Republic depended, Mr. Chief Justice Marshall applied the philosophy of the law in Marbury *v.* Madison (1 Cranch (U. S.), 60), when he announced the great principle that the Constitution must be regarded as inviolable; that if Congress enacted a law beyond its authority it was void, the Constitution being the supreme law of the land; that it is not only within the province of the Supreme Court to declare such laws void, but it is its duty to do so. This case marked an epoch in the struggle for existence on the part of the young Republic, as it defined the power and the duty of the judiciary with respect to the acts of Congress, as well as the limits beyond which Congress may not go. Some individuals and some bodies of men declared that such power in the judiciary was not warranted under the Constitution; that it was a usurpation of power; but no court since that time has questioned the soundness of this principle. Chancellor Kent has said: 'The power and duty of the judiciary to disregard an unconstitutional act of Congress or of any State legislature were declared in an argument approaching to the precision and certainty of a mathematical demonstration.'

"In announcing the principle of the inviolability of the Constitution, Marshall was not seeking to enhance the power of the judiciary at the expense of the power of Congress. He sought the meaning of the law in the letter and in the spirit. He was guided by this same principle in defining the power of Congress and the means by which this power could be given effect. He recurred to the safe and fundamental principles in upholding the act of Congress incorporating the United States Bank as a 'necessary and proper' means of carrying into execution a power conferred upon Congress. His view was that 'the sound construction of the Constitution must allow to the National Legislature that discretion, with respect to the means by which the powers it confers are to be carried into execution, which will enable that body to perform the high duties assigned to it in the manner most beneficial to the people.' (McCullough *v.* Maryland, 4 Wheat. (U. S.), 316, 421.) As he said: 'Let the end be legitimate, let it be within the scope of the Constitution, and all means which are appropriate, which are plainly adapted to that end, which are not prohibited, but consistent with the letter and spirit of the Constitution, are constitutional.' (McCullough *v.* Maryland, supra.)

"As has been suggested, the most momentous questions with which Marshall was confronted involved the relation of the Federal Government to the State governments, whether the former was superior to the latter. He approached these questions with the same spirit and the same philosophy with which he had dealt with questions involving the relation of the coordinate branches of the Federal Government with each other. So in the Dartmouth College case (4 Wheat. (U. S.), 518) he unhesitatingly declared that certain acts of the Legislature of New Hampshire impaired the obligation of a contract with Dartmouth College, therefore it was repugnant to that provision of the Constitution which provides that no State shall pass any law impairing the obligation of contracts, and void. Thus, in upholding the power of the Supreme Court of the United States to declare the legislative acts of a State void when repugnant to the Constitution of the United States, Marshall established the supremacy of the National Government within its sphere of action.

"The reasoning of Marshall in this great case presents an aspect of the philosophy of the law not heretofore emphasized; that the application of the spirit of the law to the letter to find its meaning involves exclusion as well as inclusion. His view was that the word 'contracts' as used in the Constitution should not be construed in its broadest sense but should be limited by construction to comprehend 'contracts respecting property, under which some individual could claim a right to something beneficial to himself.' (Dartmouth College *v.* Woodward, 4 Wheat. (U. S.), 518, 628.) The idea of both exclusion and inclusion is necessarily involved in the philosophy of the law.

"The supremacy of the Federal Government under the Constitution was further emphasized by decisions to the effect that State tribunals were not the ultimate arbiters of disputes which depended upon the construction and application of the Constitution of the United States, and that therefore the Supreme Court of the United States had the power to set aside the judgments of State courts. Before this question was ultimately settled, the Court of Appeals of Virginia had declined obedience to a mandate of the Supreme Court of the United States on the ground that under a sound construction of the Constitution of the United States the appellate jurisdiction of the Supreme Court did not extend to that court; that the writ of error to that court had been improvidently awarded; and that the proceedings thereon in the Supreme Court were coram non judice in relation to that court. The power of the Supreme Court of the United States, however, over the decisions of State courts as to matters involving the construction and application of the Constitution was settled in Martin *v.* Hunter's Lessee (1 Wheat. (U. S.), 304) and in Cohens *v.* Virginia (6 Wheat. (U. S.), 264.

"In the performance of his task, in answering these questions upon which the stability and durability of the Republic depended, the arms of Marshall were upheld by Mr. Justice Story. In the rendering of these opinions and of those in other decisions—great state papers—the highly educated and trained mind of Mr. Justice Story contributed its share, as is shown in his concurring opinion in the Dartmouth College case. In this opinion he demonstrated with scholarly and legal learning how the people of various States might find themselves hampered by corrupt or impulsive legislation bestowing upon corporations privileges and exemptions that would prove burdensome upon the people. It was Mr. Story also who answered the challenge of the Court of Appeals of Virginia denying to the Supreme Court power under the Constitution to set aside judgments of State courts involving disputes dependent upon the construction and application of the Constitution of the United States.

"Thus it was, through these masterly opinions, that Marshall answered, step by step, the question, and the answer was: The Federal Constitution shall be the supreme law of the land and this Republic shall continue to exist.

"Let us not be blinded and forget through the lapse of more than a hundred years the task that was undertaken and accomplished by these men; there was another school of law, there

was another principle of government, there were those politicians, led by as astute, as learned, and as adroit a mind as this country has ever produced, that ran counter to Washington, Hamilton, and Marshall, that confronted them at each step, making a hard task more difficult. John Marshall, through the philosophy of the law, had established the principle of nationalism.

"To the great surprise of the one school of thought, that school which had appointed him, Chief Justice Taney followed in the footsteps of Marshall; he gave meaning to the written Constitution through the spirit; he extended and spread the boundaries of Federal and national power. In the Genesee Chief case (12 How. (U. S.), 443) the doctrine was established that the admiralty jurisdiction of the Government was not bounded, as in England, by banks of waters upon which the tide ebbed and flowed, but extended to all waters within the boundaries of the United States which were navigable in fact, thereby embracing the Great Lakes, as well as such rivers as the Ohio, Mississippi, and every stream navigable in fact, even though both of its banks were within the territorial boundaries of an individual State. The Letson case (2 How. (U. S.), 497) established the principle that a corporation might be considered a citizen and an inhabitant of the State in which it was incorporated, without regard to the citizenship of its stockholders, for the purpose of suing in the Federal courts upon the ground of diversity of citizenship. In the Dred Scott case (19 How. (U. S.), 393) Judge Taney allowed his view of the philosophy of the Constitution to lead him into deciding that Congress could not pass any law to govern the relation of master and slave in the Territories of the United States. This was a most extreme view. At the time it was pronounced the Missouri Compromise had been repealed and it would seem that there was no occasion for declaring it unconstitutional. Taney's view of the philosophy of our Government, however, was that anything that was property in any of the States must be protected as property by the General Government in any of the Territories that came under the possession and control of our General Government. Doubtless the Dred Scott case was correctly decided, yet if more of the philosophy of the law and less of the strict letter of the law had been applied by Mr. Chief Justice Taney the Civil War might have been postponed, though not averted.

"So wisely had Marshall and his disciples interpreted the philosophy of the Constitution, so essential was such interpretation to the perpetuation of this Republic, and so engrafted was it in the fabric of sound government, that for half a century after Mr. Marshall's death, his influence was felt as keenly as if he were present in person upon the Supreme Court Bench. Though dead, it has seemed that he sat there in spirit to guide his successors in the application of the philosophy of the law.

"Thus far I have endeavored to show the spirit in which our Constitution was interpreted and in which it must be interpreted in order that our Government may have stability and durability. It yet remains for me to consider some of the dangers that have beset us in recent years and will be continually confronting us in the future. It is our highest duty both as lawyers and as citizens to be ever watchful of the demagogues in politics as well as of the unsound judge upon the bench in order that our country be not led into pitfalls and destruction. It is peculiarly our duty as lawyers, because we have seen more intimately the struggle of Marshall, Story, Taney, and others as jurists; of Martin, Webster, and others, as lawyers; and of Washington, Hamilton, and others, as statesmen, to infuse our Constitution with that breath of life which would make it a living organism through which the Republic could have life for all time. It is ours to continue the task so ably undertaken by these givers of life. In assuming and in performing this task let us not be led astray by the thought indulged in by many, that, because the Government is popular in form, therefore the citizen is removed from the danger of tyranny. The thoughtful citizen knows that such a government, if not itself observant of justice in its dealings, may become more dangerous to individual liberty and vested rights than any autocrat.

"No thoughtful man can study the Constitution as framed; no lawyer can parse the decisions of the Supreme Court during the first 60 years without concluding that the instrument was framed with care to give check and balance of control upon the people; that, during the process of rooting the republican form of government that it might forever stand the strain, these checks in its control were largely kept in balance. It was framed to establish a government of laws and not a government of men. Yet during the past half century the decisions of the Supreme Court and of the State courts have tended toward broadening the scope of democracy, toward giving to the people individual control of every function of the Government. The Congress of the United States, the legislatures of the States, are giving free rein to this control, and apparently are attempting to offset this by enacting laws to govern the conduct and morals of men. I believe in the widest scope of democracy, and believe the people can and should rule, but do not believe that there can be true democracy, nor a government by the people, except through the law—without that we become a mob, and the people cease to rule, and democracy is at an end, and a government by men, not by law, begins. We sometimes wonder if this freedom of control by the people is gaining faster than the strength of the individual. A French writer, Laboulaye, speaking through one of his American characters, uttered these words of wisdom:

"The more democratic a people is, the more it is necessary that the individual be strong and his property sacred. We are a nation of sovereigns, and everything that weakens the individual tends toward demagogy; that is, toward disorder and ruin; whereas, everything that fortifies the individual tends toward democracy; that is, the reign of reason and the Evangel. A free country is a country where each citizen is absolute master of his conscience, his person, and his goods. If the day ever comes when individual rights are swallowed by those of the general interest, that day will see the end of Washington's handiwork; we will be a mob and we will have a master.

"We see on every hand the growth of power and control in the individual. The President of the United States is now practically elected by the direct vote of the people; the Senate of the United States is selected by vote of the people; in nearly every State all officers from constable to governor are elected by the people. The judiciary of a large number of the States is elected by the direct vote of the people; in some States candidates for judicial office have to seek nomination through primaries; and there are advocates of the selection of Federal judges by direct vote of the people. Limitations of the powers of State legislatures are incorporated in State constitutions in order that the power may remain with the people. We have had the modern craze of initiative, referendum, and recall. In some cases also it has been suggested that the principle of recall be extended to judicial decisions. Moreover, to make democracy complete, we have lately extended the right of suffrage to women.

"As the individual exercises this control I voice the hope of every lawyer in this room, I voice the hope, I think, of our profession that the individual, the citizen, may be strong enough to carry the responsibilities of this control, that he may grow and become stronger; that the cloak of the real Constitution, the written and unwritten, may be thrown around him that he may be strong in the performance of his duties; that he may become a sovereign in himself; and that personal and property rights may be held sacred. Let us not depend entirely upon legislation to put morals into his heart as a basis of this strength for, as recently said by a great divine (Rt. Rev. Philip M. Rhinelander, bishop of Pennsylvania): 'You may get good moral laws passed, but those moral laws will be our condemnation, and not strengthening, unless underneath them there is moral power which makes it possible to obey.'

"These are some of the questions that have confronted us during the past few years, and some of them confront us to-day. Upon the solution of those not yet solved depends the durability and continuance of the Government that received life through the work of Marshall and those who were guided by his spirit. These questions have been often discussed and should be discussed until they are solved in such manner that the integrity and continuance of our Government may be preserved and guaranteed. As suggested before, it is peculiarly our duty to undertake this task. The judiciary, though it be infused with the spirit of a Marshall, can not now handle these questions as in the beginning of the Republic, since the thirst of the individual for the direct exercise of governmental functions tends to take away from the judiciary those powers necessary to combat the dangers.

"The thought of the lawyer naturally turns first to those questions involving and those dangers besetting the judiciary. In a recent great case (William *v.* New, 243 U. S., 332, 376, 378) decided by the Federal Supreme Court, the effect of which is to-day depressing economic conditions in every nook and corner in this country, the dissenting opinion joined in by four of the judges, contains this language:

"I am convinced, in the first place, that the act can not be sustained as a regulation, because it has no such object, operation, or effect. It removes no impediment or obstruction from the way of traffic or intercourse, prescribes no service to the public, lays down no rule respecting the mode in which the service is to be performed, or the safeguards to be placed about it, or the qualifications or conduct of those who are to perform it. In short, it has no substantial relation to or connection with commerce—no closer relation than has the price which the carrier pays for its engines and cars or for the coal used in propelling them.

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"The act stands wholly without precedent in either State or National legislation. Let it be admitted that mere novelty is not a ground of constitutional objection, since it is the appropriate function of a legislature to change the law. This act, however, differs not only in degree, but in kind, from any and all that have preceded it. It is now nearly 30 years since Congress entered the field of direct regulation of interstate railway carriers. Before that the entire field was open to the States, and since 1887 the regulation of their internal commerce has still remained open to them. This has been a period of intense and widespread activity and progress in commerce regulation, and, as it happens, of equal progress respecting legislation in the interest of workingmen. The fact that no law fixing the rate of compensation for railroad employees ever was proposed until this act was brought forward a few days before its passage, and then only under the coercive influence of a threatened public calamity, is the strongest evidence that in the judgment of executives and legislators, State and National, measures of this sort were not within the bounds of permissible regulations of commerce.

"If, then, individuals can coerce the Congress, and a law enacted by such influence is upheld by our judiciary, is not the philosophy of our fathers waning? They believed that such power on the part of the individual should be restrained, and they framed and interpreted the Constitution with that end in view. This thought was recently given expression in the following language:

"But passing that, and returning to the Constitution, it will be observed, as we have said, that its words are a restraint upon power, intended as such in deliberate persuasion of its wisdom as against unrestrained freedom.

"And it is significant that it is not a restraint upon a 'governing one' but a restraint upon the people themselves, and in the persuasion, to use the words of one of the supporters of the Constitution, 'the natural order of things is for liberty to yield and for government to gain ground.' Sinister interests, its conception is, may move the Government to exercise; one class may become dominant over another, and against the tyranny and injustice that will result, the framers of the Constitution believed precautions were as necessary as against any other abuse of power. (See dissenting opinion in Block *v.* Hirsh, decided by the Supreme Court of the United States on Apr. 18, 1921, in which case the validity of the 'Ball rent law' was upheld.)

"In this desire of direct control by the people, have we the same vision of government that our fathers had? Do we view the Constitution and law with the philosophical spirit of a Marshall? I sometimes wonder. On the 18th day of this month the Supreme Court of the United States, by a divided court of five to four, held the 'Ball rent law' valid. (Block *v.* Hirsh.) This law is local to the District of Columbia. Section 109 of the act provides that 'the right of a tenant to occupy any hotel, apartment, etc., is to continue, notwithstanding the expiration of his term, at the option of the tenant, subject to regulations by the commission appointed by the act, so long as he pays the rent and performs the conditions as fixed by the lease, or as modified by the commission.' This, briefly, is the act upheld by the Supreme Court. To be impressed with the importance of this decision and to realize the need of the philosophy of a Marshall, I need quote only a portion of the dissenting opinion by Mr. Justice McKenna, who said:

"The prospect expands and dismays when we pass outside of considerations applicable to the local and narrow conditions in the District of Columbia. It is the assertion of the statute that the Federal Government is embarrassed in the transaction of its business, but, as we have said, a New York statute is submitted to us and counsel have referred to the legislation of six other States. And there is intimation in the opinion that Congress in its enactment has imitated the laws of other countries. The facts are significant and suggest the inquiry, have conditions come not only to the District of Columbia embarrassing the Federal Government, but to the world as well, that are not amenable to passing palliatives, and that socialism, or some form of socialism, is the only permanent corrective or accommodation? It is indeed strange that this court, in effect, is called upon to make way for it and, through an instrument of a constitution based on personal rights, and the purposeful encouragement of individual incentive and energy, to declare legal a power exerted for their destruction * * *.

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"The wonder comes to us, What will the country do with its new freedom?

"'The wonder comes to us,' as it did to Mr. Justice McKenna, in his dissenting opinion, 'What will the country do with its new freedom?' You do not have to wait long for an answer, in part, to Mr. Justice McKenna's question. Four days after the rendition of the decision—that is, on April 22—you find the author of the bill quoted as saying 'that he would soon introduce a resolution extending the life of the Ball Rent Act, which expires October 22'; * * * that he 'is considering at present some amendments to the existing law.'

"The effect of this new freedom is apparent on every hand. It is striking down the philosophy of our fathers, leaving democracy unfettered by the law, and it is driving us legislation and regulation mad. It has surrounded us by governmental boards, governmental commissions, arbitration boards, governmental bureaus, and governmental investigations, until the initiative of the business man is dead, and the deadening touch of regulation is strangling the life of our business interests. Look the facts squarely in the face and say whether it is not true that practically the entire time of our profession is monopolized in its attempt to protect his client's property and liberty from State and Federal burdens.

"Are these dangers that I have attempted to point out the beginning of a new doctrine; is it a new school of thought; has the philosophy of the Constitution of our fathers changed? Are we to understand that the check of the Constitution is to be removed from the control of our Government, and there is to be an orgy of unrestrained freedom, leading to coercion upon our State legislatures, and impelling at its demand action by the Congress of the United States? Shall our judiciary turn its ear to listen to the sound of socialistic whisperings? If so, a new Constitution is born, the philosophy of the law is swept away. Our property rights will cease; the right of the sacredness of contract will soon disappear; liberty will be at the dictates of the mob, and the fundamentals of our Constitution are wrecked.

"Are we to take the great businesses of this country and control, regulate, and direct them by governmental commissions, boards, and bureaus and sap the initiative and genius of our business men that has made the economic growth of this country the marvel of the world? If we do, we will make impotent our business structure, and there is, to my mind, no greater danger to-day than this tendency; and if it continues to be unrestrained it will throttle competition, and this withering hand of regulation, direction, and control will lead to our economic destruction. When you stop as thoughtful men to consider this you will find that the atmosphere of these later-day regulatory commissions, boards, and bureaus has done more to undermine the philosophy of Marshall than perhaps any other one agency.

"We have seen that our Constitution was made a living organism by Marshall through the application of the philosophy of the law; we have seen that the Government functions were for more than a half century kept in balance, and we have seen arise from this structure the greatest of Republics. If we are departing from these fundamental principles, through judicial decisions, through an unbalancing of control, or through governmental regulation, let's stop and go back to the philosophy of our fathers."

ORDER OF BUSINESS.

Mr. BALL. I ask unanimous consent for the immediate consideration of the bill (S. 2131) to extend for the period of seven months the provisions of title 2 of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes.

The VICE PRESIDENT. The Senator from Delaware asks unanimous consent for the present consideration of the bill which he has indicated.

Mr. SMOOT. Mr. President, I think I ought at least to take the time to have the Senator from Idaho [Mr. BORAH] come from the cloakroom. I understand that he has opposed the bill, and if the Senator will not object to laying it aside for a few moments, I will find out whether the Senator from Idaho still wants to object to it.

Mr. UNDERWOOD. Mr. President, I think it is rather ill-advised to take up the morning business at 3 o'clock; and as the Senate has not been advised that it will come up and Senators are not here to protect their rights, I ask for the regular order.

The VICE PRESIDENT. The regular order is the unfinished business, which is Senate bill 1039, the maternity bill.

Mr. McCUMBER. I understand that there is no one who desires to speak on the unfinished business to-day. That being the case, I move the Senate proceed to the consideration of Senate bill 506, the soldiers' adjusted compensation bill.

Mr. UNDERWOOD. Mr. President, I desire to make a request for information. The other day we entered into a unanimous-consent agreement for the consideration of the maternity bill. I understand it was to remain the unfinished business unless temporarily laid aside until it was voted upon. What I desire to find out is whether the maternity bill is the unfinished business of the Senate or not.

The VICE PRESIDENT. It is the unfinished business.

Mr. KENYON. Mr. President, did not the Senator from Alabama understand that if there was no one to speak on the maternity bill, it still was to remain before the Senate? My understanding was that we would set it aside for other business.

Mr. UNDERWOOD. By unanimous consent. That is what I am coming to. As the maternity bill is the unfinished business, and has been made the unfinished business by unanimous consent until 10 legislative days have passed, I make the point of order that it is not in order to make a motion to set aside the unanimous-consent order.

Mr. McCUMBER. Possibly I did not make my motion as broad as I intended. I do not intend to displace the unfinished business permanently—and there could be no question about it, Mr. President—I withdraw the motion I made, and I now move that the unfinished business be temporarily laid aside——

Mr. BRANDEGEE. The Senator can not do that; he must ask unanimous consent.

Mr. UNDERWOOD. The very point I am trying to make is that the Senator can not move to temporarily lay it aside. It can be done by unanimous consent, but he can not move to temporarily lay aside the unfinished business without displacing it, and he can not displace the business except by unanimous consent, because it is a unanimous-consent order which keeps it before the Senate.

Mr. McCUMBER. I do not think the Senator will contend that, inasmuch as we have voted that we will not take a recess, that we can not do any other business until after the 10th or 15th of July.

Mr. UNDERWOOD. No; I do not; but I will tell the Senator candidly what I have in mind. I recognize the fact that the Senate has settled the question that it is going to stay here all summer. I have no criticism of that. A majority of the Senators have a right to determine the question as they saw fit. I would have been glad to have had the recess, but we have decided that question.

Here is the issue before me: There is a right of preference in these bills. It has been contended that we should pass the soldiers' bonus bill or that we should pass the bill which the Senator from Nebraska has brought in to relieve the farming situation. I know the soldiers' bonus bill, if it is passed now, can not do anybody good immediately, because it does not take effect immediately; it does not take effect until the 1st day of July, 1922. I will say to the Senator candidly what I am after. It is not that I do not want the Senate to do business, but if the bill requires unanimous consent I propose to object, so that the Senator from Nebraska [Mr. NORRIS] may have a chance to ask unanimous consent for the consideration of his bill. That is my purpose.

I see that the Senator from Nebraska has just entered the Chamber, and I will repeat my statement. If it requires unanimous consent to consider the bonus bill immediately—and it does not make any difference whether it is passed now or next winter, so far as the soldier is concerned—I intend to object, and then I hope the Senator from Nebraska will make good what he said this morning and try to push his bill to the front.

Mr. BRANDEGEE. Mr. President, as I understand the Senator from North Dakota, he has withdrawn his motion to proceed to the consideration of the soldiers' adjusted compensation bill. Then he moved to temporarily lay aside the unfinished business. There is no such motion known to the Senate. He can ask unanimous consent to temporarily lay aside the unfinished business, or he can move to proceed to the consideration of any other measure, which motion, if successful, would displace the unfinished business; but he can not move to temporarily lay aside the unfinished business. That requires unanimous consent.

Mr. UNDERWOOD. That is my understanding of the situation.

Mr. McCUMBER. I will say frankly that is not my understanding of the rule. If that were the case it would be made the unfinished business, and could not by any possibility be displaced temporarily. I admit that no motion would be proper to finally dispose of the maternity bill until it is disposed of according to the unanimous-consent agreement; but we did not agree that we should take up nothing in the interim between the present time and the time when there is to be a final vote on the maternity bill. If it requires unanimous consent to temporarily lay aside the unfinished business it would naturally seem to me to require just as much of a unanimous consent to displace it. In either way we would be changing the rule. I am willing to take the ruling of the Chair upon the question.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry. What is the pending motion?

Mr. McCUMBER. The pending motion which I made was a motion to which objection was made—that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 506, the soldiers' adjusted compensation bill.

Mr. BRANDEGEE. I make the point of order that there are two motions there involved, and also the point of order that the motion is out of order. There is no such motion as to temporarily lay aside the unfinished business.

The VICE PRESIDENT. The point of order is well taken. There is no such motion.

Mr. McCUMBER and Mr. KENYON addressed the Chair.

The VICE PRESIDENT. The Senator from North Dakota is recognized.

Mr. McCUMBER. I understand the Senator from Iowa was about to ask unanimous consent that the unfinished business, of which he has charge, be temporarily laid aside, so I yield to him.

Mr. KENYON. I rose to ask unanimous consent for that purpose. I ask that the unfinished business be temporarily laid aside.

Mr. UNDERWOOD. I desire to know for what purpose the Senator desires to lay aside the unfinished business?

Mr. KENYON. So that the Senate can go ahead with any other business the Senate desires to take up. That is my purpose.

Mr. UNDERWOOD. I do not think we can lay aside the unfinished business in that way, and I object.

The VICE PRESIDENT. Objection is made.

Mr. KENYON. Then, I ask unanimous consent that the unfinished business be temporarily laid aside to take up the bill of the Senator from North Dakota, Senate bill 506.

Mr. UNDERWOOD. As I said a while ago, the adjusted compensation bill, according to its terms as reported, can not take effect until July 1, 1922, and the legislation proposed by the Senator from Nebraska may accomplish some result; and if the Senator from Nebraska will not object, in order to protect his rights, I myself will object.

The VICE PRESIDENT. Objection is made to the request of the Senator from Iowa.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

Mr. McCUMBER. I now move that the Senate proceed to the consideration of Senate bill 506, the soldiers' adjusted compensation bill.

The VICE PRESIDENT. The question is on the motion of the Senator from North Dakota.

Mr. UNDERWOOD. Mr. President, let the bill be read, so we may know what it is.

The VICE PRESIDENT. The Secretary will read the bill.

The ASSISTANT SECRETARY. Calendar No. 145, Senate bill 506, to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. UNDERWOOD. That is not reading the bill. I should like to have the bill read.

Mr. McCUMBER. I am perfectly willing that it should be read.

The VICE PRESIDENT. The Secretary will read the bill for the information of the Senate.

The Assistant Secretary proceeded to read the bill, and was interrupted by—

Mr. McCUMBER. Mr. President, I wish to ask the Senator from Alabama if he desires the bill read as it was originally introduced in the Senate, or the bill read as it was reported from the committee. The Secretary is reading, of course, the bill as it was introduced and not the bill as it was amended by the committee.

Mr. UNDERWOOD. To be candid with the Senator, I think the bill that originally came from the House is so much better than the bill that is reported by the Senator that I hope in the end his bill will be rejected and the House bill considered. However, I think, if we are going to consider this question and vote on it intelligently, the bill and the amendments thereto should both be reported.

Mr. McCUMBER. I think the Senator, if I understood him aright, is laboring under a misapprehension. This bill did not come from the House at all.

Mr. UNDERWOOD. I thought it was a House bill.

Mr. McCUMBER. No; it is not a House bill. This is a Senate bill with some amendments made by the committee differing slightly from the bill as it was introduced in the Senate.

Mr. UNDERWOOD. I desire to have the bill read.

Mr. McCUMBER. The question I asked was, Which bill should be read, the bill as originally introduced or as amended by the committee?

Mr. UNDERWOOD. I think it would be proper to read the amended bill.

Mr. McCUMBER. I ask that the Secretary read the amended bill.

Mr. UNDERWOOD. I suppose the bill introduced would be the bill the Secretary should read according to the rule, but I have no objection to the reading of the other print.

Mr. BRANDEGEE. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. BRANDEGEE. Is the bill being read on the motion of the Senator from North Dakota to proceed to its consideration?

The PRESIDENT pro tempore. On the motion to proceed to its immediate consideration.

Mr. McCUMBER. For the information of the Senate.

Mr. BRANDEGEE. After the bill has been read, then the Senator's motion will come up to proceed to its consideration. If that motion should be carried, would it not be in violation of the unanimous-consent agreement by which the unfinished business is to be voted on at a certain time?

Mr. UNDERWOOD. I submit that it does one of two things. I was going to make the point of order after the bill was read so as to raise the question, and I was having the bill read that the RECORD might show what the bill is.

Mr. BRANDEGEE. The Senator can accomplish that object simply by having the bill printed in the RECORD. It is just so much waste of time to read the bill if the point of order shall be sustained.

Mr. UNDERWOOD. As a matter of fact, I was having it read because I hoped by the time we finished the reading of the bill the Senator from Nebraska [Mr. NORRIS] would rise and come to my assistance and help me to relieve the farmers of the country.

Mr. BRANDEGEE. The Senator from Nebraska has uprisen already.

Mr. NORRIS. Mr. President, the Senator from Nebraska is not going to participate in the filibuster that is now going on against the soldiers' bonus bill. I think that is a sufficient answer. If the motion is defeated to take it up, I shall make a motion to take up the other bill, although I am not trying to displace the soldiers' bonus bill. When we get to it I am going to vote for the motion made by the Senator from North Dakota.

Mr. BRANDEGEE. The Senator's motion to take up his bill would be equally subject to the point of order made by the Senator from Alabama.

Mr. NORRIS. Of course it would. I realize that if the Senator from Alabama makes the point of order and it is sustained by the Chair and then the Chair sustained on appeal it would mean that the Senate could not do anything except to consider the bill that we can not vote on for 10 days yet. That is what it would mean.

Mr. UNDERWOOD. I did not know whether that was the condition or not. The Senate made the order, and as to whether its order says that we shall not vote for 10 days or can vote now, I do not know. I desire to have the Chair clear up the situation, and when the situation is cleared up I am in hopes that the Senator from Nebraska may be able to call up his bill by unanimous consent, because I certainly shall not object to it.

Mr. NORRIS. The Senator knows that that is going to be an impossibility, that there is opposition to it, and that it can not be taken up by unanimous consent.

Mr. UNDERWOOD. I know of no one on this side of the Chamber who would object to the Senator bringing up his bill for consideration. There might be some votes against it, but I do not know of them. I know of no one who would object to it, but I do know of opposition to the bill which the Senator from North Dakota is trying to bring up, and very considerable opposition to it.

We have determined what shall be the unfinished business. Of course the Senator from North Dakota can not expect to get up his bill without the usual parliamentary fight on the part of those who are opposed to it. The Senator from Nebraska might get up his bill, because I assume there is no one objecting to the consideration of his bill.

Mr. NORRIS. The point of order is——

The PRESIDENT pro tempore. The question is on the motion of the Senator from North Dakota [Mr. McCUMBER] that the Senate proceed to the consideration of the bill named by him.

Mr. NORRIS. Upon that motion the Senator from Alabama [Mr. UNDERWOOD] asked for the reading of the bill. Now my point of order——

The PRESIDENT pro tempore. The Senator from Alabama then asked for the reading of the bill for information.

Mr. NORRIS. Yes; and my point of order is that during the reading of the bill Senators can not debate the bill; that they are out of order in doing so.

Mr. UNDERWOOD. Mr. President, I made——

Mr. McCUMBER. Then let us have a ruling upon the point of order.

Mr. UNDERWOOD. That is what I was going to suggest.

The PRESIDENT pro tempore. The point of order of the Senator from Nebraska [Mr. NORRIS] is well taken and is sustained. There is no debate in order pending the reading of the bill for information. The Chair is in very grave doubt whether a Senator has the right to demand the reading of a bill for information upon a motion of the character made by the Senator from North Dakota, but there was no objection to it.

Mr. McCUMBER. If I may say a word upon that, we have decided to stay here all summer—I would stay in any event—so the Senator may delay, if he so chooses. We shall undoubtedly secure a vote in due time.

Mr. ROBINSON. I make the point of order that debate is not in order.

The PRESIDENT pro tempore. The Secretary will proceed to read the bill for the information of the Senate.

Mr. BRANDEGEE. I make the point of order that the reading of the bill is not in order on a motion to proceed to its consideration.

The PRESIDENT pro tempore. The Chair sustains the point of order. The question is on the motion of the Senator from North Dakota [Mr. McCUMBER].

Mr. UNDERWOOD. Mr. President, I desire that we may understand the status of the case. Of course, I recognize that if we had not made a unanimous-consent order, the Senator from North Dakota could make his motion, and, if adopted, it would displace the unfinished business; but I am more interested in the unfinished business than I am in the bill concerning which the Senator makes his motion. Therefore, in order that we may clear up the situation and have no doubt about it, I make the point of order that it is not in order for the Senator to move to take up his bill, as the unfinished business was established by a unanimous-consent agreement.

Mr. ASHURST. Will the Senator yield to me?

Mr. UNDERWOOD. Certainly.

Mr. ASHURST. I differ from my distinguished leader always with reluctance.

Mr. UNDERWOOD. I am not sure that I am right, but I merely wish to make the point of order, so that the status may be fixed.

Mr. ASHURST. It is true that the time for voting on the maternity and infancy bill was fixed by unanimous consent, and that time for voting may not be changed except by unanimous consent; but I call attention to the RECORD, on page 3347, of June 29, in the lower part of the left-hand column, where will be found the following:

PROTECTION OF MATERNITY AND INFANCY.

Mr. KENYON. I move that the Senate proceed to the consideration of Senate bill 1039.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States.

Therefore, while it is true the time for voting may not be abrogated or changed except by unanimous consent, the unfinished business was made the unfinished business, not by unanimous consent but by a vote of the Senate, and the Senate by the same power, by the same right, may consider any other bill up to the time set for voting on the unfinished business. I wish the Chair to read the RECORD.

Mr. UNDERWOOD. Now Mr. President——

The PRESIDENT pro tempore. The Chair understands that Senate bill 1039 is before the Senate under a unanimous-consent agreement and not upon a motion to proceed to its consideration.

Mr. ASHURST. With great deference to the Chair, I suggest that the Chair has undoubtedly fallen into an error. The so-called maternity bill is the unfinished business by virtue of a motion duly made and carried; it is not the unfinished business by virtue of unanimous consent, although it is true that a particular time for voting thereon was fixed by unanimous consent. I ask the Chair to read the RECORD.

The PRESIDENT pro tempore. The Senator from Arizona is right about that part of it.

Mr. UNDERWOOD. If I may proceed, I was arguing the point of order, but I yielded to my friend from Arizona——

Mr. NORRIS. Mr. President——

Mr. UNDERWOOD. I will yield to my friend from Nebraska; but I should like to finish my statement.

Mr. NORRIS. If the Senator from Alabama wishes to argue the question, I shall be glad to speak after he gets through. I thought he had finished.

Mr. UNDERWOOD. I was merely trying to make myself clear to the Chair.

Of course, I did not raise any question that the maternity bill was taken up by motion. It was pending before the Senate as the unfinished business when a unanimous-consent agreement was entered into fixing the time for a final vote. What I contend is—and I should like a ruling of the Chair upon it, because the bill is either before the Senate or it is not—

that we can not vote on a bill that is not before the Senate, and if the pending motion prevails the maternity bill, so called, must go back to the calendar, for there can not be two bills before the Senate at the same time for consideration. Either the maternity bill is going to be before the Senate or the soldiers' bonus bill is going to be before the Senate if the motion of the Senator from North Dakota prevails.

What I contend is if we send the maternity bill back to the calendar, if we have the authority to do that, notwithstanding we have agreed to vote on it at a certain time, we can not vote on a bill that is not before the Senate. It may be that when we reach the time for a vote, the Senate, by a motion or otherwise, will take it up or recall it back from the calendar; but if the soldiers' bonus bill is pending at that time, and we have sent the maternity bill back to the calendar, we can not vote on it. So I contend that in order for the unanimous-consent agreement of the Senate to be carried out in its integrity, the Chair must rule that the maternity bill is the unfinished business and can, until voted on, only be set aside temporarily and that that can be done only by unanimous consent, as the fixing of a time to vote on it was brought about by a unanimous-consent order. If we do not do that, it throws us into the illogical position of holding that when 3 o'clock on a certain day comes we shall vote on a bill that is not before the Senate.

Mr. NORRIS. Mr. President, I should like to have the ear of the Chair for just a moment on the point of order.

In the first place, I want to call the attention of the Chair to the fact that nothing is made the unfinished business of the Senate by unanimous consent. Nobody will contest that proposition. We can not make anything the unfinished business by unanimous consent. That is done by a motion. We may take up a bill by unanimous consent, but that does not make it the unfinished business. A measure must be made the unfinished business by a motion to proceed to its consideration; the Senate must adjourn while it is still undisposed of; and then the measure becomes the unfinished business for the next day. Therefore, the maternity bill was made the unfinished business—and that was the only way it could be made the unfinished business—by a motion made by the Senator from Iowa [Mr. KENYON]. After that bill had become the unfinished business, and when it was pending before the Senate, a unanimous-consent agreement was entered into, as is done in a great many other cases, fixing a time for voting. That was agreed to by unanimous consent. That can not be changed, I concede, by a motion; but up to the time that the unanimous-consent agreement takes effect, it is in order to take up any other bill by a motion; and if we take it up and do not finish it to-day, it would become the unfinished business to-morrow; but it would not affect the unanimous-consent agreement.

We could enter into a unanimous-consent agreement now in regard to some other bill not at present before the Senate, but on the calendar, to vote on a particular day at a particular hour. When that time comes we would carry out the unanimous-consent agreement by voting. We could not do away with it except by another unanimous-consent agreement changing it, but it would not affect the unfinished business; it would not have any parliamentary effect or make any other measure the unfinished business, because that must be done by a motion.

Mr. UNDERWOOD. Will the Senator allow me to ask him a question?

Mr. NORRIS. Yes.

Mr. UNDERWOOD. Taking this case in particular, the unanimous-consent agreement was entered into on the terms embodied in the instrument because the Senator from Missouri [Mr. REED] desired to debate the bill. He had to be away and could not debate it within the next few days, and therefore the agreement was made so that he might have an opportunity on his return to speak on the measure.

Now, if the soldiers' bonus bill is taken up and runs until 3 o'clock on the tenth succeeding legislative day, when the maternity bill is to be voted on, the Senator from Missouri could not have the opportunity to offer his amendments to the bill and debate them, because the soldiers' bonus bill would be before the Senate. So I say that the Senate can not consider two bills at the same time, and have them both the unfinished business. They must be disposed of one at a time.

Mr. NORRIS. Now, Mr. President, let us take up the proposition the Senator from Alabama lays down. The Senator from Missouri could walk into the Chamber to-day and get the floor—he would have to get the floor, in any event, before he could speak on the measure even though the bill still remained before the Senate—and as soon as he could get the floor he could debate it as long as he pleased; he could talk about the maternity bill, no matter whether or not the soldiers' bonus bill was before the Senate.

Mr. UNDERWOOD. Mr. President——

Mr. NORRIS. Let me answer the Senator before he interrupts me again; let me get through. When the time comes to vote, no matter what may be before the Senate, the unanimous-consent agreement would operate and we would proceed to vote. If the Senator from Missouri, even though we took up no other measure, came in here and debated the maternity bill, he could not get a vote until the time came anyway. So it would not make a particle of difference.

The Senator from Alabama has placed a predicament regarding the Senator from Missouri before me, and I have answered it, I think.

Now, let me take the opposite view. Suppose he is right, what then is the result? Then we have before the Senate a unanimous-consent agreement to vote on a certain day 10 legislative days following a certain day. If we take a recess it may be 20 calendar days before we can vote, and we are in the predicament, if the Senator from Alabama is right, that we can not consider anything else in the meantime except by unanimous consent. If we recess continually, as the Senator from Iowa has suggested to me, it might run into eternity even and there never would be a vote taken. So, Mr. President, we are involving ourselves in a predicament, if we assume that the Senator from Alabama and the Senator from Connecticut are right, that amounts to an absurdity, it seems to me.

Mr. BRANDEGEE. The answer to the Senator is that it is not the first time the Senate has made an absurd agreement; but it does not follow that we must tear up the unanimous-consent agreement because it is a foolish one. I thought it was a foolish one when it was made.

Mr. NORRIS. Let me say that a motion to take up another bill, having the effect of displacing the unfinished business, is always in order. It is just as much in order after a time has been fixed for a vote on a given bill as though a time had not been fixed to vote. That does not make the least difference.

Mr. BRANDEGEE. Will the Senator allow me to call his attention to another fact?

Mr. NORRIS. Yes.

Mr. BRANDEGEE. I have no interest in this matter; I do not care how it is determined; but I am interested in the parliamentary situation to some extent. I remember that the Senator from Massachusetts [Mr. LODGE], when a measure of which he was in charge was under consideration, was confronted with a similar situation here. It was claimed by him, and his contention was sustained by the Chair, that when the Senate had agreed by unanimous consent to vote on a measure on a certain day at a certain hour in the future, if any Senator wanted to talk on that measure it should be held before the Senate as the unfinished business. I think in the case to which I have reference the Colombian treaty was under consideration, and the Senator from Massachusetts repeatedly stood here day after day and said that if any Senator desired to speak on the Colombian treaty he would not agree to lay it aside, but if no Senator desired to speak on the Colombian treaty he would ask unanimous consent to lay it aside. That was done right along, and other measures were considered. So the unfinished business can only be laid aside by unanimous consent.

Mr. NORRIS. Let me now take up that contention. The Senator says that the Senator from Massachusetts, having in charge the treaty in connection with which a time was fixed for a vote, would never ask for unanimous consent to lay it aside except when it appeared that no Senator wanted to speak on it. I think we all realize that, but that does not prove anything. Nobody made a motion to take up some other measure; no Senator tried to displace the treaty except by unanimous consent.

Mr. BRANDEGEE. No.

Mr. NORRIS. We were not confronted then with Senators who would resort even to a filibuster to delay the passage of a bill or to prevent its coming up.

Mr. BRANDEGEE. The only difference between that situation and this is that now there is objection to temporarily laying aside the unfinished business, and there was not at that time.

Mr. NORRIS. Exactly; that is the difference.

Mr. ASHURST. Mr. President, will the Senator yield to me at that point?

Mr. NORRIS. Mr. President, let me finish what I had to say, and then I will yield the floor. I do not care to interrupt further. Let me call your attention to the condition.

If the point of order is good, the hands of the Senate are tied for 10 days. It can not do anything except by unanimous consent. We all know—it is no secret—that when this unanimous-consent agreement was made nobody thought we were going to

devote all the time to debating the bill. The Senator from Iowa [Mr. KENYON], who submitted the unanimous-consent agreement will tell you if you will ask him now that he never thought of such a thing. He did not expect to keep the bill before the Senate all the time. He knew that Senators would not want to debate it all the time. Now, all at once, when some of these other bills are to be taken up, there is manifested a great love for this maternity bill that did not exist before this unanimous-consent agreement had been made; and they do not want to debate that bill, either.

Now, Senators, those of you who think we ought to have taken the recess must concede that you had an open debate and a fair vote on it. You were beaten on a vote. Do you think it becomes you to start in immediately on a filibuster in this manner, and prevent the Senate from doing anything except to consider something that they can not vote on for 10 days to come?

It was a fair test. Everybody knew when the unanimous-consent agreement was made that the bill was not to be considered all the time. We have decided not to take a recess. It was understood, when we were debating the motion for a recess, that the soldiers' bonus bill was going to come up. Notice had been given that it probably would be followed by the other bill that I referred to with regard to the farmers' export corporation. Now, why not go ahead and take up the bill? If there are not votes enough to pass it, defeat it, and the same way with every other bill. Nobody is insisting that anything has to be passed. Give it a fair, honest consideration, and take the result.

Mr. UNDERWOOD. Mr. President, I love the Senator from Nebraska [Mr. NORRIS], not for his intellectual resources but for his goodness of character. He loves his friends, and he always wants peace and enjoyment and quietude in the world, provided the balance of the Senate goes along his way.

The Senator has suddenly discovered, so he thinks, that a filibuster is going on in the Senate. The Senator really does not know what a filibuster is. Of course, I have no desire to filibuster on this legislation. If I have a record that is clear on one thing, it is that I do not filibuster, and I do not expect to filibuster unless some question should be involved that would jeopardize the political rights of my constituents.

Mr. NORRIS. Mr. President, did the Senator say that he did not know what a filibuster was?

Mr. UNDERWOOD. I said the Senator from Nebraska did not know.

Mr. NORRIS. I am asking the Senator if he did not say that he did not know?

Mr. UNDERWOOD. Oh, no, no.

Mr. NORRIS. Oh, the Senator knows?

Mr. UNDERWOOD. I know what a filibuster is.

Mr. NORRIS. I thought probably the Senator was conducting a filibuster and was unconscious of it.

Mr. UNDERWOOD. I know what a filibuster is, as the Senator knows. The discussion of a bill for an hour is not a filibuster. There is no desire to filibuster. Of course, if we desired to filibuster on this bill, there would be no difficulty in passing it over for 10 days. I am not in favor of a filibuster; but what I am very anxious about is to fix the legislative status of these bills.

I think the soldiers' bonus bill is a very poor piece of legislation as it is presented to the Senate. I do not see any need for immediate action upon it, as it will not take effect until nearly a year from now; but the Senator from Nebraska within the hour argued the necessity of legislation to relieve the distressed condition of the agricultural interests of America, and I have no doubt that his argument brought about the vote that will keep the Senate here for the entire summer.

Mr. MCCUMBER. Mr. President, I rise to a point of order. My point of order is that while the Chair may take the advice of the Senate on whether a point of order ought to be sustained, when a point of order is raised against a proposition the Senate ought not to be compelled to listen to a discussion of the merits of this bill as compared with the merits of some other bill.

I ask for a decision of the Chair upon the point of order.

Mr. UNDERWOOD. Mr. President, of course, I recognize that if the Chair is prepared to rule, the Chair can rule, and I can go on with my argument after he makes his ruling; but I was about to finish. The discussion has been running along for some time, and I was about to finish my statement to the Senator from Nebraska; but if the Chair says he is willing to rule, all right.

The VICE PRESIDENT. The Chair is ready to rule on the point of order raised by the Senator from North Dakota. The Chair desires to hear such statement as the Senator from Alabama desires to make on his point of order. The Senator from Alabama ought to confine himself to a statement of the reasons for his point of order.

Mr. UNDERWOOD. Mr. President, as I stated about the point of order, it is really an issue here between these two bills. It is a question as to which one is going to get the right of way—the bill proposed by the Senator from Nebraska or the bill proposed by the Senator from North Dakota.

They are of very vital importance, and the ruling of the Chair may affect the legislative situation in a way that may mean the life or the death of either one of these bills; and that was what I was trying to make clear when the Senator from Nebraska suggested that I was filibustering.

Of course, I know more about filibustering tactics than to go at it in that way if I wanted to filibuster, which I do not; but I do contend, Mr. President, that if the Chair holds that the motion of the Senator from North Dakota is in order, and that he can displace the unfinished business—because that is what he would do; the unfinished business now before the Senate is the maternity bill, and the Senator from North Dakota moves to displace it—if that motion is in order now, I say that that motion sets aside the unanimous-consent order, and if it does not set aside the unanimous-consent order, then the motion can not be made, because you can not have two bills pending at the same time. You have to construe a unanimous-consent order as you would construe a law. You have to take it by its four corners and make it conform to the rules of the Senate; and the first rule of the Senate is that you can have only one matter of business before it at one time.

If the Chair holds that it is in order to set aside this unfinished business by a vote of the Senate, then I say that if the soldiers' bonus bill should run along for the 10 days, and be before the Senate at the time that the 10 days under this unanimous-consent order expires, the only way you could get the unanimous-consent order back before the Senate would be by a vote of the Senate, and you would have set it aside. In other words, I think the important proposition is that when the Senate takes up a bill and makes a unanimous-consent order fixing the date for its consideration, the Senators who set aside all the other rules of the Senate and give their consent for the vote at a particular time have the right to insist that that business shall continue before the Senate unless they give unanimous consent to the contrary. If you do not do that, then a unanimous-consent order would be the most dangerous legislative proposition that the Senate could engage in. There are Senators here who want to consider the maternity bill and offer amendments to it. The Senator from Nebraska—I wanted to interrupt him, but he would not yield—was discussing the question of debate. Of course, I know that debate is untrammeled and uncontrolled in the Senate; but what I suggested to him was, if a Senator interested should desire to offer an amendment before the moment comes for a vote on the maternity bill, and you displace the bill by this motion, how is he going to get his amendment before the Senate?

How can he bring it before the Senate? That was the point I had suggested in my debate, and the Senator from Nebraska merely went to the point that I could argue it. Of course, I know any Senator can argue anything if he gets the floor; but if the Chair holds now that this motion is in order and then holds that it does not displace the maternity bill, and that the bonus bill remains the unfinished business before the Senate for 10 days, any Senator who desires to propose an amendment to the maternity bill is cut off, and if that is the case I say we will just simply have to stop giving unanimous consent in the future; we will have to do away with unanimous consent. If we give a unanimous consent for the consideration of a bill and then by a motion the majority of the Senate can deprive us of our rights under that unanimous-consent order, you have chaos. I do not know that it will work out any particular harm in reference to this particular bill, but I want to know the rights of a Senator, not so much that I am concerned about the particular bills involved as in the question of whether we are to enter into unanimous-consent agreements in the future for the consideration of other bills or the time for voting on other bills. If we are to have unanimous-consent agreements for the consideration of a bill, with the understanding, if not within the letter of the rule, that that bill shall be before the Senate for consideration for 10 days, unless displaced by unanimous consent, and then a majority of the Senate can vote to take up some other bill, we will have chaos and no man in the future can safely trust himself to grant unanimous consent of any kind, because the moment he does it a majority of the Senate, by brutal force and without debate if it is proposed in the morning hour, can displace the bill and put something else in its place and cut off all oppor-

tunity for action by the Senate. So I think it is a very important proposition.

Of course, what I want the Chair to do is to clearly define the status of these bills; then, of course, I will accept the result.

Mr. McCUMBER. Mr. President, I think in two sentences, almost, we can answer the argument of the Senator from Alabama. We entered into a unanimous-consent agreement What was it? It was an agreement to vote upon a certain bill on the tenth legislative day after June 30. That is all we agreed to do. We did not enter into a unanimous-consent agreement that this bill should remain the unfinished business between now and the time of voting. That was not in the unanimous-consent agreement. We could have agreed that it should also remain the unfinished business, to be laid aside temporarily only by unanimous consent. We made no such agreement. We made the same agreement that we have made hundreds, and, I might say, thousands of times, since I have been in the Senate, to vote upon a bill at a certain time, and in the meantime we may have passed 40 different bills before we came to the vote on that particular bill. All that we are asking in this case is that we might take these other matters up and vote upon them, and when the time fixed by the unanimous-consent agreement comes, on the tenth legislative day after June 30, then the maternity bill, by operation of that consent, becomes the unfinished business.

Mr. JONES of New Mexico. Mr. President, I would like to state the proposition just presented by the Senator from North Dakota [Mr. McCUMBER] in just a little different way, in order to meet the criticism of the Senator from Alabama [Mr. UNDERWOOD]. It strikes me that the unanimous-consent agreement amounts, in parliamentary language, to this, that at the time fixed by the unanimous-consent agreement for voting, whatever business is then before the Senate shall, by virtue of the unanimous-consent agreement, be temporarily laid aside in order that the procedure may be had which is provided for in the unanimous-consent agreement.

That is, to my mind, a reasonable construction, and it certainly is a practical one. We by unanimous consent agree that upon a certain day and at a certain time certain proceedings shall be had with respect to a bill. The unanimous-consent agreement does not concern what shall take place in the Senate until that time, and I think the Senate is free to proceed in its own way with anything which it may take up under any other circumstances and without reference to the unanimous-consent agreement until that time arrives. But when the time does arrive the unanimous-consent agreement then, speaking in parliamentary language, takes effect, and the effect of it will be that whatever business is then before the Senate shall be temporarily laid aside for the purpose of the five-minute discussions and the voting provided in the unanimous-consent agreement.

I submit that that is a reasonable construction of the situation, and, in my judgment, it is the only practical construction.

Mr. ASHURST. Mr. President, before the Chair rules, I desire to say that I consider this question a vital question. I again address the Chair, because the present occupant of the chair was not in the chair when I made my former observations.

I wish again to emphasize the fact that the maternity bill has been made the unfinished business by virtue of a motion made by the Senator from Iowa [Mr. KENYON] on June 29. I ask the Chair to read the RECORD, page 3347, where it is disclosed that the Senator from Iowa moved that the Senate proceed to the consideration of the bill S. 1039, and that motion was carried. There were some negative votes. The RECORD does not show that, but Senators will remember it.

That made S. 1039 the unfinished business. It was discussed that day and the next day, and early on the 30th of June the Senator from Iowa [Mr. KENYON] asked unanimous consent that a day be set for voting, and the Senator from Pennsylvania [Mr. KNOX] announced that he was in favor of the bill, but objected to the particular unanimous-consent agreement.

Later in the day, and just before adjournment on June 30, the Senator from Iowa [Mr. KENYON] again presented a request for unanimous consent for a vote at a time stated, and the following proceedings were had, as shown on page 3400 of the RECORD:

> Mr. KENYON. It will be necessary to have a roll call, although there are plenty of Senators here now.
>
> Mr. LODGE. I do not have any objection to the proposal for a unanimous-consent agreement. I only desire to keep the peace resolution before the Senate.

Indicating, of course, that although the unanimous-consent agreement might be entered into, the peace resolution could, nevertheless, be considered. The learned Senator from Connecticut [Mr. BRANDEGEE], whose remarks are always so pungent, made this observation on this very subject:

> I wish to suggest to the Senator from Iowa that while I have no objection to it, the tenth legislative day might be six months hence.
>
> Mr. KENYON. It might be.

Reading all of the debate in connection with the unanimous-consent agreement it can not possibly be that the Senate knowingly and deliberately entered into a unanimous-consent agreement to vote at the expiration of 10 legislative days, when it was observed by a learned Senator that such legislative day might be six months away. I respectfully submit that the Senate will not enter into such agreements ill advisedly, but whether there was any debate on the subject or not, the unanimous consent was as to the time for voting, and this unfinished business may be displaced at any time by the same majority which made it the unfinished business.

I say this with much respect to the Senator from Alabama, whose judgment and whose statesmanship I am proud to follow on practically all questions.

Mr. UNDERWOOD. I say to the Senator that I have no pride of opinion about this matter. What I am trying to do is to get a status fixed by the ruling of the Chair.

Mr. ASHURST. I am frank to say that I think the Senator's interest in the discussion of the point of order is about the same as mine. I think the ruling on the point of order is vital.

Mr. UNDERWOOD. I think it is vital for us to understand which of these bills is to stay before the Senate. I am free to say that I prefer the bill of the Senator from Nebraska [Mr. NORRIS] to that of the Senator from North Dakota [Mr. McCUMBER]. But that is only a personal choice. The question is as to a ruling by the Chair that can be depended on in the future, as to what is going to be the status under the unanimous-consent agreement. I am not pressing the point now on the issue of the two bills, but I want to get the status of these bills fixed, so that in the future, if we make a unanimous-consent agreement, we may know how far it goes. That is why I am pressing the point.

Mr. ASHURST. My attitude in discussing the point of order may be said to be the same as that of the Senator from Alabama, although it so happens that I am in favor of both bills. I do not deem it necessary or advisable that a Senator should in the discussion of a point of order disclose what his attitude might be on the bills, and I only join with the Senator from Alabama in making the observation that this point of order is, however, very vital to the business of the Senate.

The VICE PRESIDENT. The unanimous-consent agreement which the Senate entered into is an agreement to take a vote on a day fixed. It does not preclude the Senate from entertaining and deciding a motion in the meantime to take up some other bill. It simply means that when the day fixed by the unanimous-consent agreement arrives, a vote on the question shall then be taken, and any other business is to be laid aside for that purpose. So the Chair holds that the point of order is not well taken.

Mr. UNDERWOOD. Mr. President, I suppose the question comes now on the motion of the Senator from North Dakota [Mr. McCUMBER], as to whether the Senate shall make the bonus bill the unfinished business.

The VICE PRESIDENT. No; as to whether it shall proceed to its consideration.

Mr. UNDERWOOD. As it probably is a surprise to many Senators that the motion should come this early, I suggest the absence of a quorum, in order that they may be notified.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Glass	McNary	Robinson
Ball	Hale	New	Smoot
Brandegee	Harris	Nicholson	Spencer
Broussard	Jones, N. Mex.	Norris	Trammell
Cameron	Kellogg	Oddie	Underwood
Capper	Kenyon	Owen	Walsh, Mass.
Caraway	Knox	Pittman	Walsh, Mont.
Cummins	La Follette	Poindexter	Warren
Curtis	McCumber	Pomerene	Watson, Ga.
Dillingham	McKinley	Ransdell	Watson, Ind.

The VICE PRESIDENT. Forty Senators having answered to their names, a quorum is not present. The Secretary will call the roll of absentees.

The Assistant Secretary called the names of the absent Senators and Mr. BORAH, Mr. BURSUM, Mr. EDGE, Mr. LODGE, and Mr. STERLING answered to their names when called.

Mr. MOSES and Mr. SUTHERLAND entered the Chamber and answered to their names.

The VICE PRESIDENT. Forty-seven Senators having answered to their names, a quorum is not present.

Mr. McCUMBER. I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The VICE PRESIDENT. The Sergeant at Arms will execute the order of the Senate.

Mr. SWANSON, Mr. GOODING, and Mr. NELSON entered the Chamber and answered to their names.

The VICE PRESIDENT. Fifty Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from North Dakota to proceed to the consideration of the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. McCUMBER. On that I demand the yeas and nays.

Mr. LODGE. Does that displace the maternity bill?

The VICE PRESIDENT. It displaces it as the unfinished business. It does not displace the unanimous consent agreement concerning it. The yeas and nays are demanded on the motion of the Senator from North Dakota.

The yeas and nays were ordered and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and vote "yea."

Mr. JONES of New Mexico (when his name was called). I have a general pair with the Senator from Maine [Mr. FERNALD], which I transfer to the Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. STERLING (when Mr. NORBECK's name was called). Making the same announcement as on the previous vote as to the absence of my colleague [Mr. NORBECK], I desire to state that if he were present and permitted to vote, he would vote "yea."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to my colleague [Mr. NORBECK] and vote "yea."

Mr. SWANSON (when his name was called). I am paired with the senior Senator from Washington [Mr. JONES]. I do not know how he would vote on this question. If he were present and I were permitted to vote, I would vote "yea."

Mr. WARREN (when his name was called). I have a pair with the Senator from North Carolina [Mr. OVERMAN]. I note that he is absent. If he were present and I were at liberty to vote, I should vote "nay." Under the circumstances, I withhold my vote.

Mr. WATSON of Indiana (when his name was called). I have a general pair with the Senator from Delaware [Mr. WOLCOTT]. In his absence I transfer my pair to the Senator from New Hampshire [Mr. KEYES] and vote "yea."

Mr. WILLIAMS. I wish to transfer my permanent pair with the Senator from Pennsylvania [Mr. PENROSE] to the Senator from Missouri [Mr. REED]. I vote "nay."

The roll call was concluded.

Mr. BALL. I have a general pair with the senior Senator from Florida [Mr. FLETCHER]. In his absence, I transfer my pair to the junior Senator from Vermont [Mr. PAGE] and vote "yea."

Mr. KELLOGG (after having voted in the affirmative). I have a general pair with the Senator from North Carolina [Mr. SIMMONS]. In his absence, I transfer that pair to the junior Senator from Michigan [Mr. NEWBERRY] and let my vote stand.

Mr. McCUMBER (after having voted in the affirmative). I have a general pair with the junior Senator from Utah [Mr. KING]. I transfer that pair to the senior Senator from Michigan [Mr. TOWNSEND] and let my vote stand.

Mr. PITTMAN. I wish to announce the absence of the junior Senator from Wyoming [Mr. KENDRICK] on account of a death in his family. He is paired with the senior Senator from Illinois [Mr. McCORMICK]. If the junior Senator from Wyoming were present and permitted to vote, he would vote "yea."

Mr. UNDERWOOD. I desire to announce that the junior Senator from Rhode Island [Mr. GERRY] is necessarily absent. If present, the junior Senator from Rhode Island would vote "yea."

The result was announced—yeas 43, nays 3, as follows:

YEAS—43.

Ashurst	Gooding	McNary	Ransdell
Ball	Hale	Moses	Robinson
Brandegee	Harris	Nelson	Smoot
Broussard	Jones, N. Mex.	New	Spencer
Bursum	Kellogg	Nicholson	Sterling
Cameron	Kenyon	Norris	Sutherland
Capper	Knox	Oddie	Trammell
Caraway	La Follette	Owen	Walsh, Mass.
Curtis	Lodge	Pittman	Watson, Ga.
Dillingham	McCumber	Poindexter	Watson, Ind.
Edge	McKinley	Pomerene	

NAYS—3.

Glass	Underwood	Williams

NOT VOTING—50.

Borah	Harreld	McLean	Smith
Calder	Harrison	Myers	Stanfield
Colt	Heflin	Newberry	Stanley
Culberson	Hitchcock	Norbeck	Swanson
Cummins	Johnson	Overman	Townsend
Dial	Jones, Wash.	Page	Wadsworth
Elkins	Kendrick	Penrose	Walsh, Mont.
Ernst	Keyes	Phipps	Warren
Fernald	King	Reed	Weller
Fletcher	Ladd	Sheppard	Willis
France	Lenroot	Shields	Wolcott
Frelinghuysen	McCormick	Shortridge	
Gerry	McKellar	Simmons	

The VICE PRESIDENT. A quorum has not voted. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Glass	McNary	Robinson
Ball	Gooding	Moses	Smoot
Borah	Hale	Nelson	Spencer
Brandegee	Harris	New	Sterling
Broussard	Jones, N. Mex.	Nicholson	Sutherland
Bursum	Kellogg	Norris	Swanson
Cameron	Kenyon	Oddie	Trammell
Capper	Knox	Owen	Walsh, Mass.
Caraway	La Follette	Pittman	Warren
Curtis	Lodge	Poindexter	Watson, Ga.
Dillingham	McCumber	Pomerene	Watson, Ind.
Edge	McKinley	Ransdell	

The VICE PRESIDENT. Forty-seven Senators having answered to their names, a quorum is not present. The Secretary will call the names of the absent Senators.

The Secretary called the names of the absent Senators, and Mr. MYERS and Mr. UNDERWOOD answered to their names when called.

The VICE PRESIDENT. Forty-nine Senators having answered to their names, a quorum is present. The question recurs on the motion of the Senator from North Dakota [Mr. McCUMBER] that the Senate proceed to the consideration of Senate bill 506, known as the soldiers' compensation bill. Upon that question the yeas and nays have been ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. JONES of New Mexico (when his name was called). Making the same announcement as before, I vote "yea."

Mr. KELLOGG (when his name was called). Making the same announcement as to the transfer of my pair, I vote "yea."

Mr. PITTMAN (when Mr. KENDRICK's name was called). Making the same announcement that I made previously, I ask that that may stand for the week.

Mr. McCUMBER (when his name was called). Transferring my pair as on the previous roll call, I vote "yea."

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. McLEAN], who is absent. I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. STERLING (when his name was called). Making the same announcement as to my pair as on the previous vote, I transfer that pair to my colleague [Mr. NORBECK] and will vote. I vote "yea."

Mr. SWANSON (when his name was called). I have a pair with the Senator from Washington [Mr. JONES], who is unavoidably detained, and therefore I can not vote. If at liberty to vote, I should vote "yea." I desire this announcement to stand for the day.

Mr. WALSH of Montana (when his name was called). As I have heretofore announced, I transfer my pair to the Senator from Alabama [Mr. HEFLIN] and will vote. I vote "yea."

Mr. WARREN (when his name was called). I transfer my pair with the Senator from North Carolina [Mr. OVERMAN] to the Senator from New York [Mr. WADSWORTH] and will vote. I vote "nay."

Mr. WATSON of Indiana (when his name was called). Making the same announcement as on the last roll call with reference to my pair, I vote "yea."

The roll call was concluded.

Mr. BALL. Making the same announcement that I made before as to the transfer of my pair, I vote "yea."

Mr. McKINLEY. My colleague [Mr. McCORMICK] is absent on public business. If he were present, he would vote "yea."

Mr. HALE (after having voted in the affirmative). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Maryland [Mr. WELLER] and will allow my vote to stand.

Mr. UNDERWOOD. I desire to announce that the Senator from Rhode Island [Mr. GERRY] is necessarily absent. If present, the Senator from Rhode Island would vote "yea."

Mr. CURTIS. I have been requested to announce the following pairs:

The Senator from West Virginia [Mr. ELKINS] with the Senator from Mississippi [Mr. HARRISON];

The Senator from Kentucky [Mr. ERNST] with the Senator from Kentucky [Mr. STANLEY];

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS];

The Senator from Colorado [Mr. PHIPPS] with the Senator from South Carolina [Mr. DIAL]; and

The Senator from Ohio [Mr. WILLIS] with the Senator from Tennessee [Mr. MCKELLAR].

The result was announced—yeas 46, nays 4, as follows:

YEAS—46.

Ashurst	Gooding	McNary	Robinson
Ball	Hale	Moses	Smoot
Brandegee	Harreld	Nelson	Spencer
Broussard	Harris	New	Sterling
Bursum	Jones, N. Mex.	Nicholson	Sutherland
Cameron	Kellogg	Norris	Trammell
Capper	Kenyon	Oddie	Walsh, Mass.
Caraway	Knox	Owen	Walsh, Mont.
Cummins	La Follette	Pittman	Watson, Ga.
Curtis	Lodge	Poindexter	Watson, Ind.
Dillingham	McCumber	Pomerene	
Edge	McKinley	Ransdell	

NAYS—4.

Glass	Myers	Underwood	Warren

NOT VOTING—46.

Borah	Harrison	McLean	Smith
Calder	Heflin	Newberry	Stanfield
Colt	Hitchcock	Norbeck	Stanley
Culberson	Johnson	Overman	Swanson
Dial	Jones, Wash.	Page	Townsend
Elkins	Kendrick	Penrose	Wadsworth
Ernst	Keyes	Phipps	Weller
Fernald	King	Reed	Williams
Fletcher	Ladd	Sheppard	Willis
France	Lenroot	Shields	Wolcott
Frelinghuysen	McCormick	Shortridge	
Gerry	McKellar	Simmons	

So the motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes, which had been reported from the Committee on Finance, with amendments.

Mr. MCCUMBER. I ask unanimous consent that the formal reading of the bill be dispensed with and that it be read for amendments, the amendments of the committee to be first considered. I do not desire to bring up the bill for discussion this afternoon. I think it is probably time to adjourn; but I should like to have that consent, if there is no objection.

The VICE PRESIDENT. Is there objection? The Chair hears none.

RESIGNATION OF SENATOR JOSIAH O. WOLCOTT.

The VICE PRESIDENT laid before the Senate the following letter from Hon. JOSIAH O. WOLCOTT, a Senator from the State of Delaware, which was read and ordered to be filed:

UNITED STATES SENATE,
Washington, D. C., July 2, 1921.

To the Hon. CALVIN COOLIDGE,
Vice President, and President of the United States Senate.

SIR: I hereby tender my resignation as a United States Senator from the State of Delaware for the term expiring March 3, 1923, to take effect immediately.

Respectfully submitted.

JOSIAH O. WOLCOTT.

ADJOURNMENT.

Mr. LODGE. I move that the Senate adjourn.

The motion was agreed to, and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, July 6, 1921, at 12 o'clock meridian.

SENATE.

WEDNESDAY, *July 6, 1921.*

The Chaplain, Rev, J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee that Thou art always ready to hear our requests when in consciousness of our need we approach Thee. We humbly beseech of Thee to grant unto us this morning all needful guidance along the pathway of duty. Help us to understand what Thy will is, and may we conform our purposes according to that high incentive for duty and service. Hear and help us. Through Christ, our Lord, we ask it. Amen.

The Assistant Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a bill and joint resolution of the following titles, in which it requested the concurrence of the Senate:

H. R. 7158. An act to amend the Army appropriation act approved July 11, 1919, so as to release appropriations for the completion of the acquisition of real estate in certain cases and making additional appropriations therefor; and

H. J. Res. 138. Joint resolution to repeal so much of the act of Congress approved February 28, 1920, as provides for the sale of Camp Eustis, Va.

ENROLLED BILLS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

S. 1881. An act to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, to establish an Hawaiian homes commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes; and

H. R. 5622. An act providing for the appraisal and sale of the Vashon Island Military Reservation, in the State of Washington, and for other purposes.

CALL OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Ernst	Lodge	Shortridge
Borah	Fernald	McCumber	Simmons
Brandegee	Glass	McKinley	Smoot
Broussard	Gooding	McNary	Spencer
Bursum	Hale	Moses	Sterling
Calder	Harreld	Nelson	Sutherland
Cameron	Harris	New	Swanson
Capper	Heflin	Newberry	Trammell
Caraway	Jones, N. Mex.	Norris	Underwood
Culberson	Kellogg	Oddie	Walsh, Mass.
Cummins	Kendrick	Pittman	Walsh, Mont.
Curtis	Kenyon	Poindexter	Warren
Dillingham	King	Pomerene	Watson, Ga.
Edge	Knox	Ransdell	Williams
Elkins	La Follette	Robinson	Willis

Mr. MCCUMBER. I desire to announce that my colleague [Mr. LADD] is absent on account of illness.

Mr. MOSES. I wish to announce that my colleague [Mr. KEYES] is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. STERLING. I desire to announce the unavoidable absence of my colleague [Mr. NORBECK].

The VICE PRESIDENT. Sixty Senators having answered to their names, a quorum is present.

AVIATION AND ORDNANCE EXPERIMENTS BY ARMY AND NAVY.

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Secretary of the Navy, which will be read.

The communication was read and ordered to lie on the table, as follows:

NAVY DEPARTMENT,
Washington, June 30, 1921.

SIR: The U. S. S. *Henderson* will sail from the navy yard, Washington, D. C., at 10 a. m., Tuesday, July 12, 1921, returning to the same yard in the afternoon of Saturday, July 16, 1921.

On this trip the U. S. S. *Henderson* will carry passengers to witness exercise No. 3 of the bombing and gunfire tests, in which the ex-German destroyers are to be sunk.

There is stateroom accommodation available for 10 Senators and extra standee bunk accommodation similar to that assigned Army and Navy officers for any Senators, in excess of the 10, who may apply. The Navy Department will be pleased to forward invitations to all Senators who may request this transportation. (Forward memoranda to Commander J. H. Klein, jr., room 3409, Bureau of Navigation, Navy Department, or telephone Navy Department (Main 2520) branch 900.)

In order to expedite the assignment of quarters, please submit a list of such Senators as desire to avail themselves of the above accommodations not later than Saturday, July 9, 1921.

Sincerely, yours,

EDWIN DENBY.

The honorable the VICE PRESIDENT OF THE UNITED STATES,
Washington, D. C.

PETITIONS AND MEMORIALS.

Mr. MOSES. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

Mr. ROBINSON. I suggest to the Senator from New Hampshire that he permit morning business to be transacted before calling up the bill.

Mr. MOSES. If consent is given, I shall be very glad to yield to any Senator for the purpose of presenting morning business.

The VICE PRESIDENT. Is there objection to the request of the Senator from New Hampshire?

Mr. ROBINSON. For the present I object.

The VICE PRESIDENT. There is objection. Petitions and memorials are in order.

Mr. SPENCER. Mr. President, there were presented to the Vice President numerously signed petitions in favor of recognizing the existing duly elected government of the republic of Ireland by the Government of the United States. The petitions were sent to my office by the Vice President's office. I ask that they may be noted in the RECORD and referred to the Committee on Foreign Relations.

The petitions, 40 in number, all numerously signed by sundry citizens of St. Louis, Mo., were referred to the Committee on Foreign Relations.

Mr. SHORTRIDGE presented resolutions and sundry letters from the following-named churches, organizations, and private citizens of California, favoring the calling by the President of an international disarmament conference, which were referred to the Committee on Foreign Relations:

Mission Park Congregational Church, 235 worshipers, of San Francisco;

Centennial Presbyterian Church and Plymouth Church, of Oakland;

Prof. E. S. Bogardus, University of Southern California; James A. Francis, California State Church Federation; Eaton T. Sams, State executive committee, California Young Men's Christian Association; resolution, Union Avenue Methodist Episcopal Church, signed by pastor; resolution, Friday Morning Club; resolution, Church of Epiphany; Mary N. Clark, 833 South Grand Avenue, all of Los Angeles;

M. L. Becker, Santa Ynez Street; Pasadena Presbyterian Church; First Methodist Episcopal Church; J. E. & M. H. Carpenter, 1095 East Orange Grove Avenue; Philanthropic Committee of the Society of Friends, 171 East Orange Grove Avenue; Lincoln Avenue Methodist Episcopal Church, resolution, signed by pastor; South Pasadena (Calif.) Methodist Episcopal Church, 500 members (telegram); M. I. Williams, Anna L. B. Williams, 246 North Menton Avenue, all of Pasadena;

Dr. and Mrs. A. P. Beck, 1171 Colusa Avenue; Lida O'Bannon Peck, 1169 Colusa Avenue; M. K. Cutter, 1321 Spruce Street; Ralph B. Larkin, 1336 Oxford Street; mayor of Berkeley, transmitting copy of a telegram sent to President acquainting him of a resolution adopted at meeting of citizens in First Congregational Church, June 5; Mrs. Melva S. Green, superintendent of peace, Woman's Christian Temperance Union of California, submitting resolution, all of Berkeley;

First Methodist Episcopal Church, 1,500 members; Second Presbyterian Church, signed by pastor, of Long Beach;

First Presbyterian Church, of Santa Barbara;

First Methodist Episcopal Church, resolution, 75 for, 3 against, disarmament, of Vallejo;

A. R. Gurr & Son, of Merced;

Craig Memorial Church, of Paradise;

First Baptist Church, First Presbyterian Church, First Congregational Church, all of Palo Alto;

First Congregational Church, of Porterville;

Dean of College of the Pacific (letter); Centella Church, of San Jose;

Tehachapi Community Church, Congregational, of Tehachapi;

Resolution signed by 41 citizens of Paskenta;

First Methodist Episcopal Church, St. Michael's Church, of Anaheim;

Union Church Sunday School, of Los Altos;

Mary A. Laubmayer, of National City;

First Methodist Episcopal Church, of Red Bluff;

La Habra Church, of La Habra;

Mennonite Church, of Reedley;

Methodist Episcopal Church of Turlock;

First Methodist Episcopal Church of El Monte;

Church of the Brethren of Empire;

First Methodist Episcopal Church of Corning;

Methodist Episcopal Church of Covina;

Congregational Church of Woodside, of Redwood City;

Puente Community Church, of Puente;

Novato Presbyterian Church, of Novato;

Congregational Church of Barstow;

Oceanside Methodist Church, Grace Church, of Oceanside;

Christian Church of Dos Palos;

Congregational Church of Lockeford;

East Whittier Church, of Whittier;

Congregational Church of Buena Park;

Congregational Church of Sunnyvale;

Christ Church, of Ontario;

Wesley Methodist Church, of Live Oak;

Methodist Episcopal Church and other citizens of Simi;

Methodist Episcopal Church of Crescent Heights;

Congregational Church of Etiwanda;

First Presbyterian Church of Lomita;

Mrs. Johanna Hinze, of Los Gatos;

Church Federation Council, Lutheran Church, of Sacramento;

Cavalry Episcopal Church, of Santa Cruz;

Methodist Church of Parlier;

North California Baptist Pastors' Conference, of Burlingame;

Presbyterian Church of Beaumont;

Presbyterian Church of Upland;

C. Herman Page, Ora M. Page, Mrs. J. A. Reese, Mrs. Otto Attermatt, and H. A. Stutzman, of Strathmore.

Mr. WILLIS. Mr. President, the Chamber of Commerce of the city of Cleveland, Ohio, has been making an investigation of the subject of the tolls of the Panama Canal, and has adopted resolutions relative thereto, which I present and ask to have appropriately referred.

The VICE PRESIDENT. The resolutions will be referred to the Committee on Interoceanic Canals.

Mr. RANSDELL. Mr. President, I present a petition signed by a number of my constituents in Louisiana, praying relief from the present 10 per cent sales tax provided by section 628–A of the revenue act of 1918 upon bottled carbonated beverages. My constituents state that this tax is proving a very great detriment to their business, and they are anxious to secure some kind of relief. I ask that their petition may be referred to the Committee on Finance.

The VICE PRESIDENT. The petition will be so referred.

Mr. ROBINSON presented a letter in the nature of a petition from the traffic department of the Merchants' Exchange of St. Louis, Mo., praying for the enactment of legislation requiring carriers to secure authority from the Interstate Commerce Commission for rate advances before filing of tariffs, which was referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a petition from the traffic department of the Merchants' Exchange of St. Louis, Mo., praying for the enactment of legislation to prevent increases in rates, fares, charges, and classifications until approved by the Interstate Commerce Commission, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the Logan County Central Labor Union, of Paris, Ark., favoring the enactment of legislation to monetize United States bonds and make them legal tender, which was referred to the Committee on Finance.

He also presented a resolution of the Logan County Central Labor Union, of Paris, Ark., protesting against a reduction in the wages of railroad employees without a reduction in express, passenger, and freight rates in proportion, which was referred to the Committee on Interstate Commerce.

He also presented a resolution of the Logan County Central Labor Union, of Paris, Ark., protesting against the enactment of legislation imposing a sales or turnover tax, which was referred to the Committee on Finance.

Mr. CAPPER presented a resolution of Coffeyville Post, No. 20, Kansas Department, American Legion, of Coffeyville, Kans., favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented petitions of sundry citizens of Niles, Bennington, New Cambria, Pittsburg, Frontenac, Williamsburg, Chicopee, Nevoda, Scamen, Gerard, and Kansas City, all in the State of Kansas, praying for the recognition of the republic of Ireland, which were referred to the Committee on Foreign Relations.

Mr. LODGE presented resolutions of Local Union No. 651, United Textile Workers of America, of Barrowsville; Local No. 467, Molders Union, of Brockton; Local No. 2, United Leather Workers, International Union of America, of Lowell; American Association for the Recognition of the Irish Republic, Michael Davitt Council, of Boston; Bricklayers', Masons', and Plasterers' Union, No. 52, of East Braintree; Division No. 7, Ancient Order of Hibernians, of Milford; and Local Union No. 74, Boot and Shoe Workers' Union, of Brockton, all in the State of Massachusetts, favoring the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

He also presented a resolution adopted by the Medical Society of Somerville, Mass., protesting against the enactment of legislation providing for the public protection of maternity and infancy, which was ordered to lie on the table.

He also presented a resolution of the Chicopee Board of Trade, of Chicopee, Mass., favoring the enactment of legislation to aid the States in the construction of rural post roads, etc., which was referred to the Committee on Post Offices and Post Roads.

He also presented resolutions of the congregation of the Glendale Baptist Church, of Everett; the pastor and congregation of the North Congregational Church, of Petersham; the congregation of the Whitinsville Interchurch Union, of Whitinsville; the congregation of the Park Street Baptist Church, of Framingham; the pastor and congregation of the Hope Congregational Church, of Worcester; a resolution adopted by the Norfolk Conference of Unitarian and other Christian Churches held at All Souls' Church June 15, 1921, at Roxbury; the pastor and sundry members of Greenwood Union Church, of Wakefield; the pastor and congregation of the Trinitarian Congregational Church, of Taunton; and sundry members of the Porter Methodist Episcopal Church, of East Weymouth; all in the State of Massachusetts, favoring the calling of an international disarmament conference, which were referred to the Committee on Foreign Relations.

Mr. NEWBERRY presented three resolutions signed by sundry citizens of East Lansing, Brethren, Clarkston, and Pontiac, all in the State of Michigan, favoring the calling of an international disarmament conference by the United States, which were referred to the Committee on Foreign Relations.

He also presented a resolution signed by sundry citizens of Grand Rapids, Mich., favoring the affording of relief to the imperiled peoples of the Near East, particularly of Armenians, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted at a mass meeting of citizens of Kalamazoo, Mich., favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

Mr. KING presented a petition of employees of the Lake Torpedo Boat Co., of Bridgeport, Conn., praying that Congress make the six fleet submarines, authorized in 1916 but not yet started, equal to the 12 submarines England completed in 1918 with 24 knots speed and to the 24-knot submarines Japan is providing and to now provide adequately for immediate construction, which was ordered to lie on the table.

UNITED STATES WORLD WAR COSTS.

Mr. SPENCER. Mr. President, some weeks ago I presented to the Senate a summary of the cost of the war to the United States which was prepared by Mr. Frederick A. Dolph, who is the counselor of the Korean republic in the United States. Since that time I have received a summary of the expenses of the United States in the late war brought down to date, with references to the authorities from which the summary is made. I think it would be intensely interesting to have those figures before us, and I ask that the summary may be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

United States World War costs.

(Revised from date made public up to July 1, 1921.)

Military cost, as per report of Secretary Houston	$24,010,000,000.00
Extra cost of Government functions under war conditions, as per report of Secretary Houston	4,500,000,000.00
Red Cross contributions	978,512,225.00
Other relief contributions to organizations—Salvation Army, Knights of Columbus, Y. M. C. A., etc., estimated at one-half Red Cross	490,000,000.00
Governmental contributions to relief from war supplies, etc. (See CONGRESSIONAL RECORD, June 24, 1921, p. 3181)	648,000,000.00
American citizen claims against Germany, as per report of Secretary of State. (See S. Doc. No. 419, 66th Cong., 3d sess.)	221,133,231.21
Confiscated American-owned property in Germany, as per same document	191,147,346.76
Confiscated property of American prisoners in Germany, as per same document	12,560.08
Pension costs, estimated by comparison with Civil War pensions. Wounded in Civil War were 246,712, and in World War 224,089. Civil War pensions up to June 30, 1919, were $5,299,859,509.39. (See CONGRESSIONAL RECORD, June 20, 1921, p. 2908)	5,000,000,000.00
Obligations of foreign Governments absorbed in the United States by private interests since Aug. 1, 1914. (See report of Secretary GLASS in CONGRESSIONAL RECORD, June 24, 1921, p. 3181)	4,129,820,344.11
Governmental loans to allies, with interest	10,000,000,000.00
Total	50,168,625,707.16

AGRICULTURAL CONDITIONS IN THE SOUTH.

Mr. HARRIS. Mr. President, I have several times called the attention of the Senate to the distressed condition of the cotton producers of my State. On yesterday I voted against the motion for the Senate to recess, with the hope that something could be done without delay for the relief of the agricultural interests of the country.

I ask to have printed in the RECORD a letter received from one of the leading business men of my State, a successful farmer, banker, and cotton factor, Mr. L. G. Council, of Americus, in regard to agricultural and financial conditions in our section.

There being no objection, the letter was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

L. G. COUNCIL, COTTON FACTOR,
Americus, Ga., June 30, 1921.

Hon. WILLIAM J. HARRIS,
Hon. THOMAS E. WATSON,
United States Senators, Washington, D. C.

MY DEAR SIRS: After investigating and looking most carefully into the cotton situation for the past several months I am convinced beyond question that the greater per cent of our trouble and the ruinously low prices of cotton have been brought about by an organized millionaire bear clique in New York, through the New York Cotton Exchange, to depress prices for their gain.

In fact, as you perhaps know, the southern cotton States have to depend almost entirely upon cotton for their support, and under boll-weevil conditions the most conservative cost of producing cotton at this time is at least 20 cents per pound, and if our farmers have to continue to raise cotton under these conditions and be forced to sell at 9 and 10 cents per pound you see the result, and, of course, the South can not hold out very long under these conditions.

In my opinion it goes without saying that if the South had sold cotton last fall as fast as it was gathered and brought to market and worked off the larger part of last year's crop this New York bear raid, through the New York Cotton Exchange, would not have been so severe, and, in fact, I hardly believe that cotton would have gone below 18 or 20 cents per pound; but you see the New York crowd saw the situation and took advantage of it at the expense of our southern cotton planters.

I believe, further, that if a bill was introduced in the National Congress, backed by some of the strongest and most influential citizens, to abolish the New York Cotton Exchange altogether and bring about a severe fight, even though the bill might be defeated, we would see some improvement in the price of cotton at an early date. In fact, if we had had no cotton exchanges I hardly believe that cotton would have gone below 18 or 20 cents.

It now seems that under present conditions our southern cotton planters are absolutely at the mercy of an organized millionaire bear clique, who are determined, it seems, to depress the prices of cotton for their gain, and which, of course, means ruination and bankruptcy to many of our cotton planters if this is to continue.

I feel that you understand my keen interest and the importance of what I have tried to state, and your best efforts for the relief of our people just at this most critical time will mean much more than I can explain.

I have been here actively in business in the city of Americus for some 40 years, handling and selling cotton for my many customers, and I feel that in a measure I can understand the situation, and I wish to say that we are passing through most unusual conditions, and, in fact, something that I have never seen before from a business standpoint, and all of which has been brought about on account of present ruination prices of cotton.

With every assurance of my highest appreciation of your efforts in this direction, and with highest personal regards, I am,

Very respectfully, yours,

L. G. COUNCIL.

REPORTS OF COMMITTEES.

Mr. WALSH of Montana, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment, and submitted reports thereon:

A bill (S. 1733) authorizing the Secretary of the Navy, in his discretion, to deliver to the president of the Milwaukee Press Club, of Milwaukee, Wis., the bell of the wrecked cruiser *Milwaukee* (Rept. No. 198); and

A bill (S. 1824) to provide for the relief of certain officers of the Naval Reserve Force, and for other purposes (Rept. No. 199).

Mr. WILLIS, from the Committee on Immigration, to which was referred the joint resolution (S. J. Res. 33) permitting Chinese to register under certain provisions and conditions, reported it without amendment, and submitted a report (No. 200) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 2215) authorizing the Secretary of the Interior to sell and convey certain lots in Hot Springs, Ark., to the Third Street Methodist Episcopal Church South; to the Committee on Public Lands and Surveys.

By Mr. EDGE:

A bill (S. 2216) for the appointment of an additional officer in the Quartermaster Corps of the United States Army; to the Committee on Military Affairs.

By Mr. NELSON:

A bill (S. 2217) to authorize the appointment of William C. Garis, assistant adjutant general, State of Minnesota, as a first lieutenant, United States Army (with accompanying papers); to the Committee on Military Affairs.

AMENDMENTS TO VETERANS' ADJUSTED COMPENSATION BILL.

Mr. McNARY submitted an amendment intended to be proposed by him to the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. BORAH submitted an amendment intended to be proposed by him to the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. PITTMAN submitted an amendment intended to be proposed by him to the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes, which was ordered to lie on the table and to be printed.

ENROLLED JOINT RESOLUTION PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on July 1, 1921, they had presented to the President of the United States the enrolled joint resolution (S. J. Res. 16) terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America.

HOUSE BILL AND JOINT RESOLUTION REFERRED.

The following bill and joint resolution were each read twice by their titles and referred to the Committee on Military Affairs:

A bill (H. R. 7158) to amend the Army appropriation act, approved July 11, 1919, so as to release appropriations for the completion of the acquisition of real estate in certain cases and making additional appropriations therefor; and

A joint resolution (H. J. Res. 138) to repeal so much of the act of Congress approved February 28, 1920, as provides for the sale of Camp Eustis, Va.

ADDRESS BY SENATOR HARRISON.

Mr. BROUSSARD. Mr. President, on the 4th of July just past the junior Senator from Mississippi [Mr. HARRISON] delivered an address in the city of New Orleans, La., to the American Legion, which I ask unanimous consent may be printed in the CONGRESSIONAL RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

"ADDRESS OF HON. PAT HARRISON, DELIVERED TO THE AMERICAN LEGION AT NEW ORLEANS, LA., JULY 4, 1921.

"The action of this administration this last week in putting the finishing touches on the resolution declaring peace is one of the blackest crimes in the political history of our country. So anxious were our Republican brethren to pass the resolution and have the President to sign it before to-day that at Government expense they sent a messenger to "Raritan" to disturb the President's short vacation.

"Picture in your mind this messenger on his way, following to the letter instructions from Republican leaders, going at full speed to the President that his signature might be affixed to a resolution that betrayed our allies in the making of peace, that violated every duty this Government owes to the brave boys who fought and won this war.

"How different was the ride of this 'Paul Revere' to the true 'Paul Revere' of 1776.

"One was carrying at full speed a message of shame to the American people, while the other was riding in the cause of freedom, liberty, and independence. The ride of one was damnable, the other glorious. One will ever call for apologies, the other our patriotic praises.

"Two weeks ago on historic Bunker Hill, as I stood at the base of that imposing monument, dedicated by that great New England statesman, Daniel Webster, and erected to the valor of the brave Revolutionary patriots who gave their lives in the cause of freedom and independence, and looked upon that sea of upturned faces, I knew that the love of history survives and the traditions of our fathers still live.

"Four weeks ago in the historic city of Montgomery, in which the Confederate Government was first cradled, standing beneath the shadows of the old capitol, near the spot from which the South's beloved chieftain and only president delivered his first inaugural address, as I gazed upon that multitude of southerners, inspired by every patriotic sentiment that stirs the hearts and grips the souls of men, I knew that the love of history survives and the traditions of our fathers still live.

"To-day, whether it be along the banks of far-away Puget Sound, on the shores of the Great Lakes, amid the fruit groves and sunny clime of California, the cactus plains of the Rio Grande, or the craggy shores of far-off Maine, the same enthusiastic celebrations are being held, the same warm and undying love holds for the memory of those splendid men and noble women who made possible the birth of this great and glorious Republic.

"It is peculiarly appropriate that this Fourth of July celebration should be held under the auspices of the gallant men who served and sacrificed in the great World War. And as we observe the success of this occasion, the tens of thousands who have come here to aid in keeping alive the heroic lessons that were practiced by our fathers and written in letters of blood and handed down to us in the Declaration of Independence, we may well feel sure that no city or section has a stronger claim for unexcelled services to the Nation than you. No one could speak on a Fourth of July and in the city of New Orleans and to the men who served in the great World War and be oblivious to those stirring events of the early part of 1815, that held in the balance the life of the new Republic. Well-worn trails, historic sites, old edifices, ancient fortresses, and dilapidated mansions mark the occupancy of the city by Gen. Andrew Jackson, 'one of the greatest Americans who ever led our armies to battle or molded the course of our civil history.'

"This is hallowed ground. Wonderful, historic New Orleans! So quaint, so old, so dominating, so important! Here you have nestled beneath the banks of the mighty river that drains the foothills, the mountains, the plains, and valleys of our country. Here you have been threatened by the armies of foreign foes and challenged by mad and angry flood waters. Your city and the mouth of the great river which lies so near have been the subjects over which nations have fought and about which diplomats have conferred for more than 200 years. Here the adventurer, the lover, the business man, and the tired tourist have come to bask in the mellow sunshine of your genial hospitality, to be refreshed by your gentle lake breezes, to enjoy your well-seasoned delicacies, to imbibe your soothing mixtures, and sip your exhilarating and incomparable liquids.

"Your waters have been dotted by the winged birds of war; your streets have been transformed into camping grounds; and your fields and glades have been drenched with the blood of noble heroes. No battle surpasses the one fought here in January, 1815, either in the magnitude of the glory attained or the important consequences of its result. That we may recall the circumstances that confronted the new Republic at that time, let us revert to that period. We were then a weak and young Nation. Discord was among our people. A strong opposition was prevalent everywhere to the war. On sea and land our forces had been repulsed. The Treasury of the Government was empty; no credit was to be had. We were scarcely recognized by foreign nations, and by many were looked upon as weak and short lived. New Orleans was the strategic and vulnerable point. Its control by the British meant the control of the Mississippi River, with all the regions that it touched, even to the plains of the West and to the coal fields of Pennsylvania. The well-trained and experienced Red Coats were on their way, coming across the Atlantic in a fleet of vessels for beauty, swiftness, and size unequaled in that day. England realized the importance of the task attempted, and had sent to subdue us the flower of her manhood, under Packenham, one of her greatest generals, a brother-in-law of the Duke of Wellington, the hero of the Battle of Waterloo. In numbers, in equipment, and in experience the quickly mobilized backwoodsmen under "Old Hickory" were no match for them. The news of

the approaching armies, the weakness of our fortifications, the small number and the inexperience of our defenders was known throughout the country. It was the darkest hour of the war. The morale of our people was at its lowest ebb. Suspense and anxiety was in every breast. It looked as though the life of the new Republic would soon be extinguished and that the history written by our Revolutionary fathers was soon to be erased. News in those days traveled slowly, and throughout the North and East every mail was awaited with anxious foreboding.

"But, sirs, they 'reckoned without their host.' The American people have always shown themselves to be strongest when confronted with the greatest obstacles. Their possibilities and potentialities are never exercised in the highest degree until forced by the exigencies and circumstances of the hour.

"When these bold warriors from the backwoods of Kentucky, Tennessee, Mississippi, Louisiana, Arkansas, and Alabama, with their Creole comrades and those Choctaw braves under Pushmataha, led by that grand old warrior, were mobilized, no obstacle was too great for them to overcome, no fortification too impregnable for them to demolish, no army too well trained and large for them to put to rout. And so here on the bloody plains of Chalmette history tells the tale of their gallantry, bravery, and courage. Such sacrifices as they endured. Such valor as they displayed. Such glory as they won has never been surpassed by any army in all the history of the world. It took days and nights to accomplish the feat, but no victory was ever more nobly gained, no success was ever so complete, as that won by your fathers and their comrades at the Battle of New Orleans. Packenham was killed. Twenty-one hundred of the trained English troopers were killed and wounded, while only 13 of our men were killed and wounded.

"Can you imagine how every village and hamlet and city throughout the North and East received the 'glad tidings of good news' as it slowly traveled from place to place? Never was the city of Washington so completely gripped in wild exultations of joy. Bonfires were kindled; throngs gathered in every street and parades marched everywhere. It seemed that the heavens were raining down manifestations of gladness. Every house was brilliantly lighted in the joyous spirit of the occasion.

"And so, gallant warriors of the World War, inspired by the deeds of your fathers and glorified by your own achievements, you should feel a peculiar pride on this occasion.

"I was in the city of Washington when the news was flashed that the terms laid down by the President for the cessation of hostilities had been accepted and that an armistice had been signed. You were not then there nor here to feel the throbbing heartbeats of your friends, to see the mad joy of your Government in the pride of your noble services, and to be carried away by the wild tumultuous joy that filled the air. You and your comrades were then perhaps camping in some desolate spot in far-away France or resting on your arms in the shell-plowed fields of Belgium or doing lonesome sentry duty near the firing line. Great and spontaneous as were the manifestations over the victory of Jackson and his men at the Battle of New Orleans, I am quite sure it did not surpass or even approach the joy and exultation over the victory that you won for the cause of democracy and humanity.

"Clerks deserted their desks and rushed madly through the streets; Government offices closed; business suspended. Whistles shrieked and horns blew. Every vehicle was commandeered to play its part in the demonstrations to celebrate America's glorious achievement. Streets were filled with excited crowds of happy people, rending the air with their shouts and hurrahs. Fathers wept and mothers fainted. These were the scenes enacted in Washington, and I am sure in the other cities of this country, when the news of your great victory was received.

"Years ago in this city was delivered one of the greatest orations ever uttered. It was a welcome to those beloved heroes who had returned to their homes from the Mexican War. Those brave men, who, under Zachary Taylor, had won undying glory at Cerro Gordo, at Resaca de la Palma, at Monterey, and at Buena Vista. Thousands of loving hearts then paid just tribute to the returned soldiers, and in words of eloquence that fell from his lips 'like rushing waters down the mountain side,' the matchless orator and able statesman, Sergeant S. Prentiss, told them that 'henceforth your path will be ambushed only by friends. You will find them more difficult than the enemy to quell. They will pour upon you volleys of grape as you pass—not the grape whose iron clusters grew so luxuriantly on the hillsides of Monterey or along the ravines of Buena Vista, and whose juice was the red blood, but the grape which comes from the battery of the banquet!'

"Those were eloquent words. They expressed what was in the heart of the people then. That welcome was no more sincere and whole-hearted than the one the American people felt for you and your comrades over the achievements that you so gloriously won in the late World War. I would not detract from the sincerity of the picture that I have described when the happy news of your recent victory was received, but I am sure that some of you have thought it peculiarly strange that after such united cooperation upon the part of the whole people, such whole-hearted and enthusiastic support of the Army and the Navy and the Government, from the beginning to the end of the war, that that ardor and enthusiasm could have waned and apparently disappeared so quickly following the winning of a victory more sweeping than any of us ever dreamed—greater than anyone ever imagined. It was not possible for any Government to have done more in so short a time than did the United States in the Great World War. The glory that was won by you and your comrades in arms and on the seas in that titanic struggle is unsurpassed in the history of this or any country. When Germany seemed to be amused at our entrance into the war and ridiculed the thought that we would be of substantial aid to our allies, our answer was in the building of a merchant marine second to none, in supplying food and clothing sufficient to feed and clothe the allied armies, and in furnishing money and men in such amount and numbers as to turn the tide and win the war.

"And yet, with all that was accomplished 'over here and over there,' through the sacrifices of you war-weary veterans, your comrades in arms, and thousands and thousands of unselfish and patriotic citizens here and there, men and women, the magnitude of our achievements, the brilliancy of your fighting, the splendor of your heroism, has been dimmed through the constant criticisms of lukewarm patriots and the gyrations of partisan malcontents. It is one of the miracles of this age that the pillars of unity and cooperation builded by all the people in the prosecution of the war could have been in so short a time demolished by the incessant hammering of those critics who were afraid that the magnificent attainments of this country would retard their own political aspirations and destroy their party's hopes. It is a dark day when men think more of their own fortunes than they do of their country's glory. And so the desire upon the part of certain people to discover something which might detract from the glorious record you made, together with those who have magnified mistakes, has gradually dampened the ardor and quelled the enthusiasm of the American people, filled them with uncertainty, doubt, and discontent, and planted in the breast of thousands of you and your comrades who gave your time, your health, and in some instances their lives in the cause of their country the feeling that your services were not appreciated and that your action was not necessary.

"Oh, that these critics, who like vultures eating at the vitals of their victim, had exercised their talents and time in exploiting the achievements of our fighting forces and the energy, ingenuity, and talents of those who contributed toward winning the war. What a different tale would be unfolded and what fires of patriotism would now burn in the hearts of the American people! How different would the American soldier to-day feel toward his fellow citizens if, instead of launching criticisms, praises had been sung; if, instead of faultfinding, plaudits had been given. The discord, unrest, and discontent in the United States to-day is due to the carefully planned, well-timed, thoroughly considered propaganda of criticism and faultfinding that was formulated during the war and industriously pursued up until November 2, 1920. At the time our splendid troops were fighting at Chateau-Thierry, withstanding the onslaughts of the enemy on the Marne, winning glory at Belleau Wood, and making history at the Argonne Forest, if anyone here in the public life of the Nation had asserted that he would combat the ratification of a treaty that would settle the war and obtain for our soldiers everything for which they were fighting, he would have been laid in a grave of censure and buried beneath an avalanche of defamation.

"And yet this propaganda of criticism and faultfinding was so persistent it not only minimized your achievements and thereby dimmed the glory of this Republic, but its selfish conspirators continued to refuse to give acquiescence to your victory in the ratification of a treaty for which you heroically fought and gloriously attained.

"If the treaty of Versailles, after the wonderful victory won by the allied armies, had been ratified by the Senate of the United States within a reasonable time after it was presented, peace and contentment and industrial prosperity would to-day prevail throughout the world. All over this country thousands of patriotic hearts are weeping to-day over the thought that this Fourth of July, which commemorates the greatest event in

our country's history, is witnessing this mighty Nation, to which we have grown, forget the policies which made it great, become exclusive, and ostracized from the nations of the world.

"It is a wonderful record we have made since July 4, 1776. From 13 colonies that then lay along the Atlantic seaboard, it has become a giant in size. Under its former foreign policy it had extended its influence to every part of the globe. That influence had come about because of its intimate and close relationship in diplomacy, trade, and commerce with the nations of the world. The genius of the American business man and our incomparable natural resources have made it necessary that our surplus manufactured and farm products find sales in the markets of the world. Not only have we now, in the selfish spirit of this new régime, set out upon a policy of ostracism in business, but we have lost the respect of the diplomats and nations of the world. Our present misunderstanding with the nations with whom we fought, as well as those against whom we fought in the late war, our tardy, know-nothing, do-nothing, vacillating foreign policy has removed almost every ray of hope for an industrial awakening. Until that treaty is ratified or some understanding is entered into between us and the nations of the world, we need not expect to remove ourselves from the category of selfish exclusiveness in which we have been placed, and nothing can remain but discontent, doubt, uncertainty, and international trade depression. [Applause.]

"The country knows that thousands on thousands of you brave lads who answered the first call, giving up in many cases remunerative positions, and thousands of you returning impaired in body and in health, are now out of employment. Five million is the estimate of the unemployed throughout the country to-day. It is an unwelcome condition with which our country is now confronted—factories shut down, mills closed, box cars by the hundreds standing empty on the sidetracks at every way station, living cost still high, and taxes falling due regularly. These are the conditions that you see and you feel and that you have experienced, and, whether you agree with me or not, I am sure you will accord me honesty of opinion when I say that if these political pirates and un-American hyphenates had not persistently fought the policies of your Commander in Chief in the war, affecting not only his influence abroad, but destroying his health, and in the end wrecking his great work, these conditions would not now prevail.

"What unsurpassed ability did he possess! What unerring judgment did he exercise! What splendid policies in behalf of the great masses did he inaugurate and carry to consummate success! What a tremendous hold did he have on the people, and what a grasp upon intricate domestic and international questions! What success attended his every effort, and how smoothly did the machinery of the Government seem to run while he was its pilot! No discord, no dissatisfaction, no discontent—everything was harmony and cooperation, and all the American people had faith in his Americanism, respect for his great ability, and confidence in the success of any policy which he advocated. You will not forget, nor will the world forget, how the matchless power of his intellect brought under his will and to his views foreign nations in his plan for the preservation of peace and the prevention of wars. You will not forget, nor will the world forget, how his strong and dominating personality crumbled opposition at the Versailles conference and caused the glory of this Government to reach the zenith of its greatness. His idealism, his practicability, his record, and his achievements will be an inspiration to future generations, and some day in your beautiful and historic city, as well as throughout the Nation, monuments so high that they will kiss the heavens and as enduring as the pyramids of Egypt will be erected to his noble name.

"You veterans of the late World War, great problems are arising for you to solve. Responsibilities of tremendous proportions must be borne by you, and, as you fought to uphold the Nation's honor, secure our rights under international law, save humanity from militarism; as on foreign soil you withstood the attacks of opposing armies, so you must remain upon the firing line to preserve this Government as your fathers molded it. No element that is not true to its every principle, no class that threatens its destruction must be allowed to carry on its nefarious propaganda. Its history is too precious, its record too brilliant, its list of great men in war and peace too large for it to be attacked or challenged by any element that loves a foreign country more than it does America. It will devolve upon the American Legion and your comrades in the late war to restore confidence to the people, to remove distrust and suspicion, and bring back the normal days.

"As one who has been solicitous of every fighting man in the late war, and who believes whole-heartedly and sincerely that the Treasury should be drained if necessary to care for those gallant heroes who are now impaired in health and stricken in body from injuries received in the war, let me say I believe that in their hearts the men who control this Government—I care not to which political party they may belong—want to do everything within their power to take care of the wants and the needs of the disabled soldiers of the land. There has been far too much tardiness, too much delay, and too small expenditures to meet the necessities of the case. But these obstacles will be removed, and I am sure that each day will hasten the realization of what should be done by the Congress of the United States. Of course, there is yet remaining in Congress, upon the part of some so-called statesmen, a desire to kick the American Legion as a political football and toy with the veterans of the late war for political purposes. But you and your comrades were not fooled nor deceived by German tactics, and you will not be deceived by the politician's hypocrisy.

"There was reported the other day by the Finance Committee of the United States Senate a bill which was drafted on the presumption that the men who fought in the late war need compensation and need it immediately, that unemployment was prevalent, and that other conditions called for immediate legislation, and yet, sirs, in that bill, with such premises stated, they propose to give to each man in the fighting forces of the United States in the late war compensation, but to pay it in 10 installments, the first installment of $50 not to be paid for over 12 months.

"There are some men in public life who have been sustained so long in public life through deceit and hypocrisy that they are obsessed with the thought as well as the practice. Why, may I ask, if the conditions such as stated in the report of this committee are justified by the facts, and compensation should be paid, why should the Government wait to pay one-tenth of the amount until after July 1, 1922? I'll tell you why. It is because we are to have another election next year, and the men who fathered this plan believe that hundreds of thousands of the American fighting men will be fooled into voting against their honest convictions by receiving from the Federal Government a Government pay check just when the campaign is reaching its fever heat. I deprecate such a policy. I condemn such a suggestion.

"I thank you for the courtesy of this invitation permitting me to address you to-day.

"I want to see normal conditions restored. I want to see discord and discontent and doubt and uncertainty dissipated from the confines of this country. I want to see this great and glorious Republic of ours that has made such tremendous strides in the short space of its existence continue to exert the power of its influence for humanity in every part of the globe. I want to see a friendly trade and commercial intercourse restored for the economic salvation of our people. I want to see inaugurated such a foreign and domestic policy that will bring the good old normal days back and restore confidence among the people and prosperity throughout the land. God grant that they may come about."

RECLASSIFICATION OF POSTAL EMPLOYEES.

Mr. MOSES. Mr. President, I now renew my request for unanimous consent for the present consideration of the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

Mr. ROBINSON. I ask the Senator from New Hampshire if he will not defer his request until the Senator from Tennessee [Mr. MCKELLAR] may be present? I have received information that the Senator from Tennessee desires to be present when this bill is considered by the Senate. I am not informed as to when he will arrive in the Chamber, but, out of deference to him, I ask if the Senator from New Hampshire will not withhold his request for the present?

Mr. MOSES. May I say to the Senator from Arkansas, Mr. President, that the Senator from Tennessee wishes to be present in order to present an amendment which he has offered to the bill and which has been printed? The matter in which the Senator from Tennessee is interested was all gone over in the committee when the bill was up for consideration there.

I will say further that, so far as I can do so, being the Senator temporarily in charge of the bill, I am prepared to accept the amendment which the Senator from Tennessee wishes to offer; and I am quite sure that that is the sole reason why the Senator from Tennessee wishes to be present when the bill is considered.

Mr. ROBINSON. The difficulty about the suggestion of the Senator from New Hampshire lies in the fact that the Senator from Tennessee, being absent at present, can not present his amendment.

Mr. MOSES. But I have the amendment here and I intend to present it.

Mr. ROBINSON. The Senator from New Hampshire, then, himself intends to present the amendment intended to be proposed by the Senator from Tennessee?

Mr. MOSES. Yes.

Mr. ROBINSON. Very well. Relying upon the statement of the Senator from New Hampshire that the purpose of the Senator from Tennessee in being present is to present the amendment which the Senator from New Hampshire himself will offer for the Senator from Tennessee, I will make no objection to the present consideration of the bill.

Mr. MOSES. I am quite sure that that is the fact, and I think the other members of the committee will bear me out in that assertion.

The VICE PRESIDENT. Is there objection to the consideration of the bill?

Mr. KELLOGG. I should like to know what is the bill for which the Senator from New Hampshire asks consideration.

Mr. MOSES. It is the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes. The effect of the bill is to correct certain interpretations of the reclassification act of June 5, 1920, which, having been made by the prior administration of the Postal Service, have been found to work out exactly contrary to the purpose of the Reclassification Commission and contrary to the purpose of Congress in enacting the legislation of June 5, 1920. Application of the bill, it was supposed from the language of the bill, would produce certain effects upon the personnel of the Postal Service, but because of interpretations by the Post Office Department it has been found that certain of the benefits which the Postal Commission and Congress intended to confer upon employees of the Postal Service have not been conferred. This bill is merely to correct that situation.

Mr. ROBINSON. Mr. President, in this connection will the Senator from New Hampshire kindly state the purpose and effect of the amendment proposed by the Senator from Tennessee which the Senator from New Hampshire himself intends to offer if the bill is considered?

Mr. MOSES. The purpose of the amendment offered by the Senator from Tennessee is to take care of the demotions which took place in the grade of money-order and postal cashier at offices of the first class having receipts of $500,000 or less per annum. That was a grade of employees in post offices of certain classes which existed prior to the act of June 5, and which the Postal Commission thought had been continued, but which, under the interpretation of the Post Office Department in putting the act into application, disappeared, so that grade no longer exists. There were certain very flagrant cases of injustice to some of the money-order and postal cashiers in offices of the class referred to which were called to the personal attention of the Senator from Tennessee, and his amendment was designed to cover those cases. One case in which a very considerable injustice had been done to one of these employees was in the Post Office at Knoxville, Tenn., where an employee with a long and faithful record received not only a demotion in title but also a considerable loss of salary, which was entirely contrary to the purposes of the act.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6573) to further classify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

Mr. MOSES. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from New Hampshire offers an amendment, which the Secretary will state.

The ASSISTANT SECRETARY. On page 2, line 10, after the word "cause," it is proposed to strike out the period and insert a colon and the following proviso:

Provided further, That money-order and postal cashiers at offices of the first class having receipts of $500,000 or less per annum who were reduced in rank under the reclassification act of June 5, 1920, may be restored to their former title and receive the minimum salary provided for such positions.

Mr. ROBINSON. May I inquire of the Senator in charge of the bill whether the amendment just read is the one suggested by the Senator from Tennessee?

Mr. MOSES. It is.

Mr. SMOOT. Mr. President, an amendment of that kind to a bill which we have had no chance whatever to examine or study, it seems to me, ought to be explained in some way. I do not know what effect it will have; I do not know how far-reaching it may be, and I should like the Senator from New Hampshire at least to give us some little explanation of it before we act on it.

Mr. MOSES. I thought I had already done that in general terms, as to the purpose of the measure, which is to correct the inequities and injustices which have arisen from the application of the act of June 5, 1920, which, as the Senator from Utah will remember, was a bill growing out of two years of labor on the part of the Joint Commission on Reclassification of Postal Salaries. It was discovered when the bill was put into application by the administration of the Post Office Department that a strained construction of certain language of the bill produced many demotions in the service, not only in position but in salary, so that many employees of the Postal Service with long and very meritorious service found themselves when the bill went into effect not only taken out of the places which they had formerly occupied but in some cases with very considerable reductions in salary, whereas it also appeared, under another construction which was placed upon the act, that men who went into the Postal Service after the 5th of June, 1920, in the carrier grade were found to be occupying positions superior not only in authority and dignity in the service but in salary to the positions occupied by men who had been very long in the Postal Service in the temporary grades.

Neither of these results was intended by the commission or by Congress, and the Senator from Utah will recall that the act of June 5, 1920, passed on the last day of the long session of the Sixty-sixth Congress, was enacted under a considerable degree of pressure from the country. He will remember that the Postal Commission reported the bill. It was the expectation of certain members of the commission that the bill was not to be pressed immediately to action in Congress, certainly not in the Senate; but it was thought that the bill would lie over during the summer recess, when its provisions could be studied, and it then could be taken up upon the reassembling of Congress and any inequities that might be discovered in the working of the bill would then be corrected.

It so happened, as the Senator from Utah will recall, that just at that moment there was a tremendous pressure by letter and telegram put upon all Members of the Senate and the House, arising out of an appeal made to the people of the country and the patrons of the post office by a periodical of very large circulation. The result was that the pressure seemed to be so great that Congress proceeded to pass the bill without the study which I have indicated some members of the commission had thought it should have and would have, and in consequence these things which neither the commission nor Congress intended have arisen in the service as a result of the interpretation and the application of the law; and the measure now before Congress is intended solely to produce for the benefit of the Postal Service the things which Congress a year ago intended to give.

Mr. SMOOT. Mr. President, do I understand from the statement just made by the Senator that in the reclassification the object that Congress had was to demote no man in the service? I think that is the rule that is going to be applied, if possible, in the reclassification of the salaries of all of the Government employees in the District of Columbia. I think the whole plan is that every one shall receive an increased salary, no matter what he is doing. It is called a reclassification, but on the face of it so far it is no more nor less than an increase in salary from beginning to end.

Mr. MOSES. Mr. President, I shall not enter into a discussion with the Senator as to the provisions or the merits of pending legislation applying to the civil service as a whole; but the Senator from Utah can not fail to remember that conditions in the Postal Service, not only of salary but of working conditions, were such that the morale of the service had been very largely destroyed.

Mr. SMOOT. I will agree with the Senator, and I have so stated on the floor of the Senate. I do not think there is any just comparison between the salaries that were paid to the postmasters as a general class and the salaries that were paid to the other employees of the Government. I have made that statement upon the floor many, many times; but the statement which the Senator made led me to believe that the law was worded so that it demoted some of the employees of the Government, which Congress did not intend should be done.

Mr. MOSES. That is quite true, Mr. President.

Mr. SMOOT. Now, I want to ask the Senator this question: Why were they demoted—because of the fact that the work they were doing at the time did not justify the wage that was being paid, or was it some technical construction of law that put these men, who perhaps were entitled to an increase in salary, in the position of receiving a demotion?

Mr. MOSES. Mr. President, I can answer that best by citing a specific case which this bill corrects, which the Senator will find in section 2 of the bill.

There had existed in the post office, not by matter of law so much as by practice, a grade known as special clerk, and clerks of long and meritorious service had come into this special grade. They coveted the title in addition to the small increase in salary the grade carried, and the position was looked upon as a blue ribbon in the service for a man who had done good work. We intended, through the commission's bill, to leave those two grades of special clerk in the service as a reward, as an incentive to the men in the service. The Post Office Department, however, ruled that no man in the service should be eligible to the grade of special clerk in a post office unless he was a distributor of letters, thus cutting out from the operations of the bill, thus depriving of that incentive to good service, many a clerk in the service who for many years had not stood at the case distributing letters, but who had been doing work of very satisfactory and very valuable character to the service. That. Mr. President, is an instance wholly in point in the line of the Senator's inquiry.

Mr. SMOOT. And of course it was fixing the salary and status of an employee by regulation, rather than by law?

Mr. MOSES. Yes, Mr. President; that is exactly it. The intent of Congress was rendered nugatory by an interpretation and a regulation of the Post Office Department.

Mr. WATSON of Georgia. Mr. President, will the Senator from New Hampshire allow me to make a statement?

Mr. MOSES. Oh, indeed, yes.

Mr. WATSON of Georgia. Is it not true that we had the Steenerson bill before the committee, and that the Senator from Tennessee [Mr. MCKELLAR] made the point that one clerk in the post office at Knoxville would lose some of his salary under the Steenerson bill, and he discussed that matter before the committee for quite a while, perhaps 15 minutes, and the chairman of the committee, the Senator from Michigan [Mr. TOWNSEND], requested him to get information from the Post Office Department as to how many clerks would be affected as would be the clerk at Knoxville, and that he was to report the information which he received from that official source; and is it not a fact that no report has been made, and that the Committee on Post Offices and Post Roads has not acted at all in this matter?

Mr. MOSES. Mr. President, my understanding of that episode is different from that of the Senator from Georgia. My understanding was that after we had voted to report the bill without the adoption of the amendment offered by the Senator from Tennesssee in the committee the Senator from Tennessee reserved the right to offer his amendment on the floor, and in connection with that I suggested to him—I think I was the Member who suggested to him—that he should find out from the department how many clerks were similarly affected.

Mr. WATSON of Georgia. But, Mr. President, that information has not come back to the committee.

Mr. MOSES. My understanding was that it was not to come back to the committee, because the committee, as the Senator from Georgia will recall, reported the bill out at that very meeting; otherwise it could not be here before us to-day.

Mr. WATSON of Georgia. But the committee is not in possession of information, and the committee is charged with the responsibility for the bill. It is a bill that raises pay all along the line, and this particular amendment raises it $600,000. It does seem to me that the committee which has been charged by this body with the responsibility in that matter ought to have that information and to act upon it officially and to report to the Senate.

Mr. MOSES. The fact is that the committee had already acted upon the bill; otherwise the bill could not be here.

Mr. SMOOT. Mr. President, can the Senator from New Hampshire inform the Senate as to what amount of increase in compensation this bill provides?

Mr. MOSES. This bill carries between five and six million dollars of total increase over the salaries now being paid under the interpretation of the Post Office Department.

Mr. SMOOT. That is, each year?

Mr. MOSES. Each year, Mr. President; and the answer to that, if objection be made to that increase in expenditure, is that that is the amount of money which Congress a year ago thought it was voting. In other words, this bill now does nothing but to make sure that the Postal Service gets what Congress thought it was giving it a year ago.

Mr. KING. Mr. President, I should like to ask the Senator who has charge of this bill just exactly what it does? I have hastily read it. I am not a member of the committee, and therefore suffer from the disadvantage of not having full information; but as I read this bill it looks to me as if it is a general increase with respect to thousands if not tens of thousands of officials in the Post Office Department, and that in the aggregate instead of being $5,000,000 it will be very much more than that, and will be progressively increased.

Mr. MOSES. I think the latter is not so, Mr. President. It is true that the bill does affect a great number of persons in the Postal Service, but if the Senator will take the trouble to read the Senate report and the House report on the measure he will find full and detailed information regarding just what the bill does. Particularly, he will find on page 6 of the House report a complete and tabulated statement of just what the bill accomplishes in the Post Office Department and just what its cost will be, and he will find that the most considerable item in the bill is the item under section 3, where credit is given for the substitute and temporary service to cover the situation of which I spoke a moment ago, where it was found that men who in many instances had been in the Postal Service as long as 30 years, but in the temporary or substitute grade, found themselves in an inferior position and drawing less pay than men who under the classification bill had come into the service subsequently to June 5, 1920. That item, out of the $5,405,100 which the bill carries, amounts to $3,865,000, and that item, having been paid once, never is paid again.

Mr. KING. But, then, if I understand the Senator, it means that for the first year instead of five millions the increase will be more than eight millions, and thereafter there will be an annual increase of five millions.

Mr. MOSES. Oh, no, Mr. President. The increase this year, including the item of $3,865,000, is $5,405,000; but after this credit has once been given to these men now in the service who have received their promotions and have been given the credit for their temporary and substitute time, that item never has to be paid again.

Mr. KING. What will be the annual charge?

Mr. MOSES. The annual charge hereafter under this bill will be, in round numbers, $1,600,000, plus whatever comes from the amendment which I have just offered, which the Senator from Georgia says is $600,000, but according to the conversation I had with the Senator from Tennessee I did not think it was anything like that sum.

Mr. KING. And yet the Senator is not able to affirm that it does not amount to that sum?

Mr. MOSES. Oh, no.

Mr. KING. Does the Senator think that in order to bring about equalization this bill should be passed, or, rather, should we not amend the other bill so that if any injustice was done to those to whom this bill is intended to afford relief it may be cured by a measure relating to those, rather than relating to the officials of the Government provided for in this bill?

Mr. MOSES. Mr. President, that is a mere question of method whether we should amend the act of June 5, 1920, in order to accomplish the purpose which this bill carries, or whether we should pass this separate legislation, which in effect does the same thing. The fact is that this matter has been the subject of exhaustive hearings in the House, and has been passed on by the House and sent to us; and it therefore seems to me that the most direct and simple method of dealing with it is to deal with the measure which the House has sent to us.

Mr. KING. As I understood the Senator, this bill is for the purpose of increasing the compensation of certain employees in the Post Office Department because certain other employees have received increases above these. Now, if it is merely a step-ladder process, might it not be the best thing to bring down the others?

Mr. MOSES. No, Mr. President. If the Senator from Utah could have had the advantage of the ocular demonstrations which the Commission on Classification of Postal Salaries had as we went about the country, as we saw the men in the Postal Service, as we saw the conditions under which they worked, as we saw the conditions under which many of them lived—if he could have seen that, and then could have seen, as those of us who are on the Commission on Classification of Postal Salaries and who have been again going about the postal centers could see, the improvement in the morale of the service produced by the bill even as put into effect, he would agree with me that the thing for Congress to do is to go ahead and give to the men in the Postal Service that which the Congress thought it was giving to them a year ago. This applies chiefly to men in the upper and supervisory positions, with the exception which I have already noted of this credit for service in the temporary and substitute grades, where arises the chief item of expense under this measure, an item which will be paid once and forever.

Mr. KING. Mr. President, I have no doubt that there have been some inequalities and some injustices, and that this bill will cure some of the evils complained of. I am not able to

state, because I have had no opportunity to examine it, but certainly with respect to the amendment to which the Senator from Georgia called attention it seems to me the Senator ought not to urge that, with the limited information which has been given to the Senate.

The Senator takes the position that it relates to only a limited number, whereas the Senator from Georgia states that it will affect at least 600,000.

Mr. MOSES. Mr. President, of course I can not affirm one way or the other about the cost of that item; but it must be apparent to every Senator that the post offices described as having received less than $500,000 per annum, and having also these grades of money order cashier, and postal cashier, can not possibly be so numerous as to cost the additional expense per annum which the Senator from Georgia indicated.

Mr. WATSON of Georgia. Mr. President, in the absence of the chairman, and in the absence of the information which I feel that Senators would like to have in order to act intelligently upon this bill, I move to recommit it to the committee.

Mr. MOSES. I very much hope the Senator will not insist upon that motion.

The VICE PRESIDENT. The question is on the motion of the Senator from Georgia to recommit the bill.

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fernald	McKinley	Shortridge
Ball	Glass	McNary	Simmons
Borah	Hale	Moses	Smoot
Brandegee	Harreld	Myers	Spencer
Broussard	Harris	Nelson	Sutherland
Bursum	Heflin	New	Swanson
Calder	Jones, N. Mex.	Newberry	Trammell
Cameron	Kellogg	Nicholson	Underwood
Capper	Kendrick	Norris	Walsh, Mass.
Caraway	Kenyon	Oddie	Warren
Culberson	King	Pittman	Watson, Ga.
Curtis	Knox	Poindexter	Watson, Ind.
Dillingham	La Follette	Pomerene	Weller
Edge	Lodge	Ransdell	Willis
Elkins	McCumber	Robinson	

The VICE PRESIDENT. Fifty-nine Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Georgia to recommit the bill.

The motion was rejected.

The VICE PRESIDENT. The question now recurs on the amendment offered by the Senator from New Hampshire.

The amendment was agreed to.

Mr. MOSES. Mr. President, I offer another amendment, to be added as a new section to the bill.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. Add at the end of the bill a new section, to be known as section 10, and to read as follows:

SEC. 10. That the Postmaster General be, and he hereby is, authorized to appoint two delegates to the Pan American Postal Congress, Buenos Aires, Argentina, beginning August 10, 1921; and for the purpose of paying the expenses of such delegates the sum of $5,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended in the discretion of the Postmaster General, and to be accounted for on his certificate, which certificate shall be conclusive on the accounting officers of the United States.

The amendment was agreed to.

Mr. CALDER. Mr. President, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 3, line 8, after the word "clerks," insert the words "and laborers," so that it will read:

SEC. 7. That the Postmaster General is hereby authorized to pay to the clerks and laborers in first and second class post offices and letter carriers in the City Delivery Service the amount due them as overtime in lieu of compensatory time for work performed by them on Sundays intervening between June 5 and July 1, 1920.

Mr. MOSES. Mr. President, so far as I am able, as the Senator in charge of the bill, I accept that amendment.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. MOSES. I move that the Senate request a conference with the House on the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. MOSES, Mr. STERLING, and Mr. MCKELLAR conferees on the part of the Senate.

INCREASE OF INDEBTEDNESS OF PHILIPPINE GOVERNMENT.

Mr. NEW. Mr. President, I ask unanimous consent for the immediate consideration of the bill (H. R. 5756) to amend an act entitled, "An Act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916. The bill authorizes an increase of the indebtedness of the Philippine government.

Mr. UNDERWOOD. I would like to have the bill read in full before consent is given.

The VICE PRESIDENT. The Secretary will read the bill for information.

The Assistant Secretary read the bill, which had been reported from the Committee on Territories and Insular Possessions with amendments.

Mr. UNDERWOOD. Mr. President, I do not want to make an objection in a matter about which I am not informed. Years ago, when we took over the Philippine Islands and Cuba, we made certain limitations in reference to their increasing bonded indebtedness, for their protection as well as our own, especially in reference to the Philippine Islands, because, as we exercise the supreme government in those islands, we must be responsible before the eyes of the world for any defalcation that might happen in the future. I suppose the purpose of this amendment is to broaden the scope of their ability to enlarge their indebtedness, and I will not object if the chair will allow me to reserve the right to object until I can hear what the Senator from Indiana has to say.

Mr. NEW. Very well. The bill is presented in order to afford immediate and very urgently needed relief to the government of the Philippine Islands. It is true, as the Senator said, that under the organic act the debt limit of the Philippine government was fixed at $15,000,000. That was a very small sum at the time and was so considered. It seems, however, that a few years ago the Government organized, or at least became partly responsible for, a Philippine bank, and that bank has become practically insolvent through bad investments, bad management, and inefficiency. The Government has 89,000,000 pesos on deposit in that bank which the bank can not make good. The bank can not pay it, and the funds are therefore unavailable. The government therefore can not pay its debts and can not meet its current bills.

The pending bill is intended to meet that situation. I will say that the inefficiency of the bank has been corrected by taking to the Philippines some trained bankers from this country, one of them being the former vice president of a large bank in San Francisco, who is personally known to the senior Senator from California (Mr. JOHNSON), who is a member of the Committee on Territories and Insular Possessions, and who was present when the bill was considered. The efficiency of this gentleman is vouched for by the senior Senator from California.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. NEW. Certainly.

Mr. POMERENE. Will the Senator please explain what was the cause or what were the causes of this insolvent condition?

Mr. NEW. Gen. McIntyre, who was before our committee, said that it was general inefficiency from the standpoint of sound banking; that the causes could be grouped under that general classification. The bank loaned its money to concerns in the Philippines which have not been able to pay. They were injudicious loans—bad banking, in other words. The bank invested its funds in places from which they could not be recovered. The question was raised as to whether it was the result of speculation. Gen. McIntyre said no, that it was not.

Mr. PITTMAN. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Nevada?

Mr. NEW. Certainly.

Mr. PITTMAN. I know that one of the largest business concerns in the Philippine Islands is dealing in coconut oil or vegetable oil. That product was dealt in extensively during the war, and the price of vegetable oil went up two or three hundred per cent. It dropped from that figure down to a normal price almost instantly upon the signing of the armistice. I know of one large firm that dealt in it in Great Britain that failed for £15,000,000. That firm was buying its oil largely in the Philippine Islands. There was a large Chinese firm buying oil from the Philippine Islands, almost as large as the British firm, that also failed. In fact, practically every firm engaged in the business, firms that had been solvent for 20 or 30 years, became sud-

denly insolvent. The bank was carrying that paper, and it was really the principal business of that community.

While I have no doubt there is a great deal of inefficiency and that they were wrong in not having sufficient security, yet there was some excuse for the insolvency of the bank, considering the fact that other large institutions also failed.

Mr. NEW. I think what the Senator from Nevada has said is true, and it is borne out by the testimony elicited by the committee during the consideration of the bill.

Mr. POMERENE. Is the stock of this bank owned by the Philippine government?

Mr. NEW. No.

Mr. POMERENE. Who does own it?

Mr. NEW. It is owned by various people, owned as bank stocks are generally owned. It is not owned by the Government.

Mr. POMERENE. It is a private institution, then?

Mr. NEW. Yes.

Mr. POMERENE. If the stock is increased who will hold the increased stock?

Mr. NEW. It is not a case of increasing the stock. It is a case of issuing bonds.

Mr. ROBINSON. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Arkansas?

Mr. NEW. Certainly.

Mr. ROBINSON. I observe that the Senate committee has reported an amendment to the bill as it passed the House of Representatives. The statement of the Senator relates to the original House bill. The Senate committee amendment apparently modifies the act of March 2, 1903, in two particulars. It authorizes the issuance of $10,000,000 in certificates of indebtedness in addition to the amount that the act of March 2, 1903, authorizes, and it also makes applicable the act of the Philippine Legislature providing for the issuance of certificates of indebtedness within section 6 of the act of March 2, 1903.

While the committee amendment has not yet been read, I take it that if consideration of the bill is had the amendment will be considered and passed upon by the Senate. I ask if the Senator will explain the purposes and effect of the Senate committee amendment proposed?

Mr. NEW. Yes. I think I could perhaps best explain that by reading briefly from the testimony of Gen. McIntyre on that particular point. I asked for that explanation. His reply was:

When we started with that amendment, while the main object was to carry on the public works of the Philippine Islands—

He was then referring to the amendment to increase the bonded indebtedness by $15,000,000—

we hoped that if we got the $15,000,000 we would sell the bonds in the United States and accumulate the proceeds here which could be used to regulate exchange between New York and the islands, which was the only way in which we can maintain the parity of our coin. We are now confident and those in the Philippine Island are ever more assured than we are that that will not be sufficient and that we should get the authority to obtain money for the purpose of maintaining the parity of our coin with the United States.

With reference to that particular point we have been in constant consultation with the Treasury Department here and with the Governor General of the islands, Gov. Forbes, and since Gen. Wood arrived we have gotten their views also, and they all agree on that point.

Mr. ROBINSON. Will the Senator explain the difference in the exchange that this is sought to be fixed upon a more permanent and suitable basis by these provisions? What is the difference now in the exchange or what was it at the time of the hearings?

Mr. NEW. I will ask some of my colleagues on the committee to correct me if I am wrong, but my recollection is that the peso, which ordinarily is the equivalent of 50 cents in our money, is now worth about 45 cents.

Mr. POINDEXTER. Forty-two cents.

Mr. NEW. The Senator from Washington says 42 cents and that I think is probably correct.

Mr. ROBINSON. Will the Senator state what is the limit now fixed in the law as to the amount of certificates of indebtedness that may be issued?

Mr. NEW. There are no certificates of indebtedness outstanding. The authority asked for is for the issuance of $10,000,000 of certificates of indebtedness.

Mr. ROBINSON. But the Senate committee amendment says:

The government of the Philippine Islands may issue temporary certificates of indebtedness under the conditions therein provided, in addition to the amount therein fixed, to a further amount not exceeding $10,000,000.

That plainly implies that in the existing law there is an authorization for the issuance of certificates of indebtedness and it increases the authorization by $10,000,000, but it does not furnish information as to what amount is authorized under the existing law.

Mr. NEW. I can not say just what the limit is, but there are no outstanding certificates of indebtedness.

Mr. ROBINSON. May I inquire what was the amount authorized by the existing law to be issued? This is plainly an increase in the authorization by $10,000,000. The language of it states that in addition to the amount fixed in the act of March 2, 1903, a further amount not exceeding $10,000,000 may be issued or authorized. If the facts are as the Senator from Indiana states in this particular, the language of the amendment seems to require something of a change.

Mr. NEW. The language of the amendment was furnished by the Secretary of War through Gen. McIntyre. There are no outstanding certificates of indebtedness. I feel very sure of that; and I think this is the first authorization for such an issue.

Mr. ROBINSON. Even though there are no outstanding certificates of indebtedness, if the existing law authorizes the issuance of certificates of indebtedness and the committee amendment increases the amount by $10,000,000, the Philippine government would still have the power to issue the certificates of indebtedness authorized in the existing law and would also have the power to issue $10,000,000 more. What I am trying to find out is what amount of certificates of indebtedness will be authorized if the committee amendment is agreed to. I am not antagonizing the amendment. I am trying to obtain definite information with respect to it.

Mr. NEW. I understand; but without the existing law before me I can not give the Senator from Arkansas just what he asks.

Mr. KNOX. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Pennsylvania?

Mr. NEW. Certainly.

Mr. KNOX. As a member of the committee, having heard Gen. McIntyre's testimony and the testimony of one of the judges of the Supreme Court of the Philippine Islands and the testimony of others who were entirely familiar with the financial situation there, I gathered this view of it: There had been previously authorized the issuance of $10,000,000, I think, of certificates of indebtedness to meet the ordinary temporary purposes of the government. I will not be quite sure of that, but it was a considerable sum. There were times when considerable numbers of these certificates were outstanding and there were times when there were none of them outstanding.

But the great tangle in the Philippines to-day comes from the Philippine Bank. It is a bank that is not altogether private in its character. It was largely under the supervision and control of the Philippine government. The fact is that the governor of the Philippine Islands could practically appoint the directors of the bank——

Mr. NEW. And did so.

Mr. KNOX. Yes; he did so. I do not intend to reflect at all upon the judgment or the integrity of the governor of the Philippine Islands. I think he was caught in the whirlwind of which the balance of the world perhaps felt some evidence, and thought there was no limit to the prosperity which had thus been temporarily brought about by the war.

They loaned their money to all sorts of enterprises and to men who were engaged in what I regarded as not legitimate enterprises, because they were, in a sense, highly speculative. Whatever the causes may have been, the result was that the Philippine government found it had, to express myself in the language of our own country, about $45,000,000 of its funds locked up in this Philippine Bank which it was impossible to get out. A great deal of that money will eventually be collected.

Mr. POMERENE. Mr. President, will the Senator allow me to interrupt him merely for a question?

Mr. KNOX. Certainly.

Mr. POMERENE. The Senator has just made the statement that some $45,000,000 of the Philippine government's funds are locked up in this bank. Did the Philippine government have security for those deposits?

Mr. KNOX. There was no evidence before the committee to show that there was any security given to the Philippine government at all. The deposit seemed to have been a free deposit put into the bank just as the Senator or I or anyone else would deposit money in a bank.

Mr. POMERENE. Is there any way that the committee can get information relative to that matter?

Mr. NEW. Mr. President, if the Senator from Pennsylvania [Mr. KNOX] will permit me, I will say that he has stated the exact situation. The money was put into that bank just as anyone deposits money in a bank, and there was no security given other than the security of the solvency of the bank itself.

Mr. KNOX. Mr. President, I presume that the explanation of that is that the bank was in a sense regarded as a government bank. The government having control, as I indicated a moment ago, over the appointment of the officers and directors of the bank, it was regarded practically as a government bank. However, be that as it may, we are dealing not with a theory of correct banking, but we are dealing with a situation as we find it. There is where the Philippine government's money is; it is locked up in that bank; and the bank has as against the deposit claims against the people to whom it has loaned its money, much of which is good and will eventually be collected.

Mr. ROBINSON. Will the Senator from Indiana yield to me for a further statement?

Mr. NEW. Yes.

Mr. ROBINSON. During the last session of Congress, I was a member of the committee which then had jurisdiction of this subject, and I am also a member of the committee that has reported the pending bill. On account of illness in my family, I was unable to be present when the bill was last considered, but I recall somewhat vividly the hearings which were had during the former Congress before the committee which then had jurisdiction of the bill.

The Senator from Pennsylvania [Mr. KNOX], if I understood him correctly, states that the existing law authorizes the issuance of $10,000,000 of certificates of indebtedness, and that this proposed amendment authorizes, in addition thereto, the issuance of $10,000,000 more, which would make a total of $20,000,000 of certificates of indebtedness that the Philippine government may issue, if the amendment be agreed to. I think the statement is correct; that the authorization for certificates of indebtedness is expanded in the Senate committee amendment proposed, just as is the authorization for the issuance of bonds expanded in the original House bill.

Mr. President, in the hearings before the committee during the last Congress it was disclosed that since the original authorization for the issuance of $15,000,000 of government bonds and $10,000,000 of certificates of indebtedness was made, the volume of business has increased very greatly; that it has more than doubled; and that on that account there is necessity for expanding this authorization.

The hearings which I attended convinced me that the authorization ought to be made. My question was directed to obtaining information as to the amount of certificates of indebtedness authorized under the existing law. I think the Senator from Pennsylvania [Mr. KNOX] is correct in his statement that the existing law authorizes the issuance of $10,000,000; and I think the Senator from Indiana [Mr. NEW] has, perhaps, overlooked the provision of the statute which now authorizes $10,000,000 to be issued. I am convinced that if the bill passes, with the amendment which the Senate committee has proposed, the Philippine government will not only have the power to issue $30,000,000 in bonds—twice the amount that it now has the power to issue—but it will also have the power to issue $20,000,000 of certificates of indebtedness—twice the amount that it now has the power to issue. However, I believe that the authorization is a necessary one and that it ought to be made.

Mr. NEW. If the Senator will permit me, I think that is the correct explanation of the situation. Since the Senator began his remarks I have obtained a copy of the law, and am quite sure after consulting it that the understanding of the Senator from Arkansas is correct. I should like to take the time to read a telegram from Gen. Leonard Wood and Mr. Forbes with reference to this matter. It says:

> After examination and conference with the Governor General, the auditor, and the manager of the national bank, we find the bank is practically insolvent. The government can not purchase exchange, even to meet the current running expenses payable in the United States, and has had to ask our local banks not to present its circulating notes for redemption. Cash reserves are now about 10 per cent of the legal requirement. If the bank should fail it would mean, practically, bankruptcy of the Philippine government, which would continue until new resources became available besides bankrupting many Provinces and municipalities which have been required by law to deposit all funds with the bank.
>
> We feel the faith of the United States is pledged in support of the solvency of the Philippine government, and the situation is so critical that we concur in urging immediate relief measures on general lines recommended by the Governor General in extending debt-making power of government.

Then there are cablegrams from one or two other semiofficial sources, and a letter from the Secretary of War in which he expresses his opinion that this proposed law is not only very necessary but that it should be very speedily passed.

Mr. ROBINSON. If the Senator from Indiana will permit me, I think the record is to the effect that the authorization in the orginial act, which was passed, I believe, in 1903, authorizing $15,000,000 in bonds and $10,000,000 in certificates of indebtedness, was small for conditions as they then existed and for the volume of business that was done. Independent of the condition of the bank, which is merely one of the incidents to this question, though an important one, the existing conditions in the Philippines not only justify but make necessary this expansion or some equivalent expansion.

I wish to ask the Senator one further question, if I may. What is the provision of the act of the Philippine Legislature which is made applicable to the issue of certificates of indebtedness under the Senate committee amendment?

Mr. NEW. I have not the data before me, Mr. President, to enable me to fully answer that question; I have not the act here, but the facts have been substantially stated in what has been said during the progress of this debate.

Mr. ROBINSON. I have no objection to the consideration of the bill. I think it is a meritorious one.

The PRESIDING OFFICER (Mr. BALL in the chair). Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Territories and Insular Possessions with amendments.

Mr. BRANDEGEE. Mr. President, I desire to ask the chairman of the committee or any other member of the committee who can answer the question if the officials of the bank who are appointed by the Governor General are native Filipinos?

Mr. NEW. Some are.

Mr. BRANDEGEE. Are there no Americans among the directors?

Mr. NEW. Yes; the board of directors is a mixed body, some members being Americans and some Filipinos.

Mr. BRANDEGEE. I did not know whether the law provided that a majority of the directors should be native Filipinos, or otherwise.

Mr. NEW. I think it does.

Mr. ROBINSON. If the Senator will permit me, in connection with the last question that I asked the Senator from Indiana, and which he is unable to answer from the memoranda at hand, I suggest, in order that the record may be complete, that in connection with the consideration of this bill he have printed in the RECORD the section of the act of the Philippine Legislature which is made applicable by the amendment of the Senate committee. I myself have not seen that act, and do not know its effect.

Mr. NEW. I agree with the Senator that what he suggests should be done.

Mr. KING. Mr. President, may I have the attention of the Senator from Indiana?

Mr. NEW. Certainly.

Mr. KING. I should like to inquire whether this bill has the approval of the respectable, progressive, and responsible element of the Philippine Islands which desires immediate independence? I was wondering whether or not the demand for the passage of this bill emanated almost exclusively from those who thought perhaps the United States should perpetuate its authority and control over the Philippine Islands.

Mr. NEW. Mr. President, I will answer that question by saying that this bill has not the remotest relation to the question of the independence of the Philippine Islands. So far as I know, and so far as the Committee on Territories and Insular Possessions knows, there is no objection on the part of anybody to the passage of the bill.

Mr. ROBINSON. Mr. President, with the permission of the Senator from Indiana, I can give the Senator from Utah the information that he desires, or, at least, I think I can. During the last Congress, when the committee which then had jurisdiction of this subject was having its hearings, the Philippine commissioner appeared before the committee, in conjunction with Gen. McIntyre, who presented the matter at that time. The Philippine Commissioner was asked substantially the question that the Senator from Utah has asked of the Senator from Indiana, and he stated that all factions and parties in the Philippine Islands favored this proposed legislation and regarded it as imperative in the interest of the islands.

Mr. NEW. I am sure it has met with practically unanimous approval over there.

Mr. KING. Mr. President, my reason for asking the question arises out of this thought: Promises have been made, at least by one political party, if not by both, and I think there has been a very general sentiment upon the part of many of the leading men of both political parties in the United States, that the Philippine Islands at as early a date as possible should be freed from any connection with the United States and should have

their independence. I should regret very much the passage of a bill which imposes upon them legislation which is not satisfactory to the best element of the Philippine Islands if it is the purpose of Congress at an early date to give independence to the Philippine Islands. I express no opinion as to the wisdom or unwisdom of granting independence at the present time; but if this measure is approved by all classes, I see no objection to it.

Mr. BRANDEGEE. Mr. President, I have noted from the press reports of hearings that have been held before Gen. Wood in the islands that the friends of freedom there want to be liberated from the oppression of the United States, provided we will protect them after we have cut loose from them.

Mr. KING. As I understand, they would like probably the same relation to exist between the United States and the Philippine Archipelago as exists between the United States and Cuba. That is what I deduced was the wish of a large number of the people of the Philippine Islands.

Mr. BRANDEGEE. I did not; I deduced the conclusion that they wanted their freedom to do as they pleased, but they wanted us to protect them, no matter what they did.

The PRESIDING OFFICER (Mr. WATSON of Indiana in the chair). The Secretary will state the first amendment reported by the committee.

The ASSISTANT SECRETARY. On page 2, after line 11, it is proposed to insert:

That for the purpose set forth in section 6 of the act approved March 2, 1903, entitled "An act to establish a standard value and to provide for a coinage system in the Philippine Islands," the government of the Philippine Islands may issue temporary certificates of indebtedness under the conditions therein provided, in addition to the amount therein fixed, to a further amount not exceeding $10,000,000. The act of the Philippine legislature providing for the issue of temporary certificates of indebtedness within the conditions of section 6 of the act of March 2, 1903, entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," shall apply to the issue of additional certificates authorized by this act.

The amendment was agreed to.

The ASSISTANT SECRETARY. The committee also proposes, after the amendment last agreed to, to insert the following paragraph:

The act of the Philippine Legislature providing for the issue of temporary certificates of indebtedness within the conditions of section 6 of the act of March 2, 1903, entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," shall apply to the issue of additional certificates authorized by this act.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The bill was reported to the Senate as amended.

Mr. KING. Mr. President, may I inquire of the chairman of the committee—it is not quite germane to this bill, but I think it is pertinent, anyway—whether it is the intention of this committee to report at an early date a bill granting independence to the Philippine Islands?

Mr. NEW. There is no such bill before the committee, and I know of no fixed purpose on the part of anybody to make a proposal of that character.

Mr. KING. So far as the Senator knows, then, the present status will be maintained?

Mr. NEW. It has not been referred to in any way.

The PRESIDING OFFICER. The question is on concurring in the amendments made as in Committee of the Whole.

The amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,' approved August 19, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903."

Mr. NEW. I move that the Senate request a conference with the House of Representatives upon the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

The PRESIDING OFFICER. The Vice President will appoint the conferees later on.

Subsequently the Vice President appointed Mr. NEW, Mr. KNOX, and Mr. PITTMAN conferees on the part of the Senate.

EXTENSION OF RENTS ACT.

Mr. BALL. I ask unanimous consent for the immediate consideration of Senate bill 2131, Order of Business 182.

The PRESIDING OFFICER. The Senator from Delaware asks unanimous consent for the immediate consideration of a bill the title of which will be stated by the Secretary.

The ASSISTANT SECRETARY. A bill (S. 2131) to extend for the period of seven months the provisions of Title II of the food control and the District of Columbia rents act, approved October 22, 1919, and for other purposes.

The PRESIDING OFFICER. Is there objection?

Mr. POINDEXTER. I object.

Mr. ROBINSON. Pending the request, I ask that the bill may be read.

The PRESIDING OFFICER. The Senator from Washington has objected.

NAVAL APPROPRIATIONS—CONFERENCE REPORT.

Mr. POINDEXTER. I move that the Senate proceed to the consideration of the conference report upon the naval appropriation bill, H. R. 4803.

The PRESIDING OFFICER. The Chair is informed that the report on the part of the Senate has not been presented.

Mr. POINDEXTER. I ask that it be laid before the Senate.

The PRESIDING OFFICER. The Chair would like to inquire of the Senator from Washington where the report is.

Mr. POINDEXTER. It has been received by the Senate in a message from the House, and I suppose it is in the custody of the Senate.

The PRESIDING OFFICER. The Chair, without having knowledge of the fact, is informed by the clerks that the report received was the House report, not the Senate report, and that there is no Senate report on the desk at this time.

Mr. PITTMAN. Mr. President——

Mr. POINDEXTER. I am moving the adoption of the House report.

Mr. ROBINSON. Mr. President——

Mr. LODGE. If it is a conference report, of course it comes from the House.

Mr. ROBINSON. I suggest to the Senator from Washington that he send to the Clerk's desk the Senate report.

Mr. POINDEXTER. I have sent the Senate report. I am moving the adoption of the report sent to the Senate by the House of Representatives.

The PRESIDING OFFICER. The Senator from Washington moves the adoption of the following report, which, upon the request of the Senator from Arkansas, will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 3, 4, 5, 6, 9, 10, 12, 13, 17, 23, 24, 25, 26, 27, 31, 32, 33, 34, 35, 36, 37, 38, 41, 48, 49, 50, 52, 53, 59, 65, 66, 68, 69, 70, 73, 74, 75, 79, 86, 87, 88, 89, 91, 94, 98, 102, 104, 105, 106, 109, 110, and 115.

That the House recede from its disagreement to the amendments of the Senate numbered 28, 29, 30, 43, 61, 62, 63, and 90, and agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In line 2 of the matter inserted by said amendment, after the word "structures," insert the following: "costing not in excess of $5,000 each"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided*, That nothing herein shall be construed as interfering in any way with any existing contract or any work in progress on the date of the approval of this act: *Provided further*, That hereafter no money appropriated for ordnance or ordnance material or material purchased therewith shall be used for any other purpose than that for which the appropriation was made: *Provided further*, That nothing herein shall be construed as preventing the allocation of armor, armament, ammunition, ordnance material, equipment, and accessories to ships according to the requirements of the naval service"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert: "$175,000, exclusive of such vehicles owned and operated by the Marine Corps in

connection with expeditionary duty without the continental limits of the United States"; and the Senate agree to the same.

Amendment numbered 44: That the House recede from its disagreement to the amendment of the Senate numbered 44, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Naval station, Key West, Fla.: For the development and completion of a submarine base, $800,000, no part thereof to be expended unless the Secretary of the Navy shall first ascertain that the breakwater already begun can be successfully completed and made permanent with this amount."

And the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$77,034,687"; and the Senate agree to the same.

Amendment numbered 60: That the House recede from its disagreement to the amendment of the Senate numbered 60, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$137,815,303"; and the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$12,060,300.76"; and the Senate agree to the same.

Amendment numbered 83: That the House recede from its disagreement to the amendment of the Senate numbered 83, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$18,043,891.90"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$4,141,450"; and the Senate agree to the same.

Amendment numbered 85: That the House recede from its disagreement to the amendment of the Senate numbered 85, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$1,125,000"; and the Senate agree to the same.

Amendment numbered 93: That the House recede from its disagreement to the amendment of the Senate numbered 93, and agree to the same with an amendment as follows: In lieu of the sum proposed in said amendment insert "$27,700,341.90"; and the Senate agree to the same.

The committee of conference have not agreed upon the following amendments of the Senate numbered 1, 7, 8, 11, 14, 15, 16, 18, 19, 20, 21, 22, 45, 46, 47, 51, 54, 55, 56, 57, 64, 67, 71, 72, 76, 77, 78, 80, 81, 92, 95, 96, 97, 99, 100, 101, 103, 107, 108, 111, 112, 113, and 114.

MILES POINDEXTER,
CLAUDE A. SWANSON,
Managers on the part of the Senate.

PATRICK H. KELLEY,
BURTON L. FRENCH,
WILL R. WOOD,
JAMES F. BYRNES,
W. B. OLIVER,
Managers on the part of the House.

Mr. SMOOT. Mr. President, a parliamentary question.

The PRESIDING OFFICER. The Senator from Utah will state it.

Mr. SMOOT. Did I understand the Senator from Washington to move the adoption of the report or to move its consideration?

Mr. POINDEXTER. I ask for its consideration and move the adoption of the report; but I will say to the Senator that there are a number of things in the bill in difference between the two Houses that are not included in the conference report.

Mr. LODGE. It has to go back to conference.

Mr. SMOOT. Then there are certain questions that are still in disagreement?

Mr. POINDEXTER. That is true—still in disagreement between the two Houses.

Mr. SMOOT. May I ask whether among those is the retirement provision? Is that one of the matters in dispute?

Mr. POINDEXTER. It is one of the matters still in disagreement.

Mr. KING. Mr. President——

Mr. BRANDEGEE. Would not the Senator be willing to make his motion to proceed to the consideration of the conference report and then later on move to adopt such portions of it as he wants to, and not make both motions at the same time?

Mr. POINDEXTER. I understand that the conference report has to be either adopted or rejected. If it should be adopted, I should then proceed to make certain motions in regard to a large number of matters that are still in disagreement between the two Houses, some in entire disagreement and some which have been agreed upon by the House of Representatives in a separate report.

Mr. SMOOT. Then the report that the Senator offers is simply a partial report, not a complete report?

Mr. POINDEXTER. Only a partial report.

Mr. BRANDEGEE. Mr. President, the reason why I asked the Senator about that is this: There was a Senate amendment, which I believe is known as amendment numbered 13, relating to submarines; and, as I understand, the Senate, in the conference report, receded from its position upon that amendment—at least, the conferees recommend that the Senate do recede—and that is a part of the agreement of the conferees. Now, if the Senator moves to adopt the report, that matter would be beyond further consideration by the conference committee, as I understand.

Mr. POINDEXTER. That is correct.

Mr. BRANDEGEE. But I understood, in a conversation with the Senator yesterday, that the report was to be recommitted to the conferees, and that that matter could be taken up again if that was done. I did not understand that the Senator was going to ask for agreement to such portions of the conference report as the conference committee had agreed upon, and so I am asking for a clear understanding.

Mr. POINDEXTER. The Senator misunderstood the Senator from Washington. My statement to the Senator from Connecticut was that if the conferees on the part of the House should be willing, and if there should be any way of again considering the matter of the amendment of his colleague, I, as one of the conferees on the part of the Senate, would be exceedingly glad to confer with them and to urge its adoption; but the Senator from Connecticut can see as well as I can what possibility there may be of reaching that matter again.

Mr. BRANDEGEE. As I understand, while the Senator assures us of his willingness to reconsider the decision of the conference committee upon amendment numbered 13—the submarine amendment, which my colleague introduced and which the Senate put in the bill—provided the House conferees will be willing to reconsider it, that would be unavailing, in my opinion—that is, it strikes me so—because the House has accepted the conference report. Now, if the Senate accepts the conference report, in so far as the two Houses have agreed, that ends it; and if other matters were recommitted to the conferees, matters upon which they have hitherto failed to agree, I do not see how that would open the door for the jurisdiction of either the House or the Senate conferees, or both together, if they should unanimously want to reconsider their action, for any effective action. It would be precluded and beyond the possibility to touch it, even by unanimous consent, because the conferees would be bound by both Houses. The Houses would have accepted the conference report so far as it went.

Mr. LODGE. Mr. President——

Mr. BRANDEGEE. I yield to the Senator from Massachusetts.

Mr. LODGE. I may not understand the precise situation, but what I understand it to be is that the Senator from Washington is asking the Senate to agree to another conference. This is not a complete agreement.

Mr. BRANDEGEE. The Senator from Washington, if the Senator from Massachusetts will allow me, as I understand, is asking for a further conference upon matters upon which the conferees have not yet come to an agreement.

Mr. LODGE. You can not limit it in that way. A conference report when it goes back is all open again.

Mr. BRANDEGEE. Well, if here, as I understand, is a complete agreement as to certain things, if that is agreed to by the Senate and the House, they are no longer in conference, and if the Senate sends back other matters upon which the conferees have not yet agreed, of course they are in conference. I may be wrong, but that is my understanding of it and that is my understanding of the understanding of the Senator from Washington.

Mr. POINDEXTER. That is my understanding, with this modification—that a large number of matters, very varying in their character, will still be in disagreement between the two Houses. I have not examined all of them to form a conclusion as to whether or not, if there should be a unanimous agreement

between the conferees, the matter that the Senator speaks of could be inserted in the adjustment of the differences on the various amendments that are yet in dispute.

Mr. BRANDEGEE. But let me suggest to the Senator now to ponder and consider well the situation with which he would be confronted. I say that if so much of the conference report as shows an agreement is adopted by the Senate, as it already has been adopted by the House, then there is complete concurrence between the two bodies upon everything they have agreed upon, including amendment numbered 13, which I am talking about. If that is so, if the Senate has agreed with the House, and then the Senate disagrees to the conference report about other matters, only the matters that the two branches have disagreed upon can go to further conference. Of course, the Senator must know that even if the conferees unanimously desired to take into conference and reconsider a matter upon which they have already agreed they could not do it, because they are functus officio and out of power in relation to the things upon which they have agreed and upon which the two Houses have agreed. It takes it out of conference when the two Houses agree. The Houses, in other words, are in agreement and not in disagreement on the things so far as the conferees have agreed. Do I make myself clear to the Senator?

Mr. POINDEXTER. Perfectly clear; and, as a general rule, under an ordinary conference between the two Houses there is no question as to the correctness of the conclusions of the Senator from Connecticut.

The PRESIDING OFFICER (Mr. ROBINSON in the chair). If the Senator from Washington will permit, the Chair thinks the parliamentary situation may be very easily cleared, and with the indulgence of the Senate the Chair will state what it is.

As the Chair understands it, the Senator from Washington has sent to the desk a conference report on the naval appropriation bill, and he has moved that the Senate proceed to the consideration of that conference report. The question is on the motion of the Senator from Washington to proceed to the consideration of the conference report on the naval appropriation bill.

It appears that certain items heretofore in disagreement between the two Houses have been agreed upon by the conferees, and that certain other items are still in difference. The Chair thinks that if the Senate proceeds to the consideration of the conference report and agrees to the same, all items embraced in that conference report as an agreement between the two Houses will be precluded from further consideration by the conferees, and only those items not embraced in the agreement will be included in further conferences, if any be held, between the two Houses.

So if the Senate desires to take action adverse to the agreement contained in the conference report now presented and proceeds to the consideration of that conference report, it can secure that end by refusing to agree to the same.

Mr. BRANDEGEE. Or by recommitting, with or without instructions.

The PRESIDING OFFICER. Or by recommitting it. Disagreeing to the report effectuates a recommittal.

Mr. LODGE. We can deal with no individual disagreement. We must deal with the report as a whole.

The PRESIDING OFFICER. As a whole.

Mr. BRANDEGEE. But the report, as a whole, Mr. President, is composed of two portions. As I understand it, the conferees report an agreement on certain items. If the Senate agrees to that, that is the end of it. They report a disagreement on certain items. They go back to conference, I assume.

But let me say to the Senator from Washington, if the Senate should adopt such part of the conference report as shows agreement between the two Houses, of which amendment 13 is one item, then if the Senator should attempt to bring that amendment 13, relating to submarines, before the conference, the House and the Senate members, the whole conference, and they should unanimously agree to modify it, and that agreement should go back to the House of Representatives, undoubtedly any Member of the House could rise and make the point of order against it, that the conferees had exceeded their jurisdiction and had no right to modify a matter that had already been agreed to by both the Senate and the House. That point of order undoubtedly would be sustained in the House. I think it would be in the Senate, but it certainly would in the House.

Mr. POINDEXTER. I think very likely the Senator is correct, although he ought to take into consideration, in that connection, this peculiar situation arising out of the rules of the House. There is not reported here an agreement upon some of the amendments and a disagreement upon other amendments. All that is reported, so far as the conferees are concerned, is an agreement upon certain amendments. There is no report upon the other amendments, for the reason that, much to the surprise, I may say, of the conferees on the part of the Senate, they ascertained——

The PRESIDING OFFICER. The Chair asks the indulgence of the Senator from Washington to call attention to the fact that in the conference report sent to the Secretary's desk there is this statement:

The committee of conference have not agreed on the following amendments of the Senate.

And then follow some 25 amendments. So that, according to the conference report which the Senator has submitted to the Senate, those amendments are still in disagreement.

Mr. BRANDEGEE. And they are in conference.

The PRESIDING OFFICER. They will be if a further conference is held.

Mr. BRANDEGEE. In other words, this is only a partial agreement.

Mr. LODGE. That is all.

Mr. POINDEXTER. If the Senator from Connecticut will give me an opportunity to complete the statement I rose to make, and then draw his own conclusion about the situation, it may be that out of this the Senate may arrive at some conclusion as to how to proceed.

I have stated the facts as I understand them to be. The conferees on the part of the House take the attitude that certain amendments were not subject to conference, that the conferees had no jurisdiction over those amendments, and, as a consequence, they take them back to the House of Representatives, and although the House of Representatives, on a previous occasion, had accepted the request of the Senate for a conference upon all the amendments, the House of Representatives, after the conferees have made their report, proceed to act upon the amendments which are in disagreement as an original matter, as though it was a bill which had been received from the Senate and no application for a conference had been made.

I may say that during the conference the conferees on the part of the Senate and on the part of the House, proceeding as nearly as they could along the ordinary lines of a free conference between the two Houses of Congress, undertook to agree upon all the points in difference between the two Houses, and did so agree. I think that was the understanding of the conferees.

I may illustrate the procedure by taking one amendment, the amendment put into the bill by the Senate authorizing the construction of two airplane carriers, and making an initial appropriation of $15,000,000 toward the construction of those two airplane carriers. That was discussed in the conference, and out of that discussion the conferees arrived at a compromise, for one airplane carrier instead of two, and for an initial appropriation of $3,000,000 instead of $15,000,000. I think my colleagues upon the committee of conference on the part of the Senate will bear me out in the statement that that was our understanding, and that that was the agreement between the conferees on the part of the Senate and on the part of the House.

But such is the situation under the rules of the House of Representatives that that proposition, agreed upon in conference, has never been submitted to the House of Representatives. The bill comes back here with an agreement between the two Houses upon a matter which has been in conference, has been agreed upon in conference, and upon which the House of Representatives has never acted because it has never been submitted to them.

Mr. SMOOT. Mr. President——

Mr. POINDEXTER. Just one moment, until I make a further statement of the situation, which I would like to have submitted to the Senate. I should like to have the assistance of any Senator in determining the proper course of procedure.

Our understanding was—it was mine, at least—that the conferees on the part of the House would take that amendment, which I only use as an illustration, because there are a number of others in the same situation, back to the House of Representatives and move an agreement on the part of the House of Representatives with the agreement which had been reached by the conferees of the two Houses, namely, for one airplane carrier and an initial appropriation of $3,000,000 instead of two airplane carriers and an initial appropriation of $15,000,000. But instead of that the chairman of the House conferees, taking the bill back to the House of Representatives, simply moved a disagreement with the Senate amendment, and that motion for a disagreement was adopted and the proposition which was agreed upon in the conference was never submitted to the House of Representatives.

I can cite, if necessary, and any Senator cares to hear it, the entire procedure from the RECORD.

Mr. SMOOT. I desire to say to the Senator that this comes about on account of the rules which have been adopted over in the House. We do not have a free conference between the Senate and the House. The Senate of the United States has 3 conferees; the House of Representatives has 435 conferees, and it is so with every appropriation bill. The conferees on the part of the Senate and the House can not finally agree now. Every agreement that is reached by the conferees has to be submitted to the whole House before a full report can be made to the House.

Mr. POINDEXTER. Mr. President, supplementing what I have just said and bringing it back to its application, if it has any application, to the proposition in regard to the submarines, in which the Senator from Connecticut is interested, although it is true that the amendment of the Senator in regard to these submarines was eliminated from the bill in conference, that amendment related to other things as well as to submarines. That was a mere exception to a limitation which had been put upon the use of the appropriation for the construction program, that it should not be used for ships not contracted for or under construction. The Senate put in an exception, that that limitation should not apply to the submarines, six in number, I believe, and one transport, and it is true that was eliminated in conference.

But if we should send the report back to the House of Representatives, with a large number of amendments dealing with various legislative matters, I am not sure, by any means, that those amendments, dealing with a great variety of subjects, some of which have been sent back here by the House of Representatives with an amendment to an amendment, which amendments to the amendments introduced entirely new matter, can not be further amended by some provision which would accomplish the object in regard to these submarines or in regard to this transport, in some other form or with some modification, notwithstanding the fact that the exact amendment adopted by the Senate has been disposed of in conference. I do not state that as a final opinion, but I think it is at least open to argument.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. POINDEXTER. I yield.

Mr. KING. If I understood the Senator a moment ago, he moved that we proceed to a consideration of this conference report and that we agree to the conference report.

Mr. POINDEXTER. Yes; in substance, that was my motion.

Mr. KING. I inquire of the Senator for information whether, if his motion, in substantially the language I have just repeated, should prevail, if, as to the item just alluded to, for instance, no matter how much the conferees might desire to reconsider the former action of the conferees by which they rejected the action of the Senate and eliminated from the bill the item respecting the six submarines, they would be precluded, to use the language of the Presiding Officer, from the consideration of that subject? Does not the Senator agree that that would be the result of favorable action on his motion?

Mr. POINDEXTER. I think very likely it would be. I am not sure about it, but I think it would be.

Mr. KING. Does not the Senator think, however, that the better way—and I suggest this in a tentative way and in response to his suggestion for suggestions from the Senate as to the best mode in which to proceed—would be for us to take up the several items upon which the conferees have agreed, and determine whether we in the Senate will agree to the action of the conferees? I will say frankly that I shall not be willing to assent to the action of the conferees in striking out this submarine item or disagreeing to the action of the Senate. I want that to go back to conference and be considered by the conferees when they consider the other items which are still in disagreement.

I should like to have another matter go back to the conference, the one alluded to by my colleague, respecting retirement, longevity, and so forth.

Mr. POINDEXTER. That would go back, anyhow. That is not included in the agreements.

Mr. NORRIS. I suggest to the Senator, more as a matter of orderly procedure than anything else, that the Chair stated the motion pending, namely, that we proceed to consider the conference report. I do not suppose anyone here is objecting to proceeding with the conference report. Let us get that motion disposed of. Then the conference report will be before the Senate, and without any motion being made to approve it, or anything, the Chair will say, "The question is on agreeing to the conference report." Then all these matters which have been mentioned will be open for discussion.

Mr. BRANDEGEE. I will make the point of order, Mr. President, that there is no such motion as a motion to proceed to the consideration of a thing, and at the same time to adopt it. The Senator from Nebraska has correctly stated the parliamentary situation.

The PRESIDING OFFICER. The Chair undertook to state in a different way the same proposition some moments ago.

The conference report having been presented, it is in order for the Senator from Washington, if he desires to do so, to move that the Senate proceed to the consideration of the conference report. Then the question automatically arises, if the Senate decides to proceed to its consideration, on agreeing to the conference report, and the Senate can either agree to the same as a whole or refuse to agree to the same as a whole, which would put the whole matter back in conference.

If the Senate decides to agree to the conference report, that will preclude all questions which are embraced within the agreement adopted, of course. Otherwise there would be no purpose to be accomplished in presenting the conference report. The Chair suggests to the Senator from Washington that the Senate will be given an opportunity to pass upon the matter if he moves to proceed to the consideration of the conference report.

Mr. POINDEXTER. Very well. I move that the Senate proceed to the consideration of the conference report on the naval appropriation bill.

The motion was agreed to.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The ASSISTANT SECRETARY. A bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. McCUMBER. I ask unanimous consent that the unfinished business be temporarily laid aside until we can dispose of the naval conference report.

The PRESIDING OFFICER. The Senator from North Dakota asks unanimous consent that the unfinished business be temporarily laid aside for the consideration of the conference report on the naval appropriation bill. Is there objection? The Chair hears none. The question is on concurring in the conference report.

Mr. LODGE. Mr. President, the question, of course, is now on acceptance of the report.

The PRESIDING OFFICER. It is.

Mr. LODGE. Because that is the motion that will most quickly bring the Houses together.

I wish to call attention to what I had in mind, contained in a ruling of Speaker Reed on a conference report, and the conference report happened to be in regard to the resolution which led us into the War with Spain. I suppose that is the reason why it was so well known. I read from Hinds' Precedents:

As the vote was about to be taken, Mr. Benton McMillin, of Tennessee, asked as a preliminary inquiry if it would be in order at this stage to move that the House recede from its amendment to the Senate resolution and concur in the same.

The Speaker replied that it would not be in order, because a conference report was to be accepted or rejected in its entirety.

I think there is no doubt of that general principle. If we reject the report, we can send it back to conference, opening up all of the amendments hitherto agreed to, including the one of the Senator from Connecticut, or if we agree to the report we send it back for those items which have not been agreed to. I am not entirely clear that it is not wholly opened up in any event, but certainly we can not amend it as to any single item here in the Senate; we must either reject it or accept it as a whole. Of course we open it to conference; that is very true.

Mr. SWANSON. Mr. President, I hope the Senate will accept this report. The matter has been in conference for three or four weeks. If the report is rejected, there is no telling when the naval appropriation bill will be agreed upon.

Mr. LODGE. Under the report it goes back to conference, of course.

Mr. SWANSON. Yes; it goes back to conference. I will state the situation in the House. In the House the Appropriations Committee can not consider anything except what has already been authorized in law, and any new item must go back to the House for the instruction of the House. The House Committee on Appropriations can only consider matters that are authorized at that time by law. Upon every matter of that kind the conferees reached an agreement. Everything that we could act on directly under the rules of the House we have agreed on. As to the matters in disagreement, I think we ought to insist on the disagreement. It does seem to me that the

conferees on the part of the House tried to get through the House what we had agreed on.

Mr. KING. Mr. President, will my friend from Virginia yield?

Mr. SWANSON. Certainly.

Mr. KING. The Senator has just announced the rule in the House, namely, that no appropriation shall be made unless the subject matter has been considered and acted upon and appropriation authorized by law. I direct the Senator's attention to the specific item of submarines. In the 1916 program a certain number of submarines were authorized. Those submarines have not been completed. The contracts, indeed, for six have not been let. In the Senate an amendment was offered to the naval appropriation bill providing for those six submarines. Clearly that was not in contravention of the proposition stated by the Senator from Virginia.

Mr. SWANSON. Of course not; and it was all the subject of agreement, and an agreement was made on it and included in the conference report, because the rules of the House permitted an agreement on that.

Mr. KING. But the Senate might refuse to assent to the action of the conferees, and it should go back to conference then.

Mr. SWANSON. Of course they could. If they reject the report, the whole matter goes back.

Mr. KING. There is nothing in the rules of the House that would prevent the House conferees from receding from their disagreement to the Senate action and agreeing to the action of the Senate.

Mr. SWANSON. Nothing at all.

Mr. LODGE. If they reject the whole report, it all goes back to conference.

Mr. SWANSON. Yes; it all goes back to conference.

Mr. LODGE. If they accept it, it goes back on those items still in disagreement.

Mr. SWANSON. Certainly.

Mr. LODGE. I am very glad the Senator from Utah has said that the Senator from Virginia stated correctly the rules of the House. I am glad to meet with some one who understands the rules of the House.

Mr. SWANSON. The rule of the House is that if the Senate adds to a bill that comes over from the House an amendment not authorized by existing law, the conferees can not act upon it, but it must go back for action of the House.

Mr. LODGE. It must go back to 435 conferees.

Mr. SWANSON. Yes; 3 Members of the Senate and 435 Members of the House conduct a conference, and their 3 conferees are powerless. In this matter, however, we have an agreement.

Mr. LODGE. That may be. I do not pretend to fully understand it. It seems to me to be more calculated to hamper and obstruct public business than any system I have ever known.

Mr. SWANSON. It comes about through our efforts to reach an agreement. We had an agreement with the members of the conference on the part of the House that they would submit the questions in disagreement and move to concur in certain amendments. When the bill went back to the House on the conference report they did not move to concur in the amendments, as we understood they would, and consequently the House did not vote on them. There is no use to try to do anything about it. Time is pressing and in a few days the entire Navy Department will stop operating because of lack of funds. The Senate receded on nearly all of these amendments and asked very few increases, but it seems to me it would be absolutely folly to put the entire matter back into conference, a matter which we have had in conference for three or four months, with the entire matter reopened. It would be impossible to tell when we would ever reach an agreement.

It seems to me the wise thing to do is to adopt the conference report wherein we have agreed and then send the other matters back to conference. Then the House can vote on them again, and if they take a vote, as we understood they were to have done, and the conferees can not carry it out, it will come back to the Senate for further consideration. But it would be a mistake to open up this thing which we have had for nearly a month with absolutely free conference and nothing settled. Nobody could tell when we would reach an agreement.

Mr. BRANDEGEE. Mr. President, I do not pretend either to understand or attempt to explain the rules of the House as to conference reports. I have given that matter no attention. I am not interested in that question at the present time. What I am interested in is the disposition of a certain amendment which was introduced by my colleague [Mr. McLEAN] during the consideration of the naval appropriation bill and which was agreed to by the Senate. I will read the amendment, which appears on page 1723 of the RECORD, under date of May 25. The amendment was—

Provided, That with the exception of submarine torpedo boats and one transport, no part of this appropriation can be expended except on vessels now being constructed.

The bill itself contains a limitation in these words:

That no part of this appropriation can be expended except on vessels now being constructed.

The effect of the amendment proposed by my colleague was to exempt from that limitation submarine torpedo boats and one transport, the one transport being included at the suggestion of the acting chairman of the committee, the Senator from Washington [Mr. POINDEXTER]. There was no question as raised in the conference as to whether the amendment made a change in the bill not authorized by existing law. This was no new appropriation for any boat that existing law did not authorize.

The bill as it came from the House or as the Senate perfected it—I do not remember which, but that is immaterial—put an inhibition against expending for new construction any of the money appropriated by the bill. The effect of the amendment was to limit the effect of that inhibition or limitation so that if the Navy Department in their judgment thought it wise to build some of the six submarines which had been authorized previously by Congress to be built, the department could use any money that was appropriated, that they did not use for other purposes, for the construction of one or all of the fleet submarines hitherto authorized by Congress.

In connection with that my colleague put into the RECORD, and it will be found on page 1285 of the RECORD under date of May 11, a long letter from the Lake Torpedo Boat Co., by Mr. H. S. Miller, its president, showing the effect upon that great industry if the naval appropriation bill should prohibit the new construction of torpedo boats by the department; and also a letter under date of May 9 from the Lake Torpedo Boat Co., by Simon Lake, directed to my colleague, in which at length he reviewed the history of the establishment of that industry, its achievements in construction for the Navy Department, the number of vessels it had built, and showing that unless the amendment offered by my colleague was included in the bill that plant would have to go out of existence.

Now, I do not claim that it is the business of the United States Government, irrespective of its naval needs, to award contracts to factories so as to keep them going whether the United States needs their product or not. I am not a war lord, and I do not think the Government is under any obligation to grant contracts for new naval construction if we do not need the vessels. But I say that here is a special product which, when the Navy Department needs it, is needed with the keenest and most urgent need and emergency. We can not build a submarine boat in two weeks, and we can not build them at all if we have not the specialized plant.

So far as I know there are only two concerns in the United States of America that can build submarines. One is the Electric Boat Co. and the other is the Lake Torpedo Boat Co. There are only two that build torpedo boats, because the torpedo boats and every part of their machinery and the ideas upon which they are based are the product of ingenious inventors' brains and are controlled by patents. No one can build one, even if he had the mechanical genius, without getting the authority of the patentee. The effect of it is that these extremely intricate annexes to the Navy which many naval authorities agree are necessary in order to protect battleships themselves from destroyers and other boats, are the product of a specialized corps of mechanics, engineers, and other scientific men.

This particular company in my State, I suppose, has been in business there for 20 years. It is located in Bridgeport. It employs 3,000 mechanics, who are skilled in this particular branch of work and mechanism. Under the provisions of the conference report they will have to go out of business. It seems to be a pity to put one of two competing companies, who make entirely different types of submarines, out of business and allow the other company to have a complete monopoly in this country.

As I have said, I do not think the Government ought to make an appropriation simply to keep in existence a torpedo-boat manufacturing enterprise, but it is admitted that probably in about a year we shall have to build some fleet submarines—not meaning fast, but submarines that can take the sea and keep company with the fleet in its operations in all sorts of weather. We have got to have some a year hence. The existing law authorizes their construction. When we contemplate the 20 years' experience this company has had and realize how it has worked in assembling its great corps of skilled artisans, who are now tied to their homes, with their children

at school, in one of the cities in my State, do we want to say to the owners of the plant, "You can get no work for the next year, but you must support your plant in idleness and pay millions of dollars in wages and insurance while the Government waits its time, which it will bide for a year, and then we will give you orders"? All I say is if the Government wants to have its own submarines made in this country and not to rely upon possible future enemies from whom to import them in time of emergency, it must exercise a wise discretion in the distribution of its orders. If the Government has not enough orders to maintain this plant or similar plants on their present extensive scale, let them give notice and cut them down, but a certain amount—I will not say of fair dealing, but of prudent dealing, must exist between the Government and instrumentalities of this kind, unless the Government is going to say, "We will condemn the patents or buy them out and establish our own submarine works." I have no objection to that; it is simply a question of public policy whether or not the United States wants to build all its own vessels; but I am simply setting forth the effect of the agreement to exclude the Senate amendment will have upon this industry.

I think it will also have a bad effect upon others who want to invent mechanisms which are useful to the Government and to establish plants for their manufacture, because if orders are given in a spasmodic way no business can exist, for business, in order to exist, has got to pay dividends and has got to pay wages to its workmen.

My colleague and I have been receiving telegrams from the committees of workmen in this great plant who have worked there for years and years beseeching and imploring us to keep this amendment in the bill so that they may not be thrown out of their work. If this plant is once dismembered, it will be the task of years to reassemble it. It seems to me it would be ill-advised, almost wanton in its reckless disregard of what really is of benefit to the Government.

I know something about the Lake torpedo boat. It is of an entirely different design and kind from the electric boat. Experts differ about which is the better. I know my friend, the Senator from Utah [Mr. KING], thinks that none of the submarines made in this country are as good as those made abroad. As to that I do not know; I am not sufficiently expert to say; but I do know that if there is any hope of bettering them it is not by dissolving existing plants but by improving them.

Mr. KING. Will the Senator permit an interruption?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Utah?

Mr. BRANDEGEE. I yield.

Mr. KING. I believe that the employees of the plant to which the Senator from Connecticut is referring are as efficient as can be found in any plant in the world.

Mr. BRANDEGEE. There is no question about that.

Mr. KING. And I have no doubt that they have furnished the very best kind of mechanism that has been produced in the United States. If the best submarines in the world are not produced there, it is not the fault of Mr. Lake or of his mechanicians and his employees, but it is the fault of the Navy Department in refusing to permit the adoption of the best plans that are necessary for the production of the most improved type of submarines.

Mr. BRANDEGEE. The Senator from Utah has given this matter much more attention and investigation than have I. I do not know whether it is a fact that our submarines are not equal to the foreign submarines, though I have read in the newspapers within a few days statements which have been attributed to naval officers that there were many of the German submarines which were surrendered that are superior to ours. However, if that is so, it is a reasonable supposition that our people will adopt such improvements or ideas as they may gain from the superior submarines which they captured. All that, however, is neither here nor there. If we should enter into a technical discussion of the respective merits of the different makes of submarines or whether ours were deficient or not, we could talk for months here.

I suppose all three of the Senate conferees did what they could to keep the amendment in the bill. Personally, I can not see any objection to it; I can not see why the other House should object to it, if they did object. I am not quite positive that the House conferees seriously objected, or if they did so that they really understood the whole situation about the matter. The amendment would not cost the Government one penny in appropriations. The total amount appropriated stands the same whether the amendment is in or out of the bill. It simply allows the Navy Department, if they wish to build one or six fleet submarines to build them, using some of the money that is appropriated, whatever the amount is, five hundred or six hundred million dollars of the total carried in the bill.

Mr. KING. The sum of $90,000,000 is carried in the bill for new construction.

Mr. BRANDEGEE. If the Navy Department did not need and did not want the submarines, they would not use a cent of the appropriation for submarines, but would use it for something else. If six months hence or three months hence the department should think it wise to build one great fleet submarine or two great fleet submarines, they could take the amount of money—which is very small compared to that for a battle cruiser or a battleship—and use it to accomplish two purposes, to give the American Navy at least one seagoing fleet submarine and also to keep a great industry from ruin.

Allow me, Mr. President, to say a word about the parliamentary situation. There is no reliance whatever to be placed upon the hope that if the conference report disagreeing to this amendment is accepted the necessary provision can be made under any other general language in the process of overhauling and reforming compromise devices in connection with other amendments. It has got to be adopted practically in the form in which it stands. If the conference report, to which the conferees of both branches have agreed and to which both Houses will have agreed by the acceptance of this report by the Senate, is accepted, the conferees will be powerless to touch it even by unanimous consent. If they thought they would do a wiser thing by reconsidering and reversing their previous judgment, they would be powerless. A point of order in the House would absolutely throw it out of the conference report. So I am compelled to say that the only hope of keeping this amendment in the bill is to disagree to the conference report.

I do not think that would be a calamity. While theoretically all the items that have been agreed to in the conference report would be open to reconsideration, as to ninety-nine one-hundredths of them the conferees would be of the same opinion and would as a matter of course agree upon them, but they could reconsider this amendment.

So, Mr. President, without wearying the Senate at any greater length, I hope the conference report will not be agreed to, in which case this amendment can be considered in a further conference.

Mr. POINDEXTER. Mr. President, I think it would be very unfortunate to reject the conference report, including the substance of the naval bill as agreed upon by the Senate and House of Representatives, the entire report, involving the maintenance of the Navy, merely because of our opinion about a particular amendment in which the Senator from Connecticut is interested. Personally, I agree with the Senator from Connecticut as to the merit of the amendment. I agree with the Senator from Connecticut as to the advisability of constructing submarines. There is nobody in either House of Congress who has made more continued and more persistent effort to secure the adoption of a policy by the department and the appropriation of funds by Congress for that purpose than I have myself.

In further illustration of the attitude of the Senate conferees upon this amendment, I may say that the amendment contained an item relating to a transport as well as to submarines, and identically the same situation exists in the State of Washington, which I in part represent, with reference to the maintenance of a great ship-construction plant, which would be benefited by the construction of the transport, as exists in the State of Connecticut as to the submarine plant. There is in the State of Washington a plant which has been engaged in the construction of naval vessels, which construction will soon come to an end. It also is prepared to construct merchant vessels. It has all the merit and all the argument in its favor respecting the maintenance and establishment of a most vital industry in this country—that of ship construction—with all that it means in connection with the consumption of American material and the employment of American labor, that can be possibly involved in the case of a submarine plant in the State of Connecticut. On that account, having my attention called to the matter in a most emphatic way, I personally made a strenuous effort in the conference to retain this amendment in the conference report; but notwithstanding that, over my objection, and in the exigencies of the long and bitter controversy that the entire Navy program has been involved in, we were compelled to recede in order to obtain a general agreement upon the entire bill.

Now, as to the merits of the amendment itself—and what I am about to say applies more particularly to the submarine than it does to the transport to which I have referred—the Lake Torpedo Boat Co.—if that is the name of the company; that will designate it at least—is, in my opinion, a very meritorious

organization. They have done good work for the Government, and in recognition of that they are now engaged in the construction of three of the largest submarines that this Government has ever constructed. They are in process of construction by this company. The Government is also engaged in the construction by contract with private companies and also in its own navy yards of over 30 other submarines, smaller submarines than those which the Lake Torpedo Boat Co. is constructing; so that the matter of procuring submarines has not been at all neglected by the Navy.

The appropriations for construction under the program of additions to the Navy in this bill amount to $90,000,000. Under the showing made to the committees of the House and of the Senate, that will not be sufficient to enable the Navy Department to continue at the full rate of construction upon the ships which are already under way. They will be compelled to discharge a great many men that are engaged in the construction of these vessels, and they are preparing now to do it. They will be compelled to disorganize in part a great many other plants besides that of the Lake Torpedo Boat Co., by reason of the fact that at the present wages and at the present cost of material and the prospective rate of wages and material in the coming fiscal year they will not be able to maintain construction in their own yards and in private yards upon the battleships and the battle cruisers and the submarines and the destroyers whose construction is now under way.

The information that we have, and that is as reliable as any information that can be obtained—it comes from Admiral Taylor, who has the esteem of virtually everybody who knows him, and the confidence of Members of Congress who have dealt with him, a great naval constructor, one of the greatest in the world—is that under this appropriation they will be compelled to slow down the construction upon battleships to only 25 per cent of the full capacity of the yards in which they are being constructed, in order to proceed at a greater percentage of progress upon the battle cruisers and the light cruisers, which are regarded as of greater importance in the present exigencies of the situation than are the battleships, by reason of the fact, among other circumstances, that the United States is already fairly well supplied with battleships, and is almost entirely lacking in swift cruisers.

That is the situation which confronted the Senate conferees in the face of the objection of the House conferees to this amendment—whether or not it was important enough to tie up the whole bill and prevent any agreement at all between the two Houses in order to put in the bill merely an authorization—not a requirement—that out of this $90,000,000, which is not sufficient to proceed with construction already under way, the Navy Department might be authorized, if they saw fit, to make contracts and to enter into the construction of new submarines the construction of which has not been started.

As the Senator from Connecticut has well said, even if this amendment remained in the bill it would not necessarily make any change whatever in the situation as to the Lake Torpedo Boat Co., because the Navy Department already have the authority under existing law to make contracts for these submarines, and all that they lack is the appropriation of money to enable them to carry it out, and they would have the same discretion; and I am informed, in view of the exigencies of the situation in the yards where they are constructing these other ships, that even though this amendment were adopted, unless it should be required instead of being merely authorized, they would not expend part of this limited appropriation for the construction of new ships, whether submarines or any other kind, that are not already under construction.

Mr. BRANDEGEE. Mr. President——

Mr. POINDEXTER. I yield to the Senator.

Mr. BRANDEGEE. I wanted to ask the Senator first if he had ascertained from the department, in pursuance of a conversation that I had with the Senator the other day, whether they did have any unexpended appropriation on hand that they could use for any of these submarines. The Senator was going to see if he could get that information from the department.

Mr. POINDEXTER. Yes. I am informed to the contrary.

Mr. BRANDEGEE. I have been told by one or two of the conferees, I think, that they had an impression that there was some $17,000,000 available.

Mr. POINDEXTER. There is some $11,000,000 available; but while under the law it could be used, the intention of the department is, under an allotment which has been made by Executive order, to use it for other purposes.

Mr. BRANDEGEE. Did I understand the Senator correctly to have said, in the last statement he made, I think, that he had it from the department that unless they were instructed specifically to build these fleet submarines they would not do it, even if the option to do so were given to them?

Mr. POINDEXTER. That is the impression I have gotten. I have no specific name as to whom I got the information from, but my information was that the exigencies were so great as a result of the calls upon this fund from the work that is in progress at the present time that unless they are required by law they would use no part of it for the construction of new ships.

In view of these circumstances I hope that the conference report will be adopted.

Mr. KING. Mr. President, will the Senator from Washington, for the information of some of us who have not had a chance to examine the report carefully, tell us those matters upon which agreement was had and the important ones as to which there is still disagreement?

Mr. POINDEXTER. There was an agreement had between the House and the Senate as to the personnel. The Senate adopted amendments which would have provided pay and provision for a Navy of the present strength. Some Senator a day or two ago, in discussing the adjournment resolution, made the statement that Congress, in so far as it had acted, had provided for an increase of the Navy. That is entirely erroneous. Even the Senate amendments that were adopted did not provide for an increase of the Navy. The House conferees agreed upon a reduction of the Navy from the 120,000 that would have been provided for by the Senate amendment, which is the same as the Navy is at present, to approximately 106,000 men. The conferees agreed to retain in the bill the provision for the establishment of a Bureau of Aeronautics in the Navy Department—that is, to consolidate and to harmonize and to coordinate the various aviation activities which are now conducted under different bureaus and branches of the department and put them all under one head. That was regarded as one of the important matters.

As I have stated before, the conferees agreed upon one airplane carrier, but that matter was not submitted to the House at all. Consequently, never having been submitted to the House, of course it was not adopted by the House, so that that is out of the bill so far as the conference report is concerned in disagreement. The result of it is that the conference report rejects entirely all provisions for airplane carriers.

Mr. KING. Will the Senator yield further?

Mr. POINDEXTER. I yield to the Senator.

Mr. KING. If the matter goes back again in the state that the Senator has suggested that it should—namely, an adoption of the report—would that preclude the conferees from considering the question of the airplane carrier?

Mr. POINDEXTER. Not at all.

Mr. KING. They could consider it?

Mr. POINDEXTER. They could consider it. That would be one of the matters still in disagreement between the two Houses.

The House conferees and the Senate conferees agreed upon some of the Pacific coast shore stations; but those matters, instead of being recommended for adoption by the House, were recommended by the conferees for disagreement by the House, and of course were disagreed to upon the recommendation of the House conferees, and they are out of the conference report.

I think those cover the chief matters which were in argument in the Senate during the consideration of the bill.

Mr. KING. Mr. President, I should like the attention of the Senator from Connecticut, as well as the chairman of the committee. Would the chairman of the committee be willing to adopt the report with the exception of item 94 and let that go back to conference?

Mr. SWANSON. Mr. President, it is impossible to do that. The report must be accepted as a whole or rejected as a whole. You can not adopt part of a conference report.

Mr. KING. It occurred to me that under the rules we might accept certain items which have been agreed to, where there are still items in disagreement, and the items not agreed to would constitute a portion of the total of the items to be considered again by the conferees when the matter goes again to conference.

Mr. SWANSON. No; the rule of the Senate is that a conference report must be rejected as an entirety or accepted as an entirety.

Mr. BRANDEGEE. Mr. President, I think there is one possible device that could be adopted that would extricate us from this situation, if the Senators are willing to accept it. We could disagree to the report, which would carry it back to conference, with instructions to the conferees to report all the matters that they have agreed upon just as they are, except this item 13.

Mr. POINDEXTER. It is amendment numbered 94.

Mr. BRANDEGEE. Is that the submarine amendment? I thought it was 13. We could do that if we would, I think.

Mr. SWANSON. That would leave the entire matter in conference. We would have to take up again with the House every item in the bill. That amounts to a disagreement.

Mr. BRANDEGEE. No; the Senate conferees would be instructed to stand for all the agreements they had made except this amendment numbered 94.

Mr. SWANSON. Here is the House, which has adopted the report. If we adopt it, that matter is eliminated from conference. If we adopt the procedure spoken of by the Senator from Connecticut, the entire matter will be in conference, because the minds of the two Houses have not concurred. The matter will be absolutely open on every proposition contained in the differences in the bill as they originally existed.

Mr. KING. Mr. President, I regret that I can not assent to the wishes of the acting chairman of the committee and of my good friend the Senator from Virginia [Mr. SWANSON]. They have exhibited great courtesy during the many months since the naval bill was reported and I am somewhat embarrassed in opposing their views. I am impelled, however, to express my dissent from their position, because I believe our submarine policy is of the most vital importance, and that the Navy Department has failed to properly appreciate its importance or to devise a suitable and adequate submarine program.

As Senators know, I have been unable to approve the 1915–16 naval program. I have condemned it as archaic and as grossly extravagant. I have been unable to approve the course of the Navy Department in its blind devotion to a program conceived in 1915 and which disregards the lessons of the war, a program which sees only battleships and battle cruisers and refuses a proper place to aircraft and submarines. We have expended more than $130,000,000 in the construction of submarines. I believe that a great part of this huge sum has been wasted. Our submarine policy if it has not been a disgrace has not been creditable to the Navy Department.

We have to-day but one submarine that can accompany the fleet. With the more than one hundred millions expended, we have no fleet submarines. We have a large number of imperfect and archaic submarines, many of them tied to the docks, inefficient, incapable of going to sea or accompanying our war ships. They lack speed, engine power, and other qualities so imperatively required in submarines. Our naval constructors and our naval advisers have gone mad on battleships and battle cruisers. They seem to have been oblivious to the importance of submarines and aircraft.

I think, Mr. President, we ought to send this conference report back, following the suggestion just made by the Senator from Connecticut, assenting to all of the items in agreement except No. 94, which relates to submarines, and as to that, I think, if the Navy Department has indicated, as intimated by the Senator from Washington, that unless it receives peremptory instruction to build fleet submarines it will not do so, we ought to accompany——

Mr. POINDEXTER. The Senator is misquoting what I said, unintentionally, of course. I did not make that statement. I said my understanding was that they would not use a part of the $90,000,000 carried in the bill for the construction of new submarines not now under construction. I did not say that they would not construct additional submarines without express authority from the Congress. On the contrary, my information is that they will construct new submarines as soon as they can arrive at that point in the expenditure of the money that is available, considering all the demands upon the funds.

Mr. KING. Mr. President, I am much obliged to the Senator for explaining his position. Perhaps I did not apprehend it quite clearly. But as I now understand it, the statement of the Senator is that no part of the $90,000,000 carried in this bill will be employed by the Navy Department for the construction of new submarines unless there shall be a mandate from Congress contained in this bill, or in some subsequent legislation.

Mr. President, if that is the attitude of the department, then I think a mandate should be issued now to the Navy Department, either in this bill or in a resolution following it, requiring them to enter into contracts, using a part of the $90,000,000 for the purpose of constructing at least six fleet submarines.

I have here, Mr. President, a large amount of material which I intended to present to the Senate when this report came up for consideration, but I shall defer doing so until the resolution which is now pending before the committee asking for an investigation of the submarine situation is brought before the Senate. The data which I have will show that, notwithstanding we have one hundred and fifty-odd submarines, constructed and in process of construction, only one can go with the fleet; and when those which are now in process of construction are completed the situation will not be changed. The engines are bad, the hulls in many cases are bad, the mechanism is defective, and generally speaking the boats as a class are inferior to those of Germany and England. There should be a thorough investigation of the submarine situation not by the Navy Department alone but by Congress to ascertain what has become of our $130,000,000, and learn the reason for the inferior flotilla of submarines that we are burdened with.

Mr. JONES of New Mexico. As I understand the Senator's statement it is decidedly interesting, and I should like to know if I have a correct idea as to the submarine situation. Does the Senator understand that we have a large number of submarines now under construction which, after completion, will be obsolete and will not serve any useful purpose in connection with the Navy? Is that the idea the Senator would convey?

Mr. KING. Mr. President, the idea which I sought to convey was this, that we have a large number of submarines now which are obsolete, that we have a large number which are being constructed which, when completed, because of inherent defects in design and in construction, imperfections in their machinery and in their engines, will be unsuitable for sea service. Some will serve a useful purpose for coastal defense and for short cruises, but they will lack the power, the speed, the mechanical perfection to enable them to accompany the fleet or to measure up to a proper standard.

Mr. JONES of New Mexico. Mr. President, I have been very anxious to have the Government economize in every feasible way. I am not a member of the Naval Affairs Committee, but I have felt that a large amount of money is being appropriated for naval purposes which might be saved, and it just occurred to me, when the Senator was discussing this topic, that this was one place where we might save a good deal of money and not embarrass the actual defense of the country.

Mr. KING. Mr. President, the Senator from New Mexico has expressed the thought of all who are interested in the welfare of our country, and I agree with what he has said in his last statement. If economies and reforms are desired in the Government, then here is a field for legitimate retrenchment. We can in this appropriation bill economize and not interfere with the construction of a proper and modern Navy or jeopardize the interests and safety of the country.

Perhaps the Senator was not here when I discussed the naval appropriation bill, both in this Congress and during the closing hours of the last session. I examined the naval program at great length, perhaps to the extent of taxing the patience of Senators. I pointed out the imperfections in the 1915–16 naval program and attempted to prove that when completed it would not give to the United States a modern and efficient Navy. In other words, I attempted to show that we were wasting hundreds of millions of dollars by a blind devotion to an archaic plan; that bureaucracy and reactionary forces were controlling our naval policies; that the 1915 program called for an expenditure of a little over $536,000,000, based upon the estimates which were then furnished, but that the program will cost the Government more than $1,000,000,000; indeed, with the necessary adjuncts, it will cost the Government $1,500,000,000 at least. We have spent already five hundred and thirty-odd million dollars upon this program, and it is not half completed.

The 1915–16 program called for a large number of battleships and six battle cruisers. Only recently the keels of some of the ships and cruisers were laid. The Navy Department, instead of suspending construction upon some of the battleships and all of the battle cruisers but one or two, have persisted in a determination to build all that a prewar plan devised, notwithstanding the stupendous cost, and the fact that when completed the vessels will be obsolescent, if not obsolete, because we have forced Great Britain from a rather static posture—which projected no capital ships—so that within the past month she has revised her estimates and her program and has announced a proposition to build four super-Hoods, each one of which will displace 55,000 tons, and each one of which will have a speed greatly in excess of any of the 1915 type. Moreover, these mighty ships will carry 20-inch guns, while ours will carry but 16-inch guns. The super-Hoods will be more powerful than any of these vessels we are now building, and when we have completed the 1915–16 program we will have obsolete or obsolescent ships. We will be compelled to build larger ships to compete with the British ships. And, of course, this competitive policy will constrain other nations to construct larger ships, or, at least, war vessels powerful enough or efficient enough to afford protection. This course will follow unless some arrangement is made between nations to end this absurd and oppressive policy by international conventions or leagues. We are provoking naval competition and placing burdens upon other nations as well as upon the American people.

I advocated in a report submitted to the Senate and also in the addresses delivered here that the 1915 program be modified, that suitable submarines be built, and that proper attention be given to the lessons taught by the Great War. A number of submarines can be built at the cost of one battleship. Let us have first-class, up-to-date submarines and suitable aircraft. Let us have a modern and adequate Navy—if we are to have any Navy. But the Navy Department seems determined to build battleships and battle cruisers, which will be, as I have stated, out of date when they are completed; and because by our fatuous policy we are driving Great Britain to the construction of four super-Hoods, which will possess a fighting strength, perhaps, equal to or greater than the combined power of all the battleships and cruisers which we are now building. Even if an international agreement shall be entered into which will limit naval armament and prevent competitive building, fleet submarines will be necessary for an indefinite period. Indeed, they may outlast capital ships. I have therefore insisted that we reduce the number of capital ships, but that we build fleet submarines. We should scrap more than 50 per cent of the submarines controlled by the Navy because of their defects and irreparable imperfections; they are an expense and of no value. We should also scrap more than 50 per cent of our so-called capital ships; they are obsolete and are costing the Government millions per annum for upkeep, and serve no useful purpose. There must be a great reduction in the costs of maintaining the Navy. The naval budget is outrageous and can not be defended. If we had the proper courage, we would, in my opinion, disregard some of the recommendations of the General Board and plan the construction of a modern and well-balanced Navy, one that is adequate for all national purposes. Of course, I am basing this view upon the theory that no satisfactory international agreement is reached for the limitation of armament.

I have tried to emphasize the fact that the recent great war revealed the vulnerability of capital ships and the great importance of submarines, mine layers, torpedo boats, aircraft, poison gas, and other naval weapons or forces in any and all future naval contests. While our naval officials have stressed capital ships, I have insisted that more attention be given to the new forces which the war has proven to be of vital importance in sea warfare. I am not advocating the inutility of capital ships. They are still of the highest importance, but they are not all important. Indeed, in my opinion their importance will diminish, not, of course, to the vanishing point, but by comparison; and it will finally be demonstrated that modern inventions have materially changed and will still further change naval warfare and redistribute the factors essential for conquests upon the seas.

Mr. JONES of New Mexico. Mr. President, I noticed in the newspapers in the last day or two some objection, which purported to come from the War Department, to the reduction of the number of enlisted men in the Army, and as a reason for not wanting to reduce the number of men it was said that they would add to the number of unemployed in the country; in other words, advocating that the Government retain men in the Army for the purpose of giving them support. I just wondered whether these contracts for the building of these submarines, which will be obsolete after completion, were being completed in order to furnish employment to some one and enable business concerns to go ahead with their business; in other words, whether this is in the nature of a subsidy.

Mr. KING. Mr. President, there is a good deal of truth in that, and an admiral testified before the Committee on Naval Affairs, in answer to a question that was propounded by a member of the committee, that if there were a suspension of construction upon some of the battleships and battle cruisers the principal sufferers would be some of the big concerns who have contracts for the construction of battleships and battle cruisers, the cost of which will be nearly $50,000,000 for each ship.

Mr. President, I repeat that submarines now being constructed will prove imperfect and inefficient; it will be established that the designs are unsatisfactory, the engines inadequate, and the construction defective. It has been proven already that these criticisms are well founded. In a speech recently delivered in this chamber I called attention to some of the important defects in the submarines, and also put into the RECORD statements made by Admiral Fullam, and a writer whose article appeared in a recent issue of the New York Tribune. I shall not take the time to point out the valuable data supplied by these persons, or to supplement their statements by reference to the data which I have before me. At a later time I may have occasion to discuss this question in great detail.

The six submarines which I think should be built are for the fleet; they are fleet submarines, in contradistinction to coastal and smaller submarines of 800 to 1,250 tons. They are 2100-ton submarines. I repeat we need fleet submarines. If our fleet went to sea to-day to meet an enemy, it would have inadequate submarine protection. Those of our submarines that are fit for service—and only a part of them are fit for service—would have to cling to shore. Their radius of action is limited, and their movements so slow that they could not accompany the fleet, even if their cruising capacity were much greater.

My position is that we should take a part of the $90,000,000 carried in the bill for battleships and battle cruisers and devote the same to the construction of six submarines to accompany the fleet. That would be economy and at the same time in the interest of an adequate Navy. I would cut off from battleship and battle-cruiser appropriations a moiety of that tremendous sum and devote it to the construction of suitable submarines. Admiral Fullam has testified, and it can not be refuted, that our submarines do not measure up to those built by Germany. In the face of the mountain of facts established by the war as to the value of undersea craft and a 3-plane Navy, we proceed in a stupid manner to follow an ancient policy, and are content to build and purchase submarines of a lower standard than those constructed by Germany. We should have an investigation, Mr. President; the Navy Department needs investigating; and an overhauling of the Navy Department would prove of immense advantage to the country, as well as to the Navy.

As the Senator from New Mexico knows, I have been preaching for economy ever since entering this Chamber. I have denounced the extravagances of the former Congress under a Democratic administration, as I denounced the last Congress—which was, as this one is, Republican—as well as the present one, for the extravagant and indefensible appropriations made. While I am pleading for economy I am pleading for the construction of submarines that will give us a modern fighting Navy, and I am condemning the policy of constructing a large number of battleships and battle cruisers, which will be out of date when completed.

In the Army and Navy Register, under date of July 2, 1921, I find this article:

> The Secretary of the Navy is expected to direct the naval general board to conduct an inquiry into the state of American submarine design as the result of representations that have been made to the Navy Department lately by officers who are regarded as experienced in that type of warship. Of late there has been much criticism expressed concerning the design of the T and V classes—the fleet submarines.

We have a few, and only one of the T and V type, which have been constructed, is fit to accompany the fleet. The others are imperfect. The article continues:

> It is claimed that they are inferior in many respects to the German U-boats, especially those derived by this country as a consequence of the armistice.

I believe that an investigation will show that some officials in the Navy Department did not desire to take advantage of the lessons which the German submarine would teach us, and before sinking them did not have proper designs and duplications made of the German submarines which we proposed to sink. One would have thought that all would have embraced every opportunity to obtain knowledge as to the skill and constructive genius of the Germans as revealed in the submarines built by them.

> The officers who have seen service with our submarines, too, express keen disappointment that the Navy Department has not made better use of an opportunity to obtain information of a technical character that they claim could be profitably adopted in the American design. It comes as a surprise to most people probably that these experts regard with unconcealed approval the German type, which they pronounce with something like enthusiasm as appreciably superior to the American boats of latest construction and design.

And yet one distinguished admiral appearing before the committee stated to me that our submarines were better than the German submarines. There has been an effort made by some officers of the Navy Department to discredit the German submarine and to make it appear that we have the best submarines in the world, or at least that nothing has developed to cause any material change in the types, designs, and mechanism of the submarines now being built. I submit that our course is not for the best interest of our country.

Mr. POINDEXTER. The Senator from Utah claims to be a better judge of that than the admiral he refers to, does he?

Mr. KING. No; the Senator from Utah makes no claim to expert knowledge, but I have talked with men who do know as much about it as that admiral, and some of them know a great deal more. The trouble is that the Navy Department, like all other governmental agencies, sometimes suffers with dry rot. There ought to be a shaking up in the Navy Department, and I hope that the new Secretary of the Navy will do it. The Senator knows that both in the Army and the Navy there have been at various periods, not only in this country but in other

countries, bureaucrats, reactionaries, officials, and groups who refused to look ahead and to receive and apply new ideas. They treated with indifference or ill-concealed contempt the suggestions of junior officers and others who possessed genius and imagination and inventive power and courage, and who sought advancement and progress and often radical departures from old paths. Whenever an improvement has been made in the Army or in the Navy those who have succeeded in the achievement have had to fight their way over the relentless and determined opposition of the bureaucrats and the rut makers and the rut followers.

Mr. POINDEXTER. I do not care to prolong the debate, but I should like to say to the Senator from Utah, who must have given the matter a great deal of study, judging from the amount of time that he has spoken about it to the Senate, that I think he would be conferring a very great favor on the country, if what he says is true or only in part true, and would be conferring a very great favor on the Navy Department, if instead of mere general attacks the Senator would point out something specific, some improvement that could be made. The Senator has said he is in communication with junior officers who have genius and who have imagination. I think some of those junior officers of genius and of imagination and some of the civilians, whether British, German, or American, who are informants of the Senator, could suggest to him something particular, something definite, something concrete, so that it could be submitted to the jury of the Senate and of the country, upon which they could form a conclusion as to the merits of the question.

Mr. KING. In the first place, the Senator does not quote me accurately. When I referred to junior officers of genius, ability, and imagination, I did it in this connection: I said that it was the history, not only of our Navy Department and War Department, but of the navy and war departments of other countries; that improvements and achievements came by fighting, and against the opposition, relentless and determined, of bureaucrats and reactionary forces.

Heretofore I have made upon the floor of the Senate suggestions of a concrete character. I have challenged attention to the defects in the submarine and aircraft activities of the Navy, and I have quoted from a distinguished admiral, who called attention to the inferior character of our submarines and the weak and imperfect plan which we have followed. I have specified defects and pointed out wherein our submarines were inferior and defective. I have pending before the Committee on Naval Affairs a resolution calling for an investigation of the submarine question, and if that investigation shall be ordered by the Senate I think I can say to my friend that the criticisms made will be supported and what I have said will be substantiated. I apologize to my friend who is so anxious to secure a vote upon the conference report that he mildly rebukes me for occupying the floor to-day, for occupying so much time this afternoon, and I shall soon conclude.

Returning to the article which I was reading—

It comes as a surprise to most people, probably, that these experts regard with unconcealed approval the German type, which they pronounce with something like enthusiasm as appreciably superior to the American boats of latest construction and design.

I emphasize that because my information in regard to that shows conclusively the inferiority of our boats.

It is further asserted that we have failed to take advantage of developments of the German type in many characteristics. Among the points of superiority are the engine clutches, exhaust valves, air compressors, interior communication—which in our ships is said to be unreliable—navigating instruments, ground tackle, tank gauges, ventilation, diving qualities—the German *U–148* dove in 27 second, while it required 2 minutes 15 seconds for our *S–4* to dive—seagoing qualities, ammunition stowage and service of guns—described in our case as too slow for war use—while the German boats are better armed and are fitted to lay mines and equipped with net cutters and jumper wires. It is asserted there is not the slightest doubt, at least from the point of view of the submarine-operating personnel, that the *S* boats are very inferior to the German *U–111*, and the T and V classes are equally inferior to the cruiser submarine *U–140* and the mine-laying cruiser submarine *U–117*; that not only are the American vessels much more difficult and dangerous to operate submerged, due to their faulty design as submarines, but the machinery and most all apparatus installed are considerably behind the Germans in development.

There does not seem to be much left to say for the American submarine after some of our own experts have completed this comparison between our own and the German product. It is insisted from this same source that the situation is a very serious one and that it has placed the United States service at a great disadvantage, fraught with much peril. It has, therefore, been recommended to the Navy Department that the whole subject of submarine design be made the occasion of a special study and that the views of officers serving with the submarines be obtained, and that there be developed a design that shall avoid the defects that the present critics insist have reduced the American submarine type to a state of inferiority as compared with boats of older design, built and operated—and since surrendered—by the Germans. It is not surprising to learn, too, that this situation is utilized to revive the proposal to establish in the Navy Department a new system of dealing with the submarine problem in all its aspects, and that this can be most effectively achieved by the creation of a bureau devoted exclusively to that activity.

Then follows an allusion to myself, which I shall not read. The article then continues:

There will be opposition on the part of the administration to the formation of a new bureau for this purpose, according to statements made at the department, but the discussion that is destined to ensue may lead to greater specialization in and control of submarine design, construction, and operation.

Mr. BRANDEGEE. Mr. President——

Mr. KING. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. I did not hear the Senator when he commenced reading the article. I wish to know whether he put in the RECORD where the article came from. I read in a newspaper the other day the same article, but I have forgotten what paper it came from.

Mr. KING. I am reading now from the Army and Navy Register, a newspaper of influence and of deservedly high standing in the United States.

Mr. BRANDEGEE. Did the Senator give the date of it?

Mr. KING. July 2, 1921.

Mr. POINDEXTER. Who is the author of the article?

Mr. KING. It appears, I think, in what might be denominated the editorial columns.

Mr. BRANDEGEE. The Senator has the page out of the Army and Navy Register?

Mr. KING. Yes.

Mr. BRANDEGEE. I read the same article copied in a newspaper the other day.

Mr. KING. It is on page 9 of the Army and Navy Register of July 2, 1921.

I send it to the Senator from Washington, so that he may examine it. If I am in error in attributing it to the editorial column, I shall be very glad to be corrected. There seem to be a number of editorials on those 8 and 9 pages, and I am reading from one appearing at page 9.

Mr. President, I agree with the Senator from Connecticut that we ought not to construct submarines merely for the purpose of giving work to submarine plants; that would be indefensible; but I think the Senator's position is sound that it would be a misfortune—for we must have submarines if we are going to have a Navy—if we were to close one of the best, perhaps the best, plant for the construction of submarines that can be found in the United States. We should employ a portion of the $90,000,000 appropriation in the construction of fleet submarines and if the submarine company that has its plant in Connecticut can successfully compete with all other companies, it should be awarded the contract. If it can build better and cheaper submarines than the other competitors it should, of course, receive the contract.

Knowing that we must have fleet submarines, and knowing that the Connecticut company is equipped to do most excellent work and has already built some boats—it would be the part of wisdom as well as economy not to destroy this plant and disperse its skillful, technical, and efficient organization.

Mr. President, recently a petition was filed with the conferees and a copy was sent to me. It is signed by a committee of the employees of the Lake Torpedo Co., of Bridgeport, Conn. It is signed by Mr. J. M. Hennessey, chairman of the employees' committee of the Lake Torpedo Boat Co. My information is that this petition was prepared wholly and exclusively by the employees of that company and it represents their views. I should like the RECORD to note the presentation of this petition at this time, and I should like it also to be noted in the RECORD that it was formally presented and referred to the Committee on Naval Affairs.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KING. The petition contains some very useful information, Mr. President, and it ought to be printed in the RECORD, but at this time, in view of the fact that I hope there will soon be an investigation of the Navy Department in connection with the submarine question, I shall not ask that it be placed in the RECORD.

Mr. President, I hope that the Senate will reject the conference report and that when it goes back for further consideration the House conferees will recede from their disagreement to the Senate amendment. In that event there will be a chance to have six suitable and greatly needed fleet submarines constructed.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. BRANDEGEE. Mr. President, I think we had better have a quorum present. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Brandegee	Harris	Nelson	Spencer
Bursum	Heflin	New	Sutherland
Calder	Jones, N. Mex.	Newberry	Swanson
Capper	Kellogg	Nicholson	Trammell
Caraway	Kendrick	Norris	Underwood
Curtis	Kenyon	Oddie	Walsh, Mass.
Dillingham	King	Pittman	Walsh, Mont.
Edge	La Follette	Poindexter	Warren
Fernald	Lodge	Ransdell	Watson, Ga.
Frelinghuysen	McCumber	Robinson	Watson, Ind.
Glass	McNary	Simmons	Williams
Hale	Moses	Smoot	Willis

Mr. WALSH of Massachusetts. I desire to announce the absence of the Senator from Ohio [Mr. POMERENE] and the Senator from Maryland [Mr. WELLER] because of attendance on a committee meeting.

Mr. SIMMONS. I desire to announce the unavoidable absence of my colleague [Mr. OVERMAN].

The VICE PRESIDENT. Forty-eight Senators having answered to their names, there is a quorum present. The question is on agreeing to the conference report.

Mr. BRANDEGEE. Mr. President, before the vote is taken, I want to say that I hope the Senate will disagree to the conference report. If they shall, I will then offer a motion that the conferees be instructed to agree to the report just as they have submitted it, except as to the amendment with reference to submarines which they have rejected, and that they agree to that.

Mr. WALSH of Montana. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. WALSH of Montana. Is it the ruling of the Chair that 48 Senators constitute a quorum?

Mr. LODGE. There are only 95 Senators now.

The VICE PRESIDENT. Forty-eight Senators constitute a quorum at the present time, one Senator having resigned. The question is on agreeing to the conference report.

Mr. BRANDEGEE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "yea."

Mr. KENDRICK (when his name was called). I have a general pair with the senior Senator from Illinois [Mr. MCCORMICK], which I transfer to the junior Senator from Rhode Island [Mr. GERRY] and vote "yea."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I wish to announce the unavoidable absence of my colleague [Mr. OVERMAN]. He is paired with the Senator from Wyoming [Mr. WARREN]. I will let this announcement stand for the day.

Mr. SWANSON (when his name was called). I am paired with the senior Senator from Washington [Mr. JONES]. If he were present and I were at liberty to vote, I should vote "yea."

Mr. TRAMMELL (when his name was called). I am paired with the senior Senator from Rhode Island [Mr. COLT]. In his absence I transfer that pair to the Senator from Texas [Mr. SHEPPARD] and will vote. I vote "yea."

Mr. WARREN (when his name was called). I am paired with the Senator from North Carolina [Mr. OVERMAN], and therefore withhold my vote.

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE], who is unavoidably detained. I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "yea."

Mr. WILLIS (when his name was called). Has the junior Senator from Tennessee [Mr. MCKELLAR] voted?

The VICE PRESIDENT. He has not voted.

Mr. WILLIS. I am paired with that Senator for the day, and therefore am obliged to withhold my vote.

Mr. STERLING. I transfer my pair with the Senator from South Carolina [Mr. SMITH] to my colleague [Mr. NORBECK] and will vote. I vote "yea."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is absent. I transfer that pair to the Senator from Missouri [Mr. REED] and will vote. I vote "yea."

Mr. EDGE (after having voted in the negative). Has the senior Senator from Oklahoma [Mr. OWEN] voted?

The VICE PRESIDENT. He has not.

Mr. EDGE. I have a general pair with that Senator. Not being able to secure a transfer, I withdraw my vote.

Mr. ELKINS. I am paired with the Senator from Mississippi [Mr. HARRISON] and therefore withhold my vote.

Mr. ERNST. I have a general pair with my colleague, the senior Senator from Kentucky [Mr. STANLEY]. I transfer that pair to the junior Senator from New Hampshire [Mr. KEYES], and vote "yea."

Mr. CARAWAY (after having voted in the affirmative). I have a general pair with the Senator from Illinois [Mr. MCKINLEY]. Has that Senator voted?

The VICE PRESIDENT. He has not.

Mr. CARAWAY. I withdraw my vote.

Mr. CURTIS. I have been requested to announce that the Senator from Colorado [Mr. PHIPPS] is paired with the Senator from South Carolina [Mr. DIAL], and that the Senator from Delaware [Mr. BALL] is paired with the Senator from Florida [Mr. FLETCHER].

The result was announced—yeas 43, nays 7, as follows:

YEAS—43.

Ashurst	Harris	Newberry	Spencer
Bursum	Heflin	Nicholson	Sterling
Calder	Kellogg	Norris	Sutherland
Capper	Kendrick	Oddie	Trammell
Cummins	Kenyon	Pittman	Underwood
Curtis	Lodge	Poindexter	Walsh, Mass.
Ernst	McCumber	Pomerene	Walsh, Mont.
Fernald	McNary	Ransdell	Watson, Ind.
Frelinghuysen	Myers	Robinson	Weller
Hale	Nelson	Simmons	Williams
Harreld	New	Smoot	

NAYS—7.

Brandegee	Glass	King	Moses
Dillingham	Jones, N. Mex.	La Follette	

NOT VOTING—45.

Ball	Gerry	McKinley	Smith
Borah	Gooding	McLean	Stanfield
Broussard	Harrison	Norbeck	Stanley
Cameron	Hitchcock	Overman	Swanson
Caraway	Johnson	Owen	Townsend
Colt	Jones, Wash.	Page	Wadsworth
Culberson	Keyes	Penrose	Warren
Dial	Knox	Phipps	Watson, Ga.
Edge	Ladd	Reed	Willis
Elkins	Lenroot	Sheppard	
Fletcher	McCormick	Shields	
France	McKellar	Shortridge	

So the conference report was agreed to.

The VICE PRESIDENT laid before the Senate the following message from the House of Representatives, which was read:

IN THE HOUSE OF REPRESENTATIVES, UNITED STATES,
June 29, 1921.

Resolved, That the House recede from its disagreement to the amendments of the Senate Nos. 1, 7, 8, 76, 77, 78, 103, 111, 113, and 114 to the bill (H. R. 4803) entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes," and concur therein.

That the House recede from its disagreement to the amendment of the Senate No. 11, and concur therein with an amendment as follows: In lieu of the sum proposed in said amendment, insert "$5,323,000."

That the House recede from its disagreement to the amendment of the Senate No. 14, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "new construction, buildings, and improvements at air stations at a total cost not to exceed $1,177,000, as follows: Coco Solo, $392,000; Hampton Roads, $70,000; Lakehurst, $280,000; Pearl Harbor, $185,000; Pensacola, $100,000; San Diego, $150,000."

That the House recede from its disagreement to the amendment of the Senate No. 15, and concur therein with an amendment as follows: In lieu of the sum of $18,729,000 proposed in said amendment, insert "$13,413,431," and in lieu of the sum of $500 named in said amendment, insert "$250."

That the House recede from its disagreement to the amendment of the Senate No. 21, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"The Bureau of Navigation, Navy Department, is hereby directed to furnish to the proper officers in the several States, Territories, insular possessions, and the District of Columbia, on or before October 31, 1921, statements of the services of all persons from those several places who served in the Navy during the war with Germany, and for that purpose exclusively an additional sum not to exceed $25,000 is hereby appropriated for obtaining the necessary material and the employment of the necessary clerical force."

That the House recede from its disagreement to the amendment of the Senate No. 47, and concur therein with an amendment as follows: In lieu of the sum of $1,000,000 proposed in said amendment, insert "$500,000."

That the House recede from its disagreement to the amendment of the Senate No. 56, and concur therein with an amendment as follows: In lieu of the sum proposed in said amendment, insert "$7,032,000."

That the House recede from its disagreement to the amendment of the Senate No. 64, and concur therein with an amendment as follows: In lieu of the sum proposed in said amendment, insert "$21,925,922.50."

That the House recede from its disagreement to the amendment of the Senate No. 67, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following:

"The clothing and small-stores fund shall be charged with the value of all issues of clothing and small stores made to enlisted men and apprentice seamen required as outfits on first enlistment, not to exceed $100 each, and for civilian clothing not to exceed $15 per man to men given discharge for bad conduct, for undesirability, or inaptitude, and the uniform gratuity paid to officers of the Naval Reserve Force."

That the House recede from its disagreement to the amendment of the Senate No. 80, and concur therein with an amendment as follows: In lieu of the sum proposed in said amendment, insert "$1,035,645.83."

That the House recede from its disagreement to the amendment of the Senate No. 81, and concur therein with an amendment as follows: In lieu of the sum proposed in said amendment, insert "$2,273,845.83."

That the House recede from its disagreement to the amendment of the Senate No. 92, and concur therein with an amendment as follows: In lieu of the sum proposed in said amendment, insert "$9,656,450."

That the House recede from its disagreement to the amendment of the Senate No. 99, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment, insert the following:

"SEC. 2. That hereafter no enlisted man in the Navy shall be paid on reenlistment an honorable discharge gratuity, or any proportionate part thereof, in excess of an amount equal to one month's pay for each year of service in the last expiring enlistment of such enlisted man."

That the House recede from its disagreement to the amendment of the Senate No. 100, and concur therein with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"SEC. 3. That appropriations herein and hereafter made under the Bureau of Yards and Docks for public works, exclusive of repairs and preservation, shall remain available until expended."

That the House recede from its disagreement to the amendment of the Senate No. 101, and concur therein with an amendment as follows: In lieu of the sum of 60 cents inserted in said amendment insert "50 cents" and in lieu of the sum of $1 inserted in said amendment insert "75 cents."

That the House recede from its disagreement to the amendment of the Senate No. 107, and concur therein with an amendment as follows: In lieu of the matter proposed by said amendment insert the following:

"SEC. 6. That the last paragraph of section 2 of the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes,' approved June 4, 1920, is hereby amended to read as follows:

"That all officers of the Naval Reserve Force and temporary officers of the Navy who have heretofore incurred or may hereafter incur physical disability in line of duty in time of war, including those who have heretofore been separated from the service under honorable conditions, shall be eligible for retirement under the same conditions as now provided by law for officers of the Regular Navy who have incurred physical disability in line of duty: *Provided*, That former officers so retired shall have on the retired list the rank held by them when separated from the service: *Provided further*, That application for such retirement shall be filed with the Secretary of the Navy not later than October 1, 1921: *And provided further*, That all laws or parts of laws now in force relating to the retirement of Naval Reservists for physical disability be, and the same are hereby, repealed."

That the House insist upon its disagreement to the amendments of the Senate Nos. 16, 18, 19, 20, 22, 45, 46, 51, 54, 55, 57, 71, 72, 95, 96, 97, 108, and 112.

That the Clerk be authorized and directed to number the sections consecutively.

Mr. POINDEXTER. I move that the Senate concur in the amendments of the House to Senate amendments numbered 11, 14, 15, 21, 47, 56, 64, 67, 80, 81, 92, 99, 100, and 101.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

The motion was agreed to.

Mr. POINDEXTER. I move that the Senate further insist upon its amendments numbered 16, 18, 19, 20, 22, 45, 46, 51, 54, 55, 57, 71, 72, 95, 96, 97, 107, 108, and 112, and ask for a further conference with the House upon those amendments still in disagreement.

The VICE PRESIDENT. Amendment numbered 107 has just been agreed to.

Mr. POINDEXTER. I think the Chair is mistaken.

The VICE PRESIDENT. The Senator is correct.

Mr. KING. May I ask the Senator what amendment numbered 107 is?

Mr. POINDEXTER. Amendment numbered 107 is the amendment relating to the employment of temporary and reserve officers.

Mr. KING. That has not been agreed to?

Mr. POINDEXTER. I am asking that we insist upon our amendment.

The VICE PRESIDENT. The question is on the motion of the Senator from Washington.

The motion was agreed to.

Mr. POINDEXTER. I ask that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. The Senator from Washington moves that the Senate ask for a further conference with the House of Representatives, and that the conferees on the part of the Senate be named by the Chair.

The motion was agreed to; and the Vice President appointed Mr. POINDEXTER, Mr. HALE, and Mr. SWANSON conferees on the part of the Senate.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. FRELINGHUYSEN. Mr. President, on June 24 I addressed a letter to the Secretary of the Treasury which read as follows:

MY DEAR MR. SECRETARY: A bill is now pending in Congress to provide additional compensation for veterans of the World War.

Under such bill each veteran is given the right to select adjusted service pay, or an adjusted service certificate, or vocational trade aid, or farm or home aid, or land-settlement aid. What is meant by these phrases is fully explained in the bill, a copy of which I send you herewith.

In my study of the bill I have tried to determine what financial obligation its enactment would place upon the Treasury. Such obligation your department, I am sure, is equipped to ascertain. I have no desire to place any undue burden upon you, but I would be grateful if you could see your way clear to indicate what the enactment of the bill would mean to the Treasury of the United States.

Thanking you in advance for any information which you may furnish, I am,

Very truly, yours, J. S. FRELINGHUYSEN.

I have the answer of the Secretary of the Treasury, and I ask unanimous consent that it may be read for the information of the Senate.

The VICE PRESIDENT. Is there objection to the reading? The Chair hears none, and the Secretary will read as requested.

The Assistant Secretary read as follows:

THE SECRETARY OF THE TREASURY,
Washington, July 2, 1921.

MY DEAR SENATOR: I received your letter of June 24, 1921, with regard to the bill now pending in Congress (S. 506) to provide adjusted compensation for veterans of the World War. In accordance with your request, I am glad to indicate what financial obligation this bill would place upon the Government, and what its enactment would mean to the Treasury of the United States.

The bill which has been reported to the Senate provides, as you know, for five optional plans: (1) Adjusted service pay, (2) adjusted service certificates, (3) vocational training aid, (4) farm or home aid, and (5) land-settlement aid. The financial obligation which its passage would impose on the Treasury depends in large measure upon the choice of plan which may be made by veterans entitled to the benefits of the bill. It is therefore impossible to make accurate estimates at this time either as to the total cost to the Treasury or as to the time when the payments would have to be made. The features of the plan which would entail the greatest expense are: (1) The cash payments to be made as adjusted service pay, (2) the payments and loans to be made on adjusted service certificates, and (3) the payments involved in the so-called farm or home aid.

The most conservative estimates show that the bill would cost from about $1,500,000,000—if the bulk of the payments were on account of adjusted service pay, the greater part of which would fall in the near future—to about $5,250,000,000—if most veterans elected to take adjusted service certificates, the payments on which would be distributed over a period of 20 years. The actual cost of the bill should fall between these two extremes, according to the choice of plan made by the veterans. If, as seems probable, at least one-half should elect the cash payment plan and about one-half the certificate plan, with one-third of the latter borrowing on their certificates, the ultimate cost of the bill, it is estimated, would be over $3,330,000,000. These estimates take no account of expenses of administration or possible cost of affording vocational training aid, farm or home aid, or land-settlement aid to veterans who elect such benefits. These will involve substantial additional expense. Under Title V of the bill, for example, any veteran who elects farm or home aid may obtain in one payment or in installments an amount equal to his adjusted service pay increased by 40 per cent for the purpose of enabling him on or after January 1, 1922, to purchase or make improvements on a city or suburban home or farm. If any considerable proportion of the veterans should choose this form of aid the effect would be to throw a heavier expense into the first two or three years and perhaps greatly increase the aggregate cost of the plan.

These estimates, incomplete as they are, show the heavy obligations to which the pending bill would commit the country. To impose these vast additional liabilities upon the Treasury, particularly under present conditions in industry and commerce, would, in my judgment, create a serious situation.

Not the least disturbing feature of the bill is the plan to postpone actual distribution of the principal benefits conferred by the bill to the fiscal year 1923. This means that, without conferring immediate benefits on ex-service men, the country would be committing itself to a stupendous indeterminate liability which, once assumed, it would have to carry through no matter how embarrassing it might prove to the finances of the Government and the business of the country when the time comes for fulfillment. Incidentally this feature of the bill tends to mislead the people into the belief that in some way the proposed program can be accomplished without imposing a serious burden on the Treasury or the country. The result is to secure for the bill more favorable consideration than it could receive were the situation presented in its true light.

As a matter of fact, a plan to disburse even over a period of years up to four or five billions of dollars as "adjusted compensation" must inevitably increase by that much the war burden which the American people have to bear. It would greatly swell the cost of Government and virtually defeat the administration's program of economy and retrenchment. It could be financed only by adding to the burden of debt and taxes under which the country is now staggering. However financed no such sum could be taken out of the Public Treasury without throwing a corresponding load upon the whole people in the form of increased interest charges, increased taxes, and increased cost of living. This burden, moreover, would be in addition to that already imposed in most of the States, which have provided bonuses in varying degrees of liberality to veterans of the late war.

Nor could the vast payments required by the bill be financed without introducing grave complications into the refunding operations which will be necessary within the next few years. The Government has to face early maturities of public debt amounting to about seven and one-half billions of dollars, of which about five billions fall in the same fiscal year in which it is proposed to begin cash payments under the bill. The greater part of this maturing debt will have to be refunded, and if a soldiers' bonus must also be financed the cost of that refunding will be vastly increased and the refunding operations themselves seriously embarrassed. The market for outstanding Government securities would be adversely affected and the patriotic holders of Liberty bonds, instead of looking forward to improved market conditions, would have to face the threat of further depression.

I know of no one thing, for example, that would so greatly strengthen the market for Liberty bonds as the assurance that Congress had once and for all given up consideration of a soldiers' bonus.

I have already submitted to Congress, in my letter of April 30 to the chairman of the Committee on Ways and Means, a detailed statement of the condition of the Treasury, the latest estimates of the receipts and expenditures of the Government for the fiscal years 1921 and 1922, and an outline of the Treasury's program for dealing with the short-dated debt. The figures given in that letter show that even without any expenditures on account of adjusted compensation under the proposed bill, there is grave danger that the necessary expenditures of the Government in the near future will exceed its current receipts, thus leaving deficits to be met by new taxes or further borrowing. In these circumstances I believe that the best interests of the country demand that action be deferred upon the soldiers' bonus or the bill to provide so-called adjusted compensation. This is not a time to impose several billion dollars of new liabilities on an already overburdened Treasury. It seems particularly inappropriate to give present consideration to the measure when we still have before us the pressing problem of revising the internal tax laws and finding sufficient revenues to meet the existing requirements of the Government. This problem must be dealt with in the midst of extreme and widespread industrial depression. These conditions affect not only every industry in our own country but are world-wide, and our past experience furnishes no sure guide as to their duration. The revision of the tax laws, therefore, so as to adjust them to present conditions and at the same time produce sufficient revenues to meet the existing requirements of the Government is a matter of great difficulty, and even without the burden which would be imposed by the bonus industrial and commercial earnings in the current year have so decreased that it is a matter of grave concern to the Treasury as to the amount of revenue that will be received in 1922.

The country is under a solemn obligation to those who fought its war. Our first concern, of course, should be to make full provision for the needs of disabled veterans. To that object the country is pledged to give without stint of its resources. It would be unfortunate in the extreme, while we are still struggling with that problem, to dissipate our resources in a sweeping plan for cash payments to able-bodied ex-soldiers and sailors. The best interests of the veterans can not in the last analysis be considered separate and apart from the best interests of the country as a whole, and I should be derelict in my duty to the country and to the veterans themselves if I failed to give this warning of the inevitable financial consequences of the pending bill. Its direct consequences are inescapable, and I have already indicated what they would be. It would also involve grave dangers of renewed inflation, increased commodity prices, and unsettled business conditions. The result would be serious injury and loss to the whole community, and in the long run even the veterans themselves would lose far more than they would gain. I can not bring myself to believe that this would be "adjusted compensation" for a service that was performed as the highest duty of citizenship and a sacrifice that can never be measured in terms of money.

Very truly, yours,

A. W. MELLON, *Secretary.*

Hon. JOSEPH S. FRELINGHUYSEN,
United States Senate.

Mr. UNDERWOOD. Mr. President——

The VICE PRESIDENT. The Senator from Alabama.

Mr. FRELINGHUYSEN. Mr. President, have I not the floor.

The VICE PRESIDENT. The Chair did not understand that the Senator from New Jersey desired to retain the floor.

Mr. FRELINGHUYSEN. If the Senator from Alabama will yield for a moment, I simply want to request that the letter of the Secretary of the Treasury be printed as a public document.

Mr. UNDERWOOD. I take pleasure in yielding to the Senator from New Jersey for that purpose and will yield the time to him if he desires to say anything in reference to the letter he has had read.

Mr. FRELINGHUYSEN. Not at this time; later, perhaps.

Mr. UNDERWOOD. I yield to the Senator to make his request.

Mr. FRELINGHUYSEN. I ask that the letter of the Secretary of the Treasury be printed as a public document.

The VICE PRESIDENT. Is there objection to the letter being printed as a public document? The Chair hears none, and it will be so printed.

Mr. UNDERWOOD. Mr. President, the vote in the Senate yesterday to take up for consideration the so-called bonus bill indicates, on its face at least, that there is a strong sentiment in the Senate in favor of its passage.

It is not a pleasant task to speak against that bill, but I do not feel that I would do my full duty, as I see it, if I did not briefly, at least, express the reasons why I believe this bill should not become a law, so that they may appear in the RECORD.

I did not expect the letter from the Secretary of the Treasury. It is strong, forceful, and to the point. As I said the other day, in my judgment if the party in power desires to serve the soldier, to serve the farmer, to serve the people of this country, the best action it can take is to endeavor to bring this country back to a stable condition of finance and a stable condition of business, so that the toiler in the field and in the factory may have employment and reasonable remuneration for his toil, and to attempt to palliate the present condition by paying a man a temporary bonus does not relieve the situation and is not for the benefit of the country.

I am opposed to the passage of this bill for many reasons. I will not attempt to give them all, but I first want, to some extent, to analyze for the RECORD what this bill means.

I am free to confess that it is so complicated in its terms and presents the question from so many angles that when I finished reading the bill it was difficult for me to determine exactly what it did mean. Therefore I can only take what the Committee on Finance, which reported the bill, have said to the Senate that their own bill means. I read from the report:

> During the World War we paid our soldiers $30 per month, or $1 per day. A fair estimate of the cost to the Government for his maintenance and clothing would be about $2 per day. We might, therefore, say that the private soldier received a compensation for his services equivalent to about $3 per day, which was very much less than that received by the lowest class of labor at home.

There is the text of the bill, a soldier's compensation bill. We sent him abroad and gave him his clothes and his rations and paid him $1 a day, and we are now going to reward him in money, pay him back in money for what he did for the country by giving him another dollar a day.

Mr. WARREN. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from Wyoming.

Mr. WARREN. It may not be material, but the committee's report is not entirely correct. The $30 is subject, of course, to foreign-service percentage and also family allowances.

Mr. UNDERWOOD. The Senator is correct. It was in addition to what the committee allowed, but, as I said, I am taking the committee's statement. It is not the figure; it is the sentiment expressed that does not appeal to me, the proposition that we owe some of these men money because they performed a patriotic service. I am sure I might, and we all might, from the call of patriotism attempt to go through what these gallant soldiers of ours went through on the battle field; but no man in the Senate would take the chances which they took for the additional pay of $1 a day.

I do not like the sentiment in the preface that introduces the legislation to the Senate. It goes on to say:

> The purpose of this bill being to correct the inequalities suffered by those who performed actual soldier duties and received meager soldier wage, there are excluded from its benefits all those who were given commissions while performing merely clerical service in the depart-

ments. Its benefits are also limited to those below the grade of captain in the Army or Marine Corps and lieutenant in the Navy and like grade of officers.

The report then goes on to say:

While your committee believes that justice demands this adjustment of pay to the veterans of the World War, it does not believe that the privileges and benefits of this legislation or the war risk insurance act should be extended to persons other than such veterans.

"To persons other than such veterans." I am in entire accord with the committee in excluding from the munificent compensation of a dollar a day the gentlemen who served in the War Department, but if men in this hour shall be rewarded with dollars for great patriotic service I see no reason why those who served the Government on the front line with the Expeditionary Forces, although they were not mustered in as soldiers, should be excluded from the benefits of service, if we are to measure it in dollars and cents, that will be given to the men who served in uniform. But that is a small matter. It merely shows the viewpoint of the committee. Four million men served in uniform. A few thousand only served at the front who did not wear the uniform. Their influence, of course, is infinitesimal.

Another reasoning of the committee in this financial adjustment of the Great War reads as follows:

The bill then gives $1 per day for each day's service in the United States and $1.25 for each day's service overseas, exclusive of the said 60 days.

Which 60 days the committee have said we paid for when the soldier came home. In other words, according to the report of the committee the finding of the value of the services of men who offered to sacrifice their lives on the battle field is that the distinction that shall be drawn between the man who was left at home and the man who bared his breast to the enemy's bullets is 25 cents a day. Twenty-five cents a day is the distinction which the committee would have us draw between the services of those men. Of course, I do not weigh that service in dollars and cents. I do not think it should be weighed in dollars and dimes, but if I were going to weigh it in dollars and dimes I think I would have made a little more liberal allowance than 25 cents a day to the man who stood up and took the chances of being shot.

I shall not discuss all the plans proposed in the bill. Of course, one plan, the land-settlement plan, proposes to give rights to the soldier under the terms of the bill that were pointed out in the debate on the floor of the Senate some days ago as already being the law of the land, and the proposal in the bill is therefore only surplusage.

As to the provisions of the bill to aid the veterans to acquire farms and homes, if some provision could be worked out that the strained condition of the Federal Treasury could stand, which would aid the men through loans from the Government to acquire their own homes and their own farms, that is one form of help that I would be glad to support.

As to the vocational training provision, we are already giving these men vocational training gratis and the bill proposes to give them further and additional vocational training if they will give up their dollar or their dollar and twenty-five cents a day plus 40 per cent. They can then have the vocational training at cost which the Government is already giving to them without cost.

So I really think the issue in the bill comes down to two plans. One is the so-called cash plan, which is not a cash plan, but provides——

Mr. McCUMBER. Mr. President, may I interrupt the Senator right there?

Mr. UNDERWOOD. Certainly.

Mr. McCUMBER. Does the existing vocational training law give that service to any soldier except those who have disabilities?

Mr. UNDERWOOD. Oh, no.

Mr. McCUMBER. Very well; then it does not apply to this case at all.

Mr. UNDERWOOD. I take it that the law applies to the disabled soldier, and he is the man who needs vocational training and the man who wants it.

Mr. McCUMBER. But the Senator's argument would indicate, without any explanation, that all ex-soldiers could get this training.

Mr. UNDERWOOD. If my argument was so broad as to lead the Senator to that conclusion, then I am glad he pointed out that it relates only to the wounded and disabled soldiers to whom we are now giving vocational education and training for nothing, and properly so, because, even if it means the breaking of the Treasury, I stand for such legislation as is necessary to take care of the men who made the actual sacrifice, the wounded and disabled men.

Mr. WILLIAMS. As well as the widows and families of the dead soldiers.

Mr. UNDERWOOD. Oh, certainly. The Senator from North Dakota only emphasizes my remarks when he points out the more clearly what I said, that to-day you give to the disabled men vocational training for nothing, and if you pass the bill to-morrow they must pay for it out of their dollar a day. No, they will not pay it, but nevertheless they will be made to pay it—that is, if this clause stays in the bill.

So I take it that it really comes down to the proposition that there are two clauses in the bill, one the so-called cash basis which is not a cash basis, and the other I believe is called the insurance plan or the postponement plan. At any rate, if a man will not at present take his pay but will enter into a contract to take it 20 years from now, he will be given 40 per cent more than if he insists on cash down. Of course, that is a very attractive plan to men who are able to take out life insurance and who do not need the money. Probably if they can avail themselves of it it would be more to their benefit than the method provided by the other plan; but I take it that most of the men who served in the World War, if they take this pay at all—and I am glad to say that there are some who value their service to their flag above the dollar who will not take it—if they take it at all, I suppose they will take the nearest to the cash plan.

Then, we find that under the proposals of this bill on the 1st day of July, 1922, any man who offered his services to the country or was drafted by his Government or who bared his breast to the enemy's bullets is to receive $50, and then every three months thereafter, he is to receive $50 more until his bill is paid. I think that is correct. I understand that under no circumstances can his bill amount to more than $625, dependent on the length of his service, and in a great many cases it will amount to less than that sum.

On July 1, 1922—mark the date! Political camouflage! We are not going to give these boys their money to-day and let them be dissatisfied on election day. No; we are going to start these payments a year from now, hold them in expectation for a year, and then give them one payment in July and another just before the election, with more to follow, and thus possibly save the House of Representatives. Politics!

Mr. President, I am not for this bill. What I would do, as shown by the vote yesterday would have no more effect in the Senate on the fate of this bill than the dropping of the rains from the clouds on the Rock of Gibraltar; but if there are any Senators on the other side of the Chamber who control the legislation who have the courage to offer an amendment to this bill and say that whatever we are going to give to these soldiers we are going to give it all to them now in a lump sum, I will vote for such a substitute. I do not mean I will vote for its final passage, but I mean I will vote to substitute a real payment for the camouflage of this bill.

It would be better for the Government; it would be better for the soldiers. To give them $50 a quarter would mean that in ninety-nine cases out of one hundred it would be dissipated; it would do the soldier no good; it would accomplish nothing for him; whereas if we give him the $400 or $500 or $600 that we are going to give him in the end, if Senators on the other side would drop their politics, we would give him a stake. The total amount is going to be a charge on the Treasury in the end, as, indeed, it will be a charge on the Treasury the moment this bill becomes a law, because it is a promise, just as the Government bond is a promise that we must keep. If we would give the soldier $400 or $500 or $600, possibly we might give him something with which he could do something. With such an amount he might start payments on a home; with it he might buy a partnership in a small business; with it he might start out and do something for himself. I recognize that many of the soldiers would not do that; that the money would be dissipated in the end; but we would give the chance to the men who would get it. However, when we peddle it out through two and a half years, $50 a quarter, there will not be one in one hundred who will get any material benefit out of the bill.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). Does the Senator from Alabama yield to the Senator from Nevada?

Mr. UNDERWOOD. I yield.

Mr. PITTMAN. The Senator from Alabama a while ago spoke of the land-settlement plan in the pending bill as being nothing but a repetition of existing law, and I agree with him.

Mr. UNDERWOOD. No; the Senator from Nevada misunderstood me. I meant the plan in the bill which allows the soldier to have preference in the taking of a homestead entry is the existing law. I agree with the Senator, however, that the land-

settlement provision in the pending bill has no real merit behind it.

Mr. PITTMAN. The former bill—and when I speak of the "former bill" I mean the bill as originally passed by the House of Representatives and sent to this body and reported to the Senate at the last session—contained a land-settlement provision under which there was a plan for the creation of projects in drainage and irrigation areas and the development of those projects.

Mr. UNDERWOOD. As I said a while ago, and as I now repeat, if such a proposition is offered, and I do not have to vote for the terms of the pending bill to get it, I shall be very glad to support it. Legislation of that kind would meet with my hearty approval.

Mr. PITTMAN. If the Senator will permit me, I ask unanimous consent to offer such an amendment now, to lie on the desk and to be printed, which I will offer at the proper time.

Mr. UNDERWOOD. I shall be very glad to yield in order that the Senator may offer his amendment.

Mr. PITTMAN. I offer as an amendment to Title VI of the pending bill now under discussion, Title VI of the House bill 14157, Sixty-sixth Congress, third session, having the same title and the same designation and embodying a real "land-settlement" provision. I ask that the amendment may lie on the table.

The PRESIDING OFFICER. It will be so ordered.

Mr. McNARY. Mr. President, I wish to ask the Senator from Nevada a question. I ask if the substitute which he offers for the land-settlement feature of the so-called bonus bill is similar in its terms, provisions, and character to Senate bill 2170, which was recently favorably reported upon by the Senate Committee on Irrigation and Reclamation?

Mr. PITTMAN. It is quite similar. The only advantage which I think the substitute offered by me possibly has over the bill to which the Senator refers is that such substitute has once passed the House of Representatives and was favorably reported at the last session by the Senate committee.

Mr. McNARY. Is that what is known as the Fordney four-fold plan bill?

Mr. PITTMAN. It is the land-settlement plan, which was in the bill which was reported at the last session. It provides for the irrigation of arid lands and the drainage of swamp lands for the soldiers. It provides for the organization of projects on their behalf and the appointment of soldiers' boards to supervise such projects. The only reason that I offer the amendment in the particular form is that it has the advantage of having been approved by the other House at the last session, and also approved by the Senate committee at the last session.

Mr. McNARY. I desire to inform the Senator from Nevada that early in the day I offered as a substitute the proposed legislation comprehended in Senate bill 2170, which the committee to which I a moment ago made allusion recently reported favorably.

Mr. PITTMAN. That is the bill for which I voted in the committee, and I will say to the Senator from Oregon that the only reason I have presented the proposed substitute is because it has the advantages I have mentioned and is indorsed by the American Legion. They know what they want, and I desire to give it to them.

Mr. BORAH. Mr. President, if the Senator from Alabama will yield, I desire at this time to present an amendment as a substitute for all of Title VI of the pending bill. I will say that I offer it in order that while we are working out the land-settlement feature we may have the benefit of the views of all parties interested in the proposition. I have not gone carefully into the measure the Senator from Nevada has offered as a substitute and I will be guided largely in urging the amendment submitted by me by what I find that measure to contain. However, I offer the amendment at this time and ask that it may be printed and lie on the table.

The PRESIDING OFFICER. If there be no objection, it is so ordered. Does the Senator from Nevada offer an amendment now?

Mr. PITTMAN. I merely offer it for the purpose of having it printed and lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. UNDERWOOD. Mr. President, when we digressed I was speaking of the date of payment. The committee in its report gives an excuse for its unwillingness to pay the soldiers now, if their service is to be measured in dollars. Here is the excuse:

> Under the present depressed industrial and financial conditions of the country, with the Treasury facing a deficit for the fiscal years 1921 and 1922, any proposal calling for a considerable outlay should show not only a most satisfactory justification for the proposition but should also present to the country as definitely as possible what the total cost of the proposed legislation will be and what must be appropriated each year during its continuance.

That paragraph, read in conjunction with the letter of the Secretary of the Treasury, which was presented to the Senate just before I took my seat, constitutes an amazing excuse as to why the soldiers should not receive the money in cash if they are going to receive it at all.

The Secretary of the Treasury has demonstrated, in the letter which he has written to the Senator from New Jersey, that this proposed law will be as great a menace to the Treasury, and as great a charge on the Treasury, if it is passed now, as if bonds were issued to-day and sold in the market and the Treasury paid out cash, because each is a promise of the Government; when this proposed legislation is passed there is no difference between the promise to pay the soldiers so many million or billion dollars and the promise to pay the bondholder so many million or billion dollars. Each is just as much a charge on the Treasury as the other, and each is just as much a menace to the financial condition of the Treasury as the other.

As I said, that clause is not in this bill—at least, in my judgment it is not in the bill—for the protection of the Treasury. It may be feared that some of those who ask for this legislation may get their pay and cry again before election day. That is why it is in the bill.

Listen to this. This report says:

> All these matters have received careful consideration by the Committee on Finance in reporting this bill for favorable action.
>
> The general assumption that the enactment of this bill into law will immediately load upon the backs of an already excessively tax-burdened public an immense additional liability is unwarranted.

This from your Finance Committee, read in conjunction with the letter of the Secretary of the Treasury that has just been laid before the Senate, must be delightful reading to the people of the United States, who have to pay the bill, finding that the head of the Treasury Department says it will be an undue burden that can not be met, while your Finance Committee in the Senate says it is not an undue burden.

Mr. McCUMBER. Mr. President——

Mr. UNDERWOOD. I yield to the Senator from North Dakota.

Mr. McCUMBER. Let me suggest to the Senator that the Secretary of the Treasury adopted the figures that were presented by the Finance Committee, and all its conclusions as to the cost; so that when you read the entire report it tells you exactly what it will cost each year, and the Senate can judge whether it is an undue or a great burden to be imposed upon the people in any year.

Mr. UNDERWOOD. Will the Senator allow me to ask him a question?

Mr. McCUMBER. Certainly I will.

Mr. UNDERWOOD. The Senator heard the letter of the Secretary read?

Mr. McCUMBER. Yes.

Mr. UNDERWOOD. I am not asking the Senator about his opinion. Did not the Secretary of the Treasury, in his letter just read, say that the passage of this bill would be an undue burden on the Treasury?

Mr. McCUMBER. He stated what it would be.

Mr. UNDERWOOD. Yes; but did he not say in so many words that it would be?

Mr. McCUMBER. Oh, yes. The passage of this bill for farmer legislation, appropriating immediately $100,000,000, would perhaps be, according to the Secretary's opinion, an undue burden upon the Treasury. I am not claiming that it will not add to its burdens. If it says it is going to cost $200,000,000 two years from now, I am assuming that it will cost that, and that is a heavy burden, of course. No one questions that.

Mr. UNDERWOOD. But the Secretary, in the letter which the Senator holds in his hand, I think, said it was an undue burden upon the Treasury, and the Senator has just admitted that he did say it.

Mr. McCUMBER. Let me call attention to one paragraph in that letter.

Mr. UNDERWOOD. Certainly, if the Senator wants to.

Mr. McCUMBER. He says:

> If, as seems probable—

That is his guess, of course, that probability—

> at least one-half should elect the cash-payment plan and about one-half the certificate plan, with one-third of the latter borrowing on their certificates, the ultimate cost of the bill, it is estimated, would be over $3,330,000,000.

If you will turn to my Table 5, you will find that it is $3,330,279,000; so the Secretary has taken those figures, but he has not given you how much it will cost each year prior to 1943 or 1942;

and then I want to call the Senator's attention to an error that the Secretary makes right there.

Mr. UNDERWOOD. All right. I am glad to have high finance in the Senate correcting high finance in the Cabinet. Go to it.

Mr. McCUMBER. All right. I will let the Senator himself decide about the high finance. He says:

If, as seems probable, at least one-half should elect the cash-payment plan and about one-half the certificate plan, with one-third of the latter borrowing on their certificates, the ultimate cost of the bill, it is estimated, would be over $3,330,000,000.

Now, take the next sentence:

These estimates take no account of expense of administration or possible cost of affording vocational-training aid, farm or home aid, or land-settlement aid.

After you have given one-half the certificate plan and one-half the cash plan, I should like to have either the Senator or the Secretary explain to me how many there are left to take the vocational aid or the farm aid. I supposed that two halves made a whole, and that there would be nothing left; but the Secretary's letter says, after accounting for the cost, that if one-half should take the cash and one-half the certificate plan it will be added to by the rest of them taking some other plan. Let the Senator read it, and read it fairly, and say whether or not the Secretary has made a little error in the supposition that there will be added to the $3,330,000,000 a cost for vocational training and farm and land-settlement aid. Why, there could not be any more.

Mr. WATSON of Indiana. Mr. President, may I ask my colleague on the Finance Committee a question?

Mr. UNDERWOOD. I shall be glad to have the Senator do so, but I want to answer myself.

Mr. WATSON of Indiana. I am not going to answer, but I want to ask a question. Does not the Senator who is the proponent of his measure really believe, and has he not estimated and figured from the beginning, that 20 per cent only of the beneficiaries under this measure will accept cash and 80 per cent the insurance feature, and that by the time all of the expenses shall have been met they will aggregate about $4,500,000,000 up to 1942?

Mr. McCUMBER. Yes.

Mr. WATSON of Indiana. Those are your estimates; are they not?

Mr. McCUMBER. I will tell you just what it is on the 80 per cent basis. I will give it to you exactly—$4,396,000,000. If 20 per cent, all the soldiers, every one of them that would be entitled, should take the cash plan, and 80 per cent, every one that would be entitled, should take the other plan, and take it right away, then it would cost that much after 1942, most of the debt falling due after 1942.

Mr. BORAH. Mr. President, I should like to ask one question, and that is how the Senator makes a calculation that 20 per cent will take the cash and 80 per cent the other plan?

Mr. McCUMBER. I have made four different tables on that.

Mr. BORAH. I know; you can make all the tables in the world.

Mr. McCUMBER. I will answer that if the Senator will give me a chance. I take it from the testimony, a fair deduction from all of the testimony, from what I know of humanity, of the impulses and influences that will be brought to bear upon the beneficiaries, and how men of ordinary intelligence would act under a given condition. Now, I can not say definitely; no one can; but before I get through I shall read the testimony upon that subject and the Senator can have something more than my view. Of course, if they all take the cash plan, it will not cost over a billion and a half.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Utah?

Mr. UNDERWOOD. I do.

Mr. SMOOT. I think the Senator from North Dakota will agree with me, and anybody who has read the bill will agree with me, that they are not going to take the cash plan when they can get under the certificate plan by waiting one year 40 per cent more, and then draw the amount of money up to 90 per cent until the 20 years have elapsed. The man that will draw his cash under the provisions of the bill is the man who wants to get the cash just as quickly as possible to spend it. There is not any doubt but that under the certificate plan he will get a great deal more cash, because he can borrow it within a year from the time he would get his cash, anyhow, and get more than he could get under the cash plan.

Mr. McCUMBER. And carry his insurance at the same time.

Mr. BORAH. The reason why I ask about this is that since the remarks I made a few days ago upon this bill I have received in my office 103 letters from ex-service men, and there is only one letter written by those ex-service men which discloses that they had any knowledge of the real contents of this bill.

Mr. McCUMBER. That is true.

Mr. BORAH. Then how can you tell what men are going to do under a bill when they have never been informed as to what its contents are?

Mr. McCUMBER. Simply because we expect that they shall be informed before we get through and know just exactly as much about the bill as those who have given it special study. There will be means of informing the soldier of just exactly what his rights are before he is compelled to decide under which one of these beneficent provisions he will make his application.

Mr. BORAH. I know; but you have made up your table upon the operation of these particular individuals' minds before they begin to operate. You do not know how they will look at this bill at all. They do not know what it is yet.

Mr. McCUMBER. The Senator does not seem to understand. The first question that will be asked in the Senate is, "How much is this going to cost the Government of the United States?" Now, that is a question that will appeal to all of us. We have got to answer that as nearly as we can before the bill goes into effect. Necessarily, before the applications come in, no one can say exactly what it is going to cost. In our report we give the reasons that justify us in that conclusion. We say that if a man is entitled to $400 under the cash basis, which he can draw in two years, $50, we will say, every three months, and that is put up to him, and if he waits one more year he can get a paid-up insurance for life for $560, against which he can draw 80 per cent immediately in the matter of borrowing against it, paying the same rate of interest that it draws, taking into consideration the fact that he has then reached about the age of 29 or 30 years, the age at which men either have a home or are contemplating a home, we can use some judgment as to what the individual soldier under ordinary conditions would do at that time. From that we arrive at certain conclusions; and, as others may disagree, we give you tables based on different estimates, so that we can draw a fair conclusion as to the cost of the bill.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. UNDERWOOD. For just a moment. I should like to finish my argument, as it is drifting so far away from what I was discussing with the Senator.

Mr. SMOOT. Taking the case the Senator cited of $400, if the soldier waits one year longer he gets 40 per cent over and above the $400—that makes $560—and immediately he borrows 90 per cent of that, which is $504, so that he gets $104 more by waiting the year, and then he can borrow thereafter and have his insurance besides. If he takes the cash basis, he is sacrificing one-fifth of the amount he would otherwise get in order to get it at the first possible moment and spend it. That is all there is to it.

Mr. UNDERWOOD. I think the Senator is probably right about that, excepting that there is a certain part of the population that is included in this bill that undoubtedly will take the cash.

Mr. SMOOT. Just as soon as they can get it.

Mr. UNDERWOOD. Yes; but we have drifted far afield from what I was discussing with the Senator. The Senator admits that the Secretary of the Treasury, in the letter which he holds, says that if this bill becomes a law it would be a serious menace to the finances of the Government, and he recognizes that the Secretary of the Treasury takes some of his figures and limits the probable extreme cost of this bill to something over $3,000,000,000. Here is what the Senator's committee say in their report. They do not say that. They say:

Under what we believe will be the real operation of the legislation the total cost will be, in round numbers, about $4,396,000,000, scattered over a period of 20 years, and that the greatest amount due in any one year prior to 1943 will not exceed $200,000,000.

That is what the committee said, and the Senator from North Dakota made the report.

Mr. McCUMBER. That is on the basis of 20 per cent, taking the cash plan, and 80 per cent taking the insurance plan.

Mr. UNDERWOOD. The Secretary in his letter estimates the burden on the American people at something over $3,000,000,000, and the Senator says in this report that the ultimate burden on the American people will be $4,396,000,000. So the Secretary of the Treasury, when he said that the passage of this bill would mean an undue burden and a dangerous burden upon the finances of this Government, as I understand his language, only had in

mind upward of $3,000,000,000, and the Senator in his report says it would probably be over $4,000,000,000. I am free to say that I do not know, but I think I can base my estimate on the Senator's own statement.

Mr. McCUMBER. However, if one-half should take the cash plan and one-half should take the insurance plan, it would cost a great deal more in the years 1922 and 1923, and for the first few years, and would therefore be a heavier burden upon the Treasury under present conditions than it would be if 20 per cent took the cash plan and 80 per cent took the insurance plan, and it would cost ultimately a great deal more after the expiration of the 20 years. It is the immediate effect, I understand, that is bothering the Secretary, rather than an effect 20 years from now.

Mr. UNDERWOOD. Not at all. I do not understand the Secretary's letter that way. I really think the Secretary knows something about finances, and I entirely disagree with the viewpoint of this committee as to the financial effect of a charge against the Government because it is postponed. Years ago they used to tell a story—I do not know whether it is true or a fabrication—about Gen. Sheridan, a magnificent fighter but not very well informed in finance. The story ran that Gen. Sheridan would go into the bank when his note fell due, call on the banker, make a new note, and walk out and say he thanked God he had paid that debt. I think that is about the same basis the Senator uses for his calculation of the charge upon the Treasury.

The Government will pay these soldiers, according to the terms of this bill, 40 per cent more if they will lend their money to the Government for a year or two than if they take the so-called cash plan. They will add 40 per cent to it if they make this loan, and the Senator says that is not a charge on the Treasury. I know the Senator is perfectly honest in his statement. He has worked it out in table 3 in this report and in his so-called borrowing plan. Because he thinks the Government may only have to pay from $21,000,000 to $56,000,000 a year for 19 years, he thinks that he is doing them a great service in putting off the bulk of the payment, $4,290,000,000, for 20 years. The Senator therefore thinks he has relieved the Treasury.

I think that the high financial understanding of the Senate has not grasped the meaning of the letter of the Secretary of the Treasury. The Secretary of the Treasury did not say in that letter that he could not get the money to pay $1,500,000,000 to these men; no. He said that if you force this additional obligation on the Government of the United States, resting on the credit of the Government of the United States, you would depreciate the value of Liberty bonds in the market, in the hands of every man who had them; that you would affect the general finances of the country because you affected Government finances.

Mr. EDGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from New Jersey.

Mr. UNDERWOOD. In just one minute I will yield. I think the Senator from North Dakota, in making his calculations, thinks he has greatly relieved the Government from monetary obligation because he is going to get these soldiers of the Great War to lend the dollar a day we are to pay them for service back to the Government for 20 years, at 4½ per cent interest, and then have 40 per cent added to it, the highest rate of interest I think this Government ever paid in a borrowing capacity. On the other hand, I have no doubt that the Secretary of the Treasury can sell a 5 per cent bond and pay it now.

If the Senator will just pardon me for a moment, let me show what the difference would be. I am showing it by the Senator's own figures. In this report it is estimated that if they take the so-called cash basis, it will cost $1,560,000,000. If you paid it in cash, and borrowed the money at 5 per cent interest on your bonds, at the end of 20 years that would be 100 per cent, so it would be just doubled. That would leave, after paying the interest and the principal, $3,120,000,000.

On the other hand, according to the Senator's financing, to relieve the Government he wants to borrow it from the soldier, and he says that if they all lend the Government their money, according to that plan, it would cost $5,273,000,000. Subtract the $3,120,000,000 from that figure and it leaves us a net profit of $2,153,000,000 if we borrow the money and pay them in cash. If we borrow the money and pay them in cash we make at the end of 20 years $2,153,000,000, and yet the Senator in his report, although I do not know whether he is responsible for it or not, uses this language, which I read a while ago:

> The general assumption that the enactment of this bill into law will immediately load upon the backs of an already excessively tax-burdened public an immense additional liability that is unwarranted.

That is what I am calling to the attention of the Senate. The committee says that the assumption that we are going to put this immense load on the tax-burdened backs of the American people is unwarranted.

Mr. McCUMBER. I think the Senator wants to be fair. Read the word "immediately." Do not leave that out.

Mr. UNDERWOOD. I did not leave it out.

Mr. McCUMBER. Yes; the Senator did. The Senator said, "I stated that it would not add this burden. It will not add it all immediately."

Mr. UNDERWOOD. I did not leave that out; I read it. It may be that I did not emphasize it. I emphasized the word "unwarranted." But I will read it again.

Mr. McCUMBER. All right.

Mr. UNDERWOOD. It reads:

> The general assumption that the enactment of this bill into law will immediately load upon the backs of an already excessively tax-burdened public an immense additional liability is unwarranted.

I know perfectly well what the Senator is driving at. There is no real conflict between him and me in reference to the facts; I understand his viewpoint. He says because we can borrow this money from the soldiers and not pay them cash means that it will not be any burden on the Treasury; that it will not be any burden on the Treasury because we are going to put off meeting our indebtedness for 20 years. That is what we do when we issue a 20-year bond. Does the Senator mean to say that if the Secretary of the Treasury were to issue five billions of bonds bearing 5 per cent interest—and you propose to do a good deal more than that—that it would not be a burden upon the Treasury, although the people would not have to pay it until 20 years from now? Certainly not. That is what I am pointing out. I understand what the Senator means.

Mr. McCUMBER. I assume, if the Senator will allow me, that if we are going to raise $5,000,000,000 20 years from now, we are not going to borrow it to-day and pay 20 years' interest on it.

Mr. UNDERWOOD. No; that is not the question. I hope the Senator does not think that under this administration the finances of this Government have come to such a pass that the American people would not lend the Government their money to meet this indebtedness, if you put it on the Treasury. I do not think so, and I do not think it makes any difference. It is a burden when you pass this bill no matter on what day you make it payable. That is what I am pointing out.

I beg pardon of the Senator from New Jersey. I was diverted. I now yield to him.

Mr. EDGE. I did not wish to interrupt the very interesting discussion the Senator was having with the Senator from North Dakota [Mr. McCUMBER], but there is a certain phase of the bill not yet touched on in his very interesting analysis of it, and I wished to draw it to his attention and inquire what he thought the result of it would be.

It is a well-known fact that a number of the States have as States been passing bonus bills and usually under their respective constitutions referring them to the people for adoption or otherwise. The State of New Jersey, which I have the honor to represent in part, is one of the States which has already done so. Will not that result in a very inequitable situation if the Federal Government determines to pay a general bonus to the soldiers from the 48 States of the Union, thus doubling up in many of the States which have already adopted such a State bonus plan?

Would it not be more equitable, inasmuch as the States have started them, just as States usually follow the lead of other States, if all the States in the Union, through the efforts of those interested in obtaining the bonus, after a referendum vote has been taken, and if the people shall ultimately decide favorably, to pay to each soldier of a bonus, whether a soldier in New York, New Jersey, Alabama, or any other State would be receiving a similar allowance. May we not by this legislation, in other words, develop and bring about a situation that is rather difficult to defend from the standpoint of the soldier himself? He is no better and no braver soldier who comes from New Jersey than he who comes from some other State in the Union.

Mr. UNDERWOOD. The Senator may be right about that, but I shall abandon discussion of the bill itself and express in a few words why I am opposed to the measure. I have tried to express my objection to the terms of the bill. I am opposed to paying a bonus to the soldier. I am willing to go to the extreme limit to take care of the man who is disabled, who is injured, who is sick, who has suffered, or whose family has suffered by reason of his services in the Great War, but I am not going by my vote to measure in dollars the services of

the man who came back sound and well. That applies to the State bonus just as well as it does to the national bonus, and I shall tell you why.

In my opinion if we are going to measure patriotic services in dollars, then the very fabric of our Republic in the end will fall. Was it dollars that took the Minute Men of Lexington to the firing line? Was it dollars that held Washington's tattered army together at Valley Forge? Was it dollars that led the onward rush of the victorious army of the Revolution at Yorktown and achieved our liberty and our independence? Did this great Government of ours ever attempt to measure the services of those men in dollars? Did those great soldiers of the day ever ask for dollar remuneration for the patriotic service which they rendered to the country?

So we can come down through the War of 1812, the war with Mexico, and the two great contending sides in the war between the States. I see one of the veterans of that war sitting before me, who held the line on his side as a beardless boy. Did he ever measure his service to his flag and his country by the dollar? When we take the other side, that poorly munitioned, poorly fed, hungry crowd that for two years after Gettysburg followed the sword of Lee—tell me, do you think they were fighting for dollars? No! The service they rendered could not be measured in dollars.

I would not reflect upon those who are near and dear to me who volunteered their services in this great war, who followed their country's flag, by saying that the recognition I should give to their service on the battle fields of France should be $1.25 a day. You may pass this bill, you may give it your approval and write in your country's history that which has never been written there before, that men no longer make sacrifice, but that they fight and are compensated by dollars, that their service should be equalized in dollars by their great Government, and yet you know it is a farce and that what you are attempting to do is a farce.

I recall one regiment that went from my own State, of which three companies were from my home county in Alabama. Many of them were young men of my community, skilled mechanics, lawyers, clerks, merchants. Many of them when they answered their country's call were earning five or six thousand dollars a year. When danger came on the Mexican border they were not compelled to go. The law was not then in force that the National Guard could be ordered out, but when the time came for the call, they held up their hands to a man, abandoned their $5,000 or $6,000 compensation, deserted their offices, swore allegiance to the flag, and spent a year on the Mexican border holding the line if Pershing should ever need them to advance with him into Mexico.

They had hardly gotten home before the Great War broke out. They were not mustered out, and on to Camp Mills they went. They were the second division of the National Guard to land in France, every one of them a volunteer. Then when the Gettysburg of the Great War, the last onward offensive of the German Army, came in Champagne, the 15th and 16th days of July, under Gouraud, they held that line with the French, and when that one point in the lines broke under the onward rush of the German invasion, it was at the points of their bayonets that they were driven back. When the beginning of the end had come, when the Gettysburg of the Great War had arrived, and when the last invader was driven back over the French breastworks in Champagne, it was at the point of the American bayonet.

Those men did not volunteer for dollars. Those men did not fight and sacrifice for dollars. They fought and sacrificed because they loved their country and its flag. I say to you that if the time has come when American patriotism must be purchased and not given for love of country, then we have reached an era in our Republic when the temple of liberty is in danger, when the pedestal of freedom from which flows the Stars and Stripes is about to fall.

Mr. McCUMBER. Mr. President, I can hardly understand the eloquent argument of the Senator from Alabama as he descants upon the matter of paying our soldiers in dollars for their patriotism. The soldier did not fight for dollars. His patriotism is not measured in dollars——

Mr. UNDERWOOD. If the Senator will yield, why then does the Senator measure it in dollars in the bill?

Mr. McCUMBER. I shall answer the Senator. But because he does not fight for dollars is no reason on earth why an equitable justice should not be done him.

The Senator for a moment seems to have forgotten the history of his own country. The Revolutionary soldiers did not fight for dollars, but as soon as the country was able to pay, it expressed its gratitude in dollars when it passed the service pension bill for the soldiers of the Revolutionary War irrespective of whether they were injured or not. They received dollars because that is the only thing the Government could do.

Mr. UNDERWOOD. Of course, that was to take care of aged veterans and was passed many years after the war was over.

Mr. McCUMBER. Now, the Senator can not get away on that thin excuse because that is as unsubstantial as many of his other arguments. Let us take the soldiers of the Mexican War. Let us take the soldiers of the great Civil War. In 1890 we passed a general service pension law and we paid them in dollars, but that was not because they were so old at that time.

Again, the moment the war was closed, Massachusetts, New York, and other States in the Union voted their soldiers dollars from their own State treasuries. Many of the States did so, particularly those which felt they were able. They were not buying their patriotism. They knew that their soldiers had suffered inconvenience and they expressed the gratitude of the State to the soldiers of the great Civil War in the payment of dollars. When we granted land free to the soldier of the Civil War, when we gave our old soldiers land warrants, we gave them the equivalent of dollars. It never occurred to us for a single moment that we were paying for their patriotism. If there was any reason on the face of the earth for paying dollars to our soldiers of those days when they came out of that war, then there is ten times the reason for making an adjusted compensation for the soldiers of the great World War.

Why? I can point to some of the cantonments where, through the abominable cost-plus contracts, the construction of hospitals was delayed until thousands of dead bodies were packed away without even a sheet to cover them, while workmen were slacking and contractors were encouraging that slacking in order to make their jobs last as long and become as expensive as possible to the Government, paying from $10, $12, $14, and even $20 a day to laborers while the soldier was receiving the equivalent of but $3 a day. Before God in Heaven, the soldier is entitled to a compensation that will to some degree compensate him when he comes back and has to face and help to pay an obligation of from fifteen to twenty billion dollars. Others who stayed at home received their compensation in increased wages, in enormously increased profits of contractors, and so forth. The soldier did not share in those. He now comes back to share in the burdens, and, by Heaven, he should be given a compensation that will to some extent equalize the conditions.

I agree with the Senator from Alabama that this ought not to be a matter for the States. I know there will be inequalities when some one State votes a certain bonus for the soldiers—because that is what it really is—and another State fails to do it. I can not help that; that is an advantage that a soldier derives, perhaps, from living in a State that either can afford to vote a bonus or that, through its patriotic zeal, does vote to raise by taxation a sum that will partially equalize the difference between the stay-at-homes and those who fought the battles of the country.

However, let me say to the Senator from Alabama that when the soldiers from New Jersey and New York went to the war they did not go to fight for New Jersey or for New York; they fought the battles of the United States of America; and it is the duty of the United States of America to pay her soldiers and to pay the compensation that is due them. Such payment ought never to have been an obligation upon the States. I would far rather that the States had come to the General Government and asked the Government to do justice to the soldier than to have gone down into their treasuries to pay the bill, often where they can ill afford to do it. I do not know just how much was voted the other day in the State of Oregon to pay the soldiers. I know that taxes have gone up from 200 to 300 per cent in that State in the last few years; that the taxes have increased two or three fold; and yet that State voted overwhelmingly to do this justice to the soldiers.

Notwithstanding the strong letter of the Secretary of the Treasury, if the American people could vote to-day whether we should grant to these soldiers the additional compensation, I believe the proposition would carry by a vote of at least 10 to 1.

Mr. President, I am not going at this late hour into a full discussion of this matter. I will take up one after another the points which the Senator from Alabama has been making against this bill. I think they can all be met. We have tried to make the bill fair. It is, however, but proper to note right here that, while the Senator from Alabama agrees so earnestly with the Secretary of the Treasury that this burden ought not in the present condition of the country to be laid upon the shoulders of the American Republic, and while he is still criticizing the committee and those who would spread the payments over a few years, in order to make the burden lighter to the Government, he tells the Senate that he would vote to pay the

soldiers to-day notwithstanding the letter of the Secretary of the Treasury; that he would put $1,500,000,000 of indebtedness upon the United States at this very minute and would let the Secretary of the Treasury find out his own way to meet it.

Mr. UNDERWOOD. If the Senator will yield to me——

Mr. McCUMBER. I confess I am trying to be fair to the soldiers; I am trying to be fair to the Government; and I know that the soldier himself is satisfied with this plan; and even with the bonuses from the States, it does not fully equalize the situation as compared with his stay-at-home brother.

Mr. UNDERWOOD. Mr. President, if the Senator from North Dakota will yield, I desire to say that undoubtedly, measuring the compensation from the standpoint of dollars, it is a very meager compensation; but, of course, the Senator has some ideas about finance that I do not grasp. If we are to promise to pay the soldiers $4,000,000,000 somehow or other, the Senator from North Dakota seems to think that if we put it off for 20 years that will not be an obligation that rests on the Government; but that if we should borrow the money—a billion and a half dollars—and pay it now, although the payment of the loan were put off 20 years, because we borrowed it, it would be an obligation of the Government, while our promise to pay the soldier would be no obligation. I realize that the Senator thinks that——

Mr. McCUMBER. The Senator from North Dakota does not think that at all; he has no such thought.

Mr. UNDERWOOD. Then I did not understand what the Senator meant by his recent remark that there was no obligation on the Government in adopting the plan proposed.

Mr. McCUMBER. I will make it clear, if the Senator will give me time.

Mr. UNDERWOOD. I can not understand the Senator's position.

Mr. McCUMBER. Mr. President, if I owed the Senator from Wisconsin $500 and owed the Senator from Alabama, as a moral obligation, $500, and the Senator from Wisconsin held my note, due in six months; and I began to figure up how much I could raise in that time and ascertained that I did not have enough to pay my obligation to the Senator from Alabama, I would say to him, "Kindly wait a little while longer; I owe you and would like to pay you to-day, but my earning capacity and what I can raise in money is not sufficient to meet the obligation which the Senator from Wisconsin can force against me this very day; I ask you to exercise patience and wait another six months and I think by that time I will be able to meet my obligation to you." I will admit that it would be very difficult, and very embarrassing for us at this time to compel the payment of $1,500,000,000 out of the Treasury of the United States, but in 20 years we can catch our breath several times unless the whole world goes to pieces, and I do not think it will. We could not do justice to the soldiers of the Civil War in 1865, but 20 years afterwards we were able to do it; and 25 years from now or 20 years from now $5,000,000,000 or $4,000,000,000 will not look as it does to us to-day. Population will grow; wealth will increase; the burden will be distributed; we will be able to meet it; in fact, we could meet it even now if we would exercise a little more economy; and I am in favor of exercising economy as to the things that we really do not need, putting them off until we can meet both our legal and our moral obligations.

Mr. UNDERWOOD. Mr. President, if the Senator will yield for a moment at that point—

Mr. McCUMBER. Let me say to the Senator that the Senator from Massachusetts [Mr. LODGE] is quite anxious to have an executive session. I admit that I have taken a little more time than I intended.

Mr. UNDERWOOD. I yielded to the Senator from North Dakota some time to-day in the midst of my remarks, but really I suppose it is not important, for I can say what I want to say to-morrow. So, if the Senator from Massachusetts desires an executive session, I will yield.

Mr. LODGE. I am not in the least impatient, Mr. President; I am entirely ready to do what the Senator from Alabama desires; I do not wish to cut the debate short.

Mr. UNDERWOOD. I am satisfied that the Senator from North Dakota has a system of finance that I do not understand, and I will have to let it rest at that.

Mr. LODGE. Perhaps he can explain it if he has the time.

FUNERAL SERVICES OF SOLDIER DEAD.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a concurrent resolution (H. Con. Res. 22) for the appointment of a committee of the two Houses to attend the funeral services of 7,161 soldiers from overseas to be held on Pier 4, Hoboken, N. J.

Mr. LODGE. Mr. President, I ask the Chair to lay before the Senate the concurrent resolution just received from the House of Representatives.

The VICE PRESIDENT laid before the Senate the concurrent resolution (H. Con. Res. 22), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Speaker is hereby authorized to appoint a committee of five Members, which committee, together with such as may be appointed by the President of the Senate, be, and are hereby, authorized to attend the funeral services of 7,161 soldiers from overseas, to be held on Pier 4, Hoboken, N. J., on the afternoon of Sunday, July 10, at 3 o'clock.

The expense incident to such attendance to be paid one-half from the contingent fund of the House and one-half from the contingent fund of the Senate.

Mr. LODGE. I ask for the adoption of the concurrent resolution.

The concurrent resolution was considered by unanimous consent and agreed to.

Mr. LODGE. I move that the Vice President be authorized to appoint a committee of five to serve in conjunction with the committee of the House provided for in the concurrent resolution.

The motion was agreed to, and the Vice President appointed Mr. LODGE, Mr. WADSWORTH, Mr. POINDEXTER, Mr. KING, and Mr. KENDRICK as the committee on the part of the Senate.

CONDITIONS IN MEXICO.

Mr. LA FOLLETTE. Out of order, I ask leave to present a Senate resolution.

The VICE PRESIDENT. Does the Senator desire to have it read?

Mr. LA FOLLETTE. I should like to have it read and considered, if possible, this evening. I do not think there will be any objection to it. The resolution merely calls for information.

The VICE PRESIDENT. The Secretary will read the resolution.

The Assistant Secretary read the resolution (S. Res. 105), as follows:

Whereas it is widely announced in the press that warships have been ordered by the Government of the United States to Tampico, Mexico, to protect the lives and property of Americans in the event of disturbances resulting from unemployment in the oil industry in Mexico; and

Whereas it is alleged that the internal situation in Mexico is growing more critical and that there is imminent danger of an outbreak general in its character; and

Whereas it is definitely stated in the press dispatches, upon the authority of the Secretary of the Navy, that the commanders of the American war vessels have full authority to use their own discretion as to what action they shall take, including the landing of troops and other hostilities against a nation with which the United States is at peace; and

Whereas such acts would be equivalent to making war without the authority of Congress as prescribed by the Constitution of the United States: Now, therefore, be it

Resolved, That the President of the United States be requested, if not incompatible with the public interest, to transmit immediately to the Senate all documents and other information relating to the present situation in Mexico, and particularly the orders which have been issued to officers of the United States Army or Navy with reference to the situation in Mexico; and be it further

Resolved, That it is the sense of the Senate that no troops should be landed upon Mexican soil nor should any other action be taken which might be construed as an act of war without the express authority of the Congress of the United States as provided in the Constitution.

Mr. LODGE. Mr. President, I think I shall have to ask that the resolution go over until to-morrow. I should like to have an opportunity to look at it further.

The VICE PRESIDENT. On objection of the Senator from Massachusetts, the resolution goes over.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened; and (at 5 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Thursday, July 7, 1921, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 6, 1921.

STATE DEPARTMENT.

CONSUL OF CLASS 5.

Joseph W. Ballantine.

PROMOTIONS IN THE ARMY.

QUARTERMASTER CORPS.

Patrick William Guiney to be colonel.
Michael Joseph O'Brien to be major.
Harold LaRoy King Albro to be captain.

CORPS OF ENGINEERS.

Frank Zea Pirkey to be second lieutenant.

FIELD ARTILLERY.

John Earl Lewis to be major.
Chalmers Dale to be captain.
Norbert Cecil Manley to be captain.
Hugh Franklin Conrey to be first lieutenant.
Karl William Hisgen to be second lieutenant.
Joseph Patterson Wardlaw to be second lieutenant.
Francis Warren Crary to be second lieutenant.
Selby Francis Little to be second lieutenant.

COAST ARTILLERY CORPS.

Milo Glen Cary to be second lieutenant.
Harold Joseph Conway to be second lieutenant.

CAVALRY.

Morris Haslett Marcus to be second lieutenant.
John Baylis Cooley to be second lieutenant.

INFANTRY.

David Aston Turner to be first lieutenant.
James Harry Marsh to be second lieutenant.
John Elmer Freeman to be second lieutenant.
Gustin MacAllister Nelson to be second lieutenant.
Frank Joseph Spettel to be second lieutenant.
Carroll Frederick Sullivan to be second lieutenant.
Rupert Harris Johnson to be second lieutenant.
Francis Joseph Magee to be second lieutenant.
Burwell Baylor Wilkes, jr., to be second lieutenant.

MEDICAL CORPS.

Michael Gerard Healy to be captain.
DuMont Frelinghuysen Elmendorf to be captain.

DENTAL CORPS.

James Barrett Mockbee to be captain.

POSTMASTER.

MARYLAND.

Harry A. Dawson, Rockville, Md.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *July 6, 1921.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, in the spirit of courage, hope, and love we can say, God is with us. We lift our eyes unto Thee and pray for a quickening of all our best powers. So direct us this day that we may do honor to all of our duties. If we have anxiety, quiet it; if we have unworthy fear, put it to rest. And may we ever have a deep reverence for moral worth, the tenderest sympathy for human frailty, and the profoundest faith in the triumph of the right, the final outcome of our country and the world. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Saturday, July 2, 1921, was read and approved.

EXTENSION OF REMARKS.

Mr. LINEBERGER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a patriotic address which I delivered at Takoma Park on July 4.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD by the insertion of a speech which he delivered at Takoma Park. Is there objection?

There was no objection.

THE TARIFF.

Mr. FORDNEY. Mr. Speaker, I am directed by the Committee on Ways and Means to report back the bill H. R. 7456, the tariff bill, without amendments, and with a report, and I ask unanimous consent to have the report printed under the rules.

Mr. GARRETT of Tennessee. Mr. Speaker, I make the point of order that it is not in order to report this bill on Calendar Wednesday.

The SPEAKER. The Chair is in doubt about that.

Mr. MONDELL. Mr. Speaker, while the Chair is examining the precedents, I ask unanimous consent that the gentleman from Michigan [Mr. FORDNEY] may be allowed to report the tariff bill to-day.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that the gentleman from Michigan may be permitted to report the tariff bill to-day. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, for the present I object.

The SPEAKER. The Chair will consider the right to report it. Clause 56 of Rule XI provides that the "following-named" committees shall have leave to report at any time on the matters herein stated, and the Calendar Wednesday rule provides that on Wednesday of each week no business shall be in order except as provided by paragraph 4 of that rule, unless the House by a two-thirds vote on motion dispenses therewith.

Mr. GARRETT of Tennessee. Mr. Speaker, the Calendar Wednesday rule was adopted subsequent to the other which the Chair quoted. Since the adoption of the Calendar Wednesday rule I do not recall a single instance in which, except by unanimous consent, an appropriation bill has been reported, and I do not recall a single instance in which, except by unanimous consent, a conference report has been offered or taken up.

Mr. MONDELL. Mr. Speaker, will the gentleman from Tennessee yield?

Mr. GARRETT of Tennessee. Yes.

Mr. MONDELL. I am curious to know whether the gentleman's objection to the reporting of the tariff bill will, in his opinion, expedite the passage of the tariff bill. He has been rather interested in our views in regard to that matter for some weeks past.

Mr. GARRETT of Tennessee. Mr. Speaker, I have had opportunity to make a cursory examination of the tariff bill, and I am not interested any more in expediting its passage. [Laughter.]

Mr. MONDELL. Since the gentleman has discovered how good a bill it is, he has lost interest in it.

The SPEAKER. Here are two rules which are inconsistent with each other. One provides that the Committee on Ways and Means may report at any time, and the other that no business shall be transacted on Calendar Wednesday.

Mr. MADDEN. Mr. Speaker, will the Chair permit an interruption?

The SPEAKER. Certainly.

Mr. MADDEN. Is the reporting of a bill by a committee business?

The SPEAKER. The Chair is inclined to think it is business, but, on the other hand, the Chair thinks that when there are two rules that are contradictory they should be both interpreted in such a way as to carry out the obvious intention of the rule. The only reason that no business can be transacted on Calendar Wednesday is so that the time on Calendar Wednesday shall not be taken up to prevent consideration of the business which is assigned that day. The Chair thinks that the mere reporting of the bill from a committee——

Mr. BLANTON. Mr. Speaker, if the Chair will permit a suggestion, which comes from better authority than the gentleman who is now addressing the Chair, if the committee can report this bill, they can call it up at any time after reporting it. If they can report it to-day, they can call it up to-day.

The SPEAKER. The Chair does not think that necessarily follows.

Mr. LONGWORTH. Mr. Speaker, I observed that before the submission of the report by the gentleman from Michigan the Chair entertained a request for unanimous consent for the printing of a speech in the RECORD. That is every bit as much business as the mere formal reporting of a bill, and I submit that the two should be considered together; that if it were in order to ask unanimous consent to print a speech, it is in order to report a bill.

Mr. GARRETT of Tennessee. That may be true, but no point of order was made against the request.

Mr. LONGWORTH. But the Chair entertained the request, and it is a matter of business.

Mr. GARRETT of Tennessee. Pending the decision, may I ask the gentleman from Michigan what his purpose is in respect to calling this bill up?

Mr. FORDNEY. The purpose is to call it up to-morrow, Thursday, and in order to have a print of the report, the request is made that it may be printed.

Mr. GARRETT of Tennessee. Mr. Speaker, the minority views are being prepared as rapidly as is humanly and physically possible. The bill was only reported out of the full committee an hour ago.

Mr. FORDNEY. It was introduced in the House on last Thursday and no change has been made in it since then.

Mr. GARRETT of Tennessee. Of course the committee has not acted upon the bill. The minority views are being prepared as rapidly as is intellectually and physically possible. Whether

or not those views can be ready for to-morrow, I am unable to state.

Mr. FORDNEY. We are perfectly willing to give all of the time they wish to Members who wish to file minority views.

Mr. GARRETT of Tennessee. We desire to have the views presented before the debate upon the bill begins. If there can be an understanding that this bill will not come up before Friday——

Mr. FORDNEY. Oh, we want to take up the bill to-morrow. Here it is, late in the summer, and people are anxious for the consideration of the bill. We want to take it up the first opportunity and give the minority plenty of time to file their views, and begin the consideration of the bill under general debate to-morrow.

Mr. GARRETT of Tennessee. Well, Mr. Speaker, the minority did not have an opportunity to see this bill until the 30th of June. The majority has worked on it for months. Surely the minority ought to be entitled to another day or two in order to review the work of months on the part of the majority.

Mr. FORDNEY. I will say to the minority that the majority Members for the past six months have well taken care of the minority in this bill.

Mr. GARRETT of Tennessee. I think the gentleman should give the rest a chance to understand it.

Mr. MONDELL. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONDELL. Is not the Speaker prepared to rule?

The SPEAKER. This is all going on by unanimous consent, of course. But the Chair will hear gentlemen.

Mr. MONDELL. I think we should have the regular order.

The SPEAKER. Does the gentleman from Massachusetts desire to make a suggestion?

Mr. WALSH. Mr. Speaker, if it is held that the Committee on Ways and Means can report this matter on Calendar Wednesday because of inconsistencies in the rule, could the chairman of the Committee on Ways and Means call up this bill on next Calendar Wednesday if he so desired?

The SPEAKER. The Chair thinks not. The Chair does not think that would follow. The Chair is still disposed to follow the line of reasoning which he commenced and held, that the purpose of Calendar Wednesday is to preserve that day for a certain class of legislation, and no business ought to be allowed to come in which takes time and interferes with that purpose. But the House will remember that the Chair some weeks ago held that a motion to reconsider could be submitted on Calendar Wednesday, although the Chair held it could not be called up and acted upon on Calendar Wednesday. The Chair thinks the same line of reasoning would hold here; that reports could be made on Calendar Wednesday, inasmuch as the report does not occupy any appreciable time and does not interfere with the purpose of Calendar Wednesday, but it would not be permissible to call it up for action upon Calendar Wednesday. Reports can be made through the basket on Calendar Wednesday as on other days, and it does not seem to the Chair reasonable to hold that they can not be made from the floor. The Chair overrules the point of order.

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. Is it necessary to reserve points of order on this bill? If so, I desire to reserve all points of order.

The SPEAKER. The gentleman from Texas [Mr. GARNER] reserves all points of order. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The SPEAKER. Referred to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. GARNER. Mr. Speaker, I ask unanimous consent that the minority may have until 12 o'clock to-night to present their views and that their views may accompany and be printed with the majority report.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. GARNER]?

Mr. MONDELL. With the understanding that it will not interfere with the consideration of the measure to-morrow under general debate.

Mr. GARNER. It could not possibly interfere with to-morrow if we file our views by 12 o'clock to-night.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

CALENDAR WEDNESDAY.

The SPEAKER. To-day is Calendar Wednesday; and the Clerk will call the committees.

When the Committee on Agriculture was called.

DEFERRED GRAZING FEES.

Mr. HAUGEN. Mr. Speaker, I call up House joint resolution 151.

The SPEAKER. The gentleman from Iowa calls up the House joint resolution which the Clerk will report.

The Clerk read as follows:

House joint resolution (H. J. Res. 151) to provide that deferred grazing fees received prior to December 31, 1921, shall be considered as receipts of the fiscal year 1921.

Resolved, etc., That for the purpose of apportioning the 25 per cent of the accrued receipts from national forests during the fiscal year ending June 30, 1921, which are due and payable to the States under the act of May 23, 1908 (34 Stat., p. 251), and the 10 per cent of said receipts which may be expended by the Secretary of Agriculture under the act of March 4, 1913 (37 Stat., p. 828), for the construction and maintenance of roads and trails within the national forests, all moneys which are received by the Secretary of Agriculture prior to December 31, 1921, as deferred grazing fees authorized to be so paid under the act of March 3, 1921 (Public, No. 367, p. 18), shall be considered as receipts of the fiscal year 1921; and when the fees referred to in the above-mentioned act shall have been collected and deposited, they shall be warranted and made available for expenditure for payments to States and for payments for road purposes in the same manner as if they had been received on or before June 30, 1921.

Mr. WALSH. Mr. Speaker, I make a point of order on the joint resolution which has been reported that it is an appropriation of money, which the Committee on Agriculture has no jurisdiction to report under Rule XXI.

The SPEAKER. The Chair was not listening to the reading of the report and will hear the gentleman.

Mr. WALSH. In lines 6, 7, and 8, page 2.

Mr. HAUGEN. The bill carries no appropriation, but simply makes the money available this year instead of carrying it over to next year.

Mr. WALSH. As to the grazing fees paid into the Treasury this year, it provides for the payment of those fees to the States. If that is not appropriating money out of the Treasury——

Mr. MONDELL. Mr. Speaker, the payment of certain grazing fees was deferred by act of Congress. This bill simply provides that as to those fees the payment of which has been deferred which shall be received up to a certain time shall be treated as receipts for the preceding fiscal year. It is merely a matter of legislation. It lays no new burden, it will relieve no one from any obligation, but simply provides that certain fees when received shall be considered as the receipts of the fiscal year on behalf of which they are paid, although they may be paid in later than the beginning of the next fiscal year.

Mr. WALSH. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. WALSH. Can any money be paid to the States without these receipts out of this legislation if it passes?

Mr. MONDELL. The money could be paid to the States just the same, but as of the succeeding fiscal year. All that this joint resolution does is to provide that the moneys received shall be considered as receipts of the fiscal year on behalf of which they are paid——

Mr. WALSH. But, Mr. Speaker——

Mr. MONDELL (continuing). Rather than the receipts of the fiscal year in which they are paid. That is a matter of legislation, and no appropriation committee would have any authority to act in a matter of this sort.

Mr. WALSH. Why, of course, if this legislation were not enacted they could not make payment. That is apparent on its face.

Mr. MONDELL. Mr. Speaker, it has nothing to do with the making of payments. Provision has already been made for the payment. This simply is legislation providing——

The SPEAKER. The Chair thinks the point of order applies to a previous ruling of the Chair. The Chair ruled that the provision allowed the point of order to be raised at any time but did not allow it to be made against the reporting of the bill; that the committee can report an appropriation and then when the appropriation came to be considered, if it is against the rule, it can be stricken out.

But it does not lie against the reporting. The Chair thinks the gentleman from Massachusetts [Mr. WALSH], if his point is correct, has a remedy as soon as the bill comes to be considered in the committee or by the House.

Mr. MONDELL. But not at this time.

Mr. WALSH. Do I understand the Chair, by declining to rule when the point of order is raised against the language in the bill, by implication overrules the point of order?

The SPEAKER. He would not pass upon the point of order, but would simply hold if it were made later when the House was considering it and not against the bill being before the House at all.

Mr. WALSH. Mr. Speaker, if this point of order is good this bill should not be considered in the Committee of the

Whole House and reported back again with language in it in violation of Rule XXI.

The SPEAKER. Certainly not. The gentleman has the right in Committee of the Whole to make the point of order, and if the point of order is good that language goes out.

Mr. TOWNER. Mr. Speaker, may I make a suggestion? This objection, of course, would be considered merely for the purpose of protecting the jurisdiction of the Committee on Appropriations. This is not a question that affects the jurisdiction of that committee. This is a question affecting the legislation. We have the right to take away from the Committee on Appropriations, at any time, by any bill, all the jurisdiction that they have. According to the logic of the argument of the gentleman from Massachusetts, you could not pass such legislation because it would affect jurisdiction. We have the right in the House, by any law, at any time, merely as a matter of legislation, to change the conditions upon which money shall be taken from the Treasury. But if in any case the bill itself provided that an appropriation should be made that, of course, would take it to the Committee on Appropriations.

Mr. WALSH. Oh, well, if this is not an appropriation of money, then the point of order should be overruled.

Mr. BLANTON. This rule provides that a point of order may be made at any time.

Mr. MONDELL. If the Chair is inclined to entertain the point of order at this time, I should like to address the Chair just briefly on the point of order.

The SPEAKER. The Chair will hear the gentleman.

Mr. MONDELL. Mr. Speaker, the law provides that a certain proportion——

The SPEAKER. The Chair thinks he ought to make himself clear. The Chair understands the gentleman from Massachusetts to make the point of order that this bill is not properly before the House because it includes an appropriation which the Committee on Agriculture had no right to make. Now, the Chair, in conformity with the ruling that the Chair made some time ago—and the Chair may be mistaken in the intention of the gentleman from Massachusetts—does not think that the point of order can be made that the bill is not properly before the House; in other words, that the committee could not report it. The committee could report it, but the point of order, if it is valid, can be made at any time against the particular clause. The Chair would like to ask the gentleman from Massachusetts [Mr. WALSH] just what his point of order is? The Chair may have misunderstood it.

Mr. WALSH. I think the Chair misunderstood the point I raised, but I think the Chair might easily have done so from the manner in which I stated the point. I made the point of order that the Committee on Agriculture had no jurisdiction to report an appropriation and that this bill, in lines 6, 7, and 8, page 2, contained language appropriating money out of the Treasury, and that the committee was without jurisdiction to do that, my point, of course, lying against that language.

The SPEAKER. The gentleman has the right to make that point of order, and the Chair will hear the gentleman from Wyoming [Mr. MONDELL] on the point of order.

Mr. MONDELL. Mr. Speaker, the point of order is, as I understand it, that the bill makes an appropriation. Is that the point of order?

The SPEAKER. It is.

Mr. MONDELL. My contention is that the bill does not make an appropriation. The facts are that the law provides for the payment of certain fees for the use of the forest reserves for grazing, for stumpage, and for other purposes, and fixes the time when the fees shall be paid. The law also provides that of those fees a certain proportion of them shall be paid to the States wherein the fees are collected. Now, some time since the Congress provided that the fees due in the spring of the fiscal year that has just closed might be paid during the summer or fall months. The receipts paid at that time naturally flow into the Treasury as receipts of the fiscal year 1922. Now, all this bill does is to provide that as to those fees, which are really the fees accruing in 1921—and payment deferred until 1922—that as to those fees that may be received prior to December 31, 1921, the part of them that are paid to the States shall be treated as though they were fees of the year 1921 and credited to the States as of the fiscal year 1921. It is purely legislation. No appropriating committee could make a provision under which receipts paid in one year would be considered as fees paid into the Treasury in a prior year. That is purely a matter of legislation. The only committee in the House that has jurisdiction of that subject matter is the Committee on Agriculture. If this matter were presented to the Committee on Appropriations, the committee would very properly say, "It is a matter over which we have no jurisdiction." It is not an appropriation. It is a matter of law.

The SPEAKER. Does the present existing law provide that "when the fees referred to in the above-mentioned act shall have been collected and deposited they shall be warranted and made available for expenditure for payments to States and for payments for road purposes"?

Mr. MONDELL. It does. There is no new provision in this bill at all, except the provision that the deferred payments which would have been paid in the latter part of the fiscal year 1921, but which are deferred until the early part of the year 1922, may when paid be considered as receipts of 1921.

Mr. BLANTON. Mr. Speaker, will the gentleman yield for a question?

Mr. MONDELL. Yes.

Mr. BLANTON. Suppose the Committee on the Post Office and Post Roads, a legislative committee, should come in here with a bill to provide that the receipts of the Post Office Department should be credited to the States for road work to the extent of $500,000,000. Would that be an appropriation?

Mr. MONDELL. That would be new legislation, at any rate, whether it would be an appropriation or not. It would certainly be new legislation. But this law is already on the statute books, the law in regard to the assessing of these fees and the collecting of these fees; the law in regard to the distribution of the fees; and this bill makes no change in those laws. It simply provides that the fees, the payment of which was deferred, shall, when collected, be considered as having been collected at an earlier date.

Mr. WINGO. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. WINGO. As I understand, the only change made is a legislative one, changing the designation, providing that the fees of the year 1921, although they may be paid subsequently, shall still be treated as the fees of 1921, and be available in that year?

Mr. MONDELL. Yes. The gentleman has stated it accurately, and very much better than I did.

Mr. WALSH. Mr. Speaker, of course when it is desired to contravene one of the important rules of the House very skillful language is employed. Now, the gentleman from Wyoming has stated what this bill does. It is taking money that properly belongs in the next fiscal year and transferring it to this year, and making it available for payment to the States in anticipation of its being received next year.

Mr. MONDELL. Oh, no; if the gentleman will allow me. Not in anticipation.

Mr. WALSH. It is in anticipation, because——

Mr. MONDELL. Mr. Speaker, may I read to the Chair, if the gentleman from Massachusetts will allow me, the law?

The SPEAKER. Very well.

Mr. WALSH. The new year begins July 1. This refers to payments of 1921. Ordinarily this money would be available for payment under the existing law. It is bringing it back and making an appropriation, saying it shall be available for payment to the States.

The SPEAKER. How would the gentleman from Wyoming explain this statement in the report?—

> This would permit making available for school and road purposes the quotas allowed under existing law after the receipts have been actually collected. The full quotas for these purposes could thus be made available by October instead of waiting until the following August.

Mr. MONDELL. If the Chair will allow me, let me read the law of May 23, 1908:

> That hereafter 25 per cent of all money received from each forest reserve during any fiscal year, including the year ending June 30, 1908, shall be paid at the end thereof by the Secretary of the Treasury to the State or Territory in which said reserve is situated, to be expended as the State or Territorial legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which the forest reserve is situated.

Now, on March 3, 1921, we passed this act—

> That the grazing fees payable under existing law for the use of national forests during the calendar year 1921 may be paid on the 1st day of September, 1921, and in the event such payment is not made on or before such deferred date, penalties shall be thereafter imposed in accordance with the provisions of existing law.

In other words, the law provides for the payment of grazing fees before the close of the fiscal year. Owing to the unfortunate conditions existing in the territory where these forest reserves are situated, provision was made for deferring the payments from June until September, in nowise changing the character of the payments. All that the bill before us does is to provide that as to those payments thus deferred, which shall be paid before the 1st of December, they shall be treated as though they had been paid into the Treasury at an earlier date.

The SPEAKER. Suppose they had not been so treated. How could they be used?

Mr. MONDELL. They could be used a year later. What is done is legislation and not an appropriation, I contend.

Mr. WALSH. Does it not transfer receipts properly belonging to the fiscal year 1922 for expenditure during the present fiscal year?

Mr. MONDELL. I think it does, and that is legislation. That is, it provides that revenues of 1921 not paid until 1922 shall nevertheless be available for 1921 expenditures.

Mr. WALSH. That is an appropriation from the Treasury of the United States.

Mr. CARTER. It is a deficiency appropriation.

Mr. MONDELL. The receipts are 1921 receipts. Their actual payment was deferred. That was an act of legislation. We are now providing that though the payment was deferred into 1922, they shall be treated when received as though they were paid in 1921. That is legislation.

Now, let me suggest this to the Chair as a test: The Committee on Appropriations could not have made this provision, because it was a change of law; a change of law to transfer from one fiscal year to another.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. MADDEN. Of course, the legislation which deferred the payment of these fees was enacted to relieve the distressed condition in that country, was it not?

Mr. MONDELL. Yes.

Mr. MADDEN. Now, they get released from the payment of the money in the fiscal year 1921, and yet this legislation permits them to use the thing which they have not paid in.

Mr. MONDELL. If the gentleman will allow me, that is not accurate. It does not permit them to use the money that was not paid in. Of course, that goes to the merits of the legislation rather than to the point of order; but, discussing that matter of merit, it does not allow the States to use these fees not paid in, but to use them after they are paid in as though, being fees of 1921, they had been paid in 1921.

Mr. MADDEN. What it does is to permit the use of the fees a year in advance of their payment.

Mr. MONDELL. That, I submit, is not accurate, although that is aside from the question.

Allow me to suggest, Mr. Speaker, as one of the tests in a matter of this sort: The Committee on Appropriations would clearly have no authority to do what this bill does. If the Committee on Agriculture has no authority to make this provision, then there is no authority in Congress to act in the matter.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. WALSH. Does the gentleman contend that the Committee on Appropriations on a deficiency bill could not take care of this situation?

Mr. MONDELL. No. I do not think the Committee on Appropriations could. It is legislation.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. If I have the floor.

Mr. KINCHELOE. Is it not a fact that this joint resolution does not undertake to appropriate a single new dollar, but that it simply makes a change in the fiscal year in which the money is paid?

Mr. MONDELL. Purely a matter of accounting.

Mr. KINCHELOE. Absolutely.

The SPEAKER. The Chair would like to ask the gentleman a question. There is no question that the first part of this sentence—

shall be considered as receipts of the fiscal year 1921—

belongs to the Committee on Agriculture. What troubles the Chair is the second part, where it says—

they shall be warranted and made available for expenditure for payments to States and for payments for road purposes in the same manner as if they had been received on or before June 30, 1921.

Why is not that an appropriation? Suppose that was omitted, what would be the result?

Mr. MONDELL. That is a recitation of the fact making the funds available for the fiscal year 1921.

The SPEAKER. Then, if it is simply the recitation of a fact, it could be omitted, could it not? It seems perfectly clear to the Chair that it is an appropriation.

Mr. MONDELL. The legislation would not be understandable if it did not refer to the act under which a certain portion of these accrued receipts are paid to the States. That is all that is done in that language.

Mr. WINGO. It seems to me that the very question which the Speaker raises goes to the crux of the matter, for the reason that the bill does not undertake to appropriate or make available in advance the direct appropriations, but it seeks to change the rule of accounting; and the language which the Speaker has referred to about being made available is but a recital of the effect of the proposed change of the rule of accounting.

The SPEAKER. Based on the act of March 3, 1921, they shall be warranted and made available for expenditure, and that, it seems to the Chair, is appropriating.

Mr. WINGO. I have an idea that was put in there for the purpose of determining beyond any question the effect of the legislation. Here is the way I understand it, Mr. Speaker: It is not an appropriation. It is simply undertaking to say that notwithstanding the deferment of the time of payment that Congress has provided for in the provision read, these funds shall still be treated as the funds of the fiscal year for which they are payable, even though they may be paid afterwards. In other words, if we had no other rule, the object of this legislation is to prevent the reduction of available funds for the fiscal year by taking them away from that fiscal year. It was not intended by the provision referred to to do other than to give additional time for making the payment, but the payments when made were still a part of the revenues of the fiscal year 1921. It was still the intention of Congress that those revenues should be available to the States as the quota of the fiscal year 1921, even though they might be paid subsequently. So in undertaking to determine the quota to be paid to the States this simply provides that the accounting rule shall be changed, and that the funds of the fiscal year 1921 collected subsequent to the fiscal year 1921 shall still be treated as funds of the fiscal year 1921; and the officers of the Treasury shall be warranted in treating them as such and in paying them out to the States under existing law. That is all there is to this legislation.

Mr. CARTER. While it changes the accounting system, does it not also change the spending system?

Mr. WINGO. That is necessarily so.

Mr. CARTER. It permits it to be spent in a year for which it has not been appropriated.

Mr. WINGO. I think not. It permits it to be anticipated in the fiscal year for which it covers the service of grazing on the Government land.

Mr. CARTER. Yes; but not being collected until the subsequent year, it could not be spent in the present year without some character of appropriation.

Mr. WINGO. I do not think the gentleman is correct about that.

Mr. CARTER. Suppose this money had gone into the Treasury, which it does not. As I understand this 25 per cent does not go into the Treasury, but is paid out to the States.

Mr. WINGO. It is paid out to the States.

Mr. CARTER. Suppose instead of that it went into the Treasury. Would it not require a deficiency appropriation to get the money out of the Treasury?

Mr. WINGO. That is the distinction between this and the ordinary receipts of the Government. The Government is collecting this, and the provision is that a certain part of it does not go to the Treasury, but it goes to the States. The States have a vested right under the grazing law, and this undertakes to provide not an appropriation out of the Treasury of the United States, but that the grazing fees for a certain fiscal year shall be distributed as the fees of that year and as the funds of that year under the general law, which is different from the ordinary receipts of the Government that go into the Treasury, because there is no provision of the general law that certain receipts coming into the Treasury covering a certain period of time for a certain specific purpose shall be allocated and allotted in a specific manner. There is no such provision in the general law. That is where the objection arises to undertaking to apply to these funds the same rule that would apply to general funds coming into the Treasury. This does not undertake to appropriate funds which are in the Treasury. It is not that sort of a proposition. This is a proposition of allocating to the States funds due them under a general statute.

The SPEAKER. Funds in the United States Treasury can not go out without an appropriation. Now, is not the language here—"They shall be warranted and made available for expenditure"—necessary to get them out of the Treasury, and is not that an appropriation?

Mr. WINGO. I assume that the law already exists that appropriates these funds and provides for their payment to the State.

The SPEAKER. If so, this language is surplusage.

Mr. WINGO. Whenever you change the rule of accounting and say that they shall be a part of the fund of 1921, then it would mean that 25 per cent would be distributed, even though

subsequently or before it would make no difference—in other words, it is a change by legislation of the rule or period of classification of a certain volume of receipts. The appropriation carrying 25 per cent of the fees received for that year is still in effect, automatically being changed on account of the rule making it available at this time; not as a result of making it available as you would ordinary receipts in the Treasury, but by changing the accounting rule.

Mr. WALSH. Could they do that if they did not have this authority?

Mr. WINGO. I am not prepared to answer that; I am inclined to think that the effect on account of the rule is reversed; in other words, I think the disbursement of it follows the legislative rule of accounting. But the accounting being here is not a question of reappropriation, but a question of the change of rule of the accounting, and automatically following from the rule of accounting is the question of availability.

Mr. WALSH. Has the gentleman read the last part of the report?

Mr. WINGO. I do not think the report of a committee is conclusive on the effect of a statute.

Mr. MONDELL. Mr. Speaker, I do not know that it will affect the Speaker's view of the point of order, but what I shall say goes more to the merits of the legislation. Not only is the State entitled to 25 per cent of the funds but the Secretary of Agriculture, under the law, is authorized to use 10 per cent of these funds for building roads. This legislation not only authorizes the utilization of the 25 per cent of the funds collected before the 1st of December by the State but it also authorizes the Secretary of Agriculture to use the 10 per cent that he may expend for roads as though received in 1921. In other words, this simply alters the rule of accounting with regard to these moneys. It does not give the Secretary of Agriculture any more money from the funds received and does not give the State any more money. It provides that the moneys of the fiscal year 1921, that under the law would have been paid in 1921, the payment of which was deferred, shall, when paid, be considered to be receipts of 1921.

The SPEAKER. That is a part of the law. The trouble is that it says—

> And when the fees referred to in the above-mentioned act shall have been collected and deposited, they shall be warranted and made available for expenditure for payments to States—

And so forth.

Is not that the same as saying that the funds are hereby appropriated and made available?

Mr. MONDELL. I think the word "warranted" might have been left out of the bill. I do not think it cuts any figure one way or the other. The use of the word "warranted" does not make it an appropriation bill, because the fact of making the sums available for the fiscal year 1921 authorizes the warranting of those sums.

The SPEAKER. Is not the clause "they shall be warranted and made available for expenditure for payments" equivalent to "hereby appropriated"? Is there any distinction?

Mr. MONDELL. The word "appropriated" or the word "warranted" is not necessary and adds nothing to the legislation, and in my view does not change its character. What it does is to simply provide that the receipts of 1921 for use in 1921, but not paid until December, 1922, shall be held and considered as though they had been paid in 1921. If they are held and considered as payments of 1921, they are appropriated by law.

Mr. WALSH. And by this language.

Mr. MONDELL. Now, Mr. Speaker, I am not going to take any more time, but there is surely authority somewhere in Congress to do this thing, and if this committee has not the authority no other committee has. The Committee on Appropriations could not come in with any such law. This act is not modified by reason of the fact that it refers to a law now on the statute book. All it does is to make available payments of 1921 not paid into the Treasury until early in 1922. The Committee on Appropriations could not in any bill, either a regular appropriation bill or a deficiency bill, provide that the funds received into the Treasury at a certain time should be made available as though they had been paid into the Treasury at another time, for that is legislation and not appropriation. The law now appropriates the fund and the law provides how it shall be used. We do not change the law, but simply change the time and the period in which the funds may be utilized.

Mr. BEGG. Mr. Speaker, I should like to have the gentleman from Wyoming answer whether or not this bill does refer solely to the deferred payments in 1921.

Mr. MONDELL. It does.

Mr. BEGG. It seems to me, then, that the payments that were actually collected have been made available by appropriation. This seeks to make available appropriations six months deferred. It seems to me it is a clear case of appropriating that deferred payment. I would like to add this thought: There is no way whereby the appropriating power of any committee should make available funds not yet used other than by a change of legislation, and it seems to me that this resolution does two things—changes the law and makes available funds.

Mr. SUMMERS of Washington. Mr. Speaker, may I suggest that the grazing season comprises the summer months of 1921. A part of those months occur before June 30, the end of the fiscal year 1921, and a part of them occur later than that period. Under the present law the payment which is made after the end of the fiscal year 1921 is applied as of 1921, the law now requiring payment by September 1. It simply moves the date up to December 30, and is for the grazing season of the calendar year 1921, which is a part of the fiscal year of 1921 and a part of the fiscal year of 1922. That has always been the case. This simply delays the date.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes; I yield.

Mr. BLANTON. Are any part of the fees for any months succeeding June 30, 1921, to be allocated to the fiscal year 1921?

Mr. SUMMERS of Washington. No.

Mr. BLANTON. They are only the deferred payments for the months preceding June 30, 1921?

Mr. SUMMERS of Washington. That is my understanding.

Mr. HAUGEN. Mr. Speaker, the act of May 23, 1908, authorized the appropriation. This bill carries no authorization. It is merely a change of law; that is, that the fees collected in 1921 shall be made available immediately upon their receipt. Had it not been for the extension granted in the appropriation bill, the money would have been collected before the 1st of July and be now in the Treasury, and could have been apportioned among the States. All that it is sought to do here is simply to make the money available that would otherwise have been available had it not been for the amendment to the appropriation act. No appropriation is suggested in the resolution. It simply provides that money justly belonging to the States under existing laws shall be turned over to the States immediately upon receipt of the money instead of deferring payment until the next fiscal year. The appropriation was made in the act of May 23, 1908.

The SPEAKER. Does the gentleman from Massachusetts insist on his point of order?

Mr. WALSH. I do.

The SPEAKER. The Chair regrets that the point of order has been made, but having been made the Chair thinks he must——

Mr. MONDELL. Mr. Speaker, before the Chair rules, does the Chair believe that the Committee on Appropriations is authorized to make this provision?

The SPEAKER. The Chair thinks that certainly the Committee on Appropriations is authorized to pass the last section.

Mr. MONDELL. There is but one proposition in this bill.

The SPEAKER. If that is so, what need is there of the last clause?

Mr. MONDELL. The Speaker would not uphold the point of order on mere surplusage of language in the bill. In the departments whenever a payment is made, it is warranted. That is a technical term. It is the term used. This is a departmental bill, and they have used the departmental terms. It does not change the legislation, it does not modify it.

The SPEAKER. "Warranted and made available," it seems to the Chair is another form of saying "is appropriated."

Mr. MONDELL. The term "warranted," carried in this bill, is the technical term used in the departments to indicate the act of using sums which have been appropriated.

The SPEAKER. Is not the phrase "warranted and made available" the same as "is appropriated"? It seems to the Chair that to say "warranted and made available for expenditure" is another form of saying "is appropriated."

Mr. MONDELL. It is a matter of legislation and not of appropriation. It simply makes funds available for 1921, although they may have been collected in 1922. That is clearly and definitely a matter of legislation.

The SPEAKER. That is all an appropriation does, to make available for expenditure.

Mr. WALSH. Of course, Mr. Speaker, an appropriation bill is legislation.

Mr. MONDELL. If the appropriating committee acts in this matter, the gentleman from Massachusetts [Mr. WALSH] then would not raise the point of order that that committee exceeded its jurisdiction. I think he would be compelled to do so if he were logical. Surely there is authority in the Congress to do this.

Mr. WALSH. I never knew a point of order to run against an appropriation bill reported by the proper committee that had jurisdiction to make the appropriation. That is what this language does, and this committee does not have jurisdiction to make appropriations. The gentleman from Iowa [Mr. HAUGEN] says that this committee did not report out any authorization, but it has reported out language making these funds available, and making them available, as the Chair well knows and as the gentleman from Wyoming well knows, is tantamount to saying that these moneys are appropriated.

Mr. HAUGEN. Oh, no; they are made available, not appropriated.

Mr. WALSH. They are made available so that you can come in and take them out of the Treasury and nobody will ever know whether they got in there or not.

Mr. MONDELL. They are not taken out of the Treasury in the sense the gentleman from Massachusetts has in mind, because the act of 1908 appropriated them for a specific purpose.

Mr. WALSH. This bill says that they shall be paid into the Treasury.

Mr. MONDELL. Congress says they might be paid at a later date. All the committee does now is to legislate that although the payment is deferred, still the use to which these funds are dedicated shall not be changed by deferring the payment. That is all that is done. If the gentleman's argument was carried to a logical conclusion, Congress having deferred these payments, they could not be used by the Secretary of Agriculture, 10 per cent of them for roads, and by the States, 25 per cent of them for roads, without new legislation. Clearly, the gentleman will not argue that. The payment was deferred, and it is clearly legislation to say that notwithstanding the fact of deferring the payments the funds are still available for the purpose for which they are now dedicated by law.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. WALSH. If these funds were not made available by this law, the funds would properly belong to the next fiscal year, would they not?

Mr. MONDELL. If this law did not pass, the Secretary of Agriculture could not use them until next July.

Mr. WALSH. And now you are fixing it so that he can use them and you are making them available.

Mr. MONDELL. That is legislation, not appropriation.

Mr. WALSH. That is legislation, the gentleman says, and not appropriation; and if it is not appropriation then we have found a way for every committee of this House which formerly had jurisdiction over appropriations, by incorporating this language into their bills, to come in here and take money out of the Treasury just as they had heretofore done.

Mr. MONDELL. Mr. Speaker, these funds have all been dedicated, they have all been appropriated, they can not be taken away from the States without changing the law. It is a question of whether they shall be available at one time or another, but they are dedicated funds, 25 per cent and 10 per cent, and this legislation simply provides when the dedicated fees shall be available; it is not appropriations.

The SPEAKER. The Chair regrets that this point of order was raised, because apparently this joint resolution is desirable; but, on the other hand, the Chair in his decision feels that he must for the sake of the future rightly construe the rules of the House regardless of the merits of the resolution. As has been argued, it is very clear that all the first part of the joint resolution does is to change legislation and make the receipts as of the fiscal year 1921. That clearly is in the jurisdiction of the Committee on Agriculture and no other committee. But it seems to the Chair when it goes further and says when the fees referred to have been collected and deposited they shall be "warranted and made available for expenditures," that that is simply another phrase to say they shall be appropriated. No funds can be taken out of the Treasury without an appropriation, and unless those words were in the Chair does not see how they could be taken out of the Treasury this year. If, as has been suggested, these words are surplusage, then striking them out does not harm the bill at all, and that is all the point of order can do, just strike out that clause of the bill. So the Chair feels obliged to rule that this clause is tantamount to an appropriation, and sustains the point of order.

Mr. MONDELL. If the Chair will allow, the gentleman has made a point of order against consideration of the bill.

The SPEAKER. No; he makes the point of order against the last clause of the bill.

Mr. MONDELL. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MONDELL. Who is there now to present the bill with the words stricken out which the Chair claims should go out on the point of order?

The SPEAKER. Certainly the bill can proceed with those words out. The point of order under the new rule can be made at any time. The gentleman from Massachusetts, instead of waiting until the House is in Committee of the Whole House on the state of the Union, exercised his right to make it now. The Chair feels constrained to sustain the point of order and hold that the last half dozen lines are subject to the point of order and must go out of the bill.

Mr. HAUGEN. Mr. Speaker, I desire to present the bill with that language stricken out.

The SPEAKER. The Chair sustains the point of order. The House resolves itself into the Committee of the Whole House on the state of the Union under the rule.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of H. J. Res. 151, with Mr. LONGWORTH in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the purpose of considering the House joint resolution which the Clerk will report.

The Clerk read as follows:

Resolved, etc., That for the purpose of apportioning the 25 per cent of the accrued receipts from national forests during the fiscal year ending June 30, 1921, which are due and payable to the States under the act of May 23, 1908 (34 Stat., p. 251), and the 10 per cent of said receipts which may be expended by the Secretary of Agriculture under the act of March 4, 1913 (37 Stat., p. 828), for the construction and maintenance of roads and trails within the national forests, all moneys which are received by the Secretary of Agriculture prior to December 31, 1921, as deferred grazing fees authorized to be so paid under the act of March 3, 1921 (Public, No. 367, p. 18), shall be considered as receipts of the fiscal year 1921.

Mr. HAUGEN. Mr. Chairman, the bill has been discussed at length on the point of order, and I do not think it is necessary now to discuss it further. All it does is simply to make the receipts of grazing fees for the year 1921 available for the current fiscal year. About 87½ per cent of the fees were extended, only about 12½ per cent have been received, and about $2,175,285 unpaid, of which amount $554,000 will be credited to the States for school expenditures and about $217,000 for road construction. I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, with the permission of my colleagues, I desire to call attention to one very beneficial result attained through the passage of the emergency tariff law. We first passed that bill in the House on December 22, 1920, but it failed to become a law during that Congress. The debate of this bill in December, 1920, disclosed that during the preceding fiscal year ending June 30, 1920, there had been shipped into the United States from foreign countries free of any duty 427,578,038 pounds of wool and 16,358,299 pounds of frozen mutton and lamb. It was also disclosed that during the four months of July, August, September, and October, 1920, there had been shipped into the United States from foreign countries absolutely free of any duty 44,435,246 pounds of wool, 64,623,776 pounds of frozen mutton and lamb, 19,456,961 pounds of frozen beef and veal, 80,023,347 pounds of cowhides, and 10,782,491 pounds of calf hides. And, Mr. Chairman, at the very time we passed that bill in the House on December 22, 1920, all of the warehouses in Philadelphia, Boston, Texas, and elsewhere in the United States for the storage of wool were bulging out at the sides with wool raised in Texas and other States of this Union with no available market. Not a clip could be sold for any price. It was raised by loyal American producers, who were depending upon American markets for its sale. But no sale was possible. American markets for wool had ceased to function, because we had permitted them to become glutted with foreign wool, freely competing with our own product.

At that time, Mr. Chairman, I offered several amendments seeking to place a duty upon hides, frozen mutton and lamb, and frozen beef and veal shipped from foreign countries then in cold storage and in transit and to be shipped from foreign countries, but such amendments were defeated through points of order made by the gentleman from Ohio [Mr. LONGWORTH].

When in the present Congress we again passed the emergency tariff bill on April 15, 1921, there had been no change in the wool situation. There was still no market. Foreign wool had continued to flow into the United States absolutely free of any duty, competing with our American product. At that time there were 200,000,000 pounds of wool raised in the United States still in the hands of American producers. The warehouses were all full to overflowing, with the additional spring clip coming on, and not a sale could be made. American producers had become discouraged. Free traders from the House

floor asserted that the emergency tariff bill would afford no relief but would merely serve to raise the price of clothing to the consumer. This bill passed the House on April 15, 1921, and then passed the Senate on May 11, 1921. It was finally agreed to in conference on May 23, 1921, and was signed by the President on May 27, 1921.

And, Mr. Chairman, I wish that I had time to read to my colleagues the reports of the many sales of wool that have been made since that date. The passage of this bill brought a market to our producers and has saved many of them from total bankruptcy. Mr. Chairman, I ask leave to revise and extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas? [After a pause.] The Chair hears none.

Mr. BLANTON. Mr. Chairman, I requested this privilege because I want my colleagues who come from the South and West, where sheep are raised, to see a few reports on wool sales. Let me now quote a few of them:

(From Marble Falls Messenger.)

WOOL SHIPMENTS.

Several thousand dollars' worth of wool has been shipped from Marble Falls within the past few days. The last shipments were loaded out yesterday and will go direct to Boston. The price paid was 18 cents a pound.

Hundley-Marrs Co. made two shipments totaling 77,471 pounds, and Withers & Ross, of Johnson City, made one shipment of 54,051 pounds, making a total of 131,522 pounds shipped from this point within the past two weeks.

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(From San Angelo Standard, Friday, June 10, 1921.)

MORE WOOL SOLD—GROWERS DISPOSE OF 275,000 POUNDS THURSDAY—TOTAL SALES NOW REACH 1,300,000 POUNDS.

Sales of 1921 spring wools made Thursday by the Wool Growers' Central Storage Co., of this city, brought the total number of pounds of long and short fleeces disposed of by the firm this season to approximately 1,300,000 pounds, it was announced Friday by J. Miles O'Daniel, secretary of the company.

One hundred and seventy-seven growers in more than a half dozen west Texas counties will divide approximately $240,000 as the result of the sales. The storage company still has on hand about 700,000 pounds of spring wool, making the total amount of fleeces received to date 2,000,000 pounds.

Thirty-three carloads of wool have been shipped out over the Orient & Santa Fe to Galveston. From that port the wool goes by boat to New York, from which city it is distributed to the various mills by rail.

The buyers of the clips Thursday were H. M. Cummings, representing Adams & Leland, of Boston; Allen C. Emery, member of the firm of Studley & Emery; Charles F. Angell, with Hollowell, Jones & Donald; Henry D. Allen, buyer for Charles J. Webb & Co., of Philadelphia; and J. S. Silberman, of S. Silberman & Son, of Chicago.

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(From Dallas News.)

BANDERA WOOL GROWERS DISPOSE OF 130,000 POUNDS.

[Special to the News.]

BANDERA, TEX., *June 21.*

The sale of 130,000 pounds of wool was made here a few days ago by the Bandera County Ranchmen and Farmers' Association to Steady & Emery, of Boston, at 27 cents per pound, and a deal for the mohair supply is now pending at a good price.

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[From The San Angelo Standard, Friday, June 24, 1921.]

LATE WOOL SALES—CENTRAL STORAGE CO. DISPOSES OF 960 BAGS AT PRICES RANGING FROM 19 TO 22½ CENTS.

The sale during the week of clips of wool to three different buyers at prices ranging from 19 to 22½ cents per pound was announced Saturday afternoon by Robert Massie, president of the Wool Growers' Central Storage Co. The firm to date has disposed of more than 2,000,000 pounds of fleeces, mostly clips of 12 months' growth.

Three bags were sold Friday to Caldwell Palmer of San Antonio, representing Jeremiah Williams & Co. of Boston and 300 bags to Walter Stokes of Lampasas, representing Winslow & Co. of Boston. Mr. Stokes is a son of C. D. Stokes of Lampasas, who usually attends local sales. A bag of wool is from 225 to 240 pounds; about 125 to 130 bags are loaded to the car. Three cars were required to ship the wool purchased by Mr. Palmer while two cars moved the fleeces bought by Mr. Stokes.

S. D. Rainier of Llano, representing Stephens, Farnsworth & Co. of Boston, bought 360 bags of wool from the wool growers, and three cars were used in shipping.

Wool continues to arrive daily at the wool growers' warehouse on the Orient tracks. Officials of the company expect this season to handle in excess of 3,000,000 pounds. Receipts for San Angelo will probably reach 5,000,000 pounds.

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SELL WOOL MOHAIR—LOCAL GROWERS SELL 250,000 POUNDS OF MOHAIR—STERLING SHIPS 20 CARS OF WOOL—MARCH SALE ON.

J. H. Cauthen, of Lampasas, representative of the B. Harris Wool Co., of St. Louis, purchased Wednesday 250,000 pounds of 1921 spring mohair at prices that were not made public. The clips were some of those held by the Wool Growers' Central Storage Co. of this city.

Mr. Cauthen has just completed the shipping from Sterling City of about 20 carloads of 1921 spring wool, between 500,000 and 600,000 pounds, which he purchased from individual growers for the B. Harris Wool Co. Prices, it was stated, ranged from 15 cents to 23 cents per pound. The fleeces went direct to St. Louis by rail, leaving Sterling City and passing through San Angelo over the Santa Fe.

It was learned Tuesday that Capt. Charles Schreiner, of Kerrville, last week sold about 1,000,000 pounds of 12 months' fleeces and about 600,000 pounds of 6 and 8 months' wool. C. D. Stokes, of Lampasas, was the buyer for Winslow & Co. of Boston. It is reported that 22 cents per pound was paid for the best long staple.

Following are some of the buyers attending the sale: H. M. Cummings of the Boston firm of Adams & Loaland; Charles F. Angell, representing Hollowell, Jones & Donald of Boston; Henry D. Allen, with Charles J. Webb & Co. of Philadelphia; Caldwell Palmer, of San Angelo, representative of Jeremiah Williams & Co. of Boston; J. M. Lea, of Del Rio, representing Crimmins & Pierce of Boston; J. H. Cauthen of Lampasas, with the B. Harris Wool Co. of St. Louis; and Herbert Buell, with Studley & Emery of Boston.

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[From San Angelo Standard, Friday, July 1, 1921.]

TWO TOWNS SELL WOOL AND MOHAIR—CENTRAL GROWERS HERE DISPOSE OF 250,000 POUNDS OF SPRING MOHAIR, 6 CARLOADS—18 TOTAL ACCUMULATION—WEST TEXAS WOOL & MOHAIR ASSOCIATION SELLS 350,000 POUNDS OF LONG WOOL.

Two hundred and twenty-five thousand pounds of 1912 spring mohair was sold Monday in San Angelo by the Wool Growers' Central Storage Co.; at the same time, the West Texas Wool and Mohair Association at Mertzon disposed of approximately 350,000 pounds of this spring's wool of 12 months' growth.

MARKET STRONG AT MERTZON.

In reporting the Mertzon sale, Vester Hughes, brother of Duwaine E. Hughes, secretary-treasurer and manager of the West Texas Wool and Mohair Association, stated that the market this week had been as strong as on May 30, 31, and June 1, when at its first sale of the season, the company sold 975,000 pounds of long fleeces for around $195,000, which is an average of 20 cents a pound.

Mr. BLANTON. Mr. Chairman, the foregoing will illustrate the beneficial effect which the emergency tariff bill accomplished for the wool market, and how much it means to our American producer. Before the bill was passed our friends on the other side of the aisle saw fit to put a duty of 2 cents per pound on all foreign fresh or frozen beef, veal, mutton, and lamb; and I hope that they will see the light before the permanent tariff bill is passed and put such a duty upon all hides shipped from foreign countries as will equalize the cost of production in this as against those countries, for at this time hides are so cheap here that no one will skin a cow for the hide. And let me say to my Democratic friends who voted against the emergency tariff act that only about 3 pounds of wool goes into a suit of clothes, which at the present scoured duty of 45 cents amounts to only $1.35, and instead of clothing going up it is getting cheaper all the time.

Mr. HAUGEN. Mr. Chairman, I ask for the reading of the joint resolution under the five-minute rule.

The CHAIRMAN. The question is on the passage of the joint resolution.

Mr. WALSH. Mr. Chairman, we are in committee and it should be read for amendment.

The CHAIRMAN. The Clerk will report the joint resolution for amendment.

The Clerk read as follows:

Resolved, etc., That for the purpose of apportioning the 25 per cent of the accrued receipts from national forests during the fiscal year ending June 30, 1921, which are due and payable to the States under the act of May 23, 1908 (34 Stat., p. 251), and the 10 per cent of said receipts which may be expended by the Secretary of Agriculture under the act of March 4, 1913 (37 Stat., p. 828), for the construction and maintenance of roads and trails within the national forests, all moneys which are received by the Secretary of Agriculture prior to December 31, 1921, as deferred grazing fees authorized to be so paid under the act of March 3, 1921 (Public, No. 367, p. 18), shall be considered as receipts of the fiscal year 1921:

Mr. WALSH. Mr. Chairman, I move to strike out the last word. Mr. Chairman, my attention has been directed by the gentleman from Indiana [Mr. SANDERS] to the fact that the citation contained in lines 6 and 7, on page 1—Thirty-fourth Statutes, page 251—is an error, because that is a citation to a law passed in 1906. Now, there is either a mistake in the volume or there is a mistake in the page. I think the gentleman in some way should verify the citation, because that is a citation to an Army bill passed in 1906. It evidently is the correct volume, but it is evidently a mistake in the number of the volume, because this volume only contains laws passed from 1905 to 1907 inclusive.

Of course, the law is referred to by date, and the gentleman can strike out the citation without in any way weakening the act.

Mr. HAUGEN. Mr. Chairman, I move to strike out the words "Thirty-fourth Statutes, page 251," including the parentheses.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. HAUGEN: Page 1, line 6, after the figures "1908," strike out the parenthesis, and the words "Thirty-fourth Statutes, page 251," and parenthesis.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. HAUGEN. Mr. Chairman, if there are no other amendments I move that the committee do now rise.

The motion was agreed to.

Accordingly, the committee rose, and the Speaker having resumed the chair, Mr. LONGWORTH, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration House joint resolution 151 and had directed him to report the same to the House with an amendment, with the recommendation that the amendment be agreed to and the bill as amended do pass.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The House joint resolution as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. HAUGEN, a motion to reconsider the vote by which the House joint resolution was passed was laid on the table.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 5622. An act providing for the appraisal and sale of the Vashon Island Military Reservation in the State of Washington, and for other purposes.

The Speaker announced his signature to enrolled bill of the following title:

S. 1881. An act to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, to establish an Hawaiian Homes Commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes.

SLACK-FILLED PACKAGE BILL.

The SPEAKER. Has the Committee on Agriculture other business?

Mr. HAUGEN. Mr. Speaker, I desire to call up the bill H. R. 4981.

The SPEAKER. The gentleman from Iowa calls up a bill which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 4981) to amend an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended.

Be it enacted, etc., That section 8 of the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended, is amended:

(a) By striking out the period at the end of paragraph "Second," in the case of food, and inserting in lieu thereof a semicolon, and adding thereafter the following clause: "or if it be in a container made, formed, or shaped so as to deceive or mislead the purchaser as to the quantity, quality, size, kind, or origin of the food contained therein."; and

(b) By adding at the end thereof a new paragraph to read as follows:

"Fifth. If in the package form, and irrespective of whether or not the quantity of the contents be plainly and conspicuously marked on the outside of the package in terms of weight, measure, or numerical count, as provided in paragraph 'Third,' the package be not filled with the food it purports to contain."

SEC. 2. Such act of June 30, 1906, as amended, is amended by adding to the end thereof a new section to read as follows:

"SEC. 14. That this act may be cited as the 'food and drugs act.'"

SEC. 3. (a) No fine, imprisonment, confiscation, refusal of admission or delivery, or other penalty shall be enforced for any violation of this amendatory act occurring within six months after its passage.

(b) Any violation of such act of June 30, 1906, as amended, occurring prior to or within six months after the passage of this amendatory act, may be prosecuted, and the article of food or drug involved therein proceeded against, in the same manner and with the same effect as if this amendatory act had not been passed.

Mr. HAUGEN. How much time does the gentleman from Arkansas want?

Mr. JACOWAY. An hour on a side.

Mr. HAUGEN. Would it be necessary to take that much time?

Mr. JACOWAY. Say 45 minutes over here.

Mr. HAUGEN. The gentleman may have an hour if he desires it.

Mr. SANDERS of Indiana. Mr. Speaker, I would like to inquire if the gentleman is going to permit amendments. I desire to offer an amendment to insert the word "nontransparent." I want about five minutes on it.

Mr. HAUGEN. I yield to the gentleman to offer an amendment. Does he desire to offer it now for the information of the House?

Mr. SANDERS of Indiana. Yes; I will offer it now.

Mr. HAUGEN. I yield to the gentleman for that purpose.

Mr. SANDERS of Indiana. Mr. Speaker, the gentleman from Iowa has yielded to me for the purpose of offering an amendment for the information of the House, to be considered as pending, and to be voted upon later. On page 2, line 1, after the word "a," insert the word "nontransparent."

The SPEAKER. The gentleman from Indiana offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. SANDERS of Indiana offers an amendment: Page 2, line 1, after the word "a" and before the word "container," insert the word "nontransparent."

Mr. HAUGEN. Mr. Speaker, the purpose of the bill is to do away with deceptive packages, with deception and fraud. As I stated, the bill has previously been under consideration by the House and passed the House last Congress, almost by a unanimous vote, on December 8, 1920.

Mr. SNELL. Will the gentleman yield for a question?

Mr. HAUGEN. I will.

Mr. SNELL. If that is the purpose of the bill, why should we make any exception whatever? Why do you except bottles?

Mr. HAUGEN. I do not believe they should be excepted, and they are not excepted. The gentleman has offered his amendment and, of course, it will be discussed. So far as the committee is concerned, we do not intend to make any exceptions whatever. I do not believe the bottle blowers of this country want to be placed in a position in favor of a deceptive bottle. It is true that some of their molds may be destroyed and cause them hardship, but it is not only true as to the bottle blowers but it is true as to others. A number of others have a large supply of labels and containers of various kinds which will also have to be discarded.

Mr. SNELL. The gentleman from Massachusetts [Mr. WALSH] wants to know what they use bottles for now, anyway.

Mr. CHALMERS. Does the gentleman think there is a deception if the container is transparent? Can not the purchaser see what it contains?

Mr. HAUGEN. All bottles are not transparent.

Mr. CHALMERS. Then they would come under the meaning of the amendment offered by the gentleman from Indiana [Mr. SANDERS]. But, Mr. Speaker, if the gentleman will yield further, it will cost these manufacturers hundreds of thousands of dollars to change their molds, and they will be constantly changing them at the dictation of some officer appointed under this law.

Mr. HAUGEN. If they are made in such large quantities I think that is a good reason why they should be dispensed with. My understanding is there will be but very few molds that will have to be destroyed, and, of course, if the molds produce a bottle that is deceptive they should be done away with.

Mr. SNELL. Are there not bottles that are concave and deceptive, just as much as any other package?

Mr. HAUGEN. Absolutely.

Mr. SNELL. If this is a good law, why not follow it here, the same as everywhere else?

Mr. BUTLER. The gentleman knows, of course, that this is going to work a very great hardship?

Mr. DOWELL. Mr. Speaker, I suggest the absence of a quorum.

Mr. WALSH. We can not hear over here what the point of order was.

Mr. BUTLER. Can this work a hardship on a legitimate bottle business?

Mr. HAUGEN. I believe not.

Mr. BUTLER. Is not the effect of this to put all the bottle business in a few hands and knock out the little fellows from making bottles?

Mr. HAUGEN. I do not so understand. I have no knowledge of that.

Mr. BUTLER. Is not that the way it will work?

Mr. CHALMERS. If the gentleman will yield, we have that information from the big bottle people.

Mr. BUTLER. Has the gentleman been informed that the effect of this will be to put the bottle business in the hands of a few large manufacturers?

Mr. HAUGEN. Do I understand the gentleman to say that the large manufacturers are the only ones that make a nondeceptive bottle?

Mr. CHALMERS. I did not say that.

Mr. BUTLER. I would like to ask the gentleman a question. If a bottle maker is doing an honest business, he will not have to make new molds, will he?

Mr. HAUGEN. Not at all, unless he is producing a deceptive bottle. If he is, the chances are he will have to cease manufacturing it.

Mr. WALSH. That is because he can not get anything to put in it.

Mr. SNELL. Who is to decide?

Mr. HAUGEN. The Secretary of Agriculture.

Mr. SNELL. And he will have to have more appointees to do that?

Mr. HAUGEN. Very likely. I think it is worth the price, though.

Mr. BUTLER. Mr. Speaker, the gentleman knows, of course, that there is a very earnest protest made against men here who are assumed to be honest but who are destroying their business, and doing it unjustly and recklessly, because they may be thought better of by some other people. This is the age of great reforms. They are not careful as to whom they step upon.

Mr. HAUGEN. Mr. Speaker, I reserve the balance of my time.

Mr. WALSH. Mr. Speaker, will the gentleman yield?

Mr. HAUGEN. Certainly.

Mr. WALSH. What section of the food and drugs act is sought to be amended by this first amendment? There are two sections that have "paragraph second" in them in the case of food. Which section is it?

Mr. HAUGEN. Section 8. It appears in line 3 of the bill. Only section 8 is to be amended by this amendatory act.

Mr. WALSH. Would the gentleman offer an amendment to make that clear? Because unless you do one can not know which "paragraph second" in case of food you are amending.

Mr. JACOWAY. We can clarify that later on.

Mr. HAUGEN. I yield to the gentleman from Arkansas.

Mr. JACOWAY. Mr. Speaker and gentlemen of the House, on first blush this bill does not look to be as important as it is. This is a bill the provisions of which, if enacted into law, in my judgment, will cut down the expenses of the breakfast table in every American home. The Committee on Agriculture has gone into the provisions of the bill with care. It reported the bill out of committee in the last session of Congress, and it was debated in detail and at length on this floor, and was passed by this House and went to the Senate. The Senate failed to concur in its passage.

Now, if the Members of the House will read the report, particularly the last two pages, they will find information that will give a viewpoint of the beneficial results that will flow from the enactment of this bill better than any words that I could use. In other words, Mr. Speaker, this bill, if it becomes a law, will strike a deathblow at the dishonest practice of many dishonest manufacturers.

The representatives of many manufacturers of a hundred or more articles of food came before our Committee on Agriculture and said, "We are in favor of the passage of this bill. We want to do an honest business. We want to see that every bottle contains its full measure of what it purports to contain. We want to see that every article of food shall have an honest modicum of contents in it." "But," they said, "we are in competition with dishonest manufacturers, and we ask the relief that is provided in this bill."

As I said before, on the last two pages of this report you will find that the bill deals with two separate conditions: One has reference to slack-filled packages, and the other has reference to deceptive packages. To illustrate: Exhibit No. 6, which you will find there on the table of the chairman of the committee, is a spaghetti carton containing 7 ounces, and is only one-third filled. Exhibit No. 7 is a macaroni carton containing 7 ounces, two-thirds filled. Exhibit No. 8, which was exhibited before the committee, is a noodles carton containing 2 ounces, and one-third full.

Mr. BOWLING. Mr. Speaker, will the gentleman yield?

Mr. JACOWAY. Certainly.

Mr. BOWLING. Was that supposed to contain 7 ounces? If it is labeled to contain 7 ounces, where does the deception occur?

Mr. JACOWAY. As I recall, it was supposed to contain 12 ounces.

In my judgment, gentlemen, it is a most important bill. I repeat it will aid in bringing relief to the head of every family and decrease the grocery bills in many articles of food that goes upon the consumer's table.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. JACOWAY. Yes.

Mr. SNELL. Is not the law at the present time to the effect that each one of the packages should have marked outside the amount of contents?

Mr. JACOWAY. This is an amendment to the pure food act, to strengthen that law.

Mr. SNELL. You understand it is not necessary to mark it under the present law?

Mr. JACOWAY. Certainly.

Mr. SNELL. The gentleman spoke of a carton supposed to contain 12 ounces that contained only 7 ounces.

Mr. JACOWAY. Yes.

Mr. SNELL. Is not that a violation of the present law?

Mr. JACOWAY. Of course.

Mr. SNELL. Then why not enforce the present law instead of passing more laws?

Mr. McLAUGHLIN of Michigan. I will say to the gentleman that this large package was not sold as a 7-ounce package. It was sold as a 10-cent package.

Mr. SNELL. That is what I was trying to get at.

Mr. McLAUGHLIN of Michigan. The amount of content is not marked at all, but the price is marked. The purchaser is led to believe that it is filled, whereas it is only partially filled.

Mr. SNELL. As I understand, the laws of the State of New York require the marking of the content on every package.

Mr. McLAUGHLIN of Michigan. The label shows the price. As they reduce the content they reduce the price on the label.

Mr. SNELL. Does not the present statute require the marking of the content to show how much there is in it?

Mr. McLAUGHLIN of Michigan. Not to meet this situation.

Mr. SNELL. I understood it did.

Mr. McLAUGHLIN of Michigan. They are marked in such a way as to permit this fraud that we are trying to prevent.

Mr. SANDERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. JACOWAY. Yes; I yield to the gentleman.

Mr. SANDERS of Indiana. The gentleman from Arkansas is very familiar with this pure food act. I want to get clearly in my mind what the procedure is. Suppose, for instance, one of the bottle manufacturers of my district should be using a bottle that in the opinion of the Secretary of Agriculture would not be complying with the provisions of this act. Just what is the procedure against the person who is violating the act?

Mr. JACOWAY. I did not quite catch the gentleman's question.

Mr. SANDERS of Indiana. Suppose A, living in my district, manufactures a bottle, and B, living in my district, fills it. I am inquiring about the procedure under the original act, because this act is merely an amendment to the food and drugs act.

Mr. JACOWAY. I will say to the gentleman that I do not know the penalties under the old act. This is an amendment to that law. The same general penalties for violations under the old law would apply under this.

Mr. SANDERS of Indiana. I can not see, from a hasty examination of the old act and this amendment, just what the procedure would be against a person who violates it. It is not an ordinary prosecution.

Mr. JACOWAY. Many witnesses were called before the committee, and we had many exhibits of slack-filled bottles of articles of food that are most used upon their tables, as well as other articles of food that are a daily necessity in almost every household, and which were done up in cartons or boxes that were slack filled. From this testimony the committee were almost unanimously of the opinion that a wide range of deception had been indulged in by many dishonest manufacturers and that the general public was not getting its money's worth, and in weight and measure was being defrauded. In addition to those articles of food in which the consumer was deceived, and just referred to, I enumerate other articles of food put up in bottles and other containers equally as deceptive and a fraud on the consumer. I read:

Exhibit No. 7. One macaroni carton, labeled and containing 7 ounces, two-thirds full.

Exhibit No. 8. One noodle carton, labeled and containing 2 ounces, one-third full.

Exhibit No. 15. One potato-chip carton, labeled and containing 3 ounces, one-half full.

Exhibit No. 9. One pepper can, labeled and containing 2½ ounces, two-thirds full.

Exhibit No. 10. One pepper can, labeled and containing three-fourths ounce, one-fourth full.

Exhibit No. 11. One tea carton, labeled and containing 2 ounces, two-thirds full.

Exhibit No. 12. One pepper carton, labeled and containing three-fourths ounce, one-third full.

Exhibit No. 13. One nutmeg can, labeled and containing one-half ounce, one-third full.

Exhibit No. 14. One coconut carton, labeled and containing 2 ounces, two-thirds full.

Exhibit No. 16. One pickling-spice carton, with window pane, filled just to top of window.

Exhibit No. 17. One mustard-seed carton, with window pane, filled just to top of window.

Exhibit No. 3. One pepper can, labeled three-fourths ounce, accompanied by a newspaper advertisement advertising this package as containing 1 ounce, and also a letter of complaint in regard to the package.

These exhibits illustrate slack filling by comparison with a full package.

Exhibit No. 2. Two pepper cans, both same size, one labeled 2 ounces, the other labeled 4 ounces.

Exhibit No. 18. Two cinnamon cartons, both same size, one labeled 1½ ounces, the other labeled 2 ounces.

Exhibit No. 19. One nutmeg can, labeled 1 ounce, and one mustard can, labeled 3½ ounces, both same size.
Exhibit No. 24. Two coffee and chicory cartons, one labeled 1 pound and the other labeled 14 ounces, both same size and sold by the same firm.
Exhibit No. 20. One cinnamon carton used for both 1½ and 2 ounces by one firm.
Exhibit No. 23. One Jiffy-Jell carton labeled 3½ ounces in black print with 2 ounces stamped over the 3½, showing a reduction of declaration of contents without a reduction in size of package.

2. DECEPTIVE PACKAGES.

Exhibit No. 1. One candy box labeled 1 pound; has false bottom which occupies 25 per cent of the total capacity of the box.
Exhibit No. 21. One pepper carton labeled three-fourths ounce, contains three-fourths ounce pepper wrapped in a large amount of heavy paper.
Exhibit No. 22. One food dessert carton; contains a large amount of heavy paper in which the product was wrapped to help to fill carton.
Exhibit No. 25. One gingersnap package; both ends of the package are "set in" three-fourths to 1 inch.
Exhibit No. 26. One marshmallow carton with raised bottom.
Exhibit No. 27. One Fernet-Brance bottle with raised bottom; contains 28 ounces; without the raised bottom would contain 30 ounces.
Exhibit No. 29. One olive bottle; has the appearance of a column of globes; has a magnifying effect on the contents.
Exhibit No. 4. Five sheets of photographs of bottles showing how the capacity of bottles is decreased by increasing the weight.
Exhibit No. 5. Four bottles on a cardboard; two panel bottles containing 1⅞ and 2 ounces; appear to be twice as large as plain bottles containing 2 ounces.

Mr. KINCHELOE. Will the gentleman yield?

Mr. JACOWAY. Yes; I yield to the gentleman from Kentucky.

Mr. KINCHELOE. Is not the main purpose of this act to prohibit the abuse which arises from nonfull bottles? For instance, the amount in the large package to which the gentleman has referred might be marked on the outside, say 7 ounces, when as a matter of fact if the package was full it would contain twice that amount. When the purchaser walks in and sees a large package and a small one side by side, each containing the same quantity, notwithstanding that each may have the quantity marked on it, the purchaser will be deceived by seeing the bigger container and therefore will purchase that and not look at what is marked on the outside.

Mr. JACOWAY. That is one thing that this bill seeks to remedy.

Mr. KINCHELOE. Is it not also a fraud on the face to have the container only a third full, when it is done for the purpose of deceiving the public?

Mr. JACOWAY. The Secretary of Agriculture, through his representatives, came before the committee and approved the passage of this bill. Packages appear to contain 12 or 16 ounces when an investigation discloses that they contain 7 or 8 ounces, and he said that in his judgment it was necessary to pass this amendment to the pure food law in order that the American people be not imposed on, and he said when you do that you will not have honest manufacturers competing with dishonest manufacturers, and that the American public would get what they purported to get when they went to the grocery and bought these packages.

Mr. ROSENBLOOM. Does the gentleman make the statement that the Secretary of Agriculture made that request?

Mr. JACOWAY. The Secretary of Agriculture sent his agent there; yes.

Mr. ROSENBLOOM. Who was the agent?

Mr. JACOWAY. Dr. Kleberg.

Mr. ROSENBLOOM. Has there been any other request for this legislation?

Mr. JACOWAY. Yes. Requests have come to the chairman of the committee, as I understand, and I believe to other members of the committee. I know I have had requests of this kind.

Mr. BUTLER. Will the gentleman yield?

Mr. JACOWAY. I yield to the gentleman from Pennsylvania.

Mr. BUTLER. Shall we have a little talk about deformed bottles?

Mr. JACOWAY. Yes.

Mr. BUTLER. Of course, everybody who has two eyes knows whether a bottle is deformed or not.

Mr. JACOWAY. Yes.

Mr. BUTLER. And knows whether it has a humped-in bottom or not. If a man has two eyes, can he not see whether the bottom of the bottle is pushed up or not?

Mr. JACOWAY. Certainly.

Mr. BUTLER. Therefore he will know that that bottle will not hold as much fluid as though the bottom of the bottle was level.

Mr. JACOWAY. You can not tell whether the sides of some of these bottles are thick or thin. You can take some bottles containing vanilla extract, and the two sides are pinched together so close that the human eye can not detect it.

Mr. BUTLER. This bill is not aimed at humped-bottomed bottles?

Mr. JACOWAY. It is not.

Mr. SNELL. Will the gentleman yield?

Mr. JACOWAY. Will the gentleman excuse me until I have finished answering the questions of the gentleman from Pennsylvania?

Mr. BUTLER. I am always delighted to have the company of my good friend from New York [Mr. SNELL], because he is so helpful. I will say to the gentleman from Arkansas that it seems to me to be a pity to destroy industries that are not intended to deceive anybody.

Mr. JACOWAY. What industry are we destroying?

Mr. BUTLER. The gentleman reporting this bill says that in many instances the manufacturers will have to destroy their frames and designs.

Mr. JACOWAY. Let me say in answer to the gentleman from Pennsylvania that the people who manufacture these products and who manufacture these bottles have had notice served on them for 18 months to change those bottles. They were given due notice and warning.

Mr. BUTLER. I am not defending the wicked. I have done it in my day, and I have been well paid for it, but I am not now supposed to be practicing law, and therefore I am not defending people who have done what is wrong or who are charged with doing what is wrong. I would like to have the gentleman answer this question: The gentleman is certain that no concern manufacturing a bottle that is humped in the bottom will have its business disturbed by this bill?

Mr. JACOWAY. The manufacturers of the bottles are given the orders for the kind of bottles that are wanted by the men who order them. If they order them with the two sides close together, the bottle manufacturer makes them that way. If they order a bottle shoved in at the bottom, as the gentleman states, that is the kind of bottle they get. In further response to the gentleman's question I will say that it will not be a hardship to change the dies which give these bottles their shapes, because, as I understand, it takes but very little money to change the die for anybody.

Mr. BUTLER. I will ask again, it does not matter what the shape of the bottle may be if it says on the outside exactly what is represented? There is no deception, if the contents are correctly represented?

Mr. LAYTON. Will the gentleman yield?

Mr. JACOWAY. I shall be glad to yield to the gentleman from Delaware.

Mr. LAYTON. In other words, the manufacturer does not care a hill of beans as to the shape of the bottle or anything of the kind. He simply panders to the man down below who wants a particular bottle to hold a particular quantity, and generally for the purpose of cheating the public.

Mr. JACOWAY. In some instances.

Mr. LAYTON. In many instances.

Mr. JACOWAY. In some instances. I will say to the gentleman that honest manufacturers put the whole amount into the bottle.

Mr. LAYTON. But they are people who do not want to cheat the public, which is a very rare proposition.

Mr. HILL. I have a letter from Swindell Bros., glass manufacturers, of Baltimore, and I want to ask the gentleman if this statement is correct. They say that so far as the bottle business is concerned the bill would stop putting up extracts and medicines in anything but plain round or square bottles and destroy the individuality the manufacturer of goods may wish to have in putting up a proper package. Is that true?

Mr. JACOWAY. I answer by saying that the object is to prevent a deceptive practice in bottles and packages.

Mr. HILL. They state in the letter that this would stop the putting up of extracts and medicines in anything but plain round and square bottles.

Mr. JACOWAY. I feel sure that is not the case.

Mr. HILL. Would that prevent the manufacture of the panel bottle?

Mr. JACOWAY. It would not if it contains the proper amount of contents that it purports to contain and does not deceive the public.

Mr. LAYTON. Will the gentleman yield?

Mr. JACOWAY. Yes.

Mr. LAYTON. It will not be a panel bottle unless they want it to appear that it contains more than it does.

Mr. JACOWAY. The gentleman has stated it; the men who manufacture the bottles fill the order. The men who manufacture the carton manufacture it for the man who wants to put the contents in the carton. He manufactures the carton in

accordance with the order he receives from the man who puts up the product.

Mr. HILL. Then it will not prevent any shaped bottle if it is an honest bottle.

Mr. JACOWAY. It will not, in my judgment, if it does not deceive the purchaser as to the contents of the bottle and the entire transaction is stamped with that which is honest.

Mr. McKENZIE. Will the gentleman yield?

Mr. JACOWAY. Yes.

Mr. McKENZIE. The gentleman from Delaware made a suggestion, and what I want to ask is whether or not it is not a fact that under the pure food and drugs act the manufacturer of extracts or drugs must print on the label the various ingredients and the amounts thereof, or the amount contained in the bottle. Is not that true?

Mr. JACOWAY. I think that is the law.

Mr. McKENZIE. Does not the gentleman concede that in vanilla extract, for instance, the panel bottle is a very much nicer shaped bottle on which to paste a label and that it looks better and that they can do it in a much handier way than if they had a round bottle?

Mr. JACOWAY. The gentleman does not think that the panel bottle is prohibited under the provisions of this bill?

Mr. McKENZIE. The only question is whether under the provisions of this bill the authorities could not say to the manufacturer that he could not use a panel bottle because it was deceptive in appearance.

Mr. ROSENBLOOM. Will the gentleman yield?

Mr. JACOWAY. Certainly.

Mr. ROSENBLOOM. Is it not a fact that the bill would put police power in the Bureau of Chemistry? It seems to me that there has been too much interference with business in that regard.

Mr. JACOWAY. That may be true, but that power has been lodged in the department for many years. The chief chemist came before the committee and said that in his judgment it was absolutely necessary for the law to be amended in order to defend the honest manufacturer of the contents that go into the bottle against the dishonest men and give the public a square deal.

Mr. ROSENBLOOM. As a matter of fact, the castoria bottle, which has been on the market for 50 years, would be in the hands of the Bureau of Chemistry and they could force him to lose his investment on the ground that the panel bottle tends to deceive.

Mr. JACOWAY. As I understand, there has been no change whatever in the castoria bottle or in the bottle containing sirup of figs.

Mr. ROSENBLOOM. And yet the Bureau of Chemistry could force a change, and, as a matter of fact, while this bill has been pending it has caused a loss of millions of dollars to legitimate business.

Mr. JACOWAY. If the gentleman thinks that the Secretary of Agriculture through his representatives is going to strike down any honest industry or legitimate business the gentleman is entitled to his opinion.

Mr. VESTAL. Will the gentleman yield?

Mr. JACOWAY. Certainly.

Mr. VESTAL. Does not the gentleman think that the slack provisions of the bill will take care of all the needs without the first part of the bill at the top of page 2?

Mr. JACOWAY. I do not clearly get the question of the gentleman from Indiana.

Mr. KINCHELOE. The gentleman from Pennsylvania [Mr. BUTLER] a little while ago said that any man with two eyes could not be deceived. Is it not a fact that this bottle here contains one-eighth of an ounce less than the other three, and these other three contain the same amount?

Mr. JACOWAY. I think that the gentleman from Pennsylvania was talking about a bottle that was pushed up at the bottom.

Mr. HAUGEN. Mr. Speaker, I yield 10 minutes to the gentleman from Indiana [Mr. SANDERS].

Mr. SANDERS of Indiana. Mr. Speaker, it is always more or less difficult in the short time we have for consideration of bills on Calendar Wednesday to voice an objection to a bill and get that objection seriously considered. I should like very much, if I may, to have the sympathetic attention of the Members of the House with reference to the amendment to the pending bill which was read for information of the House. The amendment is to insert the word "nontransparent," in line 1, page 2, before the word "container," so as to exclude from the provisions of this act transparent glass bottles and containers.

Mr. Speaker, the food and drug act, which was based on the power of Congress over interstate commerce, has proved to be a good measure. I have sometimes wondered, though, whether the benefits that have been derived from the passage of the pure food and drug act have equaled the detriment that has been occasioned by the precedent it has become for congressional legislation regulating everything under the sun. In other words, that act reached out and took every police power that belonged to the State to regulate food and drugs. Reaching out and grasping power does not always mean that the thing we do is not beneficial; it may or may not be. In this case it was beneficial; but based on that principle, the American Congress is reaching out day after day to bring within the realm of its legislative powers all of the supposed evils that exist within the 48 States. This Federal Government has enough to do if it deals with functions of the Federal Government. The reason that the Government sometimes almost ceases to function, in my opinion, is because we have reached out with our governmental powers and scattered our energies, and so busied ourselves in dealing with the things that ought not to be dealt with by the Federal Government that we have not the time to deal correctly and judiciously with the things that ought to be dealt with by the Federal Government.

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. KINCHELOE. If the gentleman's amendment were to prevail, it would exclude bottles entirely.

Mr. SANDERS of Indiana. Yes.

Mr. KINCHELOE. The testimony before the committee shows that there is more fraud and deception in bottles than in any other package.

Mr. SANDERS of Indiana. I do not quite agree with the gentleman, but suppose the testimony before the committee shows that there has been some fraud by selling bottles that do not contain as much as they seem to contain. A bottle is a transparent article, and under ordinary circumstances one can tell by looking at the bottle whether or not he is getting his money's worth, and I contend that the advantage to be gained will be entirely outweighed by the detriment incurred. I do not think the gentlemen who propose to vote to include bottles have made a study of what it will cost the bottle industry if they have to comply with this unnecessary regulatory law. I asked the gentleman from Arkansas [Mr. JACOWAY] what the procedure was in case of violation, and I did so because I wanted to know. On examining the original act I find the procedure is what makes it difficult to comply with the law. There is no way for the bottle manufacturer to know when he is complying with the law. If it is a question of misbranding, a person can tell ordinarily when the article is misbranded, but this statute, if enacted, will include under the term "misbranding" "a container, made, formed, or shaped so as to deceive or mislead the purchaser." I presume that gentlemen of the committee contend that these bottles exhibited here deceive the purchaser——

Mr. JACOWAY. Mr. Speaker, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. JACOWAY. Can the gentleman tell how many ounces are contained in the different bottles he has before him?

Mr. SANDERS of Indiana. Yes; because I have read the labels at the bottom. I understand that one does not contain as much as the other, and therefore the gentleman would exclude bottle manufacturers from making bottles which in any way deceive; and while this one particular bottle is flatter than seems necessary, and perhaps might be held to tend to deceive, yet there is no way that the gentleman can tell, no way that the bottle manufacturer can tell, how far he can go in making panel bottles, and he can only be safe when he makes an absolutely square or round bottle. There is no measure or standard fixed in this bill; there is no measure in the food and drug act. There is no way by which a bottle manufacturer under any circumstances can tell when he is complying with the law. It is totally lacking in certainty.

Mr. LAYTON. Mr. Speaker, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. LAYTON. There is one thing certain; he can tell whether he is satisfying the demands of the trade for the purpose of cheating the people. He can tell that all right.

Mr. SANDERS of Indiana. Ordinarily the demands of the trade will control. The manufacturer can not continually deceive the public. There may be instances where there is some deception, but I say to you that I do not want to put it into the power of a bureau of the Government to stand over a manufacturer of bottles and tell him that the manufacture of such and such a bottle is fraud; or, if we do that, then there ought to be some way by which we could let the manufacturer know beforehand whether he is violating the law. It is a great expense to prepare all of the patterns necessary to make these bot-

tles, a vast expense. The patterns have already been made. Take the Heintz people, for instance; they have a set of bottles whose shape is almost equal to a trade name.

Mr. WILLIAMSON. Mr. Speaker, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. WILLIAMSON. What difference does it make what the expense is, if the manufacturer is manufacturing a dishonest bottle for the ostensible purpose of deceiving the public? In such event I do not think the cost concerns us.

Mr. SANDERS of Indiana. Will the gentleman please tell us which one of these bottles is dishonest?

Mr. WILLIAMSON. The tall one is dishonest.

Mr. SANDERS of Indiana. Is this other one?

Mr. WILLIAMSON. Yes.

Mr. SANDERS of Indiana. And is this one?

Mr. WILLIAMSON. I can not tell.

Mr. SANDERS of Indiana. Certainly the gentleman can not tell. There is no standard laid down in the law by which he can tell. The only way a person can tell is to go ahead and manufacture the bottle, and then those who fill the bottles will be summoned before the Department of Agriculture and the matter will be determined then after the bottles have been made. I quote from the law, which will show the procedure:

SEC. 4. That the examinations of specimens of foods and drugs shall be made in the Bureau of Chemistry of the Department of Agriculture, or under the direction and supervision of such bureau, for the purpose of determining from such examinations whether such articles are adulterated or misbranded within the meaning of this act; and if it shall appear from any such examination that any of such specimens is adulterated or misbranded within the meaning of this act, the Secretary of Agriculture shall cause notice thereof to be given to the party from whom such sample was obtained. Any party so notified shall be given an opportunity to be heard, under such rules and regulations as may be prescribed as aforesaid, and if it appears that any of the provisions of this act have been violated by such party, then the Secretary of Agriculture shall at once certify the facts to the proper United States district attorney, with a copy of the results of the analysis or the examination of such article duly authenticated by the analyst or officer making such examination, under the oath of such officer. After judgment of the court, notice shall be given by publication in such manner as may be prescribed by the rules and regulations aforesaid.

There is no standard laid down at all, and there is no way except by going into the Federal courts that any bottle manufacturer can tell.

Mr. SNELL. Mr. Speaker, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. SNELL. I agree with what the gentleman says in respect to regulatory measures, and I am opposed to them; but if there is deception in bottles as well as in other packages, why should not this law apply to them as well as to other packages?

Mr. SANDERS of Indiana. For the reason that if you have a package of food in a closed or oblique case, there might be deception, but when you put articles in a transparent bottle—and this amendment, I suggest, applies only to transparent bottles—the danger of being deceived is so remote that the great expense and regulation of the industry is not justified.

Mr. SNELL. Does the gentleman think that anybody could tell the contents of those bottles? Could anyone tell which is the larger container if it was not marked on the card?

Mr. SANDERS of Indiana. I do not know.

Mr. SNELL. Then the transparency does not amount to anything.

Mr. SANDERS of Indiana. I asked the gentleman from South Dakota a moment ago what ones he would consider all right, and he could not tell.

Mr. SNELL. I could not tell.

The SPEAKER pro tempore. The time of the gentleman from Indiana has expired.

Mr. HAUGEN. Mr. Speaker, I yield two minutes more to the gentleman.

Mr. SANDERS of Indiana. Mr. Speaker, I wish I had time to go into this and show the vast expense, running up into the millions of dollars, that this regulation will cost; and if I had the time I would like to show in detail just what this sort of regulation, with reference to transparent bottles, will mean. When you consider and weigh the vast difficulties, the great expense, I contend that you have not any justification in having this law apply to transparent bottles.

Mr. VESTAL. Will the gentleman yield?

Mr. SANDERS of Indiana. I will yield to my colleague.

Mr. VESTAL. I want to know if under the pure food and drugs act now it is not necessary that every bottle must have a label showing the contents of the bottle. I want to know if that is not true.

Mr. SANDERS of Indiana. I know if it is labeled to mislead in any way that it is a violation of the law.

Mr. VESTAL. Is not that the only way you are able to tell the contents of the bottle, by the label—not by the manufacturer of the bottle but by the label?

Mr. SANDERS of Indiana. Gentlemen, I urge upon you to vote for the amendment "nontransparent," so that if this passes the law can not apply to the transparent bottles.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JACOWAY. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Speaker, I enjoyed thoroughly the constitutional argument which the gentleman discussed who just preceded me. He made a fine argument, and if the time ever comes when that argument is applicable to a bill which is before the House I commend it to your favorable consideration, but it has no reference whatever to the issue that he finally settled down to discuss. As to how far the Federal Government should go in taking charge of matters of this kind and character I do not think the House is subject to a lecture by the gentleman who is a member of the Committee on Interstate and Foreign Commerce of the House because I think that committee has presented measures that interfere with the rights of the States about as much as any of them. But in so far as the argument was legitimate it is against any pure food and drugs act. I do not believe that any man would question the wisdom of that act taken as a whole. Now, as to that part of his argument which I really want to discuss. He has offered an amendment which would destroy this bill in so far as the bottle manufacturing provision is concerned. The testimony before the committee shows that as much deception is practiced with reference to bottled goods as in anything else. It is also true that packages are made with false bottoms that are placed one-third or one-half way up so that the packages look as if they contained twice as much as they contain. Breakfast food boxes are fitted with false bottoms and so are packages containing many other food products. Of course these packages can not be seen through, and it is easy to deceive in that way, but it is also easy to deceive by means of bottles. Now, we had any number of bottles before the committee which would deceive as to their contents as you looked at them with the naked eye. These bottles are sunken on both sides, so that when you look through from the bottom you can hardly see any liquid in the bottle at all. The sides are sunken so that they almost touch. As a matter of fact, when we questioned some of the experts in reference to the manufacture of these sunken paneled bottles they said the trouble was the sides would sometimes stick together in the middle when manufactured, and that they had trouble in keeping the bottles from sticking. I submit that any man looking at these bottles on the shelves would think this bottle contained as much if not more than that bottle, and yet it contains less. One of these sunken panel bottles contains 1¼ ounces while the smaller appearing bottle contains 2 ounces of liquid. The bottle containing 2 ounces looks to be not more than one-half as large as the one containing a less amount.

This bill is so framed as to prevent the practice of that deception. It will not prevent an honest panel bottle, it will not prevent an oblong bottle, it will not prevent any bottle that is not so shaped as to deceive the eye as to its contents. Now, what purpose could a concern have in manufacturing a sunken panel bottle which contained one-half the liquid of the other? Then, there is another bottle. We had a certain style of bottle that was blown in at the bottom one-third up, and in that bottle they put vinegar, a colored liquid, that concealed the blown-in part of the bottle. They had other blown-in bottles that contained less than half the amount of liquid they should contain, and they put a paper label across the deceptive part to conceal the fact that it was blown in the bottom and contained a less amount of liquid. If you adopt the amendment excepting "transparent bottles" how are you going to take care of the colored liquid that conceals the fact that it is a deceptive bottle? Take any other kind of liquid in a bottle, where the bottom is blown in or where they put an extra thick panel or a sunken panel—how are you going to know of such deception when they put in a colored liquid which conceals that fact? What right has the manufacturer of an article in commerce or anywhere else to blow bottles in molds which have for their primary purpose the deceiving of the purchaser and the consumer? In the interest of honesty, in the interest of honest business, concerns should be made to deal squarely with the American public. This law ought to be passed and passed without that amendment. [Applause.]

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. JONES of Texas. I will.

Mr. SANDERS of Indiana. I should like to ask the gentleman from Texas if it is the purpose of this legislation to prevent the manufacture of sunken-panel bottles?

Mr. JONES of Texas. Not unless they are so shaped as to deceive as to their contents, and I say if they do that there is no honest concern that ought to have the right to use them, and

there is no honest concern that would want to use them. [Applause.]

Mr. SANDERS of Indiana. The gentleman from Texas has made a study of this. Suppose he gives us some idea for the record of what he would consider a sufficient sunken-in panel to be deceptive.

Mr. JONES of Texas. I will say that I have not time in 10 minutes, even if I had the bottles here—the different formed bottles that were before our committee—to discuss all of them.

Mr. SANDERS of Indiana. Would the Castoria bottle come within the condemnation of the law?

Mr. JONES of Texas. I am not accustomed to taking Castoria, at least not in recent years. I leave that subject to the superior knowledge of the gentleman who asks the question.

Mr. LAYTON. You do not believe—I know I do not—that the manufacturer of these penal bottles or sunken-in bottles has any more right to his forms than a counterfeiter to his plates?

Mr. JONES of Texas. Not at all. And as a matter of fact, gentlemen, the laws ought to be framed, when you have a law—conceding the wisdom of the general food law that was passed—so as to protect an honest business. What chance has a man, putting his goods in an honest bottle or package, in competition with a dishonest concern that puts its products in a dishonest bottle or package that will deceive as to its contents? By such a policy you would make it necessary, almost, for a firm that wants to deal honestly to adopt tactics that are dishonest. And if you adopt the amendment of the gentleman from Indiana [Mr. SANDERS] you pander to those people who want to use dishonest methods of sale and distribution.

Mr. HILL. Does the pure food law provide that the contents must be on the bottle?

Mr. JONES of Texas. If there is any label at all, it must be an honest label.

Mr. HILL. Does not it require an actual label?

Mr. JONES of Texas. If in package form; yes. Take a bottle that has the label printed in small letters on it and a man puts that on the shelf so as to deceive the person in its very appearance. The customer will not look at the label.

Mr. HILL. I am asking the gentleman, as a member of the committee, for information. Does the gentleman know whether the law says to put the fluid contents on?

Mr. JONES of Texas. Only with reference to goods in package form, as I recall, but the regulations may require it.

Mr. HILL. And under the present law the Secretary can make a regulation requiring it?

Mr. JONES of Texas. Yes. But you take many articles of a chemical nature and the customer is not familiar with what the measurement of contents mean. What does the average customer know about what amount of liquid makes 2 ounces or 1 ounce or what amount of powder or substance makes 1 gram or some other form of weight? He has no idea as to those matters, but he does have an idea as to the size. I am thoroughly in favor of the law and regulation which requires him to stamp the amount of the contents. But I am also in favor of an additional provision in that same law which will prevent a man who is dishonest in his business and dishonest in his intention from deceiving the public.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. JACOWAY. Mr. Speaker, I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. And the gentleman from Iowa [Mr. HAUGEN] gives me three minutes. That will be eight minutes.

The SPEAKER pro tempore. The gentleman from Texas is recognized for eight minutes.

Mr. BLANTON. Mr. Speaker, I find myself in accord with the distinguished gentleman from Delaware [Mr. LAYTON], as I am going to vote for this bill. And I think just as soon as we pass it we ought to stop and devote every bit of our time for the next 30 days, or even the balance of this year, if necessary, in devising some ways and means whereby this law and the other laws Congress has passed shall be enforced.

The gentleman from Maryland [Mr. HILL] is nodding his head. His whole argument here on the main question with which he is concerned is that you do not enforce the laws. And that is partially true. We ought to enforce the laws. There was a time when Federal laws were enforced. There was a time when administrations took pride in seeing that the laws of the country were enforced.

On the 1st day of June of this year there went into force and effect in the District of Columbia what is known as a bill to establish standard weights and measures in the District. That was a law that was well considered by Congress before it was passed. That law, among many other things, provided that in the District of Columbia the standard weight for a loaf of bread should be 1 pound, and, incidentally, it provided that bread in the District of Columbia could be sold in half-pound loaves, in pound loaves, and in multiples of a pound. About 24 hours before that law went into effect there came before one of your committees of Congress one of these pomade-haired general attorneys for the bread men, from New York, and he wanted a bill passed immediately, before the next day, to prevent this bill from affecting the bread makers. And among other things he said this was a law that got by Congress without any notice; that it was passed kind of by mistake—during the hurried proceedings it passed without any attention being given to it; that it kind of slipped through Congress.

That was the argument he had the assurance to make before one of your committees, when, as a matter of fact, this law was argued extensively day after day here in the Committee of the Whole House. It passed the House on the 24th day of May, 1920, over a year ago, and it did not pass the Senate until the 24th day of February, 1921, and it was signed on March 3, 1921, by the President. And it provided that it should not take effect until 90 days after it was signed by the President, and hence it did not take effect until June 1, 1921. I am told that every day this law is violated here in the District of Columbia. That distinguished attorney from New York had the assurance to tell the Members of Congress, or intimate to them, that we must change it because that was a law that could not be properly enforced.

Mr. LAYTON. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. LAYTON. The gentleman was complimentary enough to say that "he agreed with me as he often does." Would you agree with me in this, that instead of having the Government of the United States to meddle with everything there is under heaven, we pass a law that whenever a manufacturer made a bottle for fraud or a retailer sold a bottle that contained fraud or a diminished amount of stuff in it, that the citizen himself could institute under the general law a suit for damages?

Mr. BLANTON. I am for any law, I will say to my friend from Delaware—and he is a man of mature judgment and good judgment—I will say to him that I am for any law that will stop deception and fraud from being practiced upon the public. But to permit an individual to bring a suit when a little 6-ounce bottle of lemon extract is sold to some individual and he could not have been damaged more than 15 or 20 or 50 cents—to require him or to permit him to go into court and establish his rights and get redress from the individual who deceived him, of course, he could not afford to do it, because nowadays, when he would go to an attorney, some of them would size up how much he was worth before he fixed his fee. But the point I am making is this: After we pass this bill we ought to pause and take time enough to see if there is not some way whereby the Department of Justice and the law enforcers of this country shall be required to go to work and see to it that the laws of the country are enforced. Then we would not have all this hullaballoo about nonenforcement of the law. It brings the country into disrepute every time a law is not enforced. If we have a law in the District of Columbia requiring bakers to bake their loaves in half-pound and pound sizes, or in multiples of a pound, we ought to see that they do so. An intimation is given in the newspapers to the effect that the people are not going to stand for this law, because the bakers and the bread makers do not want it, and are refusing to bake the half-pound loaves.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. CHALMERS].

The SPEAKER pro tempore. The gentleman from Ohio is recognized for five minutes.

Mr. CHALMERS. Mr. Speaker and Members of the House, we are passing this nice, cool, comfortable afternoon, thoughtlessly, a bill that is going to wipe out property amounting to millions of dollars. We do not want to put a dishonest bottle on the market. My people at home have said to me that if there is any moral issue at all involved they would be in favor of the bill. There are 19 States affected by this bottle proposition. I advise the Members to examine their home interests before voting for the bill. But there was a perfectly good container bill under consideration in the last Congress, and now they have attached to it, perhaps at the suggestion of some chemist down at the Department of Agriculture, an addition covering transparent containers; that is, glass bottles.

This legislation involves bottles and manufacturers of machinery running into millions of dollars. The only bottle machine manufacturing industry in the world is the Owens Bottle Co. with its home office in my district. Now, thoughtlessly and needlessly, you are going into their pockets and taking out some millions of dollars. Why? Because a chemist down in the Department of Agriculture has perhaps suggested that there might be a deceptive bottle on the market. What do you want to do? Do you want to put extracts and all other contents in an ink bottle? Do you want to eliminate all art from the container industry?

Mr. KINCHELOE. Mr. Speaker, will the gentleman yield?

Mr. CHALMERS. No; I have not time to yield.

The SPEAKER pro tempore. The gentleman declines to yield.

Mr. CHALMERS. It is stated here that the bottle people are not opposed to this bill. They are opposed to it and I will give some reasons why they are opposed to this bill. There are thousands of packers and bottlers of food and drugs in this country who are against the bill; the manufacturers of machinery and supplies are against the bill. A large number of those are located in Toledo, Ohio, my district. The committee has not given this phase of the question proper thought or they would not do this foolish thing.

The Owens bottle-making machine is a very humane institution. It costs a great deal of money. I wish you could see it work. It exhibits more intelligence than some people who are trying to make foolish laws. It will go into the discard if you pass this bill. This bill adversely affects the manufacturers of glass bottles, the manufacturers of caps and corks and stoppers, the manufacturers of cartons and shipping cases, the manufacturers of patterns, also the engravers and manufacturers of labels. All these will have to be changed if you change the bottle. This bill will also adversely affect the manufacturers furnishing materials and machinery to the glass industry. The industry embraces more than 35,000 people, who receive an annual wage of over $40,000,000 a year.

Mr. SANDERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. CHALMERS. Yes; I yield to my friend from Indiana.

Mr. SANDERS of Indiana. Not only will the patterns used in this industry be destroyed but there is no standard in the world to show how to make new ones?

Mr. CHALMERS. Yes. And yet if they make a change now they may be compelled to change again by the Secretary of Agriculture, and they may have to change continually.

Gentlemen, let us keep politics out of business. [Applause.] You are placing too much power now in the hands of the Secretary of Agriculture. He is an honest man; I hope he is; because the Secretary of Agriculture, in one of the bills that you have passed in this House this session, could make for himself a million dollars a day if he so desired, and you know it. Look at the antigambling grain bill and say what a dishonest Secretary of Agriculture could do if he desired under it.

You are trying to save purchasers from themselves. Purchasers have been using their eyes and their common sense and their experience from the beginning of the world. Let them go on doing it. A label showing a certain amount of content is blown on the bottle under the present law. Why, then, change the models, the patterns, and the machinery, and the labels at a cost of millions of dollars at a time when we ought to encourage manufacturers instead of discouraging them? [Applause.]

It has been said on this floor this afternoon that the glass blowers and glassmakers have no objection to the Haugen bill. In answer to that statement I desire to submit some quotations taken from a brief setting up the glass industry's objections to the proposed Haugen bill, signed by George W. Yost, president of the National Bottle Manufacturers' Association and by my friend, J. D. Biggers, president of the Glass Container Association and also general manager of the Owen's Bottle Co. of Ohio:

We are opposed to the Haugen bill, H. R. 4981:

First:

a. The thousands of packers and bottlers of foods, drinks, and drugs in glass.

b. The manufacturers of machinery and supplies for the above.

Second:

a. Manufacturers of glass containers.

b. Manufacturers of caps, corks, and other closures.

c. Manufacturers of cartons and shipping cases.

d. Engravers and manufacturers of labels.

e. Manufacturers of molds and machinery for glass factories.

f. Manufacturers of chemicals.

g. Companies furnishing sand and other raw materials to the glass industry.

I. THE DETRIMENTAL EFFECT OF THIS LAW ON THE GLASS INDUSTRY.

To understand the glass-container industry's objections to the bill it is necessary to note the following facts concerning this industry:

1. The manufacturing plants of the glass-container industry are found in 19 States, give employment directly to more than 35,000 persons, with an annual wage of $40,000,000 and with an output manufactured and sold in the United States alone of $115,000,000.

2. This industry consists of:

a. A small number of large concerns using bottle-making machines, cheap labor, and specializing in standardized ware.

b. A large number of small factories employing skilled labor, whose main business consists in the manufacture of special types and styles of bottles and other containers from molds designed for the purpose.

The Haugen bill as a law, under its many and changing interpretations, will work a peculiar hardship on the glass-container industry in the following particulars:

1. Will seriously embarrass the business of small glass factories without corresponding benefits to the larger bottle factories using glass machines.

2. Will threaten the employment of practically every skilled workman in the glass industry.

3. With the passing of the smaller glass factories and the skilled workman, the finer characteristics of one of the oldest high-grade industries in the history of the world will have become a lost art.

4. Will throw in the junk heap hundreds of thousands of dollars worth of molds which would greatly cripple the industry, because there are not enough standardized molds to supply the demands made upon the glass industry for containers and not enough mold makers to create a sufficient number of new molds for a long time to come.

5. Would throw into the discard thousands of dollars worth of shipping boxes, especially designed for the present prevailing types of bottles and containers.

6. Would cause a large loss in the present stock of cartons, packages, and labels.

7. Will cause a big loss in engraver's plates, since changing the shape of containers necessarily changes the shape and style of the labels and the plates from which they are made.

8. Will compel the glass manufacturer to consult the Bureau of Chemistry on every new order he takes which departs in the smallest degree from the standard round container, thus causing annoying delays, discouraging initiative, and building up much indefensible red tape. This red-tape procedure will not only cause industrial and business hardship but will create additional expense and difficulty in the administration of the work of the Bureau of Chemistry.

II. THE DETRIMENTAL EFFECT OF THIS LAW ON THE USERS OF GLASS CONTAINERS.

The loss of good will.

This bill, if it passes, will tend to destroy millions of dollars' worth of good will for those packers and bottlers who have chosen for their products distinctive glass containers in which their own individuality can be expressed. Many packers, as for instance, of catsup, consider their particular design of bottles as part of their good will and have spent large sums of money in advertising to make it valuable. Many people will not purchase products unless in the style of container known to belong to the particular industry or individual firms. It is obvious that bottles have characteristics that suggest their use or content.

The sale of but few bottled goods is influenced by size or by volume, except, perhaps, drinks and food. Take panel bottles, for instance; they are used almost exclusively for flavoring extracts; strength and flavor are the qualities sought, not quantity. Such bottles are also used for medicines, cough sirups, etc., but here again not quantity but efficiency is sought. A distinctive bottle here takes on the character of a trade-mark and unless such a bottle is used the genuineness of favorite articles would undoubtedly be questioned.

AN UNWARRANTED IMPUTATION OF DISHONESTY.

The uncertainties of inspection and the liabilities to penalties which could not be intelligently guarded against, would cause such a feeling of unrest among the packers and dealers in preserved food products as to be unbearable.

What good can come from legislation which charges dishonesty when none exists, which seriously interferes with business by creating a condition of uncertainty and fear, which amounts to making by law crimes out of things that are not crimes.

III. THE HAUGEN BILL AS PRESENTED IS A BAD BILL.

First:

Because it would be indefinite in its interpretation and administration.

No manufacturer would know what kind of a bottle he could lawfully make. If the present bill be passed and become law, then no bottle manufacturer can afford to make up any particular bottle without first getting the approval of the Secretary of Agriculture. Even then he is not safe, because the Secretary of Agriculture is not always the same person, and a succeeding Secretary might have an entirely different view. On the other hand, there is nothing to prevent the same department from changing its own judgment as to how the law should be interpreted, not only once, but several times.

If the department would carry out what seems to be the full intent of this act, it would prohibit the manufacture of every style or kind of bottle except a round one with the very shortest possible neck, because every bottle that departs, even in a small way, from plain round would have in it qualities that could be said to make it likely to deceive or mislead, and if this were followed out all standards of design and artistic arrangement intended to make the package attractive would be reduced to the lowest level of the commonplace.

Second:

Because it would be dangerous.

It places arbitrary power in the hands of department inspectors and presents opportunities for dishonest practices.

In discussing the measure before the House, Congressman Mann said in part:

"I do not want to leave it to a department clerk or a clerk in the office of the solicitor of the Agricultural Department to say as between two men on his new inspection, 'I think you are violating the law and should go to the penitentiary,' when no one can tell in advance how he is going to obey the law."

Should either the bottle maker or the bottle user be threatened with any such possibility? Should the Department of Agriculture be given any such power?

Third:

It is unnecessary.

The bill says, "or if it be in a container so made, formed, or shaped as likely to deceive or mislead the purchaser," etc.

Does it not seem ridiculous to think that a transparent glass bottle, with the exact quantity of the contents plainly printed on the label could be "likely to deceive or mislead"? The passage of this bill will assume that the public has a lower standard of intelligence than is generally accredited to it.

IV. THE GLASS CONTAINER SHOULD BE EXEMPT FROM THE OPERATION OF THE HAUGEN BILL.

There are so many sanitary reasons why the glass container should be encouraged, and the public, in being able to see the quantity and quality of the product contained therein, is so thoroughly protected by its use that it passes all understanding why the glass container should have been included in the operation of the Haugen bill.

Consider this one point well. The original intent of the law was to protect the public against slack-filled packages. There can be no such thing as a slack-filled glass package that is not apparent on the face of it. No matter what the shape or size of the container, a person who has eyes can see whether it is full or not. But, above everything else, the quality of products that have form may be observed in glass. With the Haugen bill passed and drastically enforced, the nontransparent package would be capable of more completely deceiving the public as to the true nature of the quantity and quality of its contents than any type of transparent glass package ever used, providing that the American public still retains its eyesight and its accredited amount of common sense. In other words, neither the Haugen bill nor any other law can give to other types of containers the protective and attractive characteristics of the glass container. No inspection is as perfect as self-inspection.

The glass container is an honest container in any shape or style. For thousands of years, or as long as law and common sense have been synonymous, the rule has been that the purchaser must use his eyes. This is ingrained not only in American law but in American human nature. With the amount and weight of the contents of the glass container plainly marked on the package, it is carrying paternalism to the very extreme to take away the right to manufacture or use the glass container which will express the proper individuality not only of the packer but of the product.

What influences are behind this bill? What is its motive? To whom and in what manner has the bottle given offense? We charge no malice, but feel it to be a case of mistaken zeal or lack of understanding as to the true facts when applied to bottles.

Our industry has been passing through a reconstruction period for some time now owing to prohibition. Must it suffer again—uselessly?

We do not wish to appear in the light of opposing progress or sterling honesty, but we do feel, very deeply, that it is the duty of the Government to foster business rather than destroy it.

It is no answer to say that we have recourse to the courts if not satisfied with a decision that might be made under this act. What business is trying to do to-day is to keep out of courts.

We, therefore, respectfully ask that if the House feels that the Haugen bill should be passed, that it be so amended as to exempt the glass container from its operation.

I do not represent any dishonest people, corporation, or company. The people I represent are among the most substantial business men of the country. If this bill becomes a law it will needlessly and uselessly put these interests to great expense, inconvenience, and uncertainty. I therefore ask the Members of the House to adopt the amendment introduced by the gentleman from Indiana exempting transparent containers from the provisions of this act.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. CHALMERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the gentleman's request?

There was no objection.

Mr. HAUGEN. Mr. Speaker, I yield three minutes to the gentleman from West Virginia [Mr. ROSENBLOOM].

The SPEAKER pro tempore. The gentleman from West Virginia is recognized for three minutes.

Mr. ROSENBLOOM. Mr. Speaker, the manner in which this bill has been discussed and the points that have been made in the discussion would lead one to believe that this is a very unimportant measure, and it is unimportant to a great many people except those who will be affected by this legislation.

It is argued here that the purpose in enacting this legislation is for the protection of the purchasing public. There is no question but that the purchasing public, so far as containers of food products are concerned, are amply protected at this time. Our present law requires that the contents of the package shall be shown on the outside of the container, and I believe I make a truthful statement when I say that so far as this law applies to the various breakfast foods, and so on, that are on the market, those contents settle for an inch or so in the package in the handling. That is absolutely unpreventable. My experience with breakfast foods leads me to believe it would be cheaper for the manufacturers of breakfast foods to fill the package with their products rather than with the extra rolls of paper that they now use, as the Department of Agriculture claims, for the deception of the public.

There never has been an announcement which met with greater approbation from the people of the country than the statement of President Harding when he said that the people of this country want less government in business and more business in Government.

This is another instance of allowing the long nose of some department head to poke his way into legitimate business where there is no complaint on the part of purchasers. No instances are shown where anyone has been deceived by these various packages. It is merely vesting a police power in an unnamed head of a chemistry welfare bureau to say to manufacturers of bottles and containers that they can not continue to manufacture bottles and containers in their present forms.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HAUGEN. I yield two minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Speaker, this bill ought not to be amended. It should be defeated. [Applause.] Much has been said of the dishonest manufacturers and intimated that they were the only opponents of the bill. There is no more reputable concern within the confines of the United States than the Stickney & Poor Spice Co. They are honest and their goods are household standards throughout this country. I have received a letter from that firm protesting against this bill, and they give many good reasons why it should not become law, which I quote in part:

One regulation under this bill provides that packages must be filled, regardless of whether or not the weight is correctly stated on the outside. We pack seven different spices in the same type and size of packages. They all vary slightly in their bulk for a given weight, and the bulk of any given spice varies from time to time, according to the country of its origin and its condition and method of grinding. If this regulation was strictly enforced, the only safe way of packing would be to fill every package, weigh it individually, and write the weight upon it before casing it for shipment. Under these circumstances what becomes of machine weighing and machine packing, and who will pay for all the labor involved?

The food manufacturers finally obtained the amendment of this bill as presented at the last session. It is now presented again in its original form, the amendments of last year being ignored. As a matter of fact, no legislation is needed on this subject.

It occurs to me that this Congress is assuming that every housewife and every purchaser is feeble-minded. It does not seem that anybody will be fooled more than once. Perhaps the merchant or manufacturer can put a piece of goods on the market and sell it to your wife or to my wife once on the looks of the article, but your wife and my wife are used to buying household supplies, and they are not going to purchase a second time on the looks of the package in which the goods are wrapped if they find fraud instead of value inside. Furthermore, you are not going to place the expense of making these changes on the manufacturer as much as you are on the purchaser, because if you change the whole method of doing business and the whole process of wrapping or packing the goods, eventually the purchaser has to stand the expense. It is not so much the manufacturer that I am interested in protecting as the purchaser, who is already staggering under the pretty high cost of the goods that go onto the table. We might just as well kill the bill right here as to try to amend it. [Applause.]

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. HAUGEN. I yield two minutes to the gentleman from Delaware [Mr. LAYTON]. [Applause.]

Mr. LAYTON. Mr. Speaker, personally I am in favor of the purpose of this bill, but I am not in favor of the road that it is called upon to travel. I am opposed to the Government having anything to do with business if it can be done by the communities and the States. [Applause.] But there have been some things said here that ought to be corrected. One is something about whether the housewife is mentally deficient or not. Any one of you who has a wife knows that when she goes to buy a bottle of lemon essence she must take the kind of bottle that is offered to her, although it does not contain by a decided amount which it purports to contain, or else leave her pie unflavored, because she can not go to a drug store or to a merchant and get anything else except that particular kind of a bottle put up in that particular kind of a way. She has got to buy it in that shape and in that reduced quantity. If it was a matter in which the housewife could go to a drug store or grocery and use her judgment, her eyesight, and size up several different kinds of the same article in different packages, it would be a very different matter, but she has no such choice. The trade of the country is in the hands of monopolies, and she must take what is offered to her in the packages in which it is put up. [Applause.]

Mr. HAUGEN. I yield two minutes to the gentleman from Maryland [Mr. HILL].

Mr. HILL. Gentlemen, as one of the Members said this morning, every time this House passes an unnecessary piece of legislation it makes law enforcement that much more difficult. Every time we tamper with an existing law unnecessarily it brings the Federal procedure into disrepute.

I am against this bill because it is absolutely unnecessary. We can not go on indefinitely passing laws which are intended to prevent people from taking ordinary care of themselves. Under the existing pure food laws every bottle and container must have marked on it the contents of that bottle or container,

and that is all that the public can ask as a protection to them. This legislation means unnecessary changing of standards of manufacture. I helped to enforce the pure food law for five years. I know the difficulties of enforcing it, and I am against this bill because the time has come for the Congress of the United States to stop interfering unnecessarily with private business in this country. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. JACOWAY. I yield 10 minutes to the gentleman from North Carolina [Mr. WARD].

Mr. WARD of North Carolina. Mr. Chairman and gentlemen of the House, the argument which has been made against this bill has almost forced me to speak for it. It seems to me it is a most appealing proposition to the mind that calls for the enforcement of honesty in the dealings between man and man.

First, speaking to the question whether it is proper that Congress should deal with this subject, I will say that the State legislatures of this Union can not meet this question. It can only be met by Congress. It is purely an interstate commerce proposition, because these bottles and packages pass across State lines all the time. The legislatures of the States can not meet the difficulty.

It is stated here that this fraud which is practiced upon the purchaser can be detected by the open and intelligent eye. It seems to me it is perfectly plain that the vision of the eye and the intelligence of the brain are no safe protection against the design of the manufacturer to work fraud upon the purchaser, for the reason that even if the contents of the bottle are marked upon it and if the quantity is stamped upon it, that will not protect the purchaser, because the glaring outlines of the bottle itself are deceptive and the purchaser looks at the bottle from the floor, on the shelves of the seller, and when he sees a big bottle standing by the side of a little bottle he does not ask to have the two bottles taken down and handed to him so that he can read the printed matter indicating the quantity. It is as deceptive as the closely printed stuff on the back of a bill of lading of a railroad company, when the bill of lading is as big as a Nebraska barn door, covered all over in fine print so fine that the shipper, unable and without time to read it, has no idea what is in his contract until his lawyer and the railroad company lawyer have crossed swords at the bar of the court and he has found that there was something printed there that he not only did not read but never could read.

In order for him to read the stuff often printed on the bottle he would have to have eyes as powerful as that suggested by Mr. Sam Weller in Pickwick Papers, in which he answered Sergt. Buzfuz as follows:

If I had had on my eyes a pair of double million magnifying microscopes I might have been able to see through two flights of stairs and a paneled door and have seen Mrs. Bardell faint in the arms of Mr. Pickwick.

[Laughter.]

In regard to these indented and sunken bottles with their inside protrusions, you are thrown off your guard as a purchaser by the general outline of what appears to be the bigger bottle by all of these protrusions on the inside and depressions on the out, and in addition the whole bottle is generally wrapped with paper. You look at the general outlines of the package and are unable to accurately judge the volume of the contents within.

Now, you insist it is an unfair interference with business to enact legislation in favor of honesty. Yes; interference with business! Taking dollars out of the pockets of men! Such is always the cry when the investor of large capital starts out to plunder and defraud and is met by efforts at legislative restriction. You are taking away my money, says the manufacturer, when you make me change my molds. I answer there are not dollars enough in this universe to justify a Congress in refusing to break a mold or model that carries deception hidden under its wings. [Applause.] Dollars have no such value as that. Dollars—money and capital—are entitled to no consideration in the presence of an effort on the part of the deceiver to practice deception on one who trusts to his honesty. Let it be taken as the necessary province of Congress to interfere in any effort at robbery. There are no vested rights that can stand in the path of duty that confronts the lawmaking authority to restrain and suppress fraud. If the argument of the gentleman from Delaware was carried to a legitimate conclusion, we must stop all fraud-suppressing legislation because it is an interference with business. Any man could invent some shrewd device to work a fraud, invest his countless millions in it, and then say to the Government, "Keep off; keep away from me; I have got dollars invested. It is a bad policy for the Government to get in business."

Mr. LAYTON. The gentleman must not misquote me; I did not take any such position.

Mr. WARD of North Carolina. No; the gentleman did not say that; but that is my deduction from what he did say.

Mr. LAYTON. I am not responsible for the gentleman's lack of knowledge.

Mr. WARD of North Carolina. Nor am I responsible for premises laid down by the gentleman which drive him to conclusions of practical moral shame. But not intending to apply harsh remarks to the gentleman, I recognize him as my equal in this matter; it is his logic that I am dealing with and not his morality. [Laughter.]

Mr. LAYTON. To what statement does the gentleman refer?

Mr. WARD of North Carolina. That business should not be interfered with by legislation.

Mr. LAYTON. I did not make any such statement.

Mr. WARD of North Carolina. I did not intend to misquote the gentleman.

The SPEAKER pro tempore. The time of the gentleman from North Carolina has expired.

Mr. JACOWAY. I yield one minute to the gentleman from North Carolina to make an explanation.

Mr. WARD of North Carolina. Mr. Speaker, it has been suggested to me that I was probably directing my remarks to the wrong gentleman. If I made an error in quoting the gentleman from Delaware, as I seem to have done, I beg his pardon. I did not make an error in the deduction I made from the argument that was in fact made by some gentleman on that side, but I only made a mistake in pointing out the gentleman who uttered the remarks. [Applause.]

Mr. HAUGEN. Mr. Speaker, I yield three minutes to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Speaker and gentlemen, I look upon this legislation as favoring honesty in business, and I am in favor of the bill. However, there are some sections of this country that are immense producers and shippers of fruit—unmanufactured fruits and vegetables. The Department of Agriculture has agreed to a certain amendment to which I want to call the attention of the House at this time and have it pending. On lines 7 to 12, page 2, provision is made that the package must be full at the time it is offered for sale regardless of the fact that the weight or number of apples, peaches, or whatever it may contain, are branded on the box. The amendment which I want to offer will come on page 2, after the word "contents," in line 12, and will read as follows:

Provided, That fruit and vegetables in their natural unmanufactured state, when in original packages, shall not be held in violation of the provisions of this paragraph if by reason of shrinkage or the use of a necessary quantity of suitable packing material, the package is not filled with the fruit it purports to contain.

Mr. SNELL. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. SNELL. Would it not be fair to make that provision apply to every other article that is put up if it shrinks after it is put up?

Mr. SUMMERS of Washington. If it is a package that is absolutely full at the time it is packed. Take apples in the gentleman's State—New York. The barrel is filled, and when they come to cap the apples they place a piece of corrugated paper on top to prevent bruising the apples.

You press down until you can put the top on the barrel. The Department of Agriculture says that you will be subject to a fine for using a corrugated cap in packing the barrel. It is not there to take the place of apples or to deceive the public. It is there in order to get the apples to the public in a better condition, and the same is true where a cap is used on a box of apples.

Mr. McLAUGHLIN of Michigan. Where does the gentleman get his authority for saying that the department would prohibit the use of the corrugated tops? The testimony of the witnesses was that it is inconceivable that they should consider the question.

Mr. SUMMERS of Washington. The same thing is true of the paper that wraps the fruit.

The SPEAKER pro tempore. The time of the gentleman from Washington has expired.

Mr. HAUGEN. Mr. Speaker, I yield the remainder of my time to the gentleman from Michigan [Mr. McLAUGHLIN].

The SPEAKER pro tempore. The gentleman from Michigan is recognized for 13 minutes.

Mr. McLAUGHLIN of Michigan. Mr. Speaker, I did not intend to speak on this bill, but I approve it and wish to see it

pass the House. The preparation of the bill was interesting and the hearings on it were instructive.

Members of the committee were surprised at the number and extent of efforts by manufacturers and dealers to deceive purchasers by the use of containers of different kinds. Much has been said about glass containers, and an amendment has been offered to exclude them from the bill. Gentlemen who oppose that amendment have said, truthfully I am quite sure, that there is more opportunity for fraud in the manufacture and use of glass containers, bottles and otherwise, than in any other kind of container, and that there is more need for having this law apply to glass containers than to those of any other kind. A few of the samples of bottles offered before the Committee on Agriculture at the hearings have been shown here, and it must be entirely clear as to how the fraud upon the purchaser is perpetrated. Bottles are made with the glass so thick that there is hardly any interior; bottles are made with the panels so deep that in some instances they touch and the interior space is insignificant. Bottles are made in the shape of the one I hold in my hand for the purpose of magnifying the contents and the purpose is effected; the purchaser is deceived when he buys a bottle of that kind.

Mr. ROSENBLOOM. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. ROSENBLOOM. Is it not a fact that eggs come in shells and that there is a certain amount of vacuum in the end of the egg? Is not that a container filled with food to deceive, and who would the gentleman prosecute, the hen or the owner of the hen?

Mr. McLAUGHLIN of Michigan. I will leave that to the gentleman from West Virginia.

Mr. ROSENBLOOM. Does not the gentleman think that should be covered by the bill?

Would not that be just as wise as the other matters?

Mr. McLAUGHLIN of Michigan. If the gentleman looks at the bill with no more fairness or wisdom than is indicated by his question, I shall expect him to vote against it.

Mr. ROSENBLOOM. The gentleman will not be disappointed.

Mr. McLAUGHLIN of Michigan. Attention has been called to these large paper packages, some of which have false bottoms, and others only partially filled. They are all made and used for the purpose of deceiving the purchaser. I wish to advert now to the statement made by the gentleman from Massachusetts [Mr. UNDERHILL] who said that one of the dealers in his district had written him asking him to oppose the bill. He gives that dealer a clean bill of health, stating that he is entirely honest. Many men, unquestionably honest, appeared before our committee and urged the enactment of this bill into law. They are trying to do an honest business but are unable to do so because their competitors establish practices to which they, the honest men, must conform. Take the candy boxes, for instance—great, large, fine-looking boxes, but with false bottoms. We asked one candy man if he used that kind of box; he said yes, and when asked why, he said he had been driven to it. He stated that some time ago, stating the length of time which I do not now remember, some manufacturers of boxes got out that kind of box; that they were not popular at first, but that some packers of candy finally took them up and used them and that that compelled others in the trade to use them until their use became general. The passage of this law will get away from that and will protect the honest candy men, this gentleman said, from the dishonest dealers.

Mr. McKENZIE. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. McKENZIE. Is it not a fact that practically all candy is sold at so much per pound?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. McKENZIE. That being true, what difference does it make what character of box it may be packed in?

Mr. McLAUGHLIN of Michigan. Because by the use of a dishonest box the purchaser is deceived, regardless of the fact that the contents are marked.

Mr. BUTLER. How?

Mr. McLAUGHLIN of Michigan. And the purpose is to deceive him.

Mr. FIELDS. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. FIELDS. It is not a fact, is it, that box goods are sold by the pound as a rule?

Mr. McLAUGHLIN of Michigan. Candy is usually sold by weight.

Mr. SUMMERS of Washington. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I am about to reply to what the gentleman said in urging his amendment.

Mr. SUMMERS of Washington. Is it not true that the purchase of box candy is often by children who do not pay attention to the weight?

Mr. McLAUGHLIN of Michigan. That is correct. The gentleman from Washington [Mr. SUMMERS] suggests an amendment which would exempt fresh vegetables and fruits. That is one kind of commodity that ought to be taken care of, but it is only one. Other commodities should be taken care of by providing for shrinkage which evidently takes place after packing and before the package reaches the market. To meet that situation the committee has decided to offer an amendment on page 2, after line 12, by inserting the language "but due allowance shall be made for inevitable shrinkage after filling."

This amendment does not mention vegetables or apple barrels or fruit boxes or anything else. Everything would be included if this amendment is adopted. On the other hand, if something of the kind offered by the gentleman from Washington is adopted, it will necessitate the adoption of still others, each one to take care of some particular fault, perhaps, in the bill. The amendment suggested by the committee will take care of all kinds of articles that shrink or are shaken down, packages originally filled but not quite full at the time purchasers obtain them at the market.

Mr. SUMMERS of Washington. Mr. Speaker, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. SUMMERS of Washington. Is the language there quoted broad enough to take care of the packing materials, for instance, where the apple or the peach is wrapped in paper?

Mr. McLAUGHLIN of Michigan. I wish I could find in the hearings the answers of Dr. Alsberg, chief of the bureau, to questions of that kind. He is now quoted by the gentleman from Washington as saying that the use of the corrugated paper packing at the top of the apple barrel would make the user of it liable under this law.

I myself called his attention to the contention on the part of the apple packer and asked him what there was to it. He said that would receive no attention whatever from the department and it was inconceivable that the Government should ever base an action on that because no court in the world would permit and ought never to be asked to pay attention to any such trivial thing as that. Now we are confronted with the statement of the gentleman from Washington that Dr. Alsberg said exactly the contrary.

Mr. SUMMERS of Washington. I beg the gentleman's pardon, I mentioned no name.

Mr. McLAUGHLIN of Michigan. The gentleman said a gentleman connected with the Department of Agriculture, and I quoted the man highest in the Department of Agriculture in the enforcement of the pure-food law who says it is inconceivable that notice will be taken of anything of that kind.

Mr. SUMMERS of Washington. Will that take care of fruit?

Mr. McLAUGHLIN of Michigan. Yes; take care of fruit and vegetables and apples and everything of that kind. It was made broad so that——

Mr. SUMMERS of Washington. And the wrapping of the same?

Mr. McLAUGHLIN of Michigan. It was made broad so that it would include everything.

Now, this bill may appear to many of you as not of very much importance, but if you could have seen the tables and shelves in the rooms of the Committee on Agriculture loaded down with these fraudulent packages and containers of different kinds, you would have realized the extent to which manufacturers and dealers have gone in deceiving the public, the opportunity that is offered, the opportunity that is taken advantage of, and have realized also the extent to which the people have actually been deceived. It may be a small thing, but it seems to me that when in a few words we can correct the difficulty and make perpetration of these frauds in the future more difficult if not impossible we should do so.

Mr. McKENZIE. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. I will.

Mr. McKENZIE. I wish to ask the gentleman from Michigan if at the hearing there was any general complaint that the people have been defrauded in the amount of the article purchased? In other words, has the pure food and drugs act been violated or was the complaint simply that some one bought an ounce of a certain kind of extract and it looked like two ounces and they only paid for one and they were deceived by the looks because it looked like two ounces?

Mr. McLAUGHLIN of Michigan. It has not been done in violation of the pure food and drugs act because that act is not broad enough to cover this kind of fraud and deception. There is a paper package, standing on the table where the

chairman of the Committee on Agriculture is sitting. The purchaser sees it on the shelves. Suppose it will hold a pound. It is only half filled and it is marked "8 ounces."

Mr. HAUGEN. That is only half filled.

Mr. McLAUGHLIN of Michigan. It is only half filled, but the actual content is marked on it.

Mr. HAUGEN. Here is one about one-fourth filled.

Mr. McLAUGHLIN of Michigan. It looks as if it contained a pound and yet it is marked "8 ounces," marked perhaps in small letters—small figures—and the purchaser buys it and finds he has actually less than half a box full.

Mr. McKENZIE. What wrong was committed, moral or otherwise, if they put on exactly what is bought?

Mr. McLAUGHLIN of Michigan. The wrong is that the purchaser was actually deceived and that the scheme was resorted to by the manufacturer and dealer for the sole purpose of deceiving.

Mr. McKENZIE. I can not understand, if the gentleman will pardon me, how a man can be deceived when he went in and bought a half pound of a certain article and he got a half pound, though put in a box big enough to contain 2 pounds.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SANDERS of Indiana. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. SANDERS of Indiana. I would like to be sure before the previous question is moved whether the motion I offered is considered pending. As I understand, the gentleman from Iowa yielded for that purpose.

Mr. HAUGEN. I yield for that purpose.

The SPEAKER pro tempore. The gentleman is recognized to reoffer his amendment, which was sent to the desk to be read for information.

Mr. SANDERS of Indiana. I would like to have the amendment reported.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. SANDERS of Indiana: Page 2, line 1, after the word "a," before the word "container," insert the word "nontransparent."

The SPEAKER pro tempore. The question is on the amendment offered.

Mr. WALSH. Mr. Speaker, I desire to discuss the amendment.

The SPEAKER pro tempore. The gentleman is recognized.

Mr. WALSH. For how long?

The SPEAKER pro tempore. For one hour.

Mr. WALSH. Mr. Speaker, I shall not consume the hour, but I want to ask the gentleman from Michigan a question, in view of the emphasis he laid upon this bill. Is there anything in this measure which withholds the luxury from certain individuals of getting cheated in a horse trade, and if not, why are not they entitled to just as much consideration as other dealers in other commodities? Here is a measure brought in and with the language at the top of page 2 is seems to me could come within the opinion handed down in the Lever Act as being hardly warranted under our Constitution. None of the instances which were cited by the gentleman from Michigan can be cured, as I understand it, by this language. If we want to pass legislation and require that certain articles shall be sold by weight, that the weight shall be the same as that marked upon the package, why it does not make any difference if you get it in a paper bag or a glass bottle or a paper box, you are getting what you pay for, and I doubt the wisdom of embarking upon a program drawn down to such a fine point as this to protect the people who are likely to be misled.

Mr. LAYTON. Will the gentleman yield for one question?

Mr. WALSH. I will.

Mr. LAYTON. The gentleman is one of the well-informed men of this House, and that is the reason I am asking it——

Mr. WALSH. I take issue with the gentleman on that point.

Mr. LAYTON. Is there any law, under the pure food act or any other act, that requires that packages of liquids or solids should have the amount of the liquids or solids marked on them?

Mr. WALSH. Well, I am informed there is under State laws——

Mr. LAYTON. I am not asking about State laws, but Federal laws.

Mr. WALSH. I am informed that there is, under the pure food law.

Mr. LAYTON. I have just been informed by a Member of the House that there is not.

Mr. WALSH. If there is such a requirement under the pure food law, the mere fact that you put it in a bottle to make it look larger, thereby to deceive somebody, it seems to me is not sufficient warrant for putting more power in an executive officer to interfere with the avenues of trade.

Mr. McKENZIE. For the information of the gentleman from Delaware, I want to call attention to page 1 of the report on this bill, which reads as follows:

While it is true that these packages usually are marked in some manner with a statement of the quantity of contents, in conformity with the provisions of the net-weight amendment of section 8 of the Federal food and drugs act (37 Stat., 732), purchasers are nevertheless deceived because they rely on the appearance and size of the package to indicate the quantity of food contained therein.

Mr. LAYTON. And then the answer to my question is that there is a law?

Mr. McKENZIE. Yes.

Mr. WALSH. If they purchase it, the report says, by the appearance of the package rather than the quantity of the contents.

Mr. UNDERHILL. Will the gentleman yield?

Mr. WALSH. I yield.

Mr. UNDERHILL. There are about seven to ten different kinds of spices, and almost every spice manufacturer puts them up in different sized containers. No two are alike according to bulk. If you have to do away with the present method of loading and shipping and machine weighing, and all that sort of thing, and have to go back to filling every package the right weight of that package as shown on the outside, who is going to pay for it? The consumer?

Mr. WALSH. It will probably be passed on to the consumer sooner or later and result in an increase in the cost of commodities.

Mr. SANDERS of Indiana. Will the gentleman from Massachusetts yield?

Mr. WALSH. Yes.

Mr. SANDERS of Indiana. Under this proposed enactment is it not a fact that the only way you could have the assurance that you are complying with the law would be by using a round bottle or an absolutely square bottle?

Mr. WALSH. It seems so. If it varied from one of those models, it might deceive somebody.

Mr. LAYTON. The gentleman can not say that it would deceive somebody to use a panel bottle?

Mr. WALSH. It might not deceive the gentleman from Delaware, but somebody up in New England might be deceived by it. I do not think that the suggestion of the gentleman from Michigan [Mr. McLAUGHLIN] that sufficient tolerance should be permitted in case of commodities which after packing shrink in the natural process should be incorporated in the bill. But the main purpose of the food and drugs act was to see that they get pure food and drugs. The next was to see that they got the quantity they were paying for. But if you start in conferring either upon Dr. Alsberg or his successor or some of his subordinates the right to pass upon the question as to whether a container is of such a shape as to deceive or mislead the purchaser it seems to me we are going far beyond the province of this Congress in attempting to safeguard the interests of the purchasers and unduly burdening honest vendors.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. WALSH. I will.

Mr. CHINDBLOM. I presume the gentleman has observed, as I have, that the vendors of fruit frequently put up a sign on their little carts that they sell at 25 cents one-half pound, but the "one-half" is printed in such small letters you can hardly see them without getting up close to the sign. Should not Congress pass some legislation, in its dignity and power, to stop such deception as that?

Mr. WALSH. Of course that might come within the provisions of this law.

Mr. CHINDBLOM. In all seriousness, Congress can not pass laws which will prevent the people from being cheated when they will not use the means given them to protect themselves.

Mr. WALSH. That is true to a certain extent. We have passed laws pertaining to interstate commerce, and I think we have exercised them, and we have safeguarded the rights of the public. I think we are going too far in this bill. We are putting too much power in the administrative office, because it is vested in the department down here to say whether anything is such as it is likely to deceive or misrepresent.

Mr. TINCHER. The gentleman, as I understand, then, would not be in favor of just abolishing any idea of legislating for the protection of the public and turn them loose, as the gentleman from Illinois [Mr. CHINDBLOM] would indicate, to protect themselves?

Mr. WALSH. No.

Mr. TINCHER. Now, going back to the horse trade, does not the gentleman understand the law to be that the man trading for a horse is entitled to notice by the man owning the horse of the latent defects of the animal?

Mr. WALSH. Yes, indeed.

Mr. TINCHER. You need not worry about this bill. It does not interfere with that doctrine.

Mr. WALSH. I am glad to have the assurance that the luxury of being cheated in a horse trade is not to de done away with.

Mr. SANDERS of Indiana. If the cups in a horse's teeth are deep enough to deceive the purchaser, there is nothing to protect him in a horse trade.

Mr. WALSH. It is so long since I have participated in one that I can not reply to that.

Mr. SUMMERS of Washington. If the teeth had been filed down until the cup no longer showed, and the purchaser is deceived thereby, then I think he has recourse in law.

Mr. WALSH. Now, Mr. Speaker, I said I would not use the time allotted to me in discussing the amendment of the gentleman from Indiana, but it seems to me that the gentleman's amendment is worthy of being adopted upon this bill. But for fear that the amendment might not be adopted and this measure might pass, I move to strike out the enacting clause.

The SPEAKER. The gentleman from Massachusetts moves to strike out the enacting clause. The question is on agreeing to that motion.

The question was taken.

The SPEAKER. The Chair is in doubt. Those in favor of the motion will rise and stand until they are counted. [After counting.] Thirty-one gentlemen have risen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Sixty-five gentlemen have risen in the negative. On this vote the ayes are 31 and the noes are 65.

Mr. WALSH. Mr. Speaker, I make the point of order that there is no quorum present, or no quorum voted, and I object to the vote on that ground.

The SPEAKER. The gentleman from Massachusetts makes the point of order that there is no quorum present. It is clear that there is no quorum present. The Doorkeeper will close the doors, and the Sergeant at Arms will notify the absentees. As many as are in favor of the motion of the gentleman from Massachusetts [Mr. WALSH] to strike out the enacting clause will, when their names are called, answer "yea"; those opposed will answer "nay." The Clerk will call the roll.

The question was taken; and there were—yeas 62, nays 202, not voting 165, as follows:

YEAS—62.

Ackerman	Elliott	Madden	Rosenbloom
Appleby	Ellis	Magee	Sanders, Ind.
Bacharach	Elston	Mills	Sanders, N. Y.
Bland, Ind.	Fairfield	Moore, Ill.	Scott, Mich.
Bland, Va.	Frothingham	Moore, Va.	Snell
Brooks, Pa.	Goodykoontz	Moores, Ind.	Sproul
Burton	Hickey	Morgan	Taylor, N. J.
Butler	Hill	Newton, Mo.	Tilson
Cable	Hukriede	Norton	Underhill
Chalmers	Kraus	Park, Ga.	Walsh
Chindblom	Lowrey	Parker, N. J.	Watson
Connell	Luce	Patterson, N. J.	Woods, Va.
Connolly, Pa.	Luhring	Peters	Woodyard
Cullen	McDuffie	Ransley	Zihlman
Dyer	McFadden	Reed, W. Va.	
Echols	McKenzie	Rodenberg	

NAYS—202.

Almon	Byrnes, S. C.	Foster	Jeffers, Ala.
Anderson	Byrns, Tenn.	Frear	Johnson, Ky.
Andrews	Campbell, Kans.	Free	Johnson, Wash.
Ansorge	Cantrill	French	Jones, Tex.
Arentz	Carew	Garner	Kearns
Aswell	Christopherson	Garrett, Tex.	Ketcham
Atkeson	Clarke, N. Y.	Gensman	King
Bankhead	Classon	Gernerd	Kinkaid
Barbour	Clouse	Gilbert	Kirkpatrick
Beck	Cole	Goldsborough	Kissel
Beedy	Collins	Graham, Ill.	Kline, Pa.
Begg	Colton	Griest	Knutson
Bell	Cooper, Wis.	Hadley	Kopp
Benham	Copley	Hardy, Tex.	Lanham
Bird	Curry	Haugen	Lankford
Black	Darrow	Hawes	Larson, Minn.
Blanton	Davis, Minn.	Hawley	Lawrence
Boles	Davis, Tenn.	Hayden	Layton
Bowers	Denison	Hays	Lazaro
Bowling	Dickinson	Herrick	Lea, Calif.
Box	Dominick	Hersey	Leatherwood
Brand	Doughton	Hoch	Lineberger
Brennan	Dowell	Huddleston	Little
Briggs	Driver	Hull	Logan
Brinson	Dupré	Humphreys	London
Brown, Tenn.	Evans	Jacoway	Longworth
Buchanan	Fields	James, Mich.	Lyon
Bulwinkle	Fitzgerald	James, Va.	McArthur
Burtness	Focht	Jefferis, Nebr.	McClintic
McCormick	Parks, Ark.	Sandlin	Towner
McLaughlin, Mich.	Parrish	Schall	Tyson
McLaughlin, Nebr.	Perlman	Scott, Tenn.	Vare
McPherson	Petersen	Shaw	Vinson
MacGregor	Pou	Shelton	Voigt
Mansfield	Pringey	Sinclair	Volstead
Mapes	Purnell	Sinnott	Walters
Martin	Quin	Smith	Ward, N. C.
Michener	Raker	Smithwick	Weaver
Miller	Ramseyer	Speaks	Webster
Millspaugh	Rankin	Stengall	Wheeler
Montoya	Rayburn	Stedman	White, Kans.
Nelson, J. M.	Reavis	Stephens	Williamson
Newton, Minn.	Reece	Stoll	Wilson
Nolan	Reed, N. Y.	Strong, Kans.	Wingo
O'Connor	Rhodes	Summers, Wash.	Woodruff
Ogden	Ricketts	Sweet	Wright
Oldfield	Riddick	Swing	Wurzbach
Oliver	Roach	Ten Eyck	Yates
Osborne	Robertson	Tillman	Young
Overstreet	Rose	Timberlake	
Padgett	Sanders, Tex.	Tincher	

NOT VOTING—165.

Anthony	Fisher	Kleczka	Rouse
Barkley	Flood	Kline, N. Y.	Rucker
Bixler	Fordney	Knight	Ryan
Blakeney	Freeman	Kreider	Sabath
Bond	Fuller	Kunz	Sears
Britten	Fulmer	Lampert	Shreve
Brooks, Ill.	Funk	Langley	Siegel
Browne, Wis.	Gahn	Larsen, Ga.	Sisson
Burdick	Gallivan	Lee, Ga.	Slemp
Burke	Garrett, Tenn.	Lee, N. Y.	Snyder
Burroughs	Glynn	Lehlbach	Stafford
Campbell, Pa.	Gorman	Linthicum	Steenerson
Cannon	Gould	McLaughlin, Pa.	Stevenson
Carter	Graham, Pa.	McSwain	Stiness
Chandler, N. Y.	Green, Iowa	Maloney	Strong, Pa.
Chandler, Okla.	Greene, Mass.	Mann	Sullivan
Clague	Greene, Vt.	Mead	Sumners, Tex.
Clark, Fla.	Griffin	Merritt	Swank
Cockran	Hammer	Michaelson	Tague
Codd	Hardy, Colo.	Mondell	Taylor, Ark.
Collier	Harrison	Montague	Taylor, Colo.
Connally, Tex.	Hicks	Moore, Ohio	Taylor, Tenn.
Cooper, Ohio	Himes	Morin	Temple
Coughlin	Hogan	Mott	Thomas
Cramton	Houghton	Mudd	Thompson
Crisp	Hudspeth	Murphy	Tinkham
Crowther	Husted	Nelson, A. P.	Treadway
Dale	Hutchinson	O'Brien	Upshaw
Dallinger	Ireland	Olpp	Vaile
Deal	Johnson, Miss.	Paige	Vestal
Dempsey	Johnson, S. Dak.	Parker, N. Y.	Volk
Drane	Jones, Pa.	Patterson, Mo.	Ward, N. Y.
Drewry	Kahn	Perkins	Wason
Dunbar	Keller	Porter	White, Me.
Dunn	Kelley, Mich.	Radcliffe	Williams
Edmonds	Kelly, Pa.	Rainey, Ala.	Winslow
Fairchild	Kendall	Rainey, Ill.	Wise
Faust	Kennedy	Reber	Wood, Ind.
Favrot	Kiess	Riordan	Wyant
Fenn	Kincheloe	Robsion	
Fess	Kindred	Rogers	
Fish	Kitchin	Rossdale	

So the motion to strike out the enacting clause was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. MURPHY (for) with Mr. DRANE (against).

Until further notice:

Mr. EDMUNDS with Mr. HARRISON.

Mr. MERRITT with Mr. RIORDAN.

Mr. LEHLBACH with Mr. BARKLEY.

Mr. KIESS with Mr. SULLIVAN.

Mr. DALLINGER with Mr. SUMNERS of Texas.

Mr. CLAGUE with Mr. FULMER.

Mr. BLAKENEY with Mr. WISE.

Mr. REBER with Mr. TAYLOR of Colorado.

Mr. GRAHAM of Pennsylvania with Mr. CRISP.

Mr. COOPER of Ohio with Mr. GRIFFIN.

Mr. A. P. NELSON with Mr. KINCHELOE.

Mr. VAILE with Mr. SWANK.

Mr. KAHN with Mr. GALLIVAN.

Mr. CHANDLER of Oklahoma with Mr. HAMMER.

Mr. SHREVE with Mr. CAMPBELL of Pennsylvania.

Mr. PATTERSON of Missouri with Mr. COCKRAN.

Mr. WYANT with Mr. MCSWAIN.

Mr. WHITE of Maine with Mr. KUNZ.

Mr. WILLIAMS with Mr. LARSEN of Georgia.

Mr. KREIDER with Mr. HUDSPETH.

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. CANNON with Mr. GARRETT of Tennessee.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. WINSLOW with Mr. RUCKER.

Mr. VOLK with Mr. JOHNSON of Mississippi.

Mr. STINESS with Mr. FISHER.

Mr. HICKS with Mr. CONNALLY of Texas.

Mr. GREENE of Massachusetts with Mr. KINDRED.

Mr. ANTHONY with Mr. FLOOD.
Mr. BURROUGHS with Mr. TAGUE.
Mr. RADCLIFFE with Mr. SISSON.
Mr. HOUGHTON with Mr. DEAL.
Mr. IRELAND with Mr. UPSHAW.
Mr. SIEGEL with Mr. CARTER.
Mr. TREADWAY with Mr. COLLIER.
Mr. GAHN with Mr. MEAD.
Mr. DALE with Mr. THOMAS.
Mr. FAUST with Mr. MONTAGUE.
Mr. HUTCHINSON with Mr. FAVROT.
Mr. PAIGE with Mr. LINTHICUM.
Mr. BIXLER with Mr. SEARS.
Mr. COUGHLIN with Mr. O'BRIEN.
Mr. MORIN with Mr. TAYLOR of Arkansas.
Mr. OLPP with Mr. DREWRY.
Mr. THOMPSON with Mr. SABATH.
Mr. MOORE of Ohio with Mr. LEE of Georgia.
Mr. PERKINS with Mr. STEVENSON.
Mr. WASON with Mr. RAINEY of Alabama.
Mr. RODGERS with Mr. RAINEY of Illinois.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present. The doorkeeper will open the doors.

Mr. HAUGEN. I move the previous question on the pending amendment.

The previous question was ordered.

The SPEAKER. The question is on the amendment which the clerk will report.

The Clerk read as follows:

Amendment by Mr. SANDERS of Indiana.
Page 2, line 1, after the word "a" insert "nontransparent."

The question being taken on the amendment, the Speaker announced that the noes appeared to have it.

On a division (demanded by Mr. SANDERS of Indiana) there were—ayes 55, noes 127.

Mr. CHALMERS. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Ohio asks for the yeas and nays. As many as favor ordering the yeas and nays will rise and stand until counted. [After counting.] Twenty-three Members rising, not a sufficient number, and the yeas and nays are refused.

Mr. ZIHLMAN. I make the point of no quorum.

The SPEAKER. The gentleman from Maryland makes the point of no quorum present. The Chair will count. [After counting.] Two hundred and twenty-seven Members present, a quorum. The noes have it, and the amendment is not agreed to.

Mr. HAUGEN. Mr. Speaker, I offer an amendment.

The SPEAKER. The gentleman from Iowa offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAUGEN.
Page 2, line 12, after the word "contain," insert "but due allowance shall be made for unavoidable shrinkage after filling."

Mr. HAUGEN. Mr. Speaker, this is the committee amendment referred to by the gentleman from Michigan [Mr. MCLAUGHLIN]. It affords protection against shrinkage after filling. I move the previous question on the amendment.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAUGEN. Mr. Speaker, I move the previous question on the bill to the final passage.

The previous question was ordered.

Mr. CHALMERS. Mr. Speaker, I want to make a motion to recommit the bill with an amendment.

The SPEAKER. The Chair will recognize the gentleman in due time. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time.

Mr. CHALMERS. Mr. Speaker, I move to recommit the bill with the amendment which I send to the Clerk's desk.

The SPEAKER. The gentleman from Ohio offers a motion to recommit. Is the gentleman from Ohio opposed to the bill?

Mr. CHALMERS. I am opposed to the bill in its present form.

The SPEAKER. The Clerk will report the gentleman's motion.

The Clerk read as follows:

Mr. CHALMERS moves to recommit the bill to the Committee on Agriculture with instructions to that committee to report the same back forthwith, with the following amendment:
Page 2, line 1, after the word "a" and before the word "container," insert the word "nontransparent."

Mr. HAUGEN. I move the previous question on the amend-

Mr. BLANTON. I make the point of order against the amendment that it is a matter upon which the House has just voted. The House has just voted on it in the amendment of the gentleman from Indiana [Mr. SANDERS], which was rejected.

The SPEAKER. Does the Chair understand the gentleman to state that it is the same amendment?

Mr. BLANTON. It is the same as the Sanders amendment.

Mr. CHALMERS. That amendment did not go into the bill.

The SPEAKER. The House having just passed on that amendment, it can not be offered again in a motion to recommit. The question is on the passage of the bill.

The question being taken, on a division (demanded by Mr. ZIHLMAN) there were—ayes 147, noes 53.

Mr. CHALMERS. Mr. Speaker, I make the point of no quorum present.

The SPEAKER. The Chair thinks a quorum is present, but the Chair will count. [After counting.] Two hundred and sixteen Members present, a quorum.

Mr. ZIHLMAN. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Maryland demands the yeas and nays. Those in favor of ordering the yeas and nays will rise and stand until counted. [After counting.] Thirty-two Members rising, not a sufficient number. The yeas and nays are refused, and the bill is passed.

On motion of Mr. MCLAUGHLIN of Michigan, a motion to reconsider the vote by which the bill was passed was laid on the table.

FUNERAL OF SOLDIERS FROM OVERSEAS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to have read at the Clerk's desk a telegram just received by the Speaker.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to have read a telegram just received. Is there objection?

There was no objection.

The Clerk read as follows:

NEW YORK, N. Y., *July 6, 1921.*

Hon. F. H. GILLETT,
Speaker House of Representatives, Washington, D. C.:

Funeral services over bodies of 7,161 soldiers from overseas will be held on Pier 4, Hoboken, Sunday afternoon, July 10, at 3 o'clock. Among the bodies are those of Corpl. Gresham and Pvts. Hay and Enright, the first three American soldiers to pay the supreme sacrifice in the Great War. I respectfully suggest that Congress be represented by a joint committee. Please wire decision, with names of those who will attend, if favorable.

E. A. SIMMONS,
Chairman American Legion Committee for Reception and Disposition of Bodies from Overseas.

Mr. MONDELL. Mr. Speaker, I present the following concurrent resolution and ask unanimous consent for its immediate consideration.

The SPEAKER. The gentleman from Wyoming asks unanimous consent for the present consideration of a concurrent resolution which the Clerk will report.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the Speaker is hereby authorized to appoint a committee of five Members, which committee, together with such as may be appointed by the President of the Senate, be, and are hereby, authorized to attend the funeral services of 7,161 soldiers from overseas, to be held on Pier 4, Hoboken, N. J., on the afternoon of Sunday, July 10, at 3 o'clock.

The expense incident to such attendance to be paid one-half from the contingent fund of the House and one-half from the contingent fund of the Senate.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The resolution was agreed to.

The SPEAKER. Has the Committee on Agriculture any more business for to-day?

Mr. HAUGEN. It has not, Mr. Speaker.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p. m.), the House adjourned until to-morrow, Thursday, July 7, 1921, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

186. Under clause 2 of Rule XXIV, a letter from the Secretary of War transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Galveston Channel, Tex., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FORDNEY, from the Committee on Ways and Means, to which was referred the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, reported the same without amendment, accompanied by a report (No. 248), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. BULWINKLE, from the Committee on Claims, to which was referred the bill (H. R. 369) for the relief of the owner of Old Dominion Pier A, reported the same with an amendment, accompanied by a report (No. 249), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 3249) for the relief of certain employees of the Bureau of Lighthouses, reported the same with amendments, accompanied by a report (No. 250), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 7343) granting a pension to Ellen C. Falvey, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PATTERSON of New Jersey: A bill (H. R. 7566) to increase the cost of the public building at Woodbury, N. J.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7567) to provide for the erection of a public building at Salem, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. LEA of California: A bill (H. R. 7568) authorizing the Postmaster General to adjust compensation of certain star route and screen wagon contractors; to the Committee on the Post Office and Post Roads.

By Mr. MICHAELSON (by request of the American Soldiers, Sailors, and Marines' Association): A bill (H. R. 7569) to provide adjusted compensation for veterans of the World War; to the Committee on Ways and Means.

By Mr. FOCHT: A bill (H. R. 7570) to regulate the practice of optometry in the District of Columbia; to the Committee on the District of Columbia.

By Mr. FRENCH: A bill (H. R. 7571) providing for longevity pay for officers and men other than the Regular Army by extending the provisions of the act of July 9, 1918; to the Committee on Military Affairs.

By Mr. SWING: A bill (H. R. 7598) authorizing the Secretary of the Interior to dedicate and set apart as national monument certain lands in Riverside County, Calif.; to the Committee on the Public Lands.

By Mr. RAMSEYER: A bill (H. R. 7599) authorizing the Postmaster General to ascertain the costs of handling all classes of mail; to the Committee on the Post Office and Post Roads.

By Mr. CHRISTOPHERSON: Resolution (H. Res. 144) requesting the Interstate Commerce Commission to take up for consideration the matter of freight rates on certain agricultural products, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By the SPEAKER: Memorial of the Legislature of the State of California relative to an expression of confidence on the part of the California Legislature in the integrity of Gen. Alvaro Obregon as President of the Republic of Mexico; to the Committee on Foregn Affairs.

Also, memorial of the Legislature of the State of Missouri favoring laws which will force a reduction in freight and passenger rates and a reduction in prices of building materials and manufactured articles; to the Committee on Interstate and Foreign Commerce.

By Mr. DYER: Memorial of the Legislature of the State of Missouri urging favorable action upon the bill introduced by Senator REED, of Missouri, asking for an appropriation for the erection of buildings, equipment, etc., in Clay County, Mo.; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Pennsylvania: A bill (H. R. 7572) for the relief of Charles E. Treibly; to the Committee on Naval Affairs.

By Mr. CAMPBELL of Kansas: A bill (H. R. 7573) granting a pension to Mary S. White; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 7574) granting a pension to George R. Huntley; to the Committee on Invalid Pensions.

By Mr. FENN: A bill (H. R. 7575) granting a pension to Harriet R. Palmer; to the Committee on Pensions.

By Mr. GOODYKOONTZ: A bill (H. R. 7576) granting a pension to Emily F. Hill; to the Committee on Pensions.

By Mr. HAUGEN: A bill (H. R. 7577) granting an increase of pension to Elizabeth D. Place; to the Committee on Invalid Pensions.

By Mr. HICKEY: A bill (H. R. 7578) providing for "Visit the Dunes, Michigan City," canceling stamp to be used by the Michigan City, Ind., post office; to the Committee on the Post Office and Post Roads.

By Mr. KNUTSON: A bill (H. R. 7579) granting an increase of pension to Tony Verrosso; to the Committee on Pensions.

By Mr. MACGREGOR: A bill (H. R. 7580) granting a pension to Fred A. Flinn; to the Committee on Pensions.

By Mr. MICHAELSON: A bill (H. R. 7581) granting a pension to Lottie Williams; to the Committee on Invalid Pensions.

By Mr. MICHENER: A bill (H. R. 7582) granting a pension to Emma L. Hoisington; to the Committee on Invalid Pensions.

By Mr. O'CONNOR: A bill (H. R. 7583) for the relief of Henry Peters; to the Committee on Claims.

By Mr. PARRISH: A bill (H. R. 7584) granting a pension to Margaret Poore; to the Committee on Invalid Pensions.

By Mr. POU: A bill (H. R. 7585) for the relief of J. R. and Eleanor Y. Collie; to the Committee on Claims.

By Mr. ROACH: A bill (H. R. 7586) granting a pension to Michael Champlain; to the Committee on Invalid Pensions.

By Mr. SANDLIN: A bill (H. R. 7587) for the relief of Augusta C. Todd and the heirs of T. Alonzo Walker; to the Committee on War Claims.

By Mr. SNELL: A bill (H. R. 7588) granting an increase of pension to Alice B. Moore; to the Committee on Invalid Pensions.

By Mr. SWEET: A bill (H. R. 7589) for the relief of Maj. Ellis B. Miller; to the Committee on Naval Affairs.

By Mr. TOWNER: A bill (H. R. 7590) for the relief of George W. Christy; to the Committee on Military Affairs.

By Mr. VAILE: A bill (H. R. 7591) for the relief of Samuel J. Morgan; to the Committee on the Post Office and Post Roads.

By Mr. WILLIAMS: A bill (H. R. 7592) granting a pension to Druke Nettie Humphry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7593) granting a pension to Mary A. Bennett; to the Committee on Invalid Pensions.

By Mr. WINGO: A bill (H. R. 7594) for the relief of Thomas Lee; to the Committee on Military Affairs.

Also, a bill (H. R. 7595) for the relief of Robert D. Shaddon; to the Committee on Military Affairs.

By Mr. ZIHLMAN: A bill (H. R. 7596) to carry out the findings of the United States Court of Claims in the case of John A. Briscoe; to the Committee on Claims.

Also, a bill (H. R. 7597) granting a pension to Effie Robinson; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1721. By the SPEAKER (by request): Petition of Padraic H. Pearse Branch, Friends of Irish Freedom; Celtic Association, South Boston, Mass.; and Francis Scott Key Branch,

Friends of Irish Freedom, Sharon, Pa., urging the collection of the money owed the United States by foreign countries; to the Committee on Ways and Means.

1722. Also (by request), petition of the Radford Woman's Club, of Radford, Va., urging the passage of the French-Capper bill (S. 799 and H. R. 64); to the Committee on Interstate and Foreign Commerce.

1723. Also (by request), petition of 510 citizens of the first congressional district of New Hampshire, favoring the freedom of Ireland; to the Committee on Foreign Affairs.

1724. Also (by request), petition of 150 citizens of the State of Kansas, favoring the freedom of Ireland; to the Committee on Foreign Affairs.

1725. Also (by request), petition of 60 citizens of the fifth congressional district of Minnesota, favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

1726. Also (by request), petition of 360 citizens of the tenth congressional district of Missouri, favoring recognition of the Irish republic; to the Committee on Foreign Affairs.

1727. Also (by request), petition of 355 citizens of the eleventh congressional district of Missouri, favoring recognition of the Irish republic; to the Committee on Foreign Affairs.

1728. Also (by request), petition of 90 citizens of the city of New York, favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

1729. Also (by request), petition of 90 citizens of the first congressional district of Connecticut, favoring recognition of the Irish republic; to the Committee on Foreign Affairs.

1730. Also (by request), petition of 30 citizens of the twenty-ninth congressional district of Pennsylvania, favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

1731. Also (by request), petition of Miss Lula M. Murphy, of Stockton, Calif., protesting against recognition of the Irish republic; to the Committee on Foreign Affairs.

1732. Also (by request), petition of Nathaniel Bacon, a citizen of the United States, urging an amendment to the Constitution providing for only one term of four years for the office of President of the United States; to the Committee on the Judiciary.

1733. By Mr. BEEDY: Petition of Maine Federation of Labor, requesting President Harding to recognize the elected government of the republic of Ireland; to the Committee on Foreign Affairs.

1734. By Mr. BRIGGS: Petition of Guenard, Speed & Clemens, Houston, Tex., asking that relief and protection be afforded the people of the Near East; to the Committee on Foreign Affairs.

1735. Also, petition of J. P. Ross & Sons Lumber Co., Cleveland, Tex., dated June 29, 1921, opposing tariff on creosote; to the Committee on Ways and Means.

1736. Also, protest of Grogan Manufacturing Co., Gladstell, Tex., dated June 29, 1921, opposing tariff on creosote oil; to the Committee on Ways and Means.

1737. Also, telegram of W. R. Scott, president Southern Pacific lines, Houston, Tex., protesting against import duty on crude or fuel oil; to the Committee on Ways and Means.

1738. Also, letter of H. T. Baird, Galveston, Tex., dated June 28, 1921, urging relief for the Armenians; to the Committee on Foreign Affairs.

1739. Also, letter dated July, 1921, from Mr. Edwin J. Prindle, chairman patent committee, American Chemical Society, Washington, D. C., urging passage of Lampert patent bill (H. R. 7077); to the Committee on Patents.

1740. Also, resolution of General O. O. Howard Camp No. 7, National Indian War Veterans, urging increase of Indian war pensions; to the Committee on Pensions.

1741. By Mr. CULLEN: Resolution adopted by the metal division of the National Association of Waste Material Dealers (Inc.), New York, opposing a duty on pig tin; to the Committee on Ways and Means.

1742. By Mr. CURRY: Petition of 86 manufacturers of carbonated beverages in the third California district requesting the repeal of sections 628a and 630 of the revenue act of 1918; to the Committee on Ways and Means.

1743. By Mr. DYER: Petition of citizens of St. Louis in favor of beer and light wines; to the Committee on the Judiciary.

1744. Also, petitions of citizens of St. Louis, Mo., in favor of beer and light wines; to the Committee on the Judiciary.

1745. Also, petitions signed by citizens of St. Louis, Mo., to bring about recognition of the existing duly elected government of the republic of Ireland by the Government of the United States; to the Committee on Foreign Affairs.

1746. Also, petition of the American Chemical Society urging the passage of the Lampert patent bill (H. R. 7077); to the Committee on Patents.

1747. By Mr. EDMONDS: Petition of Philadelphia Board of Trade, favoring bill to save daylight in the first zone; to the Committee on Interstate and Foreign Commerce.

1748. By Mr. FENN: Petition of Berlin Grange, No. 24, Berlin, Conn., expressing opposition to the Edge-Ackerman or any other bill for daylight saving; to the Committee on Interstate and Foreign Commerce.

1749. Also, petition of Lawrence J. Nugent and other citizens of Hartford, Conn., seeking recognition of the Irish republic; to the Committee on Foreign Affairs.

1750. Also, petition of Laurence P. Egan and other citizens of Hartford, Conn., for the recognition of the Irish republic; to the Committee on Foreign Affairs.

1751. By Mr. KELLY of Pennsylvania: Resolution of the Pittsburgh Teachers' Association, favoring a disarmment conference; to the Committee on Foreign Affairs.

1752. By Mr. KIRKPATRICK: Petition of the Brown and Lynch Post, No. 9, American Legion, Easton, Pa., urging recognition of the services of Gen. March; to the Committee on Military Affairs.

1753. Also, petition of the Central Moravian Church and the Emanuel United Evangelical Church, both of Bethlehem, Pa., urging disarmament; to the Committee on Foreign Affairs.

1754. By Mr. KISSEL: Petition of Bronx Council, No. 105, Junior Order United American Mechanics, New York City, protesting against the repeal of the excess-profit tax and the imposing of sales tax; to the Committee on Ways and Means.

1755. By Mr. LINTHICUM: Petition of A. C. Meyer & Co., of Baltimore, Md., protesting against passage of House bill 6752; to the Committee on the Judiciary.

1756. Also, petition of the Adpress and the Baltimore Engraving Co., both of Baltimore, Md., approving commodity sales tax; to the Committee on Ways and Means.

1757. Also, petition of Flynn & Emrich Co., of Baltimore, Md., regarding railroad conditions; to the Committee on Interstate and Foreign Commerce.

1758. Also, petition of Bachrach, of Baltimore, Md., protesting against attempt of express companies to interfere with Parcel Post System; to the Committee on the Post Office and Post Roads.

1759. Also, petition of American Chemical Society, of Baltimore, Md., regarding United States Patent Office situation; to the Committee on Patents.

1760. By Mr. PADGETT: Petition of George T. Grisham, Company K, Three hundred and twenty-ninth Infantry, Eighty-third Division, and 39 other ex-service men, urging immediate action for the relief of ex-service men; to the Committee on Ways and Means.

1761. By Mr. PARRISH: Petition of Methodist Episcopal Church South at Vernon, Tex., urging an international conference of nations to discuss and bring about disarmament; to the Committee on Foreign Affairs.

1762. By Mr. SINCLAIR: Petition of Women's Nonpartisan League Clubs Nos. 129 and 140, favoring disarmament and reduction in expenditures for military purposes; to the Committee on Foreign Affairs.

1763. Also, petition of Women's Nonpartisan League Clubs of Belden and Leith, N. Dak., favoring disarmament and reduction in expenditures for military purposes; to the Committee on Foreign Affairs.

1764. Also, letter in the nature of a petition from the Woman's Christian Temperance Union, Grafton, N. Dak., urging that the United States take steps looking to relief for Armenia; to the Committee on Foreign Affairs.

1765. Also, petition of citizens of Dunn County, N. Dak., urging the recognition of the Irish republic by the United States; to the Committee on Foreign Affairs.

1766. Also, petition of about 50 citizens of Glen Ullin, N. Dak., urging the recognition of the Irish republic by the United States; to the Committee on Foreign Affairs.

1767. Also, petition of General O. O. Howard Camp, No. 7, National Indian War Veterans, asking that the Government grant pensions commensurable to the service they have rendered; to the Committee on Pensions.

1768. By Mr. SPEAKS: Papers to accompany House bill 7563, granting a pension to Phebe A. Moore; to the Committee on Invalid Pensions.

1769. By Mr. TILLMAN: Petition of Charles M. Tidball and other citizens of Fayetteville, Ark., asking relief for the Armenians; to the Committee on Foreign Affairs.

1770. By Mr. YOUNG: Resolution of the Farmers Grain Co., of Story City, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1771. Also, resolution of the Farmers Cooperative Elevator Co., of Belvidere, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1772. Also, resolution of the Sugar Ridge Grain Co., of Sugar Ridge, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1773. Also, resolution of the Marengo Cooperative Elevator Co., of Marengo, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1774. Also, resolution of Ashland Equity Exchange, of Ashland, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1775. Also, resolution of the Mount Vernon Farmers Exchange Co., of Mount Vernon, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1776. Also, resolution of the Fairbury Farmers Grain Co., of Fairbury, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1777. Also, resolution of sundry citizens of Dunn Center and Killdeer, N. Dak., praying for the recognition of the independence of Ireland by the United States; to the Committee on Foreign Affairs.

1778. Also, resolution of the Ashley Cooperative Co., of Ashley, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1779. Also, resolution of sundry citizens of Napoleon, N. Dak., praying for the recognition of the independence of Ireland by the United States; to the Committee on Foreign Affairs.

1780. Also, petition of sundry citizens of Verona, N. Dak., praying for the recognition of the independence of Ireland by the United States; to the Committee on Foreign Affairs.

1781. Also, resolution of the Cropsey Cooperative Elevator Co., of Cropsey, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1782. Also, resolution of the Farmers' Grain Co., of McCallsburg, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1783. Also, resolution of the Farmers' Grain Co., of Cambridge, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1784. Also, resolution of the Farmers' Cooperative Co., of Clemons, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1785. Also, resolution of the Garwin Farmers' Elevator Co., of Garwin, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1786. Also, resolution of the Grand Lodge of Ancient Free and Accepted Masonry of North Dakota, of Fargo, N. Dak., favoring the enactment of legislation to provide for a department of education, etc.; to the Committee on Education.

SENATE.

THURSDAY, *July 7, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee that Thy mercies are continued unto us and that we still have opportunity for service to the Nation and to Thy glory. Grant unto us the guidance of Thy grace through this day, and may we, when the evening hour comes, feel that we have fulfilled duty in the highest regard. We ask in Jesus Christ's name. Amen.

NAMING A PRESIDING OFFICER.

The Secretary (George A. Sanderson) read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 7, 1921.

To the SENATE:

Being temporarily absent from the Senate, I appoint Hon. CHARLES CURTIS, a Senator from the State of Kansas, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President Pro Tempore.

Mr. CURTIS thereupon took the chair as Presiding Officer.

THE JOURNAL.

The Assistant Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

Mr. LODGE. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gooding	Moses	Smoot
Ball	Hale	Myers	Spencer
Borah	Harreld	Nelson	Sterling
Brandegee	Harris	New	Swanson
Broussard	Heflin	Newberry	Trammell
Calder	Kellogg	Nicholson	Underwood
Cameron	Kendrick	Norris	Wadsworth
Capper	Kenyon	Oddie	Walsh, Mass.
Caraway	King	Overman	Walsh, Mont.
Culberson	Knox	Pittman	Warren
Curtis	La Follette	Poindexter	Watson, Ga.
Dillingham	Lodge	Pomerene	Watson, Ind.
Ernst	McCumber	Ransdell	Williams
Fernald	McKinley	Robinson	Willis
Fletcher	McNary	Simmons	

Mr. MOSES. I wish to announce the absence of my colleague [Mr. KEYES], who is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. NORRIS. I wish to announce that the junior Senator from North Dakota [Mr. LADD] is detained on account of illness. I will let this announcement stand for the day.

The PRESIDING OFFICER. The Chair desires to announce that the senior Senator from Washington [Mr. JONES] is detained from the Senate on account of the death of his mother.

Fifty-nine Senators have answered to their names. There is a quorum present.

A QUORUM OF THE SENATE.

Mr. WALSH of Montana. Mr. President, with the permission of the Senate, I desire to make a few remarks concerning a matter which occurred on yesterday. The absence of a quorum was suggested and the call of the roll disclosed the presence of 48 Senators. I inquired at that time if the Chair had ruled that 48 Senators constituted a quorum and the Chair replied that he had so ruled, and I was reminded that by reason of the resignation of the senior Senator from Delaware [Mr. Wolcott] the Senate now consists of but 95 Members and that 48 constitute a majority of the 95.

Mr. President, this may at some time or other be a very, very important question, so I do not desire to have this opportunity pass without submitting something in reference to the matter. I dare say it will be of interest to those who desire that the proceedings of the Senate shall be in accordance with the requirements of the Constitution.

I myself have no doubt at all that the framers of the Constitution intended that no number less than a majority of all the Members to which the various States were entitled in the Senate should be able to transact business. I do not think that the contingency that a State has failed to elect a Member or a Member has died or resigned and his successor has not appeared to take his place can in the slightest manner affect the question of a quorum. The Constitution seems to be perfectly plain in its language. It reads:

The Senate of the United States shall be composed of two Senators from each State, chosen by the legislature thereof—

As originally provided, and then in section 5 it provides that—

Each House shall be the judge of the elections, returns, and qualifications of its own Members, and the majority of each shall constitute a quorum to do business.

If there are 20 States in the Union, each being entitled to 2 Members, and the total membership of the Senate being 40, it would seem perfectly plain that it takes 21 Members to make a quorum for the transaction of business. This was the ruling invariably of both the House and the Senate down to the period of the Civil War and even later.

The rule is expressed in Cushing on the Law of Parliamentary Assemblies in a brief paragraph, as follows:

When the number, of which an assembly may consist at any given time, is fixed by constitution and an aliquot proportion of such assembly is required in order to constitute a quorum, the number of which such assembly may consist and not the number of which it does in fact consist at the time in question, is the number of the assembly, and the number necessary to constitute a quorum is to be reckoned accordingly. Thus, in the Senate of the United States, to which by the Constitution each State in the Union may elect two Members, and which may consequently consist of two Members from each State, the quorum is a majority of that number, whether the States have all exercised their constitutional right or not. So, in the second branch of Congress, in which, by the Constitution, the whole number of Representatives of which the House may consist is fixed by the last apportionment, increased by the number of Members to which newly admitted States may be entitled, the quorum is a majority of the whole number, including the number to which such new States may be entitled, whether they have elected Members or not, and making no deductions on account of vacant districts.

The question arose on the admission of the State of Wisconsin into the Union. It was entitled under the admission act to a certain number of Representatives, but they had not yet held the election in Wisconsin, and the House of Representatives held that a quorum consisted of a majority of all of the number of Representatives to which the various States were entitled in Congress.

If we go back to the assembling of Congress originally, no other conclusion can possibly be reached. It will be recalled that by reason of the habits which had been acquired during the time of the confederation neither House had a majority on the 4th of March, 1789. A majority did not appear in the House of Representatives; that is, a majority of all of the Representatives to which all of the States were entitled, as provided in the Constitution, did not appear until the 30th day of March, 1789.

Now, if it be correct that the House consists only of those Members who have actually been sworn in, a few of those who congregated—10 or 15—might swear themselves in and assert that they constituted the House of Representatives and that a majority of those who had been sworn in would be the House of Representatives and a quorum necessary for the transaction of business. That, of course, would be absurd.

So a majority of those entitled to seats in the Senate did not appear until the 6th day of April of 1789, according to my recollection. At that time two States had not yet ratified the Constitution and were really not members of the Union. The Senate held that a quorum consisted of a majority of all of the Senators to which the States were entitled that had actually been admitted to the Union by ratification of the Constitution; but it never was held until, as I said, a long time afterwards that the Senate consisted of those Members who had actually been sworn in.

That question arose out of the troubles of the Civil War. During the Civil War the subject came up a number of times and was ruled on in accordance with the views that I have thus expressed; but there were some of the States that went out of the Union during the Civil War, and the validity of their governments was not recognized afterwards. In 1868 the question arose as to whether a quorum of the Senate consisted of a majority of all of the Senators to which all of the States were entitled or a majority of the Senators who had been elected and sworn in. The matter was referred to a committee consisting of Senators Anthony, of Rhode Island; Edmunds, of Vermont; and Pomeroy, of Kansas, three very eminent gentlemen and very distinguished lawyers. They made a report which is the basis of the present rule of the Senate, which is to the effect that a quorum of the Senate consists of a majority of the Senators duly chosen.

I wish to read from Hinds' Precedents about how that ruling came to be made. I read from page 64 of volume 4, as follows:

On June 30 and July 9, 1862, the Senate argued at length, and with a citation of numerous precedents of both the Senate and House of Representatives, the question as to the number of Members required under the Constitution to constitute a quorum in either body. It was proposed to declare that a majority of the Senators duly elected and entitled to seats constituted a quorum; but the proposition was laid on the table by a vote of 19 to 18.

So it will be observed that in the midst of the Civil War, as late as 1862, they had refused to go upon record in favor of a departure from the rule which had theretofore been established.

The Judiciary Committee had previously reported against action on such a resolution. President pro tempore Solomon Foot, of Vermont, expressed a decided opinion that a quorum consisted of a majority of the whole number to which the body would be entitled and said that had been the decision a decade before when the question was discussed ably and fully by Clay, Barrien, Underwood, Badger, and others.

On May 4, 1864, the Senate, after debate and by a vote of yeas 26, nays 11, agreed to the following:

Resolved, That a quorum of the Senate consists of a majority of the Senators duly chosen.

The Senate Journal shows that the rule as adopted at this time made no mention of the qualification by oath.

On March 26, 1868, the Senate agreed to a report of a committee appointed to revise the rules of the Senate, Messrs. Henry B. Anthony, of Rhode Island; Samuel C. Pomeroy, of Kansas; and George F. Edmunds, of Vermont. This report added the words "and sworn," so that the rule, as the last sentence of Rule I, read: "A quorum shall consist of a majority of the Senators duly chosen and sworn."

So that even though to-day a Senator should be appointed by the governor of the State of Delaware, if he should delay coming here to be sworn in for a matter of a week or so, under this rule the Senate would consist, notwithstanding, of 95 Members and a quorum would consist of 48, a plain disregard, it seems to me, of the Constitution. I continue:

The report—

That is, the Edmunds-Anthony-Pomeroy report—

does not explain why the words "and sworn" were added, but as they appeared italicized the Senate must have been aware of the change. When the Senate considered the report this subject was not debated. It is evident, however, that the existence of certain State governments declared illegal by Congress, and the consequent existence of persons elected as Senators but not permitted to take seats, was the reason for the amendment.

So, Mr. President, it is another illustration of the maxim that hard cases make bad law. The situation was a desperate one, and no very good reasons are urged in the report why that should be established as the rule, and particularly no reason whatever is urged as to why the requirement of swearing in becomes important.

I trust that the proceedings of yesterday will not be regarded as a foreclosure of this very important question. I think that it would not be inadvisable if now, when the situation is complicated by no such conditions as prevailed in 1868, the subject were again investigated by the Senate.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Pennsylvania?

Mr. WALSH of Montana. I yield to the Senator.

Mr. KNOX. I have listened with great attention to the Senator. I understand the Senator's position to be that even during the Civil War a legal quorum of the Senate would have been a majority of all Senators from all of the States?

Mr. WALSH of Montana. No; my argument does not go to that length. I venture to say that under those circumstances the States which were actually in rebellion, the States that had by formal act refused to have any part whatever in the deliberations of the body, the States which had actually declined to send any representatives to this body, might very properly be excluded in the computation as to the number of Members which might constitute a quorum.

Mr. KNOX. That is just as I understood the Senator. It was only the extraordinary circumstances that justified the modification of what the Senator thinks should have been the rule?

Mr. WALSH of Montana. Exactly.

Mr. KNOX. And, as the Senator himself expressed it, it was a hard case that made the bad law.

Mr. WALSH of Montana. Now, just one other word by way of illustration of the point. I think one must recognize the soundness of this view if he contemplates the case of the organization of the House of Representatives every second year. If the House of Representatives consists only of those Members who have been elected and sworn in we have not any House of Representatives at all; none of the Members on assembling have been sworn in. Under those circumstances how is it determined what is a quorum of the House of Representatives except by taking the list of the number of Representatives to which each of the various States is entitled and ascertain what is a majority of that number?

Mr. President, the situation is not different in the case of the Senate. It is said that the Senate is a continuing body; but at the end of each two years we have only 64 Members of the Senate who have been sworn in. If that is the case, and the Senate upon reassembling after the 4th of March in every second year consists only of those Senators who have actually been sworn in, the Senate consists upon reassembling of only 64 Members. A majority of 64 is 33, and, upon that theory, 33 Senators can do business.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Massachusetts?

Mr. WALSH of Montana. I yield to the Senator.

Mr. LODGE. Sixty-four Senators would constitute a quorum of the Senate.

Mr. WALSH of Montana. Undoubtedly 64 Senators would constitute a quorum of the Senate.

Mr. LODGE. They are a quorum of the Senate, and they would be able to transact business.

Mr. WALSH of Montana. But this question presents itself: We will suppose that there are only 33 Senators present of those 64. Can those 33 Senators proceed to do business and pass laws by the vote of a majority of 33, namely, 17? If the Senate consists only of those Members who are sworn in, there being only 64 sworn in, and if a majority of those sworn in constitute a quorum, then 33 will be a quorum, and if 33 are present, on that theory they can proceed to do business.

Of course, Mr. President, the practice of the Senate has been from time immemorial against that. Nobody ever thought that upon reassembling after the 4th of March every second year the Senate could undertake to do business without a majority of all those being present who are entitled to be sworn in.

It will be recalled—I think I have already mentioned the fact—that two of the States had not ratified the Constitution at the time of the first assembling of the Senate, and those States were excluded.

Of course, this is a very unimportant matter, but it is when there are no great controversial matters presented that questions of this kind ought to be settled right.

Mr. SMOOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH of Montana. I yield.

Mr. SMOOT. Do I understand the Senator from Montana to claim that on yesterday after the resignation of the Senator from Delaware [Mr. WOLCOTT] had been acted upon by the Senate, it required 49 Senators to constitute a majority of the Senate?

Mr. WALSH of Montana. Yes; that is my contention.

Mr. SMOOT. The Senator, of course, knows that has not been the practice of this body.

Mr. WALSH of Montana. I have pointed out that it has not been the practice, but I have also pointed out that the course of the Senate has been inconsistent, because when 32 Senators passed out of existence and there remained but 64, nobody undertook to do business with 33 Senators present; everybody then thought that at least 49 were necessary.

Mr. SMOOT. Yes; but suppose that of the 33 Senators that are to be sworn in only 30, or even 20, present themselves on the day when the Senate assembles, which has often happened since I have been a Member of this body. The Senate has proceeded, however, to do business notwithstanding there have been 10 or more Senators who have not been sworn in.

Mr. WALSH of Montana. Of course, that could have been done only in the absence of a suggestion of the want of a quorum. Of course, we know that we do business here with half a dozen Senators present, but if anybody suggests the absence of a quorum, then the question presents itself as to how many Senators must be here in order that business may be transacted.

Mr. LODGE. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Massachusetts?

Mr. WALSH of Montana. I yield to the Senator from Massachusetts.

Mr. LODGE. I do not know that I altogether understand the Senator's contention. Does he contend that we could not get a quorum until the place of the Senator from Delaware is filled?

Mr. WALSH of Montana. Oh, no; that place might remain vacant as long as the State of Delaware chooses to allow it to remain vacant; but we can not do business for the whole Union without 49 Senators; that is my contention.

Mr. LODGE. That is whether the States are all represented or not we have to have the quorum which would be necessary if they all were represented?

Mr. WALSH of Montana. Yes, sir. I contend that that is what the Constitution meant; that one more than half of the entire number of Senators to which the various States are entitled must be here in order to do business.

Mr. BRANDEGEE. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Connecticut.

Mr. BRANDEGEE. I do not ask the Senator to yield; I thought he had finished.

Mr. WALSH of Montana. Very well; I yield the floor.

Mr. BRANDEGEE. Mr. President, if I understand correctly the contention of the Senator from Montana, I think I agree with him, though I have given the subject no such exhaustive attention and examination as the Senator from Montana seems to have done. If I understand the Senator, his contention is that when the Constitution provides that a majority of each House shall constitute a quorum to do business, it means a majority of the total membership that each House is capable of having. I want to ask the Senator a question. There have been some decisions of the Supreme Court, I believe, in relation to the constitutionality of certain acts which were passed where a two-thirds majority was required, and the question was raised as to what constituted the House when a two-thirds vote of the House was required, whether it meant two-thirds of the total membership of the House—and when I say the House I include the Senate of course—or whether it meant two-thirds of a quorum of the House. My impression is that in some of those cases—I am not sure that it is so as to all of them, because each was determined upon the circumstances presented in each particular case—the court decided that two-thirds of a quorum was all that was required. But I think I can easily distinguish a ruling of the court in that case from——

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Montana?

Mr. BRANDEGEE. I yield.

Mr. WALSH of Montana. I think the Senator misspoke himself; I think he meant two-thirds of those present being a quorum.

Mr. BRANDEGEE. Yes; there being a quorum present, two-thirds of that quorum constituted a legal House, competent to transact business; but this presents a different question, it seems to me. A majority of each House shall constitute a quorum to do business. It does seem to me, speaking of what constitutes the House, that it is perfectly evident that "the House" means all the Members of the House that are elected to it, and not the Members that happen to be in their seats at the time the question of a quorum is raised; but I agree with the Senator from Utah, and I think with the Senator from Montana also, that recently, in the last few years, when the Senate at times has had less than 96 Members, the ruling of the Chair and of the Senators agreeing with it has been that one-half of the total membership of the Senate as it then existed, although it was less than a full Senate, constituted a quorum. I agree with the Senator, however; I think that ruling was wrong. I think the Senator's illustration of what would happen when only 64 Senators had been sworn is a convincing one; and if the theory is that the House consists of a majority of a quorum, then the Senator is perfectly correct in saying that 33 Senators would be a legal number to transact business. That, of course, would be less than a majority of the Senate, and would be less than a quorum of the Senate under the Constitution.

Mr. LODGE. Mr. President, I do not care to enter into this discussion of the precise meaning of the Constitution, which is doubtless a very nice question; but I do want to call attention to the fact that the Presiding Officer could have made no other ruling under our rules than he made yesterday.

The rule which has been read by the Senator from Montana is perfectly clear:

> A quorum shall consist of a majority of the Senators duly chosen and sworn.

The Senator from Montana has pointed out when the change came, on May 4, 1864, when, by a vote of 26 yeas to 11 nays, it was resolved that a quorum of the Senate consists of a majority of the Senators duly chosen; but I do not think he did call attention which the Senate subsequently took.

On October 11, 1893—

> Mr. Wolcott raised a question of order, viz, that under the fifth section of Article I of the Constitution it required a majority of all the Senators to which the several States are entitled to constitute a quorum, and therefore the number present should be 45.
>
> The Vice President (Mr. Stevenson) overruled the question of order, stating that in his decision he would be governed by the rule, viz, Rule III, clause 2, which provides that "a quorum shall consist of a majority of the Senators duly chosen and sworn."
>
> An appeal from this decision was laid on the table—yeas 38, nays 5.

Therefore, we have not only the rule but the practice, affirmed by the vote of the Senate on an appeal. Under those circumstances, it seems to me that unless we change the rule any Presiding Officer is bound to hold that a quorum consists of a majority of the Senators duly chosen and sworn.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Montana?

Mr. LODGE. I yield.

Mr. WALSH of Montana. The Senator is undoubtedly correct. If the rule is in conformity with the Constitution, the ruling of the Chair can not be questioned. The point I make is that it is in violation of the Constitution; it is not in conformity with the Constitution.

Mr. LODGE. That the rule is in violation of the Constitution?

Mr. WALSH of Montana. That the rule is in violation of the Constitution. Accordingly, I suggest that the Committee on Rules might very appropriately be charged with the duty of considering the advisability of modifying that rule in order to make it conform with the Constitution, if they concur that it is not.

PETITIONS AND MEMORIALS.

The PRESIDING OFFICER (Mr. CURTIS) presented a letter in the nature of a petition of the Church of the Brethren, of Morrill, Kans., praying for the calling of an international disarmament conference and for the furtherance of world peace, which was referred to the Committee on Military Affairs.

He also presented a resolution adopted by Coffeyville Post, No. 20, American Legion, of Coffeyville, Kans., favoring the enactment of legislation to provide adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

Mr. NELSON presented a letter in the nature of a memorial of the Brooks Elevator Co., of Minneapolis, Minn., remonstrating against the placing of a tariff duty upon blackstrap molasses, which was referred to the Committee on Finance.

Mr. BROUSSARD presented a petition signed by 276 retailers of carbonated beverages, of New Orleans, La., praying relief from the present 10 per cent sales tax provided by section 628a of the revenue act of 1918 upon bottled carbonated beverages, which was referred to the Committee on Finance.

Mr. NEWBERRY presented a letter in the nature of a petition of the Farmers' Progressive Club, of North Oxford, Mich., praying for the enactment of the so-called truth in fabric bill, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Stockbridge, Webberville, and Dansville, all in the State of Michigan, praying that relief be afforded the imperiled peoples of the Near East, which was referred to the Committee on Foreign Relations.

He also presented petitions of sundry members of the Congregational Church of St. Johns and sundry members of the "In as Much Class" of the First Presbyterian Church of Ypsilanti, both in the State of Michigan, praying that relief be afforded the imperiled peoples of the Near East, which were referred to the Committee on Foreign Relations.

Mr. PITTMAN. Mr. President, I present various petitions, numerously signed, from sundry citizens of Nevada, urging support of the resolution offered by the Senator from Wisconsin [Mr. LA FOLLETTE], now before the Committee on Foreign Relations, dealing with the Irish question. I ask that these petitions be referred to the Committee on Foreign Relations, and that one of the petitions, without the names appended, be printed in the RECORD.

There being no objection, the petitions were referred to the Committee on Foreign Relations, and one petition was ordered to be printed in the RECORD without the names, as follows:

PETITION.

To the Senate of the United States, Washington, D. C.:

Whereas we believe that the conditions existing in Ireland are a menace to the peace of the world, and that the savage efforts of England, without protest by other civilized States, to repress representative government are breeding disrespect for law and undermining the foundations of all organized government; and

Whereas we believe the highest and best interests of our country demand a free, prosperous, and peaceful republic in Ireland:

Therefore the undersigned citizens of the United States residing in the State of Nevada, respectfully petition the Congress of the United States to take the necessary action to bring about the recognition of the existing duly elected government of the republic of Ireland by the Government of the United States, in accordance with the traditional policy of our country faithfully adhered to since the early days of the Republic.

Mr. PITTMAN. At the same time I present a petition from the members and vestry of the Trinity Episcopal Church, in Reno, Nev., favoring the calling of an international disarmament conference.

The PRESIDING OFFICER. The petition will be referred to the Committee on Foreign Relations.

Mr. KENDRICK. I offer three resolutions adopted by the Wyoming State convention of the American Association for the Recognition of the Irish Republic. One of these resolutions urges prompt action on the Norris resolution; another urges prompt action in securing payment from England of interest on the debt due the United States; the other one of these resolutions urges the recognition of the Irish republic by the United States. I ask that they be referred to the Committee on Foreign Relations.

The PRESIDING OFFICER. The resolutions will be referred to the Committee on Foreign Relations.

Mr. RANSDELL. I present 30 petitions signed by 900 citizens of the State of Louisiana asking the recognition of the republic of Ireland. I ask that these petitions be referred to the Committee on Foreign Relations, and that the very brief letter of Mr. A. B. Booth, State president of the American Association for the Recognition of the Irish Republic, addressed to the Vice President of the United States, be published in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

AMERICAN ASSOCIATION FOR THE RECOGNITION OF THE IRISH REPUBLIC,
STATE HEADQUARTERS,
New Orleans, La., June 24, 1921.

Hon. CALVIN COOLIDGE,
President of the United States Senate, Washington, D. C.

GENTLEMEN: I formerly sent you 361 petitions containing 10,792 signatures asking our Government to recognize the republic of Ireland, and I now inclose you 30 petitions bearing 900 names, making a total of 11,692 signatures, to the petitions from these headquarters.

Petitions Nos. 362 to 391, inclusive, represent the 900 signatures.

Sincerely, yours,

A. B. BOOTH,
State President, American Association for the Recognition of the Irish Republic.

Mr. KENYON. I ask to have printed in the RECORD a short telegram, which I think is in the nature of a petition, from the secretary of the Iowa Farm Bureau Federation, protesting against an adjournment of the Senate until some legislation is passed for the relief of agriculture.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

DES MOINES, IOWA, *July 5, 1921.*

Senator W. S. KENYON,
Washington, D. C.:

Adjournment by Congress at this time would not meet with approval by the people of Iowa. Agriculture is in a serious situation, and Congress should not fail to do everything possible to give every relief at the earliest possible moment. We hope you will use your influence against adjournment until the Congress has fulfilled its obligation to the farmers of America. We do not expect legislation to cure all our ills, but something definite in the way of helpful legislation was expected. Failure on the part of Congress to do the necessary things, and do it now, will be bitterly resented. The burdens now being imposed on agriculture are more than the industry can bear. There must be relief, and it must be had soon. We hope you can make the Members of Congress recognize their first duty in this instance. Congress must keep every preelection promise or assume full responsibility for its failure to do so.

IOWA FARM BUREAU FEDERATION,
By E. H. CUNNINGHAM, *Secretary.*

REPORTS OF COMMITTEE ON THE JUDICIARY.

Mr. STERLING. From the Committee on the Judiciary I report back favorably with amendments the bill (H. R. 7294) supplemental to the national prohibition act, and I submit a report (No. 201) thereon.

I wish to say, Mr. President, in presenting this report, that the committee recommended the following amendment in line 20, on page 4: Insert, after the word "penalties," the words "not collected." In presenting the report I reserve the right when the bill is under consideration in the Senate to ask the Senate to disagree to that amendment, the question being as to whether it is not rendered inappropriate by another amendment adopted by the full committee. There being no opportunity to get the full committee together again, I submit the report with this statement, and I desire further to say that I shall ask consideration of this bill at the earliest possible date.

The PRESIDING OFFICER. The bill will be placed on the calendar.

Mr. NELSON, from the Committee on the Judiciary, to which was referred the bill (S. 1831) to amend section 237 of the Judicial Code, reported it with amendments.

SETTLERS ON FORT PECK INDIAN RESERVATION LANDS.

Mr. MYERS. From the Committee on Public Lands and Surveys I report back favorably without amendment S. J. Res. 64, and I submit a report (No. 203) thereon. I send the joint resolution to the desk and ask to have it read, and then I shall ask indulgence for a minute or two to say a few words about it.

The PRESIDING OFFICER. The joint resolution will be read.

The Assistant Secretary read the joint resolution (S. J. Res. 64) for the relief of delinquent homesteaders on the Fort Peck Indian Reservation, in Montana, as follows:

Whereas there has been an unprecedented drought, causing almost a total failure of all crops each year for four successive years last past, on the homesteaded portions of the Fort Peck Indian Reservation, in Montana, where there are a great number of homesteaders who entered Government land at the appraised price and who are now, in consequence of such drought (such of them as are left there), in poverty, vainly struggling under adverse and harrowing conditions, in a desperate effort to save from total loss all they have paid on their homesteads and all they have; and

Whereas many of such homesteaders are now in arrears with the United States Government, on account of nonpayment of principal or interest, or both, due or past due and unpaid, and are unable to pay any part thereof, and in consequence, under existing law, are about to forfeit all rights in and to their homestead entries and to lose all time, labor, and money expended on their homestead claims, and as a result are about to be evicted therefrom; and

Whereas this is a public calamity and a most distressing condition of affairs, with no relief possible, save by action of Congress: Therefore be it

Resolved, etc., That when, after the enactment hereof and within one year therefrom, any homestead entryman (or entrywoman) on land embraced within the boundaries of the said Fort Peck Indian Reservation, in Montana, may file with the register and receiver of the United States land office at Glasgow, Mont., an affidavit duly executed, setting forth that he is in arrears in a certain sum of money (stating it) upon his homestead entry on said reservation (describing it) on account of principal or interest or both (specifying how much of each), due or past due and unpaid, and that he is wholly unable to pay the same or any part thereof, all action and processes of the United States Government and all of its officials in relation thereto shall be stayed and withheld, and all operations of all laws applicable to payments of money and to forfeitures and penalties in such cases, heretofore made and provided and now in force, shall be suspended and held in abeyance, as to the affiant and his or her homestead entry, for a period of one year from and after the passage and approval of this resolution, and at the end of such year all such laws shall again be in full force and effect in all cases, matters, and things where applicable, as if not by virtue hereof suspended and held in abeyance; and during such period of suspension all sums of money, whether principal or interest, or both, due to the United States and unpaid by any such homesteader on account of his or her homestead entry, shall bear interest upon the whole amount so due and unpaid, whether principal or interest, or both, at the rate of 5 per cent per annum, to be paid when such deferred payments may become payable, it being the intention of this resolution in all cases or instances where such affidavits may be so made and filed to defer all action in the premises for a period of one year from and after the passage and approval hereof, and then to reapply all existing laws now applicable thereto as if they had not been suspended, requiring the beneficiary of such suspension to pay interest at the aforesaid rate upon all deferred payments as a consideration of such extension of time for payment.

The PRESIDING OFFICER. Is there objection to the Senator from Montana having a few minutes to explain the joint resolution? The Chair hears none.

Mr. MYERS. Mr. President, this joint resolution is very strongly and unqualifiedly recommended by the Secretary of the Interior, who has given the subject thorough investigation. Nothing can be lost. It simply would authorize the postponement of these payments or forfeitures for one year, and I am glad to say that the prospects are good for a very excellent and bounteous crop in that section this year, and the homesteaders, if allowed to harvest and dispose of that crop within the coming year, I think will generally be able to pay up. I ask unanimous consent for the immediate consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

The preamble was agreed to.

Mr. MYERS. Mr. President, in connection with the passage of S. J. Res. 64, I ask that the committee report which I submitted, which is not very lengthy, be printed in the RECORD, in order that the House and the House committee, to which the resolution will be referred, may have the benefit of that report.

There being no objection, the report submitted by Mr. MYERS was ordered to be printed in the RECORD, as follows:

[Senate Report No. 203, Sixty-seventh Congress, first session.]

HOMESTEADERS ON FORT PECK INDIAN RESERVATION, MONT.

The Committee on Public Lands and Surveys, to which was referred the resolution (S. J. Res. 64) for the relief of delinquent homesteaders on the Fort Peck Indian Reservation, in Montana, having considered the same, report favorably thereon with recommendation that the resolution do pass without amendment.

This resolution is intended to protect from total ruin and dire distress a large number of homesteaders on the Fort Peck Indian Reservation, in Montana, and to give them a short extension of time in which to make to the Government payments on lands which are now due and which the homesteaders are totally unable to pay. The Government can lose nothing by this action. It merely extends for a period of not more than one year the time in which delinquent homesteaders may make payment of principal and interest, due and unpaid, which they are now totally unable to pay on account of repeated crop failures and thus preserve them from the penalties of forfeiture and losing their homesteads and all the time, labor, and money they have expended thereon.

The Fort Peck Indian Reservation was thrown open to settlement some years ago. The lands were appraised and sold to homesteaders at the appraised valuation. There have been four years of successive drought in that section and very few of the homesteaders have been able to raise anything at all. For four years their crops have been failures and they have lost their time, money, and labor expended on them. One or more extensions of time for payment have heretofore been granted, but they have expired, and the Secretary of the Interior now has no authority to extend further indulgence to delinquent and unfortunate homesteaders who are in arrears.

This year a good crop has been grown on the Fort Peck Indian Reservation and there is every prospect that the homesteaders thereon will reap a good harvest and be able to market a good crop. This, however, will take some time. If granted a little time there is every prospect that the homesteaders will be able to make payment out of this year's crop of all or a substantial part of what they owe to the Government. The object of this resolution is to provide that in cases where homesteaders are at present totally unable to make payments which are due and in arrears they may, upon a proper showing, have not more than one year of additional time in which to do so, provided they pay interest on all deferred payments of principal and interest, at the rate of 5 per cent per annum. Nothing can be lost by the enactment of this measure and many homesteaders may be saved from total loss and ruin. The Secretary of the Interior, to whom the resolution was submitted for consideration, emphatically recommends the passage of the resolution. His report thereon to the committee is as follows:

DEPARTMENT OF THE INTERIOR,
Washington, June 24, 1921.

Hon. REED SMOOT,
Chairman Committee on Public Lands and Surveys,
United States Senate.

MY DEAR SENATOR: I am in receipt of the request of your committee for a report on Senate joint resolution 64, entitled "Joint resolution for the relief of delinquent homesteaders on the Fort Peck Indian Reservation in Montana."

The Fort Peck Indian Reservation embraces about 1,250,000 acres of surplus lands appraised at prices ranging from $2.50 to $10.50 per acre. About 750,000 acres were appraised at $3.50 per acre or under; the remaining lands were appraised at $5 per acre or over.

Extensions of time for payments were authorized by the acts of March 2, 1917 (39 Stat., 994), and December 11, 1919 (41 Stat., 365).

The act of March 2, 1917, authorized extensions of time for the payment of one-half of amounts which become due and required entrymen to pay the other one-half of such amounts.

Shortly after the passage of said act of March 2, 1917, entrymen on the reservation represented that because of crop failures they were unable to make the required payments, and they asked for additional time for that purpose. As a result the department, on November 24, 1917, approved instructions directing that adverse action should not be taken on any entry for failure of the entryman to make payment of the principal due on or before November 1, 1917, until Congress had full opportunity to act, provided payment was made of interest on the one-half of the payments for which an extension was authorized.

Congress did not take any action in the matter until by the act of December 11, 1919, above referred to, it authorized extensions of time for the payment of one-half of certain installments for which extensions were not authorized by the act of March 2, 1917. Certain restrictions were made as to the number of extensions which could be granted. The result is that some payments of principal now due can not be further extended.

In May of last year representations were again made that settlers on the reservation were unable to make payment of principal or interest as required, and because of these representations the department, on May 25, 1920, approved a telegram to the register and receiver at Glasgow, Mont., which in effect postponed the date for the collection of interest from June 1, 1920, to November 1, 1920. It was hoped that settlers on the reservation would be able to make a crop during the year and that most of them at the end of the year would be able to pay the amounts due. While the season promised to be a good one, and while some of the settlers may have gotten some returns from their farming operations, the weather conditions, generally speaking, were such that the crops on the reservation were again a failure. That the inability of the entryman to make the required payments is general is indicated by the following statements compiled from the records of the General Land Office:

Statement showing status of payments of principal in connection with entries made from May 1, 1914, to Apr. 30, 1921, inclusive.

Years entries were made.	One payment made.	Two payments made.	Three payments made.	Four payments made.	Five payments made.	All payments made.	Total.
1914	97	40	24	18	13	221	413
1915	182	65	23	22	7	256	555
1916	933	160	28	14	12	308	1,455
1917	762	111	23	16	5	96	1,013
1918	313	47	4			11	375
1919	148	10	1			4	163
1920	64	1					65
1921	7						7
Total	2,506	434	103	70	37	896	4,046

Statement showing status of payments of interest in connection with entries made from May 1, 1914, to Apr. 30, 1921, inclusive.

Years entries were made.	Interest payments in default.	Interest payments not in default.	Total.
1914	163	250	413
1915	264	291	555
1916	968	487	1,455
1917	742	271	1,013
1918	249	126	375
1919	122	41	163
1920	17	48	65
1921		7	7
Total	2,525	1,521	4,046

Statement showing number of final payments made from May 1, 1914, to Apr. 30, 1921, inclusive.

Years payments were made.	Number of final payments made.
1914	.....
1915	17
1916	48
1917	129
1918	167
1919	312
1920	214
1921	9
Total	896

S. J. Res. 64, upon which your committee has requested a report, after reciting the fact of an unprecedented drought on the reservation, causing an almost complete failure of crops each year for four successive years last past, and the fact that many of the entrymen are in arrears in the matter of payments and are unable to make the payments, provides:

"That when after the enactment hereof and within one year therefrom any homestead entryman (or entrywoman), on land embraced within the boundaries of the said Fort Peck Indian Reservation, in Montana, may file with the register and receiver of the United States land office at Glasgow, Mont., an affidavit duly executed, setting forth that he is in arrears in a certain sum of money (stating it) upon his homestead entry on said reservation (describing it) on account of principal or interest or both (specifying how much of each), due or past due and unpaid, and that he is wholly unable to pay the same or any part thereof, all action and processes of the United States Government and all of its officials in relation thereto shall be stayed and withheld, and all operations of laws applicable to payments of money and to forfeitures and penalties in such cases, heretofore made and provided and now in force, shall be suspended and held in abeyance, as to the affiant and his or her homestead entry, for a period of one year from and after the passage and approval of this resolution, and at the end of such year all such laws shall again be in full force and effect in all cases, matters, and things where applicable, as if not by virtue hereof suspended and held in abeyance; and during such period of suspension all sums of money, whether principal or interest, or both, due to the United States and unpaid by any such homesteader, on account of his or her homestead entry, shall bear interest upon the whole amount so due and unpaid, whether principal or interest or both, at the rate of 5 per cent per annum, to be paid when such deferred payments may become payable, it being the intention of this resolution in all cases or instances where such affidavits may be so made and filed to defer all actions in the premises for a period of one year from and after the passage and approval hereof, and then to reapply all existing laws now applicable thereto as if they had not been suspended, requiring the beneficiary of such suspension to pay interest at the aforesaid rate upon all deferred payments as a consideration of such extension of time for payment."

These lands are Indian lands, and moneys arising from sales thereof, both principal and interest, are deposited in the Treasury to the credit of the Indians. In the event that Congress enacts the said joint resolution, all moneys due and unpaid "whether principal or interest or both," will bear interest "at the rate of 5 per cent per annum, to be paid when such deferred payments may become payable * * *." In the event that Congress does not enact the said joint resolution, and if this department accepts the payments after they become due, such interest payment can not be required.

The said joint resolution will permit a further extension of time for payment only where an entryman files an affidavit stating "that he is wholly unable to pay the same or any part thereof." Entrymen who are able to pay will be required to do so.

In view of the investments made by these homesteaders it would obviously be unjust for the Government to take advantage of the situation and either require immediate payments or cancel the entries. Patents under the entries will not issue unless payment is made in full, together with interest as provided by law. As a matter of fact, the Indians will actually benefit by the granting of the proposed extension as where the moneys are deposited in the Treasury (under sec. 15 of the act of May 30, 1908, 35 Stat., 558), they draw interest only at the rate of 4 per cent per annum; where the entrymen are granted extensions of time for payments they are required to pay, and the Indians therefore receive interest on the moneys at the rate of 5 per cent per annum

Taking into consideration all the facts herein set forth, I am of the opinion that the said joint resolution should be enacted into law. I accordingly recommend its enactment.

Respectfully,

ALBERT B. FALL, *Secretary.*

HUMBOLDT NATIONAL FOREST.

Mr. PITTMAN. Mr. President, I report back favorably with amendments from the Committee on Public Lands and Surveys the bill (S. 238) to authorize the addition of certain lands to the Humboldt National Forest, and I submit a report (No. 202) thereon. It involves only two townships of land, which the Department of Agriculture desires to embrace in an existing forest reserve, and to trade land outside of it for this land adjacent to it. There is a unanimous report from the committee on the bill. I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 238) to authorize the addition of certain lands to the Humboldt National Forest, which was read as follows:

Be it enacted, etc., That any lands within the following-described areas found by the Secretary of Agriculture to be chiefly valuable for the production of timber, the protection of stream flow, may, with the approval of the Secretary of the Interior, be included within and made a part of the Humboldt National Forest by proclamation of the President, said lands to be thereafter subject to all laws affecting national forests: Townships 24 and 25 north of ranges 56 and 57 east, Mount Diablo meridian.

The first amendment was, on line 5, after the word "flow" and the comma, to insert the words "or the regulation and improvement of grazing thereon."

The amendment was agreed to.

The next amendment was to strike out the period at the end of the bill, insert a colon, and add the following proviso:

Provided, That valid existing claims under the public land laws shall not be affected by this act so long as such claims are maintained in accordance with law.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ERNST:

A bill (S. 2218) authorizing the President of the United States to retire Sergt. Samuel Woodfill with the rank of captain (with accompanying papers); to the Committee on Military Affairs.

Mr. PITTMAN. I introduce a bill which I ask be referred to the Committee on Finance. A similar bill was introduced by my former colleague, Mr. Henderson, and passed the Senate in the last Congress.

By Mr. PITTMAN:

A bill (S. 2219) for the relief of the Copper River & Northwestern Railway Co.; to the Committee on Finance.

By Mr. WADSWORTH:

A bill (S. 2220) to authorize the acquisition of lands for military purposes in certain cases and making appropriations therefor, and for other purposes; to the Committee on Military Affairs.

By Mr. CALDER:

A bill (S. 2221) for the relief of Rosen Bros.; to the Committee on Finance.

SUSPENSION OF NAVAL BUILDING PROGRAM.

Mr. POMERENE. I introduce a joint resolution, and ask that it may be read for the information of the Senate.

The joint resolution (S. J. Res. 81) authorizing the President to suspend, in whole or in part, the naval building program was read the first time by its title and the second time at length, as follows:

Resolved, etc., That the President is hereby authorized, in his discretion, to delay for a period of six months, in whole or in part, the naval building program authorized by the Congress, in order to enable him to arrange for a conference with the Governments of Great Britain and Japan, with the view of reducing substantially the naval building programs of the several Governments participating in said conference, and if they agree upon such plan of reduction the President is hereby further authorized to suspend, in whole or in part, the said naval building program in order to enable him to carry out any agreement thus made.

Mr. POMERENE. Mr. President, this is in substance the amendment which I offered to the naval appropriation bill. The Senate at that time did not see fit to adopt it. Count Ishii, of Japan, some weeks ago in Switzerland, in discussing the naval program of Japan, said that they were forced to adopt that program because of the activities of the Government of the United States, and after the so-called Borah resolution was adopted Lloyd-George made the public statement, in effect, that he was awaiting overtures from the United States Government.

It does seem to me that in view of these suggestions, made by these representatives of these two great naval powers, it is up to the United States Government, if we believe in a program of disarmament, to take the lead. If the United States does not take the lead in this behalf some other government will take it, and I am very jealous lest the United States shall lose its place as a leader in the program of disarmament.

I am not going to ask for action on the joint resolution now, because I know a single objection will prevent action. It can be referred, perhaps, to the Committee on Foreign Relations or the Committee on Naval Affairs; I am indifferent as to which committee shall be given jurisdiction of the subject; but I am anxious that there shall be a speedy report to the Senate upon the joint resolution.

Mr. POINDEXTER. I ask unanimous consent that the joint resolution be referred to the Committee on Naval Affairs.

The PRESIDING OFFICER (Mr. KENYON in the chair). Is there objection? The Chair hears none, and it is so referred.

AMENDMENTS TO VETERANS' ADJUSTED COMPENSATION BILL.

Mr. MYERS submitted an amendment intended to be proposed by him to the bill (S. 506) to provide adjusted compensa-

tion for veterans of the World War, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. JONES of New Mexico submitted two amendments intended to be proposed by him to the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes, which were ordered to lie on the table and to be printed.

VETERANS' ADJUSTED COMPENSATION DOCUMENT (S. DOC. NO. 47).

Mr. MOSES. Mr. President, I ask unanimous consent that the letters which passed between the Senator from New Jersey [Mr. FRELINGHUYSEN] and the Secretary of the Treasury read on the floor of the Senate yesterday, and the letter of the Secretary of the Treasury under date of April 30, which was referred to in the letter of the Secretary read yesterday, and also Senate bill 506, the so-called soldiers' adjusted compensation bill, which is now the unfinished business, may be printed as a single Senate document.

By way of explanation, I will state that the two letters to which I have just referred, which passed between the Senator from New Jersey and the Secretary of the Treasury, were printed as documents, but the print has already been exhausted, and a reprint has been asked for. In connection with the request for this document, there have been a great number of requests for the letter of the Secretary of April 30, giving the details of the condition of the Treasury, referred to in the letter to the Senator from New Jersey, which letter has not been printed as a Senate document, but which has been printed as a document in the House, which print has also been exhausted. There have also come requests for Senate bill 506 to such an extent as to require a reprint of the bill, and it has occurred to the Committee on Printing that the whole matter may be covered by printing the letters and the bill, so that the country may have information in regard to the whole matter in one document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

Mr. WALSH of Massachusetts. Will the Senator state why there should not be included in the document the report made by the Finance Committee of the Senate and the report made by the Ways and Means Committee of the House, which state the positions of those committees upon the pending bill? Does not the Senator think they ought to be included?

Mr. MOSES. No requests have come for those reports; but if the Senator from Massachusetts thinks it would add to the value of the document, I would have no objection.

Mr. UNDERWOOD. Of course, Mr. President, I am not in favor of the bill to which the Senator from New Hampshire refers, but I think the suggestion of the Senator from Massachusetts is very pertinent, because it would be hard for anyone examining the document to thoroughly understand the letter of the Secretary of the Treasury, indicating his great opposition to the bill, unless the reports are printed with the letter. So I hope the Senator from New Hampshire, if he wants unanimous consent, will include in his request the printing of at least the Senate committee report.

Mr. MOSES. I am very glad to accede to the request of the Senator from Massachusetts, so far as it relates to the Senate committee report. I would prefer not to include in a Senate document a report made by a committee of the other House.

Mr. WALSH of Massachusetts. I will not press that.

Mr. McCUMBER. When the Senator from Massachusetts rose I was about to ask that the report of the Finance Committee be included. I am glad that the Senator from Massachusetts anticipated the necessity or propriety of having the whole matter placed before the country, and I join in the request that the report of the Senate Finance Committee only be inserted. It is not necessary to duplicate anything the House has already put into a document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 4981. An act to amend an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended; and

H. J. Res. 151. Joint resolution to provide that deferred grazing fees received prior to December 31, 1921, shall be considered as receipts of the fiscal year 1921.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes; had agreed to the conference requested by the Senate, and that Mr. STEENERSON, Mr. GRIEST, and Mr. BELL were appointed managers of the conference on the part of the House.

The message further announced that in pursuance of House concurrent resolution 22, for the appointment of a committee of the two Houses to attend the funeral services of 7,161 soldiers from overseas, to be held on Pier 4, Hoboken, N. J., the Speaker had appointed Mr. LITTLE, Mr. OLPP, Mr. LINEBERGER, Mr. BULWINKLE, and Mr. JEFFERS of Alabama as the committee on the part of the House.

THE COMPTROLLER'S POINT OF VIEW (S. DOC. NO. 46).

Mr. OVERMAN. Mr. President, I ask that an address delivered to the New York State Bankers' Association at Atlantic City, N. J., June 24, 1921, by the Comptroller of the Currency, Hon. D. R. Crissinger, be printed as a public document.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

HOUSE BILL AND JOINT RESOLUTION REFERRED.

The following bill and joint resolution were each read twice by their titles and referred to the Committee on Agriculture and Forestry:

H. R. 4981. An act to amend an act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended; and

H. J. Res. 151. Joint resolution to provide that deferred grazing fees received prior to December 31, 1921, shall be considered as receipts of the fiscal year 1921.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The PRESIDING OFFICER. The morning business is closed. Mr. PITTMAN obtained the floor.

Mr. SMOOT. I move that the Senate proceed to the consideration of Senate bill 506, the unfinished business.

The motion was agreed to, and the Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. PITTMAN. Mr. President, I did not intend to make any remarks on the bonus bill, because I felt that it was going to pass the Senate and my vote in favor of it was registered on a former occasion.

Politics has not been involved in the consideration of this bill, to my knowledge, up to the present time, and I had hoped it never would be. Yet, when the Secretary of the Treasury of the United States almost voluntarily submits to this body in a letter to a United States Senator, the Senator from New Jersey, not only what purports to be facts, but his conclusions, for the purpose of defeating the bill, then it is time for those who favor this bill to at least oppose as strongly as possible that great influence.

It is useless to assume that the Secretary of the Treasury has no influence in a matter of this kind, because he has great influence. I know, from the reports I have heard since that letter was filed here yesterday, that it is having its effect. He speaks for the administration. There is no doubt that every Senator must consider the financial condition of this country, and does consider it, and that letter of the Secretary of the Treasury has created the impression that if this bill becomes a law the very economic life of the country is threatened. I think that assumption is capable of being absolutely disproved.

I read briefly what I have in mind from what he said:

> The country is under a solemn obligation to those who fought its war. Our first concern, of course, should be to make full provision for the needs of disabled veterans. To that object the country is pledged to give without stint of its resources. It would be unfortunate in the extreme, while we are still struggling with that problem, to dissipate our resources in a sweeping plan for cash payments to able-bodied ex-soldiers and sailors. The best interest of the veterans can not, in the last analysis, be considered separate and apart from the best interests of the country as a whole, and I should be derelict in my duty to the country and to the veterans themselves if I failed to give this warning of the inevitable financial consequences of the pending bill.

"The inevitable financial consequences." It is a warning. It is written for the purpose of defeating the bill. It comes

with all of the influence of the administration. It is the first injection of political influence into this controverted question.

I realize that men's minds view these things differently by reason of their training, their environment, and their personal interests. Why, during the last war while 2,000,000 of our boys were suffering the dangers of death and disease every hour, night and day, there were 23,000 new millionaires created in this country from war profits. While our boys were groveling in ditches filled with water and disease and vermin, when nightly they were ordered over the top to be shot down like wild animals, those 23,000 new millionaires were disgracing this country by the abominable ostentation of their newly obtained wealth. I do not blame those men for not seeing the benefits of the bill. I am not surprised that the men who made millions out of the war by their profiteering methods should fear the consequences of this bill. I am not surprised that they should feel that if a dollar of the millions which they made were to be taken away from them that the country would be in inevitable danger. Their minds and their souls have been corrupted by the greed that urged them on to the profiteering in which they engaged.

But, Mr. President, is the warning of the Secretary of the Treasury based upon any sound foundation? The committee that reported the bill does not take the same view of the matter. The distinguished acting chairman of the committee which reported the bill said this:

> The general assumption that the enactment of this bill into law will immediately load upon the backs of an already excessively tax-burdened public an immense additional liability is unwarranted.

Why the difference of opinion between the distinguished Senator, acting chairman of the committee, and the Secretary of the Treasury of the United States?

Is it possible that their viewpoint is influenced by their environment? Is it possible that their declarations are governed by their personal interests? I am not acquainted with the Secretary of the Treasury. I know the viewpoint of the Senator who presented the report on behalf of the committee was not influenced by personal interests.

Why should this country, the richest on earth, the country that made millions during the war, not the Government, but the people of the country, the corporations of the country, be unable to stand the taxation necessary to look after their own soldiers, when poor little Belgium, which was devastated day after day, almost wiped off the face of the earth, has been able to give her soldiers as much as we are asking to-day for our soldiers? Why is it impossible for rich America, the greatest and most powerful country in the world, to take care of her soldiers while France, who has accumulated a debt in the war equal to the taxable property of that whole country, amply provides for her soldiers? Why is it that Great Britain and Italy, who not only have suffered four times as much as we have in debt, but have lost all of their young manhood in the war, are able to pay their soldiers while we can not pay our soldiers? Why is it?

There is only one answer to that question—because the greed for gold is blocking us in doing our duty toward the soldiers who fought our war. We all know that. Look at France, look at Belgium, look at England, look at Italy. What are their conditions by comparison with this country? Then look also at Canada and Australia. They have taken care of their soldiers. Let me say in passing that none of those countries waited two and a half years to take care of their soldiers. They took care of them immediately after they came from the battle front, and here we have been waiting two and a half years and longer to grant our soldier boys anything.

And even now there is a supreme effort being made to delay indefinitely any action if it shall appear impossible to completely defeat the bill. All of us know that. When it became apparent that the great majority of this body recognized the justice that we must do to our soldiers then the opponents of this bill went higher up; they even went right up to the top of the administration to bring its power to bear to defeat the bill.

Let me read a little of that which took place during the war. Let me read something about the war profits and then figure out in your own minds who got the benefit of the war, and then figure out in your own minds the influences that are bearing down upon some of the people in this country to deceive and prevent action now when they feel that a few of their ill-gotten profits are liable to be taken out of their hands. Listen to this:

In 1917 the corporations then in existence in the United States were capitalized at $25,000,000,000. At the present time those identical corporations have passed over to surplus and increased their capital by the enormous sum of $10,000,000,000, and since that time new corporations have been formed, which are capitalized at $5,000,000,000.

What does that mean?

Mr. NORRIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Nebraska?

Mr. PITTMAN. Certainly.

Mr. NORRIS. Will the Senator state from what he is reading?

Mr. PITTMAN. I am now reading from the minority report of the House committee on the bonus bill.

Mr. NORRIS. What is the date of the report?

Mr. PITTMAN. The date of it is May 21, 1920.

Mind you, these corporations, in addition to paying their dividends, passed over to surplus $10,000,000,000, passed over to surplus nearly one-half of their total capitalization. Why was that? It was because they were trying in numerous ways to avoid taxation, trying to disguise their profits to keep from paying their part of the war cost, and we know that they did keep from paying their full part of the war cost.

Let us see a little further what happened:

> In other words, in spite of the large dividends distributed, the capitalization of the corporations in the United States has increased in less than three years from $25,000,000,000 to the enormous sum of $40,000,000,000, and this increase of $15,000,000,000 is due entirely to the war. Last year one individual in the United States reported an income of $34,000,000. There are two men in the United States whose income last year was over $16,000,000 each. There are five men in the United States whose income last year was over $5,000,000 apiece. In 1914 there were 60 men in the United States whose annual incomes were over $1,000,000 each. Last year there were 248 men in the United States whose incomes were over $1,000,000 each. In 1914 there were 114 men in the United States whose incomes were between $500,000 and $1,000,000. Last year there were 405 men in the United States whose incomes reached this immense amount. In 1914 there were 147 men in the United States whose incomes were between $400,000 and $500,000. To-day there are 400 men who enjoy that large income. In 1914 there were 130 men whose incomes exceeded $250,000 and were under $300,000. Now there are 350 men who enjoy that income. In 1914 there were 233 men with an income between $200,000 and $250,000. Now there are 750 men who enjoy that income. In 1914 there were 406 men whose incomes exceeded $150,000 and were under $200,000. Now there are 1,300 men who enjoy that income.

This refers to the year 1919, of course.

Mr. NORRIS. Will the Senator read again the number whose incomes were over $1,000,000?

Mr. PITTMAN. Yes, sir. I now ask Senators to listen to this: In 1914 there were 60 men in the United States whose annual incomes were over $1,000,000 each. Last year—that is, I am referring to 1919—there were 248 men in the United States whose incomes were over $1,000,000 each. Mr. President, these are facts obtained from the Treasury Department.

Mr. NORRIS. Mr. President——

Mr. PITTMAN. I yield to the Senator from Nebraska.

Mr. NORRIS. I suppose it ought to be said—if it is not true the Senator will correct me—that these incomes are net. They are the amounts, I presume, upon which, under the showing of the people themselves, they are paying the income tax?

Mr. PITTMAN. These are the net incomes upon which they pay taxes.

Mr. NORRIS. So the probabilities are that if there are any discrepancies, at least, their incomes will not be less than the amounts indicated.

Mr. PITTMAN. I think that is very probable.

All of us know that every effort of skill was used to avoid the payment of taxation by these men, and they did avoid it in many ways.

Let me again read what the Treasury Department has to say. This is from the Treasury Department to the committee:

> Mr. McCoy estimates that the aggregate net income of all corporations for the years 1917, 1918, 1919, and 1920 in excess of four times the average net income for the prewar period, plus the income, excess profits, and war profits taxes paid during 1917, 1918, 1919, and 1920, is $3,800,000,000. If you exclude from this computation corporations whose average net income for the years 1917, 1918, 1919, and 1920 do not exceed $100,000 the excess income is not more than $2,000,000,000.

The Treasury Department was only speaking of excess profits. These profits were over and above their normal profits.

But if we include corporations whose net income is $100,000 or less, then we have an excess profits of those corporations in the aggregate for the years I have named of $3,800,000,000, and we have excess profits of individuals of $3,000,000,000 for the aggregate of those years.

So the excess profits alone made during the time we were in the war amounted to the enormous sum of $6,800,000,000. Remember these are only the excess profits. In other words, these are the profits of these corporations and individuals in excess of the normal prewar profits made by them during the same period of time.

I have not the normal profits made by these corporations and individuals, as I was unable to get a reply to my letter to the Secretary of the Treasury which was written on June 21. The normal profits which would be added to the excess profits for the purpose of taxation are naturally far in excess and far larger than the excess profits.

To be added to these incomes are the following:

Passed by corporations from profits to surplus and increased capital, $10,000,000,000.

New corporations and capital, $5,000,000,000.

Great Britain owes us nearly $5,000,000,000. Great Britain immediately after the war gave a bonus to her soldiers as large as we now ask for our soldiers. And yet the administration says we can not afford to pay our soldiers.

France, Italy, and Belgium owe us nearly $5,000,000,000. These countries immediately after the armistice took care of their soldiers as well as we now seek to take care of ours. And yet the administration says we can not afford to do it.

Then, on what basis is it contended that this Government can not afford to pay $4,000,000,000 over a period of 20 or 30 years? On what basis is it contended that this Government would go to pieces if it had to pay $200,000,000 a year to the 4,000,000 soldiers who fought the battles of the Republic? What excuse can the Secretary of the Treasury offer for his proclamation, which has been read before the Senate, that there is danger of the financial falling down of this Government by paying $200,000,000 a year, when little Belgium and devastated France and devastated Italy are bearing greater burdens to-day than we are asking our own capitalists to bear? It is almost useless to discuss a question of this kind longer. I would not discuss it at all but for the fact that I resent the conclusions coming from the head of this administration that are not founded on facts contained in an official communication.

I wrote to the Secretary of the Treasury a list of questions asking for facts. That letter was written on the 21st day of June last, but I have never yet received a reply to it. I did not ask for his conclusions; I asked for certain facts, but those facts have never been given. However, another Senator on this floor, the Senator from New Jersey, can one day write to the Secretary of the Treasury for his conclusions against this bill and receive an answer the next day, for publication in the CONGRESSIONAL RECORD.

Oh, there has not been any politics in connection with this question heretofore. There never was going to be any politics in it until there was danger of passing the bill. I ask to have printed in the RECORD a list of what the other countries have done for their soldiers.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

NOT OVERSEAS.

	Italy, up to.	France (not with fighting units), up to.	Great Britain, up to.	Canada, up to.	United States.
Commissioned officers:					
Major general	$852.42	(1)	$7,290.00	$2,392.00	$60.00
Second lieutenant	209.08	$187.21	1,215.00	361.00	60.00
Enlisted men:					
Warrant officer	73.34	187.21	131.00	318.00	60.00
Private	63.69	187.21	82.00	300.00	60.00

OVERSEAS.

	Italy, up to.	France (with fighting units), up to.	Australia, up to.	Great Britain, up to.	Canada, up to.	United States.
Commissioned officers:						
Major general	$852.42	(1)	$751.82	$7,290.00	$4,758.00	$60.00
Second lieutenant	209.08	$233.58	224.17	1,215.00	719.80	60.00
Enlisted men:						
Warrant officer	73.34	233.58	185.90	189.54	643.40	60.00
Private	63.69	233.58	98.42	140.94	600.00	60.00

[1] Special.

Mr. PITTMAN. I wish to say that all this mock solicitude for the soldiers, such as I have just read in the language of the Secretary of the Treasury, to the effect that our first duty is to these boys who won the war, is repulsive in the light of the fact that in the next sentence it is said that it would be disastrous to the country to do anything for those boys.

There are several million idle men walking the streets of this country searching for bread for themselves and their families. A great many of these are our patriotic soldiers. You will not insult them by offering to help them now in their need.

It will take a few millions of the war profits of the billions which capitalists have gained. It will not take from them their capital; it will not take a cent away from their principal, but it will take a little bit of the enormous profits that they have made because those boys were able to win the war.

What did the boys give? Did they give simply the interest on their lives? Did the boys go overseas and simply give a little bit of the profits of their daily earnings? Not a bit of it. Those boys threw their capital, everything on God's earth they had, into the balance. They threw their lives into the scales in order that the great profiteers as well as the remainder of the citizenship of the country might live on in happiness. That has been forgotten.

Oh, how the capitalist cheered and how happy they were when these boys were marching on in the crucial moment, when it looked as though this country was eventually going to be swept away by Germany; how they patted them on the back, how they praised them, and how they spoke on the Fourth of July of our glorious soldiers!

Did we not see the thousands of mothers standing along the streets, with tears filling their eyes, watching those boys march away, with the knowledge that some of them would never return? Was it an inconsequential matter? Was it merely an ordinary task of life? Was it not a great, heroic deed that those boys were going to perform? They did not hesitate; they went in their health and in their spirit and in their boyishness, with all the bravery that marked them. They suffered the hazards of the sea; they landed in the mud of Brest; they went through torn, shell-shocked areas by night and by day to every front in France. They lived in dugouts, in hovels, in ditches, in swamps. They were sent over in the dark of night to examine the enemy's trenches, when the chances were two to one that they would never return. They suffered hell for two long years in every form that the devil himself could invent, and there was no complaint. They stopped the Prussian Guard at Chateau-Thierry and at Argonne. They turned a defeat—a positive defeat—into victory. They saved this country. They saved the world from the domination of Prussia; they saved all this vast hoard of wealth that was accumulated during the period of their service to the flag; they saved the happy homes that fill the mountains and the valleys; and yet to-day we have forgotten them, to-day we are thinking of nothing but our money, to-day we are thinking of nothing but of taxation. To think that this country, that those who prospered so greatly through the efforts of the American soldier, should be forgetful of his great and heroic deeds seems absolutely impossible, Mr. President.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hale	Moses	Smoot
Ball	Harreld	Myers	Spencer
Borah	Harris	Nelson	Sterling
Brandegee	Heflin	New	Sutherland
Broussard	Jones, N. Mex.	Newberry	Swanson
Bursum	Kellogg	Nicholson	Trammell
Cameron	Kendrick	Norris	Underwood
Capper	Kenyon	Oddie	Wadsworth
Caraway	King	Overman	Walsh, Mont.
Curtis	La Follette	Pittman	Watson, Ga.
Dillingham	Lodge	Poindexter	Watson, Ind.
Elkins	McCumber	Ransdell	Willis
Ernst	McKinley	Robinson	
Frelinghuysen	McNary	Simmons	

Mr. STERLING. I desire to announce that my colleague, the junior Senator from South Dakota [Mr. NORBECK], is unavoidably absent from the Senate.

Mr. SUTHERLAND. I wish to announce that the Senator from Massachusetts [Mr. WALSH], the Senator from Ohio [Mr. POMERENE], the Senator from New York [Mr. CALDER], and the Senator from Maryland [Mr. WELLER] are detained on business of the Senate.

The PRESIDING OFFICER. Fifty-four Senators having answered to their names, a quorum is present.

Mr. UNDERWOOD. Mr. President, I have in my hand a letter in reference to the pending bill that is signed by a man who is unknown to me, but the letter represents him to be the national president of the Private Soldiers and Sailors' Legion. As I am not in favor of the bill, I am not in a position to do what he

wishes in the letter; but he suggests some amendments. I ask that the letter and the amendments be printed in the RECORD for the information of the Senate.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

NATIONAL HEADQUARTERS PRIVATE SOLDIERS AND SAILORS' LEGION OF THE UNITED STATES OF AMERICA,
Washington, D. C., July 6, 1921.

Hon. OSCAR W. UNDERWOOD, *United States Senate.*

MY DEAR SENATOR: I respectfully call to your attention certain very serious defects in the bill (S. 506) recently reported by the Senate Finance Committee, which defects should be corrected and the bill thoroughly overhauled before it is passed. It would be better still to recommit, strike out all after the enacting clause, and write a new bill very much shorter and simpler than S. 506.

This so-called fivefold soldiers' adjusted compensation bill S. 506 is so long and complicated, and some of its provisions are so indefinite and obscure in their meaning, and the amount of money and property involved is so enormous, and the number of men whose interests it attempts to dispose of is so great, that we believe Congress should give the proposals contained therein the fullest and most public discussion before enacting any of them into law.

This bill is entitled "A bill to provide adjusted compensation for veterans of the World War, and for other purposes." Adjusted compensation, if it means anything, means just compensation, and the compensation provided in S. 506 is very far from being just compensation for the ex-service men of the World War. For example, it provides in section 202: "There shall be paid to any veteran, upon application, in accordance with the provisions of section 4 * * * $1.25 for each day of overseas service, and $1 for each day of home service;" (in excess of 60 days). It might truthfully be called a bonus, or a special or additional payment on account of services, but it can not rightfully be called adjusted compensation, or just compensation, for their services, because it is not. It is only a small part of the compensation due these men for the services and sacrifices which they gave to their country.

More especially does such a payment fall short of justice when it proposes to postpone the payment until nearly four years after the end of the man's service, and even then to pay it only in driblets, once in three months at the rate of 51 cents per day, dragged out over a period of one or two or more years.

Among other unjust provisions in this bill is one which provides that none of the 400,000 soldiers who were court-martialed for petty and insignificant infractions of Army regulations by the whims and arbitrary acts of inexperienced, incompetent, and unfit officers shall receive any compensation whatever "for the period of such absence or confinement." The court-martial system in this war was a notorious scandal and disgrace, and the great bulk of the fines and penalties already inflicted should be remitted, instead of being increased ex post facto, as subsection 11 of section 202 of this bill (S. 506) proposes.

The other four plans in S. 506 are: (2) An "adjusted-service certificate" which by its terms gives rank favoritism to the soldier who is well-to-do or able to wait two years for his pay, in that it pays him 39 per cent more than it pays the poor soldier who is out of employment or in distressed circumstances, and in such necessity that he needs the money for himself or family right now. To say that it is just compensation to pay the well-to-do man, who can wait, 39 per cent more than the poor man in distress, who can not wait, is certainly a misnomer.

Substitute plan (3) is called "vocational training," which provides that the veteran who takes vocational training shall receive $1.75 per day for the time he served in the war. It is safe to say that very few will appreciate this sufficiently to take it up unless they are hungry or out of work.

The two land features of the bill, which were plans (4) and (5) of the bill as passed by the House last session, were so bad that one of them has been largely cut out by the House committee, and the Senate subcommittee has rejected nearly one-half of the whole bill which related to this subject, which shows how very objectionable was the bill that was jammed through the House in the last session.

Another thing you should consider is that this S. 506, with all its gross defects, its endless complications and thoroughly bad features, was gotten up by a committee of ex-commissioned officers who were originally opposed to any bonus or extra payment to the ex-service men. During the war these officers received high pay, good living, and accommodations wholly denied to the 4,000,000 private soldiers. They are not qualified, either by experience, ability, or sympathy with the needs of the mass of soldiers to draft a bonus bill, or any other legislation for the private soldiers, and the bad bungle they have made of S. 506 should be convincing evidence of their unfitness to advise Congress on this question.

While speaking on this matter of Congress doing justly by the ex-soldiers, I want to call your attention to the widespread unemployment that now exists and the inevitable distress that goes with it. This condition of enforced idleness of millions of men, including hundreds of thousands of ex-soldiers, is intolerable. House resolution 25 proposes an immediate step for Congress to take in this matter.

Soldiers who cheerfully responded to their country's call to fight for its safety and the liberty of the world are certainly entitled to their Government's guaranty of that economic liberty which will secure them at all times the opportunity to work and earn a decent living, more especially when this great and incalculably valuable right can be secured to them without costing the Government a dollar.

Respectfully, yours,

MARVIN GATES SPERRY,
National President Private Soldiers' and Sailors' Legion.

Amendment to S. 506 (veterans' compensation bill): Strike out all of paragraph (a), section 204, on page 11, and insert the following words in lieu thereof:

"SEC. 204(a). The payments authorized by the provisions of this title shall be made within 90 days after the passage of this act."

Amendment to S. 506 (veterans' compensation bill): Amend by striking out all of subsection 11 of section 203, on page 9.

Mr. MYERS. Mr. President, I offer an amendment to the bill, which I ask to have read and lie on the table.

The PRESIDING OFFICER. The amendment will be read for the information of the Senate.

The ASSISTANT SECRETARY. It is proposed to strike from the bill all of Title II and all of Title III, and also all of lines numbered 7 to 16, inclusive, on page 2.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

Mr. MYERS. Mr. President, I desire to make some remarks on the amendment which I have just submitted. It is intended to strike from the pending bill for soldier relief the cash bonus provision, and no more.

I yield not one iota to anyone in admiration for the grand and glorious accomplishments of the American troops who served in Europe or in this country during the World War. I would not detract one particle from their magnificent record of grand and resplendent achievement, which will to the end of time reflect with deathless splendor credit and glory upon them and add to the honor of the principles for which our country stands. I yield to none in my admiration for our noble soldiers and their accomplishments. I think they deserve our everlasting gratitude, and they will always have it from all true and loyal American citizens.

However, I do not believe they were actuated by any more patriotic principles than were the Minutemen who responded to the bugle's call and reported at Bunker Hill and Lexington to start the unequal fight which resulted in the independence of the American Colonies. I do not believe they were actuated by any different motives or any different degree of patriotism than actuated the American Revolutionary soldiers who left their homes and farms and firesides and shops and shouldered their muskets and followed George Washington in the long, bloody trail from Bunker Hill to Yorktown. I do not believe they were actuated by any other motives or any different kind of patriotism than were our gallant soldiers who engaged in the second war for independence from the domination of Great Britain in 1812 and 1814, or were those of our soldiers who shouldered their muskets and marched to Mexico to avenge the indignities and insults that at that time were offered to the American flag, or that great army of soldiers, nearly all of them young men, mere striplings of boys, who left their homes and followed the Stars and Stripes on scores of bloody battle fields from Manassas to Appomattox and saved the Union from dissolution. I give all of them unstinted praise and unmeasured credit. They were all true Americans. They fought for eternal right. They fought for everlasting principles of right. They fought for the fundamental principles of liberty, as declared in our Declaration of Independence, and they are all entitled to high place in our hearts and on the pages of American history. Our soldiers in the World War did all of this in unstinted measure; did it nobly and grandly.

I do not, however, believe in becoming hysterical over the question of compensation for their accomplishments, their undenied patriotism, their unquestioned loyalty and devotion to the best interests of their country and civilization.

I do not believe in discarding every other consideration, in thrusting aside everything else, and rushing in a mad frenzy of hysteria to go beyond what is reasonable and proper in expressing a just appreciation of their inestimable services to their country. I believe that other things and other principles should be considered. I believe that other people should be considered, and I do not believe that the majority of our soldiers who served in Europe during the World War would have us disregard every other consideration and legislate in their interest alone. I do not believe in resorting to the tipping system with our noble boys who served in Europe during the World War. I do not believe in handing them a mere tip for duty well performed, only a small part of what they are entitled to, on the basis of just compensation, if we are going to legislate on that plan at all. If we are going to try to measure their glorious service to humanity by a money standard, there is not money enough in the world to compensate them adequately. Their service can not be measured by money.

The money compensation provided in the bill now pending before the Senate is a mere trifle, is a mere tip, if we are going to pay these soldiers a money compensation which is adequate to the service which they performed. If we are going to do that, no amount of money could compensate them for the hardships which they endured, for the dangers which they faced and for the terrors which they braved in their desperate fight to preserve not only the rights of the people of this country but the civilization of the world; and now we are asked to hand them out a mere tip as we would a servant for duty well performed. If we are going to pay them a money compensation for the service which they rendered, the cash bonus proposed is absurdly small. To pay them adequately in money is out of the question.

I think that the condition in this country demands more serious consideration, more sober-minded deliberation at the hands of legislators to-day than it ever did before. We have come to a point which should challenge the serious, thoughtful reflection and consideration of every Member of Congress and of every citizen of the United States, whether or not he bear the reponsibilities of a legislator; and certainly it should challenge our most serious consideration, because we bear unusual responsibilities in connection with the conduct of our Government. Let us see something of what it is. It is worth inquiring into.

One person of every 68 persons old enough to earn a living is working for the United States Government. This does not include the Army or Navy. July 31, 1920, there were in the employ of the Federal Government and under the civil service 691,116 people. This is 1 of every 159 of the entire population. The working population of the United States is about 47,000,000. One of every 68 of them is on the pay roll of the Federal Government, not counting the Army or Navy. Each man, woman, and child of the United States contributes over $53 per annum to the support of the Federal Government. This is $265 per family. The average income of the American family is about $700 per annum, of which $265 goes to the support of the Federal Government. The cost to this country of the World War was $24,010,000,000, not including loans to foreign countries. Including loans to foreign countries, the cost of the World War to this country was $33,455,000,000. The cost of conducting the Government of the United States is about $5,000,000,000 per year. The cost for 1920 was $5,686,005,706. If $5 per minute had been paid out from the birth of Christ to January 1, 1921, the total sum paid would be $5,049,122,400. That would lack $686,883,306 of what it cost to conduct our Federal Government in 1920. If $23 per minute had been paid out from the birth of Christ to January 1, 1921, the amount paid would be $23,225,963,040. That would be expending money at the rate of 40 cents per second, and would lack $784,036,960 of what the World War cost us, exclusive of loans to foreign Governments.

I consider those figures startling. I think they are well entitled to arrest the attention and careful consideration of all Members of Congress. I am indebted for those figures to Mr. Edward G. Lowry, a contributor to the Saturday Evening Post, who gave them in an article in that publication on the 5th of last February and stated that he had compiled them after careful investigation from authentic official sources, and I have no doubt his figures are correct. I have never heard them questioned, disputed, or challenged. Of the people of this country who are old enough to work at anything, every 68 of them are supporting somebody on the pay roll of the Federal Government. This does not include the Army or Navy. It does not include State, district, county, or municipal employees. Every 68 people support 1 Federal officeholder. Shall we add further burdens to these already overburdened private citizens? Shall we do it lightly and indifferently or not? What say you?

This statement of the total cost to this country of the World War as being the sum of $33,455,000,000 only included the cost up to the time of the armistice, or thereabout, and since then additional costs have been mounting at an astounding rate.

Yesterday there was put in the CONGRESSIONAL RECORD, at the instance of the Senator from Missouri [Mr. SPENCER], a revised statement of the cost to this country of the World War, practically up to date, up to the first day of this month, to the beginning of the present fiscal year. This statement, the Senator from Missouri assures us, was prepared by careful authority from authentic sources, and it is to be found in the CONGRESSIONAL RECORD of yesterday's proceedings. It puts the total cost to this country of the World War to date at the astounding sum of $50,168,625,707.16. Think of it! Is it enough, or does it need to be increased?

I think there are few people who are aware of these astounding and staggering figures. I think few Members of Congress know or realize the conditions under which we are legislating; every day voting the people's money out of the United States Treasury. Only yesterday, at an early period during the morning hour of the Senate's business, the Senate passed a House bill, termed a reclassification bill, which it was admitted would increase the salaries of postal employees between five and six million dollars a year. Between five and six million dollars a year added to the burdens of the American people as if it were a mere trifle, just as a penny flipped out; and that sort of thing is being done nearly every day in the United States Congress. It has become a matter of such common practice that it is scarcely noticed, and many such bills are passed unanimously, without objection, with many Members of Congress hardly knowing, I believe, what is being done. I was necessarily delayed by official business in my attendance on the meeting of the Senate yesterday. I was unable to be present at the opening hour and did not arrive here until about the time the bill of which I have just spoken was passed. Upon reading the CONGRESSIONAL RECORD to-day in that connection I was astounded at the action of the Senate in unanimously passing such a bill, and voting to saddle the taxpayers of the country with five or six million dollars more in such times as these.

There is a perfect frenzy of appropriating the people's money which has seized hold of Congress. There is a perfect hysteria, a perfect madness, of appropriating money by Congress. It is piling expenditures into millions upon millions and billions upon billions of dollars, notwithstanding the fact that the national debt of this country is to-day close to $25,000,000,000.

I have here a statement which I clipped from a very recent edition of a responsible newspaper, the Washington Post, giving a résumé of the cost of conducting the affairs of the United States Government for the fiscal year which ended June 30, 1921. The figures which I have just read, and which I obtained from the article of Mr. Edward G. Lowry, in the Saturday Evening Post of February 5 last, refer to the cost of conducting the Federal Government for the fiscal year ended June 30, 1920, a year ago now. But here are figures relating to the cost of conducting the business of the Federal Government for the fiscal year ended June 30, 1921, the latest available, the fiscal year just closed. I will read this article. It is as follows:

The cost of running the United States Government during the fiscal year ended Friday—

That is, the 30th of June, 1921—

was $5,115,927,689, according to the Treasury Department's statement for the close of business June 30. The figures, however, are subject to final adjustments. Revenues from all sources, although showing a drop of $1,000,000,000 under the previous year, amounted to $5,624,932,960, and there was a balance of cash in the general fund amounting to $549,678,105, enough to meet expenses for several days.

Thank goodness, we are assured there was enough to meet the expenses of the Government for several days, but at the rate Congress is spending it will not last more than a few days. I continue reading:

Expenditures averaged around $40,000,000 a day for the week before the fiscal year ended.

Think of that! For the last week of the last preceding fiscal year just ended the expenses of conducting the Federal Government averaged about $40,000,000 a day! I ask you to think of that—average expenditures of $40,000,000 a day in times of profound peace.

At the height of the Civil War, when the Federal Government was making a supreme effort and was straining every nerve to the utmost to prevent the dissolution of the Union, to preserve this Union, and to win the war of secession, at its height our expenses for a while mounted to the sum of $1,000,000 a day; and now we are expending $40,000,000 a day in times of peace! I think there are few people in this country who know that. I think the people of this country should be informed about it. It can not be too thoroughly ground into them. They can not be too thoroughly made aware of it. I think that our gallant soldier boys who won the World War and saved the civilization of the world ought to know it. I think that splendid organization, the American Legion, ought to know it. If those facts were generally known to the people of the United States I believe there would be an uprising of indignation such as this country has never known before.

Mr. UNDERWOOD. Mr. President——

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Montana yield to the Senator from Alabama?

Mr. MYERS. With a great deal of pleasure.

Mr. UNDERWOOD. I may be wrong about it, but it occurs to me that the purpose of this bill, or of the main clause that is advocated in this bill, is to assume to lend these soldiers, if they will accept it, what will be $5,000,000,000, which must be paid—or, at least the great bulk of which must be paid, some $4,000,000,000 of which would be paid under the proposed plan—20 years from now, and Senators seem to overlook the fact entirely that men of our day and generation who did not fight the war, except what fighting we did on this side, to the best of our ability, though we were not soldiers on the battle line, will have passed away, that we will be gone, and these very men this bill is pretending to help, at the end of 20 years will be the men whose energy and labor and perseverance and efforts must pay the bill we are creating now.

Mr. MYERS. That is inevitably true; absolutely true; and I think it shows that provision of the bill to be all the more unjust.

I resume reading this statement:

For the year ended June 30, 1920, the Government's income was $6,694,565,388 and its expenditures $6,403,343,841. All types of taxes collected during the 1921 year showed losses compared with 1920 returns, but the big decrease was in the income and profits levy, which produced $3,206,046,157 in 1921 and $5,944,949,287 the previous year.

During the 1921 year the Government obtained $8,864,998,322 from sales of its securities and retired $9,182,027,170 worth of securities. Listed in the ordinary disbursements was $999,144,731 paid during the year as interst on all classes of debts.

The gross national debt at the end of the year was $23,977,450,552, while at the end of the 1920 fiscal year it was $24,299,321,467. The high points in the debt of the United States for all time came August 31, 1919, when it was $26,596,701,648.

But the cost of running the Federal Government is not all of the cost of government in the United States by any means. The figures which I have been quoting for the year ending June 30, 1920, and the year ending June 30, 1921, relate exclusively to the cost of the Federal Government, just the cost of administering the affairs of the United States.

But that is not the end of it with the taxpayers. In addition to that we have the mounting and multiplying costs of State, county, district, and municipal government, and it is carefully calculated that for the year ending June 30, 1921, the cost of all government to the taxpayers of the United States was not less than eight and one-half billion dollars.

Of course, that can not be ascertained with absolute and exact accuracy, but it may be substantially and approximately ascertained. It is capable of a very correct estimate. I have an article on that subject which a short time ago was furnished by a contributor to the Sunday edition of the Washington Post. He claimed that his figures and facts were compiled from authentic sources, from official sources as far as possible; that in many cases they were verified; and that they are substantially and approximately correct. I will read that article:

"Government of the people, by the people, and for the people," cost the people of the United States approximately $8,500,000,000 during the fiscal year now closing, about 12½ per cent of all the money the people earned, according to figures collected by the Senate and House committees facing the task of framing a new tax bill designed to lighten the load.

Peace time never knew such monumental cost of government before. While the cost of living has fallen far from the peak it occupied 12 months ago, cost of government still stands perched upon its loftiest eminence, barring the days when the country was at war and maintaining a huge army, building a navy, and supporting the allied world with its loans.

How to get the cost of government down to figures commensurate with the decline in the cost of living and other costs appears, to the committees studying it, as the problem de luxe of 1921. Certain it is that the high cost of government must be pruned materially, and it appears to be that the job of pruning is one requiring the touch and knowledge of an expert. It appears to be also that the cost of government can not come down as far as the American people want to see it come, and that there will be many thousands of disappointed taxpayers when next year's tax bills come around.

The Federal Government has spent money during the fiscal year, which closes June 30 next, at the rate of approximately $5,000,000,000 a year. The expenses of the Government here at Washington will not fall much below that sum, it is believed, when the books for the year are balanced. In addition there are other costs of government which total about $3,500,000,000 more.

Chief of these is the cost of city government. The latest census figures cover 1919 government costs in all cities of 30,000 or more inhabitants. There were 227 such cities enumerated and their population is placed at 31,000,000—less than one-third of the population of continental United States. The cost of governing these 227 cities in 1919 was approximately $1,200,000,000, the census states, although part of this cost was returned in revenues from such investments as water works, etc., which showed a profit.

The cost of governing these cities was not less, it is generally agreed, in 1920 than it was in 1919. In addition to and on top of this comes the cost of State government, a figure also covered by the Census Bureau. The 48 States spent $600,000,000 for their government costs, making the cost of governing the 227 cities and the 48 States approximately $1,800,000,000 for the year, and again it is conceded that the cost of governing the States in 1920 was not less than in 1919.

Municipal-government costs are recorded by the Census Bureau, however, only for the larger cities. It is estimated that it cost every man, woman, and child in the smaller cities, towns, villages, boroughs, etc., an average of $20 a year for municipal government. In the larger cities the cost was $40 per inhabitant. And as there are approximately 80,000,000 persons living in those smaller municipal units, the total cost, therefore, was $1,600,000,000.

That makes a total of $8,400,000,000 for the cost of all government—Federal, State, city, town, village, borough.

In addition to recording government costs, the Census Bureau also gives figures covering the Nation's income—the wages, salaries, and other earnings paid the vast army of toilers in the United States, numbered roughly at 40,000,000. Their total annual income is placed in round figures at approximately $64,000,000,000, an average of $1,600 for every man, woman, and child who works.

Figuring the government cost in averages, the committees find that it cost every wage earner in the United States—and that term includes the salaried men and women, too—about $210 for government during the past year. Some officials believe that it cost even more than that.

In other words, out of every dollar the toiler gets government takes 12½ cents. It is too much; and how to make it less is going to cause many headaches and not a few hot verbal encounters on the floor of Congress during the days near at hand.

And yet in the face of those figures we are asked to enact legislation which would result, first and last, in paying out of the Federal Treasury a sum variously estimated at from $2,500,000,000 to $5,000,000,000. It is true that according to the plan proposed, as the Senator from Alabama [Mr. UNDERWOOD] has just pointed out, it may be that a part of that sum will be paid 20 years from now; but it has to be paid just the same. If we adopt that plan, we will simply be saddling the country with that much more debt, with about $5,000,000,000 more of debt, which the people of the country have to pay.

Apparently this country is about to commit finanical suicide. It is approaching the verge of financial bankruptcy. It is rushing to financial destruction in a perfect hysteria of madness of taxing the people of the United States and paying money out of the Public Treasury. I can see nothing ahead but financial destruction and bankruptcy if it is kept up. I do not see how anyone can see anything else, in view of the figures quoted.

We are doing this, too, in the face of the example set us by European countries. We are doing it in the face of the example set by bankrupt France, bankrupt Germany, bankrupt Italy, and some other countries of Europe which are well-nigh bankrupt. It seems that we will not take heed of their example, but that we are determined to rush along in headlong madness in the same reckless career to the same ultimate end.

We are asked to do this in the name of gratitude and patriotism. I do not believe that gratitude or patriotism requires it. I do not believe that any man has more gratitude than I have for our soldiers who won the war with the Central Powers of Europe and saved the civilization of the world. I hold them in the very highest esteem. I have the very highest regard for them. I have unlimited admiration and warmest affection for them. I know and appreciate the work they did. They are the salt of the earth. They are among the best citizens we have in this country.

I know that for 100 per cent loyalty and true, pure, undiluted American citizenship, fidelity to the flag, and devotion to their country they can not be excelled. They are the mainstay of stable, constitutional government. They are the bulwark between our Government and our institutions on the one hand and the sullen spirit of anarchy and bolshevism that pervades many parts of the country and exists in the hearts of all too many of the people who enjoy the benefits and privileges of our country.

It is undeniable that there is rife in this country a spirit of anarchy and bolshevism only partly concealed, but poorly kept out of view, that is patent to anyone who observes the current events of the day. It is partially kept in the background, but only partially so, because much of it is bold and brazen. We see exhibitions of it every few days in some parts of the country. We see exhibitions of it in riots and attacks upon the members of the American Legion; in writings and in lectures teeming with disloyalty to the flag and the Constitution. We see exhibitions of it under the guise of liberty of speech, which is prostituted into license to deride and trample upon the fundamental principles of our Government.

I know that the American Legion is the organization which more than anything else stands between that spirit and the institutions of our country. We must look to the members of the American Legion more than to any other institution in the country or any other part of our citizenry to uphold the Stars and Stripes and the dignity and power and authority of our Government. We could not do without them. I know that we can rely upon them in future, just as we relied upon them in the past. But I do not think on that account that we should plunge the country, if not into bankruptcy, yet into the abyss of a stupendous debt, running far beyond the calculations of legislators or citizens in the past, and saddle the people and the taxpayers, the industry and the enterprise, of this country with a burden that will cause them to struggle under disadvantageous conditions for years to come.

We are already largely under that burden, and should we out of mere gratitude to our soldiers, who saved the day in Europe, add to it to a very great and burdensome extent? Should they want us to do it? Do they want us to do it? I do not believe that the sentiment of the members of the American Legion is by any means unanimous in favor of a cash bonus or of any other direct payment of cash out of the Treasury.

In recognition of our unending obligations to these men, I am in favor of fair, liberal, appreciative treatment. I believe that we should do everything possible and within the bounds of reason for those who are disabled, maimed, crippled, and incapacitated to do their part in the struggle of life; for those who came home unequal to contend in the battles of life with those who stayed at home. I feel that we can scarcely do too much for those who were wounded, crippled, or otherwise disabled. That has been my consistent policy in reference to legislation in this body. I have voted for practically everything in the way of vocational educational training, hospitalization, and

provision in every way for the welfare of those of our gallant soldiers who returned to this country in any way disabled or handicapped in the race of life. I have voted, so far, against nothing that has been proposed for their benefit. I believe we should deal with them not only liberally but generously. I believe we should provide vocational educational training not only for the disabled and the incapacitated but for all of our returned soldiers who may desire it and to whom it would be a benefit and whom it would better equip in the struggle of life to provide for themselves and those dependent upon them.

I am in favor of liberal home and land settlement legislation. In the Sixty-sixth Congress I introduced a bill designed to provide appropriate land settlement legislation for former service men. It was drawn along the lines suggested by the then Secretary of the Interior, that able statesman and wise patriot, now deceased, Hon. Franklin K. Lane. I drew a very liberal bill along the lines suggested by Secretary Lane for the purpose of effecting land settlement legislation for all of our returned soldiers, for both those incapacitated and those not incapacitated, for all who might desire to take advantage of it. I urged that bill with all the force I could command; I kept it before the Senate for several days and did everything in my power to have it enacted. It was favorably reported by the Senate Committee on Public Lands, and I pressed day after day for its passage by the Senate.

I have supported all land settlement legislation which has been proposed by any other Member of this body at any time in the Sixty-sixth Congress or in the present Congress. I am in favor of adequate, liberal, generous land settlement legislation for the benefit of all of our returned soldiers and sailors, whether they be suffering disability or not. I believe in giving all of them the benefit of it. So I am in favor of and have consistently and constantly favored the most liberal and generous legislation for the benefit of our disabled former service men.

I have advocated liberal, generous legislation to provide vocational educational training for all of our returned former service men, whether they be partially disabled or not, and I have urged land settlement and home legislation to induce former service men to acquire homes, to get back to the land, to produce something for the support of our population—to become home-owning, producing citizens, as well as patriotic, devoted, and loyal supporters of our Government. When, however, it comes to paying them a cash bonus, either now or later, for the services they rendered, I do not believe it just or reasonable. I do not believe the taxpayers of the country are in any condition to stand it. I do not believe it would be right; I do not believe it justifiable under the conditions that exist; and I do not believe that it would be in accord with the proper spirit of showing our appreciation to our returned soldiers. I believe it would be degrading and debasing to the principles for which they fought and suffered and for which they offered to give up their lives. I think the principle of the pending legislation for a cash bonus is wrong. It is legislation of a character which, according to my understanding, has never yet been enacted in this country for our soldiers of any other war.

As to the soldiers of the Revolutionary War, it is true that many years later, when nearly all of them had attained old age and many of them were feeble and poor in this world's goods, a general service pension law was enacted, and very properly so. It is also true, I believe, that many of them were given land grants under land-settlement acts—the privilege of taking a piece of Government land and acquiring a home on it. Such legislation has my hearty approval, and I desire to see similar legislation now enacted.

As to the wars which followed the Revolutionary War, I understand that the same policy was pursued. As to the War of 1812–1815 and the Mexican War, I believe that some of our soldiers who engaged in those wars were given land grants and were enabled thereby to take up tracts of the public domain; that being more land-settlement legislation, the principle of which I heartily approve.

As the result of our Civil War, a generous system of pension legislation was embarked upon immediately after the close of the war, but for many years it was confined to those who suffered disability. There was no cash bonus granted them. Those of them who served 90 days, I believe, were granted the benefit of taking up a piece of public land without being required to live upon it and cultivate it and to comply with other requirements of homestead legislation; all of which was proper and which has my hearty approval. That was more land-settlement legislation. But there was no cash bonus voted to any of the soldiers of the Civil War, the Spanish-American War, the Mexican War, the War of 1812–1815, or the Revolutionary War.

It is true that some 25 or 30 years after the close of the Civil War and after most of the veterans of that war had become old and many of them feeble and decrepit and in poor circumstances, so far as this world's goods are concerned, we did enact a very modest general service pension act, the rates of which have been increased a time or two since, as the years passed on and as the veterans grew older and some of them became enfeebled and dependent, all of which was fair and proper and evinced a commendable spirit of appreciation for what they did. But, according to my understanding, this is the first time in the annals of legislation in this country that a proposition has ever been made simply to vote out of the Public Treasury, payable at once, or some years later, a huge cash bonus, and give it as a gratuity to our soldiers.

I believe the principle of it is wrong; I believe it to be a perversion of the true principles of American citizenship and patriotism and loyalty to country. I think the tendency of such legislation would be to induce those who served us in the World War and those who would be the beneficiaries of such legislation to look upon their services with a perverted, distorted, and wrong idea of the principles for which they fought. I think it would tend to lead them astray in their ideals of their relations to their country and to liberty and to constitutional government.

As I have said, I do not believe that all of the members of the American Legion are in favor of the cash bonus feature of the proposed legislation. I know they are not all in favor of it. I think that the agitation in favor of cash bonus legislation has been the result of propaganda. Propaganda is a great evil incident to legislation in these times; it is one of the greatest menaces to the welfare of our Government. A few people who desire legislation of a certain kind enacted, from one motive or another, many of them doubtless believing it to be right and meritorious, while others may advocate it for selfish purposes, will combine together, purport to represent a great combined voting strength, and inaugurate a system of propaganda to bring about the enactment of legislation that will favor some particular class, when I am satisfied that the great majority of the people of this country either care nothing about it, are not interested in it, or would actually oppose it if they knew the merits and demerits of the proposition.

Mr. WATSON of Georgia. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Georgia?

Mr. MYERS. I yield, with pleasure.

Mr. WATSON of Georgia. As an honorary member of the Sailors and Soldiers Union I should like to ask the Senator from Montana why he assumes, as apparently he does, that the American Legion is the judge of free speech and of legislation in this country?

Mr. MYERS. Oh, the Senator is mistaken. I have not assumed that, and I do not think anything I have said would warrant that conclusion. I do not know that the American Legion has assumed any such attitude. The Senator probably has reference to some remarks I made a few minutes ago in regard to the American Legion standing as a bulwark against disloyalty in this country.

Mr. WATSON of Georgia. Yes; standing as the guardians of free speech and American liberty. Who made them the guardians of free speech and of American liberty?

Mr. MYERS. The members of the American Legion, I think, have very properly constituted themselves guardians and defenders of loyalty to this country, as I think every other good citizen should do.

Mr. WATSON of Georgia. In place of whom? In place of us?

Mr. MYERS. As a part of the people of the United States.

Mr. WATSON of Georgia. Who authorized them to usurp to themselves and to arrogate to themselves the right to say who shall speak or who shall write?

Mr. MYERS. I do not think they have arrogated to themselves that right.

Mr. WATSON of Georgia. They have done it.

Mr. MYERS. I do not know of any instance of it.

Mr. WATSON of Georgia. I can give the Senator many of them.

Mr. MYERS. The Senator may undertake to do that whenever he sees fit. I think the members of the American Legion stand as a bulwark between the Government of this country and the element of disloyalty that exists in this country, which would disregard constitutional government and the rights of our people and overthrow our Government, and I honor them for it. I think it is their duty to do it.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. MYERS. I yield to either Senator who wishes to ask a question, or to any other Senator who wants to ask me a question on that subject.

Mr. ASHURST. The Senator has eloquently said that the American Legion or ex-service men of the Great War are the bulwarks defending this Republic. The Republic is assailed to-day, Mr. President, from points on one side by the anarchist, the bolshevist, or the I. W. W.; on the other by the equally powerful but more insidious, and therefore more dangerous thing, the spirit of greed which caused 23,000 millionaires who made their money in the hour of their country's deadly peril to pile up profits while the members of the American Legion were interposing their bodies between the enemy's shell fire and the protected millionaires who made the twenty-three thousand millions.

It seems to me, Mr. President, if the Senator admits that the American Legion stands to-day as the bulwark, as I think it does, resisting the advances of the I. W. W.'s and the anarchist, and the no less perilous encroachments upon the public weal by the war millionaires, that if any class of men could be entitled to extra or adjusted compensation it would be the men who are saving this Republic.

So it seems to me that the Senator, with all his great ability, is arguing in a circle. He admits that the American Legion is saving this Republic, and yet he urges that no extra compensation should be granted to its members. I have listened to all the Senator's speech, but I do not see how he can explain that statement, namely, that the members of the American Legion are saving the country, yet they are not entitled to adjusted compensation or a bonus or gratuity, or whatever it may be called.

Mr. MYERS. I do not believe that any man is entitled to a bonus or a gratuity or money pay for doing his duty or for patriotism, loyalty, and devotion to country. If he is, that is a new doctrine to me, and it is entirely contrary to the doctrines on which this Government was founded.

I believe it is absolutely unsound. I believe that the American Legion as a body does stand for loyalty, patriotism, and devotion to the welfare of this Government; and if there is anybody, Senator or otherwise, who thinks it does not, I feel sorry for him. I do not say that each and every individual member of the American Legion does, but I know of few who do not, and as a body I believe they do.

Mr. ASHURST. Will the Senator permit an interruption there?

Mr. MYERS. With pleasure.

Mr. ASHURST. I join with the Senator in the statement that they have rendered and are now rendering a remarkably great service. I differ from the Senator only upon the point in that I believe they should have some additional compensation for services rendered in the past.

Mr. MYERS. In other words, the Senator believes in paying a man a bounty, a gratuity, a cash payment for patriotism, loyalty, and devotion to country?

Mr. ASHURST. No.

Mr. MYERS. That was not the principle on which the Revolutionary War was fought, nor the War of 1812–1814, nor the Mexican War, nor the Civil War; and this country has never before proposed to embark upon any such plan.

Mr. ASHURST. Will the Senator yield further?

Mr. MYERS. With pleasure.

Mr. ASHURST. The pensions which the Federal Government paid to the Union soldiers, and I think correctly paid, now aggregate over $5,000,000,000. I believe the adjusted compensation feature is a better feature than the pension system. We have paid out nearly $6,000,000,000 within the last 54 or 55 years for pensions to Union soldiers. Why should we say that we will pension the Union soldiers but we will not grant this adjusted compensation in lieu of a pension to our soldiers of the Great War?

Mr. MYERS. That was paid in the way of pensions to soldiers who were disabled, who suffered physical disability, or who in old age were unable comfortably to care for themselves; and I believe in doing the same thing now.

Mr. WATSON of Georgia. Mr. President, will the Senator from Montana allow me to interrupt him?

Mr. MYERS. With pleasure.

Mr. WATSON of Georgia. Does not the Senator from Montana recollect that the Revolutionary soldiers drew land warrants almost as soon as the echoes of the guns had died away, and that George Washington got his lands on the Ohio River and on the Monongahela by buying up those land warrants; and does he not know that Congress and the States paid Lafayette in land and in money?

Mr. MYERS. Oh, yes. I think the Senator from Georgia must have just come from his lunch.

Mr. WATSON of Georgia. I have. It was a good lunch, too—a good deal better lunch than the speech the Senator is making.

Mr. MYERS. I do not deny that at all. It is perhaps more in accordance with the Senator's capacity for appreciation of good things to enjoy the stomach rather than the intellect. The Senator from Georgia has evidently just come into the Chamber. Evidently there is much that I have said that he did not hear. I referred to the land-settlement legislation of the Revolutionary War, and I stated that I approved of it, and I approve of land-settlement legislation for our returned soldiers of the World War.

Mr. WATSON of Georgia. One more question, if the Senator will be so courteous.

Mr. MYERS. Just before the Senator asks that, in that connection, I do not think anything that I said while the Senator was out enjoying his repast, which he appears to put above all other things, could be construed into the statement that the American Legion or any other segment of our citizens have a right to constitute themselves the judges of free speech or any other privilege under our form of government.

Mr. WATSON of Georgia. Unless they have done so, which I know they have done.

Mr. MYERS. I have not said that any class of citizens have a right to do that. As to the assertion that members of the American Legion have done it, I differ from the Senator. Now I yield for any other question the Senator may wish to ask.

Mr. WATSON of Georgia. I will ask the Senator this question: The nations that triumphed in the war by the help of our soldiers have compelled Germany to pay. Now, does not the Senator think that we might compel those nations who collected from Germany to pay us a part of what they have gotten from Germany, and let our soldiers have it right now when they need it?

Mr. WILLIAMS. They have not gotten anything from Germany yet.

Mr. WATSON of Georgia. They have gotten it.

Mr. MYERS. They have gotten very little from Germany so far, and we have not yet gotten anything at all from our debtor nations.

Mr. WATSON of Georgia. We have not tried.

Mr. MYERS. I am not in a position to say that we have not tried. I do not believe that they have it to pay, with the possible exception of Great Britain. I do not think any of the others have it to pay at the present time. I think it will be a long time before we get any of the money that is owing to us by our debtor nations, and when we do we will have plenty of other objects for which to use it than to pay men cash payments for patriotism and loyalty and devotion to country.

Mr. WATSON of Georgia. That argument would annul every pension that ever was paid, and would disgrace every man that ever pocketed a pension. If the Senator will allow me——

Mr. MYERS. I yield, with much pleasure.

Mr. WATSON of Georgia. I will say to the Senator that if we give to the Secretary of the Treasury the power he is asking us to give him we never will collect that money, either.

Mr. MYERS. I am not debating that now. The Senator can debate that at some other time. That is not the question now before the Senate. I have not studied that question, and I am not prepared to express any opinion at all upon it. That is entirely beside the question now before the Senate; but I differ entirely from the Senator when he says that my argument would annul the grounds on which was paid every pension that ever was paid to a soldier. The pensions that have been paid to soldiers by this country have been disability pensions or old-age pensions. I believe that it is the highest duty of a country, a fundamental duty, to care to the extent of its ability for those who returned from war disabled or incapacitated in any way, who suffered in health or limb, and those who, when old age comes on them, are not in comfortable circumstances. That is an absolutely fundamental principle of sound government; but I do not believe it extends to voting a cash bonus of several billion dollars out of the United States Treasury to all soldiers, old and young alike, able and disabled alike, including those who served without being injured in any way whatever. I think it altogether an entirely different principle, and if the Senator from Georgia is not able to distinguish that difference then he is no more able to distinguish the difference between pensions and bounties than he is to distinguish between satisfaction of a good meal for his stomach and a good speech for his intellectual improvement.

Mr. President, there is no use of quibbling or haggling about this. It is a fact of which there can be no denial that the cash bonus part of this proposed legislation, whether to be paid now or 20 years later, is a total departure from any legislative procedure in which this Government has ever indulged in the treatment of its former soldiers. If there are those who say they want to establish that precedent right now, that they believe in

it, that it is right, that it ought to be done, I have no quarrel with them as to their belief. If they want to champion that, that is their privilege. I have no doubt they are sincere in it. But to undertake to say that it is in exact accord with the principles of pension legislation which have heretofore been followed in this country from the time of the Revolutionary War down to this time is, in my opinion, entirely incorrect and fallacious. I think there is a clearly marked distinction which anyone can recognize, and which all of us do recognize, and it is just a question of whether or not we want to embark upon a new departure, whether or not we want to start upon that plan of legislation and set that precedent. Those who favor it, of course, have the privilege of doing so, but I do not. I do not think it sound. I think it would be dangerous to the fundamental principles of this Government, and, with all due respect and unbounded admiration for our former service men of the World War, I can see no more reason for inaugurating that plan of legislation for them than there was for indulging in it with the veterans of former wars in which this country has been engaged.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. MYERS. I yield, with pleasure.

Mr. CARAWAY. During the War between the States this Government paid a bonus for enlistment in the Union Army, did it not?

Mr. MYERS. Yes; there was some bonus paid for enlistment.

Mr. CARAWAY. Does the Senator condemn that principle? Does he think a man who accepted it was dishonored by receiving it?

Mr. MYERS. No; and I have not said that any man who might accept a cash bonus as the result of this proposed legislation would be dishonored.

Mr. CARAWAY. I misunderstood the Senator, then.

Mr. MYERS. However, I do not believe in the principle of paying cash bonuses to induce men to enlist in defense of their country in time of war. I believe in the draft system of raising an army. I supported it when we went into the World War, and I believe it was the best system that could have been devised.

Mr. CARAWAY. Let me ask the Senator another question. He voted for the bonus for the civil employees of the Government, did he not?

Mr. MYERS. I did.

Mr. CARAWAY. For the clerk who sat in the office, and for the man who stayed down here in the War Department—under what theory?

Mr. MYERS. Under the theory that owing to the excessively high cost of living they were not getting a living wage; that was simply a temporary increase in their wages.

Mr. CARAWAY. Let me ask the Senator another question. That bonus is still being paid to the civil employees?

Mr. MYERS. It is. It will be until the end of this fiscal year.

Mr. CARAWAY. And the soldier has to meet the same high cost of living that the employees of the Government do, does he not?

Mr. MYERS. He does.

Mr. CARAWAY. Then why should he not be given a bonus to meet that high cost of living, which is merely temporary, especially when all that he can receive will be hardly a fifth of what was received by the civil employee, who never incurred any hardships, exposed himself to no dangers, and stayed with a good job in a comfortable office all during the war? Now, why?

Mr. MYERS. The soldier is no longer in the employ of the Government and is not drawing wages from the Government. The Government employees who are drawing that bonus are drawing that bonus as a part of their present wages for the work which they now perform, while the soldier is not.

Mr. CARAWAY. May I ask the Senator if he did not vote for an appropriation to pay the expenses of the employees to their homes after they had ceased to be employees of the Government?

Mr. MYERS. I do not know whether I voted for it or not. I probably did. I think that was passed by a viva voce vote. That was a matter, though, of expenses. It was a part of their compensation at the time of their employment, and not a bonus.

Mr. CARAWAY. Pardon me. Neither of those bonuses was a part of their compensation, because when they accepted employment with the Government there was not any bonus in contemplation. The wages were known, and they voluntarily sought the employment, and most of them were very glad to get it.

Mr. MYERS. The employees of the Government during the World War, when the cost of living was mounting very high and beyond their reach with their salaries, besieged Congress to give them some increase of compensation for their work, and it was done by increasing their wages $20 per month as long as they might remain in the employ of the Government, up to a certain limit of time, year by year, one year at a time. It was done for the present fiscal year, and will continue until the 30th of next June.

Mr. CARAWAY. Did the Senator vote for the legislation that was contained in the Post Office appropriation bill, to pay certain soldiers who performed civilian labor increased wages?

Mr. MYERS. I do not remember.

Mr. CARAWAY. The Senator was not hostile to that legislation?

Mr. MYERS. I do not recall.

Mr. CARAWAY. The Senator made no speech against it?

Mr. MYERS. Not that I know of.

Mr. CARAWAY. It did not strike the Senator as being outrageous to do that, did it?

Mr. MYERS. What legislation is the Senator now speaking of?

Mr. CARAWAY. The legislation to pay civilian wages to soldiers who were designated to perform certain civilian duties, up to $7 or $8 a day—to saw lumber out in the West, for instance, to produce airplane stocks.

Mr. MYERS. If that was done, it was done while they were working, while they were engaged at the work, and was simply an increase of their compensation.

Mr. CARAWAY. Of course it was.

Mr. MYERS. And the Senator can not make anything else out of it. The increase of a man's compensation while he is working for you is simply an increase of wages; that is all there is to it. That is not the proposition now before the Senate. The proposition now is to vote former soldiers a bounty, a cash gratuity long after they have ceased to serve the Government, to make it something in addition to wages.

Mr. CARAWAY. You did not give the soldier a chance to accept the employment. The Senator said a moment ago that he voted for conscription.

Mr. MYERS. I did.

Mr. CARAWAY. The Senator took him by the strong arm of the Government and fixed his wage by his vote, and they gave him no chance to assent or dissent, but compelled him to go, and the Senator knows now that he went at a wage wholly inadequate, compared with wages paid civilians, such as those employed in the shipyards. They paid him a wholly inadequate wage. Will rectifying a wrong and giving the soldier moderate compensation for the time he was taken by conscription from his ordinary labor do any harm to the taxpayer or to the Senator's conscience?

Mr. MYERS. It has never been customary in this country, or in any other country in the world, to pay soldiers the same wages as those paid civilian laborers or employees.

Mr. CARAWAY. It never had been customary in this country, or any other country, so far as I known, to pay the dependents of soldiers compensation while the soldiers were in the Army, but yet it was not wrong to give them something for their wives and children to live on while they were serving their country.

Mr. MYERS. It was absolutely right and just.

Mr. CARAWAY. What is there wrong in a new departure, if the departure is in the right direction? The fact that there is no precedent for it does not make it wrong.

Mr. MYERS. Everything that is new is not absolutely and inherently wrong always, of course.

Mr. CARAWAY. Is that the only argument the Senator makes against this bill—that it is a departure from old procedure?

Mr. MYERS. I think the Senator from Arkansas has been at lunch part of the time I have been speaking, for he evidently has not heard all of my remarks.

Mr. CARAWAY. Evidently the Senator thinks that anybody who does not agree with him has been out to lunch, and I venture the assertion, then, that there are not three Senators in the Chamber who have not been out to lunch, if that is the test, and I venture the assertion that the roll call will disclose the fact, if that is the reason they do not agree with the Senator, that 99 per cent of the membership of the Senate was out getting lunch when the Senator made his speech.

Mr. MYERS. I will leave it to the distinguished and most eminent Senator from Arkansas to fill and pack this Chamber to overflowing when he arises to address the Senate on this subject.

Mr. CARAWAY. The Senator from Arkansas never intimated that he could fill the Chamber, but I am merely suggesting that if the Senator's test is correct, he evidently has

emptied the Chamber, because I do not know of any Senator who agrees with his sentiments.

Mr. MYERS. It may be that there is no one who agrees with me; but if that were true, it would not affect my vote on this measure one particle. If there is not one other Senator here who votes in accord with me, I am going to vote my conscience and convictions on this measure. I never was much of a man to run with the crowd merely to be with the majority or on the popular side; but I can not believe that I am the only Member of this body who believes that it is wrong in principle to vote a cash bonus to soldiers after the war is over.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield further?

Mr. MYERS. I yield with very much pleasure.

Mr. CARAWAY. Did the Senator vote against the measure which passed the Senate authorizing the Secretary of War to adjust contracts of those who entered into contracts with the Government for the construction of levees along rivers, to build post-office buildings, or to erect cantonments, and all other public works of the Government, in order to let them get a higher price for that work when the costs of labor and materials went up?

Mr. MYERS. I do not remember whether I voted for it or not; but if I did not, I should have done so, because I do not believe in requiring anybody to work for his Government in time of war, when the life of that Government is at stake, at a positive financial loss. I do not believe that good government or fair treatment requires it.

Mr. CARAWAY. The same principle does not apply to the soldier, though, does it?

Mr. MYERS. It does.

Mr. CARAWAY. Because he evidently labored at a very great financial loss.

Mr. MYERS. I do not know of any soldier who lost any money out of his pocket by belonging to the forces in Europe.

Mr. CARAWAY. Does the Senator seriously contend that there were not men capable of earning thousands of dollars a year who went out and served with the colors for $30 a month?

Mr. MYERS. If the Senator from Arkansas wants to measure every virtue, every principle of manhood, of patriotism, of loyalty, of devotion to country and to duty by money compensation, he stands on a different platform from what I do.

Mr. CARAWAY. Then, if the Senator thinks the man who engaged in civil employment for the Government ought not to have lost money, because, as I understood the Senator to say, he did not think it was good patriotism for the Government to accept services for less than they were worth, why does the man who simply contracts with the Government with the hope of a profit stand upon a higher plane and become entitled to more consideration than the soldier who volunteers and goes out and offers to lay down his life in order that the flag might be set as a symbol of freedom throughout the world?

Mr. MYERS. I do not believe that any American citizen, when the life of his country is at stake, should be required or expected to invest thousands of dollars of his earnings and his capital in the business of his country and lose it, have it swept away, without being made whole and made even in the end.

Mr. CARAWAY. May I interrupt the Senator again?

Mr. MYERS. I yield with pleasure.

Mr. CARAWAY. Is his capital more sacred than his life?

Mr. MYERS. No.

Mr. CARAWAY. Why should money be protected, under the Senator's theory that it is the duty of this Government to see that no man should incur a pecuniary loss, but if he is patriotic enough to go out and offer himself as a soldier he must be penalized?

Mr. MYERS. Capital is not made by this Government more precious than life, because every man who gave up his life in the war with Germany had the opportunity to insure his life to the extent of $10,000 for the benefit of his dependents, and if he lost his life the money was paid.

Mr. UNDERWOOD. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Alabama?

Mr. MYERS. I yield with pleasure.

Mr. UNDERWOOD. If the Senator will yield to me for a moment—I have been very much interested and somewhat amused by the colloquy that has just taken place, in which the statement was made that the Senator from Montana is standing practically alone. I have no doubt the suggestion made by my friend from Arkansas is largely true; but I just wanted to say that under these conditions I stand with the Senator from Montana. There are two of us who stand in the Senate together.

Mr. MYERS. Two who are right are a host.

Mr. CARAWAY. Evidently the Senator from Alabama has not been out to get his lunch then.

Mr. UNDERWOOD. No; I have listened to the speech of the Senator from Montana, which is splendid from an economic standpoint, with great pleasure. But if the Senator from Montana will allow me to say this, I think the real test of the occasion is not a question of compensation—what we pay to the servants and employees of the Government. If we are going to put the services of these splendid, gallant soldiers on a monetary basis, and give them the equivalent of what they lost by serving the country, then the proposal in this bill of a dollar a day is an absurd proposition.

Mr. WILLIAMS. It is insulting, from that standpoint.

Mr. UNDERWOOD. The Senator from Mississippi suggests that it is insulting; it is nearly that, because I know many, many men who lost, in compensation, not a dollar a day but thousands of dollars, which they abandoned willingly to serve their country. If we are going to pass this legislation in the belief that it is giving the former service men real compensation for what they lost, this is not an adequate bill, it is not a fair bill; but if we put it on the basis the Senator from Montana and I agree on, that when a man is called to arms he is called to service, and has a compensation, through life and into eternity, that none of the balance of us can carry, he has offered the sacrifice of his life for his country, then we must admit that he has a greater honor than the honor of being a Senator of the United States.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Arkansas?

Mr. MYERS. With pleasure.

Mr. CARAWAY. The Senator from Alabama voted to increase the pay of the soldiers to $30 a month when the war commenced. Under what theory did he do that?

Mr. UNDERWOOD. I am not sure that I did.

Mr. CARAWAY. Was it not an insult to the soldier to offer him a dollar a day for his services?

Mr. UNDERWOOD. No. If the Senator will allow me, I shall be glad to answer the question. When the Senator from Arkansas charges me with having voted for that measure, I really do not know whether I did or not.

Mr. CARAWAY. As I recall, there was not a single vote against it.

Mr. UNDERWOOD. Is the Senator charged with voting for everything which is passed when he is absent from the Chamber? If any resolution has passed the Senate since the Senator from Arkansas has been a Member, and he has failed to debate it, would anyone be justified in saying that he would have voted for it?

Mr. CARAWAY. If the Senator says he did not vote for it, I will accept that as his attitude.

Mr. UNDERWOOD. The Senator has not allowed me to answer his question. I do not remember what my attitude was on that measure, but, as the Senator recalls, that was a very different proposition. The question before the Congress at the time that legislation came up was a proposition to enable the soldiers to provide for insurance out of their compensation instead of granting future pensions. It was a proposal to require them to set apart a portion of their money to take care of their families at home. As the $15 a month which we had been paying to men in the Regular Army before that time was not sufficient to enable them to buy the ordinary things of life on the other side, besides the clothes and food for their families, the pay was increased, and it was proposed to let them pay for their insurance. That was purely a business proposition, not to compensate those men for the great sacrifice they were ready to make but to work out an economic problem in which the Government was engaged.

Mr. CARAWAY. May I call the Senator's attention to the fact that the increased pay was in one measure and the question of compensation for insurance came on quite a while later, and therefore the two were not bound together at all and the one did not inspire the other?

Mr. UNDERWOOD. I think the Senator is mistaken about that. My recollection is that the one did inspire the other and one was supposed to take care of the other. If I recollect aright the insurance plan was proposed first and the increased pay afterwards, though I am not sure about that.

Mr. CARAWAY. The Senator is wrong about that.

Mr. UNDERWOOD. But if the Senator from Montana will pardon me further, the real question in the decision of this case is not whether these men should be paid adequate compensation. We all know that from a money standpoint they did not get adequate compensation, but many of them suffered great

losses. However, I say if you are going to try this case on that standard, then it is absurd to say you are going fairly to settle the proposition by giving them a dollar a day. If you are going to try it on the standard of the man owing this service, just like the juryman owes that service to his country when he is called to the jury box, that is a different proposition. He may neglect his business in the foundry where he is getting $10 a day to receive two or three dollars a day while on jury duty. It is not expected that the State will compensate him for his loss as a skilled mechanic in the foundry, because he must serve in the jury box for two or three dollars a day. The service of the soldier to the Government was not based on a question of dollars and cents and can not be put on that basis if the Republic is to survive.

Mr. WILLIAMS. There could be no adequate compensation for such service.

Mr. UNDERWOOD. None. I beg the pardon of the Senator from Montana for this long interruption.

Mr. MYERS. I yielded with great pleasure to the Senator from Alabama, and I am glad to have his very valuable contribution to the discussion. He threw very great and valuable light upon the proposition, as he always does upon any question upon which he speaks.

Resuming my little colloquy where I left off, I will say to the distinguished Senator from Arkansas that he is right for once in this matter—right in one thing. The Senator from Alabama is one of the few Senators who did not go out to lunch while I was speaking and who heard all of my argument, and he thoroughly agrees with me, because he heard all of it. If the Senator from Arkansas had remained in the Chamber, I think he, too, would have agreed with me, if it is possible to convince him of anything on a plea for right and justice, if he is susceptible of conviction at all.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Arkansas?

Mr. MYERS. Certainly; with pleasure.

Mr. CARAWAY. Evidently the best part of the speech was made while I was out.

Mr. MYERS. Best is a comparative term, and includes good—good, better, best. That implies that all of my speech is good, and I thank the Senator for his compliment. It may be that the best part was made while he was out to lunch; but that implies that all of it is good, and I thank him very profoundly for his tribute, even though he can not agree with me in my conclusions.

Let me first take up one of the suggestions made by the Senator from Alabama. If we are going to pay the soldiers on a purely money basis, if we are going to measure their services by a money compensation, if we are going to make that the standard, then what the bill would give them is a mere tip, a trifle, utterly unworthy of the spirit with which they fought the World War and saved this country and civilization from destruction. I agree with the Senator from Alabama that it is impossible to compensate them upon a cold-cash, purely monetary basis. If we attempted that, it would be impossible of accomplishment, and we would disparage their patriotism and loyalty if we attempted it.

Mr. CARAWAY. It being impossible to compensate them, the Senator is then unwilling to be just with them.

Mr. MYERS. No; I am not unwilling to be just, measured by all precedents and all standards which this country has maintained ever since its existence toward those who served it in war; those who obtained its freedom from England, in the first place, and who have maintained it ever since; and taking into consideration, too, the rights of others and justice to all.

Mr. CARAWAY. The Senator knows that even George Washington accepted a bonus of 55,000 acres of land for his services in the War of the Revolution.

Mr. MYERS. More land-settlement legislation, which I heartily favor. I am in favor of the land-settlement provision of the bill.

Mr. CARAWAY. Is the dollar, then, more sacred than the land? Is it perfectly permissible to give away the public domain to soldiers to compensate them, but wholly wrong to take from 23,000 millionaires of the country some of their ill-gotten gains in order to give them to the men who do not happen to be in a position to accept land if we offer it or because the public domain is all exhausted?

Mr. MYERS. The land that was voted by the Continental Congress to George Washington was worth very little, if anything, at the time it was voted. I doubt if it was worth paying taxes on. The probability is it made George Washington poorer than he was before.

But, finishing my answer, I will say that the dollar is not more sacred than land, but there is a difference and there is a distinction in the uses to which the two may be put. To encourage these young men to go on the public domain of the country and become farmers and produce for the maintenance of the people of the country would enable them to become highly useful as well as highly patriotic citizens; furthermore, the money would only be loaned them; while if the dollar were paid to them, given outright as a bounty, I think in a large proportion of instances it would be quickly spent and very often to their detriment.

Mr. CARAWAY. So that the Senator has three reasons for preferring to give them land and not money——

Mr. MYERS. I have a number of reasons. I have not told the Senator all of them yet.

Mr. CARAWAY. I thought the Senator possibly had given them all. First, he is in favor of giving them land. The Senator knows that George Washington was recognized as a pretty good business man during his day, and I do not think the Continental Congress could have handed him a gold brick. I do not think the Congress of the Thirteen Colonies could have put a gold brick over on George Washington. He knew about as much what land was worth as they knew.

In the second place, there was no use to give him land to get him to go on the land, because he was already a rather large landowner and farm owner.

The Senator's third reason is that if we give the soldier money he does not know anything about taking care of it and would throw it away. If that is the Senator's idea, that these men have not arrived at years of maturity and would not know enough to take care of their money, and therefore ought not to have it, that is a mere argument that will be unanswerable.

Mr. MYERS. I think there are a great many men who have arrived at years of maturity who do not have the faculty of keeping the money they get, and I am one of them. They are not all former soldiers.

Mr. CARAWAY. Would it be wise to withhold the Senator's salary for fear he might throw it away?

Mr. MYERS. No; it would not be wise, but I have no anticipation that the Congress, when my term ends, will vote to me a cash bonus as a matter of gratitude. While it may do so in the case of the Senator from Arkansas, out of deference to his eminent and most distinguished services, I hardly think it will do so.

All these arguments and these pleasantries, which I have enjoyed as much as the Senators who are about me and which have been indulged in by the little coterie of new Senators sitting in the rear row, are simply a species of intellectual acrobatic performance and legerdemain. They are not sound argument at all. There is no analogy whatever. There is not one particle of argument or reason for voting to the soldiers of the country, after they have severed their connection with the Government and have performed their patriotic duties, a cash bonus of between $2,500,000,000 and $5,000,000,000.

The Senator from Arkansas asked me so many questions and asked them with such lightning rapidity that I found it difficult to make an occasional answer, and I seldom got an opportunity to complete any of my answers. I wish now to make a little more complete answer to some of the questions which he asked.

As to the act of Congress to reimburse contractors who lost money in their operations on behalf of the Government during the war, I do not think that patriotism or the principles of good government require that the Government should exact of any man that he take thousands of dollars of his earnings and his savings, to which he is entitled, and invest them for the defense of his country and absolutely lose them and see the earnings of years wiped out of existence, if the Government be able to protect him from that actual monetary loss. That is entirely different from the services of our gallant soldiers in France. They invested no savings; they lost none.

The Senator from Arkansas had much to say in his questions about putting dollars above life. This country did not put dollars above life. It does not regard money as more precious or estimable than life. Neither do I. Neither do I believe any other Senator does. The Government made provision for all of these contingencies. The Government offered the soldiers who fought our battles in Europe the most munificent, the most liberal, and the most generous system of compensation for disability and for insurance of life and limb that was ever offered to the soldiers of any civilized government in all history. Every man who went to war was able to insure his life for $10,000, and if he lost his life in the service of his country that money was with scrupulous fidelity paid to his dependents and dear ones whom he left behind. So that life has not been disparaged

alongside of money by our Government. That is an unjust imputation against the conduct of our Government during the war. There is no comparison between the two at all. Of course, life is more precious, and there never was a country which regarded the lives and limbs and welfare and comfort of its soldiers more zealously or generously than did this Government regard life, limb, and welfare of our soldiers during the World War.

As regards the additional compensation of $1 a day, I believe it was, which our Government voted to our soldiers while they were in the service, that was merely a just recognition that they ought to have more wages, that they ought to have more compensation for their personal comforts and needs while they were actually in the service. It was an act of justice and generosity, and a very proper one. As the Government, out of regard to justice and right and fair dealing, voted its civil employees a living wage during the war, while they were working for the Government, so the Government said to our soldiers, "We will pay you more while you are in the field than any other government under the sun ever paid to its soldiers while they were fighting for it in the field; we will pay you this extra amount for your personal comfort and convenience in order that you may use it to get things for your own comfort, and in order that you may be able to devote something to the dependents who were left behind while the supporter of the family went to war in Europe."

As to the little matter of paying expenses to a few thousand Government clerks who were suddenly discharged at the end of hostilities and who had not been able to more than live on their meager salaries, as to the little act of kindness on the part of Congress in offering to pay and paying railroad fare home to those clerks who were out of money and stranded and who had no way of getting home, it was a small incident, which did not cost the Government billions of dollars. It was only a little added compensation given at the termination of their service, just exactly as we did for our soldiers. We did the same think for our soldiers. We enacted a law that when soldiers were discharged every one of them should be paid $60 in addition to the money which they had theretofore drawn from the Government, in order to pay their way home.

Mr. CARAWAY. That is exactly what I wanted to ask the Senator about.

Mr. MYERS. And they drew transportation besides.

Mr. CARAWAY. What I was going to ask was, If it was not paid to the soldier for transportation, what did the Senator vote that $60 to the soldier for? Was it extra compensation?

Mr. MYERS. I do not know what was the object of the Senator who offered the amendment.

Mr. CARAWAY. That was not in the mind of the Senator from Montana when he voted for it?

Mr. MYERS. I do not now remember whether I voted for it or not. I think I did; and if I did not, I should have voted for it. Before making these remarks I did not prepare a tabulation of every vote which I have cast in the last 10 years; but let me answer that that sum when it was given was simply in order to pay the transportation expenses of the soldier and to give him a little spending money until he could look around and get employment. That is my idea of the motive which was behind the legislation, which, I think, was a very proper one. The argument of the Senator from Arkansas seems to be, because we paid the soldiers $60 apiece, that we should now obligate the country to pay out billions of dollars which are not in the Treasury.

Mr. CARAWAY. May I ask the Senator if he thinks it is the amount and not the principle that is wrong? Does he think that the payment of $60 was all right because of the meagerness of the amount; but that payment of billions of dollars now—for this proposition will cost billions of dollars—is wrong? Is that the idea?

Mr. MYERS. I think the amount of money which we appropriate out of the Public Treasury should be considered as a practical factor when we are contemplating such action. I do not think we should, simply because we have the power, get a scoop shovel apiece and go to the Public Treasury and scoop out the money that is there just as fast as we can. I have some regard for the effect upon the taxpayers. It may be old-fashioned, but I give some thought to the taxpayers.

Mr. WADSWORTH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New York.

Mr. MYERS. I yield with pleasure.

Mr. WADSWORTH. May I suggest to the Senator from Montana that the $60 payment to the soldier was largely for the purpose of enabling the enlisted man upon discharge to get an outfit of civilian clothes?

Mr. MYERS. I am glad to have the suggestion.

Mr. CARAWAY. If I may interrupt the Senator for just a moment, there was nothing in the legislation to tell the soldier what he should do with the money. If it was in the mind of Congress to enable him to buy a suit of clothes, there was nothing in the legislation that indicated that. It was a pure gift of $60. If it was not an increase of compensation, it was a gift, and there were no strings tied to it. There was nothing to suggest to the soldier that he should buy a new shirt or a sweater with it.

Mr. MYERS. No; that is true; generally we do not go into such details in legislation; but it may reasonably be regarded, I think, as having been paid to the soldier at the termination of his services as additional compensation to enable him to get home and to supply himself with a few of the necessities of life before engaging in the vocations of private employment, on the same principle as Congress voted money to pay the transportation home of some indigent Government employees when their tenure of office was suddenly terminated without any such expectation on their part.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. MYERS. I yield, with pleasure.

Mr. McCUMBER. Is not the Senator in error in the statement which he has just made?

Mr. MYERS. I do not know; I may be. If so, I should like to have the Senator set me aright.

Mr. McCUMBER. Under his contract, the soldier, on the expiration of his term, is always returned to the place of his enlistment. Probably he had civilian clothes which he exchanged at the time of enlistment and put aside for the uniform. He probably had civilian clothes at home. I do not really know what any other Senator voted the $60 for.

Mr. MYERS. Neither do I.

Mr. McCUMBER. But I did not read anything in the report about its being given the soldier to buy clothes or to pay his expenses. I voted for it simply because I thought the soldier was entitled to $60 more, and, if we had made it $360, I am somewhat inclined to think that, under the circumstances, I should have voted for that also as a marter of just compensation. So I do not wish the statement to go unchallenged that $60, the equivalent of two months' pay, was given to the soldier for the sole purpose of buying civilian clothes or for the purpose of paying his railway fare home, as was the case in reference to the civilian employees.

Mr. MYERS. Certainly not. I do not know what was the motive of any Senator who voted for the proposition, nor do I know the motive of the Senator who offered the amendment. My recollection is that the proposition was offered as an amendment to an appropriation bill, and was adopted viva voce, without a roll call. If I were present, as I think I was, I am quite sure I voted for it; and, if I voted for it, I did so because I wanted to be just and fair and generous with our soldiers in the matter of compensation upon the termination of their service to the Government, just as I doubtless wanted to be humane in voting a little money in order to pay the transportation home of a number of indigent Government clerks who suddenly found themselves out of jobs and were stranded here.

The incident, however, shows, at any rate to some extent, the evil of precedent. Give or lend a man $5 to-day and the probability is he will be back next week with a club and demand $5 more. Vote soldiers $60 upon their discharge and it proves to be the case that somebody bobs up a little later on and demands that they be paid a bonus of $500 or $600 apiece, and bases the demand in part on the argument, "You gave them $60; now, what is the matter with giving them $600 this time?" If we give them $600 this time, how are we to know but somebody will come in with a demand in a year or two or a few years from now that we vote them all a thousand dollars apiece? I repeat, the incident shows the evil effect of precedent sometimes, even though the precedent be made in a very small and modest way and from the very best of motives.

Mr. McCUMBER. Mr. President, the Senator from Montana has been more than generous in yielding for questions in order better to elucidate the proposition.

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. MYERS. I yield, with pleasure.

Mr. McCUMBER. Will the Senator yield to me to present the case, possibly in a light that is simple and will call for quite a direct and simple answer on the part of the Senator from Montana?

Mr. MYERS. With pleasure.

Mr. McCUMBER. I am well aware that the Senator wants to be absolutely fair and just, and my brief statement, I wish

to say frankly, is not to amuse either the Senate or the galleries. It will deal with a question of mathematics, and mathematics is never very amusing, but on the contrary is somewhat difficult at times.

We will suppose that Senators are of an age within which they could be drafted into the service of the United States. The officer making the selection draws the name of the Senator from Montana and says to him, "You are drafted to fight for your country; you put your life in pawn; you are not under a contract calling for 6 hours or 7 hours or 10 hours a day; we will send you where we see fit; your hours a day may be 24 or as many as you are able to stand; and your compensation will be the equivalent of $3 per day; that is, we will give you a dollar a day pay and we will give you your board and clothing, which we estimate will be worth $2 and more per day." My name is drawn and I am told, "You can go to work." Very well. Because of the manner in which our contracts are drawn, or by some strange manipulation, I can demand and receive $10 per day, or the equivalent of $10 per day, while the Senator receives the equivalent of $3 per day. There is a difference of $7 between us. When the Senator gets back he finds that the money to pay me $10 a day was borrowed money, for which I gave my note, and also signed his name to the note, thus compelling him to pay his half of the extra money which I received. Now, in all fairness, laying aside every element of sentimentality or gratitude, inasmuch as the Senator received but $3 per day while I received $10 per day, and we are both liable on the note that enabled me to be paid $10 per day, $7 more than he received, ought he not to have a compensation that will either enable him to pay his part or put him on an equality with me, or else to relieve him of some portion of that indebtedness which was contracted to pay me the extra amount?

I confess that is one of the great reasons why I support the compensation bill—to equalize just as nearly as I can the soldiers' compensation. I decline to call it a bonus or to call it a gratuity or a gift. I am supporting it upon that simple ground, that as the soldier having come back has to pay half of the debt with me, he ought to have something to compensate him for the difference in the position in which he was placed in comparison with the position in which I was placed, which makes him far less able to pay his part than I am able to pay my part, although he suffered very much more than I in other directions than in the mere matter of the difference in earning capacity. Is there not an element of fairness in that?

Mr. MYERS. If the Senator is going to proceed on that theory, then his bill ought to provide for the payment of ten or fifteen dollars per day. If he is going to measure the services of the soldier by money standards, he ought to pay what the service is worth and not slip to the soldier a mere tip or piece of coin, as it were.

Mr. McCUMBER. I will say to the Senator, if he will allow me, that I take other matters into consideration. I will admit that the soldier received some other benefits; that the Senator from Montana, as a drafted soldier, would have benefits by reason of his service that I would not have. He would have credit with his country that probably would stand him in need when he got to be old and helpless, which I possibly would not have. I will admit he would have the advantage of insurance benefits, and he would also have the advantage, if he lived in any one of certain States, of receiving a certain sum of money from the State. The Senator, as a drafted soldier, would have those and perhaps other advantages, and I think that those advantages would to a certain extent equalize the difference; but I contend that still there would be a difference which should be made up to the soldier. The reason why I do not advocate paying it all now is that we have not the money to pay it; but before we get through, 50 years from now, I think entire justice will be done.

Mr. MYERS. Mr. President, if the Senator is going to count as part of the compensation of the returned soldier the glory and the honor that accrue to him for defending his country in its life struggle and for offering to sacrifice his life on the altar of battle; if he is going to include that glorious and inestimable compensation, then the soldier does not need any money compensation, because he has in large measure, in unbounded measure, that which leaves no need for any further compensation.

Now, getting down to the practical side of the Senator's question, I do not believe, if I am fighting for my country and the Senator is the government and signs a note which binds me as well as him and those who stayed at home to pay the expenses of the war, that upon my return I ought to make him borrow more money and go much further into debt and obligate us to spend great sums that we do not possess. I do not believe it would be fair or just.

If the money that the Government has were boundless, unending, if it came from the clouds, as some people seem to think, instead of from the toilers and the taxpayers who are making a living by laborious effort and staggering under unprecedented burdens of taxation, the situation might be different; but under existing conditions, I say, let us go slowly and be cautious. If we had this money to spend without burdening anybody, without burdening the returned soldiers, along with others, it might be all right to scoop shovel a lot of it out to them; but under the existing circumstances I do not believe it is wise or prudent.

As to the soldiers receiving inadequate compensation, I want to call attention to this fact: I believe that the large majority of civil employees of the United States Government who worked faithfully and zealously for their country during the time the World War was being waged, in a time of unprecedented high cost of living, worked practically for their board and clothes. If there were any employees in the departments of the Government who received much more than board and clothes for themselves and families during that era of high cost of living, I have not heard of them. I think there were very few, if any. I know that I am one Government employee who during that time worked for board and clothes for myself and family and had to stint myself in doing so, and I am not asking for a bonus.

Mr. McCUMBER. Mr. President, may I ask the Senator if he has noted the amount of money in the savings banks of the country, payable, of course, generally to laborers and that class of people, in 1917, prior to the war, as compared with that in 1919, immediately after its close?

Mr. MYERS. I am not speaking of laborers outside of Government employ. I confined my remarks to Government employees; and I will speak of the others in a minute, if the Senator will permit me to answer his other question.

Mr. McCUMBER. I simply desired to show that there was an enormous increase in the savings-deposit accounts of the country, which would indicate that the wages were considerably above the expenses.

Mr. MYERS. I know that, and we pretty nearly doubled our currency, the amount of money in circulation; we increased it by much more than 50 per cent during those times of extravagant and necessarily lavish expenditure, which accounts for very much of the increase of the deposits in the savings banks.

I was saying that I think the civil employees of the Government in general during those times of high cost of living did not get very much more out of their salaries than sufficient with which to pay their board and clothes, simply to live, a living wage. I know that the most earnest representations were made to Congress and its committees that unless the $20 per month bonus was granted the Government employees would not receive a living wage, and that it required the $20 bonus to make a living wage.

Mr. McCUMBER. Let me ask the Senator another question.

Mr. MYERS. I have not yet finished the answer to the Senator's first question; but I will yield and finish presently.

Mr. McCUMBER. Was not that due a great deal, in most instances, to the fact that they were very much more extravagant during that period? The Senator was here. The Senator never in the world saw so many costly furs on the backs of ladies as he saw on the streets of Washington during the time the war workers were receiving their salaries. They were expensive furs. You could not buy an ordinary fur coat for less than $400 to $500, and yet there were few ladies in the Government employ at that time who were not wearing them. They took advantage of the comparatively enormous salaries they were receiving and they lived rather expensively.

Mr. MYERS. I do not know. If many Government employees bought sealskin cloaks and sacks I think they must have agreed to pay for them on the installment plan, and in that event I think most of them are doubtless not paid for yet; and if the Senator believed they were spending their money for that purpose he should have voted against the $20 bonus. He may have done so, or may not; I do not know. I think that vote was taken without a record vote.

The Senator from Arkansas [Mr. CARAWAY] has asked me about the motives of Senators who voted for certain measures here, what was in their hearts, and the Senator from North Dakota now asks me to go into the private expense accounts of Government employees during the war and see if they could not have lived a little more economically. I am not able to do either. I have no psychological powers such as would enable me to do either. I know one Government employee who did not live more extravagantly during the war than before the war or since, and did not live extravagantly at all, and that is I. I am

the only one for whom I can speak. I know there was no chance for extravagance for me in supporting a family on my salary.

As I was saying, I think the most of the civilian Government employees during the war received only a living wage, or perhaps a little in addition, depending upon whether they were married or not and the size of their families, if married; and you must recollect that a very liberal provision, according to usual standards in such cases, was made by our Government for our soldiers while they were in the field. They were given $30 to $45 a month, the highest compensation ever given by any Government for any set of soldiers fighting for it. They were given their board and clothes. They were given hospitalization facilities. They were given medical and surgical attention, when needed. They were given camps and a place in which to live, as comfortable as they could be made under the circumstances. As a matter of fact, they were given their living, and they were given from $30 to $45 a month in addition, and, furthermore, they were generously provided for in the way of life insurance and compensation for dependents at home. All of those things must be taken into consideration.

I do not hint even for a second that it was too much, that we did more than we should have done. It was right and proper. We should have done all of this; but now that it is over, and that we voted them an additional compensation of $60 apiece at the termination of their services, when this Government owes a debt of $25,000,000,000, when the statistics which I read while the Senator from North Dakota and some others may have been out of the Chamber at the lunch hour show that during the last week of the last past fiscal year the expenses of this Government were $40,000,000 a day, are we to draw no line of limitation? Are we just to throw the Treasury open and say, "Take all there is now and will be for generations to come"?

I believe in generosity, but I believe in the maxim of the law which says that a man should be just before he is generous, and I believe that is especially true of trustees who are handling the money of other people; that trustees should be just before they are generous. We are trustees. We can not evade that responsibility. We are trustees of all of the people of the United States, not merely of any one class of the people of the United States. We are not charged merely with the trust of showing our appreciation and gratitude for the glorious, immeasurable, and undying patriotism and loyalty of the soldiers who fought our battles during the war with the Central Powers of Europe, but we are trustees for all of the people of the United States, and we should regard all of them and should regard the interests of all.

As to the wages made by laborers in private industry who were not working for the Government during the war, to which the Senator from North Dakota has referred, and to which he largely attributes the increase of savings in savings banks, I know that in some instances there has been some criticism of the wages paid to labor in private industry during the war, and especially those engaged in industries which aided the Government in waging the war, such as railroad employees, shipyard employees, shipbuilding employees. I know there has been some criticism of that; but if, in the anxiety and exigency of war, when everything was at stake, when the life of this Nation was at stake, the Government and employers may have erred on the side of generosity and were too lavish to some to be just to others—if in their willingness to sacrifice everything in order to win the war and preserve the civilization of the world, in that most momentous ordeal, when nobody knew which way the scale of battle would turn, the Government and private employers were overgenerous from an excess of anxiety to preserve this Government from destruction and defend its rights, that is no reason why now, in the calm times of peace and deliberation, we should commit another error which would be generous to some but unjust to others. We must weigh the circumstances which exist. We must take into consideration the conditions of different times and we must endeavor to be fair and just to all alike.

While much has been said about the money part and how much regard we have for dollars, I think we should not be disregardful of the fact that the last Treasury report shows that during the last week of the last fiscal year just closed the expenses of our Government mounted to the astounding figure of $40,000,000 a day. When this Government is $25,000,000,000 in debt and when taxes are mounting every day and expenses are being piled mountain high, I want to regard all of those things. I think we should give due regard to the condition of the country.

Something has been said here in regard to the draft taking these men away from their vocations and their families and compelling them to fight for their Government; and something was said a while ago, which I did not then get an opportunity to answer, about the bounties paid in some instances to Union soldiers who enlisted during the Civil War.

If the United States was compelled to recruit the Union Army during the Civil War by paying bounties, if that was its only recourse, if that was the only way in which the Union could be saved, I think it was worth the price; but I do not approve of the principle. I believe it would have been better for the Government to have resorted entirely to the draft, as it did during a part of the Civil War. If it had to pay bounties to save the Union, I say the result was worth the price; but I do not approve the principle, just as during our World War, if we had to pay excessive wages to some classes of labor to win the war, I say it was worth the price, though it may have been unjust. Anything, in a life and death struggle, with the rattle of death almost being sounded in the victim's throat, is worth doing to preserve life of man or nation.

As to wages paid during the war, which are pronounced by some to have been excessive, I know it is the theory and the assertion of some that the Government should have drafted all people necessary to its service in winning the war, not only soldiers to fight the battles, but workmen to work in industries, especially the lines of industry connected with the prosecution of the war. It may be that that would have been just and right, but I doubt exceedingly if it could have been accomplished. This Government never has resorted to such measures, and I doubt very much if any Anglo-Saxon people would submit to it. It would have been an experiment, and I doubt exceedingly whether it would have worked successfully. Those in charge, the administration in power, evidently did not believe it just or practicable, because it was not resorted to. But as to the drafting of soldiers, it is the first and highest duty of a Government, in time of war, to raise an army, to get soldiers in some way; either to call for voluntary enlistments, to pay bounties, or to enact a draft law, and all of those different plans were discussed during the war with Germany, and it was believed by the majority in Congress, and I believed, that the draft system was the best and fairest system, and that it was right and proper and was the best that could be adopted.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER (Mr. WILLIS in the chair). Does the Senator yield to the Senator from North Dakota?

Mr. MYERS. With pleasure.

Mr. McCUMBER. I most earnestly agree with the Senator on the draft system being the only just and proper system. I have always believed it was the only just and proper system. But I do not believe that it ought to have been applied to just the fellow that you sent to work or sent to fight. I do not know why it should not have been applied to every citizen between the ages of 18 and 62, or whatever age would place him beyond the probability of usefulness, and why we should not have used his services wherever required, provided those services were to win the war.

The Senator thinks that was impracticable. The Government did not find it impracticable to fix the price of every bushel of wheat raised in the United States, to fix the price of every pound of copper produced in the United States, to fix the price of every barrel of flour produced in the United States, and thereby, in fixing the price of wheat, fixing the earning capacity of the farmer, and fixing the wage of every one engaged in the production of that wheat. If the Government could thus fix and control prices affecting one-third of the industry of the United States, would it have been impracticable to have extended it to other fields and control them just as well?

Why should the farmer have been made the goat, and the only one, by having the price of his product held right down to a certain price per bushel, and guilty of a criminal offense, at least an offense which would forfeit the right of the miller to do business, and the right of the wheat buyer to purchase wheat, if he paid any greater price?

Mr. MYERS. The Senator is now reviewing the mistakes made during the war, and if he is going to embark upon that, there would be no end of discussion pro and con.

Mr. McCUMBER. Pardon me; I am simply reviewing the statement of the Senator that he thought that theory of controlling other people than those who were selected to fight for their country was impracticable.

Mr. MYERS. To have controlled the price of all labor during the war would have been an experiment never before tried in this country, and during the waging of that terrific conflict, upon which the civilization of the world depended, was no time for experiment. We had to sail along charted seas. It was no time for experiments which might prove beneficial or might prove disastrous.

Mr. McCUMBER. Did we not try an experiment when we started out with the draft? The Senator remembers how it was contended on this floor that it would bring about a revolution in this country if we attempted to enforce the draft law.

Mr. MYERS. We had draft laws during the Revolutionary War and during the Civil War.

Mr. McCUMBER. It was eminently successful in this war, notwithstanding the fact that it was practically an experiment, and that we did away entirely with the volunteer system.

Mr. MYERS. I do not see how the Senator can say that anything was an experiment which we had successfully tried during the Revolutionary War and during the Civil War. If the draft was an experiment in the World War, I do not know how any assured or established method of procedure could be had. Drafting labor and fixing its price would have been an experiment. We had never done it, and I do not believe it would have been wise to have tried strange and unusual experiments during the time when the Nation was struggling for its very life. They might have proven beneficial, and they might have proven very disastrous. If they had proven beneficial it would have been all right, and if they had proven disastrous they could only have proven disastrous once.

It is a good deal like a sick man taking some medicine that may possibly benefit him a little and possibly may kill him. If it benefits him, all right; if it kills him, it can kill him but once; and therefore when sick he should be careful about trying experiments in the way of taking medicine.

As to the fixing of the prices of copper and wheat and some other products, it was necessary to fix the prices of some products in order to prevent the possibility of undue profits. We have heard very much said during my feeble discussion here about profiteering, and the horrible examples of profiteering have been held up to us, and we have been told that because some profiteered and made thousands and some made millions of dollars we should now indulge in extravagance on our own account and vote a big lot of money out of the Treasury. If it had not been for fixing the prices of some products there might have been a lot more profiteering than there was, and I think prices should have been fixed on more products than were during the war.

Mr. McCUMBER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from North Dakota?

Mr. MYERS. I yield with pleasure.

Mr. McCUMBER. Was it not just as easy to prevent profiteering in the manufacture of steel and just as easy to prevent profiteering in the manufacture of guns and munitions as it was to prevent profiteering in the production of wheat?

Mr. MYERS. If it was, then it was a mistake not to have done it. But the Senator insists on going into the history of our mistakes during the war. The easiest thing in the world is to pick out mistakes during a war. There is many a man sitting on a dry-goods box now in front of the corner grocery, whittling a stick, who can point out just how Lee and Jackson could have won the Civil War and established the Confederacy. That has been done a thousand times. Their mistakes have been pointed out. It is a lot easier to point out mistakes after a war is over than to win a war while it is being waged, and there never was a war won that was not won in spite of the making of some mistakes. But if it is in a just cause, the price is worth the sacrifice. As far as profiteering is concerned, there was too much of it during the war, and there might have been more of it if there had not been some governmental supervision and fixing of prices of products. But that is no reason why we should be recklessly and extravagantly prodigal with the money of the people in these days, and do something we never have felt impelled to do toward the soldiers who served us in any of our various wars, from the War of the Revolution down to this time; something which we did not do for the Revolutionary soldiers who established this Government and who gave us our freedom, without whose sacrifices there would have been no country here for us to live in; which we did not do for the soldiers of the Civil War, who preserved this Union from dissolution. Because we have made some mistakes I do not believe we should make more mistakes.

There was profiteering not alone in this country during the war; there was profiteering in England; there was profiteering in France; there was profiteering in Italy; and there was even profiteering in Germany, which lost the war. Hugo Stinnes made an immense fortune, a fabulous fortune, during the war out of the misfortunes of Germany, out of her failure to win the war.

There never was a war waged, there never was a war won or lost, in which there was not some profiteering, because it is simply impossible to prevent it altogether. During the time of storm and stress and the excitement of war, when people are possessed with the one thought of winning the war and preserving their national life, human ingenuity will resort to some things and find some ways in which undue profits can be made. You can not abolish it altogether without abolishing human nature.

Now, trying to get along with the imperfect thread of my argument, which I had extemporaneously outlined to a slight degree in my mind, and which has been very much disconnected by very many interruptions, all of which I welcomed and was glad to have, as I am glad to have light from any source on this subject—to recapitulate a little my own attitude, I believe in dealing justly, liberally, and generously with our former service men. As to those who were disabled, suffered incapacity, disease, and wounds, physical privations and hardships, and deterioration during the war, I think we can hardly do too much for them, and I have questioned scarcely anything that was proposed in their behalf.

As to vocational educational training, I think it wise and just to offer it to the disabled and those who were not disabled on liberal and extensive plans, in order to fit them all to be self-sustaining citizens; to make them self-supporting and prosperous citizens as well as patriotic citizens.

As to home-acquiring and land-settlement legislation, I am, and was even before the war came to an end, before the time of the armistice, an ardent believer in it. I believe in encouraging these young men as much as possible to get on the land. Those who suffered in the war, those who are in the best of health and strength, should receive that benefit. I believe in liberal plans of legislation along those lines. The money for that purpose, of course, would only be loaned to the soldiers. It would be a loan, not a gift.

But it is only on the proposition of paying several billion dollars out of our impoverished Treasury, and at the expense of our toiling taxpayers, now or some years later, that I find that I can not go along with the distinguished Senator from North Dakota and some other Senators in this body who are doubtless just as sincere in their convictions as I am in mine. I think it would be an unreasonable thing to embark upon this plan of paying out billions of dollars either now or some years later. I believe it would be unjust to the people and the taxpayers of the country, among whom are many of the returned soldiers. It would be putting a burden in part upon many of them. I think the condition of our Treasury and the financial condition of our country as a whole is such as to raise a sign of alarm, and I think the Secretary of the Treasury has performed a patriotic duty when he raised the signal of alarm and warned the Congress of what would be the result of the enactment of the cash bonus feature of the proposed legislation.

As I said awhile ago, I do not believe it is demanded by all of the members of the American Legion. I started to say something about that when the Senator from Georgia [Mr. WATSON] interrupted me with questions upon another phase of my argument, and I have not yet gotten back to it. However, I shall say a few words now upon that feature.

I do not believe that nearly all of our former service men demand or want the cash bonus feature of the proposed legislation. I know that not all of them do. I have received quite a number of letters from former service men, residents of Montana and other States of the Union, who not only say they do not want it, but who protest against it, who protest in the name of the returned soldiers and sailors and in the name of the American Legion. I do not know whether the American Legion has gone on record in favor of the cash bonus plan or not. I do not know whether it has formally passed resolutions in favor of it or not. I am not able to say as to that. It is a great and patriotic organization. It has done a great work and is now doing a great work. There is in the future, so long as any of its members may live, a great work for it to do. I know that great work will be done. I know they will do it faithfully and loyally and zealously, whether they get a cash bonus or not. Their patriotism, loyalty, and devotion to the country is not to be determined by cash payments.

But even if the American Legion may have gone on record as favoring the cash bonus or even if a majority of its members may favor it, I know there are many members of the American Legion who do not favor a cash bonus, and some of them even resent the idea of a cash bonus. I have had letters from quite a number of them to that effect, some who reside in Montana and some who reside elsewhere. I have made it known for more than a year past to all former service men, members of the American Legion and others, whenever they inquired of me, orally or by correspondence, that I was opposed to and would oppose cash bonus legislation for our returned soldiers.

I have told them what I favored and what I opposed. I have told them that I favored liberal and generous legislation for our disabled ex-service men, liberal and generous vocational

training education legislation, liberal land-settlement legislation, and home-acquiring legislation; but I have told them that I would oppose a cash bonus feature in any relief legislation. So far as I know not one of them has criticized me harshly for it or offered any harsh or unreasonable objection to my attitude. Members of the American Legion, so far as I have come in contact with them, are very reasonable about the matter. While many of them say they would like to have the cash bonus and think they ought to have it and offer some very plausible arguments in favor of it, yet they are reasonable about those who, upon conviction, oppose it. Many of them virtually admit that there are two sides to the question and that it is a big proposition with some arguments on each side.

I have here a clipping which purports to be, and I have no doubt is, an expression of sentiment upon the subject by one former service man. I shall read it, because I believe it is expressive of the sentiment of a number of our former service men; no inconsiderable percentage of them, I think. I know it expresses the sentiment of some who have talked with or written to me on the subject. This purports to come from one former service man who does not approve of the cash bonus plan. It reads as follows:

"Comrades, I ask you to consider with me, calmly, the demand to put more taxes on the American people to pay a cash bonus to those of us who came through the World War unscathed.

"Let us keep out of our thought the very different question of Government aid to those who were crippled by the war. No one objects to giving them all the help they need, and they would have had it more promptly, doubtless, if we had concentrated our efforts on that unquestioned duty of the Nation. Even in their cases the true friend will guard against pauperizing and weakening those who should rather be helped to help themselves.

"And let us put aside also the question of Government cooperation with soldiers willing to do what the Nation and the world most needs, namely, increase agricultural production to feed the starving millions of other lands. It is hardly less heroic and patriotic than going 'over the top' into 'no man's land,' to save the world, for us to resist the lure of the bright lights of the city and claim the approval belonging to everyone who 'makes two blades of grass grow where one grew before.'

"The clean-cut issue is whether strong young men, who came home from the World War in good health and for whom self-supporting occupations have been opened by an appreciative Nation, shall, by massing their voting power as a threat, compel Congress to tax their neighbors to pay them an enforced bonus, on the ground that some others who were not drafted got more pay for war work than soldiers for fighting.

"Let us quietly recall, on the other hand, how generously we were treated in contrast to other soldiers of other wars. In the first place, no one of us was required to go to the World War who had dependent relatives or who was engaged in essential work. Every expense was provided for; an abundant ration, so much better than most of us had been used to that we gained an average of 12 pounds in weight; also clothes, lodging, transportation, medical care, and even cigarettes, doughnuts, and amusements. It is not fair to talk of $1.50 per day given us in France as our 'wages,' and contrast that with wages paid at home, because the $1.50 per day was itself a bonus, above all expenses, of $45 per month, practically all of which we could have put away in a savings account. How many of us before the war had a surplus of $45 per month, or even the $30 per month paid to men who never got beyond our comfortable home cantonments? And how many of us ever before had $10,000 life insurance? The major part of that was paid by the Government—that is, by our neighbors—in taxes, and was declared by Congress to be a substitute for pensions. Is it honorable to be asking a pension also in the form of a 'bonus'? Some of us are great fools to neglect to pay the small part of our surplus that was required to keep up that splendid insurance plan.

"Instead of getting too little money in France, it was a mistaken kindness to give the American soldier there six times as much as the British soldier and sixty times as much as the French, and so make him so much more the object of the wiles of gamblers and harlots. Far better if most of that money had been reserved to put in our hands at the critical hour of discharge, when, for lack of it, we asked and got a bonus that cost our neighbors millions, to tide us over till we got employment, which came rapidly, often displacing others in our favor.

"And who is it we propose to compel to give us a reward for not resisting a draft to do our duty? Thoughtless multitudes used to think the pensions paid to old soldiers of former wars, who had a poorer ration and only one-third as much 'pay,' and were to a large extent heads of families—people used to think 'the Government' paid the pensions! But even children learned when the World War tax was added to their glass of soda and cake and chocolate that it is the 'ultimate consumer' that really pays whatever 'Government pays' to anybody. Who then will pay the bonus if it is extended? People mostly younger or older or sicklier and with more dependents than we, the strong young men, who were drafted for a brief defense of the Nation and the world. Only a third of us got to the 'battle army.' A majority of us never left our home cantonments. It was but a vacation in the lives of independent young men. We only did our duty.

"And now we propose to compel our neighbors to pay a charity to those who least need it on the ground that others got bigger pay in war time than we did. On that basis it would be logical for everybody to strike for higher pay who has less than the top salary. Congressmen should strike for the salary of the President and the President for an income equal to Dempsey and Charlie Chaplin.

"But the worst of it is that we are devoting to selfish efforts for petty personal rewards that most of us would soon spend only for amusement and luxuries—in many cases to our own hurt—the great powers of a mighty, patriotic organization that could and should be used to conquer the present menacing foes of national welfare and world peace.

"The war traders and strutting military officers will not strongly oppose new wars which would bring them profit and promotion, and the American Legion should instantly and irresistibly reenforce those in Congress who are opposing excessive military appropriations whose real purpose is to provide political patronage, which they dare to seek at the risk of world peace. And the decision of the Supreme Court authorizing exclusion from the mails of the literature of those who, with the ballot in their hands, advocate political change by violence, opens the way for the American Legion to make a nation-wide campaign of education to show there is no right of revolution where there is a right to vote."

Mr. TRAMMELL. Mr. President, would the Senator mind giving us the name of the author of the communication?

Mr. MYERS. I do not know the author. This is from a publication called the Twentieth Century Quarterly, which other Senators have received, I think, as well as I. It purports to be from a former service man. The communication is anonymous, so far as I know.

Mr. TRAMMELL. Is it an anonymous communication?

Mr. MYERS. Yes; so far as I am concerned.

Mr. TRAMMELL. The author did not have the hardihood or manhood to sign his name to it?

Mr. MYERS. So far as I am concerned, I do not know the author. I do not know whether he gave his name to the publication or not.

Mr. TRAMMELL. I do not think it is a very meritorious communication, if the man would not sign his name to it.

Mr. MYERS. The matter is not anonymous so far as are concerned some former service men in Montana who have spoken and written to me. I have a number of letters exactly in accord with the sentiments here expressed from men who I do know of my own knowledge served in the World War.

Mr. TRAMMELL. Does not the Senator also know that quite a few of those opposing the idea of any further compensation are men who enjoy considerable income other than that received from the Government during the war; that they are men who were in good financial circumstances at the time; and that they look at it from the angle of the capitalist rather than of the average poor, ordinary young fellow who served his country?

Mr. MYERS. There may be some of the kind described by the Senator, but I know some who are not. I know some who have talked to me on the subject and who have written to me on the subject and who oppose a cash bonus who are practically as poor as anyone. We find different views about the matter among the former service men. There is not a unanimous feeling about it by any means.

When we get right down to facts, it is a fact that all of this legislation is intended for young men who entered the service of their country, who went overseas, most of them, during the war and returned unscathed, unhurt, and without any disability; returned as well, as strong, as vigorous, and as well equipped for life's vocations as when they left here. As I have said, I favor that portion of this measure which would give vocational educational training to the disabled and to those not disabled; I favor every reasonable compensation and benefit of legislation to those who were disabled; but I am

speaking now of the great majority of the young men to whom the proposed legislation would apply who were in no wise disabled. It is only as to the provision for giving them a cash bonus that I object. If it is desired to help them to a reasonable extent by loans to get city or town homes, I say all right.

If it is desired to get them on farms and to provide farm homes for them, I say amen to that. It is only to the cash bonus, now or hereafter, to those who were not disabled in any way whatever that I object, and of which I am now speaking, and to which all of my disconnected remarks since I took the floor have been directed.

Those young men responded to the call of their country just as the forefathers of some of them did during the Revolutionary War, during the War of 1812–14, during the Mexican War, during the Civil War on either side, either Union or Confederate, and as some did during the Spanish-American War. They did only what their predecessors had done. They came to the rescue and aid of their country in its hour of dire distress and greatest need, when its life was in peril. They performed the highest duty that a citizen of any country can be called upon to perform, the greatest sacrifice which any citizen of any country may voluntarily offer to his Government. They had the privilege of offering the greatest sacrifice that can be made in this life; they had the privilege of showing the highest degree of loyalty and the loftiest patriotism that a man can be called upon to exhibit, something which does not come to every citizen in every generation.

Most of them, I have no doubt the overwhelming majority, responded to the call of their country gladly. They were young and vigorous; they went to Europe; they fought their country's battles. In the providence of God they came back unhurt, no worse off physically. If they suffered physical deterioration in any way from wounds or gas, or if they incurred disease, I say recompense them to the fullest extent possible; but I am speaking of those who came back without a scratch and without any physical deterioration whatever.

Do they not come back as well off as when they left? Many of them doubtless could have made more money in civilian occupations while they were away; they made great sacrifices in that respect; but are they not compensated, are they not recompensed, by the knowledge that they performed a glorious duty that it does not fall to the lot of every citizen in every generation to perform, and that those of them who may have descendants—and I hope, God bless them, they all may have—will hand down to their descendants a heritage that is priceless? They have all that recompense, that honor, and that glory which many of us do not have and can never have. They saw much of the world; many of them saw parts of the world that they never would have seen had they not responded to the call of their country. They come back with that knowledge and experience; they come back none the worse in health; they come back rich beyond measure in the glorious record and heritage to which money compensation can not be compared. Now, in the present condition of the finances of this country, as I have shown here to-day, and as the Secretary of the Treasury has shown in a far more able and lucid manner than I am able to show, we are asked to vote billions of dollars to them as a cash gratuity and bonus. I do not believe it reasonable, right, or just. I think it would be detrimental to the manhood and the citizenship of America, debasing to the loyalty and patriotism of those who vote this money and those who are persuaded to accept it. I think it would be setting a precedent in matters of legislation than which it would be hard to imagine a worse. There would be no telling to what it might lead or where it might end.

As to these men having been drafted while others were permitted to work for higher wages, I desire to say that it is the duty of every citizen of every country to subject himself in time of war, without question or quibble, to the will of his Government. Just as it is the duty of soldiers to obey the commands of their superior officers without question, to render instant and implicit obedience, so it is the duty of every citizen of a country when the country is at war to obey every behest and command of the Government.

We should all subject ourselves to that authority. If the Government in its wisdom says to one, "Take up arms and fight," and to another "You must work in necessary lines of industry; you must work at civilian tasks and help to produce crops and food and clothes and other things to maintain the Army," it is the duty of all, without question, to obey. That is the fundamental principle of the science of orderly government. When the citizens of a country obey, as nearly all did loyally and grandly in this country during our war in Europe, they have done their duty; and it is their part now to be satisfied with what the Government has asked of them and with the performance of their obligation, without undertaking to get a money compensation in addition in the way of a bonus, gratuity, or gift. I think that goes to the very fundamental root of the science of government—to put one's self at the disposal of one's Government in time of war—and if the Government says to one, "You must fight for but little more than your board and clothes," to another "You must work for the Government for a living wage," and to another "You must work in industry," I think it is the duty of all to obey and accept the consequences without complaint, though it may result in some injustice and some discrimination.

Every phase of human conduct results in some discrimination and some act of injustice. The administration of law through the courts is not perfect; it results in some discrimination and some injustice. Every phase of government and human activity results in some discrimination and some injustice. It is inherently so, because nothing human is perfect. It will be so so long as the affairs of this world are conducted by human agencies. Neither Congress nor any other agency can with absolute equality and justice even up all things and administer equal and exact justice. In time of war some must have compensation in a glorious heritage which others in years to come would give anything in their power to have, while others must have compensation in working for a living wage and others in knowing they are performing necessary work in industry.

If Congress should enact the cash bonus feature of this proposed legislation, it would not only, in a money sense, involve the expenditure paid out of the Federal Treasury but it would be, in part, cumulative. The Federal expense would not be all of it by any means, for every State in the Union, save six, has taken action on legislation beneficial to the veterans. These benefits range from the establishment of soldier settlement boards to State loans for education purposes; free scholarships in State normal schools, colleges, and universities; loans for reclaiming land and providing rural homes; aid in the purchase of farm machinery and live stock; in securing a business or trade apprenticeship, including tools; up to loans amounting to as much as $10,000.

It must be remembered that the proposed national cash bonus would duplicate to greater or less extent the bonus already voted by various States.

As to the cash bonus feature proposed by the pending bill at the expense of the Federal Government, the minimum estimate of cost under the bill exceeds the total annual appropriations made for the cost of government for the fiscal years of 1915 and 1916. The maximum estimate of the cost of this bill exceeds the total annual appropriations for running the Government for the six years 1912 to 1917, inclusive. This legislation is brought before the Senate at a time when the expenses of the Government are still running very high. In the 11 months ending with May, 1921, they have exceeded by $2,700,000,000 the total appropriations for the fiscal year of 1914, which was an average before-the-war year. This excess of $2,700,000,000 is more than the total annual appropriation made for running the Government for the four years from 1913 to 1916. I ask Senators again to remember that a payment from the Federal Treasury would be in addition to whatever has been or may be granted by State legislation, which is already considerable.

The trouble, in my opinion, with legislation nowadays is that it is nearly all passed on the demand of some class of our people, of some clique or element, who band themselves together and through a few leaders set up a great furor, demanding legislation of a certain kind, and start propaganda to bring about its enactment.

It was thought when this country was founded that class distinctions had been done away with; but I believe there are more class distinctions and more pronounced class distinctions in this country to-day than in any other country under the sun. Our people have divided themselves into classes or cliques, and each one is after something from the Federal Government. Each one is industriously trying to get something from the Federal Government—some concession, some favor, some special privilege, some special recognition, some appropriation—and most of the schemes lead to getting a hand into the Federal Treasury.

I believe that the demand for the proposed cash bonus for soldiers comes almost entirely from the returned soldiers themselves, and I believe they have been educated up to it and put in the notion of demanding it by a few agitators and leaders who, for some purpose or other, saw fit to start the propaganda. I have no doubt that the majority of the returned soldiers want a cash bonus, and think they ought to have it; but they have been educated into that. In my opinion, the idea has been put into their heads by others, and I think they are mistaken—

honestly mistaken—in asking or demanding a cash bonus of their Government. I think they are making a bad mistake and doing an injustice to themselves.

Who is demanding this legislation—the cash bonus to men who were not disabled, I mean? I speak of that entirely. My entire remarks are based on the proposition of a cash bonus to men who are in no wise disabled, mentally or physically. Who is demanding it? Is labor demanding it? Are the working people of this country demanding it? Are the labor organizations demanding it? Are the taxpayers demanding it? Are the farmers demanding it? Are the tradesmen and artisans demanding it? Is business demanding it? Are the people who conduct the industries of this country demanding it? I do not believe they are. I believe practically the entire demand comes from one element of our people—the returned soldiers—who, in my opinion, have been mistakenly led into an organized demand of more or less strength for the legislation; and so it is with all demands that are made upon Congress. Practically all demands are made by some class of people for their especial benefit.

The majority of the people of this country seem to look upon the Federal Treasury as a bottomless well, an everflowing spring, a ceaseless fountain of money, money, money, spouting out for the benefit of the people of the country. They seem to think that unless they make an active demand for it they will not get their share; that they have to organize a raid on the Treasury in order to get their share. That is the spirit that appears to imbue the majority of the people of this country. They seem to look upon the Federal Government as a big Santa Claus with gifts for everybody; a toy for this one and a concession for that one and some special recognition for another and an appropriation for another. They seem to think his supply of gifts is endless. They seem to think that the money in the Federal Treasury comes from the sky, or the clouds, or some other unaccountable source. It seems they do not stop to think that it comes out of the pockets of the people themselves, who are making these demands. So we have incessant demands upon the Federal Treasury, and it seems to be the disposition of Congress to yield to them.

I admit that I believe the easy way is to yield to them, to grant all of these demands. I know that it is not easy to oppose them. I know that opposing a proposition like the proposed cash bonus is an unpleasant and thankless job, and that one who does it will be criticized for it, and opposed, and that his motives will be questioned and perhaps condemned by some. I know the easiest way is to go along with the tide and vote everything that everybody wants. By voting for the soldiers' cash bonus we can please the soldiers; by voting for the maternity bill we can please the women; by voting for a department of health we can please those who are zealous in their advocacy of the Government taking charge of the health and physical welfare of everybody; by voting for the Smith-Towner educational bill we can please those who want the Government to educate everybody in the country. Voting for all of these things seems to be the easiest way to please everybody. Vote for all of these demands on the Treasury and concessions from the Federal Government, and it appears that you can please everybody, because nobody in particular amongst the masses of the people seems to be interested enough to object much. Take any of these propositions and vote for it and you please the people who are for it, and the rest of the people appear to be indifferent or do not care much about it and do not pay much attention to it, and you do not make enemies of them by voting for the special concession and privilege.

That appears to be the drift of the legislation of to-day. Emphatically it is to yield to the demands of everybody. There is always somebody demanding something of Congress; and unless Congress stops it, unless it heeds the warning of the Secretary of the Treasury, I do not know where it is going to end, and he does not know where it is going to end. He is a far abler man in the science of government and in finance than I, and he has sounded a note of warning of which I think we should take solemn notice.

There is a disposition to do everything that anybody comes along and asks. A few weeks ago some good people met in this city in national convention, and went down to Mount Vernon, and found they had to pay two bits apiece to see Washington's tomb and the Mount Vernon estate; and immediately there was an uproar against it and a clamor to have the Government of the United States buy Mount Vernon and let us all in free so we will not have to pay the two bits. Of course, they put it on the lofty, patriotic ground that people should not be charged to see the tomb of the Father of his Country, but nevertheless you can not evade the fact that if it had not been that they were charged two bits apiece they would not have raised the cry. It was because the fee of two bits was charged that they made the clamor, and they set up the greatest clamor, or, in common parlance, they gave vent to the biggest "holler," I think, that has been heard since this Government was founded, and it was because they were charged two bits apiece to see Mount Vernon; because the Government did not admit them free. You can say it was on other grounds, but it speaks for itself. It is a case of res ipsa loquitur—the thing speaks for itself; it needs no proof. Consequently there is an immediate movement to have the Government buy Mount Vernon and let everybody in free; and my good friend the Senator from Kansas, for whom I have very high regard, and whom I hold in the very warmest esteem, seems to have heard the cry and to have championed it; but I think it is a mistake. I have no doubt he is doing it from the very best of motives, but I do not agree with him. Of course, the people who made this outcry are good people, good citizens; there are none better; but, like all others, they want the Federal Government to do something for them. They belong to a great and good organization, a secret order, and I am a member of it, but in this matter I do not agree with my brethren. If we are going to buy Mount Vernon at the expense of the people of the country, why not buy Monticello, the former home of Thomas Jefferson; and Hermitage, the former home of Andrew Jackson; and Ashland, the former home of Henry Clay; and Marshfield, the former home of Daniel Webster; and buy the former homes of Patrick Henry, and John C. Calhoun, and Abraham Lincoln, and Ulysses S. Grant, and all of the other great patriots of this country? Why draw the line at Mount Vernon? If we are going to start in on that, why not buy New York City and make it a home for the retired policemen of the country?

I have no doubt the policemen of the country would like to have New York City bought and set apart to them as a home for retired policemen, and with a little encouragement they might be induced to start a propaganda in favor of it. I do not believe that it would receive any encouragement in Congress. I will not be that extreme in my strictures upon the tendency of present-day legislation, but it would be in line, to some extent, with some of the demands that are being made upon Congress.

Now, I say, so far as I am concerned, that in the very best of spirit, and with the very heartiest of good will for and the deepest appreciation of our soldiers who won the World War and saved the day in that gigantic conflict, and saved civilization, I believe in giving them all credit, and want to see them get practically everything they are asking for except a cash bonus; but I do not believe this is the time for that. I do not believe it would be a proper thing to do. In my opinion it would not be a proper way to recognize the services which they have rendered their country; would not be proper for them or just to the rest of the people of this country. It would not be in accordance with the reward that was administered to the soldiers who fought the battles of their country in other wars.

What was the reward given to the Continental soldiers who followed George Washington from Bunker Hill, through the blood-stained snows of Valley Forge, to Yorktown? What was the reward of the soldiers who served their country in the War of 1812–1814? What was the reward of those who served the Union during the Civil War?

It was chiefly the satisfaction of knowing that they did a duty well performed; that they responded to the call of their country with the performance of the highest duty that they could possibly render. It was in the record that they left behind them to their descendants, and in a liberal system of pensions, both disability and old-age pensions, which the Government handed out to them with a generous hand.

When we went into the World War I thought it was the common understanding in Congress that the insurance and compensation legislation which we enacted were to be in lieu of pensions to our soldiers in the World War. It was understood that instead of building up another tremendous pension roll, the end of which no man could see, the veterans of that conflict would be given this plan of insurance and compensation, and I believe those measures were enacted upon the belief that they would save the country from an unending pension roll of untold proportions to be heaped upon all the other pensions that we have legislated for the benefit of former soldiers. That was my understanding. I believe others so understood it; and yet the echoes of the war have hardly ceased before we are called upon, in addition to all of that, to vote to soldiers who were unhurt a cash bonus to the amount of between two and a half billions and five billions of dollars.

I am quite willing, in addition to our disability legislation and vocational-training legislation, in exceptional cases, where these men are wounded and unable to exist on their compensa-

tion, upon a proper showing, to grant them to a reasonable extent in the days to come disability pensions, and in due time some old-age pensions, if any of them may be found in days to come suffering for the necessities and comforts of life; but when we may do all of that, I think it will be doing enough.

It would be doing far more than we have ever done for others who saved this Nation from destruction and made it what it is, and I hope ever will be, an indissoluble Union of indestructible States. I believe that the soldiers of those other wars feel grateful to their country, and feel that they have been liberally dealt with; and I believe that in time, even without this cash bonus, the surviving soldiers of the World War will have cause to feel and will feel the same way.

Many of these soldiers had fathers or grandfathers who fought on the Confederate side during the Civil War. What was their compensation? Simply the satisfaction of knowing that they fought for a principle which they believed to be embodied in the Federal Constitution, and that they were fighting in the defense of their domestic rights and privileges, as they saw them. That is a great satisfaction to those who fought on either the Union or Confederate side of the Civil War, which can not be measured by money or diminished by time. No amount of money which could be piled up can measure it; no flight of time can dim it; and our soldiers who fought in the World War, together with their descendants, will have the same compensation for all time to come, in the same liberal degree, and much more with it. I think they are worthy of it. I am glad to see them get it; they deserve it; but I think there should be some limitation to our raids upon the Public Treasury, even in the name of patriotism. Money is not the greatest reward in the world. There are other things that are incomparable to it. One may be poor in this world's goods and yet be rich, indeed; rich in a glorious heritage; rich in splendid achievement; rich in service to others; rich in the gratitude of his countrymen. In all of these respects our noble veterans of the World War have a compensation compared to which money is paltry; and when they may need material help in later years, they shall have it in generous measure.

Mr. McCUMBER. Mr. President——

Mr. FLETCHER. Will the Senator yield to me to submit a report, or is the Senator about to move for an executive session?

Mr. McCUMBER. I merely wanted to take about three minutes, and I will see that the Senator has an opportunity to submit his report before I yield to the Senator from Massachusetts to move for an executive session.

Mr. President, one of the interesting things in our senatorial life is a study of the psychology which seems to govern the actions of Senators, and is sometimes partially expressed in their speeches. I do not think anyone can fail to fully understand the position taken by the Senator from Montana [Mr. MYERS]. If iteration and reiteration adds to the force of an argument, he certainly has made a very strong one. As summed up in his conclusion, his argument is about this: The Senator does not believe in a cash payment to the soldiers. He thinks that it is wicked, and that it is decidedly the wrong thing, provided it is paid in cash to the soldier to do with it as his judgment would dictate; but if he will take that money and buy a farm in eastern Montana, he is for it.

Mr. MYERS. Or North Dakota.

Mr. McCUMBER. Or western North Dakota.

Mr. MYERS. But I have no doubt that he would naturally prefer Montana to North Dakota.

Mr. McCUMBER. Anyway, so the soldier buys land out there, the Senator is for it. It does not make any difference what it costs the Government if the cash is to be used by the soldier in the purchase of land for a home, he is ready to vote for whatever is necessary.

There is one thing I can not quite understand. For years we have been voting money to help the farmers of eastern Montana and western North Dakota to buy seed wheat in order to raise crops, and then they would fail, and the next year we would vote more money to help them raise the crop, because——

Mr. MYERS. Mr. President——

The PRESIDING OFFICER (Mr. BURSUM in the chair). Does the Senator from North Dakota yield to the Senator from Montana?

Mr. McCUMBER. Let me finish now. The Senator has had nearly three hours.

Mr. MYERS. I yielded every time I was asked to yield.

Mr. McCUMBER. I know; and I will yield in just a minute. Because those people failed to raise a crop, then we had to pass a law a short time ago, so that the farmer who was paying too much interest should, under Government control, get his money cheaper than the business man could probably get his, and it was all right. Then when that failed to afford the relief to the agricultural interests of the country we voted another $100,000,000, after we had already put in a hundred million, so that the farmer could keep his head above water during these hard times; and now there is a bill before us, which is to come up in a short time, by which we are asked to appropriate another hundred million dollars in order to furnish money to enable people across the ocean to buy the farmers' products. The Senator from South Carolina [Mr. SMITH] put into the RECORD a short time ago a statement showing that farm products never bought as little of labor and of material as compared with what other things buy as they do to-day in the United States.

Now the Senator wants to take the cash out of the Treasury and compel the soldier to go on a farm. I say to the soldier, "Go slowly. We are already producing more upon the farms than we can dispose of at living wages." I am not encouraging him to get onto the farm, but if I did encourage him I would say to him, "I have a hundredfold more confidence in your ability to take your money and buy the kind of a farm you want and where you want it than I have confidence in the Government to buy that land and then apply your money to it." He will make a better bargain than the United States ever made or ever will make. I know what it costs the Government in a reclamation scheme or in any other kind of a scheme compared with what it costs the private individual.

I say to the soldier, "If you want to take this cash, take it. Do what you want to with it. If you want to educate yourself with it, take it and educate yourself with it. I have more confidence that you will use that money for your interest than I have that the Government will use it for your interest. If you want to buy a farm, buy a farm. That is left to you. But you make the selection yourself."

I agree with the Senator that it would be a nice thing if we could induce more men to leave the cities and go upon the farms, provided they could make a living upon the farms. Their wages and their earnings in the city are so very much higher than they are in the country to-day that I would sooner give the soldier the money and let him use it as he sees fit than to say, "I am going to drive you onto the farm, or into some agricultural pursuit, or else I will not allow you to get the benefit of this law."

There the Senator and I differ. It is a fair difference. But with the present condition of agriculture, and with its prospects in the near future, I would advise every soldier to think twice before he went out on a piece of land and paid the prices he would have to pay, in North Dakota, even, or in Montana. There are better opportunities off of the farm to-day than there are on it, and until you change the situation, and until it is materially changed, I would not advise the Government to encourage, much less urge, anyone to go onto the farm to raise wheat or cotton or anything else, when the thing he raises will not purchase one-half or one-quarter what the same amount of energy expended by him upon the streets in Washington would earn in buying that cotton back or that wheat back. That is the situation to-day, which no man can deny.

Mr. MYERS. I have always felt that a good argument could never be hurt by an interruption. It is always my plan to permit interruptions when I say anything in the Senate; but I have always felt that it must be a mighty poor argument that can not be subjected to interruptions.

Mr. McCUMBER. Therefore I am complimented by the Senator's interruption.

Mr. MYERS. I thank the Senator for yielding. He may have concluded that his argument at last would stand interruption.

As far as the money provided for the farmers of Montana and North Dakota in times of drought is concerned, it was loaned to them for the purpose of purchasing seed wheat with which to raise crops and to pay on their farms and homesteads, and provision was made that it should be repaid. I am quite willing, if any returned soldier may be shown to be, through no fault of his own, in absolutely indigent circumstances, and suffering for the necessities of life, to see that there are opportunities provided for him. But that is very different from voting four or five billion dollars out of the Treasury to men who are in no wise disabled, and no doubt 99½ per cent of whom are able to make a living.

The Senator, unintentionally I am sure, misconstrued my remarks. I have not advocated compelling any soldiers to go onto farms. At the time when I first introduced the bill for land settlement privileges in the Sixty-sixth Congress, in accordance with the views of Secretary of the Interior Lane, I said that I believed in encouraging them to go upon the farms, but only to make the advance of the money a loan, with

proper security, in that event, to be returned to the United States Government.

Mr. McCUMBER. The Senator made his argument, and I appreciate it, and he made it so clear and a number of times restated it, so that I do not think any of us can misunderstand it.

Mr. MYERS. I made it so clear that I am sorry the Senator misstated it. I did not advocate compelling any of them to go on farms. I merely advocated encouraging them to do so, and lending them money to do so.

Mr. McCUMBER. I understand that.

Mr. MYERS. And the Senator's position appears to be different from mine in this, that even though at the end of the last fiscal year our expenses were $40,000,000 a day, he wants to go into the Treasury and hand out four or five billion dollars more.

Mr. McCUMBER. I did not intend to get into a controversy with the Senator upon those subjects, which do not relate directly to the pending measure. I did not agree with the Senator's position that it would be all right to pay them the money or pay the same amount of money provided they took it in land or in homes or in any character of vocational education, and so forth. I would rather allow them to use the money to the very best advantage, and I think ordinarily most of them have pretty fair judgment as to how it ought to be used. Anyway, I am very certain that they would have better judgment than the Government would have in determining how it should be used for their benefit.

I had intended to discuss this afternoon the letter of the Secretary of the Treasury, but it is late now and everyone is tired, and I do not wish to go into that subject at this late hour. There are a number of Senators now present who desire to present some morning business, and I understand the Senator from Massachusetts [Mr. LODGE] desires an executive session. So I shall take up the reply to that letter at our next meeting.

Mr. JONES of New Mexico. Mr. President, I offer two amendments to the pending bill, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. It is so ordered.

COMMITTEE SERVICE.

On motion of Mr. UNDERWOOD, it was—

Ordered, That the following-named Senators be assigned to service upon standing committees of the Senate to fill vacancies caused by the resignation from the Senate of the Hon. Josiah O. Wolcott, of the State of Delaware: On the Committee on Interstate Commerce, Mr. PITTMAN; on Education and Labor, Mr. CARAWAY; on Privileges and Elections, Mr. ASHURST; and on Civil Service, Mr. WATSON of Georgia.

DAM ACROSS MAHONING RIVER, OHIO.

Mr. WILLIS. Mr. President, from the Committee on Commerce I report back favorably with amendments the bill (H. R. 4976) granting the consent of Congress to the Trumbull Steel Co., its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River, in the State of Ohio, and I submit a report (No. 204) thereon. I ask for its present consideration.

There being no objection, the Senate as in Committee of the Whole proceeded to consider the bill.

The amendments were, on page 1, line 11, after the word "That," to strike out "no dam constructed under the consent hereby granted shall be used to develop water power nor to" and to insert "this act shall not be construed to authorize the use of such dam to develop water power or"; and on page 2, line 8, after the word "act," to insert a colon and "*And provided further*, That the consent hereby given shall terminate and be at an end from and after 30 days' notice from the Federal Power Commission, or other authorized agency of the United States, to said company or its successors; that desirable water-power development will be interfered with by the existence of said dam; and any grantee or licensee of the United States proposing to develop a power project at or near said dam shall have authority to remove, submerge, or utilize said dam under such conditions as said commission or other agency may determine, but such conditions shall not include compensation for the removal, submergence, or utilization of said dam if the water level to be maintained in said power project is higher than the level of the crest of said dam," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby granted to the Trumbull Steel Co. and its successors and assigns, to construct, maintain, and operate at a point suitable to the interest of navigation a dam across the Mahoning River near the city of Warren, in the county of Trumbull, in the State of Ohio: *Provided*, That the work shall not be commenced until the plans therefor have been filed with and approved by the Chief of Engineers, United States Army, and by the Secretary of War: *Provided further*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity: *And provided further*, That the authority hereby granted shall cease and be null and void unless the actual construction of the dam herein authorized be commenced within one year and completed within three years from the date of the passage of this act: *And provided further*, That the consent hereby given shall terminate and be at an end from and after 30 days' notice from the Federal Power Commission or other authorized agency of the United States to said company or its successors that desirable water-power development will be interfered with by the existence of said dam; and any grantee or licensee of the United States proposing to develop a power project at or near said dam shall have authority to remove, submerge, or utilize said dam under such conditions as said commission or other agency may determine, but such conditions shall not include compensation for the removal, submergence, or utilization of said dam if the water level to be maintained in said power project is higher than the level of the crest of said dam.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

DAM ACROSS WABASH RIVER AT HUNTINGTON, IND.

Mr. FLETCHER. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 6814) to authorize the construction of a dam across Wabash River at Huntington, Ind., and I submit a report (No. 205) thereon. I call the bill to the attention of the Senator from Indiana [Mr. NEW].

Mr. NEW. Mr. President, three or four days ago this bill and the one that has just been passed were brought up for consideration. They were resubmitted to the committee, I think, upon the suggestion of the Senator from Alabama [Mr. UNDERWOOD] in order that they might be so amended as to provide authority for the cancellation of the permission by the Federal Power Commission. That has now been provided, and I ask unanimous consent for the immediate consideration of the bill.

Mr. UNDERWOOD. I will say to the Senator from Indiana that the suggestion did not actually come from me, but it probably came from something that I said. All I desire to ask the Senator is whether the same limitation is put in this bill that was contained in the bill that has just been passed by the Senate.

Mr. NEW. I understand that that has been done by the committee.

Mr. WILLIS. It is exactly the same limitation.

Mr. NEW. It was for that purpose that the bill was recommitted to the committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana for the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments were, on page 1, line 8, after the word "That," to strike out "no dam constructed under this authorization shall be used to develop water power nor to," and to insert "this act shall not be construed to authorize the use of such dam to develop water power or"; and in line 10, before the word "*Provided*," to insert "*Provided further*, That the consent hereby given shall terminate and be at an end from and after 30 days' notice from the Federal Power Commission, or other authorized agency of the United States, to said city, that desirable water-power development will be interfered with by the existence of said dam; and any grantee or licensee of the United States proposing to develop a power project at or near said dam shall have authority to remove, submerge, or utilize said dam under such conditions as said commission or other agency may determine, but such conditions shall not include compensation for the removal, submergence, or utilization of said dam if the water level to be maintained in said power project is higher than the level of the crest of said dam: *And*," so as to make the bill read:

Be it enacted, etc., That the consent of Congress is hereby given to the construction by the city of Huntington, Ind., of a dam for water supply purposes across Wabash River, at such location and in accordance with such plans as may be approved by the Chief of Engineers and the Secretary of War: *Provided*, That this act shall not be construed to authorize the use of such dam to develop water power or generate electricity: *Provided further*, That the consent hereby given shall terminate and be at an end from and after 30 days' notice from the Federal Power Commission, or other authorized agency of the United States, to said city, that desirable water-power development will be interfered with by the existence of said dam; and any grantee or licensee of the United States proposing to develop a power project at or near said dam shall have authority to remove, submerge, or utilize said dam under such conditions as said commission or other agency may determine, but such conditions shall not include compensation for the removal, submergence, or utilization of said dam if the water level to be maintained in said power project is higher than the level of the

crest of said dam: *And provided further*, That this act shall be null and void unless the dam hereby authorized is commenced within one year and completed within three years from the date hereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was reported to the Senate as amended and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

SURVEY OF YAZOO RIVER, MISS.

Mr. FLETCHER. From the Committee on Commerce I report back favorably with an amendment the bill (H. R. 5651) to survey the Yazoo River, Miss., with a view to the control of its floods, and I submit a report (No. 206) thereon. The bill provides merely for a preliminary examination of the Yazoo River in Mississippi, and the Senator from Mississippi [Mr. WILLIAMS] desires to have immediate action taken on it.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SMOOT. I ask that it may go over.

Mr. FLETCHER. Let me say to the Senator that the bill has reference only to a preliminary examination.

Mr. SMOOT. I am perfectly aware of that, but that means, of course, an appropriation in the next river and harbor appropriation bill.

Mr. FLETCHER. Not at all.

Mr. SMOOT. It may not, but I know it generally does. I have heard of the Yazoo River before.

Mr. NELSON. May I say to the Senator that the bill involves no appropriation.

Mr. SMOOT. No; not now.

Mr. NELSON. The data necessary is now in the department. It simply involves a report upon the data they have that is already in the department. It does not require an examination in the field.

Mr. SMOOT. It says a survey of the Yazoo River, and I know what such surveys generally are.

Mr. FLETCHER. There is an amendment proposed which strikes out the word "survey" and confines it to a preliminary examination. That is the amendment made by the Committee on Commerce.

Mr. SMOOT. I ask that the bill go to the calendar.

The PRESIDING OFFICER. Objection is made, and the bill will be placed on the calendar.

CONDITIONS IN MEXICO.

Mr. LA FOLLETTE. Mr. President, just before the adjournment last evening I introduced a resolution calling upon the President for information respecting the dispatching of warships to Mexico. I expected to call up that resolution for discussion and consideration by the Senate during the morning hour this morning, but the morning business so largely consumed the time that I did not feel that there was sufficient time remaining before the unfinished business came before the Senate to allow a reasonable discussion of the resolution. Therefore I did not call it up. I wish now to state that I shall call it up at the very earliest possible moment that it can receive the attention of the Senate.

ARTICLE BY SENATOR BORAH.

Mr. LA FOLLETTE. Mr. President, I wish to ask unanimous consent that there be printed in the RECORD an article which I find in the American Legion Weekly for July 1. It is a discussion of the constitutional right of free speech, free press, and free assembly. The article is contributed to this publication by Senator WILLIAM E. BORAH. It is a very able and timely discussion of those constitutional guarantees, and for that reason I request that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"BEWARE OF DEMOCRACY'S FALSE FRIENDS—SENATOR BORAH SEES IN OUR CONSTITUTION-WRECKING PHARISEES THE MOST VITAL PROBLEM IN AMERICAN POLITICS TO-DAY.

[By WILLIAM E. BORAH, United States Senator from Idaho.]

"It may seem incredible to many, but to me the most vital problem in American politics at the present time is the preservation of the great guarantees of civil liberty found in our Constitution, and so long supposed to be secure and indispensable. It may seem still more incredible when the opinion is confidently ventured that these principles, the safeguards of our liberty, are not so much in danger from those who openly oppose them as from those who, professing to believe in them, are willing to ignore them when found inconvenient to their purposes.

"The former we can deal with, but the latter, professing loyalty, either by precept or example, undermine the very first principles of our Government, and are far the more dangerous. It is said that Augustus Cæsar finally robbed the Roman people of all their rights and privileges at the very time that he was leading them to believe that he was their most zealous defender.

"The American Revolution secured for us independence as a Nation and gave us the liberty we had long cherished. But how to maintain this independence and how to preserve and make practical this liberty was the most difficult of all possible questions. The matter of putting restraint upon kings and rulers, of safeguarding the people against despotic power, had been solved. From the Magna Charta down, we had become more and more expert in this. But would a people be willing to impose restraint upon themselves and set limits to the method of executing their own purposes and activities? This was the new problem. Would they guard against the hour of passion, against days of great public excitement, and would they throw a shield of protection about the minority, and having done so, would they respect the Charter by which these things were accomplished?

"This our fathers undertook to do. And how well they did it, with what poise, what judgment, what vision, all the world has since acknowledged. The most sublime event in the history of government was when a free and unrestrained people deliberately imposed upon themselves certain fundamental restraints and nobly placed about the rights of the minority the solemn pledges of an entire Nation.

"This was and is the Constitution of the United States. There is no other instrument in government approaching it in its display of statesmanship or political wisdom. The whole vast fabric rests upon the theory that there can be no free government save where every citizen is subject to the law and where he is subject to naught else than the law. To preserve these principles is the highest obligation of citizenship—this is true Americanism.

"Our Constitution was framed and our Government organized under conditions well calculated to test the faith in free government of those upon whom devolved the task of giving the world the first real Republic. Things were not peaceful or serene anywhere. In our own country, after the close of the Revolution, there had been discontent and disorder, in some instances taking on the magnitude of riot and rebellion. In the Old World the mutterings of a fearful storm could be heard, and soon the effects of the French Revolution were felt in our own land.

"Men less wise would have said these were not the times for Republics. Men less firm in their faith would have said we should not write into the Constitution the guaranties of free speech, a free press, and the right of peaceful assemblage in such times as these. Such things must wait—they must be postponed to a time of peace, when things are more settled.

"But these rights and privileges, without which there can be neither a Republic nor a free people, were placed in the Great Charter in language so plain, so simple, so comprehensive, that only those who disbelieve in them would deny them to anyone.

"Of late years, however, a serious question has been raised as to just how far it is safe to admit these rights and privileges. When we are considering that question we ought to remember that at a time when the whole world was in strife and at a time when all free Governments were looked upon as a dream of enthusiasts the fathers hesitated not at all.

"We should never tire of studying the history and reflecting upon the achievements of this remarkable group of men. They should interest us not only by reason of their high purposes and exalted patriotism but in these days even more because of the practical, direct, and finished way in which they brought their plans and purposes to a workable conclusion. To create a government strong enough and stable enough to lift a fast disintegrating community out of the mire of local prejudice and state jealousies called not only for a rare fiber of moral courage but for a higher order and a more venturesome reach of practical statesmanship than the world had yet or has since known.

"If we are charmed by the wide range and daring compass of their intellectual vision, we are even more profoundly moved by their singleness of purpose, their mastery of facts, and their practical grasp of concrete things. The natural bent, the strong bias of the builder marks and distinguishes them from all other groups of men; they seemed to experience something of the ecstasy that is born of the consciousness of the power to create—the keenest pleasure the intellect can know—that of constructing something which it is worth while for the world to have and which is to add substantially and permanently to the world's comforts and advancement.

"One of the most common traits of the political pharisee—the man who is always professing great devotion to the Constitution and always betraying it or disregarding it—is that of constantly expressing the fear that the people may have their

minds poisoned by false doctrines; hence the necessity of censoring the press and circumscribing public meetings and arbitrarily punishing men for expressing 'dangerous' views.

"As a matter of fact, there is no one more difficult to lead astray and no one in whose keeping the true principles of free government are so safe as the average citizen. There is no tribunal before which the advocates of false, foolish, or disloyal theories may be tried with such implicit confidence of favorable results for order and law and free government as the tribunal of the American people as a whole. A small per cent may be moved or misled, but let the political body as a whole test out the worth of any proposition and the community will be more wholesome and the public will be safer and the people will be more self-confident and more fit for self-government from the experience.

"In the days when a band of noble Englishmen were fighting for a free press, free speech, for protection against arbitrary arrests, and for the right of peaceable assemblance, one of England's most eloquent men said, 'Give me but the liberty of the press and I will give the minister a venal House of Peers; I will give him a corrupt and servile House of Commons; I will give him full swing of the patronage of office; I will give him the whole host of ministerial influence; I will give him all the power that place can confer upon him to purchase submission and overawe resistance; and yet, armed with the liberty of the press, I will go forth to meet him undismayed; I will attack the mightier fabric he has reared with that mighty engine; I will shake down from its height corruption and lay it beneath the ruins of the abuses it was meant to shelter.'

"It was this fine insight and great faith which moved the framers of the Constitution to build in the integrity of their conviction. Had they less of confidence in the intelligence and self-governing capacity of the people, they would have yielded to unwise suggestions, often made in those days as in these. More than once during the conference it was urged that if this or that provision were inserted the people would reject the whole program; or if this or that were not done, all would end in chaos. At last Washington, who seldom spoke but to say the last word, declared:

"'It is but too probable that no plan that we can propose will be adopted. Perhaps another dreadful conflict is to be sustained. If to please the people we offer what we ourselves disapprove, how can we afterwards defend our work? Let us raise a standard to which the wise and honest can repair—the event is in the hand of God.'

"Underneath these words it is not difficult to discern the abiding belief that in the final judgment the people would measure up to and approve the best plan that the bravest and best intellects of the age could give them, and such a belief is the bedrock foundation upon which the higher faith in popular government is built. We are far more prone to underestimate than to overestimate the intelligence and self-governing capacity of the masses.

"Those who do not believe that the people are capable of choosing as their representatives men of courage and wisdom, who do not believe that they are fitted to select and approve the wisest and most efficient laws and institutions which the ripest intellects of the time can give and will do so, and who do not believe in the freest discussion among the people, do not in fact believe in popular government—they have mistaken the sickly forebodings of the uninformed for the larger outlines of a great faith.

"The whole superstructure of American institutions rests upon the principles of constitutional morality. Let us respect our laws and the provisions of our Constitution as they are made and as they exist from time to time. It is our right and it is a privilege which no free people will ever surrender to change the Constitution, to modify it, to rewrite it. But as it exists at any particular time, obedience to it and respect for its provisions and terms constitute true devotion to the American Republic. No one has stated this so well as Daniel Webster in the following words:

"The Constitution was made to guard the people against the dangers of good intentions, real or pretended. When bad intentions are boldly announced the people will promptly take care of themselves. On the other hand, they will always be asked why they should resist or question that exercise of power which is so fair in its object, so plausible and patriotic in appearance, and which has the public good alone confessedly in view. Human beings, we may be assured, will generally exercise power when they can get it, and they will exercise it most undoubtedly in popular governments under pretense of public safety or high public interest.

"It may be very possible that good intentions do really sometimes exist where constitutional restraints are disregarded. There are men in all ages who mean to exercise power usefully, but who mean to exercise it. They mean to govern well, but they mean to govern. They promise to be kind masters, but they mean to be masters. They think there need be but little restraint upon themselves. Their notion of public interest is apt to be quite closely connected with their own exercise of authority. They may not, indeed, always understand their own motives. The love of power may sink too deep in their own hearts even for their own scrutiny and may pass with themselves for mere patriotism and benevolence."

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened; and (at 5 o'clock and 17 minutes p. m.) the Senate adjourned until to-morrow, Friday, July 8, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 7, 1921.

TREASURY DEPARTMENT.

ASSAYER IN CHARGE OF THE MINT.

Annie H. Martin, of Carson City, Nev., to be assayer in charge of the mint of the United States at Carson City, Nev., in place of William A. Burns.

DEPARTMENT OF JUSTICE.

UNITED STATES ATTORNEY.

Ernest F. Cochran, of South Carolina, to be United States attorney, western district of South Carolina, vice J. William Thurmond, whose term has expired.

UNITED STATES MARSHAL.

Alva McDonald, of Oklahoma, to be United States marshal for the western district of Oklahoma, vice John Q. Newell, resigned.

DEPARTMENT OF THE INTERIOR.

REGISTER OF THE LAND OFFICE.

John C. Ing, of Sacramento, Calif., to be register of the land office at Sacramento, Calif., vice Henry P. Andrews, resigned.

RECEIVER OF PUBLIC MONEYS.

Grove L. Johnson, of Sacramento, Calif., to be receiver of public moneys at Sacramento, Calif., vice William H. Treichler, resigned.

SURVEYOR GENERAL OF NEVADA.

Joseph E. Gelder, of Yerrington, Nev., to be surveyor general of Nevada, vice John B. O'Sullivan, resigned.

PROMOTIONS IN THE NAVY.

Passed Asst. Surg. Francis E. Tierney for temporary service to be a passed assistant surgeon in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

The following-named officers of the United States Naval Reserve Force to be passed assistant surgeons in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Benjamin H. Adams.	Charles M. Atchison.
Henry G. Cannon.	Thomas L. Carter.
Horace S. Cragin.	Hormidas H. Le Clair.
Ernest Ward.	James R. Whiting.

Charles E. Clark, a citizen of Pennsylvania, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 1st day of June, 1921.

Navy F. X. Banvard, a citizen of New Jersey, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 1st day of June, 1921.

Rex F. Swartz, a citizen of the State of Washington, to be an assistant surgeon in the Navy with the rank of lieutenant (junior grade) from the 1st day of June, 1921.

Passed Asst. Dental Surg. Charles S. Weigester for temporary service to be a passed assistant dental surgeon in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

The following-named officers of the United States Naval Reserve Force to be passed assistant dental surgeons in the Navy with the rank of lieutenant, to rank from August 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Claude A. Augonnet.
Ernest M. Kenyon.

The following-named chaplains for temporary service to be chaplains in the Navy with the rank of lieutenant, to rank

from November 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Ernest L. Ackiss.	John H. Finn.
Wilford R. Hall.	Thomas L. Kirkpatrick.
Morris M. Leonard.	Haines H. Lippincott.
William A. Maguire.	Francis L. McFadden.
Robert E. Miller.	John W. Moore.
Garrett F. Murphy.	Joseph F. Underwood.

Chaplain Frank E. Moyer, of the United States Naval Reserve Force, to be a chaplain in the Navy with the rank of lieutenant, to rank from November 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920.

The following-named chaplains for temporary service to be chaplains in the Navy with the rank of lieutenant (junior grade), to rank from November 3, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Francis L. Albert.	Thomas J. Burke.
Edgar W. Davis.	Joseph B. Earnest, jr.
James M. Hester.	Perry L. Mitchell.
Walter L. Thompson.	Razzie W. Truitt.

The following-named chief pharmacists for temporary service to be chief pharmacists in the Navy, to rank with but after ensign from the 5th day of August, 1920, in accordance with the provisions of the act of Congress approved June 4, 1920:

Harry H. Hogue.	Chauncy R. Holmes.
John J. Largenmiller.	Hubert E. Randolph.
Joseph O. E. Hummel.	Chester O. Kimball.
Leland Rowe.	Edward F. Aron.
William E. G. Bartle.	Thomas F. Meagher.
Albert B. Montgomery.	Harry L. Rogers.
Edward A. Rozea.	LeRoy M. McCallum.
John A. McCormack.	Frank A. Northrup.

Lieut. Commander Frederick V. McNair, jr., to be a commander in the Navy from the 21st day of September, 1920.

Lieut. Commander Daniel T. Ghent to be a commander in the Navy from the 8th day of December, 1920.

Lieut. Commander Nathaniel H. Wright to be a commander in the Navy from the 1st day of January, 1921.

Lieut. Commander Paul P. Blackburn to be a commander in the Navy from the 1st day of January, 1921.

Lieut. Francis T. Chew to be a lieutenant commander in the Navy from the 8th day of June, 1920.

Lieut. Dallas C. Laizure to be a lieutenant commander in the Navy from the 1st day of July, 1920.

Lieut. Howard B. Mecleary to be a lieutenant commander in the Navy from the 19th day of July, 1920.

Lieut. Victor D. Herbster to be a lieutenant commander in the Navy from the 21st day of October, 1920.

The following-named lieutenants to be lieutenant commanders in the Navy from the 1st day of January, 1921:

Selah M. LaBounty.
John L. Schaffer.
Henry B. Le Bourgeois.

Lieut. (Junior Grade) Robin B. Daughtry to be a lieutenant in the Navy from the 7th day of June, 1919.

The following-named lieutenants (junior grade) to be lieutenants in the Navy from the 1st day of July, 1920:

Leverett S. Lewis.	William S. Hactor.
Edward L. Ericsson.	Harvey V. Baugh.
Humbert W. Ziroli.	Roy K. Jones.
Heman J. Redfield.	Andrew C. McFall.
Robert N. Kennedy.	James H. Conyne.
Thomas R. Cooley.	Chester M. Holton.
Francis A. Smith.	William M. Reifel.
Staley S. Gambrill.	Henry Y. McCown.
George W. Johnson.	Elbert C. Rogers.
Lloyd G. Scheck.	Arthur B. Craig.
Ross P. Whitmarsh.	Proctor M. Thornton.
Roger F. Armstrong.	Frank C. Fechteler.

Lieutenant (Junior Grade) John J. Bartholdi to be a lieutenant in the Navy from the 1st day of October, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 1st day of July, 1920:

William M. Callaghan.	Charles E. Olsen.
Cuthbert A. Griffiths.	Harry M. Jones.
Harry Goodstein.	Charles K. Post.
David S. Crawford.	Walther G. Maser.
Elmer R. Rundquist.	Robert M. Smith, jr.
Giles E. Short.	Spencer H. Warner.
Grayson B. Carter.	Willment P. Martin.

Assistant Surgeon William H. Michael to be a passed assistant surgeon in the Navy with the rank of lieutenant from the 22d day of April, 1918.

The following-named assistant surgeons to be passed assistant surgeons in the Navy with the rank of lieutenant from the 6th day of June, 1920:

Dunnleigh Corey.	William S. Leavenworth.
Jacob W. Troxell.	James R. Thomas.
Francis C. Evers.	Harry B. Lehmberg.

The following-named assistant surgeons to be passed assistant surgeons in the Navy with the rank of lieutenant from the 1st day of July, 1920:

Berton V. D. Scott.	Hugh R. Phinney.
Warren C. Ives.	James E. Fetherston.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy from the 6th day of June, 1920:

Louis F. Snyder.	Guy E. Nicholas.
Deane L. Chamberlain.	Errol W. Willett.

The following-named assistant dental surgeons to be passed assistant dental surgeons in the Navy with the rank of lieutenant from the 1st day of July, 1920:

Joseph A. Tartre.	Paul W. Yeisley.
Harold A. Daniels.	Hubert J. Lehman.
Hyman Mann.	Howard R. McCleery.
David L. Cohen.	Eugene LeR. Walter.
James F. McGrath.	Clemens V. Rault.
Frederick D. Clancy.	Edward B. Howell.
John J. Haas.	Hugh R. Alexander.
Daniel A. Doherty.	John W. Grassl.
Alvin B. Ward.	

The following-named assistant paymasters to be passed assistant paymasters in the Navy with the rank of lieutenant from the 1st day of July, 1920:

Russell L. Kittrelle.	Robert O'Hagan.
Sidney P. Vaughn.	Walter H. Bicknell.
Harry Atwood.	George W. Clement.
Ernest M. Cronin.	Walton Dismukes.
Chester W. Edge.	

Acting Chaplain Joseph T. Casey to be a chaplain in the Navy with the rank of lieutenant (junior grade) from the 1st day of October, 1920.

Machinist John H. Chase to be a chief machinist in the Navy, to rank with but after ensign, from the 28th day of December, 1920.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 30th day of March, 1920:

Chester M. Holton.
Francis A. Smith.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 29th day of June, 1920:

Staley S. Gambrill.	Henry Y. McCown.
George W. Johnson.	Elbert C. Rogers.
Lloyd G. Scheck.	Arthur B. Craig.
Ross P. Whitmarsh.	Proctor M. Thornton.
Roger F. Armstrong.	Frank C. Fechteler.

Ensign John J. Bartholdi to be a lieutenant (junior grade) in the Navy from the 30th day of September, 1920.

Acting Chaplain William W. Edel to be a chaplain in the Navy with the rank of lieutenant (junior grade) from the 10th day of October, 1920.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 7, 1921.

INTERNAL REVENUE SERVICE.

William S. Briry to be special examiner of drugs, medicines, and chemicals and assistant appraiser of merchandise, customs collection district No. 4, Boston, Mass.

TREASURY DEPARTMENT.

Robert J. Mawhinney to be Assistant Solicitor of the Treasury.

DEPARTMENT OF JUSTICE.

UNITED STATES ATTORNEYS.

Hiram C. Todd to be United States attorney, northern district of New York.

George W. Coles to be United States attorney, eastern district of Pennsylvania.

UNITED STATES MARSHALS.

Fred Davis to be United States marshal, northern district of Iowa.

Thomas B. Donnelly to be United States marshal, district of New Hampshire.

HOUSE OF REPRESENTATIVES.

THURSDAY, *July 7, 1921.*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God, Thou art the bountiful giver of all good things. Help us in our thoughts and in our deeds to be grateful for these blessings, and may we be as thankful as we are dependent. Every new day is worthy of our best endeavor. Enable us to measure our duty by our obligations and thus take hold of the ordinary tasks and the common experiences and transmute them into permanent values for ourselves and our fellow citizens. If any of our homes are in distress, give faith and hope that they may trace the rainbow through the rain, and at evening time may all be happy. Through Christ, our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment concurrent resolution (H. Con. Res. 22) for the appointment of a committee of the two Houses to attend the funeral services of 7,161 soldiers from overseas to be held on Pier 4, Hoboken, N. J.; and the Vice President had appointed Mr. LODGE, Mr. WADSWORTH, Mr. POINDEXTER, Mr. KING, and Mr. KENDRICK as the committee on the part of the Senate.

The message also announced that the Senate had passed with amendments the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, had requested a conference with the House on the bill and amendments, and had appointed Mr. MOSES, Mr. STERLING, and Mr. MCKELLAR as the conferees on the part of the Senate.

The message also announced that the Senate had passed with amendments the bill (H. R. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, had requested a conference with the House of Representatives on the bill and amendments, and had appointed Mr. NEW, Mr. KNOX, and Mr. PITTMAN as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes, had agreed to the amendments of the House to the amendments of the Senate numbered 11, 14, 15, 21, 47, 56, 64, 67, 80, 81, 92, 99, 100, and 101, had disagreed to the House amendment to the Senate amendment numbered 107, had insisted upon its amendments numbered 16, 18, 19, 20, 22, 45, 46, 51, 54, 55, 57, 71, 72, 95, 96, 97, 108, and 112, had requested a conference on the disagreeing votes of the two Houses thereon, and had appointed Mr. POINDEXTER, Mr. HALE, and Mr. SWANSON as the conferees on the part of the Senate.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that July 6 they had presented to the President of the United States, for his approval, the following bill:

H. R. 5222. An act to provide for the retention by the Government of the property in Seward, Alaska, known as the Alaska Northern Railway Office Building, and its use for court purposes.

NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS.

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein a letter which I have just received from the president of the Board of Managers of the National Home for Disabled Volunteer Soldiers. This letter sets out information in regard to facilities furnished for the accommodation of disabled soldiers of the World War and the facilities at hand in the near future.

The SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD for the purpose indicated. Is there objection?

There was no objection.

The letter referred to is as follows:

NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS,
Dayton, Ohio, July 4, 1921.

From: The President Board of Managers National Home for Disabled Volunteer Soldiers.

To: Hon. WILLIAM E. ANDREWS, House of Representatives, Washington, D. C.

Subject: Work of National Home.

MY DEAR MR. ANDREWS: As you last year were very much interested in the proposition of utilizing the space in the National Military Homes for hospitalization, I can not help but feel that you would be interested to know what has been the result of the first year of this plan.

It practically went into effect at the beginning of the fiscal year 1920, and up to June 30, 1921, we have admitted to the various branch homes 4,630 World War men. Probably a majority of these men were suffering from tuberculosis. As during the same period our original admission of Civil War men was only 534, it is very easy to see that this space has been occupied by the World War men without really inconveniencing the Civil War men, and with an average age of 78½ of the Civil War men the space available is bound to increase very materially.

In addition to this quite a number of our alterations are just being finished now, so that our space available for next year will be larger than the space this year.

Very sincerely,

G. H. WOOD.

ANTIPROHIBITION PARADE.

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to place in the RECORD an account from the Baltimore American, July 5, 1921, of our colleague, Mr. HILL, of Maryland, mounted upon a milk-white charger, leading the wet forces numbering 372 in a prohibition-protest parade through the streets of Baltimore——

Mr. JOHNSON of Washington. Mr. Speaker, I object.

DEDICATION OF SOLDIERS' MONUMENT, AVON, N. J.

Mr. PATTERSON. Mr. Speaker, I ask unanimous consent to print in the RECORD an address delivered by my colleague, Mr. APPLEBY, at Avon, Monmouth County, N. J., on July 4, at the dedication there of a soldiers' monument.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The address referred to is as follows:

"LEST WE FORGET.

"Mr. Chairman, members of the monument committee, ladies, and gentlemen, I want to assure you of my deep and sincere appreciation of the honor you have conferred upon me in requesting my presence on this occasion, and of the gratitude it affords me to have the opportunity of making a few brief remarks at the dedication of this monument to the heroic dead of Avon and Monmouth County. No more appropriate time could have been selected than on this Independence Day. I am glad to be able to add my brief tribute with yours to the brave boys who made the supreme sacrifice and paid the full measure of devotion to their beloved country.

"We are met here to-day to dedicate this granite shaft to the memory of our own brave boys, who, with thousands and hundreds of thousands, flocked to the colors from every farm, hamlet, and city of this great Nation when our liberties were threatened by the mailed fist of a foreign war lord—we would not forget them and the brave deeds they wrought—to-day our thoughts and minds and hearts are especially directed and centered upon the noble few, the brave lads who went forth from our own firesides, the boys of Avon and Monmouth County, who, marching forth to a foreign soil, joined their fortunes in the common cause of human liberty, and in their sacrifices wrought in letters of gold the names of this community and country upon the imperishable pages of history. To do them honor, and 'lest we forget,' may God perish the thought, we dedicate this monument to their memory. Would that we could do something more for them. But, alas, that is impossible.

They have made the supreme sacrifice. They are at peace. They sleep the sleep that knows no waking. No more they hear the drum beat, no more the cannon's roar. Some lie on Flanders field beneath the poppy bloom; the sacred dust of others has been returned to lie amidst the old familiar scenes in the land for which they died. But be it the soil of France or the soil of America, it matters not—

"'She claims for war its richest spoil—
The ashes of her brave.'

"As we look upon this shaft to-day in retrospect our minds go back to those scenes of a few short months ago when these same boys, in the full bloom of their young manhood, marched through the streets of our communities amid cheers and plaudits of all our people. How we vied with each other in wishing them Godspeed, and how our hearts thrilled with emotions

of affection and gratitude for that splendid American spirit which moved them to go forth so cheerfully and willingly to the hardships and trials of camp and battlefield. The boys who came to the service of our Nation from this community in those trying days constituted the bravest and noblest types of citizenship. They were symbolic of the strength, the vitality, the greatness of this country. For their splendid example of service to a cause and sacrifice, for an ideal the generations to come will draw their moral precepts, and as a sacred duty you have erected this monument to aid as it may in holding aloft the torch of patriotism and inspire coming generations with love for God and native land.

"But our duty does not end in this sacred tribute paid to the noble dead. Beyond that we have a responsible duty to the dependents of those who gave up their lives, to the disabled ex-service men, to their dependents, as well as discharging as best within us lies our enormous debt to those who came back to us sound in body and mind, an asset to America. We who are intrusted with the great responsibility of making the Nation's laws at Washington have these problems before us. If we do not meet them promptly and fully we shall be remiss in our duty and patriotism. Our duty to the disabled and to their dependents is clear, and Congress is making every effort to create machinery that will care for their every want. As to the others, the physically and mentally strong ex-service men, how to repay them, in part at least, for all they did for us is still a subject of much debate. But I want to say to you that something must be done for them, and that right soon. These men were taken from their regular avocations. They were paid the paltry sum of a dollar a day, while others in the ordinary pursuits of peace received many times as much as the service men received while defending their country in war. They suffered great financial loss, and we have contracted with them a solemn debt. At the present time the most comprehensive proposed legislation looking to the discharge of this debt is what is known as the fivefold compensation bill. One of the best features of this measure is the paid-up life insurance policy, on which the veteran can borrow liberally from our Government. Sponsored by the American Legion, it was reported to the United States Senate from the Committee on Finance on June 20 and is now under consideration by that body. I am for that bill, and when it comes before the House I will help pass it. This proposed law becomes effective July, 1922.

"I am for economy to the end that taxation may be lightened and business restored to prewar stability, but I am not in favor of beginning on the ex-service men. There is no higher obligation than that of a free country to its defenders, and it will be surprising if any large number of Americans will oppose this legislation.

"Practically every nation in Europe, allies in the World War, stricken though they be, battle scarred, impoverished, with trade destroyed, and resources limited, is providing generously in one way or another for their hero veterans; and shall it be that the United States, greatest of all nations of the world, her shores untouched by the ravages of war, with wealth and resources sufficient, shall falter in her moral obligation to show in a most substantial way her appreciation of her valiant defenders? We are frequently reminded that republics are ungrateful, but I want to assure you that so far as I am concerned, personally, I shall do everything within my power to hasten the day when the fact shall be established that treatment of our returned soldiers was at least one exception to the ingratitude of governments.

"But I shall not further trespass upon your time. I only want to congratulate you upon the spirit which animates this community, the lofty patriotism which inspired this monument, and express to you the hope that as this day closes we shall all go forth into the days that are to come resolved to be better Americans, live better lives, upholding the principles of valor and truth, holding close to our hearts and cherishing in our memories the thought that those whose valorous deeds to save the honor of this Nation inspired this memorial shaft you have to-day dedicated have not died in vain."

COMMITTEE TO ATTEND SOLDIERS' FUNERAL SERVICES, HOBOKEN, N. J.

The SPEAKER appointed as members of the committee to attend the funeral ceremonies of certain soldiers of the late war at Hoboken, N. J., on Sunday, July 10, 1921, the following:

Mr. LITTLE, Mr. OLPP, Mr. LINEBERGER, Mr. BULWINKLE, and Mr. JEFFERS of Alabama.

APPOINTMENT OF SPEAKER PRO TEMPORE.

The SPEAKER appointed to act as Speaker pro tempore in his absence from Friday, July 8, 1921, until Monday, July 11, 1921, Mr. WALSH.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. TAGUE, for three days, on account of illness in his family.

To Mr. CRISP, indefinitely, on account of illness.

RECLASSIFICATION OF POSTMASTERS AND EMPLOYEES OF THE POSTAL SERVICE.

Mr. STEENERSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill (H. R. 6573) to reclassify the Postal Service, disagree to the Senate amendments thereto, and agree to the conference asked by the Senate. Is there objection?

Mr. GARRETT of Tennessee. Reserving the right to object, that is one of the bills which has just been messaged over from the Senate?

The SPEAKER. It is.

Mr. GARRETT of Tennessee. Has the gentleman from Minnesota conferred with the minority members of the committee?

Mr. STEENERSON. I have; just a few minutes ago.

Mr. GARRETT of Tennessee. And this is satisfactory to them?

Mr. STEENERSON. It is.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER appointed the following conferees on the part of the House:

Mr. STEENERSON, Mr. GRIEST, and Mr. BELL.

PRINTING OF MINORITY TARIFF VIEWS.

Mr. GARNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. GARNER. Yesterday I asked unanimous consent that the minority might have until 12 o'clock last night to present their views on the tariff measure, about to be taken up, and that they might be printed with the majority report. My parliamentary inquiry is this: Is the order of the House of more binding effect and force on the Printing Office than the order of the Committee on Ways and Means? I want to know which is the more powerful in the matter of having reports printed and carrying out the wishes of the House, the House itself or the Committee on Ways and Means?

The SPEAKER. The Chair thinks that that inquiry should be addressed to the superintendent of the Printing Office.

Mr. GARNER. Is there no way by which the House can have its will carried out in the Printing Office?

The SPEAKER. Of course, the Printing Office ought to obey the orders of the House.

Mr. GARNER. This was an express order of the House, and I am informed that the superintendent would have carried it out if it had not been for the order of the Committee on Ways and Means. I again ask unanimous consent that the majority report and the minority views be printed together.

The SPEAKER. The gentleman from Texas asks unanimous consent that the majority report and the minority views may be printed together. Is there objection?

There was no objection.

Mr. CHINDBLOM. Mr. Speaker, will that also include the additional views of the gentleman from Wisconsin [Mr. FREAR], a member of the Committee on Ways and Means?

The SPEAKER. The gentleman from Wisconsin [Mr. FREAR] has not made any such suggestion, so far as the Chair is concerned.

THE TARIFF.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the tariff bill, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk proceeded to read the bill.

During the reading the following occurred:

Mr. RAYBURN. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Texas [Mr. RAYBURN] rise?

Mr. RAYBURN. Mr. Chairman, I ask unanimous consent to proceed for one minute to make a statement.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for one minute to make a statement. Is there objection? [After a pause.] The Chair hears none.

Mr. RAYBURN. Mr. Chairman, I wish to announce that immediately upon the adjournment of the House this afternoon there will be a caucus of Democrats here in this hall.

Mr. BLANTON. Mr. Chairman, I ask for a quarter of a minute in which to ask the gentleman from Michigan [Mr. FORDNEY] a question.

The CHAIRMAN. The Chair does not recognize the gentleman from Texas for that purpose, and the Clerk will read.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.

Mr. LONGWORTH and Mr. KING. Mr. Chairman, I object.

Mr. BLANTON. Then the Clerk will read it, every word.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I make the point of order that we have no quorum present. If we are going to read the 346 pages of this bill, we ought to have somebody here to hear it.

The CHAIRMAN. If the gentleman from Texas makes the point of no quorum, he may state that fact. There his duties cease; he need not add comment. The Chair will count. [After counting.] One hundred and thirty-nine Members are present, a quorum. The Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I make the point there is no quorum in this House.

The CHAIRMAN. The gentleman from Texas makes the point of order of no quorum. The Chair will count. [After counting.] One hundred and nineteen Members are present, a quorum. The Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I make the point of order that the Clerk inadvertently failed to read lines 2, 3, 4, 5, 6, 7, 8, and 9, on page 17. The Clerk has not read those lines. I have been present keeping up with every word which was read.

Mr. KING. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Illinois rise?

Mr. KING. Mr. Chairman, I was listening to the reading of the bill very carefully, and the Clerk did read those lines.

The CHAIRMAN. The Chair is informed that the Clerk read the lines indicated. The point of order is overruled, and the Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I make the point of order we have no quorum in this House.

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that is dilatory.

Mr. BLANTON. The Clerk has read four pages since the last count.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and thirty-one Members are present, a quorum. The Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I respectfully make the point of order that there is no quorum in this House.

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that is dilatory.

The CHAIRMAN. The Chair will count.

Mr. BLANTON. It is clear——

Mr. SANDERS of Indiana. A quorum has been ascertained——

Mr. BLANTON. But it is apparent to the galleries and everybody else that there is no quorum present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and three gentlemen are present, a quorum. The Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I respectfully make the point of order that we have no quorum present in the House.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and eight Members are present, a quorum. The Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Texas is not recognized for that purpose. The Clerk will read.

Mr. BLANTON. Mr. Chairman, I raise the point of order that the motion to rise is in order at any time.

The CHAIRMAN. Not at the present time. The Clerk will read.

Mr. BLANTON. Mr. Chairman, I appeal from the decision of the Chair.

The CHAIRMAN. The Clerk will read.

The Clerk resumed the reading of the bill.

Subsequently,

Mr. BLANTON. Mr. Chairman, I respectfully make the point of order that we have no quorum present.

The CHAIRMAN (Mr. MANN). The Chair will count. [After counting.] One hundred and seven Members are present, a quorum. The Clerk will read.

The Clerk resumed the reading of the bill.

Subsequently,

Mr. BLANTON. Mr. Chairman, I respectfully make the point of order that there is no quorum present.

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that that point is dilatory.

Mr. BLANTON. All I ask is for the Chair to glance over the House.

The CHAIRMAN. The Chair did not hear the gentleman from Indiana.

Mr. SANDERS of Indiana. I make the point of order the point of order is dilatory. It has been ascertained three or four times during the reading of the bill that a quorum is here.

The CHAIRMAN. The gentleman from Texas [Mr. BLANTON] makes the point of order there is no quorum of the committee present. The gentleman from Indiana [Mr. SANDERS] makes the point of order that the point of order made by the gentleman from Texas is not in order because the Chair has just counted. The gentleman from Texas has made a point of order that there is no quorum of the committee present a half dozen or more times since the House met——

Mr. BLANTON. And it is now half past 1.

The CHAIRMAN. Each time it takes quite a while to make the count of the committee, and each time a quorum has been disclosed by the count of the Chair. It is probably within the right of any Member of the House to make a point of no quorum, but the Chair would suggest to the gentleman from Texas that he is only filibustering, which is not his intention, the Chair thinks——

Mr. BLANTON. Will the Chair kindly permit me to state——

The CHAIRMAN. The Chair is making a statement, and the gentleman from Texas will remain quiet until the Chair finishes. [Applause.]

The gentleman from Texas is only requiring the Chair to use up the time of the committee by making a point of order every few minutes that no quorum is present, and a considerable portion of the time since the committee has been in session has been used by disclosing the fact that there was a quorum present. Of course, every Member is judge of his own conduct. If the gentleman from Texas [Mr. BLANTON] desires to persist in filibustering——

Mr. BLANTON. I do not desire that, Mr. Chairman. Will the Chair permit me a statement? I am merely trying to force this bill later on to be read under the 5-minute rule for amendment. That is my only purpose. If the Chair will permit me, if we read the bill now we will later see that it will not read it under the 5-minute rule.

The CHAIRMAN. The gentleman from Texas ought to know better than that.

Mr. BLANTON. We will not get to read it under the 5-minute rule. I want to force that to be done so it may be amended.

The CHAIRMAN. The reading of the bill is under the rules of the House, which rules can only be dispensed with by unanimous consent. Objection was made. Those Members who desire to have the bill read have a right to have it read. If the gentleman from Texas does not desire to hear the bill read, probably the House would be willing to part with his presence. [Laughter.] The Chair will count, however. [After counting.] The count again discloses the presence of a quorum, 109 Members being present. The Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I respectfully make the point of order there is no quorum present.

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that the gentleman is proceeding in a dilatory way and——

Mr. BLANTON. I ask the Chair to look at the House.

Mr. SANDERS of Indiana. Mr. Chairman, I respectfully urge that the gentleman from Texas [Mr. BLANTON] has made this point of order a number of times during the reading of this bill, and each time a quorum has been disclosed. Under the precedents, Mr. Chairman, the making of a point of order for a dilatory purpose is not proper, and upon the attention of the Chair being called to it after a Member has continually made the point of no quorum and a quorum has continually developed the Chair can hold the proceeding to be dilatory.

Mr. BLANTON. May I say a word?

The CHAIRMAN. The present occupant of the Chair has made the point of order that there is no quorum present so often in the course of his legislative experience, and has insisted so often that the point that no quorum was present was in order, that, without ruling upon the point of order made by the gentleman from Indiana to any extent, the Chair will count. [After counting.]

The Chair might almost have said that there was a quorum present without counting, but as the rules require the count the Chair has counted, and 136 Members are present. The Chair hopes the gentleman from Texas [Mr. BLANTON] will be more careful in occupying the time of the House in making useless points of order that there is no quorum present. [Applause.]

Mr. BLANTON. Mr. Chairman, I rise to a question of personal privilege.

The CHAIRMAN. There is no such thing as a question of personal privilege in committee. The gentleman has no question of personal privilege. The gentleman from Texas will take his seat, and the Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I move that the committee do now rise.

The CHAIRMAN. The gentleman from Texas moves that the committee do now rise.

Mr. DOWELL. Mr. Chairman, I make the point of order that that motion is for the purpose of delay.

The CHAIRMAN. The Chair was about to say that he did not feel clear that it was his duty to rule that the motion of the gentleman from Texas was dilatory, although it is perfectly apparent that it is dilatory. Whether the rule in reference to dilatory motions applies in Committee of the Whole the present occupant of the chair does not now recall. If a motion to adjourn the House were made at this time in the day during the consideration of the most important bill that this Congress has so far considered, anyone, regardless of parliamentary law, would know that the motion was dilatory and made for dilatory purposes. But as the present occupant of the chair is not at present clear that the question of dilatoriness can be raised in the Committee of the Whole——

Mr. SANDERS of Indiana. Mr. Chairman, I have a decision on that.

The CHAIRMAN. The Chair will hear the gentleman from Indiana.

Mr. SANDERS of Indiana. The paragraph is very short, and if the Chair will bear with me I will read it:

On February 21, 1907, the sundry civil appropriation bill was under consideration in the Committee of the Whole House on the state of the Union, when a point of no quorum was made and the roll was called under the rule. The roll call showing a quorum and the Committee of the Whole House having resumed its sitting, after a short interval Mr. FRANK CLARK, of Florida, made a point of no quorum.

Mr. James A. Tawney, of Minnesota, made the point that the proceeding was dilatory.

The Chairman said:

"The Chair at this time sustains the point made by the gentleman from Minnesota that it is dilatory, because, in the opinion of the Chair, at this time, so recently after the roll has been called, it is dilatory."

In that connection there follows this further statement:

Not long after Mr. John S. Williams, of Mississippi, again suggested the absence of a quorum, saying that he did it in no dilatory spirit.

The Chairman said: "The gentleman says he makes the motion in sincerity and not in a dilatory spirit, so the Chair will count."

So in the two cases, if the Chair please, in Committee of the Whole, the Chairman held, in the first case, that it was dilatory, and, in the second case, it was held not dilatory, showing it to be a matter in the discretion of the Chair.

Mr. BLANTON. Mr. Chairman, will the Chair hear me a moment?

Mr. SANDERS of Indiana. Of course, this question of whether the proceeding is dilatory is not debatable. It was only at the suggestion of the Chair that I have read these citations.

Mr. BLANTON. Mr. Chairman, will the Chair hear me?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BLANTON. I have no purpose whatever to delay the consideration of this bill. My effort is sincere. I am trying to prevent a waste of six hours from being used in the useless reading of this 346-page bill, and I am trying to force it to be read later on under the five-minute rule for amendment.

The CHAIRMAN. The gentleman from Texas knows perfectly well that notwithstanding what he has said, the reading of this bill is under the rules of the House, the orderly rules of the House, required by the rules. The gentleman from Texas has been consuming the time of the House, requiring a count of the committee to ascertain the presence of a quorum, although each time the count, having been made, showed a considerable number over a quorum. The gentleman now moves that the committee rise. But the rules provide, paragraph 10 of Rule XVI, that—

No dilatory motion shall be entertained by the Speaker.

Paragraph 8 of Rule XXIII provides:

The rules of proceeding in the House shall be observed in Committee of the Whole House, so far as they may be applicable.

Following the rule cited by the gentleman from Indiana [Mr. SANDERS], as the Chair stated before, it is perfectly manifest that the motion is a dilatory motion. Whether or not the point of order was applicable in committee the present occupant of the chair did not at that time feel warranted in ruling. The gentleman from Texas having accomplished his purpose, however, of delaying the consideration of this important bill so far, the present occupant of the chair presumes that the gentleman is satisfied with the time uselessly used by him, and the Chair sustains the point of order. [Applause.] The Clerk will read.

The Clerk resumed the reading of the bill.

Later,

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present. I do it in all sincerity.

The CHAIRMAN. The gentleman need not apologize or explain.

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that it is dilatory. Of course, the whole question of whether or not a motion or point of order is dilatory is not debatable, ordinarily, but in the discretion of the Chair it may be.

Mr. BLANTON. We have read a hundred pages, Mr. Chairman.

Mr. SANDERS of Indiana. Mr. Chairman, will the Chair hear me?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. SANDERS of Indiana. I have a citation here, found in Hinds' Precedents, volume 5, section 5730. It is the same citation that I gave to the former occupant of the chair, the gentleman from Illinois [Mr. MANN]. This decision not only holds that the question may be raised in committee but a point of no quorum may be held to be a dilatory proceeding under the rule. I read:

On February 21, 1907, the sundry civil appropriation bill was under consideration in the Committee of the Whole House on the state of the Union, when a point of no quorum was made and the roll was called under the rule. The roll call showing a quorum and the Committee of the Whole House having resumed its sitting, after a short interval Mr. FRANK CLARK, of Florida, made a point of no quorum.

Mr. James A. Tawney, of Minnesota, made the point that the proceeding was dilatory.

The Chairman said:

"The Chair at this time sustains the point made by the gentleman from Minnesota that it is dilatory, because in the opinion of the Chair at this time, so recently after the roll has been called, it is dilatory."

There are many other decisions which I shall not call to the Chair's attention, but which are to the same effect, and they all exactly coincide with the present situation.

The gentleman from Texas [Mr. BLANTON] has, during the reading of this one bill, if the Chair please, time and time again made the point that there is no quorum present, with no intervening business except the continuous reading of the bill. The Chairman each time, with great patience, has counted and found that a quorum was present.

The gentleman then, following up the dilatory practice, made the motion that the committee arise during the time that the Clerk was reading the bill to the committee, whereupon the former occupant of the Chair held that that motion was dilatory, taking into consideration all of the conduct of the gentleman who was making the points of order and making the motion; so that the Chair, in determining whether or not this point of no quorum at the present time is dilatory, should take into consideration the proceedings of the entire day, and I say

to the Chair in all candor that there can be no question in the mind of the Chair but that the proceeding of the gentleman from Texas during the entire course of the day has been a dilatory proceeding. With the precedents clearly stating that the point can be made with reference to two points of no quorum, I say it should be held a dilatory proceeding.

Mr. Chairman, we are in Committee of the Whole now. It is not like it is when the House is sitting, when it is a constitutional right to have a quorum present at all times, but we are in Committee of the Whole. We go into Committee of the Whole in order to expedite the proceedings under the bill. The rules are framed for the purpose of expediting the consideration of legislative measures, and I say it would be a manifest injustice to permit one gentleman time and time again to take up the time of this House and impose this great expenditure on the taxpayers of the country in this dilatory way to prevent the consideration of this measure. [Applause.]

Mr. KEARNS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. Mr. Chairman, I presume that the Chair will kindly hear me promptly.

Mr. KEARNS. The gentleman from Texas every five minutes makes a point of no quorum or some other dilatory motion. Then the gentleman from Indiana [Mr. SANDERS] takes the floor, trying to show that the action of the gentleman from Texas is dilatory.

Now the parliamentary inquiry: In doing this the gentleman from Indiana reads these citations to the Chair. Now would it not be well, in order to save time, for the gentleman from Indiana to advise each chairman of the committee of this line of decisions, and then the Chairman can decide concerning these dilatory tactics without the intervention of long speeches. This procedure consumes too much time, and it is claimed this is what the gentleman from Texas most desires.

The CHAIRMAN. That is not a parliamentary inquiry.

Mr. KING. Mr. Chairman, I desire to raise a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. KING. The gentleman from Texas [Mr. BLANTON] at the time he made the point of order was not in the Chamber of the House. He was sitting at the telegraph desk. I desire a ruling upon the question as to whether the gentleman was physically upon the floor at that time.

Mr. KNUTSON. May I suggest to the gentleman that the little desk there to which he refers can be seen from the galleries better than any other part of the House.

Mr. BLANTON. And that is the reason the gentleman from Minnesota [Mr. KNUTSON] stays there so much.

Mr. KING. The gentleman from Texas was not on the floor of the House when he raised that point. He was at the telegraph desk. I hope the Chair will take that into consideration.

The CHAIRMAN. The Chair will take that into account.

Mr. BLANTON. Will the Chair kindly hear me?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. BLANTON. Mr. Chairman, each time I have made the point of no quorum I have been standing up in the well of the House. Each time before I have made the point of no quorum I have counted, and there were less than 50 Members present on the floor. Of course, they came in later from the cloakrooms, corridors, galleries, and from here and there, and finally, when the count was completed, there were probably 100 Members present, but each time I have followed the rule of the House which says that there must be 100 men here in Committee of the Whole at all times to make a quorum, and we have now read over 100 pages of this bill.

The CHAIRMAN. The Chair is ready to rule. The Chair must take into account the number of times the gentleman from Texas has made the point of order during the consideration of the bill within the last two hours and a half, that no quorum was present. The Chair thinks that 12 times the gentleman from Texas has made the point of no quorum, and 12 times a quorum has been present. It is clear to the Chair that the gentleman from Texas must know that there is a quorum of the committee present within the radius of the voice of the Clerk who is reading the bill and within easy access of the floor of the House, and who are as constructively upon the floor of the House as the gentleman from Texas, who has not been in his seat since the second or third point of order that he made until just now.

Mr. BLANTON. I have been on the House floor every moment. At no single moment since we convened have I been absent.

The CHAIRMAN. The Chair is of opinion that the gentleman from Texas is indulging in a filibuster of his own and that he is raising the point of no quorum for the purpose of delaying the consideration of this measure, and the Chair sustains the point of order made by the gentleman from Illinois [Mr. KING]. The Clerk will continue the reading of the bill.

The Clerk resumed the reading of the bill.

Subsequently,

Mr. BLANTON. Mr. Chairman, I make the point of order that the Clerk has inadvertently skipped lines 11, 12, 13, 14, 15, 16, and down to line 17, on page 142. If we are going to read this bill we want to read it according to the rules.

The CHAIRMAN. The Chair overrules the point of order. The Clerk informs the Chair that he has read every line of the bill. The Clerk will continue to read.

The Clerk resumed the reading of the bill and continued to read to and including line 23, on page 160.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having taken the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the tariff bill, H. R. 7456, had come to no resolution thereon.

NAVAL APPROPRIATIONS.

Mr. KELLEY of Michigan. Mr. Speaker, I call up the naval appropriation bill.

The SPEAKER pro tempore. The gentleman from Michigan calls up the naval appropriation bill with Senate amendments. The Clerk will report the message from the Senate.

The Clerk read as follows:

IN THE SENATE OF THE UNITED STATES,
July 6, 1921.

Resolved, That the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4803) entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes.

Resolved, That the Senate agrees to the amendments of the House to the amendments of the Senate numbered 11, 14, 15, 21, 47, 56, 64, 67, 80, 81, 92, 99, 100, and 101.

Resolved, That the Senate disagrees to the House amendment to the Senate amendment numbered 107.

Resolved, That the Senate insists upon its amendments numbered 16, 18, 19, 20, 22, 45, 46, 51, 54, 55, 57, 71, 72, 95, 96, 97, 108, and 112, and requests a further conference on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. POINDEXTER, Mr. HALE, and Mr. SWANSON be the conferees on the part of the Senate.

Mr. KELLEY of Michigan. Mr. Speaker, before taking up the amendments in disagreement between the House and the Senate I should like to make a short statement relative to all these amendments. The situation is this: The conferees on the part of the House and the Senate have agreed to all provisions of the bill within the jurisdiction of the conferees under the rules of the House. The report on this agreement has been made and has been adopted by both Houses. The only provisions, therefore, which are in disagreement are legislative provisions put on the bill in the Senate. I want to make a short statement relative to the attitude of the managers on the part of the House with reference to all of these legislative provisions. The Senate added to the House bill something like 10 or 12 pages of legislation. The House conferees have steadfastly held to the position all along, representing the House and the Committee on Appropriations, that they had no jurisdiction over these legislative provisions. A great mass of legislation was proposed by the Senate, and of that legislation the Senate receded outright on a considerable portion of it. After much discussion of these various legislative items it developed in the conference that there were five or six legislative proposals in which the conferees on the part of the Senate were particularly interested. The conferees on the part of the House insisted that all that they could do was to bring back to the House any legislative proposals from which the Senate conferees would not recede and let the House take such action as it saw fit. There were six proposals in which the conferees on the part of the Senate were particularly interested and hoped to have incorporated in the bill when it finally became a law, as follows: Provision for new aircraft, which was not included in the bill as it left the House because of a point of order; an addition to the hospital at San Diego; a bureau of aeronautics; a rifle range at or near Bremerton; an aviation station at Sand Point, near Seattle; and one or more airplane carriers.

The Senate conferees made a tentative proposal to the House conferees with reference to these six propositions, and while the attitude on the part of the conferees of the House was uniformly to the effect that we could do nothing more than to return propositions of this character to the House, we did go one step further with reference to these six propositions. We

did say that the conferees on the part of the House would not oppose these particular items on their merits but would lay them before the House and let the House act on them according to its best judgment; that we would not oppose the six propositions except on the ground that we did not have jurisdiction over matters of legislation. These propositions came before the House for action. The provisions for new aircraft, for the hospital at San Diego, and for the Bureau of Aeronautics were accepted by the House, but the rifle range at Bremerton, the aviation station for Sand Point, and the airplane carriers were rejected.

By reference to the RECORD this morning I notice that the Senate conferees feel that one of these six propositions to which I have referred was not presented to the House in the form it was understood that it would be presented when the conferees had this matter under consideration. I refer to the matter of the airplane carriers. The Senate amendment provided for two airplane carriers at a cost of $26,000,000 each, with an initial appropriation of $15,000,000.

In discussing the matter in conference it developed that the Senate conferees were willing to take one airplane carrier with an initial expenditure of $3,000,000. The gentleman from New York [Mr. HICKS], a prominent member of the Naval Committee and an advocate of the building of an airplane carrier, was expected to make the motion to that effect, and also the motion with reference to the Bureau of Aeronautics. For some reason the gentleman from New York did not make the motion with reference to the airplane carriers, and therefore the proposition which the Senate had made providing for one airplane carrier with an initial appropriation of $3,000,000 was not presented to the House. The motion made by myself as chairman of House managers was to further insist on the disagreement to the Senate amendment, which, of course, carried two airplane carriers with an initial appropriation of $15,000,000. In this one respect only was there the slightest departure from the understanding that the House conferees had with the Senate conferees, and this omission was due entirely to the fact that the gentleman from New York at the last moment and without my knowledge decided not to offer the preferential motion.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. BUTLER. The gentleman from New York [Mr. HICKS] was in the House at the time. He did not want the responsibility.

Mr. KELLEY of Michigan. I do not know why he did not make the motion, but I imagine perhaps with two important proposals which he desired to have the House accept, one a provision for an airplane carrier and the other for the bureau of aeronautics, and thinking perhaps the House might not accept both, he concentrated his efforts upon the one he considered more important. Whether or not that is the explanation I do not know. In view of this misunderstanding, the conferees on the part of the House will ask the House to vote upon the proposition to provide for one airplane carrier instead of two, with an initial appropriation of $3,000,000 instead of $15,000,000, and when this is done every promise of the House conferees will have been kept.

The House and the Senate are now in disagreement upon 19 Senate amendments. Five or six of these are amendments of but little importance. They are amendments which were occasioned by certain language going out of the House bill in the House upon a point of order and which the Senate restored. Therefore, Mr. Speaker, in order to reduce as far as possible the number of items in disagreement, I desire to move to concur in all such amendments and then submit the three more important propositions to a separate vote of the House.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. BUTLER. Has not the House directly voted on two of those?

Mr. KELLEY of Michigan. The House has.

Mr. BUTLER. It has directly voted on two of them.

Mr. KELLEY of Michigan. All except the airplane carrier.

Mr. BUTLER. We did vote on it, and I asked for a division, and the vote was 93 to 0.

Mr. KELLEY of Michigan. But the gentleman understands that I am always anxious to keep perfect faith on all arrangements that I make, and I desire the House to vote on the proposition of one carrier instead of two, with an appropriation of $3,000,000 instead of $15,000,000.

Mr. BUTLER. I will bear evidence that the gentleman kept faith with the Senate, as he does with everybody.

Mr. KELLEY of Michigan. We said to the Senators in conference that we would present this matter of one airplane carrier instead of two, with an initial appropriation of $3,000,000 instead of $15,000,000, and that matter was not presented to the House, and I desire before we get through this afternoon to have that done.

Mr. COOPER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. COOPER of Wisconsin. Will the gentleman from Michigan tell us what is the status of amendment No. 97?

Mr. KELLEY of Michigan. That is in disagreement, and we will take that up later.

Mr. COOPER of Wisconsin. Has not the House voted on that?

Mr. KELLEY of Michigan. Yes; the House voted to further insist on its disagreement upon that item.

Mr. COOPER of Wisconsin. And the Senate has voted since that?

Mr. KELLEY of Michigan. And the Senate has voted since.

Mr. MANN. Why not present them in regular order?

Mr. COOPER of Wisconsin. The House voted to insist on its disagreement to amendment No. 97.

Mr. KELLEY of Michigan. The House voted to insist upon its disagreement.

Mr. MANN. And the Senate has since voted to further insist upon the amendment?

Mr. KELLEY of Michigan. What I would like to do is to get out of the way a number of these minor amendments, which I think are not vital and the acceptance of which will not violate the spirit of the House rule in order to reduce the sum total of the number of items in disagreement.

Mr. BYRNES of South Carolina. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. BYRNES of South Carolina. Do I understand the gentleman to say that there is any pledge to the Senate conferees that he would move to concur in any one of these amendments in disagreement?

Mr. KELLEY of Michigan. Oh, no; never.

Mr. BYRNES of South Carolina. My understanding is quite to the contrary. He stated every time, as did the other conferees, that under no circumstances would any member of the committee on conference on the part of the House move to concur in any one of them. There is no justification at all for any charge of breach of faith by the gentleman or any other member of the conference committee, and I do not see why the gentleman should agree to submit the airplane-carrier question to the House when it was voted down by a vote of 93 to 0.

Mr. KELLEY of Michigan. The gentleman will recall that the Senate's proposition as to the airplane carrier was for one carrier with an appropriation of $3,000,000. That proposition was never submited to the House by anybody. Of course, we never assumed the responsibility for presenting it. But it was expected that the friends of the proposition in the House would see to that.

Mr. BYRNES of South Carolina. That is what I want the gentleman from Michigan to say, that he distinctly said he would not submit it, that it would be submitted provided the legislative committee wanted it submitted.

Mr. KELLEY of Michigan. That is exactly correct; but it is only fair to say that it was expected by all of us that some member of the Naval Committee of the House would present that particular proposition, and so I want a vote on it to-day, and have been advised that the proper motion will be made by the gentleman from Illinois [Mr. BRITTEN], coming from the Naval Committee.

Mr. OLIVER. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. OLIVER. I think that all of the conferees on the part of the House are in full accord as to the understanding of the agreement with the Senate conferees, and that the gentleman from Michigan [Mr. KELLEY] has correctly stated that understanding. The gentleman from South Carolina correctly states that not on one occasion but repeatedly we notified the Senate conferees that under no circumstances could or would we ask the House to concur in the legislative matters placed on the appropriation bill by the Senate, and that we could only bring such matters back and allow members of the legislative committee to make the motion to concur, if one was made. My recollection is that the gentleman from Michigan, in carrying out that agreement, prepared amendments which were handed to members of the legislative committee in order that they might offer them, if desired, and an amendment with reference to the airplane carrier was prepared and handed to the gentleman from New York [Mr. HICKS]. I am of the opinion if the

gentleman from New York was present he would agree that the gentleman from Michigan has suggested the real reason why that amendment was not offered.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. BLANTON. The bunch of amendments concerning which the gentleman stated he was going to move concurrence in aggregate how much?

Mr. KELLEY of Michigon. Oh, they are minor amendments and do not involve appropriations to any extent.

Mr. BLANTON. But upon each one of them the House has voted not to concur.

Mr. KELLEY of Michigan. I will say to the gentleman from Texas that the items were mostly those which were stricken from the House bill on a point of order made by the gentleman from Illinois [Mr. BRITTEN]. They are provisions which in some instances have been carried for 30 or 40 or 50 years in the regular naval appropriation bills, and they seem quite essential to the proper administration of the bill when it finally becomes a law.

Mr. BLANTON. And that will approximate what amount?

Mr. KELLEY of Michigan. I do not think they involve any money at all, but convenience and orderly administration.

Mr. MONDELL. None of them, with one exception, carries any appropriation, direct or indirect. One of them involves possibly the expenditure of $2,500, a possible expenditure with a probability that there will be none.

Mr. KELLEY of Michigan. Mr. Speaker, I ask that amendment No. 19 be taken up first out of order.

The SPEAKER pro tempore. The gentleman from Michigan asks that amendment No. 19 be reported out of order.

Mr. BRITTEN. Mr. Speaker, does not the gentleman want to take up these amendments in the order of their number in the bill and on his list?

Mr. KELLEY of Michigan. I desire to take up those first of the class I have mentioned and move to recede and concur in them and then pass on to the more important items in disagreement.

Mr. BRITTEN. The gentleman intends to move to recede and concur?

Mr. KELLEY of Michigan. I intend in certain cases to move to recede and concur and in certain cases to recede and concur with an amendment, or to continue our disagreement on certain of those.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The Clerk will report Senate amendment No. 19.

The Clerk read as follows:

Amendment No. 19: Page 8, line 10, after the word "men," insert the words "and applicants for enlistment."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur in that amendment. I desire to say it is one of those items which went out on the point of order and simply provides for the car fare of boys to the recruiting stations and small items like that.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House recede and concur in the amendment.

The question was taken, and the motion was agreed to.

Mr. KELLEY of Michigan. I now call up Senate amendment No. 20.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment No. 20: Page 8, line 11, after the words "en route," insert the words "or cash in lieu thereof."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House recede and concur. That is in the same class as the other.

Mr. BYRNES of South Carolina. Will the gentleman explain that amendment? Gentlemen on this side want to know what effect that has.

Mr. KELLEY of Michigan. Here is a letter from the Chief of the Bureau of Navigation, and I will read a paragraph from the letter which will cover the explanation:

Cash is not furnished to men for railway tickets or berths. These are always secured on transportation requests, but it has been the practice to advance cash in small amounts for meals, car fare, ferry fare, and baggage transfer. The price per meal is arranged by agreement with the railways. It is possible to issue meal tickets, but this method has been tried in the past, and involves considerable additional accounting both by the railways and by the department, which would require additional clerical force. Often the man concerned prefers to take two full meals per day instead of the three meager ones, for which cash is furnished, and this could not be done with meal tickets. It would also require the immediate printing and issuing of large quantities of meal tickets to practically all ships and stations in the Navy.

The question was taken, and the motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I ask to take up amendment No. 22:

The SPEAKER pro tempore. The Clerk will report amendment No. 22.

The Clerk read as follows:

Amendment No. 22: Page 10, line 7, after the word "exercises," strike out "For the maintenance of established shooting galleries, target houses, targets, and ranges; and for transporting equipment to and from ranges, $100,000," and insert in lieu thereof the following: "Prizes, trophies, and badges for excellence in gunnery, target practice, engineering exercises, and for economy in fuel consumption, to be awarded under such rules as the Secretary of the Navy may formulate; for the purpose of printing, recording, classifying, compiling, and publishing the rules and results; for the establishment and maintenance of shooting galleries, target houses, targets, and ranges; for hiring established ranges, and for transporting equipment to and from ranges, $100,000."

Mr. KELLEY of Michigan. Mr. Speaker, this is the same explanation as all the other items of this character. It has been carried in the bill for a great many years and went out on the point of order. I move that the House recede and concur.

The question was taken, and the motion was agreed to.

Mr. KELLEY of Michigan. I ask to take up amendment No. 57.

The SPEAKER pro tempore. The Clerk will report amendment No. 57.

The Clerk read as follows:

Amendment No. 57: Page 30, line 1, after the figures insert a colon and "*Provided*, That the sum of $250 shall be credited to each midshipman who entered the Naval Academy since May 15, 1920, and to each such midshipman discharged since that date to the extent of paying any balance due by any such midshipman to the academy on account of initial clothing and equipment issued to him: *Provided further*, That hereafter each new midshipman shall, upon admission to the Naval Academy, be credited with the sum of $250 to cover the cost of his initial clothing and equipment issue, to be deducted subsequently from his pay."

Mr. KELLEY of Michigan. Mr. Speaker, I move to recede and concur with an amendment.

The SPEAKER pro tempore. The gentleman from Michigan offers a motion, which the Clerk will report.

The Clerk read as follows:

Mr. KELLEY of Michigan moves that the House recede from its disagreement to Senate amendment No. 57 and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"*Provided*, That hereafter each new midshipman shall, upon admission to the Naval Academy, be credited with the sum of $250 to cover the cost of his initial clothing and equipment issue, to be deducted subsequently from his pay."

Mr. KELLEY of Michigan. Mr. Speaker, the amendment offered by the Senate provided for a fund to be placed to the credit of each midshipman who has graduated at the Naval Academy within certain dates, to be used to pay any indebtedness of the midshipman for clothing and other expenses at the academy. In other words, it was a gift to those who had already graduated. This provision which I have sent to the Clerk's desk simply provides——

Mr. OLIVER. And it might be well to add it even went to those who had resigned from the Naval Academy within the last 12 months.

Mr. KELLEY of Michigan. I thank the gentleman for the additional information furnished the House. This provision simply credits a new midshipman with $250 for the purchase of his clothing when he first goes in, and then it is deducted from his pay afterwards. It is not a gift, but it is to take care of boys who are not in good circumstances. This is in vogue at West Point, and I believe it is one of the reasons why it is insisted upon for the midshipmen also.

Mr. MANN. If the gentleman will yield, I did not make a point of order against the amendment; possibly it would not lie; but upon the statement made by the gentleman the amendment which he proposed would not be in order or germane to the proposition offered by the Senate.

Mr. KELLEY of Michigan. I do not think I quite finished what I was saying at that point, namely, that the Senate amendment enacted not only what I am now proposing but also the matter which I stated in the beginning. And this amendment merely has the effect of striking out what, to me, was a very objectionable feature in the Senate amendment, namely, paying the bills and debts of graduates and making a gift to them, while making only an advance to others.

Mr. MANN. I only speak of it because of the new rule. Of course, if this motion is agreed to, we would throw this whole amendment in conference. While I judge from the remarks of the gentleman from Michigan that he would not be inclined to agree to the original Senate amendment, but authorize an agreement to the original Senate amendment probably without a vote of the House. I do not know. But what is the necessity of

providing for the future without having it come through the Committee on Naval Affairs?

Mr. KELLEY of Michigan. None whatever, except that is an item in disagreement, which does not seem vital and ought not to stand in the way.

Mr. MANN. So far as the past is concerned, that was another matter, but here is a proposition to provide only for the future. That clearly belongs to the Naval Committee. Why should we not refer it to the Naval Committee instead of having the House act without information? Of course, it will act favorably, I presume, because Members here have appointees at Annapolis. That is one of the evils about the Naval Academy and the Military Academy.

Mr. KELLEY of Michigan. I agree entirely with the gentleman from Illinois, and I have been pursuing that course most persistently and insistently.

Mr. MANN. The gentleman's words agree, but his motion is the other way.

Mr. KELLEY of Michigan. But in the hope of getting some of these smaller matters out of the way in order to reach a final agreement on the bill, I am willing to agree to this.

Mr. MONDELL. Will the gentleman yield?

Mr. KELLEY of Michigan. I will.

Mr. MONDELL. Possibly the gentleman from Illinois [Mr. MANN] is not aware of the fact that the Senate has already receded on some $80,000,000 on this bill and on the major portion of all——

Mr. BUTLER. I beg the gentleman's pardon. Not $80,000,000.

Mr. MANN. That has nothing to do with the matter before the House. We do not pay debts now because of something we have already collected. The amendments that have been agreed to have been agreed to, and those are disposed of. I am not in favor of yielding to the Senate upon a proposition now because something has already been closed up last week, last month, or last year.

Mr. MONDELL. Mr. Speaker, nothing has been closed up on this bill. It is still open. The Senate has yielded on more than 80 per cent of its appropriations and 90 per cent of its legislation. Of the 18 items still in disagreement, I hope the House will insist on its disagreement to all of them that are of importance or that involve any considerable expenditure. But in attempting to reach an agreement, when one reaches an item which practically everyone has been favorable to, which involves no expenditure in the long run, which is a perfectly proper thing to do, and already done in the Army, if we can advance an agreement with the Senate without costing us anything to do a thing which we all approve of doing, I think it is very proper that we should.

Mr. MANN. The gentlemen, of course, tell us what we are going to do—the gentleman from Michigan [Mr. KELLEY] and the gentleman from Wyoming [Mr. MONDELL]—but it only makes a farce of the new rule, which both gentlemen supported, but which I did not support.

Mr. KELLEY of Michigan. May I say to the gentleman from Illinois that we have had a good many points of disagreement between this body and the other on this bill, and the managers on the part of the House have had to be pretty insistent, and it was rather strenuous business. Now, on these minor matters I thought possibly that our distinguished chairman of the Naval Committee might be willing, perhaps, that we should invade his jurisdiction just to this extent in order to clear up these minor differences. What I am proposing does no violence to the spirit of the rule.

Mr. BUTLER. Will the gentleman promise to further insist on getting rid of the greater evils? Because, if he does, I will join with him in the lesser ones. But you have violated the rule of the House every minute. It is being violated now, but I have not any kick on that.

Mr. MONDELL. Will the gentleman yield? I did not hear the voice of my friend from Pennsylvania the other day when the rule was violated by the creation of a new bureau.

Mr. BUTLER. I told the gentleman that on some Members in this House I weakened and on others I did not. I weakened on the gentleman from New York [Mr. HICKS], and he ran away and allowed me to hold the bag. [Laughter.] He was called to the White House and allowed me to stay here and do the disagreeable fighting.

Mr. BRITTEN. May I suggest to the gentleman from Illinois that many of the candidates for the Naval Academy will not go into the academy until next October, when the academy year begins, and this language here, of "hereafter," is to take care of that class of students. Many of them come from small towns and have not a dollar now.

Mr. MANN. There is plenty of time between now and October, and I fear we will be here until then.

Mr. BRITTEN. They are being enrolled every day.

Mr. KELLEY of Michigan. There are at the Naval Academy enlisted boys, boys admitted to the academy from the enlisted service. They take the examinations and are not appointed by any Member of Congress. Invariably they are poor boys. There are about 100 of these, and the argument that appealed to me was that it would help these boys to get their uniforms at the start, many of them not being able to borrow the money. I agree with the gentleman entirely that these legislative provisions should come from the committee of the gentleman from Pennsylvania [Mr. BUTLER], and I have insisted so all along. But in the hope of reaching an agreement, I have made the motion to concur in this minor legislation, and I trust the gentleman from Pennsylvania [Mr. BUTLER] will support it.

Mr. BUTLER. I want to say to my friend from Illinois that this is full of merit. There is no doubt of it, but it is purely legislative and it belongs somewhere else. However, it is full of merit. A lot of boys, perhaps 100 or 150 boys, are awfully poor when they go, and if they can be helped it would be merciful.

Mr. PADGETT. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. I yield to the gentleman.

Mr. PADGETT. The wording of the House amendment applies to actual conditions. The language of the Senate amendment says "hereafter." The boys have already been admitted in the present year since the 1st of July. If you say "hereafter" it would apply only to those who come in after the approval of the bill, and it would exclude members of the same class who have already been admitted since the 1st of July and since the latter part of June, when they commenced taking them in.

Mr. KELLEY of Michigan. I will say to the gentleman from Tennessee that we must start this somewhere and that it is difficult to meet every situation in a general provision like this.

Mr. PADGETT. I was going to suggest that if they are to have it at all, you ought to provide for those who are admitted to the present class, the fourth class, so that it will include all of the class, and not exclude perhaps a third or more of the bunch that are already in and pay it to others who come in a little bit later.

Mr. KELLEY of Michigan. I think this follows the language of the provision for West Point, and it being permanent legislation, after all it had better stand, although it may not help boys of the academy who have already entered for this coming year.

Mr. PADGETT. I think not. I think you can make it more just, if it is agreed to, by providing that all those who were admitted since the 1st day of July or the 25th of June shall be included, so as to take in all of the present fourth class that are going in; because it will not be satisfactory, and it will not be just to eliminate one-third of those who are in the present fourth class and allow two-third to be covered.

Mr. BRITTEN. Mr. Speaker, will the gentleman yield?

Mr. PADGETT. Yes.

Mr. BRITTEN. Does not the gentleman think that if the word "hereafter" is taken out of the amendment that will care for this?

Mr. PADGETT. No. I wanted to take care of those who are admitted. If you are going to start a new policy you ought to fix a definite date and make it just.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. KELLEY of Michigan. I yield one minute to the gentleman from Texas.

The SPEAKER pro tempore. The gentleman from Texas is recognized for one minute.

Mr. BLANTON. Of these so-called minor amendments that we have been adopting, I call attention to the fact that No. 22, which we just adopted, apparently carries $100,000.

Mr. MONDELL. The amendment disagreed to carried $100,000, and the one agreed to carried $100,000.

Mr. KELLEY of Michigan. The amount is the same in the House bill and the Senate amendment.

Mr. BLANTON. But are not those who opposed the amendment at the beginning now agreeing to $100,000?

Mr. KELLEY of Michigan. I want to make it clear to the gentleman from Texas that the amendment with reference to gunnery carried the amount $100,000 when it was adopted by the House, and some of the language was taken out on a point of order. The Senate amendment restored the language, but it does not increase the amount.

Mr. BRITTEN. The Senate put back what was stricken out in the House?

Mr. KELLEY of Michigan. Yes. It put back what was stricken out on the motion of my good friend from Illinois [Mr. BRITTEN].

Mr. PADGETT. The bill goes back to conference. I want to suggest the advisability and the justice of the conferees correcting the wording of your amendment.

Mr. KELLEY of Michigan. Mr. Speaker, I ask for a vote.

The SPEAKER pro tempore. The question is on agreeing to the motion of the gentleman from Michigan [Mr. KELLEY] to recede and concur with an amendment.

The motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I ask leave to take up amendment numbered 72.

The SPEAKER pro tempore. The Clerk will report amendment numbered 72.

The Clerk read as follows:

Senate amendment No. 72: Page 38, after line 20, insert "including not to exceed $2,500 for the purchase of land necessary for radio shore stations."

Mr. KELLEY of Michigan. Mr. Speaker, this is a small item of $2,500, a sort of contingent item, which has been carried for a great many years, sometimes expended and sometimes not, in the Bureau of Steam Engineering for the purpose of buying a little land in case of need on which to erect radio towers. It is not definitely known whether any part of it will be needed or not, and yet it may become important, it is said, to do that at some time. This is to continue that amount of $2,500 for another year.

Mr. Speaker, I move that the House recede and concur.

The SPEAKER pro tempore. The gentleman from Michigan moves that the House recede and concur in the Senate amendment. The question is on agreeing to that motion.

The motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I ask to take up Senate amendments numbered 51 and 54, to be considered together. They belong together. I ask unanimous consent that they be considered together.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent that amendments numbered 51 and 54 be reported and considered and voted upon together. Is there objection?

There was no objection.

The SPEAKER pro tempore. The Clerk will report amendments numbered 51 and 54.

The Clerk read as follows:

Senate amendment numbered 51: Page 26, after line 19, insert: "Naval air station, Sand Point, Wash.: Toward development for heavier-than-air equipment, $600,000; toward grading, filling, and clearing, $200,000; in all, $800,000."

Senate amendment numbered 54: Page 27, after line 6, insert: "The Secretary of the Navy is authorized to accept from King County, State of Washington, free from encumbrances and without cost to the United States Government in excess of $1, a certain tract of land containing 400 acres, more or less, located at Sand Point on Lake Washington, for use as a site for a naval aviation base."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement to amendments numbered 51 and 54.

Mr. MILLER. Will the gentleman yield to me to make a motion?

Mr. KELLEY of Michigan. The gentleman has that right.

Mr. MILLER. I move that the House recede and concur in Senate amendments 51 and 54.

The SPEAKER pro tempore. The gentleman from Washington makes a preferential motion that the House recede and concur in amendments 51 and 54.

Mr. KELLEY of Michigan. I yield 10 minutes to the gentleman from Washington.

Mr. MILLER. Mr. Speaker, I am not so much concerned with the procedure by which legislation is enacted as I am with the legislation itself. [Applause.] If a law is good and salutary, and is clearly in the interest of the national defense, I care little whether it originates in the Senate or the House, or whether it originates with the legislative committee or with the appropriations committee. Your constituency and mine are not interested in the niceties of parliamentary law. They are interested in the results of this Congress and in the character of the laws we enact, under which they are to live. I think it has occurred to other Members many, many times in looking over the situation that the Pacific coast is entitled to consideration at the hands of this Congress, and that, gentlemen, is what the Senate is asking for in amendments 51 and 54—that you turn your eyes to the Pacific. The coming events will be on the Pacific, and any man who does not know that, whether he is in Congress or out, has not his finger within four inches of the pulse of world events.

We are away in the Northwest, right up against an archipelago of islands, away out on the finger tips of the Nation. There is not an aviation post within 1,600 miles of Puget Sound. Our people are not indifferent to the situation. They have acquired at public expense this site for an aviation base, which has cost them over $300,000, and they have tendered it to this Government. We do not stand with folded arms waiting for the Government to do things for us. We are accustomed to helping ourselves. That is the atmosphere of the West. Now this amendment No. 51 is for an appropriation to start this aviation post, and amendment No. 54 is to accept the title, free of cost to the United States Government, of this $300,000 tract of land, 400 acres, that even the joint congressional committee of this Congress, as well as every strategic board and every naval officer, have recommended that the Government acquire.

Now, I know the attitude of the legislative committee of which my good friend, the gentleman from Pennsylvania [Mr. BUTLER], is chairman. The gentleman from Pennsylvania is in favor of this enterprise.

Mr. BUTLER. Well, now, I would like five minutes on that.

Mr. MILLER. Rather than have it come up in this way, the gentleman from Pennsylvania would like to have it come before the Naval Affairs Committee. I do not blame him for feeling that way about it; but, as I said before, I am not so much interested in the niceties of parliamentary law as I am in the result of the legislation. This is all we are asking for in our locality, gentlemen, and I know those members of the Naval Affairs Committee who have seen this site are in favor of it. They so reported to this House. One year ago this same amendment was put in the bill in the Senate, and in lieu of its acceptance by the House this joint congressional committee was appointed to go out and view the locality and report back to this Congress. They did so, and their report is unanimously favorable. I hope the Members of the House will not overlook us on the Pacific coast. We have always stood with you on the Atlantic, and are always going to stand with you on the Atlantic to keep it secure, and we ask you now, in the name of fair play, to reciprocate that spirit and to stand with us and do a little something for the Pacific coast and the Pacific Northwest. [Applause.]

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Pennsylvania [Mr. BUTLER].

Mr. BUTLER. Mr. Speaker, the gentleman from Washington quotes me as in favor of this amendment. I am not.

Mr. MILLER. I said the gentleman was in favor of the project.

Mr. BUTLER. The gentleman quotes me as being in favor of the project. I do not know whether I am or not until I know what it is going to cost and whether there is a better place for it. The gentleman has already introduced his bill, which is now before the Committee on Naval Affairs, and I am endeavoring to arrange a time when we can discover a military necessity and its expense. In the naval appropriation bill which is now before us there are items of more than $1,400,000 for this navy yard. The gentleman must not fail to recognize the fact that the Government is as much in favor of protection upon the Pacific coast as upon the Atlantic coast.

We reasoned over this by the hour a week or two ago and voted upon it. I repeat what I said. The gentleman from Washington, on my suggestion, introduced a bill and, indeed, he has written a letter asking that a time be set when his measure can be heard. I enter my earnest protest against this proposition presented with exhaustive examination. I want to know what the commandant's house will cost; I want to know what the shops will cost. I gave you my observation the other day, which developed that from a lump appropriation a commandant's house, costing $62,000, was built in a swamp below Washington. I want to know what the shops to be built will cost; how much other buildings will cost. Five hundred acres of ground offered to the Government is not sufficient for the two services, lighter and heavier than air, because the Navy Department objects to a division of North Island, claiming that amount of land not sufficient. You will note the lack of care with which the estimates have been made. They have included $250,000 for excavation, and there is no excavation to make, because the ground offered, I understand, is a woods. I shall ask for plans and specifications, and I shall ask that all these matters be itemized, and then, and not until then, will we be ready to let the House determine whether an air station shall be established at this point or not. I am not opposed to an air station somewhere in the Northwest. I think it should be established, but I want to caution you again that we ought to know the military necessity, the desirability of location, and the expense which the Government is to incur.

Mr. KELLEY of Michigan. Mr. Speaker, I yield one minute to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, clearly the House ought not to approve this amendment. We have not sufficient information

on which to base a judgment in the matter. It is a new item, it has never been considered either in the House or in the Senate. It is a matter that belongs to the Committee on Naval Affairs in the House, and in due time it will be considered by that committee, and if the project is a good one it will be provided for. It ought not to be provided for now with this lack of information.

Mr. MILLER. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. MILLER. This project has been recommended by every strategic board of the Navy and by a committee of the House itself. What else does the gentleman want?

Mr. MONDELL. Well, I have known many projects one time and another recommended by strategic boards that did not appeal to me at all.

Mr. KELLEY of Michigan. Mr. Speaker, I yield three minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Speaker, I am unable to agree with the argument of the gentleman from Washington. His statement that he cares not whence a proposition comes or whether it is in accordance with the rules of the House, rules that have been established——

Mr. MILLER. Will the gentleman yield? I do not think the gentleman desires to misquote me.

Mr. GREEN of Iowa. Certainly not.

Mr. MILLER. I did not say that I did not care. I said that I was interested less in the manner of legislation.

Mr. GREEN of Iowa. Well, put it the other way if you wish, it would lead to doing away with every rule that we have of procedure; nothing else could come of it. Experience and time have shown how necessary the rules are. The argument of the gentleman from Washington has shown where we would arrive if we pay no attention to the rules, if we have lump-sum appropriations without any restrictions and without any consideration by the committee. The project of the gentleman from Washington may be an excellent one in a general way, but it ought to be considered by the appropriate committee. I am tired of having these propositions come over from the other end of the Capitol with the assertion that we must take them because in a general way they have merit in them, and without examination by a proper committee of the House. These amendments ought to be voted down.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Washington, that the House recede and concur in amendments numbered 51 and 54.

The question was taken; and on a division (demanded by Mr. MANN) there were—28 ayes and 82 noes.

So the motion was rejected.

The SPEAKER pro tempore. The question now is on the motion of the gentleman from Michigan, that the House further insist on its disagreement to amendments 51 and 54.

The motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I call up amendment 45.

The Clerk read as follows:

Pier 4, 700-foot extension, $500,000; rifle range for small arms, including purchase of land, $90,000.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement to amendment 45.

Mr. Speaker, I desire to state that there are two propositions involved with only one number of amendments. The Senate conferees were willing to recede from the amendment in so far as it affects the pier, leaving only the rifle range, which involves $90,000.

Mr. MILLER. Will the gentleman yield to me for a preferential motion?

Mr. KELLEY of Michigan. Yes; I yield five minutes to the gentleman from Washington.

Mr. MILLER. Mr. Speaker, I move that the House recede from its disagreement to Senate amendment 45 and concur in the same with an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Mr. MILLER moves that the House recede from its disagreement to Senate amendment No. 45 and concur in the same with an amendment: In lieu of the matter inserted by said amendment insert the following:

"Rifle range for small arms, including purchase of land, $90,000."

Mr. MILLER. Mr. Speaker, Senate amendment No. 45 calls for $590,000, $500,000 of which is to extend Pier 4 at the Puget Sound Navy Yard for 500 feet. The remaining $90,000 is for acquiring the rifle range, including the purchase of land. My amendment withdraws the $500,000. It is estimated by the Bureau of Operations and the naval authorities that it will take 320 acres of land for the rifle range, and by taking that it will give 185 targets. There is at the present time in the Puget Sound Navy Yard no small arms target range whatever. A great part of the American fleet is now in the Pacific waters, and while you have seven great naval bases on the Atlantic, there are but two on the Pacific, and I read in the public press this morning that one of those naval bases is closed down, the naval base at Mare Island, and 8,500 men are thrown out of employment. That would leave only one naval base on the Pacific to take care of the major portion of the American fleet. Every vessel carrying a 14-inch gun in the United States Navy outside of three are in Pacific waters to-day. Every dreadnaught and superdreadnaught of the United States Navy, with the exception of three, are in Pacific waters. There is no first-class battleship in Pacific waters to-day that does not carry 14-inch guns. I do hope the House will look at some of these things on the Pacific as we look at them out there. The Navy Department sees it. They wish to get a target range, so important to add to the efficiency of the Navy, at the naval base of Puget Sound.

Mr. BUTLER. Mr. Speaker, will the gentleman yield?

Mr. MILLER. Yes.

Mr. BUTLER. This is for small arms.

Mr. MILLER. Yes.

Mr. BUTLER. For rifles, not for cannon. How much will this land cost?

Mr. MILLER. I do not know what amount it will take for the land nor how much it will cost for the clearing of it. The land can not be condemned nor purchased without an appropriation.

Mr. BUTLER. Can not we inquire later and know all about that matter and report to the House and tell the House to a dollar what the land will cost?

Mr. MILLER. Possibly so; probably not.

Mr. BUTLER. I am going to help the gentleman in this examination to divide all of these things in order that we may come in here and be able to state definitely just what all of these different improvements will cost.

Mr. MILLER. But let me suggest to the gentleman that for three years the United States Navy has been undertaking to acquire a small-arms target-practice field in connection with the Puget Sound yard, and for three long years, I want to say to the gentleman, this legislative committee has not acted.

Mr. BUTLER. I do not recall that we were ever asked to do it.

Mr. MILLER. That is the reason for this. Why has not the legislative committee acted when the Navy has been clamoring for this improvement? And now, when it is put in in the Senate, the gentleman from Pennsylvania opposes it because his committee has not acted. There may be something in that, that the Senate puts it in because the House has not acted through its Naval Affairs Committee. But that is a matter that does not concern me. I know it is a meritorious project, because no navy can be efficient unless its seamen are efficient with the small arms of the service.

Mr. BUTLER. Mr. Speaker, will the gentleman yield one minute to me?

Mr. KELLEY of Michigan. I yield two minutes to the gentleman from Pennsylvania.

Mr. BUTLER. Mr. Speaker, I have no recollection that this has ever been submitted to the Naval Affairs Committee of the House. I have just asked the clerk of the Committee on Appropriations, who is well acquainted with everything that has been done over there, and everything that has been submitted to our committee in the way of an estimate, and it has never been submitted.

Mr. MILLER. If it never has been submitted, why is the gentleman opposed to it?

Mr. BUTLER. Because I want to know something about it. I have in mind all of the time the $62,000 taken out of a lump-sum appropriation with which to construct a commandant's house in a swamp below Washington.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Washington to recede and concur with an amendment.

The question was taken; and on a division (demanded by Mr. MILLER) there were—ayes 30, noes 68.

So the motion was rejected.

The SPEAKER pro tempore. The question now comes upon the motion of the gentleman from Michigan that the House further insist upon its disagreement to Senate amendment No. 45.

The motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I call up amendment No. 95.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 53, after line 5, insert:
"Increase of the Navy: The construction of two airplane carriers of the most modern type and equipment and most advantageous size is hereby authorized at a limit of cost of $26,000,000 each, including hull, machinery, armor and armament, and the sum of $15,000,000 is hereby appropriated toward their construction. The authorization for 12 destroyers heretofore granted is hereby revoked."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement.

Mr. BRITTEN. Mr. Speaker, I offer a preferential motion.

The SPEAKER pro tempore. The Clerk will report the motion of the gentleman from Illinois.

The Clerk read as follows:

Mr. BRITTEN moves that the House recede from its disagreement to Senate amendment No. 95 and concur therein with the following amendment: In lieu of the matter inserted by said amendment insert:
"Increase of the Navy: The construction of one airplane carrier of the most modern type and equipment and most advantageous size is hereby authorized at a limit of cost of $26,000,000, including hull, machinery, armor and armament, and the sum of $3,000,000 is hereby appropriated toward its construction.

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Illinois [Mr. BRITTEN].

Mr. BRITTEN. Mr. Speaker, the Senate amendment should be taken in two parts. Its first provision authorizes two airplane carriers at a cost of $26,000,000 apiece, and an appropriation of $15,000,000 to be applied thereto. The second part of the amendment says "that the authorization for 12 destroyers heretofore granted is hereby revoked." Those 12 destroyers would have cost the Government $24,000,000, so that in effect the Senate amendment really saved $24,000,000 in one instance and provided for an ultimate expenditure of $52,000,000 in another, with an appropriation at this time of $15,000,000. My motion provides for the starting of one airplane carrier with an appropriation of but $3,000,000. My reason for offering this motion at this time, gentlemen, is because every expert in the Navy Department, every Member of Congress in the House or the Senate who has followed the Navy, who has followed the Army, or who has followed military strategy, will tell you that the most vital need of the American Navy to-day is a floating hangar, an airplane carrier, an airplane carrier that will take out into the sea a thousand miles, if need be, 80 airplanes of the combat, the bombing, or the pursuit type—80 of them. It is nothing more or less, gentlemen, than a floating aviation field, a big one, bigger than any we have, with 80 planes of the various types. I hold in my hand——

Mr. PADGETT. Will the gentleman yield for a question?

Mr. BRITTEN. I will yield.

Mr. PADGETT. Why in the amendment of the gentleman did he leave off that part of the amendment repealing the authorization for 12 destroyers?

Mr. BRITTEN. I am glad the gentleman called attention to that. It was done inadvertently and will be reinstated.

Mr. PADGETT. It ought to be added.

Mr. BRITTEN. I thank the gentleman, because he and the Committee on Naval Affairs have agreed that this $24,000,000 may be saved. Now, we are saving $24,000,000 on one hand, and my amendment proposes an expenditure of $26,000,000 on an airplane carrier, and if my judgment is worth anything——

Mr. OLIVER. The amount saved, to which the gentleman referred, was saved by an amendment adopted by the House in the bill of last year and carried in the bill of this year——

Mr. BRITTEN. Yes; it has been carried over in the bill——

Mr. OLIVER. I offered the amendment and the House adopted it.

Mr. BRITTEN. My impression was the gentleman was in error, but I am very glad to have heard him state it. I hold in my hand, gentlemen, a compilation of the construction condition of the 16 ships provided for in the 1916 program. There are 10 battleships or dreadnaughts and 6 battle cruisers. These 16 ships will carry 152 16-inch, 50-caliber guns. That will make our Navy from 30 to 50 per cent superior to any Navy on earth. It will give us 1,114,000 tons of first-line fighting ships as against something like 900,000 tons of England, and 40 per cent of our strength for Japan.

These 152 16-inch guns might just as well be 12-inch guns, as far as accurate gunfire is concerned, if you do not provide proper aviation to go along with the fleet. These guns will shoot accurately at 44,000 yards. The Germans began to hit the British at 1,800 yards at the Battle of Jutland, because they had superior range finders. They had no aviation. Without superior air force, without aviation to direct our 16-inch shells, we might just as well build our ships and guns lighter and save several millions on each ship.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. KELLEY of Michigan. I yield five minutes more to the gentleman.

Mr. BRITTEN. So, if Congress desires really to put the American Navy in first place beyond any question of a doubt, we have got to be able to spot the shot from a 16-inch gun at 22 miles. We can do that only with aviation, and by that I mean the control of the air.

One of these airplane carriers certainly is necessary and should be authorized at this time to go along with the fleet. Without that we are at a tremendous handicap. Great Britain has airplane carriers, while we have a little converted ship that is about ready to go into commission. It is slow and could be easily destroyed by any substantial enemy. The airplane carrier provided for in the legislation to-day is a ship that is faster than any battle cruiser or battleship and will carry 80 planes and will practically control the air for our Navy. Other Governments have them. Other navies are going to have them. Japan is building them and Great Britain is building them, and without them our Navy will be at a great disadvantage, and the apparent superiority in tonnage, in muzzle velocity, in speed, in armor and armament and men and fire control will be lost unless we have control of the air. I ask gentlemen to give serious consideration to the appropriation for one plane carrier at this time.

Mr. DICKINSON. Will the gentleman yield?

Mr. BRITTEN. I will.

Mr. DICKINSON. Does not the gentleman think that the American people are more interested in reducing taxes than in these carriers?

Mr. BRITTEN. No; I do not. When the enemy arrives an airplane carrier might easily be worth the price of our liberty. I am willing to take a chance with the people on this. They realize the importance of airplane carriers and of aviation, and they are quite willing to pay for this added national insurance.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. BRITTEN. Yes.

Mr. BLANTON. Why does not the gentleman in his amendment save this $24,000,000 for those 12 destroyers?

Mr. BUTLER. They never will be built and never have been appropriated for.

Mr. BLANTON. If you add it, it would improve your amendment.

Mr. BRITTEN. Mr. Speaker, I ask unanimous consent that I may amend my amendment by adding the language in the Senate bill which revokes the authorization.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment as modified.

Mr. MONDELL. Reserving the right to object——

Mr. BRITTEN. I ask that the latter part, on lines 11 and 12, page 53, be added to my amendment.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment No. 95: In lieu of the matter inserted by said amendment insert:
"Increase of the Navy: The construction of one airplane carrier of the most modern type and equipment and most advantageous size is hereby authorized at a limit of cost of $26,000,000, including hull, machinery, armor, and armament, and the sum of $3,000,000 is hereby appropriated toward its construction. The authorization for 12 destroyers heretofore granted is hereby revoked."

Mr. TINCHER. Will the gentleman from Illinois yield for a question?

Mr. BRITTEN. Yes.

Mr. TINCHER. The gentleman mentioned the fact that other nations had these carriers. I wondered what other nation has a plane carrier that will carry 80 planes?

Mr. BRITTEN. None. But England has a dozen plane carriers.

Mr. TINCHER. And we have two.

Mr. BRITTEN. No; we have not one.

Mr. TINCHER. Does the gentleman want to put this amendment in the bill to show what we mean by the Borah amendment, which is also in the bill? You want it understood that we want the largest airplane carrier for war purposes in the Navy.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. MANN].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for five minutes.

Mr. MANN. Mr. Speaker, I am an airplane man, and have been from the start, from the time I used to go over to Arlington to see the Wright brothers until now. I believe that man will soon have control in the air, as he has partially now. I

would rather have an airplane carrier in the Navy than 10 battleships. The battleship is out of date. The bombing airplane can destroy it, and in the contests of the future victory will go to the side which has control of the air.

We started the flying machine. We never have fully appreciated it. But the other countries, the warlike countries, understand the situation, and, if war should break out next year, other countries would be able to put bombing and pursuit and other airplanes in the air at sea. We would not. We would have great battleships go to sea and sink from being bombed.

I think we ought to control the air. I never have had much patience with the Navy. It has been the most extravagant service that any Government ever saw. The most of the officers—fine and courteous gentlemen—are so wedded to their old types that they can not understand a new idea. I sometimes see that in the House. I am somewhat affected like that myself. [Laughter.] I am a little slow and pokylike, but I am progressive enough to see what the future will be in contests. It will be air fights, and it will be air control. I think, although I am quite an economist in a way, we can afford to start building an airplane carrier. If I had my way, I would stop the expenditure of the money on a lot of the big battleships. [Applause.] But, as I can not have my way about that, I want to protect them and protect the country by providing an Air Service and air control. If we do not, we shall regret it. I tried to get Congress to prepare long before we entered the European war, but my words were "wasted on the desert air." I think we ought to do this. I can foresee the future from the past. We ought to provide for the Air Service in the Navy and the Army. We can afford to do this and we can not afford not to do it. [Applause.]

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Speaker and gentlemen of the House, I also am in favor of developing the Air Service, but I am in favor of the Navy Department understanding that it is the wish of this House and the wish of the people that the Air Service should be developed, and that it should be developed through a curtailment of expenditure of the money that they are absolutely throwing away on the building of these dreadnaughts. [Applause.] If the theory of the gentleman from Illinois [Mr. MANN] were carried out, we should be giving encouragement to those whom he admits have been most extravagant in the past and who are most extravagant now. I am of the opinion we had better teach them that they must keep faith with this body. When they make us a promise they should keep it. We had a tacit understanding with them that if permission were given to build one airplane carrier it would be out of this $90,000,000. Yet we see that they are still insisting upon having their own way, against the will and wish of the people who are now overburdened with taxation. They care not for the additional burdens that they place upon the people, and they will go ahead and build these great dreadnaughts, many of which will be obsolete before they are completed, and the money thrown away. But they can build them, and when they build them they must have the men to man them—1,300 or 1,400 or 1,500 to a ship—in order that they may compel Congress to keep up a Navy far beyond that which the people of the country desire to have maintained.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. WOOD of Indiana. I yield to the gentleman from Texas.

Mr. HARDY of Texas. Can this Congress couple with the authorization for this airplane ship the provision that it shall be built out of the money appropriated, and that at least one of these battleships shall not be built?

Mr. WOOD of Indiana. Possibly that might be. We can do this: We can express the opinion of this Congress to these gentlemen who are constantly, in defiance of the will of the people, going on and creating deficiencies, because of an unfortunate provision of law, that we think they should let up in spending millions on a project that is doubtful, to say the least. It is pretty nearly time that the Navy was brought to a realization of the fact that it must have some little regard for the representatives of the people of this country, and that not one cent should be appropriated here for this carrier or any other carrier until the Navy Department keeps faith with the Congress when it promises to do a thing. We may need a carrier, but let us build it through proper legislation and after thorough inquiry had by the proper committee as to the necessity of such carrier. This item should have no place in this bill, and I hope it will be rejected.

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Pennsylvania [Mr. BUTLER].

Mr. BUTLER. Mr. Speaker, will gentlemen listen to me for a minute? Perhaps we should have one or two airplane carriers, but this is not the time to begin the construction of a ship of war. As one gentleman remarked a little while ago, on one end of this bill we are holding out a peaceful hand, and on the other we are venturing into the open sea for more warships. This is a warship that we are told will cost $28,000,000. We are now building an airplane carrier. Get the facts as they are. I know something about them. We are spending thousands of dollars in converting a transport into an airplane carrier. I asked the question whether or not more could be learned next year as to the style of airplane carriers that is desirable, than we know now, and the answer was yes. It is true that Japan has ordered some carriers. We can outbuild Japan if we have to. [Applause.] This great fleet will not be completed for four or five years. In two years or two years and a half we can build an airplane carrier or two or three airplane carriers.

Now, my friends, on the House Calendar is a bill providing for one airplane carrier. I had hoped that Congress would have legislated for an airplane carrier in an orderly way, and that this House could have given it consideration some afternoon and dispose of it. The bill could have gone to the Senate and received consideration as a legislative bill. I had hoped that Congress would determine that if we were to have airplane carriers—and I admit that the time may come when we will need them—they would not be appropriated for until next year. I would not vote at this time for any bill that has in it the Borah amendment and provision for a new vessel of war. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Tennessee [Mr. PADGETT].

Mr. PADGETT. Mr. Speaker, let us consider this matter dispassionately. Airplane carriers are a very important and essential activity of the Navy. But do not let us be carried off our feet. The battleship is not destroyed; it is now, it has been in the past, and it will remain in the future the backbone of the Navy. The backbone of the Navy is a ship that can hit hard and receive hard licks, and that is the battleship. No other ship, no other activity of any other navy will ever be able to meet a battleship and control the seas except the battleship.

But, Mr. Speaker, I rose for another purpose. The airplane carrier is an important factor. It has to perform one function, the battleship has to perform another, the submarine has to perform another, and the destroyer has to perform another. They are all essential and important.

But, Mr. Speaker, I can not sit silent and hear the criticism and the abuse that has been heaped upon the Navy this afternoon without replying to it. [Applause.] It is undeserved. We have just come out of the Great War, and as we came out of it everybody was praising and lauding and thanking the Navy for the great work that it had done. And, more than that, except for the navy of Great Britain and the Navy of the United States, another history would have been written—another sequel would have been the result of this war. [Applause.] And the great achievements that the Navy wrought and the great work that it did commended itself to the judgment and the conscience and the intelligence and the patriotism of the American people, and does not deserve the strictures and the criticism and the abuse that has been heaped upon it here this afternoon. I stand here to speak for the Navy in terms of praise, in terms of honor, in terms of commendation, for it has always been faithful to its trust, has been fearless and brave in the discharge of its duty, and has never been recreant to the American people. [Applause.]

Mr. BUTLER. Will the gentleman yield? Who has abused the personnel of the Navy this afternoon? I have never heard it abused in this House for 25 years.

Mr. PADGETT. There has been a lot said this afternoon as to its being extravagant and wild and a whole lot of things.

The SPEAKER. The time of the gentleman from Tennessee has expired.

Mr. WINGO. Mr. Speaker, I make the point of order that no quorum is present.

The SPEAKER pro tempore. The gentleman from Arkansas makes the point of order that no quorum is present. The Chair will count.

Mr. WINGO. Mr. Speaker, I withdraw the point, as I understand there will be but one more speech.

Mr. BRITTEN. Mr. Speaker, I desire to withdraw my motion and offer a substitute.

The SPEAKER pro tempore. The gentleman from Illinois withdraws his motion and offers a substitute, which the Clerk will report.

The Clerk read as follows:

Mr. BRITTEN moves that the House recede from its disagreement to Senate amendment 95 and concur with an amendment as follows: In lieu of the matter inserted by said amendment insert:

"Increase of the Navy: The construction of one airplane carrier of the most modern type and equipment and most advantageous size is hereby authorized at a limit of cost of $26,000,000, including hull, machinery, armor, and armament, and the sum of $3,000,000 is hereby made available toward its construction out of any funds available under 'Increase of the Navy.' The authorization for 12 destroyers heretofore granted is hereby revoked."

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. Mr. Speaker, I think it is evident from the discussion that there are many opinions as to what should be done with this appropriation for the construction of airplane carriers. There is some question as to how much should be spent. There is a question as to whether the money should be taken from the funds heretofore appropriated for construction, and many other questions have been raised, proving conclusively that the House should not now act upon it but should leave it to the legislative committee of the House to determine what should be done. [Applause.] We can all favor an airplane carrier, but there is no necessity for our departing from the rule and taking away the jurisdiction of the Naval Affairs Committee. The chairman of that committee says they want to further investigate it. He has a bill now on the calendar. I think I heard the gentleman from Wyoming [Mr. MONDELL] promise the other day that he would give the Naval Affairs Committee a day in court, and as an airplane carrier can be provided for there is no excuse for putting it on this bill now. Let me refer to the status of naval appropriations.

We passed this bill in the short session. The gentleman from Michigan [Mr. KELLEY] will say that no Member of the minority, either on the Committee on Appropriations or in the House, did anything to obstruct either the framing of the bill or the consideration of it. It went to the Senate. It was buried. It came back, and we introduced it at this session. Again the minority of the committee and of this House did everything possible to facilitate the consideration of it. Yet at the other end of the Capitol it was held up until a few days preceding the end of the fiscal year. Now we find ourselves, on July 7, with the Navy bill here, discussing legislative items on an appropriation bill, and the Navy Department has no authority in law to obligate the Government for one dollar of expenditure except as to balances coming over from the last fiscal year. By the delay of Congress the Navy Department is forced to break the law or cease functioning. I urge upon the majority of this House, who are responsible for legislation, that they should bring in a continuing resolution making available the appropriations of the last fiscal year, and then serve notice on the Senate that we will stay until doomsday before we agree to tack further legislation on this appropriation bill. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I yield one minute to the gentleman from Wyoming.

Mr. MONDELL. Mr. Speaker, I hope the amendment offered by the gentleman from Illinois [Mr. BRITTEN] will be voted down. If in due and proper course the Committee on Naval Affairs feels that provision should be made for an airplane carrier, opportunity will be given for the consideration of such a legislative proposal as they may present to the House, and the House may then intelligently pass on the matter. This item does not belong on this bill and should not remain upon it.

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from Illinois.

Mr. BRITTEN. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. BRITTEN. I desire to proceed for a minute on the substitute which I have offered.

Mr. KELLEY of Michigan. Mr. Speaker, I yield one minute to the gentleman from Illinois.

Mr. BRITTEN. Mr. Speaker, I merely desire to call to the attention of the House the fact that the substitute motion does not provide for an additional appropriation, but takes $3,000,000 out of appropriations for "Increases in the Navy," so that the Secretary may slow up construction of battleships and battle cruisers, if he desires, and proceed with the construction of this much-needed ship.

Mr. OLIVER. Mr. Speaker, I ask unanimous consent to extend and revise my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Illinois to recede and concur with an amendment.

The motion was rejected.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan that the House further insist upon its disagreement to Senate amendment No. 95.

The question was taken; and on a division (demanded by Mr. KELLEY of Michigan) there were—ayes 141, noes 4.

So the motion was agreed to.

HOUR OF MEETING TO-MORROW.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to address the House for half a minute.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Speaker, some time ago we promised the minority to conclude the session this afternoon about 5 o'clock. I regret that we have found it necessary to go beyond that time. In order to still give the minority an opportunity to use the Hall, if they see fit to do so, I shall now make the motion to adjourn, after preferring a unanimous-consent request that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

The SPEAKER pro tempore. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 5 o'clock and 36 minutes p. m.), in accordance with the order heretofore made, the House adjourned until to-morrow, Friday, July 8, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

187. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the United States National Museum, transmitting a list of records, papers, and documents recommended for disposal by the United States National Museum, was taken from the Speaker's table and referred to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 6259) for the consolidation of forest lands in the Colorado National Forest, Colo., and for other purposes, reported the same with an amendment, accompanied by a report (No. 251), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. KEARNS, from the Committee on Military Affairs, to which was referred the bill (H. R. 6966) to authorize the President of the United States to appoint Fred H. Gallup major of Field Artillery in the United States Army, reported the same without amendment, accompanied by a report (No. 252), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 7557) granting a pension to Fannie Knowles, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SINNOTT: A bill (H. R. 7600) authorizing the adjustment of the boundaries of the Deschutes National Forest, in the State of Oregon, and for other purposes; to the Committee on the Public Lands.

By Mr. REED of West Virginia: A bill (H. R. 7601) to amend an act incorporating Prospect Hill Cemetery, and for other purposes; to the Committee on the District of Columbia.

By Mr. SWEET: A bill (H. R. 7602) to provide for free tolls for American ships through the Panama Canal; to the Committee on Interstate and Foreign Commerce.

By Mr. DARROW: Joint resolution (H. J. Res. 170) to approve the holding of a national and international exhibition in the city of Philadelphia in 1926 as an appropriate celebration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; to the Committee on Industrial Arts and Expositions.

By Mr. KALANIANAOLE: Joint resolution (H. J. Res. 171) providing for immigration to meet the emergency caused by an acute labor shortage in the Territory of Hawaii; to the Committee on Immigration and Naturalization.

By Mr. FORDNEY: Resolution (H. Res. 145) for the immediate consideration of H. R. 7456; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND of Indiana: A bill (H. R. 7603) granting a pension to John T. Knotts; to the Committee on Pensions.

By Mr. DUPRÉ: A bill (H. R. 7604) for the relief of M. W. Salomon & Son (Inc.); to the Committee on Claims.

By Mr. FORDNEY: A bill (H. R. 7605) granting a pension to William Devers; to the Committee on Pensions.

By Mr. GENSMAN: A bill (H. R. 7606) appointing Roy L. Cecil a captain in the Army; to the Committee on Military Affairs.

Also, a bill (H. R. 7607) for the relief of Eli A. Vincent; to the Committee on Claims.

By Mr. GRAHAM of Illinois: A bill (H. R. 7608) for the relief of Julia O. Schriver; to the Committee on Military Affairs.

By Mr. LANHAM: A bill (H. R. 7609) granting a pension to Thomas Reece; to the Committee on Pensions.

Also, a bill (H. R. 7610) granting a pension to George M. Wright; to the Committee on Pensions.

By Mr. LINEBERGER: A bill (H. R. 7611) granting a pension to Rosa E. Stephens; to the Committee on Invalid Pensions.

By Mr. LITTLE: A bill (H. R. 7612) granting a pension to Bernadina Bruns; to the Committee on Invalid Pensions.

By Mr. McARTHUR: A bill (H. R. 7613) granting an increase of pension to Mary E. Steepy; to the Committee on Invalid Pensions.

By Mr. MILLSPAUGH: A bill (H. R. 7614) granting an increase of pension to Harriett M. O. Williams; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 7615) granting an increase of pension to Sarah E. Hewetson; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7616) granting a pension to Ulric S. McPheeters; to the Committee on Pensions.

By Mr. TINCHER: A bill (H. R. 7617) authorizing the Secretary of War to donate to the city of Anthony, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7618) authorizing the Secretary of War to donate to the city of Arlington, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7619) authorizing the Secretary of War to donate to the city of Ashland, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7620) authorizing the Secretary of War to donate to the city of Attica, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7621) authorizing the Secretary of War to donate to the city of Cimarron, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7622) authorizing the Secretary of War to donate to the city of Coldwater, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7623) authorizing the Secretary of War to donate to the city of Dighton, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7624) authorizing the Secretary of War to donate to the city of Dodge City, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7625) authorizing the Secretary of War to donate to the city of Elkhart, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7626) authorizing the Secretary of War to donate to the city of Garden City, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7627) authorizing the Secretary of War to donate to the city of Garfield, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7628) authorizing the Secretary of War to donate to the city of Great Bend, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7629) authorizing the Secretary of War to donate to the city of Greensburg, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7630) authorizing the Secretary of War to donate to the city of Harper, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7631) authorizing the Secretary of War to donate to the city of Hugoton, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7632) authorizing the Secretary of War to donate to the city of Hutchinson, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7633) authorizing the Secretary of War to donate to the city of Jetmore, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7634) authorizing the Secretary of War to donate to the city of Johnson, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7635) authorizing the Secretary of War to donate to the city of Kingman, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7636) authorizing the Secretary of War to donate to the city of Kinsley, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7637) authorizing the Secretary of War to donate to the city of La Crosse, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7638) authorizing the Secretary of War to donate to the city of Lakin, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7639) authorizing the Secretary of War to donate to the city of Larned, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7640) authorizing the Secretary of War to donate to the city of Leoti, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7641) authorizing the Secretary of War to donate to the city of Lewis, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. H. 7642) authorizing the Secretary of War to donate to the city of Liberal, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7643) authorizing the Secretary of War to donate to the city of Lyons, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7644) authorizing the Secretary of War to donate to the city of Meade, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7645) authorizing the Secretary of War to donate to the city of Medicine Lodge, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7646) authorizing the Secretary of War to donate to the city of New Ulysses, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7647) authorizing the Secretary of War to donate to the city of Ness City, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7648) authorizing the Secretary of War to donate to the city of Pratt, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7649) authorizing the Secretary of War to donate to the city of St. John, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7650) authorizing the Secretary of War to donate to the city of Scott City, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7651) authorizing the Secretary of War to donate to the city of Stafford, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7652) authorizing the Secretary of War to donate to the city of Sterling, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7653) authorizing the Secretary of War to donate to the city of Syracuse, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7654) authorizing the Secretary of War to donate to the city of Tribune, State of Kansas, one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. WILLIAMSON: A bill (H. R. 7655) for the relief of Lucy Paradis; to the Committee on Indian Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1787. By the SPEAKER (by request): Petition of members of the Religious Society of Friends, urging a conference of the leading nations to discuss and bring about disarmament; to the Committee on Foreign Affairs.

1788. Also (by request), petition of Rev. W. C. Fitzsimons and 29 others of the second congressional district of Connecticut and of M. J. Kearns and sundry citizens of the fourth congressional district of Connecticut, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1789. By Mr. CULLEN: Petition of American Automobile Association, protesting against any tariff on oil imported into this country; to the Committee on Ways and Means.

1790. By Mr. FAIRFIELD: Petition of J. A. Lauer, jr., and 569 others of the State of Indiana, urging the United States to recognize the Irish republic; to the Committee on Foreign Affairs.

1791. By Mr. KAHN: Resolution adopted by international Association of Machinists, of San Francisco, Calif., relative to Senate bill 1607; to the Committee on Labor.

1792. By Mr. KISSEL: Petition of Caradine Harvest Hat Co., of St. Louis, Mo., urging support of House bill 229; to the Committee on Ways and Means.

1793. Also, petition of American Sash & Door Co., of Kansas City, Mo., presenting a tax plan by the president of the company, F. J. Moss; to the Committee on Ways and Means.

1794. By Mr. LARSON of Minnesota: Resolution by the Duluth Masonic Library Association, an organization of more than 2,000 members, indorsing the program of legislation asked by the American Legion; to the Committee on Interstate and Foreign Commerce.

1795. By Mr. LEA of California: Petition from retailers in California, asking for relief from the present 10 per cent sales tax provided by section 628a of the revenue act of 1918 upon bottled carbonated beverages; to the Committee on Ways and Means.

1796. By Mr. MURPHY: Memorial of citizens of Bellaire, Ohio, praying for recognition of the republic of Ireland; to the Committee on Foreign Affairs.

1797. By Mr. OSBORNE: Memorial of Southern California Civil Service League, indorsing House bill 6045 and Senate bill 1376, providing that appointments of officers to enforce prohibition be made on the basis of merit and fitness through civil service regulations; to the Committee on Reform in the Civil Service.

1798. Also, petition of druggists and others of Los Angeles, Calif., and vicinity engaged in selling carbonated beverages, asking relief in the matter of taxation of carbonated beverages, whether compounded at soda fountains or placed in bottles; to the Committee on Ways and Means.

1799. By Mr. RAKER: Petition of Southern California Civil Service League, indorsing House bill 6045 and Senate bill 1376; to the Committee on the Judiciary.

1800. Also, petition of A. E. Wallace, of Bishop, Calif., urging no further increase in second-class mail rates; to the Committee on the Post Office and Post Roads.

1801. Also, petition of H. J. Jansen, of Lincoln; L. C. McIntosh, of Westwood; L. E. Wilson, of San Francisco; and G. W. Gash, of Dunsmuir, all in the State of California, indorsing House bill 7 and Senate bill 1252, known as the Towner-Sterling bill; to the Committee on Education.

1802. Also, petition of Dunsmuir Pyramid, No. 22, Ancient Egyptian Order of Sciots, of Dunsmuir; T. B. Sharp and H. S. Date, of Portoll, all in the State of California, indorsing House bill 7 and Senate bill 1252, known as the Towner-Sterling bill; to the Committee on Education.

1803. Also, petition of United Chambers of Commerce of the Sacramento Valley, Calif., urging that the California growers of Turkish tobacco should be given adequate tariff protection for their product; to the Committee on Ways and Means.

1804. Also, petition of executive committee American Legion, Department of California, relative to importation of German-made moving picture films; also petition of Mine Workers' Protective League, Grass Valley, Calif., urging passage of the McFadden gold bill; to the Committee on Ways and Means.

1805. Also, three petitions signed by retailers of carbonated beverages in the cities of Susanville, Jackson, Sutter Creek, Plymouth, and Truckee, all in the State of California, urging the elimination of the 10 per cent sales tax on manufacturers of carbonated beverages in closed containers; to the Committee on Ways and Means.

1806. Also, petition of Mrs. I. M. Nile, of Rough and Ready, Calif., urging Federal relief for the people of the Near East; to the Committee on Foreign Affairs.

1807. Also, petition of San Joaquin Grocery Co., of Fresno, Calif., opposing House bills 6215 and 6820; to the Committee on Interstate and Foreign Commerce.

1808. By Mr. WALSH: Petition of Joseph F. Mullen and 30 others, residents of New Bedford, praying for action by Congress to bring about the recognition of the existing duly elected government of the republic of Ireland by the Government of the United States; to the Committee on Foreign Affairs.

1809. By Mr. WATSON: Resolutions passed at a meeting of the Jenkintown Civic Club and the League of Women Voters of Cheltenham Township, Montgomery County, Pa., favoring disarmament; to the Committee on Foreign Affairs.

1810. Also, petition of rector and members of the Scottsville (Pa.) Methodist Episcopal Church, favoring the United States assisting the Armenians; to the Committee on Foreign Affairs.

SENATE.

FRIDAY, *July 8, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we bless Thy name for all the mercies vouchsafed to us, and we do ask Thee that Thy guidance and help may be had in every matter of business. Grant unto those who have sorrow Thy comfort and to those who have sickness the aid of Thine own helping hand, assuring to them always the sufficiency of Thy grace. We ask in Jesus Christ's name. Amen.

NAMING A PRESIDING OFFICER.

The Secretary (George A. Sanderson) read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 8, 1921.

To the SENATE:

Being temporarily absent from the Senate, I appoint Hon. CHARLES CURTIS, a Senator from the State of Kansas, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President Pro Tempore.

Mr. CURTIS thereupon took the chair as Presiding Officer.

The Assistant Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gerry	Moses	Simmons
Borah	Gooding	Myers	Smoot
Brandegee	Hale	Nelson	Spencer
Broussard	Harris	New	Sterling
Bursum	Harrison	Newberry	Sutherland
Calder	Heflin	Nicholson	Swanson
Cameron	Johnson	Norris	Trammell
Capper	Jones, N. Mex.	Oddie	Underwood
Caraway	Jones, Wash.	Overman	Wadsworth
Culberson	Kellogg	Pittman	Walsh, Mass.
Curtis	Kendrick	Poindexter	Walsh, Mont.
Dillingham	Kenyon	Pomerene	Watson, Ga.
Ernst	Knox	Ransdell	Watson, Ind.
Fernald	La Follette	Robinson	Weller
Fletcher	McCumber	Sheppard	Willis
Frelinghuysen	McNary	Shortridge	

Mr. STERLING. I wish to announce the unavoidable absence from the city of my colleague [Mr. NORBECK].

The PRESIDING OFFICER. Sixty-three Senators have answered to their names. There is a quorum present.

BERNARD M. BARUCH.

Mr. OVERMAN. Mr. President, one of the most able and efficient men in the service of the Government during the war was Bernard M. Baruch, as everyone will agree. He has received a good deal of criticism from certain sources. I have a letter from the disbursing officer of the Council of National Defense showing that Mr. Baruch spent out of his own pocket for employees $15,000, as well as paying the rent of the offices out of his own pocket, and that he did not receive a cent for all his services, which were rendered to the Government without

pay. In justice to Mr. Baruch, I ask permission to have the letter inserted in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COUNCIL OF NATIONAL DEFENSE,
Washington, June 20, 1921.

MY DEAR SENATOR: I have noticed the recent comment in the papers in reference to the connection of Mr. Bernard M. Baruch with the Council of National Defense and the War Industries Board. I do not know what your regard for Mr. Baruch is, but I am taking the liberty of giving you information which may perhaps be of interest to you and which, I feel, is due to him.

I served as chief clerk and disbursing officer of the Council of National Defense throughout the war and as disbursing officer of the War Industries Board for the major part of that time, and the information which I am giving you has come under my personal observation.

There has been considerable criticism of Mr. Baruch in reference to Government contracts for the purchase of copper. An investigation of the conditions under which the much-talked-of "fixing" of the price of copper was made will show that the basis upon which the price was fixed was the figures furnished by the Federal Trade Commission on the cost of production; also, that Mr. Baruch was not the chairman of the committee which fixed the price, and that the price as fixed was approved by the President of the United States, as shown by the inclosed newspaper release.

In reference to the expenditures in Europe, you will find that Mr. Baruch not only paid his own expenses but those of the man whom he carried with him on a war commission, which effected a saving of hundreds of thousands of dollars to this Government. I have seen a list of the payments made by Mr. Baruch in this connection, amounting to nearly $100,000, for which he has never asked the Treasury to make any reimbursement.

When the work of the War Industries Board terminated Mr. Baruch learned that no provision had been made by Congress up to that time for paying the expenses of any of the war workers to their homes. He then gave his personal check for $15,000, from which the railroad and Pullman fare of the employees dismissed by the War Industries Board was paid from Washington, D. C., to their homes. He also stationed a matron at the Union Station to see that the girls were actually placed on board trains with tickets to their homes.

When the Council of National Defense was first formed and Mr. Baruch was a member of the advisory commission, doing work for the council, he paid personally for the rent of the offices occupied by himself and his assistants in the Munsey Building; paid for the furnishing and equipment for these offices, and for the services of his secretary and office staff.

From the time the appropriation for the War Industries Board ceased to be available until the records were finally turned over to the Council of National Defense by Executive order, he personally paid the salaries of several employees necessary to finish the liquidation of the War Industries Board's accounts and to care for the records until they were finally turned over to the council.

He paid for all the stenographic, clerical, and other assistance necessary for the preparation of the final report of the War Industries Board, the only cost to the Government being that of printing at the Government Printing Office.

In conclusion, I can say that I know personally of upward of $100,000 which Mr. Baruch has paid on account of expenses which would have been proper charges against the Government had he cared to ask for reimbursement.

Very truly, yours,

E. K. ELLSWORTH.

Hon. L. S. OVERMAN,
United States Senate, Washington, D. C.

"[From the Committee on Public Information, September 20, 1917. Released for morning newspapers of Friday, Sept. 21, 1917.]

"After investigation by the Federal Trade Commission as to the cost of producing copper, the President has approved an agreement made by the War Industries Board with the copper producers fixing a price of 23½ cents per pound f. o. b. New York, subject to revision after four months. Three important conditions were imposed by the board—first, that the producers would not reduce the wages now being paid; second, that the operators would sell to the Allies and to the public copper at the same price paid by the Government, and take the necessary measures, under the direction of the War Industries Board, for the distribution of the copper, to prevent it from falling into the hands of speculators, who would increase the price to the public; and, third, that the operators pledge themselves to exert every effort necessary to keep up the production of copper to the maximum of the past so long as the war lasts.

"The War Industries Board felt that the maintenance of the largest production should be assured, and that a reduction in wages should be avoided. The stipulation that present wages shall not be reduced compels the maintenance of the highest wages ever paid in the industry, which, without such stipulation, would, with the reduction made in the price of copper, be reduced under the sliding scale so long in effect in the copper mines. Within this year copper has sold as high as 36 cents per pound, and the market price would now be higher than it is had it not been well known for some weeks that the Government would fix the price.

"The principal copper producers throughout the country have evinced an admirable spirit and for weeks have promptly supplied every request of the Government for copper, without awaiting decision as to price, and agreeing to accept the price which the board should ultimately fix. The proper departments of the Government will be asked to take over the mines and plants of any producers who fail to conform to the arrangement and price, if any such there should be."

PETITIONS.

The PRESIDING OFFICER (Mr. CURTIS) presented a resolution adopted by the pastor and congregation of the Methodist Episcopal Church of Alta Vista, Kans., at the Sunday morning service July 3, 1921, favoring the enactment of legislation to strengthen the so-called Volstead prohibition act, which was ordered to lie on the table.

Mr. LA FOLLETTE presented three petitions of sundry citizens of Eden, Campbellsport, Milwaukee, Fond du Lac, Forest, and Berlin, all in the State of Wisconsin, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

Mr. SPENCER. I present to the Senate certain petitions which are signed by citizens of Missouri praying for the recognition by the Government of the United States of the existing duly elected government of the republic of Ireland. I ask that these petitions be noted in the RECORD and referred to the Committee on Foreign Relations.

The petitions, 20 in number, all numerously signed by sundry citizens of St. Louis and Wellston, both in the State of Missouri, were referred to the Committee on Foreign Relations.

Mr. MCCUMBER (for Mr. LADD) presented two petitions of sundry citizens of Glen Ullin, Elgin, and Almont, all in the State of North Dakota, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES.

Mr. SMOOT, from the Committee on Public Lands and Surveys, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 71) for the consolidation of the offices of register and receiver in district land offices in certain cases, and for other purposes (Rept. No. 208);

A bill (S. 561) to grant citizens of Washington and Kane Counties, Utah, the right to cut timber in the State of Arizona for agricultural, mining, and other domestic purposes (Rept. No. 209);

A bill (H. R. 1945) for the relief of E. W. McComas (Rept. No. 210); and

A bill (H. R. 5621) for the disposal of certain lands in the town sites of Fort Madison and Bellevue, Iowa (Rept. No. 211).

Mr. CAPPER, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 5676) taxing contracts for the sale of grain for future delivery, and options for such contracts, and providing for the regulation of boards of trade, and for other purposes, reported it with amendments and submitted a report (No. 212) thereon.

Mr. JONES of New Mexico, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 1099) to amend section 2372 of the Revised Statutes, reported it with an amendment and submitted a report (No. 213) thereon.

Mr. WADSWORTH, from the Committee on Military Affairs, to which were referred the following bills, reported them each with an amendment and submitted reports thereon:

A bill (H. R. 2232) in reference to a national military park on the Plains of Chalmette, below the city of New Orleans (Rept. No. 214); and

A bill (H. R. 7158) to amend the Army appropriation act approved July 11, 1919, so as to release appropriations for the completion of the acquisition of real estate in certain cases, and making additional appropriations therefor (Rept. No. 215).

Mr. WADSWORTH, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 138) to repeal so much of the act of Congress approved February 28, 1920, as provides for the sale of Camp Eustis, Va., reported it without amendment and submitted a report (No. 216) thereon.

HUMBOLDT NATIONAL FOREST.

Mr. PITTMAN. Mr. President, from the Committee on Public Lands and Surveys I report back favorably without amendment the bill (S. 237) to consolidate certain forest lands within the Humboldt National Forest, in the State of Nevada, and to add certain lands thereto, and for other purposes, and I submit a report (No. 207) thereon. It is a unanimous report of the committee. It is a local bill, similar to one passed yesterday, and is for the purpose of placing about 2,000 acres in the forest reserve in Nevada. The Secretary of the Interior has requested this legislation, and I ask for the present consideration of the bill.

The PRESIDING OFFICER. The bill will be read for the information of the Senate, when the request will be presented.

The Assistant Secretary read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized and directed to accept from Sylvain Siard warranty deeds, satisfactory to the Secretary, conveying to the Government of the United States, free of all encumbrance, title to the following described lands, or any part thereof, upon certification by the Secretary of Agriculture that the said lands are chiefly valuable for national forest purposes: The southeast quarter of the northeast quarter of section 1, the southeast quarter of the southwest quarter and the northeast quarter of the southeast quarter of section 10, the northwest quarter of the southwest quarter of section 11, the southwest quarter of the southeast quarter of section 13, the southwest quarter of the northeast quarter of section 20, the northeast quarter of the northeast quarter and the west half of the northeast quarter of section 21, all of township 44 north, range 39 east, Mount Diablo meridian; the southwest quarter of the southwest quarter of section 3, the south half of the northeast quarter and the northeast quarter of the southeast quarter of section 4, the southeast quarter of the northeast quarter of section 5, the west half of the southeast quarter and the east half of the southwest quarter of section 7, the northeast quarter of the southwest quarter and the south half of the southwest quarter of section 10, the east half of the northwest quarter and the northwest quarter of the northwest quarter of section 15, the northwest quarter of the northeast quarter, the east half of the northwest quarter, and the southeast quarter of the southwest quarter of section 18, the south half of the southwest quarter and the north half of the southeast quarter of section 19, and the south half of the northwest quarter and the northwest quarter of the southwest quarter of section 20, all of township 44 north, range 40 east, Mount Diablo meridian; the north half of the southwest quarter of section 13, township 45 north, range 40 east, Mount Diablo meridian; the northwest quarter of the northeast quarter and the northeast quarter of the northwest quarter of section 19, township 45 north, range 41 east, Mount Diablo meridian; and the northwest quarter of the southwest quarter of section 8, the northeast quarter of the northeast quarter of section 29, the northeast quarter of the southwest quarter of section 30, and the northeast quarter of the northwest quarter of section 31, all of township 46 north, range 41 east, Mount Diablo meridian; in all, 1,716.74 acres, more or less.

SEC. 2. That upon the conveyance in accordance with section 1 of this act the Secretary of the Interior is hereby authorized and directed to issue to the said Sylvain Siard, in exchange therefor, patents to the following-described lands, or to such parts thereof as may be found to be approximately equal in value to the lands so conveyed at the time of such conveyance: The east half of the southwest quarter and the southeast quarter of the northeast quarter of section 31, the west half of the southwest quarter and the southwest quarter of the northwest quarter of section 32, all of township 45 north, range 40 east, Mount Diablo meridian; the southeast quarter of the southwest quarter of section 19, the northeast quarter of the southwest quarter of section 20, and the southeast quarter of the northwest quarter of section 31, all of township 29 north, range 38 east, Mount Diablo meridian; the southeast quarter of the northeast quarter, the northeast quarter of the southwest quarter, and the north half of the southeast quarter of section 1, the northeast quarter of the northeast quarter of section 2, the northeast quarter of the northeast quarter of section 3, the southwest quarter of the northeast quarter, and the south half of the southwest quarter of section 12, and the northeast quarter of the northwest quarter and the southwest quarter of the southwest quarter of section 13, all of township 29 north, range 39 east, Mount Diablo meridian; the northeast quarter of the northwest quarter of section 6, the northwest quarter of the northeast quarter and the southwest quarter of the southeast quarter of section 7, the southwest quarter of the northeast quarter, the northeast quarter of the southwest quarter, and the southeast quarter of the southeast quarter of section 18, the northwest quarter of the northwest quarter, and the southeast quarter of the southwest quarter of section 19, and the northwest quarter of the northwest quarter of section 29, all of township 29 north, range 40 east, Mount Diablo meridian; the northwest quarter of the southeast quarter of section 34, township 30 north, range 39 east, Mount Diablo meridian; and the southeast quarter of the southwest quarter of section 8, the northeast quarter of the southeast quarter of section 17, the northwest quarter of the southwest quarter of section 20, the southeast quarter of the northwest quarter of section 29, the southeast quarter of the northeast quarter and the southeast quarter of section 30, the northeast quarter of the southeast quarter of section 31, and the northeast quarter of the northwest quarter, the northeast quarter of the southwest quarter, and the southwest quarter of the southwest quarter of section 32, all of township 30 north, range 40 east, Mount Diablo meridian; in all, 1,690.76 acres, more or less.

SEC. 3. That the lands conveyed to the Government hereunder shall thereupon become part of the Humboldt National Forest and shall be subject to all laws and regulations applicable thereto.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CURTIS:

A bill (S. 2222) granting a pension to Sureno Doll (with an accompanying paper);

A bill (S. 2223) granting a pension to William Bruce (with an accompanying paper); and

A bill (S. 2224) granting a pension to Ada N. Gahm (with an accompanying paper); to the Committee on Pensions.

By Mr. KENDRICK:

A bill (S. 2225) granting a pension to Harry E. Thompson; to the Committee on Pensions.

By Mr. CAMERON:

A bill (S. 2226) to extend the time for cutting timber in the Coconino and Tusayan National Forests, Arizona; to the Committee on Agriculture and Forestry.

By Mr. HALE:

A bill (S. 2227) granting an increase of pension to Isaiah G. Mayo (with accompanying papers); to the Committee on Pensions.

By Mr. DILLINGHAM:

A joint resolution (S. J. Res. 82) providing for immigration to relieve the emergency caused by an acute shortage of labor in the Territory of Hawaii; to the Committee on Immigration.

REVETMENT WORK, PELICAN BEND, MISSOURI RIVER.

Mr. CURTIS submitted the following resolution (S. Res. 106), which was referred to the Committee on Military Affairs:

Resolved, That the Secretary of War be, and is hereby, requested, if not incompatible with public interest, to have an examination made and report to the Senate, as soon as possible, the amount and cause of loss, if any, to the contractors on the following contracts:

Revetment work, Pelican Bend, Missouri River, contract dated June 12, 1918.

A QUORUM OF THE SENATE—AMENDMENT OF THE RULES.

Mr. WALSH of Montana. I offer a resolution which I ask to have read and referred to the Committee on Rules.

The resolution (S. Res. 108) was read and referred to the Committee on Rules, as follows:

Resolved, That section 2 of Rule III of the Standing Rules of the Senate, reading, "A quorum shall consist of a majority of the Senators duly chosen and sworn," be, and the same is hereby, amended so as to read: "A quorum shall consist of a majority of the Senators to which the States of the Union may be entitled."

CHANGE OF NAME OF GRAND RIVER IN COLORADO.

Mr. NICHOLSON. Mr. President, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 32) to change the name of the Grand River in Colorado and Utah to the Colorado River.

The PRESIDING OFFICER (Mr. CURTIS in the chair). Is there objection to the present consideration of the joint resolution?

Mr. FLETCHER. Mr. President, as I recall, when the joint resolution was reached on the calendar the other day the junior Senator from Utah [Mr. KING] expressed a desire to be heard upon it. I do not know whether he has changed his mind about it or not.

Mr. NICHOLSON. The junior Senator from Utah has withdrawn all objection to the passage of the joint resolution.

Mr. SMOOT. The only objection I heard to the joint resolution—and I am not offering it at this time as an objection—was whether Congress has the power to change the name of a river running through more than one State. I am not going to raise the question, but it has been raised, though I forget which Senator raised it. I have no objection to the passage of the joint resolution.

Mr. McCUMBER. Mr. President, I rose to ask the Senator in charge of the joint resolution practically the same question, and as to the effect of it. I did not know that Congress has any power over the matter of naming rivers any more than it has power over the naming of individuals or changing their names. Suppose the people of the State continue, notwithstanding this congressional act, to call this the Grand River, what is the effect going to be? There is nothing compulsory about it. The only point which strikes me is that we are en-

tering a field over which it seems to me that Congress has no jurisdiction. It is simply an advice to the people of the country to call the river the Colorado instead of the Grand.

Mr. NICHOLSON. Mr. President, I wish to state for the information of the Senator from North Dakota that the Legislature of Colorado unanimously adopted a resolution asking for the change of the name of the river from the Grand to the Colorado, and that resolution was signed by the governor of the State. It is called the Colorado River as it flows through Arizona and California. The Grand Canon of the Colorado is named after the Colorado River. Colorado as a State was named after the Colorado River. Sixty per cent of the water that flows in the Colorado River has its source in Colorado.

The gentleman who has had the matter in charge at the other end of the Capitol, Mr. TAYLOR of Colorado, a Democrat, I fear is seriously ill, and I should like to see the joint resolution enacted into law at this time as a compliment to him. He has been working and laboring for the passage of the joint resolution for over 15 years. It has received the sanction of the Colorado Legislature and of the governor, and likewise of the Utah Legislature.

There is no objection to the passage of the joint resolution, as I understand. The gentlemen to whom I have referred have stated that it is not an unusual thing for Congress to allow the States that are interested to change the names of rivers, and that if a State comes and petitions Congress for the right to change the name of a river it is within the province of Congress to grant the authority.

This joint resolution has been unanimously passed by the other House. For the reasons indicated I should like to have unanimous consent of the Senate for the consideration and passage of the measure this morning.

Mr. ROBINSON. Mr. President, measures similar to the pending joint resolution have been considered in the body at the other end of the Capitol repeatedly during the last 10 years. They have been favorably reported many times; in fact, whenever the question has been acted upon by the committee having jurisdiction of the subject it has received a favorable report. The committee of the body at the other end of the Capitol went into the question as to the propriety of Congress taking action in the matter. While, of course, Congress can not compel anyone to call a river by any particular name, yet in view of the fact that the river runs through several States, and the further fact the States have memorialized Congress through their legislatures, as the State of Colorado has done in the instance mentioned by the Senator from Colorado [Mr. NICHOLSON], the committee of the House of Representatives and the House itself have decided that such legislation is appropriate.

Mr. KNOX. Mr. President, I do not have any doubt about the jurisdiction or the power of Congress to change the name of the river mentioned in the joint resolution. That river is not only an interstate river but is an international river. It is a river whose name figures in our treaties with Mexico; it is a river whose waters have to be diverted for the irrigation of lands in California after it passes through Mexico; and in our geographic surveys and in many other matters in which the National Government is interested it is necessary for us to refer to the river by name. The integrity of the Colorado River should be preserved by giving it a common name throughout its entire length. I think the joint resolution ought to pass.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (H. J. Res. 32) to change the name of the Grand River in Colorado and Utah to the Colorado River, and it was read as follows:

Resolved, etc., That from and after the passage of this act the river heretofore known as the Grand River, from its source in the Rocky Mountain National Park in Colorado to the point where it joins the Green River in the State of Utah and forms the Colorado River, shall be known and designated on the public records as the Colorado River.

SEC. 2. That the change in the name of said river shall in nowise affect the rights of the State of Colorado, the State of Utah, or of any county, municipality, corporation, association, or person; and all records, surveys, maps, and public documents of the United States in which said river is mentioned or referred to under the name of the Grand River shall be held to refer to the said river under and by the name of the Colorado River.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

NEEDY CONDITION OF EX-SERVICE MEN.

Mr. WATSON of Georgia. Mr. President, I ask unanimous consent of the Senate to occupy a very few minutes while I read a letter which has been referred to me by the Vice President of the United States and which I find on my desk this morning.

Yesterday a great deal was said about whether or not there was urgent need among the soldiers who served in the Great War. "The short and simple annals of the poor," Mr. President, ought to have some hearing in this body, for nearly every man who occupies a seat on this floor was himself once a poor man and worked himself up and is proud of the fact that he did work himself up.

The writer of the letter is also referred to me by the governor of Georgia, Hon. Thomas W. Hardwick, who a few years ago occupied a seat in the Senate. He and I addressed a great meeting in Georgia on July 4 last. Here is the letter which the governor of Georgia and which the Vice President of the United States referred to me. Let me read it to you:

THOMAS E. WATSON. COLQUITT, GA., *July 5, 1921.*

DEAR SIR: We will appeal to you again for help—

I will say parenthetically that this is the first time I have heard from those who wrote the letter—

We are on starvation and we need help—

That is, the wife and children of the soldier in the Army "are on starvation"—

Can you send us any kind of a paper that we can get fixed up to help get him out? If they are, will you please send it to me and tell me how to fix it up? If they isn't any paper to fix, we will have to have some money from the Government. We haven't got anything to eat and not anything to wear.

Answer real soon—

To Mrs. ANNIE L. and MATTIE E. GRIFFIN,
Colquitt, Ga., R. F. D. 5, Box 14.

At some other time during the present day or on some other day during the debate, I intend to answer the Senator from Montana [Mr. MYERS] as to the suffering of our former soldiers and as to whether or not they are as much entitled to relief as are the railroads, to whom we are going to give $500,000,000, or the European nations, to whom we are going to give $10,000,000,000, or the junketing trip, to which we the other day gave $5,000 without a word of complaint.

Mr. MYERS. Mr. President, I shall be glad at any time to get the views of the Senator from Georgia on the subject upon which he has announced he will speak, but, so far as sympathy with the soldiers who are in need of sympathy is concerned, he can have no more sympathy with them than have I.

Mr. WATSON of Georgia. The Senator's sympathy does not feed them; they want something to eat.

Mr. MYERS. I am willing to help all soldiers who are suffering and in need of the necessities of life; but the Senator from Georgia does not seem to be able to distinguish between helping them and voting a cash bonus to all former soldiers who are well and strong and not in need.

Mr. WATSON of Georgia. The Senator from Georgia thinks he can draw any kind of a mental distinction which the Senator from Montana can draw, and draw it right now, if the Senator from Montana wants it drawn.

Mr. MYERS. I should be very glad to hear the Senator from Georgia demonstrate that; I have never heard him demonstrate it as yet.

Mr. WATSON of Georgia. That is the Senator's opinion.

AMENDMENT OF THE NATIONAL PROHIBITION ACT.

Mr. STERLING. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 7294.

The PRESIDING OFFICER. Is there objection?

Mr. MOSES. What is the bill, may I ask the Senator?

Mr. STERLING. It is a bill entitled "An act supplemental to the national prohibition act."

Mr. MOSES. The Senator from Massachusetts [Mr. LODGE], who is unavoidably absent from the Senate to-day, is very much interested in that measure, and I am sure he desires to be present when it is under consideration. Therefore, I feel constrained to object.

The PRESIDING OFFICER. Objection is made.

Mr. STERLING. Mr. President this is an important measure, and I think the Senator from Massachusetts has been apprised of the fact that it would be brought up for consideration at the earliest possible date. I, therefore, move that the Senate proceed to the consideration of the bill.

Mr. SMOOT. Mr. President, under the rules the motion is not now in order.

The PRESIDING OFFICER. The motion of the Senator from South Dakota is not in order. The Chair rules it will not be in order until the morning business is closed or until the hour of 1 o'clock.

Mr. STERLING. Very well.

TREATMENT OF EX-SERVICE MEN.

Mr. ASHURST. Mr. President, as a part of the morning business I wish, while the colloquy between the Senator from Georgia [Mr. WATSON] and the Senator from Montana [Mr. MYERS] is fresh in our minds, to inquire of the Senator from West Virginia [Mr. SUTHERLAND] or the Senator from Massachusetts [Mr. WALSH] when, if at all, will the subcommittee

appointed to investigate the subject of the hospitalization of soldiers proceed to the various hospitals throughout the country? If they have such power, I should like to be advised as to the fact. Does the Senate resolution constituting the committee authorize them to visit various hospitals?

The reason why I make this inquiry, Mr. President, is that, as will be remembered, I put in the RECORD a few days since an editorial from the Prescott (Ariz.) Courier. Some reflection or criticism had been made of Hospital No. 50, at Prescott, and the Prescott Courier, a metropolitan journal of repute, invited the committee to proceed to Prescott, and there see if any of the 1,200 soldiers who were receiving hospitalization there were really mistreated. I feel the committee should go there. I feel the committee owes it to the soldier and owes it to the country and to itself not only to go to the various hospitals near Washington but to the hospitals located throughout the country. I wish to inquire of either of the Senators to whom I have referred what they expect to do or are doing in that regard?

Mr. SUTHERLAND. Mr. President, in reply to the inquiry of the Senator from Arizona I will say that the committee charged with the investigation of the hospitals and other activities relating to our wounded and disabled soldiers is arranging to secure the services of some experts who will visit certain hospitals which have been under charges of mismanagement. The committee itself will visit some of the hospitals; but we are endeavoring to secure the voluntary assistance of men of the very highest character who are familiar with hospital work, men recommended by the American Medical Association, the American Association of Mental Hygiene, and the American Tuberculosis Association. It is desired to secure the services of men whose word and whose conclusions as to conditions will carry weight throughout the country. We are proceeding to do that, and we will utilize their services in addition to visiting such hospitals as the committee can visit itself.

Mr. ASHURST. I thank the Senator.

FEDERAL TRADE COMMISSION.

Mr. NORRIS. Mr. President, on the 15th of June, when the so-called packer bill was up before the Senate for consideration, there was placed in the RECORD a letter from Mr. W. T. Nardin, making various charges against the Federal Trade Commission. The letter was printed in the RECORD on that date, on page 2584. I have here a copy of a letter written by the chairman of the Federal Trade Commission in answer to that letter; and since one letter has been inserted in the RECORD, I respectfully submit that we ought to print the answer.

I therefore ask unanimous consent that the letter of the chairman of the commission, directed to the Senator from Maine [Mr. FERNALD], in answer to the letter of Mr. W. T. Nardin, be inserted in the RECORD.

The PRESIDING OFFICER (Mr. WATSON of Indiana in the chair). The Senator from Nebraska asks unanimous consent to insert in the RECORD the letter referred to by him. Without objection, that order will be made.

The letter is as follows:

JUNE 22, 1921.

Hon. BERT M. FERNALD,
United States Senate, Washington, D. C.

MY DEAR SENATOR: My attention has been called to a letter read by you into the CONGRESSIONAL RECORD on June 15, and found at page 2584, which was addressed to you by Mr. W. T. Nardin.

Believing that you would not do the commission an injustice, and feeling confident that you have been misled by matters set forth in that letter, which were not only erroneous but false and injurious to the commission, I beg leave to ask you to read into the RECORD this letter, which states the facts as they appear in the files of the Federal Trade Commission.

The letter of Mr. Nardin, in substance, charges the commission with being extremely dilatory in trying the case referred to; in being a prosecuting body instead of an investigating body; that no lawyer of the commission ever contended that there was any legal point involved; and that we were only going through with this case because we had filed a complaint and felt that we must justify our former action.

Mr. Nardin is the president or vice president of the Helvetia Milk Condensing Co., and is now and at all times has been representing the company as its attorney in the case to which he referred, and which is pending before the Federal Trade Commission.

In 1916, in complete cooperation with the National Canners' Association, the Federal Trade Commission sent letters to the canners asking their attitude on the policy of guaranteeing their products against decline in prices. As a result of these letters, and in cooperation with the National Canners' Association, a conference was held with the commission and representatives of the canned-milk manufacturers on March 30, 1916. The manufacturers present represented 98 per cent of the pack. Mr. W. T. Nardin's company represented 15 per cent of the total industry. All of those speaking at the conference protested against the practice then prevailing in the industry of guaranteeing prices against decline, with the single exception of Mr. Nardin.

Mr. Roland S. Morris, who represented at the conference the Borden Condensed Milk Co., a very large producer of canned milk, said in substance that the practice was indefensible; that it was an unfair method of competition; and that it had a tendency toward monopoly. All of the manufacturers present, with the exception of the Helvetia Co., represented by Mr. Nardin, agreed with the contention of Mr. Morris; and several days after the conclusion of the conference the commission received letters from all of the manufacturers represented, except the Helvetia Co., stating that they thought that the proper course was to have the practice abolished after the issuance of a complaint by the commission and the taking of testimony, if upon consideration of the testimony the commission concluded that the practice was unfair. These letters indicated very distinctly that the manufacturers felt that they themselves could not by unanimous consent abolish the practice, in view of the fact that the Helvetia Co., a large factor in the trade, seemed to indicate at the conference that it would continue to guarantee its prices against declines.

After making a very complete and thorough investigation the commission issued a complaint against the Helvetia Co., returnable January 31, 1919. In March, 1919, a large number of competing manufacturers filed with the commission a joint petition asking the commission to allow them to intervene in the proceeding against the Helvetia Co. The commission made the petitioners intervening respondents, and the taking of testimony was commenced on November 10, 1919.

It should be here noted that at the hearings Mr. Nardin, as attorney of record for the Helvetia Co., cross-examined the commission's witnesses and the witnesses for the intervening respondents, and as vice president of the Helvetia Co. was himself a witness for the company and against the commission.

Mr. Nardin complains regarding the length of time that the case has been before the commission. The record shows that, except upon one occasion, all the delays have been due to requests for time on the part of the intervenors, and that at no time did Mr. Nardin object to continuance being granted.

The statement is made by Mr. Nardin, "No lawyers for the commission nor for any respondent have ever contended that there was any legal point involved." This statement is absolutely false. There would never have been any complaint issued by the commission had it not thought that there was a legal question involved.

As to whether the commission has been, as charged by Mr. Nardin, a prosecuting agency, the fact that all but one of the companies engaged in condensing milk are opposed to the position taken by Mr. Nardin's client, the Helvetia Co., is sufficient answer.

Finally, Mr. Nardin says:

> It seems to me that any unbiased person, with any conception of the problems of business, must concede that it is intolerable to have business under the attempted supervision of a body which proceeds in the spirit of prosecution rather than in the spirit of investigation, which observes no legal rules or legal limitations, which recognizes none of the limitations of rules of evidence, and which once having filed a complaint feels that it must justify its former action by finding that wrong has been done.

The answer to this is that since the commission's complaint was issued, the practice therein complained of has been discontinued by the respondent, and instead of such a practice it has made a guaranty, limited in time and quantity, similar to that used by the intervening respondents, who represent 83 per cent of the industry.

Cordially, yours,

HUSTON THOMPSON, *Chairman.*

CONDITIONS IN MEXICO.

Mr. LA FOLLETTE. Mr. President, I desire to modify Senate resolution No. 105, which I introduced on the 6th instant. I prefer to do that by withdrawing the resolution, and offering as a substitute another resolution which I will ask to have printed in the RECORD, and printed in the usual form, and let it lie upon the table; and I give notice now that I shall call it up on Monday morning if the business of the Senate will permit.

The PRESIDING OFFICER. The Senator from Wisconsin asks leave to withdraw Senate resolution 105. Is there objection? The Chair hears none.

Mr. KNOX. I ask that the resolution now submitted may be read.

The PRESIDING OFFICER. The Senator from Wisconsin offers the following resolution, which the Secretary will read.

The Assistant Secretary read the resolution (S. Res. 107) as follows:

Whereas it is widely announced in the press that warships have been ordered by the Government of the United States to Tampico, Mexico, to protect the lives and property of Americans in the event of disturbances resulting from unemployment in the oil industry in Mexico; and

Whereas it is alleged that the internal situation in Mexico is growing more critical and that there is imminent danger of an outbreak general in its character; and

Whereas it is definitely stated in the press dispatches upon the authority of the Secretary of the Navy that the commanders of the American war vessels have full authority to use their own discretion as to what action they shall take, which would authorize the landing of troops on Mexican soil, the use of armed force at the will of the officer in command, and in the critical situation alleged to exist might easily involve this Government in serious international complications: Now, therefore, be it

Resolved, That the President of the United States be requested, if not incompatible with the public interest, to transmit immediately to the Senate all documents and other information relating to the present situation in Mexico, and particularly the orders which have been issued to officers of the United States Army or Navy with reference to the situation in Mexico.

Resolved further, That it is the sense of the Senate that no troops should be landed upon Mexican soil nor should any other action be taken which might be construed as an act of war without the express authority of the Congress of the United States as provided in the Constitution.

Mr. KNOX. Mr. President, may I inquire of the Senator from Wisconsin wherein this resolution differs from the one for which it is offered as a substitute?

Mr. LA FOLLETTE. It differs in respect to the preamble of the resolution.

Mr. KNOX. Only in that respect?

Mr. LA FOLLETTE. Only in respect to the preamble of the resolution.

The PRESIDING OFFICER. The resolution will be printed and lie on the table.

Mr. McCUMBER. Mr. President, is morning business closed?

The PRESIDING OFFICER. Is there further morning business? The Chair hears none, and the morning business is closed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had receded from its disagreement to the amendments of the Senate numbered 19, 20, 22, and 72 to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes, and concurred therein; that the House receded from its disagreement to the amendment of the Senate numbered 57, and concurred therein with an amendment; that the House insisted upon its amendment to the amendment of the Senate numbered 107; that the House further insisted upon its disagreement to the amendments of the Senate numbered 16, 18, 45, 46, 51, 54, 55, 71, 95, 96, 97, 108, and 112; that the House agreed to the further conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. KELLEY of Michigan, Mr. FRENCH, Mr. WOOD of Indiana, Mr. BYRNES of South Carolina, and Mr. OLIVER were appointed managers of the conference on the part of the House.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the Philippine Islands, and to provide a more autonomous government for these Islands," approved August 29, 1916; had agreed to the conference requested by the Senate, and that Mr. TOWNER, Mr. GLYNN, and Mr. GARRETT of Tennessee were appointed managers of the conference on the part of the House.

The message further announced that the House had agreed to the amendment of the Senate to the bill (H. R. 2421) granting certain public lands to the city of Phoenix, Ariz., for municipal purposes.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 4976) granting the consent of Congress to the Trumbull Steel Co., its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River, in the State of Ohio.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H. R. 6814) to authorize the construction of a dam across the Wabash River at Huntington, Ind.

AMENDMENT OF NATIONAL PROHIBITION ACT.

Mr. STERLING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from South Dakota will state it.

Mr. STERLING. Is it now proper, notwithstanding what I understood to be the ruling of the last occupant of the Chair, to move that the Senate proceed to the consideration of a bill, the morning business having been declared closed?

The PRESIDING OFFICER. The Chair understands the last occupant of the chair to have ruled that the motion of the Senator from South Dakota was not in order during morning business. Morning business having been closed, the motion of the Senator is in order.

Mr. STERLING. The Senator from South Dakota understood that the morning business had closed, and that was the reason why he made the motion; but the Senator from South Dakota also understood the last occupant of the chair to hold that the motion could not be made until after 1 o'clock. I thought that could not be the case.

The PRESIDING OFFICER. It is in the alternative, until the morning business shall have closed or until the hour of 1 o'clock shall have arrived.

Mr. STERLING. Then, Mr. President, I move that the Senate proceed to the consideration of H. R. 7294, being a bill supplemental to the national prohibition act.

Mr. MOSES. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota moves that the Senate proceed to the consideration of H. R. 7294, a bill supplemental to the national prohibition act.

Mr. MOSES. Mr. President, I ask the Senator from South Dakota not to make that motion, particularly on the grounds upon which I based my objection to the unanimous consent which he asked a few moments ago. The Senator from Massachusetts [Mr. LODGE], as I then stated, is very much interested in this measure. I think he contemplates offering an amendment to it. He certainly desires to be present when the measure is considered in the Senate. He is unavoidably absent from the Senate to-day. In a conversation which I had with him last evening, before he left the city, this matter came up, and it was because of the representations which he made to me that I offered the objection that I did a few minutes ago; and it is because of those representations that I now appeal to the Senator from South Dakota not to press the motion to-day.

In addition to the Senator from Massachusetts, the Senator from New Jersey [Mr. EDGE] wishes to speak on this bill, and he is not present. My understanding is that there are many other Senators who wish to discuss the measure—Senators on the other side of the aisle—who are also absent from the Chamber.

While I recognize, as the Senator from South Dakota has said, that this is an important measure, I do not think the country is going to suffer unduly if we delay a few days before restricting reputable physicians in the exercise of their profession.

The PRESIDING OFFICER. The motion of the Senator from South Dakota is not debatable.

Mr. MOSES. I was not debating it. I was asking the Senator to withdraw it.

The PRESIDING OFFICER. The Chair understood that the Senator from New Hampshire was asking a question of the Senator from South Dakota.

Mr. BROUSSARD. Mr. President, I join the Senator from New Hampshire in requesting the Senator from South Dakota not to insist upon the consideration of this bill at this time. I know of several Senators on this side of the Chamber who expect to speak on the bill who would like to be present when it is brought up. I can see no reason for the immediate consideration of the bill. It is merely to meet the opinion of the Attorney General, rendered on the 3d of March last. The regulations to carry out that opinion have been withheld by the department ever since. There is no danger that any physician will prescribe any beer or any other intoxicant, as prohibited in this bill, for the reason that the Commissioner of Internal Revenue and the enforcement department have refused to issue permits, and therefore I think we could well afford to wait until such time as everybody may be heard. For that reason I ask the Senator not to press his motion.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. The Chair proceeds on the theory that this debate is being conducted by unanimous consent.

Mr. STERLING. Mr. President, I understand that it is upon the question as to whether or not I should withdraw my motion, not upon the merits of the motion.

The PRESIDING OFFICER. The Chair understood that the debate was proceeding on the merits of the proposition.

Mr. STERLING. I do not like to discommode Senators who wish to be heard upon this bill, and I appreciate what has been said by the Senator from New Hampshire [Mr. MOSES] and the Senator from Louisiana [Mr. BROUSSARD] about the absence of Senators who would like to participate in the discussion——

Mr. WALSH of Montana. Mr. President, I make a point of order against further discussion of this matter. The motion is not debatable. I hope we will take a vote on it and proceed to the consideration of the bill.

The PRESIDING OFFICER. The point of order is sustained.

Mr. BROUSSARD. Mr. President, I make the point of no quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Ashurst	Gerry	McNary	Smoot
Borah	Gooding	Moses	Spencer
Brandegee	Hale	Myers	Sterling
Broussard	Harreld	Nelson	Sutherland
Bursum	Harris	New	Trammell
Calder	Harrison	Newberry	Underwood
Cameron	Heflin	Nicholson	Wadsworth
Capper	Johnson	Norris	Walsh, Mass.
Caraway	Jones, N. Mex.	Oddie	Walsh, Mont.
Culberson	Jones, Wash.	Overman	Watson, Ga.
Curtis	Kellogg	Poindexter	Watson, Ind.
Dillingham	Kendrick	Pomerene	Weller
Elkins	Kenyon	Ransdell	Williams
Ernst	King	Robinson	Willis
Fernald	Knox	Sheppard	
Fletcher	La Follette	Shortridge	
Frelinghuysen	McCumber	Simmons	

The PRESIDING OFFICER. Sixty-five Senators have responded to their names. A quorum is present. The question is on the motion of the Senator from South Dakota [Mr. STERLING], that the Senate proceed to the consideration of H. R. 7294, a bill supplemental to the national prohibition act.

Mr. LA FOLLETTE. I call for the yeas and nays.

The yeas and nays were ordered, and the Assistant Secretary proceeded to call the roll.

Mr. CARAWAY (when his name was called). I have a general pair with the junior Senator from Illinois [Mr. MCKINLEY]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. HALE (when his name was called). I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the senior Senator from Michigan [Mr. TOWNSEND] and vote "yea."

Mr. MYERS (when his name was called). I have a pair with the junior Senator from Connecticut [Mr. MCLEAN], who is absent. I am unable to obtain a transfer of that pair, and am compelled on that account to withhold my vote. If permitted to vote, I would vote "yea."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. Not being able to obtain a transfer, I can not vote. If I were permitted to vote, I would vote "yea."

Mr. STERLING (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to my colleague [Mr. NORBECK], who is unavoidably absent, and vote "yea."

Mr. TRAMMELL (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and vote "yea."

Mr. UNDERWOOD (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. He is unavoidably absent, and I withhold my vote.

Mr. WALSH of Montana (when his name was called). I inquire if the senior Senator from New Jersey [Mr. FRELINGHUYSEN] has voted?

The PRESIDING OFFICER. He has not voted.

Mr. WALSH of Montana. I have a general pair with that Senator, and in his absence I transfer my pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "yea."

Mr. WILLIS (when his name was called). I have a pair with the junior Senator from Tennessee [Mr. MCKELLAR]. I transfer that pair to the senior Senator from Iowa [Mr. CUMMINS] and vote "yea."

Mr. MCCUMBER. I wish to announce the absence of my colleague [Mr. LADD] on account of sickness. I ask that this announcement may stand for the day.

Mr. MOSES. I wish to announce the absence of my colleague [Mr. KEYES], who is detained from the Senate by illness. I ask that this announcement may stand for the day.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN];

The Senator from Colorado [Mr. PHIPPS] with the Senator from South Carolina [Mr. DIAL]; and

The Senator from Pennsylvania [Mr. PENROSE] with the Senator from Mississippi [Mr. WILLIAMS].

Mr. DILLINGHAM (after having voted in the affirmative). I have already voted, but I observe that the junior Senator from Virginia [Mr. GLASS], with whom I have a general pair, has not voted. I do not know how he would vote on this question. I therefore transfer my pair with him to my colleague [Mr. PAGE] and allow my vote to stand.

Mr. FLETCHER (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. BALL], who is absent, I am informed, and I do not know how he would vote on this motion. I therefore withdraw my vote.

Mr. KENDRICK (after having voted in the affirmative). I am reminded that I have a general pair with the Senator from Illinois [Mr. MCCORMICK], and as I am unable to secure a transfer I find it necessary to withdraw my vote.

Mr. ERNST (after having voted in the affirmative). I have a general pair with my colleague [Mr. STANLEY], which I transfer to the junior Senator from Oregon [Mr. STANFIELD] and allow my vote to stand.

The result was announced—yeas 43, nays 16, as follows:

YEAS—43.

Ashurst	Gooding	McNary	Simmons
Borah	Hale	Nelson	Smoot
Bursum	Harreld	New	Spencer
Capper	Harris	Newberry	Sterling
Caraway	Harrison	Nicholson	Sutherland
Culberson	Heflin	Norris	Swanson
Curtis	Jones, N. Mex.	Oddie	Trammell
Dillingham	Jones, Wash.	Poindexter	Walsh, Mont.
Elkins	Kellogg	Ransdell	Watson, Ind.
Ernst	Kenyon	Robinson	Willis
Fernald	McCumber	Sheppard	

NAYS—16.

Brandegee	Gerry	La Follette	Wadsworth
Broussard	Johnson	Moses	Walsh, Mass.
Calder	King	Pomerene	Watson, Ga.
Cameron	Knox	Shortridge	Weller

NOT VOTING—36.

Ball	Hitchcock	McLean	Reed
Colt	Kendrick	Myers	Shields
Cummins	Keyes	Norbeck	Smith
Dial	Ladd	Overman	Stanfield
Edge	Lenroot	Owen	Stanley
Fletcher	Lodge	Page	Townsend
France	McCormick	Penrose	Underwood
Frelinghuysen	McKellar	Phipps	Warren
Glass	McKinley	Pittman	Williams

So the motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 7294) supplemental to the national prohibition act, which had been reported from the Committee on the Judiciary with amendments.

The VICE PRESIDENT resumed the chair.

Mr. STERLING. Mr. President, let me make a very brief statement in regard to the purpose of this bill.

Referring to the national prohibition act, and section 7 of that act, I find this provision:

> Not more than a pint of spirituous liquor to be taken internally shall be prescribed for use by the same person within any period of 10 days and no prescription shall be filled more than once.

Nothing is said in the act relative to prescribing beer or wine. I think it was assumed at the time, or was contemplated, that beer or wine would not be prescribed for medicinal purposes. But, Mr. President, later there was an opinion by the former Attorney General to the effect that under the law beer or wine might be prescribed for medicinal purposes. There being no limitation in the law at all, it naturally followed that if beer and wine could be prescribed for medicinal purposes, they could be prescribed in any quantity.

Because of that condition, Mr. President, and because of the further condition, too, that under the opinion of the Attorney General the manufacturers of beer are now applying to the Commissioner of Internal Revenue for regulations governing the manufacture of beer for medicinal purposes, this bill was introduced, was passed in the House, and is, as I think, under the circumstances, a piece of necessary legislation.

Now, a word or two as to the provisions of the bill. Section 2 of the bill provides:

> That only spirituous and vinous liquor may be prescribed for medicinal purposes, and all permits to prescribe and prescriptions for any other liquor shall be void.

Thus permitting the use of spirituous and vinous liquor for medicinal purposes, but by plain implication, at least, prohibiting the prescribing of beer for such purposes.

The section further provides the quantity of alcoholic content in any prescription of wine, and that—

No physician shall prescribe, nor shall any person sell or furnish on any prescription, any vinous liquor that contains more than 24 per cent of alcohol by volume, nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of 1 gallon of vinous liquor, or any liquor that contains more than one-half pint of alcohol, for use by any person within any period of 10 days.

The committee proposes to amend the foregoing by adding after the word "any," in line 3, on page 2, the words "such vinous or spirituous," the words "vinous or spirituous" relating back to the like words in the first line of the section. Also, to amend by adding the words "separately or in the aggregate" after the word "contains," in line 4, page 2.

Mr. President, I wish to say with reference to the quantity of the alcoholic content in any prescription of wine that the 24 per cent there allowed is, I think, about the maximum per cent of alcohol in any wine. I think the testimony before the committee shows that, and that very rarely, at least, do wines contain a greater amount of alcohol than 24 per cent.

Further, Mr. President, there were some abuses that arose under section 4 of the national prohibition act. Section 4 of the national prohibition act permits of the manufacture of proprietary and patent medicines, flavoring extracts, and so forth, under subdivisions b, c, d, and e.

It was found that that portion of the national prohibition act was being evaded and that preparations presumably unfit for beverage purposes were being used for such purposes and for intoxicating-beverage purposes. Hence the bill provides:

If the commissioner shall find after hearing, upon notice as required in section 5 of title 2 of the national prohibition act, that any article enumerated in subdivisions b, c, d, or e of said national prohibition act is being used as a beverage, or for intoxicating-beverage purposes, he may require a change of formula of such article, and in the event such change is not made within a time to be named by the commissioner he may cancel the permit for the manufacture of such article unless it is made clearly to appear to the commissioner that such use can only occur in rare or exceptional instances.

Provision is made for review of decisions of the commissioner in this respect as in other respects under the national prohibition act.

As the bill came to the committee from the House it provided that—

No intoxicating liquor shall be imported into the United States, nor shall any permit be granted authorizing the manufacture of any vinous or spirituous liquor, save alcohol, until the amount of such liquor now in distilleries or other bonded warehouses shall have been reduced to a quantity that in the opinion of the commissioner will, with the liquor that may thereafter be manufactured and imported, be sufficient to supply the current need thereafter for all nonbeverage uses.

It was thought that this was unnecessarily severe; that there was hardly any reason for a prohibition against the importation and the manufacture of all intoxicating liquors. It was urged before the committee, and I think with reason, that there were those who use wines for medicinal purposes who had a preference for some foreign brand of wine, and that they ought not to be precluded from the use of that kind of wine for medicinal purposes.

Hence the committee limited the prohibition against importation to spirituous liquors, rather than to all intoxicating liquors. So, with the manufacture, we limited the prohibition against the manufacture to spirituous liquors, it being thought that if there was any danger on account of the great quantity of intoxicating liquors in this country at the present time, or if such quantity in itself led to an evasion of the national prohibition law, the danger was not on account of wine or vinous liquors, but rather on account of the tremendous amount of spirituous liquors. Hence the committee struck out the word "intoxicating" and inserted the word "spirituous" in lieu thereof, and in line 10 of the bill, on page 3, struck out the words "vinous or."

Section 3 of the bill simply relates to the application of the bill to the Territory of Hawaii and the Virgin Islands and confers jurisdiction on the courts of that Territory and those islands to enforce the provisions of this act and the national prohibition act.

Section 4 provides simply that regulations may be made by the commissioner to carry into effect the provisions of the act.

Section 5 is new, and provides:

SEC. 5. That all laws in regard to the manufacture and taxation of and traffic in intoxicating liquor, and all penalties for violations of such laws that were in force when the national prohibition act was enacted, shall be and continue in force, as to both beverage and nonbeverage liquor, except such provisions of such laws as are directly in conflict with any provision of the national prohibition act or of this act; but if any act is a violation of any of such laws and also of the national prohibition act or of this act, a conviction for such act or offense under one shall be a bar to prosecution therefor under the other.

I think that is but a just and reasonable provision. A man should not be held to answer twice for the same offense.

The second paragraph of section 5 provides:

If distilled spirits upon which the internal revenue tax has not been paid are lost by theft, accidental fire, or other casualty while in possession of a common carrier subject to the transportation act of 1920 or the merchant marine act, 1920, or if lost by theft from a distillery or other bonded warehouse, and the person guilty of the theft has been convicted of the offense, and it shall be made to appear to the commissioner that such losses did not occur as the result of negligence, connivance, collusion, or fraud on the part of the owner or person legally accountable for such distilled spirits, no tax shall be assessed or collected upon the distilled spirits so lost, nor shall any tax penalty be imposed or collected by reason of such loss.

As the bill came to the Senate committee the casualty must in the first instance have arisen while the goods were in the possession of a common carrier subject to the transportation act of 1920; but there are common carriers under the merchant marine act as well, and we thought the provisions should be extended to them, as well as to the railroads, which would come under the transportation act of 1920.

We have added a clause at the end of the bill providing that—

Nothing in this section shall be construed as in any manner limiting or restricting the provisions of title 3 of the national prohibition act.

That was done, I may say, I think, out of an abundance of caution and for the reason it was thought that some of the provisions in the first paragraph of section 5 might have the effect of limiting or restricting the provisions of title 3 of the national prohibition act, it being remembered, of course, that title 3 refers solely to industrial alcohol, and the object is to encourage and promote the manufacture of alcohol for industrial purposes.

I think that is all I wish to say now, unless there are some questions to be asked.

Mr. McNARY. Mr. President——

Mr. STERLING. I yield to the Senator from Oregon.

Mr. McNARY. Adverting to section 2 we read—

That only spirituous and vinous liquor may be prescribed for medicinal purposes, and all permits to prescribe and prescriptions for any other liquor shall be void.

I wish to ask the Senator from South Dakota why the inhibition was laid only against malt liquor. As I understand, permission can be given to prescribe spirituous and vinous liquors, and the inhibition would only run against malt liquors.

Mr. STERLING. Yes; against beer.

Mr. McNARY. What is the reason for that?

Mr. STERLING. The great and fundamental reason, I think, is that physicians, druggists, and the medical profession generally are all agreed that beer is not a medicine and should not be used for medicinal purposes. That is the great reason. If it does serve any medicinal purpose it is one which physicians say can be met in other ways without the danger of cultivating the beverage use of an alcoholic liquor.

Mr. SPENCER. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Missouri?

Mr. STERLING. Certainly.

Mr. SPENCER. I wish to ask the Senator if he would be good enough to give me information with reference to the first, second, and third lines on page 2. As I read that provision it is that no physician may prescribe more than a pint of wine for use by any patient within any period of 10 days.

Mr. STERLING. Oh, no; I think the Senator is mistaken. It says one-fourth of 1 gallon of vinous liquor.

Mr. SPENCER. Yes; that is 1 quart.

Mr. STERLING. It provides:

Nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of 1 gallon of vinous liquor, or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol, for use by any person within any period of 10 days.

Mr. SPENCER. In other words, if I read it aright, no patient could have prescribed for him more than 1 quart of wine within a period of 10 days; that is, one-tenth of a quart of wine in any one day would be the limit for which any patient under any circumstances could receive a prescription from his physician.

Mr. STERLING. Yes; the Senator is correct.

Mr. SPENCER. Will the Senator be good enough to tell me how the Committee on the Judiciary of the Senate ever felt qualified to substitute their judgment for the judgment of the physician as to the amount of wine that a physician might prescribe for a patient?

Mr. STERLING. The Senator might ask the same question with reference to the provisions of the original act, which provides that no more than 1 pint of spirituous liquor shall be prescribed for use within any period of 10 days. It is deemed

as a necessary restriction and safeguard upon the sale of intoxicating liquors. That is the object. It was thought that ought to be ample. The prescription of 1 quart within a period of 10 days ought to be ample.

Mr. SPENCER. Does the original bill refer to a prescription or only to the sale?

Mr. STERLING. It refers to the prescription. This is the language:

> Not more than a pint of spirituous liquors to be taken internally shall be prescribed for use by the same person within a period of 10 days, and no prescription shall be filled more than once.

Let me say to the Senator that the 1 quart of wine with 24 per cent of alcohol will be equal in alcoholic content to the 1 pint of spirituous liquor, because the spirituous liquor contains about 50 per cent of alcohol, and 1 pint may be prescribed; but here 1 quart of wine may be prescribed and the wine may contain 24 per cent of alcohol.

Mr. SPENCER. Is it not the information of the Senator that port wine as used for beverage contains a very much higher percentage of alcohol than 24 per cent?

Mr. STERLING. Oh, no.

Mr. SPENCER. I yield to the Senator's better information on that.

Mr. STERLING. If I am correctly informed, port wine contains less than 20 per cent of alcohol ordinarily. The highest is supposed to be about 24 per cent. In fixing 24 per cent as the volume of alcohol we fix about the maximum of alcoholic content in wine. That is the information I have.

Mr. WADSWORTH. Mr. President, will the Senator from South Dakota be good enough to answer one or two questions that I wish to put to him?

Mr. STERLING. Certainly, with pleasure.

Mr. WADSWORTH. My recollection of the existing law and its definition is not very accurate, but I notice in section 2 it is provided that only spirituous and vinous liquor may be prescribed for medicinal purposes.

Mr. STERLING. Yes.

Mr. WADSWORTH. Then the bill proceeds to limit the amount that may be prescribed. When alcohol is prescribed for medicinal purposes may it not be prescribed for external use?

Mr. STERLING. Yes.

Mr. WADSWORTH. Does the Senator think it possible to give a patient in a hospital an alcohol bath a day under the terms of the bill?

Mr. STERLING. I think that is taken care of in the national prohibition act, which, in prescribing the amount of spirituous liquor that may be used, refers to its use internally. No more than 1 pint of liquor can be prescribed for use internally during any period of 10 days.

Mr. WADSWORTH. But this bill does not say that.

Mr. STERLING. This bill does not say that in terms, but I think it does not conflict with the national prohibition act.

Mr. WADSWORTH. May I call the Senator's attention to the language of line 3, page 2, as follows:

> Or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol, for use by any person within any period of 10 days.

Therefore if my interpretation is correct—I may be wrong, and I ask for information—not more than one-half pint of alcohol can be prescribed for use in a hospital by any patient inside of 10 days for medicinal purposes.

Mr. STERLING. I may say to the Senator from New York that it was not the intention of the framers of the bill, I think, in the first place, nor the intention of the Senate committee that alcohol might not be used for external use.

Mr. WADSWORTH. The bill does not say so.

Mr. STERLING. That is taken care of, I think, in the national prohibition act.

Mr. NELSON. Mr. President——

Mr. STERLING. I yield to the Senator from Minnesota.

Mr. NELSON. I want to say to the Senator that denatured alcohol without limit may be used on patients for external purposes and is so used.

Mr. KNOX. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Pennsylvania?

Mr. STERLING. I yield.

Mr. KNOX. I should like to ask the Senator from South Dakota a question, and if I may I will precede it by a sentence or two.

As I understand, under the law as it exists and as it will continue if the pending measure is passed spirituous liquors can only be sold for medicinal purposes. Is there any protection for the man who has to take spirituous liquor on the prescription of his physician for the restoration of his health? Is there anything in this measure or any measure which we have heretofore passed which provides that the spirituous liquor which shall be prescribed shall have been manufactured under the auspices of the Government, thereby insuring its relative purity, or can physicians prescribe all the "moonshine" and manufactured synthetic stuff that may be gotten by the bootlegger?

Mr. STERLING. I will say to the Senator from Pennsylvania that there is no provision of the national prohibition act, nor is there in this measure, which requires only spirituous liquors that have been manufactured under Government auspices to be prescribed.

Mr. KNOX. Does not the Senator from South Dakota think that, inasmuch as spirituous liquor can only be sold for the healing of the sick, there should be some protection to the patient? We have pure food laws; we have laws that are intended to take care of the health of the people in almost every other direction. Now, when it comes to the prescribing of so vicious a thing as spirituous liquor for the restoration of the health of a patient, should we not in the law provide that the patient shall get the pure article?

Mr. STERLING. Mr. President, of course there are bounds, I think, to the suggestion made by the Senator from Pennsylvania. I do not believe that we would be quite warranted in providing here, as the Senator suggests, that only liquor manufactured under Government supervision should be prescribed. I think that matter was somewhat mooted and discussed when the national prohibition bill was being considered. I do not know whether the discussion originated with the Senator from Pennsylvania or not.

Mr. KNOX. I think it did.

Mr. STERLING. I have a faint recollection of the Senator suggesting something of that kind.

Mr. KNOX. I think I did, but the matter was not discussed on the floor of the Senate. It was only discussed privately between the Senator from South Dakota and myself. He turned a deaf ear to the suggestion. But I propose to offer an amendment to this bill to that effect.

Mr. WADSWORTH. Will the Senator from South Dakota permit another question?

Mr. STERLING. Certainly.

Mr. WADSWORTH. May I ask the Senator to tell us just what he expects to be gained by the language used at the bottom of page 4 and top of page 5 of the bill, which permits the cancellation of taxes in the event that liquor is stolen? I ask that question in view of the fact that it is the favorite form of thievery to-day.

Mr. STERLING. I know there is a great deal of liquor being stolen, and I think that heretofore there has been no exemption of taxes where such property has been stolen.

Mr. WADSWORTH. That is what I wanted to ascertain.

Mr. STERLING. Because there had never been any, or very little at least, stolen, but there has been a great deal of liquor stolen since the prohibition act went into effect.

Mr. WADSWORTH. Why is that?

Mr. STERLING. I think the answer to that question can be made by the Senator from New York as well as by myself. I will say, however, that it is largely because of the desperate desire of men under prohibition, many of whom before prohibition could get along without it as well as with it, to have some intoxicating liquor.

Mr. BROUSSARD. Mr. President——

Mr. WADSWORTH. I was going to ask another question. I have read the pending bill very hastily and had not seen it previously to its being brought before the Senate this morning. Has the Senator from South Dakota given any consideration to the suggestion that this new provision of the proposed law will be an invitation to thievery?

Mr. STERLING. I will say to the Senator from New York that we have. This matter was considered very carefully by the committee. The Senator will notice how carefully the language of the proposed legislation is guarded by providing that if the theft should be through the connivance, collusion, or negligence of the party legally accountable for the tax there shall be no remission of the tax.

Mr. WADSWORTH. Oh, yes; but there are many ways of getting around that.

Mr. WALSH of Montana. Mr. President——

Mr. STERLING. I yield to the Senator from Montana.

Mr. WALSH of Montana. If I may interrupt for a moment, I feel like saying to the Senator from New York [Mr. WADSWORTH] and to the Senator from Louisiana [Mr. BROUSSARD], who are interested in the second paragraph of section 5, that the friends of prohibition are not in the slightest degree concerned about that part of the bill; they are not interested in

it. The whole thing may be stricken out, so far as they are concerned.

The committee was impressed with the measure of justice which was contained in the complaint of the manufacturers of liquor in this respect; and if the Senators who criticize this language are really solicitous about their interests, I am sure the committee will be very glad to help perfect that provision of the bill. However, so far as the friends of prohibition are concerned, the whole thing may go out.

Mr. WADSWORTH. Mr. President, I am not solicitous about anybody's interests; I am solicitous, however, about the enforcement of law. To-day we are suffering from a debauchery of law violation. A part of that debauchery is the stealing of liquor. It seems to me that this proposed legislation invites further stealing. I do not care from whom the liquor is stolen or who steals it; I am against stealing just as I am against any violation of any law. We have enough law violation to-day. This proposed legislation, to my mind, is going to make it worse. It will tempt the most reputable physicians in the country to violate the law in every decent hospital. Anything that I can do by way of suggestion or amendment to reduce the possibility of violation of the law I shall do.

Now, here we have a proposal that when any liquor upon which the tax has not been paid is stolen from a warehouse—and, mind you, the taxes are very high and well worthy of consideration—and collusion can not be proven between the owner and the thief, the owner is relieved of the liability to pay the tax. It is an invitation to undermine warehouses and take the stuff out. That has already been done in scores of instances. It seems to me we might leave upon the owner the responsibility of paying the tax, whether the liquor is stolen or not. If we leave that responsibility upon him, it will urge him to prevent the thievery.

Mr. BROUSSARD. Mr. President——

Mr. STERLING. Mr. President, if the Senator from Louisiana will wait for a moment, I think we may leave it to the Internal Revenue Commissioner, who will have the administration of this proposed law in charge, to say whether where theft is alleged there has been any connivance, any fraud, any collusion, or any negligence, even, in the language of the act, upon the part of the owner.

Mr. BROUSSARD. Mr. President, will the Senator yield?

Mr. STERLING. I yield.

Mr. BROUSSARD. I should like to have the Senator in charge of the bill explain to the Senate why——

Mr. WALSH of Montana. Mr. President, before the Senate passes from the point just now under discussion I should like to say a word with respect to the matter.

Mr. BROUSSARD. I merely desire to ask a question of the Senator in charge of the bill and of the Senator from Montana also.

Mr. WALSH of Montana. I desire to say a word with respect to the matter just now under discussion before we pass from that.

Mr. BROUSSARD. If I have the floor, I wish to ask a question.

Mr. STERLING. I hope the Senator from Louisiana will yield to the Senator from Montana while we are upon this proposition.

Mr. BROUSSARD. I intend to yield in a moment, but I should like to ask a question before we pass from the point.

Mr. STERLING. Very well.

Mr. BROUSSARD. The last paragraph of section 5 provides that if any liquors are stolen while in transit the tax shall be refunded or shall be rebated. The provision of the House bill was to the effect that this should be done in all cases; but I notice on page 5, line 12, that the Senate bill as amended reads:

> This provision shall apply to any claim for taxes or tax penalties not collected.

The words "not collected" being inserted by the Senate committee.

Mr. STERLING. Yes.

Mr. BROUSSARD. I wish to inquire why the distinction is made between one who has voluntarily paid the tax, and having voluntarily paid the tax is penalized in the amount of that tax, and the man who has neglected to pay the tax, who is not required to pay it at all?

Mr. STERLING. I will say to the Senator from Louisiana that it was thought, where the tax penalties had been collected following the tax assessment, there should be no refund. That was the idea under which the committee inserted that amendment. I think the Senator will recall, however, that when I presented the report yesterday morning I stated that I reserved the right to ask that the Senate disagree to that amendment inserting the words "not collected." I did that partly in view of an amendment which the committee adopted in the first line of the paragraph where we inserted after the words "if distilled spirits," the words "upon which the internal-revenue tax has not been paid." I think if the Senator will let that go over until we reach it, it might be discussed then.

Mr. BROUSSARD. I am glad that the Senator intends to offer an amendment, because the provision as now worded would seem to penalize the man who has complied with the law.

Mr. STERLING. I did not say that I would offer an amendment, but I said that I would reserve the right to ask the Senate to disagree to the amendment. I should like to consider the matter, because the amendment was hurriedly put in.

Mr. BROUSSARD. Does the Senator believe it is right to penalize the man who has paid the tax, whereas the man who has not paid the tax is exempted, the basis of the exemption being that the liquor was stolen, he having no connection with the theft? If the owner has not paid the tax he is not out a cent, but if he has paid, according to the Senator's position, unless the Senator changes his mind, the money having been paid in, the Government would retain it.

Mr. STERLING. Yes.

Mr. NELSON. Mr. President, will the Senator from South Dakota allow me to interrupt him?

Mr. STERLING. I yield to the Senator from Minnesota.

Mr. NELSON. I want to say to the Senator from Louisiana that under our internal-revenue laws as far back as I can remember no one had recourse to recover any tax paid unless he paid the tax under protest. In order that the taxpayer may recover any tax which he has paid he must make protest when he makes the payment. If he fails to pay under protest, it is the universal rule that he can not recover. This bill does not change the law in that respect.

Mr. BROUSSARD. I should think it does. I take exception to the statement of the Senator from Minnesota. There is no question here of payment under protest. The bill provides that—

> This provision shall apply to any claim for taxes or tax penalties not collected.

It makes no reference to any protest filed; but the mere fact that the owner has paid the tax would cause him to lose the amount, whereas the man who had neglected to pay it would not be out a cent.

Mr. WALSH of Montana. Mr. President——

Mr. STERLING. I yield to the Senator from Montana.

Mr. WALSH of Montana. With respect to that matter, I should like to say to the Senator from Louisiana that that is in strict accordance with the almost universal rule concerning the payment of taxes. If a man pays a tax which he is not obliged by law to pay, he can not recover. If he has not paid a tax which he is not obliged by law to pay, he will not be forced to do so. That is all that provision means; that a man who has paid his tax can not recover the tax. That is the law now.

Mr. BROUSSARD. The fact that a man has paid the tax is no basis for a settlement between that individual and the Government?

Mr. WALSH of Montana. Exactly.

Mr. BROUSSARD. Is that equity?

Mr. WALSH of Montana. If a man pays a tax which is utterly illegal, he can not recover it back from the Government.

Mr. BROUSSARD. Whether it is legally due or not?

Mr. WALSH of Montana. Exactly. If he pays it, he can not get it back.

Mr. BROUSSARD. Is that right?

Mr. WALSH of Montana. It does not make any difference whether it is right or not, it is the universal rule of taxation.

Mr. BROUSSARD. But is it right?

Mr. WALSH of Montana. Of course it is right, or it would not be generally accepted by the whole country in all tax systems.

Mr. BROUSSARD. So the Senator subscribes to the rule that when a man ships a carload of alcohol and promptly pays a tax, and ships another carload of alcohol, but, in order not to take any chances, withholds from the Government the payment of the tax until the delivery of that carload of alcohol, in the case of B if it is stolen it is right for B not to pay another cent, whereas to A the Government would say, "You have paid it, and we will keep it." Is that correct?

Mr. WALSH of Montana. That is not the situation; but, even if it were so——

Mr. BROUSSARD. It is the situation. I beg the Senator's pardon.

Mr. WALSH of Montana. Even if the Senator stated the situation correctly, I would say that that was the rule of law

which the experience of our country for 100 years has established.

Mr. BROUSSARD. The experience of this country so far as prohibition laws are concerned is not 100 years old.

Mr. WALSH of Montana. This has no reference to the prohibition laws.

Mr. BROUSSARD. It has. I differ with the Senator, because we are now operating under a different system of rules, and your very bill here demonstrates that, for this reason: You provide in section 5——

Mr. WALSH of Montana. I do not recognize that there is anything more sacred about a tax on alcohol than there is about a tax upon any other commodity.

Mr. BROUSSARD. Neither do I. I am asking the Senator a question with reference to the equity involved in the Government's keeping a tax which has been paid and which it is not entitled to in one case, when it does not require its payment in another case where the man has not paid it.

Mr. WALSH of Montana. I am trying to tell the Senator.

Mr. BROUSSARD. I wish the Senator would.

Mr. WALSH of Montana. I have told the Senator that the rule here is the universal rule with respect to the payment of any taxes.

Now, Mr. President, if I may continue, I was about to say, with respect to the statement made by the Senator from New York, that he has not quite accurately cited the second section.

Mr. BROUSSARD. I will ask the Senator another question. Why do you not insert here a provision that when the tax is paid the provision shall apply to any claim for taxes or tax penalties not collected; or why do you not permit the man who has paid it to pay it under protest, and then be protected in the amount which he pays?

Mr. WALSH of Montana. If he paid it under protest, he would be protected now.

Mr. BROUSSARD. I do not find anything to that effect in this bill.

Mr. WALSH of Montana. How could he protest? Upon what ground would he offer any protest?

Mr. BROUSSARD. I will ask this question: How could a man protest against an act to which, under the provisions of this bill, he is not a party, namely, a theft, and anterior to the theft?

Mr. WALSH of Montana. Exactly; so why put in such a provision?

Mr. BROUSSARD. Why do you insert a provision of that kind when a man could not by protest protect himself?

Mr. WALSH of Montana. How could he protest? The supposition that the Senator makes is that the liquor is stolen after he pays the tax.

Mr. BROUSSARD. The only way to put all the shippers of alcohol on the same footing would be to strike out the very amendment which the Senate committee has inserted, "not collected," and therefore the party would not be forced to pay the tax, whether it had been paid or not, the minute he could show that there was no collusion in the theft. That would be equitable.

Mr. WALSH of Montana. The situation is this: The Senator from New York says that the provision is too liberal, and the Senator from Louisiana says it is not sufficiently liberal.

Mr. BROUSSARD. I am speaking about this particular amendment.

Mr. WALSH of Montana. I understand the Senator. The Senator from New York says it is too liberal; it is likely to provoke theft. The Senator from Louisiana says it is not liberal enough.

Mr. BROUSSARD. But the Senator from New York agrees with me that all this bill is objectionable.

Mr. WALSH of Montana. I simply say that the Senator from New York is not quite accurate in his statement that the department must show that there was no collusion in order to escape the payment of tax. The burden is upon the other party, the party claiming exemption, to show that there was no collusion; and he must establish to the entire satisfaction of the commissioner that there was no collusion.

Mr. STERLING. Mr. President, I ask now that the bill be read for amendment.

Mr. GERRY. Mr. President, will the Senator yield for a question?

Mr. STERLING. I yield to the Senator from Rhode Island.

Mr. GERRY. Under the second section of this bill, if I understand it correctly, a physician may not prescribe more than one-half pint of alcohol, no matter how seriously ill his patient may be and no matter how absolutely necessary his medical judgment may tell him that this stimulant is. In other words, if a physician believes that he can only save a patient's life, say, in a case of pneumonia, by prescribing an additional amount of alcohol above the one-half pint that the law provides for, he must commit a felony or a misdemeanor. Am I correct in that?

Mr. STERLING. I think so. The bill by its terms provides that not more than one-fourth of one gallon of vinous liquor may be prescribed for use for any person within a period of 10 days, or liquors, vinous or spirituous, or both, which contain more than one-half pint of alcohol.

Mr. GERRY. In other words, the law puts the physician in the position of having to decide whether he shall do what he believes is his professional duty, necessitating breaking the law, or whether he shall abide by the law and do that which he knows is to the detriment of his patient?

Mr. STERLING. I will say to the Senator from Rhode Island that exactly the same question might have been asked with reference to the national prohibition act, where 1 pint of spirituous liquor is the limit of the amount that may be prescribed within a period of 10 days.

Mr. BROUSSARD. Mr. President, right here let me ask——

Mr. GERRY. If the Senator will excuse me, I know that that is the provision of the present prohibition law and I know how much the reputable physicians of this country have objected to that provision and to the insult that it implied against the entire medical profession. It places the physician to-day in the position often of having to do an illegal act in order that he may do his duty.

Mr. STERLING. Mr. President, I must disagree with what the Senator has to say with regard to the reputable physicians of this country. I am not saying that there are not certain reputable physicians who may entertain the same idea in regard to prescribing spirituous or vinous liquors for medicine as the Senator from Rhode Island, but I think the great majority of reputable physicians of the United States are against their use for medical purposes. The great American Medical Association by resolution in 1917 declared against it.

Mr. BROUSSARD. Mr. President, I should like to ask the Senator whether the American Medical Association has not reversed itself this year—last month?

Mr. STERLING. Let us see what the evidence is.

Mr. GERRY. I can say to the Senator that some of the best-known medical men in the country have come out in direct contradiction to the Senator's statement; and that these medical men who carry great weight in the profession, who are entitled to every consideration on account of their learning and ability, are placed in this awkward, arbitrary position by Congress because Congress apparently does not believe that the medical profession can be trusted to obey the law and prevent a system of bootlegging. It seems to me that this is an outrageous smirch to cast on one of the finest bodies of men that this country has, a body of men who do probably as much good as any other body of our citizens.

Mr. STERLING. No, Mr. President; I do not think it is the idea of the Congress at all to cast any reflection upon that great body of citizens and professional men—the medical profession. That is not it; but the Senator should remember that the enforcement of a prohibition law is always accompanied with the utmost difficulty, and evasions of all kinds are resorted to; and hence the necessity, in the very nature of things, and because it is that kind of a law, of making it what we might ordinarily term a drastic law in order to prevent evasions. Let me say further to the Senator from Rhode Island that the national prohibition law is not yet, in its provisions in regard to the use of intoxicating or spirituous or malt liquor as a beverage, as drastic as the laws of some of the States of this Union, under which any party violating may be held, of course, to answer.

Mr. GERRY. I think the Senator's remedy is very much worse than the evil. Apart from the question involved, as to whether or not this section is constitutional, there is no doubt that it puts a great many men of the highest character and integrity in a very difficult position by its arbitrariness, and whether or not Congress intended that a slur should be cast on a great profession, there is no question that such a slur is cast by such legislation. In my opinion it is carrying legislation much too far when we start to interfere with what shall be prescribed, and consider that Congress is better able to act as a physician than one who is licensed to practice medicine.

Mr. STERLING. Let me say this word to the Senator: The Supreme Court of the United States has passed upon practically every phase of the prohibition question, every phase of the question as it arose under the war-time prohibition act in the first place, and secondly under the national prohibition act

itself. It has examined the decisions of the several State supreme courts where the prohibition laws are very drastic and severe. It has justified those laws because of the particular nature of the business, because of the great temptations to evade the law, and it has justified the national prohibition act and the restrictions and regulations of that act on exactly the same ground that the States themselves justify their several prohibition acts.

Mr. BROUSSARD. Mr. President——

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from South Dakota yield to the Senator from Louisiana?

Mr. STERLING. I yield to the Senator from Louisiana.

Mr. BROUSSARD. Is it the intention of your committee to reduce by one-half the quantity of alcoholic liquor that a physician may prescribe for a sick patient?

Mr. STERLING. It is not the intention, but the intention is practically to preserve the right to prescribe as much as he is allowed to prescribe under the national prohibition act.

Mr. BROUSSARD. I want to call the Senator's attention to the reading of his bill:

No physician shall prescribe, nor shall any person sell or furnish on any prescription, any vinous liquor that contains more than 24 per cent of alcohol by volume, nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of 1 gallon of vinous liquor, or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol, for use by any person within any period of 10 days.

Then I read from the national prohibition law, on page 7, the last half of section 7, as follows:

Not more than a pint of spirituous liquor to be taken internally shall be prescribed for use by the same person within any period of 10 days, and no prescription shall be filled more than once.

Is it not a fact that by the bill under consideration you are seeking to limit the amount of spirituous liquor to half a pint, which is to include not only that taken internally but liquor for any purpose, because you intentionally leave out the expression "internally," and you use the words "separately or in the aggregate," whereas under the national prohibition law the physician had the right to prescribe 1 pint to be taken internally, and had no reference to external use of alcohol?

Mr. STERLING. I think I can explain that so that the Senator from Louisiana will understand it. We provide by the bill that not "more than one-half pint of alcohol, for use by any person within any period of 10 days," may be prescribed. What is that the equivalent of? When a physician prescribes one-half pint of alcohol, he prescribes a pint of whisky.

Mr. BROUSSARD. Oh, no.

Mr. STERLING. Yes; he does.

Mr. BROUSSARD. If the Senator will pardon me, the act says, "Not more than a pint of spirituous liquor." It does not say 50 per cent or 100 per cent proof alcohol.

Mr. STERLING. Mr. President, when that language was written in the national prohibition act it was understood that whisky contained 50 per cent of alcohol. I think, perhaps, that is the maximum of alcohol contained in liquor sold as whisky, or about the maximum.

Mr. BROUSSARD. May I suggest to the Senator that the term "spirituous liquor" is used in both places, and in the national prohibition act it says 1 pint of spirituous liquor, and under this proposed amendment you use the same words, "spirituous liquor," but fix the quantity at "one-half pint."

Mr. STERLING. Oh, no. If the Senator will read all the language, he will find that it says "or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol." That is the language of the statute, not that he is limited to one-half pint of spirituous liquor at all. He may have his full pint of spirituous liquor, just as under the terms of the present law, but the spirituous liquor contains 50 per cent of alcohol, and he is getting in the pint of spirituous liquor a half pint of alcohol.

Mr. BROUSSARD. Is not alcohol spirituous liquor?

Mr. STERLING. Certainly.

Mr. BROUSSARD. Then under the national prohibition act the physician could prescribe a pint of alcohol, whereas under the bill under consideration he is restricted to one-half pint.

Mr. STERLING. No; we say not "more than one-half pint of alcohol," and that for the reason that the word "spirituous" is a word generally used. I may say alcohol is a spirituous liquor; I think it is called that rather than a distilled liquor, but it may be called a distilled or spirituous liquor.

Mr. BROUSSARD. I submit to the Senator that I fail to understand the wording of this in any way except that under the national prohibition law the physician may prescribe 1 pint of alcohol, whereas under the proposed law he may prescribe one-half pint of alcohol, or 1 pint of liquor containing 50 per cent of alcohol, and there is no escaping the conclusion that you are limiting the doctor by 50 per cent.

Mr. STERLING. In giving a meaning to the word "spirituous" as used in the national prohibition act, we take it in its common signification, which is not equivalent to saying alcohol, although alcohol may technically, I suppose, be called spirituous liquor.

Mr. SHORTRIDGE and Mr. WALSH of Massachusetts rose.

The PRESIDING OFFICER. Does the Senator from South Dakota yield; and if so, to whom?

Mr. STERLING. I yield to the Senator from California.

Mr. SHORTRIDGE. Quite apart from the merits of the matter, I wish to ask the Senator, as a legal proposition, whether that is not a repeal of the section referred to.

Mr. STERLING. Of the national prohibition act?

Mr. SHORTRIDGE. Yes; looking closely to the very language, is it not impliedly a repeal of the provision of the national prohibition act?

Mr. STERLING. No; I do not think it is an implied repeal of that act. The Senator will observe that under section 7 of the national prohibition act only spirituous liquor is mentioned. This provision under discussion now is meant to cover, since we are going to allow wine to be prescribed for medicinal purposes, both the vinous and spirituous liquors, and it was thought necessary to provide the quantity of alcohol that might be prescribed, and in fixing the quantity of alcohol we fixed the quantity of alcohol that would be found in a pint of spirituous liquor. That is the object, and I think the two will stand together.

Mr. SHORTRIDGE. I wished to get the Senator's opinion on that as a legal proposition.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator yield to the Senator from Massachusetts?

Mr. STERLING. I yield.

Mr. WALSH of Massachusetts. I would like to ask the Senator if the committee received any medical testimony on the question of whether beer contained any medicinal qualities or not; and if so, what was the judgment of the committee on that issue?

Mr. STERLING. The Senate committee did not have any testimony on that, but I have before me the House hearings, and I will be glad to refer the Senator from Massachusetts to the statement of physicians of his own State on that question. Over 500 of them have signed this statement:

To whom it may concern:

The undersigned physicians of Massachusetts desire to place on record their conviction that the manufacture and sale of beer and other malt liquors for medicinal purposes should not be permitted. Malt liquors have never been listed in the United States Pharmacopœia as official medicinal remedies. They serve no medical purpose which can not be satisfactorily met in other ways, and that without the danger of cultivating the beverage use of an alcoholic liquor.

I have not counted the signatures to that statement, but I am informed that there are over 500 names signed to it.

Mr. BROUSSARD. What page is that?

Mr. STERLING. Page 316 of the hearings.

Mr. WALSH of Massachusetts. I am very thankful to the Senator for his information. I think there is a popular impression abroad that beer and malt liquors are beneficial for medicinal purposes.

Mr. STERLING. Yes.

Mr. WALSH of Massachusetts. In fact, I have a telegram from one of the leading public men of Massachusetts stating that his daughter contracted tuberculosis during the war, while assisting in the service of her country, and that after trying various and many remedies he succeeded in restoring her to health by administering to her malt liquor. So I was anxious to know whether or not the committee had considered expert medical testimony upon that point. Certainly most of the public, a great many lay people, not familiar with the technical terms of medicine, believe that beer and malt liquors are helpful in certain diseases.

Mr. SHORTRIDGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from California?

Mr. STERLING. I yield.

Mr. SHORTRIDGE. As perhaps throwing some light on the question propounded by the Senator from Massachusetts, if the Senator who has the floor will permit me, I have here in my hand a letter addressed to me by a gentleman from Connecticut. It will take but a moment to read it, and it may serve a good purpose, if the Senator will permit me——

Mr. STERLING. Certainly.

Mr. SHORTRIDGE. Addressing me, the writer says:

SWEEPING PROHIBITION SHOULD STOP AT THE DOOR OF THE SICK ROOM.

To deprive the sick and the miserable of the rich malt drinks that they need as medicines would be inhumane and cruel in the extreme. That might do for the benighted fanatics who in India worship gods of wood and stone, but it will not do for the Senate and the people of the United States of America.

I am shocked at the apathy of the medical profession regarding the threatened prohibition of malt liquors for medicinal purposes. Any physician who does not know the value of Dublin stout, India pale ale, and the richest kind of beer is to be pitied, and one who denies their value for impoverished blood and anemia is too inexperienced to practice medicine.

I have had personal experiences with malt liquors in sickness that leave no room for academic argument, and I am ready to state them for the information of Congress. My record as a temperance man goes back to the days before the prohibition party had even reached its swaddling clothes.

I ask the United States Senate to give the sick and the miserable a square deal. I ask that the use of malt liquors as medicine for sick people be specifically authorized by Congress and made subject to the discretion of reputable physicians

Yours, for sanity and justice, W. T. HORNADAY.

Mr. STERLING. I have seen Mr. Hornaday's letter.

Mr. SHORTRIDGE. While I am on my feet, if the Senator will indulge me——

Mr. STERLING. Certainly.

Mr. SHORTRIDGE. Before this interesting discussion is over, I think I can throw some light upon the proposition that malt liquors do have medicinal properties and virtues.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Ohio?

Mr. STERLING. I yield to the Senator from Ohio.

Mr. WILLIS. The Senator yields to me for the purpose of inserting in the RECORD at this point—and I desire to have the attention of the Senator from California [Mr. SHORTRIDGE]—some extracts from the hearings in the House, since the Senator has read a letter from a physician who states that, in his opinion, beer has a medicinal value.

Mr. STERLING. Will the Senator allow an interruption?

Mr. WILLIS. Certainly.

Mr. STERLING. I do not know that Mr. Hornaday, whose letter was just read by the Senator from California, is a physician. I have a letter from Mr. Hornaday, but I did not think he was a physician, and I think he is not.

Mr. WILLIS. He writes as if he was not. But I want to insert in the RECORD some extracts from the hearings in the House from such physicians, for example, as Dr. Wiley; Dr. Rowland, of the University of Maryland; Dr. Howard Kelly, of Johns Hopkins University; and numerous other physicians and scientists throughout the country, who state specifically and clearly that beer has no medicinal value. I have gone through these hearings. There is the testimony of only one physician to the effect that beer has a medicinal value. He affected to speak for a medical society in New York, and before the hearings were finished he was specifically repudiated by that society.

The testimony in these hearings is to the effect that beer has no medicinal value. That is agreed upon by the physicians of the country, evidenced by the fact that there are, according to the hearings, 152,627 physicians in the United States, and of that number 78 per cent do not prescribe liquor in any form. So that the weight of the testimony, as shown in the hearings, is entirely to the effect that beer has no medicinal value. I ask unanimous consent to insert in the RECORD, in connection with the statement made by the Senator from California, the statements of these other physicians.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. WILLIS. The testimony to which I have referred in disproof of the claim that beer has medicinal value is taken from the hearings before the Committee on the Judiciary of the House of Representatives on H. R. 5033, May 12, 13, 16, 17, and 20, 1921. At page 12 of the hearings Dr. Harvey W. Wiley, the well-known physician and food expert, says:

In so far as my experience extends beer has never been regarded as a remedial agent. It has been considered solely as a beverage. I have never seen a prescription written by a physician in good standing for beer as a remedial agent. There has been no discovery within the past few years which indicates that beer in any form has any specific medical utility. There is no reason from the pharmacopœial point of view for its inclusion in any line of remedies. The drinking of beer as it was formerly done in this country has been recognized as deleterious. Beer drinkers are required to pay a higher premium in life insurance companies than those who do not drink beer. It is regarded, especially when freely indulged in, as detrimental to health, tending to increase obesity, which in itself is a threat to long life and health. There is no scientific reason that I can think of why it should now be regarded at this late date as a medicine.

At page 29 of the hearings Dr. Wiley further states:

STATEMENT OF DR. HARVEY W. WILEY, WASHINGTON, D. C.

Dr. WILEY. Mr. Chairman, I have been asked to appear before the committee to say a word in regard to the medicinal properties of beer. It is a pretty hard question on which to speak, because in my opinion there are none.

I was president of the United States Pharmacopœial Convention for the decennial period from 1910 to 1920, during which time the ninth decennial revision of the pharmacopœia was completed.

Beer, so far as I know, has never been found in the Pharmacopœia of the United States. I have not had an opportunity to look through all of the different editions, but certainly it has not been recognized as a medicinal agent officially within the past three or four decades. There was no question before that convention or the revision committee with reference to beer, and no request was made at that time for the inclusion of beer in that pharmacopœia.

The nearest we come to it is in malt extract; that is a pharmacopœial remedy. It is prescribed, however, that it shall be made in such a way as to carefully exclude alcohol therefrom. Malt extract is made solely of powdered malt and water, and the malt is sterilized so that no fermentation can take place.

So far as I know I have never seen in any medical work on materia medica or on the therapeutics any reference to beer as a remedial agent. I have a number of such works in my library, and this morning I took the trouble to look through the indices of all of them and I did not find the title "beer" in any of the indices of those works. I conclude therefrom that beer has never been recognized by the medical profession as a remedial agent.

So far as I know, I have never seen a prescription written by a physician which included beer as one of its elements. There may have been such prescriptions, but I have not had my attention drawn to them.

The testimony of Dr. Howard A. Kelly, of Johns Hopkins University, is given in part as follows, on pages 97 and 98:

STATEMENT OF DR. HOWARD A. KELLY, EMERITUS PROFESSOR, JOHNS HOPKINS UNIVERSITY, BALTIMORE, MD.

* * * * * * *

Dr. KELLY. I can state succinctly and briefly, sir, that in all my years of practice from 1882 on I have never known any occasion to prescribe beer. I have held countless consultations with some of the most distinguished men in the country, as well as average practitioners, and I have never had any occasion or known them to suggest that beer was a remedy of any sort for any kind of disease whatever. If it should be contended that alcohol is sometimes of use, I have the remedy at my disposal at the drug store—alcohol. If some one will contend that malt is useful, it is very easy to prescribe malt or in a prescription to combine the two and so secure their utility. That does not involve the rehabilitation of the brewing interests of the country and is easily managed from any reputable drug store.

At page 99 Dr. James M. Rowland, formerly professor of obstetrics, University of Maryland, testifies in part as follows:

* * * In two very large clinics over which I have had the supervision for many years in Baltimore, a great many thousand cases, I have never seen any beneficial results from the use of beer in those cases, or other malt products. Every medicine in the world almost at one time or another has been given for the purpose of increasing and improving the supply of mother's milk; beer and various malt preparations in addition. I have tried them all rather thoroughly and have not found any benefit from them. * * * Not only is it not found beneficial to give beer, or useful to give beer, but it has a rather harmful effect. * * *

At page 12 appears the following statement signed by 100 of the leading physicians and scientists of the country; the complete list of signatures is found in the hearings:

To whom it may concern:

The undersigned physicians of the United States desire to place on record their conviction that the manufacture and sale of beer and other malt liquors for medicinal purposes should not be permitted. Malt liquors never have been listed in the United States Pharmacopœia as official medicinal remedies. They serve no medical purpose which can not be satisfactorily met in other ways, and that without the danger of cultivating the beverage use of an alcoholic liquor.

Page 324 contains the following statement signed by a very large number of Indiana's leading physicians and health authorities:

To whom it may concern:

The undersigned physicians of the United States desire to place on record their conviction that the manufacture and sale of beer and other malt liquors for medicinal purposes should not be permitted. Malt liquors never have been listed in the United States Pharmacopœia as official medicinal remedies. They serve no medical purpose which can not be satisfactorily met in other ways, and that without the danger of cultivating the beverage use of an alcoholic liquor.

At page 138 the Ohio Medical Association goes on record as follows:

The Ohio State Medical Association, representing 4,500 regular physicians, indorses overwhelmingly the prohibition of the liquor traffic for beverage purposes and can see no excuse for the use of beer or other malt liquors as medical remedies. Personally, as a teacher in a medical school, I have taught for years that any supposed indications for their use could be satisfactorily met in other ways.

J. H. J. UPHAM,
Chairman Committee on Public Policy and Legislation,
Professor of Medicine, Ohio State University.

At page 15 of the hearings the National Association of Retail Druggists makes the following statement through its secretary:

The executive committee of the National Association of Retail Druggists of the United States desire to place on record their conviction that the manufacture and sale of beer and other malt liquors for

medicinal purposes should not be permitted. Malt liquors have never been listed in the United States Pharmacopœia as official medicinal remedies.

Attest: SAMUEL C. HENRY, *Secretary.*

And, finally, on page 46 Mr. Oliver T. Remners, attorney for Anheuser-Busch, of St. Louis, says:

We believe that good beer has a specific medicinal value. It is brewed from the finest cereals and hops, noted for centuries for their medicinal properties. But we deny that there is any emergency demand for beer for the sick.

The cereal beverages manufactured by Anheuser-Busch, in strict compliance with the law, contain 20 per cent more of the soluble substances of the ingredients from which they are manufactured than the average good beer brewed in the United States. If beer is good for the sick—and we believe it is—our cereal beverages are better. And, moreover, we have been for 25 years manufacturing a malt tonic that contains approximately 15 per cent of malt solids, and it is ever so much better as a medicinal product than any beer that was ever manufactured. There is, therefore, no excuse for the sale of beer for medicinal purposes. If the patient needs alcohol, the physician can prescribe it. If he needs merely a tonic, he can get that without the alcohol. All this can be done and the dignity and sanctity of our laws preserved.

Mr. BROUSSARD. If I may be permitted now, I would like to ask the Senator from Ohio if it is not a fact that within the last 30 days the three leading associations of physicians in the United States have protested, not only against this proposed law, but against the national prohibition act?

The PRESIDING OFFICER (Mr. CURTIS in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The PRINCIPAL LEGISLATIVE CLERK. A bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. McCUMBER. Mr. President, I wish to ask the Senator from South Dakota if he expects to get a vote right away on his bill?

Mr. STERLING. I do not know that I can get a vote right away. That is a little previous.

Mr. WADSWORTH. I can inform the Senator that he will not.

Mr. McCUMBER. That being the case, and until assured that the bill will have a vote in the reasonably near future, I wish to ask the Senator from South Dakota if he will not allow me to go on for a little while with a discussion of the adjusted compensation bill for veterans of the World War, which is now the unfinished business? Then if there is no one else who wishes to speak on it when I am through, I shall be glad to give way to the Senator from South Dakota.

Mr. NORRIS. Mr. President, let me suggest to the Senator from North Dakota that while I do not expect to talk at great length, I do expect to discuss some amendments that I propose to offer to the soldiers' compensation bill, and I thought I would do it as soon as the Senator from North Dakota had finished his remarks.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. The Senator from South Dakota [Mr. STERLING] has the floor.

Mr. STERLING. I yield to the Senator from Mississippi.

Mr. HARRISON. I judge from the question of the Senator from North Dakota [Mr. McCUMBER] that he might not press the soldiers' bonus bill. Do I understand from his remarks that he might lay it aside or that the enthusiasm which attended that bill has waned somewhat in the last 24 hours?

Mr. McCUMBER. I am not going to lay aside the soldiers' compensation bill. I am going right on with it.

Mr. HARRISON. The Senator intends to press the soldiers' compensation legislation, does he not?

Mr. McCUMBER. I think that was indicated when I just asked the Senator from South Dakota to be allowed to go on with the bill at this time.

Mr. HARRISON. I knew the Senator had been the champion of the bill, and I was in hopes that he had not deserted the cause.

Mr. STERLING. Then the Senator from North Dakota, after he shall have concluded his speech on the soldiers' compensation bill, will agree to lay that bill aside?

Mr. McCUMBER. I am willing to lay it aside at that time.

Mr. STERLING. Then I yield the floor for that purpose.

Mr. NORRIS. Mr. President, I do not desire to have any misunderstanding. The Senator from South Dakota said he would yield for that purpose. The soldiers' bonus bill now has the right of way.

The PRESIDING OFFICER. The question is on yielding the floor. The Senator from South Dakota had the floor when the hour of 2 o'clock arrived and was entitled to the floor after the unfinished business was laid before the Senate. He has yielded the floor, and the Senator from North Dakota [Mr. McCUMBER] is recognized.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	McNary	Simmons
Borah	Harreld	Moses	Smoot
Brandegee	Harris	Myers	Sterling
Broussard	Harrison	New	Sutherland
Calder	Heflin	Newberry	Trammell
Cameron	Johnson	Nicholson	Underwood
Capper	Jones, N. Mex.	Norris	Wadsworth
Caraway	Jones, Wash.	Oddie	Walsh, Mass.
Curtis	Kellogg	Overman	Walsh, Mont.
Dillingham	Kendrick	Pittman	Watson, Ga.
Elkins	Kenyon	Pomerene	Weller
Ernst	King	Ransdell	Williams
Frelinghuysen	Knox	Robinson	Willis
Gerry	La Follette	Sheppard	
Gooding	McCumber	Shortridge	

The PRESIDING OFFICER. Fifty-eight Senators having answered to their names, there is a quorum present. The Senator from North Dakota is recognized.

Mr. McCUMBER. Mr. President, in 1920, I think on the 20th day of May, the House of Representatives, having a very considerable Republican majority, passed a soldiers' compensation bill and sent that bill to the Senate. Of course, it was sent to the Senate at so late a date that it was impossible that it could receive the action of the Senate at that particular session.

The bill contained two features which required a great deal of consideration, which consideration had not been given it in the House, in my humble opinion. One feature was the taxation scheme. The other feature was a new reclamation scheme, and for which I think about $250,000,000 was appropriated in the bill. The bill passed the House, if I remember rightly, with not more than half a dozen votes against it. I am informed that there were only four votes against it. I have not looked up the record to see. The vote was nearly unanimous. That vote was taken at a time when every man in the Senate and in the House fully understood the financial and business situation of the country.

Contrary to the statement made by the senior Senator from Montana [Mr. MYERS] the other day that the bill which emanated from the House was the result of propaganda on the part of the soldiers, the truth is that the soldiers had not at that time asked the Congress to do anything. There had not been a petition filed, there had been no action by a single one of the posts throughout the country for congressional action. There were pending, however, in the House at that time between 75 and 80 bills for soldier relief emanating from the different Members of that body.

Now, that was not a party vote. Republicans and Democrats joined in what they considered was a debt due to the soldiers who fought the Great War. I do not think that it was intended for political purposes, as has been indicated by one of the Senators speaking on the other side of the Chamber, because both Democrats and Republicans voted to support the measure. I wish to say right now that I most sincerely hope that no partisanship will ever enter into the discussion of a single problem that grew out of the great World War, including the problem of the settlement of what is justly due to the soldiers.

In 1860 there was a sharp division between the Republican Party that had just come into existence and the old Democratic Party upon the slavery question. That partisanship grew most bitter, and when secession occurred as the result of the election of a Republican President at that time it was most natural that those who believed in the Union cause became Republican as soon as the secession movement was started. It was also most natural that when the Union soldiers came out of the war with scarcely an exception they joined in sentiment and affiliation with the Republican Party. It was most natural at that time, Mr. President, that the Southern States, which had lately been in secession, which had suffered so much by reason of the war and the destruction of their property, should not feel very kindly toward the proposition of pensions for the benefit of those who had conquered them and had created such devastation in their country.

As a result, almost every northern soldier became per se Republican in politics. When we went to the political hustings the whole discussion in the early days to the old soldier was what the Republican Party had done for him and what the

Democratic Party had failed to do or had attempted to negative.

Now, Mr. President, for the first time since the great Civil War we have had a war in which the whole country was united. Important in many respects as was the War with Spain, it was but a skirmish compared with either the great Civil War or the great World War. The World War was fought by the American people. Republicans and Democrats vied with each other in supporting the administration in everything that was necessary or that was deemed necessary or expedient for the purpose of bringing about a successful termination of the war. So long as I live I never want to hear it stated that for anything that is done as an expression of gratitude or as an expression of moral obligation to the soldiers of the World War either the Democratic or the Republican Party should have any special credit. Whatever step we take we ought to take in the name of the American Republic for the benefit of the soldiers of the World War, a war which was conducted by the American people and not by either one of the political parties. So I will plead with Senators on both sides of the Chamber not to attempt to inject into the discussion of this matter any partisan politics nor to attempt to get any advantage over the President of the United States by any maneuver whatever on the subject of legislation for the benefit of the American soldier.

Mr. President, I am going to take up for a few moments the letter of the Secretary of the Treasury which was suddenly injected into the Senate on yesterday, a long time after the bill was reported out of the Committee on Finance. It would have been pleasing, at least to the committee, if the Secretary of the Treasury had serious objections to the bill, if he had presented those objections while the matter was being considered by the Committee on Finance. The bill had been before the Committee on Finance up until February, I think, of 1921. It had been reported at that time. It was to be expected that in all probability it would be reported in much the same shape at the present session, as there had been little change in the personnel of the Committee on Finance. However, I am not complaining. The present Secretary of the Treasury was not the Secretary of the Treasury in February last. I have neither complaint against nor any criticism of the letter of the Secretary of the Treasury in response to a letter written by the Senator from New Jersey [Mr. FRELINGHUYSEN], undoubtedly for the very purpose of eliciting any objection the Secretary might have not only to the pending bill but to any other bill which would add to the Treasury burden.

The Secretary of the Treasury is earnestly desirous, as he ought to be, not only to guard the Treasury against undue burdens but to lessen those already existing. Probably if the Senator from New Jersey had written to the Secretary of the Treasury and asked him about any other bill that would involve an expenditure of $100,000,000 now, and perhaps several billion dollars in the next 20 years, the Secretary of the Treasury would have written a like reply.

Mr. President, I quote from an article in the Washington Post of this morning, which says:

> The bonus bill naturally came in for discussion, it was announced.

The article refers, of course, to the visit of the President yesterday to the Senate.

> The President was committed publicly, a long time ago, to favorable attitude on the soldiers' bonus.

Now, let us accept for granted that the President "was committed publicly, a long time ago, to favorable attitude on the soldiers' bonus." The Washington Post, of course, is very desirous of eternally referring to it as a "bonus," although upon its face it is neither a gift nor a gratuity, because that journal is opposed to the compensation bill. The article proceeds:

> But the administration believes, as Secretary Mellon made known yesterday, that "this is not a time to impose several billion dollars of new liabilities on an already overburdened Treasury."

So, Mr. President, we have this situation: The administration supports the soldiers' bonus bill, but the administration believes that its enactment ought to be delayed. It does not say for how long a time, but it ought to be delayed at least for a short time; in other words, it ought not to be passed just now.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Massachusetts?

Mr. McCUMBER. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. The Senator does not mean to say that the administration supports the bill. What he does mean to say, I feel, is that the President of the United States, who, of course, is the head of the administration, supports the justice of the claim for adjusted compensation. Is not that the fact?

Mr. McCUMBER. I think the semieditorial properly presents the President's attitude when it says that "the President was committed publicly, a long time ago," not to a sentiment in favor of the bill, but "to favorable attitude on the soldiers' bonus." That has but one meaning—that the bill should be passed by the Congress of the United States at some time.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield further to the Senator from Massachusetts?

Mr. McCUMBER. I yield.

Mr. WALSH of Massachusetts. I do not think the Senator and I differ in our views as to the administration's position. What I wanted to bring out is the fact—and it is a very cogent one with me in forming my judgment upon this bill—that the measure is either a just one or it is the biggest fake and graft ever proposed in Congress. Each Senator must take his position upon the justice of the proposal as maintained by the friends of this measure when they say that in fairness and in justice and in equity the compensation of soldiers ought to be adjusted so as to give them the amount of money provided in the bill, or he must take the other position, that this adjusted compensation proposal is all wrong; that it is a bunko game; that it is a fraud, and must be opposed as a raid upon the Treasury. If the first position be taken—and I understand that is the position the President has taken—both he and those of us who take this position ought to admit the justice of the claim here and now, even if we agree that the time for payment should be postponed. Indeed, admitting the obligations, we ought to state frankly when and how we intend to pay it.

Mr. McCUMBER. Mr. President, I naturally suppose, inasmuch as "the President was committed publicly, a long time ago, to a favorable attitude on the soldiers' compensation bill," that he believed it to be just, or he would not have announced his favorable attitude. Therefore I am going to assume in the discussion of this bill that the President wants to do justice as soon as he thinks it can be done.

I admit that there may be times and conditions of the country, and states of the Treasury, when we may have to postpone what we all regard as a just and proper obligation. We may differ as to the necessity of postponing it; but that would be a question of difference of opinion, and would have no bearing upon the question of the justice of the proposition that the obligation should be met.

So, I repeat, it brings itself right down to the proposition of the time at which the bill should either become a law or should become operative. I have not heard either the President or the Secretary of the Treasury declare that making it become operative on July 1, 1922, would be too early a date. No one has suggested that the date of its operation ought to be continued six months thereafter, or that it ought to be continued one year thereafter. When the bill came over from the House it was first amended by the Committee on Finance so that it became operative on the 1st day of January, 1923. That matter was subsequently discussed, and when the matter came up the second time in the amended bill which I presented it was concluded that we could just as well begin on the 1st day of July, 1922, as upon the succeeding 1st day of January. There was another reason for making it the 1st day of July, outside of the bare question of the time when the payments ought to begin to become operative. It was this: We have more than 4,000,000 enrolled soldiers. We shall have to get out the application blanks; we shall have to provide ourselves with the necessary number of clerks and help to send those blanks to the several soldiers. We shall have to get out information, and it is going to take several months to do that and to do it properly, unless we vote to suddenly and enormously increase the number of clerks in the departments. Secondly, we wanted to give the soldier himself at least six months after he has informed himself, or at least several months, in which he could exercise his option upon the several plans that have been presented to him. That was another one of the reasons that actuated the committee in fixing a later date.

Now I wish to read another excerpt from the same paper:

> In the matter of the President's plea for the deferring of the soldier bonus bill, the "trouble makers" will admittedly go on the warpath against the administration at once and will attempt to carry the so-called agrarian Senators and the Democrats besides those Senators like Mr. McCUMBER, who are immovable in favoring the bonus. As Mr. McCUMBER is the author of the soldier bonus bill, it is not strange that he should be among the strongest supporters of it.

There are two propositions in that statement that require some consideration. I think in my 22 years of service in the Senate no one will claim that I have not been a party Senator. I believe, and candidly believe, that we can get the best results in legislation through party cooperation, and that there should be the closest personal relation between the President of the

United States and the party which is responsible for legislation. I always have acted in the past, and I shall continue to act in the future, just as far as I am able to do so and as my conscience will permit, in harmony with my party in carrying out its pledges to the American people, and I shall continue to subvert my own views wherever necessary to the views of a majority of my associates who are responsible for legislation. So, Mr. President, you can not count me among those who are desirous of throwing obstacles in the pathway of the administration.

Mr. President, no man entering upon the duties of President of the United States has ever met with such an array of desperate problems as those faced by President Harding on the 4th day of March last. The whole country had become demoralized—labor, business, finances—and the question of bringing order out of this chaos at a time when all of the nations of Europe were practically bankrupt. Our cost of production had enormously increased, while the nations of the Old World had become so impoverished that they could not purchase from us, even at the old prices. Our mills and factories were nearly idle, and our farm products would not pay the expense of production. Instead of interposing obstacles, instead of trying to find some way in which we can obstruct the administration, instead of trying to find some means by which we can secure an advantage for the Democratic Party in the next election, our sole purpose ought to be the patriotic duty to join with him in lifting the country out of the slough of despondency. We ought to delay all partisan politics until we get this country on its feet again. We have just as hard a problem to solve as we had when we declared that we were in a state of war, and we need the united support of every Senator on the floor just as much as we needed it in those dark days of conflict.

So I pray that we will lay aside for the present every attempt to take advantage, either party of the other. A Senator speaking on the other side of the Chamber the other day declared that we were putting off the effective operation of this bill until 1922 for the purpose of utilizing a benefit that might accrue from it for the Republican Party. I am certain that no such thought ever entered the mind of anyone supporting this bill. It is unbelievable. I certainly did not indulge in such a thought, because in the first instance I joined in a report that put off its operation until 1923, when it would have had no possible effect; but, Mr. President, it will not have any such effect, because it is not going to be a party question. Your good Democratic soldiers will continue to vote the Democratic ticket, just as they did before the war, knowing that their representatives in Congress have not made a political issue out of it, and the same is true of Republican soldiers.

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Massachusetts?

Mr. McCUMBER. I yield.

Mr. WALSH of Massachusetts. As I understand, the only opposition from the administration, the executive branch of the Government, is a financial one, namely, that the condition of the Public Treasury will not permit the meeting of the payments called for in this legislation.

Mr. McCUMBER. I am inclined to think, if the Senator will allow me to present it in a little different light, that it is not only a question of the present state of the Treasury, but there is a fear, as expressed by the Secretary, that the adding of these obligations, even though they be scattered over 20 years, may interfere with the refunding of maturing obligations or the funding of foreign obligations in such form as would make them assets upon which cash might be realized. I think the Secretary of the Treasury is giving undue weight to that idea; but, of course, that is only my view as against that of a business man who knows the banking business and the financial interests of the country better than I do.

Mr. WALSH of Massachusetts. I think the Senator and I feel exactly alike about this measure. We feel that there is a just debt due these men and that our Government ought to adjust it and settle it as soon as possible. One of the provisions of this bill calls for no expenditure of money at the present time. It is the 20-year insurance-certificate plan. Now, certainly nobody can object to postponing payment to these soldiers of their adjusted compensation for 20 years.

If the administration will not support the present bill, why can we not eliminate all the other provisions of this bill, and pass the 20-year certificate-plan provision? That will postpone practically all payments and all obligations for 20 years and at the same time permit those who need ready money to borrow on their certificates.

Mr. McCUMBER. Mr. President, I should not favor that, for the reasons I have mentioned. I think when we, just prior to an election, passed in the House of Representatives a soldiers' compensation bill containing these five provisions after full and long hearings, in which the representatives of the soldier element gave their testimony, it was tantamount to an offer on the part of the House of Representatives to the American soldier; and as the Senate Committee on Finance, without opposition, twice reported favorably to the Senate substantially the same proposition, varying only as to the time in which the payment should be made, I regard that rather as sealing the assurance to the American soldier that the American Congress would take care of the situation in that bill which had practically been agreed upon, although the exact time in which it should come into operation had not been definitely decided.

Therefore I think that we should make good; I think we should make good even though there was not a single thing in the party platform of either one of the great political parties that the soldiers should receive this particular kind of a bill. But if I take the Republican platform, I find this declaration:

> We hold in imperishable remembrance the valor and patriotism of the soldiers and sailors of America who fought in the Great War for human liberty, and we pledge ourselves to discharge to the fullest the obligations which a grateful Nation justly should fulfill.

What obligations? Every just obligation. We had already taken care, by legislation enacted before that time, of the wounded, of the sick, of every class of disability. So there was nothing left to do but to adjust something which we considered was still due them, and I think the American soldier had a right to read that declaration of the Republican platform, and read it in connection with what a Republican House had just done, and what, in all probability, the American Congress intended to do.

So I think, Mr. President, there is a duty imposed upon the American Congress to make good what they said they would do on the 20th day of May, 1920.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER (Mr. JOHNSON in the chair). Does the Senator from North Dakota yield to the Senator from New Mexico?

Mr. McCUMBER. I yield.

Mr. JONES of New Mexico. I am in very hearty accord with the view of the Senator that this is a just obligation, but I must confess that the term "just obligation" is one which may be interpreted in many ways, and while the Senator has interpreted this to be a just obligation, does not the Republican platform leave any Republican free to say whether it is or is not a just obligation?

Mr. McCUMBER. I agree with the Senator; necessarily that conclusion must follow. If any Senator believes it is not a just obligation, then to him the platform declaration does not apply.

Mr. JONES of New Mexico. In other words, what the Senator has just read was written by a platform maker, and not by one in favor of this bill, necessarily.

Mr. McCUMBER. I think the Senator is in error in that. I think when we get down to the vote upon this bill he will find very few votes in the Senate against it. I think everyone here wants to do justice. I think there are few Senators in the Senate of the United States who do not feel that we have not yet discharged fully our obligation to the soldier.

Mr. President, this bill is not going to add one additional penny of expense during the calendar year 1921 and not a penny of additional expense up to and including the fiscal year ending June 30, 1922. In all the reports made by the Secretary of the Treasury he has nowhere indicated a deficit for the fiscal year ending June 30, 1923, and it was to avoid having large payments made in these two fiscal years, 1921 and 1922, in which it was indicated that there would probably be deficits, that this bill was so drawn that there would be no added burden until after July 1, 1922.

Mr. President, despite the pleading of the Secretary of the Treasury, despite the earnest plea of the President of the United States to Congress not to enter into any new fields of expenditure, this Congress has mercilessly swept aside both the advice of the Secretary of the Treasury and the pleading of the President and has appropriated, not millions of dollars, but hundreds of millions, for new fields of governmental activity, and it proposes to open up still others. So the Congress, it seems to me, is determined to expend in some manner every cent which can be raised by taxation, and therefore in practice it becomes a question whether we shall lay aside many things which we could well postpone or whether we should lay aside a moral obligation that we can not afford to postpone indefinitely.

In a letter of the Secretary of the Treasury of April 30, 1921, addressed to the chairman of the Ways and Means Committee of the House, he said:

> Ordinary expenses for the first three quarters of the fiscal year 1921 have been $3,783,771,996, or at the rate of $5,000,000,000 per year.

That is the way Congress has been listening to the advice of the Secretary of the Treasury and the President of the United States. Then he proceeds:

The Nation can not continue to spend at this shocking rate. As the President said in his message: "The burden is unbearable, and there are two avenues of relief, the one rigid resistance in appropriations and the other the utmost economy in administration."

Have we obeyed either of those mandates? I think not. We have started the country into a number of new fields that will cost not only hundreds of millions a year, but will amount to several billions in far less than 20 years, but we do not seem greatly frightened about them. Those bills do not seem to more than merely ripple upon the surface of the fiscal sea.

Why, then, should we expect a tidal wave of consternation to sweep the entire country if we pass a bill that will take $200,000,000 the first year, $131,000,000 the next year, and in 20 years will cost probably only between three or four billion?

Mr. President, I have often heard it said that capital is timid, but I can not imagine why capital should be frightened at a mere shadow and yet have no fear of a mountain of facts.

Mr. President, I have seen strong, brave women who would ride the most dangerous kind of steed over all kinds of country, who would drive an automobile down in the congested districts with other automobiles running in every direction, and with scarce a hair's breadth of escape here and there, with clear eye and steady nerve guide her machine without a sign of fear, and yet I have known those same women to jump upon a table and scream at the presence of a mouse. Of course, I can not account entirely for that element of feminism; I only know that that is true. Neither can I account for this awful fear on the part of the financial world because of a proposal which would impose $200,000,000 a year in the face of the fact that we have before us continually bills appropriating from one hundred to seven hundred million dollars and aggregating about $5,000,000,000 per annum.

Let us look at some of the appropriations we have been making. I notice here that in the Sixty-fifth Congress we voted $500,000,000 for Federal control of the transportation system. In the Sixty-sixth Congress we voted $750,000,000 additional for the transportation system. In the Sixty-sixth Congress we voted another $550,000,000 for the transportation system. In the Sixty-sixth Congress we voted another $300,000,000. In other words, we voted in one Congress nearly $2,000,000,000 for the railways of the United States, and I am informed by the chairman of the Committee on Interstate Commerce that the railways are now claiming $600,000,000 more because of the fact that the Railroad Administration in operating the railways left undone things that they should have done, and would have done, as they claimed, except for the deficiency in operating, amounting in the aggregate to $600,000,000.

Now, I do not know how much of that we will have to pay, but it is staring us in the face as a future obligation, and with that so staring at us we had no difficulty in refunding the several billions of outstanding obligations but a month or two ago. If that did not create consternation, I can not for the life of me understand how a bill that, in my opinion and in the opinion of experts, would not obligate us for more than $200,000,000 in one year will so distress the financial world that it will bring about a condition of disaster in the country. I do not claim to know these things, but I fail to understand how a little $200,000,000 will have this effect, when billions of dollars, some of them yet uncertain, do not seem to cause a ripple in the financial world.

I note in the same issue of the paper that publishes these same facts and refers to the consternation that will follow if we pass a bill that will impose $200,000,000 in 1922 the following in big headlines:

Railroads seeking $500,000,000 more. Mellon and Hoover approve advance at 6 per cent on systems' securities. Treasury to make profit. Employment of 200,000 additional men seen if funds for betterment are obtained.

If we raise that $500,000,000 we have to do it by taxation, do we not? It only takes two-fifths as great a levy upon the American people to raise $200,000,000 as it does to raise $500,000,000, and yet we have not become frightened because of that claim of $500,000,000, and which I dare say will be paid, not if it is not fair, not if it is not just, but I know something of the extent to which the roads went down under Government control, and I know that we have to keep good our contract. I hope it will not be $500,000,000 or even $1,000,000, but whatever it may be, it is a contingent claim and we will meet it, and it is not disturbing the financial situation so greatly.

We recently passed the naval appropriation bill. Our last one provided $414,000,000. We passed the Army appropriation bill of $330,000,000. We have before us now Senate bill 1252, to create a department of education, and the amount that is appropriated there is $100,560,000. That is more than we would pay per single year under the soldiers' compensation bill at the end of three years, in my opinion, and yet it is not having the effect that the Secretary of the Treasury seems to think that a like obligation in this bill would have upon the financial situation in this country.

We have Senate bill 1355, to provide for the establishment, construction, and maintenance of post roads and interstate highways. We have been appropriating as much as $200,000,000 in a year for that purpose. The bill calls for $100,000,000 for 1922 and another $100,000,000 for 1923. It is a question of choice. Admitting the beneficent effect of good roads, it is a question of choice in my mind, if we really ought to pay the soldiers' obligation, whether we could not let the bill for good roads go over a year or two. Of course, it is beneficial to everybody to have good roads, but, as you and I know, the person who gets the principal benefit is the fellow who glides along in his automobile. I enjoy the good roads as much as anyone, but I think we could delay that appropriation if necessary and pay the $200,000,000 to the soldiers. But that expenditure of $200,000,000 for road building has not elicited from the Secretary of the Treasury any letter claiming that it was going seriously to interfere with refunding our present obligations or settling our foreign obligations. In fairness, however, I believe he would advise also against this added draft upon the Treasury if his advice was called for.

We have another bill pending to provide for the purchase of farm products in the United States and to sell the same in foreign countries. That will take about $100,000,000 now, and before the corporation gets through I have an idea that it will take a billion dollars. Yet that evidently has not created the same fear in the heart of some of the Senators as has the soldiers' compensation bill, which probably in the end would not cost any material amount more than that one single project; not that it is not a good project and will probably go through, but many of these at least could be delayed until we fulfill what I regard as this moral obligation.

Mr. President, there has been so much said about the expenses involved under the provisions of the bill that I think I am justified in spending a few moments of the time of the Senate in making that subject clear. Compared with the unnecessary expenses of Government the little additional immediate expense will be a mere bagatelle. Let us scan the fiscal situation for a moment in a general way and see what we find.

Prior to the war, though we were appropriating about $1,000,000,000 a year, we were actually expending between $800,000,000 and $900,000,000 per annum. Let us call that a billion dollars a year. The interest on our obligations will now amount to about another billion dollars—I think it is $922,000,000 in round numbers, but let us call it another billion. That makes $2,000,000,000. There is no reason on earth why it should cost more than twice as much in 1921 to operate the Government, exclusive of interest, as it cost in 1915 or 1916 or prior to the war. Allowing, therefore, $2,000,000,000 for ordinary running expenses of the Government, more than double those of 1915, and another billion dollars for interest on our indebtedness, we have a total cost of $3,000,000,000. The Secretary of the Treasury said that the way we are appropriating we will run our expenses up to $5,000,000,000 a year. That means that we are spending about $2,000,000,000 a year more than we ought to, allowing double the cost of operating the Government and paying all of our interest. So there is ample opportunity to reduce our expenditures. Reduce them one-third, reduce them one-quarter or one-fifth, yes, one-tenth, and we will have enough to take care of any yearly payment that would have to be made under the pending bill.

Mr. President, the Secretary further stated that in his opinion the second year of the bill would probably cost the country $330,000,000. In my report I set out some of the reasons for the assumption that 80 per cent of the soldiers would take the insurance plan or its equivalent, and that 20 per cent would take the cash plan. These reasons are set forth on page 5 of the report, and I wish to give them briefly and then refer to the testimony that bears upon the subject.

On page 5 of my report, under the title "Proportionate number applying under each plan," I said:

Assuming that men will use ordinary judgment and be guided by what clearly appears to be their best interest, we will find little difficulty in determining which plan will be sought by the vast majority. If an applicant, who would be entitled to receive $400 under the cash plan, which would be paid to him in quarterly installments of $50 and spread over two years, finds by an examination of the certificate plan that he can have a full paid-up 20-year endowment life insurance policy for $1,352, against which he can borrow $393.13 at the end of two years, or $558.32 at the end of five years, and still retain his said life

insurance without the payment of a single additional cent, can there be any doubt that he would accept the latter proposition?

It must be remembered that the average age of the recipients in 1922 will be in the neighborhood of 28 years, the time of life at which they either have homes or are contemplating such, and who will, therefore, give greater weight to ultimate benefits than to immediate gratification. The question is not presented to the applicant as to whether he will accept $400 in a single immediate cash payment, but whether he will accept $400 in $50 installments spread over two years or accept such insurance with the aforesaid borrowing privileges.

It would seem, therefore, that only the inconsiderate or hard-pressed would exercise his option in favor of the cash plan when he fully understands the advantage of the certificate plan. And before the veteran exercises his judgment he will have been fully informed as to just what each proposition means to him.

We believe we are more than conservative in saying that at least 80 per cent of the veterans will take the certificate plan, carrying, as it does, a very greatly added sum and paid-up insurance, with the right to borrow against it.

A great many Senators come to me and say, "Oh, well, you will find out they all want cash." I do not know any reason that justifies that assertion, except that there has been certain propaganda started under which there was simply sent out to the soldier a request to sign what he wanted, without indicating what the plans were or what each one meant. As between $400 payable in 20 years and $400 payable immediately he would prefer cash. Most of them, therefore, speak for the cash plan. However, let us see what the testimony of those who have made a special study of the subject indicates. Testimony was taken before the Committee on Finance last fall and again during February, and again when we had the matter before the subcommittee a few weeks ago. I asked three of the leading officials of the American Legion, who were present in the city, to study the bill and then to give to the committee any advice which they had to offer. Those witnesses were National Commander F. W. Galbraith, jr., Mr. Gilbert Bettman, chairman of the national legislative committee, and Mr. John Thomas Taylor, vice chairman national legislative committee, American Legion. Mr. Galbraith, as will be recalled, was killed in an accident a short time ago. I will take the testimony of these men in the inverse order of their names as I have given them, but will give only short excerpts bearing practically upon two questions: First, why they themselves desire that the amount be paid in $50 installments; and, second, why they believe that at least 80 per cent of the soldiers will accept the insurance plan. Mr. Taylor says:

Senator, it never has impressed me that the men would take cash, and Mr. Galbraith and Mr. Bettman will speak upon that. The American Legion is within itself—we have said this before your committee—within itself pledged to work for the productive features of this bill. What we want here is help for the soldier; we want help for the ex-service man, and I need not tell you we know what will help him best, because we do know what will help him best. The other features of this bill have been made attractive for that reason—

That is the feature other than the cash feature—

and just as soon as the likelihood of this thing going through appears we will be active; indeed, already we are getting in motion machinery to show to the men just what they should take.

In a private conversation with me, I was informed that they would have 3,000 men in the field visiting the homes to impress the soldier that his best interest would be to take anything but the cash amount. Mr. Taylor further said:

As I said to Senator McCUMBER, when the matter was up before the Senate Finance Committee, the men who went into the Army were between the ages of 18 and 22 years. That was in 1917, four years ago. To-day they are between 22 and 26 and 27 years of age. It is just the period of a young man's life when they are getting married, when they are thinking about permanently establishing themselves on account of their recent experience. They know what it means to be disestablished.

When this adjusted service certificate—which is the insurance plan of this bill—is properly set forth to the ex-service men, and I have seen it with hundreds of them, these young men who have just married and who are starting out to make a home for themselves, when this possibility for their families is set forth to them, they think it over very seriously, and when they talk it over with their wives and mothers and fathers at home, they will see that here is something that has never been done before; here is insurance given to them. All they have to do is to leave it alone; that is all, just leave it there, not disturb it, and they have something for their family. When you put it up to these fellows, they know that; that gets under them. And the payment of the cash is made in such a way, as Senator McCUMBER has said, payments of $50 in quarterly installments over a period of several years' time, that when the other features are shown to the men and the attractiveness is impressed upon them, we never hear any word about the cash; every one of them thinks about the other plans.

I quote now from the testimony of Mr. Bettman:

The attempt was made by having these four or five options to meet the needs of all parts of the country. We were proposing a national law. Therefore we were trying to think up an optional plan which would meet the needs of the various parts of the country.

* * * * * * *

The fifth plan, you know, was added by the Ways and Means Committee of the House. It contains that insurance feature which, as Senator McCUMBER has said, is so attractive that there is very little doubt that it will probably be the most popular of the options.

As to the calculations of what the bill is going to cost the Nation and how many will elect this and that option, gentlemen, it is impossible to give positive figures upon that. As Mr. Taylor said, at the beginning and by reason of the opposition which a bill of this kind naturally excites, the only thing that was talked about was the cash. The average well-informed citizen that you spoke to did not know there was anything else to this bill than cash, and, of course, when a soldier was talked to he said, "Of course, I want cash." He did not know the advantages of the other plans. They are not known now. The public is lamentably misinformed as to this bill.

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Therefore we can not get definite figures on how many will select this option or select that option. I can say, for example—

And I ask the attention of Senators to this statement—

the other evening I was speaking in a farming community at Franklin, Ohio, and the commander of the post there told me at that time that a poll had been taken, and that less than 5 per cent of the men of the Franklin post would take cash.

That would leave 95 per cent for the other propositions. He continues:

The American Legion, through its paper, which has a circulation of almost 1,000,000, has pledged itself to propagandize among the soldiers.

Senator SUTHERLAND. What is the name of that paper now?

Mr. BETTMAN. The American Legion Weekly. As I say, it has pledged itself to propagandize among the soldiers and show the advantages of the productive features of the bill, and in the productive features I include the insurance feature as well as home aid and the land project.

So that I think if there is an objection to the cash feature, on the ground that it is going to mean a lot of waste, that the soldiers will just dissipate their money, I think that you gentlemen can feel pretty safe in that regard. Those men in the past have been capable of thinking for themselves. They are capable also of receiving suggestions from men who are working in their interests, and when there is wide publicity on the solid benefits of the productive features of the bill I think we are pretty safe in regard to the number of men who will select either home aid or participation in the land project, if that should remain, or to take the preference privileges under the bill as Senator McCUMBER has now drawn it.

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If the Congress of the United States can take that admitted debt and pay three-fourths of it in a way which is productive of the country's good, I submit with great and deep conviction, gentlemen, that it is a golden opportunity for the country.

Senator SUTHERLAND. Men might neglect it for a long time.

That is, the matter of receiving the money.

Mr. BETTMAN. They might neglect it entirely, Senator SUTHERLAND. Mr. LONGWORTH said, when I made this statement before the Ways and Means Committee, "The Government must assume that all men will file applications for adjustment of compensation." I think it may well be that many men will not file applications, because the number of men who took even that $60 bonus was not 100 per cent by far; and then, as you say, if you gave a longer time in which to exercise the option, the man will say, "Oh, well, I will wait and see; maybe I won't need it."

Again, Mr. Bettman says that this question has been tried out in a number of their posts. He says:

We have tried it out with a number of small groups.

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Mr. BETTMAN. About 95 per cent. A very much larger test was made that made it 85 per cent that were in favor, and only 15 per cent of them said they wanted the cash.

Senator SUTHERLAND. You think it is pretty safe to say that about 20 per cent, not to exceed 20 per cent, would take the cash?

Mr. GALBRAITH. Yes, sir.

Mr. President, that gives us a standpoint from which we can reasonably compute the amount that will be necessary to meet these obligations during a number of years. I believe, therefore, that 80 per cent will take either the insurance plan or its equivalent and 20 per cent will take the cash plan. With that assumption, let us see what it is going to cost us.

As the Secretary of the Treasury has quoted some of these figures just as we have given them, I think he will agree with our tables, provided our facts concerning the percentages are correct.

On the assumption that 20 per cent of the veterans will take the cash-payment plan and 80 per cent the certificate plan, and assuming that one-third of those entitled will borrow from the Government on their certificates, with a repayment of the loans in 10 equal annual installments covering principal and interest, we have this result; and right here, Mr. President, I may say that, taking the mortuary tables and also taking the tables of the various large life insurance companies of this country where insurance is given in 20-year endowments, and taking the average age the same as the average age of the soldiers, only about 20 per cent borrow against their endowments; but to make it more certain that it will cover the probable borrowings, we have adopted 33⅓ per cent.

Then in the fiscal year which would end July 1, 1923, it would cost us $108,898,900. In other words, in round numbers, the cost of the first year's operations would be $109,000,000. Is such a sum as that beyond what we can afford, in view of the enormous appropriations we are making—$100,000,000 here, $100,000,000 there, $200,000,000 for good roads, several hundred million dollars for education, and so forth? If we can stand those inroads upon the Treasury, then tell me how in Heaven's name the little sum of $109,000,000 between July 1, 1922, and July 1, 1923, is going to send a tidal wave of destruction over this country?

Now, take the next year—that is the heaviest year—1923, $200,737,000; 1924, $118,000,000; 1925, $79,000,000; 1926, $69,000,000—I am giving round numbers; 1927, $59,000,000; 1928, $96,000,000; 1929, $82,000,000; 1930, $60,000,000; 1931, $46,000,000; 1932, $33,000,000; 1933, $30,000,000; 1934, $22,000,000; 1935, $3,000,000; 1936, minus $2,000,000. In other words, the interest coming due upon the borrowings will have so increased that the Government will receive $2,691,000 more than it will pay out.

In 1937 the Government will receive $4,000,000 more than it will pay out.

In 1938 the Government will receive $18,000,000 more than it will pay out.

In 1939 the Government will receive $7,000,000 more than it will pay out.

In 1940 the cost to the Government will be $2,000,000.

In 1941 it will be $11,000,000.

In 1942 it will be $19,000,000.

I will admit that most of the debt will come due after that. In other words, provision will have to be made then, maybe, for taking care of in the neighborhood of $3,000,000,000. I think we can leave the next generation to worry over that, however. I am certain that none of us in the Senate will be bothering a great deal about the condition of the country in 1943. While I shall not see it, I am sure that in 20 years this country can easily take care of $3,000,000,000.

Mr. President, so far as the time at which the bill shall take effect is concerned, it will make little difference whether we pass it to-day or whether we pass it next October; so I believe it will make no difference to the country whether we pass it now or next October, as long as it begins its operations in July of 1922. I think it ought to go through the Senate and be sent over to the House. They were in a hurry to give it to us in a half-baked condition in 1920, with a reclamation scheme that called for an entirely new reclamation bureau, with its thousands of employees and with its indefinite cost, which would probably amount to not less than $500,000,000 and would probably be a billion dollars before we got through with it, and with a taxation scheme the merits of which the House never considered at all. We would give them then plenty of time to consider it, to consider whether it was proper to annex to it a new tax schedule or some other reclamation scheme for some particular section of the country. It has been greatly simplified and benefited.

For instance, in the old bill, Mr. President, the soldier was compelled to elect in six months whether he would take his option of a preference right in a reclamation scheme that would take from 6 to 10 years before it could be put into operation. It also compelled the soldier not only to decide immediately which one of these several plans he would accept, but to decide absolutely whether he would accept any of them or forfeit his right. Under the bill now, as it is reported to the Senate, all that the soldier has to do is to say, "This is the law. I may not need any of this at this time. Ten years from now I may need it. I will take advantage of it only when I have to," as thousands and thousands and thousands of our soldiers of the Civil War declined to accept the benefits of the pension law until old age compelled them to do it.

Mr. President, considerable complaint was made by one of the Senators because we were not providing that the whole sum that we were going to pay them should be paid at once. I have given my reasons why I think that should not be done. If the Senators believe that the majority of the soldiers are so inconsiderate of their own interests that they would take the cash payment in preference to the insurance payment, with all of its benefits, if they think they are such spendthrifts that they will seek the cash immediately for the purpose of spending it, then it is well that we have this provision that they can not spend more than $50 at a time. That is just what the American Legion wanted in the bill. They did not want it paid in an entire sum unless it went into either paid-up insurance or a home or a farm or into the productive field.

Mr. President, if I really believed in my heart that passing this bill, carrying the obligation that it does carry, would interfere with the floating of any new securities which we may have to float, that it would seriously interfere with refunding any of our floating obligations, I would say, "Yes; then put it over until you float your obligations and until you get the country in better shape." I do not think it will have that operation, however, notwithstanding the fear of the Secretary of the Treasury or even the President of the United States that that will be a serious danger.

But, Mr. President, this bill should become a law before the first session of the Sixty-seventh Congress shall have adjourned. If that is done, I shall be satisfied, and I know the American soldiers will be satisfied. In my opinion any delay beyond that will be regarded as bad faith on the part of Congress.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Nebraska?

Mr. McCUMBER. Certainly.

Mr. NORRIS. I wish the Senator would explain the insurance feature in a little more detail. The soldier, if he takes that option, gets a paid-up policy for the amount of insurance that could be purchased by the sum that would be due him if it were paid in cash?

Mr. McCUMBER. No; not quite, Mr. President. Suppose the soldier's service is of a number of days that would entitle him to $400 in cash. I will take that as the basis. If, instead of saying, "I will take the cash, $50 every quarter for two years," he says, "I will accept, in lieu of my right to take the cash, the insurance plan," then he would receive a certificate not for $400 but for $400 plus 40 per cent, or $560, bearing interest at the rate of 4½ per cent compounded annually for 20 years, which, I think, in that instance, would make it amount to thirteen hundred and some dollars. With the average soldier I think it would amount to about $1,100.

That is paid up. He would receive, 20 years from that time, the $560 with interest at 4½ per cent, compounded annually. At the end of two years he can draw 90 per cent of his $400 in cash, as a loan, paying 4½ per cent interest, canceling the one against the other; and if he dies before the expiration of the 20 years, his estate would receive the whole sum which would be due at the end of the 20 years. That is the insurance feature of it.

Mr. NORRIS. Assuming he was going to take the insurance plan, and did not want to borrow any money, and did not want to pay any more money, getting it all in the insurance plan, what would he get? As I understand it, if he lived 20 years he would then get the cash, would he not?

Mr. McCUMBER. Yes.

Mr. NORRIS. If he died within the 20 years, it would go to his beneficiary?

Mr. McCUMBER. To his beneficiary or his estate; that is right.

Mr. NORRIS. That would be a clear insurance policy.

Mr. McCUMBER. That is just what it is, a clear endowment insurance policy.

Mr. NORRIS. Paid up?

Mr. McCUMBER. Paid up for 20 years, at the end of which the whole sum becomes due.

ADDRESS BY THE VICE PRESIDENT.

Mr. KING. Mr. President, the Vice President of the United States, Hon. CALVIN COOLIDGE, delivered an address on the 7th instant at the University of Pennsylvania, before the American Classical Association. It was a magnificent address, upon educational, patriotic, and other vital questions. Because of its intrinsic worth and fine sentiments it should be brought to the attention of the country and opportunity to read it afforded the people. Therefore I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BEFORE THE AMERICAN CLASSICAL ASSOCIATION.

"We come here to-day in defense of some of the great realities of life. We come to continue the guaranty of progress in the future by continuing a knowledge of progress in the past. We come to proclaim our allegiance to those ideals which have made the predominant civilization of the earth. We come because we believe that thought is the master of things. We come because we realize that the only road to freedom lies through a knowledge of the truth.

"Mankind have always had classics. They always will. That is only another way of saying they have always set up ideals and always will. Always the question has been, always the question will be, What are those ideals to be; what are to be the classics? For many centuries, in education, the classics have meant Greek and Latin literature. It does not need much argument to demonstrate that in the western world society can have little liberal culture which is not based on these. Without them there could be no interpretation of language and literature, no adequate comprehension of history, no understanding of the foundations of philosophy and law. In fact, the natural sciences are so much the product of those trained in the classics that without such training their very terminology can not be fully understood.

"Education is undertaken to give a larger comprehension of life. In the last 50 years its scope has been very much broadened. It is scarcely possible to consider it in the light of the

individual. It is easy to see that it must be discussed in the light of society. The question for consideration is not what shall be taught to a few individuals. Nor can it be determined by the example of the accomplishments of a few individuals. There have been great men with little of what we call education. There have been small men with a great deal of learning. There has never been a great people who did not possess great learning. The whole question at issue is, What does the public welfare require for the purpose of education? What are the fundamental things that young Americans should be taught? What is necessary for society to come to a larger comprehension of life?

"The present age has been marked by science and commercialism. In its primary purpose it reveals mankind undertaking to overcome their physical limitations. This is being accomplished by wonderful discoveries which have given the race dominion over new powers. The chief demand of all the world has seemed to be for new increases in these directions. There has been a great impatience with everything which did not appear to minister to this requirement.

"This has resulted in the establishment of technical schools and in general provisions for vocational education. There has been a theory that all learning ought to be at once translated into scientific and commercial activities. Of course the world to-day is absolutely dependent on science and on commerce. Without them great areas would be depopulated by famine and pestilence almost in a day. With them there is a general diffusion of comfort and prosperity, not only unexcelled but continually increasing. These advantages, these very necessities, are not only to be denied but acknowledged and given the highest commendation. All this is not absolute but relative. It is neither self-sufficient nor self-existing. It represents the physical side of life. It is the product of centuries of an earlier culture, a culture which was none the less real because it supposed the earth was flat, a culture which was preeminent in the development of the moral and spiritual forces of life.

"The age of science and commercialism is here. There is no sound reason for wishing it otherwise. The wise desire is not to destroy it, but to use it and direct it rather than to be used and directed by it, that it may be as it should be, not the master but the servant, that the physical forces may not prevail over the moral forces, and that the rule of life may not be expediency but righteousness.

"No question can be adequately comprehended without knowing its historical background. Modern civilization dates from Greece and Rome. The world was not new in their day. They were the inheritors of a civilization which had gone before, but what they had inherited they recast, enlarged, and intensified and made their own, so that their culture took on a distinctive form, embracing all that the past held best in the Roman world of the Cæsars. That great empire fell a prey first to itself and then to the barbarians.

"After this seeming catastrophe scholarships and culture almost disappeared for nearly a thousand years, finally to emerge again in the revival of learning. This came almost entirely out of the influence of the Christian church. The revival of learning was the revival of the learning of Greece and Rome plus the teachings of revealed religion. Out of that revival has grown the culture of western Europe and America. It is important to keep foundations clearly in mind. The superstructure is entirely dependent upon them for support whatever may be its excellence. However worthy a place it may fill, it can not stand except on a sound foundation. In the revival of learning the philosophy of Greece played an important part. It was under its stimulus that the two methods of induction and deduction, experiment and reason, by which the human mind gains knowledge were firmly established. This swept away the vain imaginings of the schoolmen, gave a new freedom to thought, and laid the beginnings of modern scientific research. It has brought about the modern era of learning which is reflected in every avenue of human life. It is in business. It is in education. It is in religion. No one questions its power. No one questions its desirability, but it is not all-sufficient.

"It is impossible for society to break with its past. It is the product of all which has gone before. We could not cut ourselves off from all influences which existed prior to the Declaration of Independence and expect any success by undertaking to ignore all that happened before that date. The development of society is a gradual accomplishment. Culture is the product of a continuing effort. The education of the race is never accomplished. It must be gone over with each individual and it must continue from the beginning to the ending of life. Society can not say it has attained culture and can therefore rest from its labors. All that it can say is that it has learned the method and process by which culture is secured and go on applying such method and process.

"Biology teaches us that the individual goes through the various stages of evolution which has brought him to his present state of perfection. All theories of education teach us that the mind develops in the same way, rising through the various stages that have marked the ascent of mankind from the lowest savagery to the highest civilization. This principle is a compelling reason for the continuance of classics as the foundation of our educational system. It was by the use of this method that we reached our present state of development.

"This does not mean that every person must be a classical scholar. It is not necessary for everyone who crosses the ocean to be an experienced mariner, nor for everyone who works on a building to be a learned architect; but if the foreign shore is to be reached in safety, if the building is to take on a form of utility and beauty, it will be because of direction and instruction given according to established principles and ideals. The principles and ideals on which we must depend not only for a continuance of modern culture but I believe for a continuance of the development of science itself come to us from the classics. All this is the reason that the sciences and the professions reach their highest development as the supplement of a classical education.

"Perhaps the chief criticism of education and its resulting effect upon the community to-day is superficiality. A generation ago the business man who had made a success without the advantages of a liberal education sent his son to the university where he took a course in Greek and Latin. On his return home, because he could not immediately take his father's place in the conduct of the business, the conclusion was drawn that his education had been a failure. In order to judge the correctness of this conclusion it would be necessary to know whether the young man had really been educated or whether he had gone through certain prescribed courses in the first place, and in the second place whether he finally developed executive ability. It can not be denied that a superficial knowledge of the classics is only a superficial knowledge. There can not be expected to be derived from it the ability to think correctly, which is the characteristic of a disciplined mind. Without doubt a superficial study of the classics is of less value than a superficial acquaintance with some of the sciences or a superficial business course. One of the advantages of the classics as a course of training is that in modern institutions there is little chance of going through them in a superficial way. Another of their advantages is that the master of them lives in something more than the present and thinks of something more than the external problems of the hour, and after all it was the study of the classics that produced the glories of the Elizabethan age with its poets, its philosophers, its artists, its explorers, its soldiers, its statesmen, and its churchmen.

"Education is primarily a means of establishing ideals. Its first great duty is the formation of character, which is the result of heredity and training. This by no means excludes the desirability of an education in the utilities but is a statement of what education must include if it meets with any success. It is not only because the classical method has been followed in our evolution of culture, but because the study of Greek and Latin is unsurpassed as a method of discipline. Their mastery requires an effort and an application which must be both intense and prolonged. They bring into action all the faculties of observation, understanding, and reason. To become proficient in them is to become possessed of self-control and of intelligence, which are the foundations of all character.

"We often hear Greek and Latin referred to as dead languages. There are some languages which may have entirely expired, but I do not think any such have yet been discovered. There are words and forms in all languages which are dead because no longer used. There are many such in our own language. But Greek and Latin are not dead. The romance languages are a modified Latin, and our own language is filled with words derived from Greek and Latin which have every living attribute. This is so true that to a certain extent there can be no adequate comprehension of the meaning of a large part of the language employed in everyday use, and the language of science and scholarship almost in its entirety, without a knowledge of Greek and Latin. Our literature is so filled with classical allusions that an understanding of its beauties can scarcely be secured by any other means.

"The most pressing requirement of the present hour is not how we are to solve our economic problems but where are we to find the sustaining influences for the realities of life? How are we to justify the existing form of government in our Republic? Where shall we resort for teachings in patriotism?

On what can we rely for a continuation of that service of sacrifice which has made modern civilization possible? The progress of the present era gives no new answers to these problems. There are no examples of heroism which outrival Leonidas at Thermopylæ or Horatius at the bridge. The literature of Greece and Rome is through and through an inspiring plea for patriotism, from the meditations of their philosophers to the orations of their statesmen and the dispatches of their soldiers.

"The world has recently awakened to the value and the righteousness of democracy. This ideal is not new. It has been the vision which the people of many nations have followed through centuries. Because men knew that that ideal had been partially realized in Greece and Rome they have had faith that it would be fully realized in Europe and America. The beginnings of modern democracy were in Athens and Sparta. That form of human relationship can neither be explained nor defended except by reference to these examples and a restatement of the principles on which their government rested. Both of these nations speak to us eloquently of the progress they made so long as their citizens held to these ideals, and they admonish us with an eloquence even more convincing of the decay and ruin which come to any people when it falls away from these ideals. There is no surer road to destruction than prosperity without character.

"There is little need to mention the debt which modern literature owes to the great examples of Greece and Rome. Even the New Testament was written in Greek. It is unthinkable that any institution founded for the purpose of teaching literature should neglect the classics. Nowhere have the niceties of thought been better expressed than in their prose. Nowhere have music and reason been more harmoniously combined than in their poetry, and nowhere is there greater eloquence than in their orations. We look to them not merely as the writers and speakers of great thoughts but as the doers of greater deeds. There is a glory in the achievements of the Greeks under Themistocles, there is an admiration for the heroes of Salamis, there is even a pride in the successful retreat of the Ten Thousand which the humiliating days of Philip and Alexander can not take away.

"But when we turn to Rome we are overwhelmed by its greatness. When we recall the difficulties of the transportation of that day, which made the defense easy and attack difficult, her achievement not only in conquering all that there was of the then civilized western world but of holding it in subjection with a reign of law so absolute that the world has never known a peace so secure as that of the Pax Romanum strikes us with wonder. They gave to the world the first great example of order, and a tolerable state of liberty under the law. As we study their history, there is revealed to us one of the greatest peoples, under the guidance of great leaders, exhausting themselves in their efforts that the civilized world might be unified and the stage set for the entrance of Christianity.

"In their conquest we see one of the most stupendous services and in their disintegration one of the most gigantic tragedies which ever befell a great people.

"Everyone knows that the culture of Greece and Rome are gone. They could not be restored; they could not be successfully imitated. What those who advocate their continued study desire to bring about is the endurance of that modern culture which has been the result of a familiarity with the classics of these two great peoples. We do not wish to be Greek; we do not wish to be Roman. We have a great desire to be supremely American. That purpose we know we can accomplish by continuing the process which has made us Americans. We must search out and think the thoughts of those who established our institutions. The education which made them must not be divorced from the education which is to make us. In our efforts to minister to man's material welfare we must not forget to minister to his spiritual welfare. It is not enough to teach men science; the great thing is to teach them how to use science.

"We believe in our Republic. We believe in the principles of democracy. We believe in liberty. We believe in order under the established provisions of law. We believe in the promotion of literature and the arts. We believe in the righteous authority of organized government. We believe in patriotism. These beliefs must be supported and strengthened. They are not to be inquired of for gain and profit, though without them all gain and all profit would pass away. They will not be found in the teachings devoted exclusively to commercialism, though without them commerce would not exist. These are the higher things of life. Their teaching has come to us from the classics. If they are to be maintained, they will find their support in the institutions of the liberal arts. When we are drawing away from them we are drawing away from the path of security and progress. It is not yet possible that instruction in the classics could be the portion of every American. That opportunity ought to be not diminished but increased. But while every American has not had and may not have that privilege, America has had it. Our leadership has been directed in accordance with these ideals. Our faith is in them still.

"We have seen many periods which tried the soul of our Republic. We shall see many more. There will be times when efforts will be great and profits will vanish. There have been and will be times when the people will be called upon to make great sacrifices for their country. Unless Americans shall continue to live in something more than the present, to be moved by something more than material gains, they will not be able to respond to these requirements, and they will go down as other peoples have gone down before some nation possessed of a greater moral force. The will to endure is not the creation of a moment; it is the result of long training. That will has been our possession up to the present hour. By its exercise we have prospered and brought forth many wonderful works. The object of our education is to continue us in this great power. That power depends on our ideals. The great and unfailing source of that power and these ideals has been the influence of the classics of Greece and Rome. Those who believe in America, in her language, her arts, her literature, and in her science, will seek to perpetuate them by perpetuating the education which has produced them."

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened.

ADJOURNMENT TO MONDAY.

Mr. CURTIS. I move that the Senate adjourn until Monday next at 12 o'clock.

The motion was agreed to; and (at 3 o'clock and 55 minutes p. m.) the Senate adjourned until Monday, July 11, 1921, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 8, 1921.

CIVIL SERVICE COMMISSION.

John H. Bartlett to be member Civil Service Commission.

CUSTOMS SERVICE.

Matthew B. Macfarlane to be collector of customs, district No. 18, Tampa, Fla.

HOUSE OF REPRESENTATIVES.

FRIDAY, *July 8, 1921.*

The House was called to order at 11 o'clock a. m. by Mr. WALSH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Dear Lord, Thou art such a merciful Heavenly Father that we approach Thee even as a child would come to an earthly parent and ask Thee to breathe upon us Thy blessing most tenderly. May we open our hearts to welcome it even as we would a dear friend who has come to keep us delightful company and make us feel that our labor is worth while. Give us bigness of life and largeness of vision. Grant that the law of justice may be upon our lips and the spirit of kindness in our hearts. We thank Thee for the high joy of living because God wills to have it so and may we continue to learn how blessed it is. In the name of Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 238. An act to authorize the addition of certain lands to the Humboldt National Forest.

The message also announced that the Senate had passed with amendments bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 4976. An act granting the consent of Congress to the Trumbull Steel Co. to operate a dam across the Mahoning River in the State of Ohio; and

H. R. 6814. An act to authorize the construction of a dam across the Wabash River at Huntington, Ind.

The message also announced that the Senate had passed joint resolution (S. J. Res. 64) for the relief of delinquent homesteaders on the Fort Peck Indian Reservation in Montana, in which the concurrence of the House of Representatives was requested.

SENATE BILLS AND JOINT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, Senate bills and a joint resolution of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 238. An act to authorize the addition of certain lands to the Humboldt National Forest; to the Committee on the Public Lands.

S. J. Res. 64. Joint resolution for the relief of delinquent homesteaders on the Fort Peck Indian Reservation in Montana; to the Committee on Indian Affairs.

S. 926. An act to withhold from sale and to restore to the Indians of Umatilla Reservation certain lands which were authorized to be offered for sale under the act of March 3, 1885; to the Committee on Indian Affairs.

CONFERENCE REPORT—NAVAL APPROPRIATION BILL.

Mr. KELLEY of Michigan. Mr. Speaker, I desire to call up the conference report on H. R. 4803, the naval appropriation bill with Senate amendments.

The SPEAKER pro tempore. The Chair will state that the naval bill with Senate amendments is the unfinished business. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 4803, entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes."

Mr. KELLEY of Michigan. Mr. Speaker, I call up Senate amendment No. 55.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Page 27, after line 12, insert:
"The Secretary of the Navy is authorized to acquire 1,000 acres, more or less, at or near Camp Kearny, Calif., for a site for a lighter-than-air aviation station and to pay for the same an average price of not exceeding $100 per acre out of any funds appropriated for aviation purposes."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist upon its disagreement.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. KELLEY of Michigan. I will yield.

Mr. BLANTON. I would like to ask the distinguished gentleman from Michigan—this is the 8th day of July: Where is the Navy Department getting its funds from the 1st of July on up to date?

Mr. KELLEY of Michigan. I imagine they are not spending any.

Mr. SWING. Mr. Speaker, I make a preferential motion to recede and concur in Senate amendment No. 55.

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from California.

Mr. SWING. Mr. Speaker and Members of the House, after yesterday, I can not mistake the temper of the House, nor do I think I mistake the temper of the country, upon the matter of appropriations. But I want to say, first, that this does not carry an appropriation. There is not one dollar of appropriation in this amendment. This is simply an authorization. It simply authorizes the Secretary of the Navy to acquire this land if it seems to him to be to the very best interest of the Navy and of the country. Now, the country is not in a mood to go ahead with great expenditures for the Navy or to put our Navy in a position to carry on, or to threaten to carry on, a war of aggression. That is why the Borah amendment was adopted. On the other hand, the American people desire, and I believe this House, when it acts upon its best judgment, desires those necessary expenditures to safeguard and defend this country. Appropriations looking toward aggression are one thing, but the expenditure of money to guarantee the safety of our people and of our country is entirely another proposition. There is not a man but what wants this country made absolutely safe against outside attack. So here we have a proposition, which is not an appropriation, but merely an authorization of the Secretary of the Navy—he may never use it unless, in his judgment, it is a wise thing to do—to acquire this property out of money which has been appropriated for aviation. Now, it seems to me it is not only not an expenditure but an economy if this thing is to be done. Camp Kearny has upon it many hundreds of thousands of dollars of improvements at this time. The lease is just now expiring. The Army has an option on behalf of the Government to acquire this land for its purposes. The Army does not desire to acquire it, but the Navy does. If the lease on this land expires, then the lands and improvements go back to private parties, or they will be sold for junk at a few cents on the dollar. The land will be plowed up for agriculture or put to some other purpose, and it will be expensive ever to acquire another piece of land and have to put upon it hundreds of thousands of dollars' worth of improvements which are already here just where they are needed and where we would have to put them if they were not there. In my opinion this is a proposition which the Pacific coast is entitled to have you consider upon its merits. It is requested by the highest naval experts, the General Board. If we are not going to take the judgment of our military experts as to what is necessary in the matter of defense, then whose judgment are we going to take? We do not make a pretense on the floor of this House of knowing what constitutes an adequate defense. We have men appointed whose business it is to know, and we hold them responsible for properly safeguarding our country. If they say that this location is a necessary and proper site for a lighter-than-air station, then we ought to consider that they know what they are talking about.

We have purchased one of these dirigibles. We are building another. The Atlantic coast has received its dirigible site, and it will soon be there to help defend that coast. The Pacific coast is entitled to the other dirigible. That has been agreed upon by all the people who have thought about the matter, and yet we are postponing the proposition of acquiring the site. This is the best site, is cheaper than any other that could be given to us, for we would have to put the improvements on any other. The Army and the Navy both agree that as to the matter of adequate defense of the Pacific coast it is behind the Atlantic coast in a ratio of 1 to 4. And so I say, in view of the fact that it does not call for a dollar of appropriation, and in view of the fact that it has been passed by the Navy General Board and by the joint committee of the House and Senate, which has unanimously reported in favor of it after investigation, we ought to take the word of these men who have investigated it and know what it is. We ought to agree to this Senate amendment and acquire the site. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I yield two minutes to the gentleman from Pennsylvania [Mr. BUTLER].

Mr. BUTLER. Mr. Speaker, I wish the gentleman from Michigan [Mr. KELLEY] would hereafter do his own fighting. I want the House to postpone this until we can at least have a picture of it. I have talked with the gentleman from California, and, without disclosing what the conversation was, I will say that we agreed. We will have before us all the different items of appropriation to be made; we will have the estimates which have been submitted. Gentlemen will remember this, as I said the other day, we have already had handed to us a field that will cost the Government five to six million dollars that we expected to get for $1,000,000. We do not want another field within a few miles of that. [Applause.]

Mr. KELLEY of Michigan. Mr. Speaker, I ask for a vote.

The SPEAKER pro tempore. The question is on the motion of the gentleman from California to recede and concur.

The question was taken, and the Speaker pro tempore announced that the noes seemed to have it.

Mr. OSBORNE. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 7, noes 47.

So the motion to recede and concur was rejected.

The SPEAKER pro tempore. The question now comes on the motion of the gentleman from Michigan [Mr. KELLEY], that the House further insist on its disagreement to Senate amendment No. 55.

The motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I call up amendment No. 97.

The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amendment No. 97. Page 54, line 20, after the word "otherwise," insert a colon and "*Provided*, That all orders or contracts for work or material, under authorization of law heretofore or hereafter placed with Government-owned establishments, shall be considered as obligations in the same manner as provided for similar orders placed with private contractors, and appropriations for such work or material shall remain available for payment therefor as in the case of contracts or orders with private contractors."

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House further insist on its disagreement.

Mr. HULL. Will the gentleman yield for a preferential motion?

Mr. KELLEY of Michigan. I will.

Mr. HULL. I move that the House recede and concur in Senate amendment No. 97.

The SPEAKER pro tempore. The gentleman from Iowa offers a preferential motion that the House recede and concur.

Mr. KELLEY of Michigan. Mr. Speaker, I yield five minutes to the gentleman from Iowa [Mr. HULL].

Mr. HULL. Mr. Speaker and gentlemen of the House, the amendment we are discussing will make for economy in Government operation of the Navy. Of that there can be no dispute. You must consider the amendment in connection with that which precedes it in the bill. This is the clause to which I refer:

And that no part of the moneys appropriated in each or any section of this act shall be used or expended for the purchase or acquirement of any article or articles that at the time of the proposed acquirement can be manufactured or produced in each or any of the Government navy yards of the United States, when time and facilities permit, for a sum less than it can be purchased or acquired otherwise.

Let us add to this the amendment we are now considering:

That all orders or contracts for work or material, under authorization of law heretofore or hereafter placed with Government-owned establishments, shall be considered as obligations in the same manner as provided for similar orders placed with private contractors, and appropriations for such work or material shall remain available for payment therefor as in the case of contracts or orders with private contractors.

In other words, the section already in this bill provides for the manufacture of naval requirements by the United States Government, provided they can be manufactured as economically as they can be purchased from private contractors.

The second clause, or the one we are now discussing, makes it possible to operate the navy yards in an economical manner or carries out and fulfills the objects in the first paragraph. If we are to operate our navy yards on a businesslike basis, we must do business in the same manner as a private firm or corporation would undertake to do the same work. If the Government would attempt to let contracts to a corporation and would include therein a clause which stated that if the work were not completed by July 1 of that year no money would be available, few contracts would be awarded. That, however, is just what we are doing with the navy yards. Unless this clause is included in the bill, our navy yards will be handicapped as usual in producing the supplies that are absolutely necessary, and the omission of this clause is placing a premium on extravagance and penalizing economy. The Secretary of the Navy understands the handicap that his department has been working under without this clause, and his opinion as to what we should do is expressed in the following letter to Senator LODGE:

MAY 9, 1921.

MY DEAR SENATOR: The annual appropriations for maintenance of the Navy must be expended within the period covered by the appropriation, except that orders or contracts for the manufacture and delivery of material, when placed with commercial establishments, are chargeable, after delivery of the material and its acceptance, to the appropriation of the year within which the contract is made. This is necessary, because payments can be made only upon delivery of material satisfying specifications, and unless such a provision exists a deficiency might be created in the year succeeding that in which the contract was placed. Other good reasons for this procedure could also be given if it were deemed necessary to explain to you a well-established principle governing the annual appropriations.

Mr. DARROW, Representative from Pennsylvania, introduced in the House of Representatives an amendment to the naval appropriation bill as follows:

"*Provided*, That all orders or contracts for the manufacture of material pertaining to approved projects for the Navy heretofore or hereafter placed with Government-owned establishments shall be considered as obligations in the same manner as provided for similar orders placed with commercial manufacturers, and the appropriations shall remain available for the payment of the obligations so created as in the case of contracts or orders placed by the Navy Department with commercial manufacturers."

Under this amendment it would have been quite possible to charge work performed at Government-owned plants to the appropriation for the year in which the order was placed. At present work at Government-owned plants is always paid for during the year in which the work was accomplished. From the department's point of view, the suggested amendment would make it possible to save money under certain circumstances and would not allow any increase in expenditure, and it is not seen how any increase in expenditure could be authorized by the provisions of the amendment.

Mr. DARROW in the the House of Representatives cited an instance where the Bureau of Ordnance was unable to place an order with the navy yard, Washington, for certain 14-inch shell, because the delivery of these shell would extend over a period of 18 months and the cost of them would be a drain upon the ordnance appropriations for the coming year. As a result of this condition, an order for these shell was placed with private manufacturers at a price higher than the estimated cost if the shell had been manufactured at the navy yard, Washington. A similar instance occurred in the case of the conversion of the collier *Jupiter* into the airplane carrier *Langley*. Certain of the work was ordered by contract at a cost of several hundred thousands of dollars instead of being ordered completed at the navy yard. Whether or not the navy yard could have accomplished the work that is being done by contract at a decreased price, the authority to order this work at the navy yard would undoubtedly have expedited by several months the readiness of the *Langley* for service as an airplane carrier. The additional difficulty introduced by the necessity of coordinating the work of the private contractor with that at the navy yard delayed the completion of the whole project. Perhaps a better job, and certainly a quicker one, would have been accomplished had it been practicable to order the navy yard to accomplish the entire project. This was impracticable in view of the lack of such a provision of law as would be provided if the proposed amendment were adopted.

In short, from the point of view of the department, the intent of the proposed amendment is to save money for the Government and to expedite work.

Sincerely, yours, EDWIN DENBY.

Hon. H. C. LODGE,
United States Senate, Washington, D. C.

You will note he calls attention to two instances where Government funds were uselessly expended because this clause had not been included in any appropriation bill. These instances can be duplicated many times, and it is no exaggeration to say that the omission of such a law has cost the Government of the United States millions of dollars. If anyone can advise me why we should continue this useless extravagance I should be very glad to hear from them. I realize that some of the gentlemen who are opposed to this clause insist that it continues an appropriation indefinitely. Let me suggest to you, however, that it does nothing more than we are doing daily with the private manufacturers who secure contracts from the Government. When we make a contract with a corporation for naval supplies we bind ourselves to pay for what we have contracted, and the agreement does not expire on June 30 of each year. Why should we handicap the Government? Why should we refuse something to our own navy yards that we give to outside corporations?

Mr. KRAUS. Will the gentleman yield?

Mr. HULL. Yes.

Mr. KRAUS. When the private manufacturer makes a contract he has a time limit within which to perform?

Mr. HULL. Yes.

Mr. KRAUS. While when an order is placed with a navy yard there is no time limit. And therefore the situations are not similar.

Mr. HULL. The situation is simply this: That toward the close of a fiscal year an order can not be placed with a navy yard under the present law, because it would be impossible for a department to complete its work by the close of that year, and under the present law no appropriation can extend beyond that time. When a contract is let to a private corporation, sufficient time is given him to complete the contract and no impossible demand is made. With the navy yards it is. Now, this amendment does not give any advantage to the Government over the private corporation, for it expressly says that the money shall be continued the same as with private contractors. Can there be any objection to placing our Navy yards on an equal basis with our manufacturing interests? Is there any reason why we should prefer the private contractor to the common people who pay the money by which our navy yards are operated? Is there any reason why we should not spend the Government money as economically as we spend our own?

Mr. McKENZIE. Will the gentleman yield?

Mr. HULL. Yes.

Mr. McKENZIE. Can the gentleman from Iowa tell the committee whence comes the demand for this legislation?

Mr. HULL. It comes from the Navy Department. I offered the amendment, or a similar one, when the Navy bill came before the House for passage at the time the request was made as to the opinion of the navy yards in regard to the amendment. A letter from the honorable Mr. Denby, the Secretary of the Navy, which I have quoted above, is an answer to this question.

Mr. CONNELL. It says that payment shall not be made provided the work can be done in our own navy yards when time and facilities permit.

Mr. HULL. Yes.

Mr. CONNELL. Does not that phrase cover a multitude of sins?

Mr. HULL. Certainly.

Mr. CONNELL. If the time will not permit, that will not increase the appropriation.

Mr. HULL. I do not desire to discuss that feature. A similar clause is included in the Army bill. I believe I was instrumental in having it inserted some three years ago, and it has been included in the Army bill ever since. After it was written in the Army bill it was made a permanent law in the last Army reorganization bill. No valid objection can be made or ever has been made against it. It has proven to be one of the most economical clauses that has ever been written into the Army appropriation bill.

Mr. MILLER. Mr. Speaker, will the gentleman yield?

Mr. HULL. Yes.

Mr. MILLER. This amendment is simply to prohibit a discrimination against Government enterprises, is it not?

Mr. HULL. Yes. Its sole object is to make the money appropriated by the Government available for the use in navy yards equally the same as with private contractors. In these two bills we are appropriating over $200,000,000 which will go to private manufacturers for purpose of making war, and the American people are opposed to private contractors making profits out of war material when the Government can manufacture the same.

Mr. VARE. Mr. Speaker, will the gentleman yield?

Mr. HULL. Yes.

Mr. VARE. As I understand this proposition, this simply puts our Government navy yards on the same footing with private capital?

Mr. HULL. Yes; and it so states in the amendment.

The SPEAKER pro tempore. The time of the gentleman from Iowa has expired.

Mr. HULL. Mr. Speaker, I ask for five additional minutes.

Mr. KELLEY of Michigan. I yield to the gentleman five additional minutes.

The SPEAKER pro tempore. The gentleman from Iowa is recognized for five additional minutes.

Mr. LAYTON. Mr. Speaker, will the gentleman yield?

Mr. HULL. Yes; I will yield for a brief question.

Mr. LAYTON. Does not the gentleman think the Government ought to go out of business anyhow?

Mr. HULL. Absolutely no. Not in the manufacture of munitions of war. Nor does the American people want it to go out of business.

Mr. ANDREWS. Mr. Speaker, will the gentleman yield right here?

Mr. HULL. Yes.

Mr. ANDREWS. I have a question that I would like to have you answer. If an appropriation is made for a private contract and the contract is drawn, the appropriation may be bound for an indefinite period of time, may it not, for the completion of that contract?

Mr. HULL. Yes; but it can not be in contracts in the navy yards.

Mr. ANDREWS. I mean to say, does not the contract bind the appropriation until the term of the contract expires in point of time?

Mr. HULL. If it is made with a private manufacturer, yes.

Mr. ANDREWS. Now, then, if you give the same privilege to a Government establishment, you virtually annihilate the fiscal year and allow them to use the annual appropriation for five years.

Mr. HULL. For the manufacture of munitions of war in Government yards that is true. Now, I must refuse to yield further as I want to read a statement of Senator POINDEXTER on this matter which explains the situation. It is in answer to a query from Senator KING, as follows:

Mr. KING. I should like to have some explanation from the Senator regarding the purpose of the amendment. The matter was up the other day. It seems to me that the amendment gives to the Government yards a great advantage over contractors. I do not know that I should oppose that if it results in benefit; indeed, I should not oppose it if it results in benefit to the Government.

Mr. POINDEXTER. I am sure it will not have that effect. I do not think I would favor giving any advantage to Government yards over private yards in bidding for Government work. On the contrary, the effect of the amendment would be to put the Government yards and private yards on the same basis in the respects referred to in the amendment proposed. By the existing law, where a contract is made by the Navy Department with private yards under an appropriation made by Congress, that appropriation is available to pay for the contract until the work is completed, even though it should extend over the fiscal year; but with a Government yard if the work extends beyond the fiscal year for which the appropriation is made the money is not available.

The consequence is that in many cases Government yards can not bid and contracts can not be let to Government yards because the work obviously can not be completed within the fiscal year. The result is that in some instances which have been called to my attention, even though Government yards, such as the navy yard here in Washington, make a considerably lower bid, the contract has to be let to a private yard. The effect of the amendment would be to enable the department, in the interest of economy, to take advantage of the lower bid of a Government yard and put it on the same basis as a private yard.

You will see, therefore, that the only object in this entire amendment is to place our navy yards only on an equal footing with private contractors. In other words, it simply provides that the money of the people shall be expended as economically as possible, and the private corporation should have no advantage over the navy yards, which is an advantage over the people of the United States. In conclusion, I wish to read a letter from Mr. Charles B. McVay, jr., which was written to Mr. DARROW. I think it illuminates the situation very vividly and is an excellent argument in favor of the clause. It is as follows:

NAVY DEPARTMENT,
BUREAU OF ORDNANCE,
Washington, D. C., April 21, 1921.

MY DEAR MR. DARROW: Your letter of April 20 requesting information concerning the award of contract for 14-inch and 16-inch proof shot has been received.

While the navy yard was the low bidder on 14-inch proof shot only, the time of delivery, 13 months, rendered it impossible to give even that part of the order to the yard, because it would have necessitated using next year's money, which is going to be very scarce. Money is available from this year's current appropriation, "Ordnance and ordnance stores," and can only be used after July 1 if obligated by contract prior to that date. Placing an order with a navy yard is not "obligating" it under law, though such is the case with Army appropriations.

I think that the employees of the navy yard who called on you have already been informed regarding this matter, and am sorry that they took up your time unnecessarily. I am always glad to furnish information and hope you will not hesitate to call upon me. As a former commandant, I am greatly interested in the employees of the Washington Navy Yard, who form a very efficient body.

Very sincerely, yours,

CHAS. B. MCVAY, Jr.,
Rear Admiral, United States Navy,
Chief of the Bureau of Ordnance.

Hon. G. P. DARROW, M. C.,
Committee on Naval Affairs,
House of Representatives, Washington, D. C.

The SPEAKER pro tempore. The time of the gentleman from Iowa has again expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield two minutes to the gentleman from Illinois [Mr. MADDEN].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for two minutes.

Mr. MADDEN. Mr. Speaker, the proposal of the gentleman from Iowa [Mr. HULL] would be unfortunate if adopted. In the first place, contract obligations must be carried out. The obligation is definite and certain when it is made. In the next place, we make appropriations for navy yards for fiscal years, and they are at liberty to use every dollar of the appropriation during the year. If they do not use it we make a new appropriation, beginning with the next fiscal year. If we do what the gentleman from Iowa proposes we not only make a new appropriation but we also make an indefinite appropriation of the amount that is left over, so that there is no chance for the Government or the taxpayer under the proposal made by the gentleman from Iowa, none whatever. [Applause.]

There is quite a difference between a contract and an open blanket proposition to spend what money you please. When the Government makes a contract, of course it obligates itself to pay the amount of the contract, and the amount is definitely set forth. When the Government does what the gentleman from Iowa proposes nobody knows what the obligation is, and appropriations are not only made but duplicated. He proposes to make an indefinite continuous appropriation to do the thing for which we expect to make definite and limited appropriations.

That is the difference between the two propositions. It would be idiotic, it would be criminal, to adopt this amendment. It ought not to be adopted. The people of America should look forward to some system in the conduct of the business of the Nation. I hope the membership of the House will see the wisdom of voting down the amendment of the gentleman from Iowa. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. KELLEY of Michigan. Mr. Speaker, I yield three minutes to the gentleman from California [Mr. NOLAN].

The SPEAKER pro tempore. The gentleman from California is recognized for three minutes.

Mr. NOLAN. Mr. Speaker and gentlemen of the House, the gentleman from Illinois [Mr. MADDEN] has not exactly stated the facts in connection with this amendment. This specifically applies to all orders or contracts for work or material in the navy yards. It does not mean appropriations, except appropriations for the navy yards under which contracts are made with the navy yards, and it does not apply to all appropriations for the Naval Establishment. If it is right and proper to give a navy yard or any other Government establishment the right to contract with the Government of the United States or to put a price upon a certain particular piece of work or upon a certain project, it is right and proper for the Government of the United States to give to that navy yard the same consideration that it will give to a private contractor. That is all that this provision contains.

Mr. MILLER. To give a square deal.

Mr. NOLAN. To give them the same opportunity to carry on their work and to have the appropriation for it continuing, that a private contractor can have, to give them an opportunity to compete. If you want to drive them out of business then defeat this proposition. If you want to drive them out of business close up the navy yards. Some of the gentlemen who are

opposed to this proposition would rather close up all our Government establishments. They are not in favor of having them do any work. But if you want to keep your navy yards going and give them the same sort of deal that you give to private contractors in the matter of contracts you ought to adopt the Senate amendment. It is fair and square, and it is in the interest of the people of this country, and it ought to be adopted by this House. [Applause.]

Mr. KELLEY of Michigan. I yield five minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Speaker, this is a very important proposition. I sincerely hope that this House will not be carried off its feet and inclined to adopt so important a legislative matter as this in the very brief time which we now have for its consideration. What does it propose to do? It proposes a plan under which, in the future, you would not know whether any navy yard or Government establishment under the Navy had available appropriations carried in the bill or ten times those appropriations. It proposes a plan under which a navy yard or other Naval Establishment might have ten or one hundred different fragments of appropriations left unused and available, a plan under which in the running of the years there would be such a confusion and congestion of unexecuted orders that nobody could tell how much was available for expenditure in any large navy yard or Naval Establishment by tens or hundreds of thousands of dollars.

Mr. HULL. Will the gentleman yield?

Mr. MONDELL. I have only a little time. The gentleman urges, I assume, that this will be helpful to the men in the navy yards. That will not necessarily or probably follow. We are running the navy yards for the benefit of the people of the United States and for the benefit of the Navy, and not primarily to give men employment. We do give men employment. We are glad to do so, and for one I am in favor of doing most of the work for the Navy in Government establishments; but I am not in favor of a plan under which, on the last day of the fiscal year, the commandant of a navy yard, or any Government establishment, could issue an order—not a contract but an order, pencil written—directed to himself, ordering himself to make, build, finish, equip, or provide enough articles, tools, implements, or material of the kinds and sorts produced or fabricated by the yard or establishment to use the tail and tag end of every appropriation that had not been fully utilized. And the next day he could cancel all those orders. It would not be necessary to make, produce, or provide any such article. It would not be necessary to employ a man to make or finish them. These orders might be left hanging in the air indefinitely. There would be great pressure on the officer in charge to issue such order, but this issuance might produce nothing but confusion.

Mr. NOLAN. Will the gentleman yield for a question?

Mr. MONDELL. If I have time.

Mr. NOLAN. Will not the new budget system which we have established prevent the abuses which the gentleman refers to?

Mr. MONDELL. I do not know how the budget system could reach it. They would be able to do exactly the thing I describe, because the amendment specifically provides that all orders—pencil-written orders——

Mr. NOLAN. I am talking about abuses.

Mr. MONDELL. I fear there would not be anything but abuses. It would not, in my opinion, be helpful to the men in the navy yards. It would be detrimental to the public interest to a degree that no man's imagination can measure.

Mr. HULL. Will the gentleman yield for a question?

Mr. MONDELL. I yield to the gentleman from Iowa.

Mr. HULL. This same provision is in the Army bill and has been there for three years. It is permanent law.

Mr. MONDELL. So much the worse for the Army, then. Let us stop it so far as the Navy is concerned.

Mr. HULL. Can the gentleman point to an instance where it has cost the Government any money? I pointed to one instance where the other method cost the Government over $100,000.

Mr. MONDELL. When the gentleman says that because appropriations for navy yards lapse at the end of the fiscal year therefore it has been necessary to give a contract to somebody at an increased price, he is not accurate. If there is a commandant of a navy yard who is so without regard for the interest of the Government that he has done what the gentleman suggests, he ought to be discharged from the service in dishonor. [Applause.] If that has ever been done, the man who did it ought to be cashiered, deprived of his shoulder straps, and driven from the service.

Mr. HULL. It is done right along.

Mr. MONDELL. Because if any article is needed for the Army or the Navy the Congress will provide for it; but in Heaven's name do not let us adopt this mischievous, extravagant plan, under which nobody would know how much was available for Government establishments.

Mr. OLIVER. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. OLIVER. Since this is the beginning of the fiscal year and the legislative committee has to consider many other matters, why not let us consider this proposition and report it with the others?

Mr. MONDELL. The legislative committee ought to consider it and, if it has merit, report it out. I do not think it has merit.

Mr. HULL. I would like to know why the Naval Committee has not reported it long ago. That committee had an opportunity to save money, but they have not done it.

Mr. MONDELL. The chairman of the Naval Committee informs me that there is no bill pending before his committee containing a proposition of this kind.

Mr. BUTLER. Will the gentleman from Michigan yield to me?

Mr. KELLEY of Michigan. Yes.

Mr. BUTLER. I want to say that the first I ever heard of it was yesterday. Our committee can examine the matter immediately and see how far it goes. I am not opposed to saving money, but I want to know what the effect will be.

Mr. KELLEY of Michigan. Mr. Speaker, I yield three minutes to the gentleman from Indiana [Mr. WOOD].

Mr. WOOD of Indiana. Mr. Speaker, this amendment should be rejected for many reasons. In the first place, it has not even been asked for by anybody representing the Navy Department. It has not been considered by any committee nor suggested to any committee by any individual representing the Navy Department. It was not proposed when the naval bill was before the Naval Appropriations Committee. It was not proposed before the Naval Committee at the other end of the Capitol during the hearings that they had. It was put in as an amendment on the floor of the Senate, without consideration from anyone from any source. The possible consequences of this proposition have been detailed by the gentleman from Wyoming, and we can not foretell the abuses which may be entailed by it. Do not deceive yourselves that it only applies to the present appropriation. If you read it, you will see that the amendment is permanent law and will control throughout the future until it is repealed. The gentleman from Iowa points to the fact that there has been a similar provision in the Army bill for the last three years, and that no abuses have been heard from.

I wish I had a letter here which I received this morning pointing out some of the abuses that have come to the War Department by reason of this same proposal, which was unfortunate in the law in that department. It can result in nothing else but abuse, and if you give an opportunity for the expenditure of money immediately prior to the close of the fiscal year it will be expended when it should not be expended. It has been the practice for years both in the Army and the Navy in order that their appropriations for the next fiscal year may not be limited to let all kinds of contracts for the purpose of getting rid of the remainder of the appropriation before the end of the year. They are doing it now under the provision you have in the Army bill. This proposition should receive the most careful consideration by the legislative committee and an opportunity given it to inquire and determine whether this should be permanent law.

Mr. HULL. They do that now with private concerns and private contractors who are making money out of manufacturing munitions of war.

Mr. WOOD of Indiana. No; I am speaking of the abuses practiced by the Army.

Mr. HULL. The Navy has no halo about it in the expenditure of money with private contractors.

Mr. WOOD of Indiana. We do not propose to give them a further opportunity to be more wasteful than they are now.

Mr. KELLEY of Michigan. Mr. Speaker, I think enough has been said to indicate that a very serious consideration should be given this proposition by a proper committee of the House. I think it would be a mistake to enlarge in any way the practice of continuing the appropriations beyond the fiscal year. There ought to be a settled policy, and it should be carried to the very limit, in my judgment, of a complete settlement with every department at the end of the fiscal year, so that Congress may know exactly how much funds are available for any particular purpose. This amendment would permit the Navy Department to enter into a sort of contract with itself which would tie up funds for two years beyond the period of the appropriation. I think it would be questionable, particularly

without more information than the House has at the present time.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Iowa that the House recede and concur in Senate amendment 97.

The question was taken; and on a division (demanded by Mr. HULL) there were 17 ayes and 91 noes.

Mr. NOLAN. Mr. Speaker, I make the point that no quorum is present.

Mr. HUDDLESTON. Mr. Speaker, I object to the vote, on the ground that no quorum is present.

The SPEAKER pro tempore. Evidently there is no quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absentees, and the Clerk will call the roll.

The question was taken; and there were—yeas 54, nays 252, not voting 123, as follows:

YEAS—54.

Almon	Dupré	Kleczka	Patterson, Mo.
Barbour	Elston	Kopp	Ransley
Beck	Favrot	Lampert	Rhodes
Bland, Ind.	Focht	Lankford	Sinclair
Browne, Wis.	Free	Lineberger	Smithwick
Carew	Gensman	London	Summers, Wash.
Cockran	Hadley	McLaughlin, Pa.	Swing
Connolly, Pa.	Hawley	Miller	Ten Eyck
Cooper, Wis.	Huddleston	Nolan	Towner
Crowther	Hukriede	Norton	Vare
Cullen	Hull	O'Brien	Voigt
Curry	Johnson, Wash.	O'Connor	Zihlman
Darrow	Kahn	Osborne	
Dowell	Keller	Overstreet	

NAYS—252.

Ackerman	Elliott	Lazaro	Reed, N. Y.
Anderson	Ellis	Lea, Calif.	Ricketts
Andrews	Evans	Leatherwood	Roach
Appleby	Fairchild	Lehlbach	Robertson
Arentz	Fairfield	Linthicum	Rodenberg
Aswell	Faust	Logan	Rose
Atkeson	Fess	Longworth	Rosenbloom
Bacharach	Fields	Lowrey	Rossdale
Barkley	Fish	Luce	Sabath
Beedy	Fitzgerald	Luhring	Sanders, Ind.
Begg	Flood	Lyon	Sanders, N. Y.
Benham	Fordney	McArthur	Sanders, Tex.
Bird	Foster	McClintic	Sandlin
Black	French	McCormick	Schall
Blakeney	Frothingham	McDuffie	Scott, Mich.
Bland, Va.	Fuller	McFadden	Scott, Tenn.
Blanton	Fulmer	McKenzie	Shaw
Boies	Garner	McLaughlin, Mich.	Shelton
Bowers	Garrett, Tenn.	McLaughlin, Nebr.	Sisson
Bowling	Garrett, Tex.	McPherson	Smith
Box	Gernerd	MacGregor	Snell
Brand	Gilbert	Madden	Speaks
Brennan	Glynn	Magee	Sproul
Briggs	Goldsborough	Mann	Steagall
Brinson	Goodykoontz	Mansfield	Stedman
Brooks, Ill.	Gorman	Mapes	Steenerson
Brooks, Pa.	Graham, Ill.	Martin	Stephens
Brown, Tenn.	Griest	Merritt	Stoll
Buchanan	Hardy, Colo.	Michaelson	Strong, Kans.
Bulwinkle	Hardy, Tex.	Michener	Swank
Burtness	Harrison	Mills	Sweet
Burton	Haugen	Millspaugh	Taylor, N. J.
Butler	Herrick	Mondell	Temple
Byrns, Tenn.	Hersey	Montague	Tillman
Cable	Hickey	Montoya	Tilson
Campbell, Kans.	Hill	Moore, Ill.	Timberlake
Campbell, Pa.	Hoch	Moore, Va.	Tincher
Carter	Humphreys	Moores, Ind.	Treadway
Chalmers	Ireland	Nelson, J. M.	Tyson
Chandler, N. Y.	Jacoway	Newton, Minn.	Underhill
Chindblom	James, Mich.	Newton, Mo.	Vestal
Christopherson	James, Va.	Ogden	Vinson
Clague	Jefferis, Nebr.	Oldfield	Volstead
Clarke, N. Y.	Jeffers, Ala.	Oliver	Walsh
Classon	Johnson, Ky.	Olpp	Walters
Clouse	Jones, Tex.	Park, Ga.	Ward, N. C.
Cole	Kearns	Parker, N. J.	Watson
Collier	Kelley, Mich.	Parks, Ark.	Weaver
Collins	Kelly, Pa.	Parrish	Webster
Colton	Ketcham	Patterson, N. J.	Wheeler
Connell	Kincheloe	Peters	White, Kans.
Copley	King	Petersen	White, Me.
Coughlin	Kinkaid	Pou	Williams
Davis, Minn.	Kissel	Pringey	Williamson
Davis, Tenn.	Kline, Pa.	Purnell	Wilson
Denison	Knutson	Quin	Wingo
Dickinson	Kraus	Radcliffe	Wood, Ind.
Doughton	Kunz	Rainey, Ala.	Woodruff
Drane	Lanham	Raker	Woods, Va.
Drewry	Larsen, Ga.	Rankin	Wright
Dunbar	Larson, Minn.	Rayburn	Wurzbach
Dyer	Lawrence	Reavis	Yates
Echols	Layton	Reece	Young

NOT VOTING—123.

Ansorge	Burke	Connally, Tex.	Dominick
Anthony	Burroughs	Cooper, Ohio	Driver
Bankhead	Byrnes, S. C.	Cramton	Dunn
Bell	Cannon	Crisp	Edmonds
Bixler	Cantrill	Dale	Fenn
Bond	Chandler, Okla.	Dallinger	Fisher
Britten	Clark, Fla.	Deal	Frear
Burdick	Codd	Dempsey	Freeman
Funk	Kendall	Padgett	Stafford
Gahn	Kennedy	Paige	Stevenson
Gallivan	Kiess	Parker, N. Y.	Stiness
Gould	Kindred	Perkins	Strong, Pa.
Graham, Pa.	Kirkpatrick	Perlman	Sullivan
Green, Iowa.	Kitchin	Porter	Sumners, Tex.
Greene, Mass.	Kline, N. Y.	Rainey, Ill.	Tague
Greene, Vt.	Knight	Ramseyer	Taylor, Ark.
Griffin	Kreider	Reber	Taylor, Colo.
Hammer	Langley	Reed, W. Va.	Taylor, Tenn.
Hawes	Lee, Ga.	Riddick	Thomas
Hayden	Lee, N. Y.	Riordan	Thompson
Hays	Little	Robsion	Tinkham
Hicks	McSwain	Rogers	Upshaw
Himes	Maloney	Rouse	Vaile
Hogan	Mead	Rucker	Volk
Houghton	Moore, Ohio	Ryan	Ward, N. Y.
Hudspeth	Morgan	Sears	Wason
Husted	Morin	Shreve	Winslow
Hutchinson	Mott	Siegel	Wise
Johnson, Miss.	Mudd	Sinnott	Woodyard
Johnson, S. Dak.	Murphy	Slemp	Wyant
Jones, Pa.	Nelson, A. P.	Snyder	

So the motion was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. CANNON with Mr. BELL.

Mr. A. P. NELSON with Mr. RIORDAN.

Mr. WASON with Mr. FISHER.

Mr. BURROUGHS with Mr. CRISP.

Mr. STINESS with Mr. HUDSPETH.

Mr. VOLK with Mr. SEARS.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. ANTHONY with Mr. CONNALLY of Texas.

Mr. REBER with Mr. DOMINICK.

Mr. THOMPSON with Mr. HAYDEN.

Mr. HOUGHTON with Mr. GRIFFIN.

Mr. PERLMAN with Mr. CANTRILL.

Mr. COOPER of Ohio with Mr. MEAD.

Mr. GAHN with Mr. KINDRED.

Mr. KREIDER with Mr. DEAL.

Mr. WINSLOW with Mr. BYRNES of South Carolina.

Mr. HAYS with Mr. HAWES.

Mr. HUTCHINSON with Mr. THOMAS.

Mr. SIEGEL with Mr. HAMMER.

Mr. KIESS with Mr. JOHNSON of Mississippi.

Mr. BIXLER with Mr. TAGUE.

Mr. DALE with Mr. MCSWAIN.

Mr. DALLINGER with Mr. SUMNERS of Texas.

Mr. HICKS with Mr. TAYLOR of Colorado.

Mr. HOGAN with Mr. PADGETT.

Mr. PERKINS with Mr. LEE of Georgia.

Mr. WYANT with Mr. TAYLOR of Arkansas.

Mr. GREENE of Massachusetts with Mr. DRIVER.

Mr. CHANDLER of Oklahoma with Mr. WISE.

Mr. SHREVE with Mr. STEVENSON.

Mr. MOORE of Ohio with Mr. RAINEY of Illinois.

Mr. PAIGE with Mr. GALLIVAN.

Mr. MALONEY with Mr. SULLIVAN.

Mr. GRAHAM of Pennsylvania with Mr. UPSHAW.

Mr. VAILE with Mr. RUCKER.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore. The question now recurs upon the motion of the gentleman from Michigan that the House further insist upon its disagreement to Senate amendment No. 97.

The motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I offer the following motion which I send to the desk and ask to have read.

The Clerk read as follows:

Mr. KELLEY of Michigan moves to insist on the amendment of the House to Senate amendment No. 107 and to further insist upon the disagreement of the House to the remaining Senate amendments Nos. 16, 18, 46, 71, 96, 108, and 112.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Michigan that the House insist upon its amendment to Senate amendment No. 107, and to further insist upon its disagreement to the remaining Senate amendments enumerated.

The motion was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I move that the House agree to the conference asked by the Senate.

The motion was agreed to.

The SPEAKER pro tempore. If there be no objection, the Chair will appoint the conferees.

There was no objection.

The SPEAKER appointed the following conferees:

Mr. KELLEY of Michigan, Mr. FRENCH, Mr. WOOD of Indiana, Mr. BYRNES of South Carolina, and Mr. OLIVER.

EXTENSION OF REMARKS.

Mr. HULL. Mr. Speaker, I ask unanimous consent to extend and revise my remarks in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

GEORGE JENISON.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent to address the House for one minute.

The SPEAKER pro tempore. The gentleman from Massachusetts asks unanimous consent to address the House for one minute. Is there objection?

There was no objection.

Mr. TREADWAY. Mr. Speaker, on yesterday occurred the funeral at East Chatham, N. Y., of George Jenison. George Jenison was appointed a messenger in the Fifty-first Congress, and for over 33 years faithfully performed his duties. He served on the lobby door opposite the Committee on Appropriations. His first appointment came through Gen. Ketcham, of New York, and later on Mr. Sherman, then a Member of Congress from New York and later the Vice President of the United States, continued his position. Mr. Sherman was always much interested in Mr. Jenison. He was ever courteous and personally popular with the entire membership.

I think when a man serves faithfully in such a position as that for over a quarter of a century we very well may pause for a moment to show a proper respect for his memory. Certainly no employee of this House ever more deserved the encomium of "Well done, good and faithful servant, enter thou into the joy of thy Lord." [Applause.]

ANTIPROHIBITION ACTIVITIES.

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for three-quarters of a minute.

The SPEAKER pro tempore. The gentleman from Maryland asks unanimous consent to address the House for 45 seconds. Is there objection?

There was no objection.

Mr. HILL. Mr. Speaker, I understand that yesterday morning while I was entertaining a constituent in the gallery a reference was made to my patriotic activities upon last Independence Day. I therefore ask unanimous consent that I may include in my remarks an editorial from the Baltimore Sun, sometimes considered Democratic; but I ask that this editorial go in as a nonpartisan view of my conduct on Independence Day. I hope, as a matter of personal privilege, that the House will grant me this right.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired. The gentleman from Maryland asks unanimous consent to extend his remarks in the RECORD by inserting therein the editorial referred to. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, and I shall not object provided the gentleman from Maryland will accompany that editorial with the accounts of his parade in the Baltimore American and Sun, issue of the 5th day of July, 1921, giving an account of his being mounted on a milk-white charger marching at the head of 372 jaded prohibition protestors.

Mr. JOHNSON of Washington. Mr. Speaker, I object to this whole proceeding.

Mr. McARTHUR. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. Objection is heard.

DAM ACROSS WABASH RIVER, HUNTINGTON, IND.

Mr. KRAUS. Mr. Speaker, I call up from the Speaker's table the bill H. R. 6814, to authorize the construction of a dam across the Wabash River at Huntington, Ind., with Senate amendments thereto, and move that the House concur in the Senate amendments.

The SPEAKER pro tempore. The Clerk will report the Senate amendments.

The Senate amendments were reported.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Indiana that the House concur in the Senate amendments.

The motion was agreed to.

DAM ACROSS MAHONING RIVER, OHIO.

Mr. KRAUS. Mr. Speaker, at the request of my colleague, the gentleman from Ohio [Mr. COOPER], I call up the bill (H. R. 4976) granting the consent of Congress to the Trumbull Steel Co., its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio, with Senate amendments, and I move that the House concur in the Senate amendments.

The Clerk reported the Senate amendments.

The SPEAKER pro tempore. The question is on agreeing to the motion to concur in the Senate amendments.

The motion was agreed to.

AMENDING ACT IN REFERENCE TO PHILIPPINES.

Mr. TOWNER. Mr. Speaker, I desire to call up from the Speaker's table the bill H. R. 5756, and to move to disagree to the Senate amendments and agree to the conference asked for by the Senate.

The SPEAKER pro tempore. The gentleman from Iowa calls from the Speaker's table the bill which the Clerk will report by title.

The Clerk read as follows:

H. R. 5756. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for those Islands," approved August 29, 1916.

The SPEAKER pro tempore. The gentleman from Iowa moves that the House disagree to the Senate amendments and agree to the conference asked for by the Senate.

Mr. BRIGGS. May we have the amendments reported?

The SPEAKER pro tempore. The Clerk will report the Senate amendments.

The Senate amendments were read.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Iowa that the House disagree to the Senate amendments and agree to the conference asked.

The question was taken, and the motion was agreed to.

The SPEAKER pro tempore. If there is no objection, the Chair will announce the conferees. [After a pause.] The Chair hears none.

The Clerk read as follows:

Mr. TOWNER, Mr. GLYNN, and Mr. GARRETT of Tennessee.

GRANTING CERTAIN PUBLIC LANDS TO THE CITY OF PHOENIX, ARIZ.

Mr. HAYDEN. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman rise?

Mr. HAYDEN. To call up the bill H. R. 2421 and move to concur in the Senate amendment.

The SPEAKER pro tempore. The gentleman from Arizona moves to call up the bill which the Clerk will report by title.

The Clerk read as follows:

H. R. 2421. An act granting certain public lands to the city of Phoenix, Ariz., for municipal purposes.

The Senate amendment was read.

The SPEAKER pro tempore. The question is upon the motion of the gentleman from Arizona that the House concur in the Senate amendment.

The question was taken, and the motion was agreed to.

TARIFF BILL.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456.

The motion was agreed to; accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk resumed (p. 160, line 24, par. 1411) and concluded the reading of the bill.

Mr. FORDNEY. Mr. Chairman——

Mr. COPLEY. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count.

Mr. BLANTON. Mr. Chairman, I make the point of order that that motion is dilatory. [Laughter.] We ought to proceed with the consideration of this bill, as it is now only 1.50 o'clock p. m.

Mr. COPLEY. I make the point of order that the gentleman is in error; it was not a motion.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-seven gentlemen are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to respond to their names:

Anthony	Fenn	Kunz	Rodenberg
Beedy	Fisher	Lampert	Rogers
Bell	Free	Langley	Rouse
Benham	Freeman	Lee, Ga.	Rucker
Bixler	Fulmer	Lee, N. Y.	Ryan
Bland, Ind.	Funk	Little	Scott, Mich
Bond	Gahn	Logan	Sears
Britten	Gallivan	Lowrey	Shreve
Burdick	Garrett, Tex.	Luhring	Siegel
Burke	Gould	McClintic	Slemp
Burroughs	Graham, Pa.	McSwain	Smith
Cannon	Green, Iowa	Maloney	Snyder
Cantrill	Greene, Mass.	Mansfield	Stafford
Carew	Greene, Vt.	Mead	Stevenson
Chandler, N. Y.	Griest	Michaelson	Stiness
Chandler, Okla.	Griffin	Mills	Strong, Pa.
Clark, Fla.	Hammer	Mondell	Sullivan
Clarke, N. Y.	Hawes	Moore, Ill.	Sumners, Tex.
Cockran	Hicks	Moore, Ohio	Tague
Codd	Himes	Morin	Taylor, Ark.
Connally, Tex.	Houghton	Mott	Taylor, Colo.
Cooper, Ohio	Hudspeth	Mudd	Thomas
Cramton	Husted	Nelson, A. P.	Thompson
Crisp	Hutchinson	Norton	Tillman
Dale	Johnson, Miss	O'Brien	Underhill
Dallinger	Johnson, S. Dak.	Olpp	Upshaw
Deal	Jones, Pa.	Overstreet	Valle
Dempsey	Kendall	Paige	Vare
Denison	Kennedy	Parker, N. Y.	Volk
Dickinson	Kiess	Perkins	Ward, N. Y.
Driver	Kindred	Perlman	Wason
Dunn	Kirkpatrick	Rainey, Ala	Williams
Dyer	Kitchin	Rainey, Ill.	Wise
Edmonds	Kleczka	Reber	Wyant
Elston	Kline, N. Y.	Riddick	
Fairchild	Knight	Riordan	
Faust	Kreider	Robsion	

Accordingly the committee rose; and Mr. WALSH, Speaker pro tempore, having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill H. R. 7456, the tariff bill, finding itself without a quorum, thereupon under the rule he caused the roll to be called, and thereupon 284 Members answered to their names, and he presented the list of absentees to be entered in the Journal.

The SPEAKER pro tempore. The committee will resume its session.

The CHAIRMAN. The committee will be in order. The gentleman from Michigan [Mr. FORDNEY].

Mr. FORDNEY. Mr. Chairman and gentlemen of the committee [applause], I will be grateful to the Members of the House if they will permit me to continue without interruption for at least a while, so that I may make somewhat of a connected statement with reference to this bill and its provisions.

The Committee on Ways and Means on the 6th day of January last began hearings upon the tariff bill. There were more than a thousand persons who appeared and made statements before the committee. The hearings continued until the 16th day of February. Shortly thereafter the majority members of that committee, let me say to my Democratic friends, met and began the consideration of fixing rates to be incorporated in the bill. I say the Republican members of the committee met, and I make that statement for this reason: This is the third tariff bill which has been written during the period of my membership on the Committee on Ways and Means, and at no time have the majority members in the drafting of the tariff bill permitted the minority members to be present and participate in fixing rates. It is well known, not only to the Members of the House but to the people of this country, that the two great political parties are too widely divided upon the tariff policy to permit cooperation. From the viewpoint of gentlemen on the other side of the House I could not be of service in the framing of their kind of a tariff law. I can not see the logic of their tariff reasoning. Likewise, they would not help us in framing a tariff bill following the tariff policy acceptable to this side of the House. They would play the rôle of obstructionists. They would play for delays and welcome disagreements. Their part would be to defeat the legislation.

The Republican Party takes it for granted that the people of this country, with a vote cast in November, spoke out loudly for protection. [Applause on the Republican side.] Our Democratic friends do not agree with us Republicans on that question. But let me say to them that in the Good Book will be found the following language:

> But if any provide not for his own, and specially for those of his own house, he hath denied the faith and is worse than an infidel.

[Laughter.]

Our Democratic friends have not provided, through their eight years of power in both Houses of Congress and with a Democratic President in the White House, for their own house. In their platforms they have repeatedly said that a tariff for protection is unconstitutional. In the Democratic platform of 1892, when that noble character, Grover Cleveland, was the Democratic candidate for President, you will find the following language:

> We declare it to be a fundamental principle of the Democratic Party that the Federal Government has no constitutional power to impose or collect tariff duties except for the purpose of revenue only.

In the Democratic platform of 1912 you will find the following language:

> We declare it to be a fundamental principle of the Democratic Party that the Federal Government under the Constitution has no right or power to impose or collect tariff duties except for the purpose of revenue.

Now, let us see what the Constitution provides. In section 8 of Article I of the Constitution are enumerated the powers granted to Congress. It is profoundly significant that the very first of these powers is as follows:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises, to pay the debts, and provide for the common defense and general welfare of the United States.

[Applause on the Democratic side.]

In section 10 of the same article it provides:

> No State shall, without the consent of the Congress, lay any impost or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws.

That is what the Constitution has to say. Now, here is what a great statesman had to say about whether or not Congress had power to impose duties for protection. Madison in his time wrote a letter to Joseph C. Cabell. That letter was dated September 18, 1828, and I will read it. It is as follows:

> Your late letter reminds me of our conversation on the constitutionality of the power of Congress to impose a tariff for the encouragement of manufactures, and of my promise to sketch the grounds of the confident opinion I had expressed, that it was among the powers vested in that body. * * *
>
> It is a simple question under the Constitution of the United States whether "the power to regulate trade with foreign nations," as a distinct and substantive item in the enumerated powers, embraces the object of encouraging by duties, restrictions, and prohibitions the manufactures and products of the country. And the affirmative must be inferred from the following considerations:
>
> 1. The meaning of the phrase "to regulate trade" must be sought in the general use of it; in other words, in the objects to which the power was generally understood to be applicable when the phrase was inserted in the Constitution.
>
> 2. The power has been understood and used by all commercial and manufacturing nations as embracing the object of encouraging manufactures. It is believed that not a single exception can be named. This has been particularly the case with Great Britain, whose commercial vocabulary is the parent of ours. A primary object of her commercial regulations is well known to have been the protection and encouragement of her manufactures.
>
> 3. Such was understood to be a proper use of the power by the States most prepared for manufacturing industry, whilst retaining the power over their foreign trade.
>
> 4. Such a use of the power by Congress accords with the intention and expectation of the States in transferring the power over trade from themselves to the Government of the United States. * * *
>
> 5. If Congress have not the power it is annihilated for the Nation; a policy without example in any other nation. * * *
>
> 6. If revenue be the sole object of a legitimate impost and the encouragement of domestic articles be not within the power of regulating trade it would follow that no monopolizing or unequal regulations with foreign nations could be counteracted; that neither staple articles of subsistence nor the essential implements for the public safety could under any circumstances be insured or fostered at home by regulations of commerce, the usual and most convenient mode of providing for both. * * *

One more paragraph:

> That the encouragement of manufactures was an object of the power—

Do not forget this, my Democratic friends—

> to regulate trade is proved by the use made of the power for that object in the first session of the First Congress under the Constitution, when among the Members present were so many who had been members of the Federal Convention which framed the Constitution and of the State conventions which ratified it, each of these classes consisting also of Members who had opposed and who had espoused the Constitution in its actual form. It does not appear from the printed proceedings of Congress on that occasion that the power was denied by any of them.

President Jackson later, in 1830, in a message sent to Congress while President of the United States, takes exactly the same position and concludes:

> The power to impose duties on imports originally belonged to the several States. The right to adjust those duties with a view to the encouragement of domestic branches of industry is so completely identical with that power that it is difficult to suppose the existence of the one without the other. The States have delegated their whole authority over imports to the General Government, without limitation or restriction, saving the very inconsiderable reservation relating to their inspection laws.
>
> This authority, having thus entirely passed from the States, the right to exercise it for the purpose of protection does not exist in them, and, consequently, if it be not possessed by the General Government it must be extinct. Our political system would thus present the anomaly of a people stripped of the right to foster their own industry

and to counteract the most selfish and destructive policy which might be adopted by foreign nations.

This surely can not be the case; this indispensable power, thus surrendered by the States, must be within the scope of the authority on the subject expressly delegated to Congress.

In this conclusion I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

Gentlemen will remember that George Washington was presiding officer in the Constitutional Convention which framed the Constitution. They will remember that George Washington was the first President of the United States, and signed the first tariff bill ever enacted by the Congress of the United States. Fresh in his memory must have been the provisions of the Constitution that he helped to frame as presiding officer over that convention, and I want to read to you the preamble of the first tariff bill ever enacted into law by the Congress of the United States, in which many of the men who framed and wrote the Constitution took part and which George Washington signed, dated July 4, 1789. Now, listen, my Democratic friends, to the preamble in that tariff law:

SECTION 1. Whereas it is necessary for the support of government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures that duties be laid on goods, wares, and merchandise imported.

[Applause.]

Is your memory so short that you can not remember that, my Democratic friends, when you are writing your Democratic platform? I would commend to your consideration hereafter a history of the framing of the Constitution and what it means. [Applause.]

I want to say, gentlemen of the House, that, although the Committee on Ways and Means have devoted every day diligently, earnestly, and faithfully to the purpose of framing this great bill, that contains 346 pages, it is the purpose of the Republican Congress, immediately after the passage of this bill, to begin hearings upon a revision of our internal-revenue laws and to present a bill to this House at as early a date as is possible for the members of that committee to write such a bill. [Applause.] And we shall very shortly give notice to the country that we will have some hearings before the Committee on Ways and Means. The committee proposes to use, as far as possible, the hearings already held by the Finance Committee of the Senate, and we want the country to know that we are going to revise our internal-revenue laws just as quickly as it is possible to do so, without any dilatory tactics, either.

I think it unnecessary to enter upon any extended discussion of the two economic systems which divide the two parties in the House and the people of this country, namely, tariff for protection and for the raising of revenue. Much has been said on this floor on this subject.

In the campaign of 1920 the principles of a tariff for protection, or for revenue only, or free trade were heralded from every platform in every State in the Union, and the result at the polls in November was the decision of the people.

The bill which the Committee on Ways and Means has presented is our party's answer and interpretation of that victory and in accordance with that spirit, that we might preserve the protective system, which we pledged our party to do.

The bill provides for a complete revision of our tariff laws. It changes rates now provided for in existing law. It modifies and much improves present methods of collecting duties; all of which meets the approval of the Treasury Department.

The committee has reincorporated the drawback clause, which permits a refund of 99 per cent of the duty paid on imported raw materials when converted into finished products in the United States and then exported. This provision brings about the employment of American capital and labor on imported foreign raw materials free of duty when such materials are again exported for use in foreign countries. Under this provision Canadian wheat can be imported and milled in the United States, and when the flour is exported 99 per cent of the duty paid on the wheat at the time it was imported will be refunded by the Treasury of the United States. This provision applies to all kinds of products.

In other words, the Germans are scheming—as undoubtedly are other countries—under existing law to escape the payment of the full amount of ad valorem duties and thus rob the United States Treasury of its just dues. It has been repeatedly stated in an offhand way, by representatives of the importing interests, that claims for undervaluation were grossly exaggerated and that the records showed undervaluation of but one-tenth of 1 per cent of the total importations. As a matter of fact, this statement is without foundation; but even if this statement were true it only goes to prove how very small the actual conviction of this crime is compared with what is commonly known to exist. In the year 1920 there were more than 5,000 cases of undervaluation reported at the port of New York alone, and 450 of such cases in the month of January this year. If it is true that but 1 per cent of these cases have been caught and made to pay the penalty, it can readily be seen that existing law is defective.

This new tariff bill proposes to overcome these difficulties by collecting ad valorem duties based not upon the foreign but upon the American value of the goods; American valuation determined by us and not by the foreigner.

In the evasion of the payment of full taxes of any character it is a matter of common knowledge that where the incentive to undervalue exists that opportunity will be taken advantage of. This is true also of our ordinary taxes with some of the people. It is true of our income taxes with some of the people. Why, then, is it a thing so inconceivable that the foreign manufacturer or exporter, who has no interest in our Government, should not go to the limit of undervaluation where the tax upon his product runs from 10 per cent to 60 per cent of its value?

OPPOSITION.

It is quite natural that opposition to this method should arise on the part of the importing interests, especially some of those who fear that their property will be assessed at nearer its real value and taxes collected thereon. They have organized for this purpose and are endeavoring to secure adherents to their effort to defeat this method of American valuation. They are flooding the country with propaganda to that effect, most of which is grossly misleading, but put in a plausible and dangerous way.

They state, without even knowing the details of the administration bill which we are proposing:

"The method is absolutely impractical and unworkable;

"It would ruin the importing interests of the country;

"It is impossible to find comparable articles on which to base assessment;

"Because the law requires that duty shall be assessed uniformly at all ports it is impossible to find the chief markets;

"It is impossible to find uniform and true value;

"The Government employees have no knowledge of American values, and it would require a complete revision of their present fund of information; and

"It would be revolutionary and disturbing methods that have been in existence for generations."

It is true that the method of levying duty on American valuation will arouse some employees of the Government to real activity in an effort to secure information as to real American values. It is not so difficult, however, as the present law, which requires that they shall secure and know the foreign market values. In actual practice this has been an easy job by simply first assuming that the importer's invoice is correct, and, secondly, if in any doubt, comparing it with his fellow importer's invoice for the same class of goods from the same district. The actual carrying out of the present law would require an army of experts clothed with such power as is impossible to secure to go throughout the world to find the actual foreign market values. With the exception of a few large staple industries it is well known by all who have come in contact with the present method of assessing duties that valuations are very largely matters of guesswork without any positive knowledge of facts.

ADVANTAGES.

The assessment of duties upon an American valuation is not a new idea in tariff legislation, but the carrying out in detail of this proposition has never before been so thoroughly entered into as is being undertaken at this time. The first tariff law of July 4, 1789, provided that duty shall be assessed upon "the valuation thereof at the time and place of importation."

In 1820, Henry Baldwin, of Pennsylvania, chairman of the House Committee on Manufactures, said:

The mode of ascertaining the value of goods on which a duty is to be assessed has been attended with much difficulty and almost constant war between the merchants and the officers of customs and has been often changed. The original mode of assessing the value at the time and place of importation prescribed by the act of 1790 was the fairest and most equitable; as an ad valorem duty it was, in fact, what it purported to be, so much per cent on the value.

In April, 1830, Roland C. Mallory, chairman of the committee at that time, said:

You can not reach the person who swore falsely to an invoice in a foreign country. There he is perfectly safe. The truth is, sir, that the foreign valuation is the rotten part of our system.

During the debate on the tariff bill of 1833, Henry Clay offered an amendment that after 1842 the duty should be assessed on—

A valuation made at the port in which the goods are first imported.

Mr. Clay at that time stated:

Now, the valuation is made in foreign countries. We fix the duties, and we leave our foreigner to assess the value on articles paying an ad valorem duty. This is an anomaly, I believe, peculiar to this country. It is evident that the amount of duty payable on a given article subject to an ad valorem duty may be affected as much by the fixation of the value as by the specification of the duty. And, for all practical purposes, it would be just as safe to retain to ourselves the right to declare the duty and to allow him the privilege of assessing the value. Now, sir, it seems to me that this is a state of things to which we should promptly apply an efficient remedy; and no other appears to me but that of taking into our hands both parts of the operation, the assessment of value as well as the duty to be paid on the goods. If it is said that we might have in different ports different rules, the answer is that there could be no difference any greater than those to which we are liable from the fact of the valuation now being made in all the ports of foreign countries from which we make our importations. And that it is better to have the valuation made by persons responsible to our Government and regulated by one head than by unknown foreigners standing under no responsibility to us.

In 1850, President Fillmore, in his first annual message to Congress, said:

As before stated, specific duties would, in my opinion, afford the most perfect remedy for this evil—speaking of undervaluation—but if you should not concur in this view, then, as a partial remedy, I beg leave to especially recommend that instead of taking the invoice of the article abroad as a means of determining its value, where the correctness of which invoice it is in many cases impossible to verify, the law should be changed so as to require a home valuation or appraisal, to be regulated in such manner as to give, as far as practicable, uniformity in the several ports.

Col. George C. Tichener, one of the ablest members of the Board of General Appraisers, and for many years a special customs agent of the Treasury Department who had intimate knowledge of customs irregularities, said:

There is eminent propriety in assessing the duty according to the home value, instead of the unknown and uncertain value in the country of production.

Henry F. French, Assistant Secretary of the Treasury, made the following statement before the Tariff Commission:

I think the question whether our commission should not recommend a home valuation instead of a foreign valuation is one of the most important you should consider. Why should we go to India or England or anywhere else to ascertain what the value is or was there rather than to take the value in the port of importation or in the principal markets of the United States, which would be the better term or better method? It seems to me that it is one of the curiosities of the law that such a provision should have existed from 1799 down to the present time, and I think it only exists now because nobody has really thought it possible to change a thing which has existed so long. * * * I think any person who should be told for the first time that we look abroad in order to find out what duty we should assess upon an imported article would be very much puzzled to know what reason there could possibly be for so doing. * * * There is no sense in retaining this provision for foreign valuation; it is home valuation, in fact, which should control the duty.

This historic background gives us the thoughts of great men based upon conditions then existing. To-day we have much more complicated conditions confronting us, and the necessity for such a change is greater than at any other period of our Nation's history.

The advantages of such a change as compared with the disadvantages arising from reconstruction are so enormous that the difficulties seem insignificant. Mountains though they may seem when presented by the importing interests, they sink into insignificant molehills in reality when taken up by men whose purpose it is to protect our revenues and save our industries from destruction.

The possibility of securing actual dutiable values will be greatly increased under this system of American valuation. Instead of having to deal with foreign manufacturers and agents, whose interest is to mislead and deceive and who usually refuse to give information of any value, the American manufacturer and wholesale dealer, in whose interest the Government desires the information, would be not only willing but anxious to furnish such information as the Government would require. In any event, the power to secure facts would be in the hands of our own officials; they could compel the attendance of all interested parties for the establishment of true market values; they could punish for neglect to produce such evidence or for perjured testimony.

The Government would be free from all diplomatic entanglements and such embarrassments as have frequently arisen because of reasons above stated.

It would reduce to a minimum the necessity for continuing our expensive corps of foreign commissioners who are now accredited representatives to the foreign Governments, and they could be sent home if found persona non grata. Many of them do not want to be sent home.

The Government would get a much larger revenue and would be in a position to collect the revenue prescribed by Congress. Those who through low valuations or gross undervaluations are now reaping enormous profits out of our market would at least be compelled to share these profits with the Government and thus reduce the unjust competition between them and the reasonable and honest importers and domestic manufacturers, as they would have to pay an amount of duty equal to their fellow importers from whatever country the goods came.

The American manufacturer would have increased protection, because the law could not be so easily evaded, and he would have the protection that Congress intended he should have.

It would equalize the amount of duties paid on similar goods regardless of the country from whence imported. The present method discriminates against the high-cost countries and favors the low-cost countries.

Assessments upon American values will not permit the American producer to unduly advance his selling price, but it will hold these advancements in check.

It would do away with the troublesome question of exchange.

There are many features that have been presented to the Committee on Ways and Means in their consideration of this bill that have never been presented to any Congress of the United States before, due to the unsettled conditions throughout the world caused by the war. The committee called upon the Tariff Commission for much information, and also upon other departments of the Government from which we could obtain information to aid us in the preparation of this bill, and we received most valuable assistance.

I read a portion of the Democratic minority report on this bill, and when I finished reading that report I was reminded of a young man, the son of an old country German, who was nominated in convention, in the old convention style, for sheriff of the county. The nomination came unexpectedly to the young man, and when he went home, and knowing that his father was an old wheel horse in politics, he said, "Fader, I have been nominated. I am new at the business. Tell me how to win in the campaign." The father said, "My son, take my advice: Schling mud, schling mud, and schling mud." [Laughter.]

Our Democratic friends evidently heard that old man make that remark. [Laughter.] They criticize the Committee on Ways and Means for not giving comparative rates carried in this bill together with the rates provided for in the Underwood bill. My friends, permit me to say, in all sincerity, we have been too busy framing just and equitable rates to give much attention to the rates in the Underwood tariff law [applause], which we know have been so low that the average ad valorem duty collected on the total imports are below the average rates in the tariff laws of any principal country of the earth right now. And yet we are said to be a great protective Nation.

I want to say to you that the rates collected under the Canadian tariff laws last year were more than three times the ad valorem rates under the Underwood law, and yet some men who wish to complain about the rates that this bill carries try to make the people believe that Canada is going to retaliate if we increase the Underwood rates. Last year, gentlemen, Canada collected $19.21 per capita on her imports, while we collected but $3.15 per capita. Her rates are nearly 20 per cent ad valorem, while ours are 6 per cent ad valorem. And little far-away Japan has to-day upon her statute books tariff rates equal to the rates in the Payne law, amounting to about 18 per cent ad valorem upon all dutiable and free goods. Last year free-trade Great Britain on her imports collected $16.50 per capita, while, as I have before stated, we collected $3.15.

Oh, my Democratic friends, if you will go over to the Library of Congress you will find that the great English statesman, Joseph Chamberlain, who had been a free trader for years and years in the English Parliament, finally saw the light of day and changed to a protectionist and asked for an election in Great Britain and only failed by a few votes of being elected to the English Parliament on a protective platform. Joseph Chamberlain, in one of his speeches, drew a picture of the condition of the laboring people in Great Britain. I will give it to you as nearly as possible word for word. He pointed out to one audience after another that in Great Britain the laboring man had more difficulty, less opportunity of securing the food and clothing required for his family, than did at that time the people of any principal country in the world.

He referred to the well-known fact that laboring men in Great Britain in the textile mills or shoe factories often follow in the footsteps of their fathers, entering their apprenticeship in the same shop, and that this has continued for generations, son following father and grandson following grandfather. Bearing this fact in mind, he drew this dreadful picture. I am sympathetic, and when I read it the story brought tears to my eyes. He said there was a family where the father was an aged man. Before making this statement he pointed out that 53 per cent of all the people in Great Britain over 75 years of age were in almshouses. He said that in this particular family the father had reached the age of 75 years and was unable to

do manual labor any more. He lived with his son, who had a wife and five children. The son and the wife decided that the husband's income was not sufficient to support that family properly and that the father must go to the poorhouse.

The son started to the poorhouse with his father, and on the road they came to a spring where there was a cup and they stopped to take a drink of water. The son dipped a cup of water from the spring and handed it to his father, and when he turned he saw that his father stood there trembling from head to foot. The son said, "Father, if you are feeling so badly because you are going to the poorhouse, come back to our home with me. You have been a kind and loving father. Jane and I will share with you our little pittance, and you shall not go to the poorhouse while I live." "No; my boy," said the father, "I am not feeling so badly because I am going to the poorhouse, but, my beloved son, 50 years ago I dipped a cup of water from that spring and handed it to my father when he was on his way to the poorhouse. And, God forbid, but, my son, if you live to arrive at my age, you, too, will pass by this spring on your way to the poorhouse."

That is the picture that Joseph Chamberlain drew to his hearers of the condition of the workingmen under free trade and the lack of opportunity, and all history bears out the correctness of Joseph Chamberlain's statement. My good friends, protection is not for the manufacturer alone. Give the manufacturer as cheap labor as his competitor abroad has and no manufacturer will ask for protection. It is a question of enabling the manufacturer of this country to pay the American standard of wages so that the American laboring man may enjoy the standard of living which is common in the United States. [Applause.] I am a protectionist and I am a Republican, without any apologies for my protection or Republican views. [Applause.] But, my friends, it has been my earnest purpose, and will continue to be until this bill is written into law, to see to it, so far as in my power, that no prohibitive rate shall be written into the law. It is my purpose also to see that the rates are sufficiently high to offset the difference between the cost of production in this country and the cost abroad.

If such a law could be written it would be ideal, and I say to you that the provisions of this bill and the rates herein provided for are as nearly correct along those lines as it was possible for the majority members of the Ways and Means Committee of this House to agree upon them.

In further reference to American valuation as a basis for assisting ad valorem rates, there are two principal reasons for that change at this particular time. First of all when we collect the ad valorem duties on the foreign valuation we must depend very largely upon the honesty of the exporter in the foreign country to name in the invoice the correct foreign value of those goods. I have here a speech made by a German manufacturer before the Board of Trade of Berlin in which he pointed out that it was the purpose and right and duty of the foreigner to undervalue as far as possible the goods which he exported to this country. I am going to read you a part of that speech before I conclude.

Secondly, my friends, because of the conditions brought about by the war the rates of exchange of the money of the different countries vary extremely. To-day Canadian money is worth 85 cents on the dollar in our money. The English pound with a par value of $4.86 has an exchange value in our markets of $3.60, perhaps a little above or a little below that. To-day the French franc with a par value of 19.3 cents has an exchange value here of about 7 cents. The German mark with a par value of 23.8 cents has an exchange value here of 1.75 cents or thereabout. The best obtainable information is that the mark has a relative purchasing power in Germany of 8 cents, but the duty is paid upon the exchange value here. Now, for the purpose of equalizing these various exchanges of foreign money we found no other practicable or equitable way except to make all countries in the world pay the duty upon the American valuation, and all alike. [Applause.]

I have drawn a conclusion for the purpose of giving you an example of the various valuations. We know that the highest production-cost country that we deal with is Canada, just across the border. We know that Germany's cost of production is far below that of Canada, and we know that the cost of production of the same article in Japan is far below the cost of production in Germany. Therefore I have taken this example: Suppose that a merchant purchased identical articles, both in quantity and in quality, in Canada, in Germany, and in Japan, and all three shipments were imported into the port of New York on the same day. Here is what they would pay under existing law. Suppose the articles purchased in Canada cost $1,000. The same goods could be purchased in Germany for $800 and the same goods could be purchased in Japan for $500. I know that there is a greater margin of difference than the one I am giving. Suppose the duty was an ad valorem duty of 25 per cent. Goods coming from Canada would pay 25 per cent on the value, or $250; the goods coming from Germany would pay 25 per cent on $800, or $200; and the goods coming from Japan would pay 25 per cent on their value in Japan, $500, or $125. Therefore Canada, the highest cost production, would pay an ad valorem duty that Japan paid, and that is the existing difference right now. Now, let us put it the other way. Under the American valuation the duty will be added to the foreign value; in other words, we must assume that the 25 per cent imposed will offset the difference between their cost and our cost. Therefore, in order to obtain the American value of the Canadian goods, 25 per cent ad valorem makes the American value $1,250. Now, 20 per cent ad valorem on $1,250 will yield the same amount of revenue that 25 per cent will yield on the Canadian value of $1,250. But the German goods must pay under the terms of our bill 20 per cent on $1,250, the same as the Canadian, or $250.

The Japanese goods when brought in must pay 20 per cent on $1,250 and not $500, and therefore they will pay exactly the same duty as when imported from other countries.

Our present system widens the margin of cost between these countries when the goods are laid down here and pay ad valorem duties on foreign values. Under our proposition of the American value all countries alike must pay a duty assessed on the American value. No matter what the foreign cost may be, they must pay exactly the same amount of duty here.

Many people came before our committee and presented arguments for and against the American valuation. Invariably the importer opposed the change from collecting ad valorem duties on the foreign value to the American value. Why? Because, my friends, there is no opportunity for the dishonest importer, and there are a few, not all, and a few dishonest importers in foreign countries, not all. Under the American valuation no foreigner and no American can undervalue. Under this plan we will not only fix the rate of duty, but we will fix the value on which those duties will be collected. [Applause.]

Mr. HARDY of Texas. Will the gentleman yield?

Mr. FORDNEY. I will yield for one question.

Mr. HARDY of Texas. If you fix the tariff sufficiently high to protect the American manufacturer against the Japanese, for instance, will not that tariff be so high that it will absolutely exclude all goods from Canada or Germany?

Mr. FORDNEY. I am glad the gentleman asked the question, and I will explain. We have aimed to fix a rate that will offset the difference between this country and foreign countries that are now our competitors, whether it be Japan or any other country; and this is true in some instances, that if we impose a rate of duty sufficient to protect us against Japan it would be too high for other countries. But if we put it only sufficiently high to offset the difference between our cost and the cost of production in Canada, Germany and Japan would not only capture the markets against us but against Canada as well. [Applause.]

Mr. HARDY of Texas. Would not that proposition to protect you against Japan turn all the trade we got over to Japan and exclude England and Canada?

Mr. FORDNEY. Oh, no; that will never happen. All countries do not compete in all products. There generally is an outstanding principal competitor in any given commodity of trade.

Now permit me to read the statement to which I made reference, addressed to a German board of trade. It is somewhat lengthy, but I will ask you to bear with me. The remarks were made behind closed doors, but I have assurance of the authenticity of my information:

STATEMENT MADE BY A GERMAN MANUFACTURER BEFORE THE BERLIN CHAMBER OF COMMERCE, WHICH STATEMENT WAS MADE BEHIND CLOSED DOORS.

As a fact the United States is not dependent for its existence upon the collection of duties, and it can afford to allow the falling off of revenues in this direction for what they claim "the general good." From this standpoint it is clear that in the administration of the tariff is concealed the power and purpose to make the entry of certain articles as difficult as possible, and to carry this out the United States Government agents resort to the meanest and smallest measures.

The first of these is the certification of the invoices by consular officers stationed in various districts of the Empire. Second, the investigation by customs officials as to the correctness of statements in the invoices which have not the force or effect of an oath in the German Empire. (In other words, an affidavit sworn to by a German is not considered a binding oath.) Third, the reexamination in cases where there is reason to doubt values by agents of their Treasury Department; and fourth, by the high penalties added for undervaluation. Naturally, we will admit that an actual swindle is incorrect in any business transaction, but "undervaluation" should not be treated as such unless positively proved.

However, no such elasticity is to be found in the minds of American customs officials, who treat "undervaluation," as they call it, as

fraudulent, and they at once apply the usual penalties. Our goods have been exported to England and the United States at lower prices than those for the home market, and there have been more or less low values for the States, and in some cases what would be there termed "fraud," and such are the conditions at the present time.

GERMAN STATEMENT.

"Market value," as defined under American law, is the wholesale price at the time of export, and our trouble lies in having two sets of prices, one for export and the other for home trade. We have to resort to a division of shipments under the so-called "$100 clause" to keep our market's secret, save fees, and avoid control on that side.

Declaration in invoices compelling all sorts of statements as to how the goods were obtained, whether by purchase or otherwise, values in detail and charges of every character are the crowning points in the prying curiosity practiced under the American customs laws.

These things all lead to abuses, and we are promised that the means of gaining information through American consuls and agents will be shut off.

Who gave them that information? Who promised that?

Our boards of trade are fully awake to the dangers that surround us, and in making every effort to close the doors against this abuse they are hoping for the whole support of the Government.

Their manner of obtaining costs of production that in many cases it has been misleading, because through the prudence of our officials we have taken care that investigations of this character shall throw little light upon the actual value of their consignments.

In many cases trouble has been avoided by having invoices consulated remote from districts in which the goods are manufactured; but we must follow up this whole question as to right of consular and other officers to pry into our business for the sole purpose of keeping out our merchandise, and in this we are assured of the cordial support of our Government. Such treatment on the part of American officials and the cause for it is plain; and now that concessions must be made by the American Government, if we stand together firmly as a body, aided and supported by our board of trade, we can bring about a change that will be of untold benefit to our American export trade.

American valuation will forestall this manner of connivance. With the new system undervaluation will be negligible.

A few days ago I received a letter from the American Chamber of Commerce in France, dated June 21, 1921.

The letter first calls attention to the fact that the American Chamber of Commerce in France was founded 28 years ago, and that its efforts have been devoted to the protection and development of the commerce of the United States with France. Naturally, this organization is somewhat out of touch with the needs of protection to American industries and is more concerned with trade relations than with conditions within the borders of the United States.

In the letter the chamber of commerce points out that France applies her maximum rates to the great majority of American products imported into France. The letter says, in part:

The tariff schedule in the law of 1913 aroused far less discontent than the arbitrary interpretation of the clauses in the administrative tariff act by customs inspectors.

Further on, the letter states:

Our chamber again urges the adoption, as far as possible, of specific duties in the American tariff in place of those reckoned ad valorem. Not only in France, but also the other great European commercial countries have, after years of experience, been led to the adoption of specific duties, and the wisdom of their decision is confirmed when we consider how the ad valorem system works in the United States. In spite of every effort made by the Treasury Department, in spite of the searching inquiries of the Tariff Board, in spite of the employment of numberless agents and the expenditure of millions of money, no accurate or permanent schedule of market value has as yet been established, nor does the establishment of such a schedule lie within the range of human achievement. It is this impossibility of determining market values which has led to decisions often unjust, always arbitrary on the part of the customs authorities, and it is this that has encouraged a system of persistent undervaluation which bears most grievously on the honest importer and upon merchants throughout our country.

The strong inference contained in the letter is that the foreigner objects more strenuously to investigation by American officials as to their costs and market value than they do to the amount of duty imposed. The American Chamber of Commerce in France does not recommend the American valuation system, but it does appear that such a recommendation might well be based on their argument.

WHERE SPECIFIC DUTIES CAN NOT BE LEVIED.

We need revenue far in excess of prewar days. This fact must be considered by both sides of this House. The question is, How shall we raise the money? We propose to raise a goodly portion of it by the operation of this tariff bill.

Our people are willing to pay taxes to meet the Government's obligations—there is no other way for the Government to obtain money than from the people—but the people want such taxes equitably laid. If our Government is to remain solvent, it must meet its obligations. In our opinion, an import tariff tax is the least burdensome of all taxes upon the people, for in most cases it is a tax upon the foreign importer and not on the consumer.

I have said that if the tax upon Congress to raise revenue was no greater now than in prewar days it would be boy's play; but such is not the case. The burden has increased fivefold. Before the late war our annual Government expenditures were $1,000,000,000. Now they are, in round numbers, $5,000,000,000. However, we have passed the crest of the wave, and our annual expenditures can be materially reduced. At the end of the Civil War the public debt was just below $3,000,000,000, or about $88 per capita. At the close of the late European war our debt was $25,000,000,000, or about $250 per capita, and about 7½ per cent of our total wealth. By deduction from our total public debt of the sums owing to us by the allied Governments, which is approximately $10,000,000,000, our net debt at present is about $14,000,000,000, or about $138 per capita, and about 4½ per cent of our total wealth—the lowest of that of any principal country in the world.

Assessing the duty on the value in America would have substantially the same desirable result as the specific duty. The rate charged against all countries will be uniform and the United States will not be required to question foreign values or foreign costs.

In the Underwood Act rates of duty wholly inadequate to protect American industries were levied, and yet the tariff law was unsatisfactory from the viewpoint of France, and France would not consent to grant America her minimum tariff rates.

Under the new tariff bill the President could negotiate with France and extend to France certain concessions in exchange for concessions by France. The American market is the best market in the world, and in exchange for granting advantages in the American market America will receive liberal concessions by foreign countries.

Let me say to my Democratic friends that we have been kind to you. You are children away from home on a dark night. We will take care of you in spite of your efforts to the contrary in this tariff law. In the Republican conference the other night the Ways and Means Committee, feeling doubtful whether it would be wise or proper or the necessary thing to put a duty on cotton, decided to give you an opportunity to vote in or out a duty on cotton. [Applause on the Republican side.] But let me say to you in advance that I am going to vote when the time comes for a duty on cotton, and then I shall vote for the bill; but I warn you that unless you can vote for the bill do not vote for a duty on cotton, or you will be criticized. We will give you your choice. It may be Hobson's choice, but we are going to give it to you.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. BLACK. The gentleman also intends to propose at the same time that a compensatory duty be given to the manufacturers, does he not?

Mr. FORDNEY. Oh, yes; I hardly think it fair to put a duty on the manufacturer's raw material without also giving him a compensatory duty on his finished products.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. GARRETT of Tennessee. Has the gentleman, in anticipation of the possibility of a duty being levied on cotton, already put the compensatory duty in the bill?

Mr. FORDNEY. No; we have put a duty on, as we understand it, that will in our opinion offset the difference between the cost of conversion in this country and abroad; but if we put an additional duty on the manufacturer's raw material, we must also, in justice, give him an additional compensatory duty to offset that difference in the cost. That is my personal opinion. I do not know what the other gentlemen think about it.

Mr. GARRETT of Tennessee. Do I understand, then, that if a duty on cotton should be voted into the bill, the rates as now arranged in the bill on the manufactured products will be changed and increased?

Mr. FORDNEY. That would be my attitude. I can not speak for others than myself. Let me show you what the people of the South think about this matter of protection. I have here a telegram dated New Orleans, July 6, 1921, and addressed to me. I want you gentlemen from Louisiana and Texas to pay strict attention to this so that you may see that even in the South they are awake to the necessity and value of protection.

NEW ORLEANS, LA., *July 6, 1921.*

Hon. JOSEPH W. FORDNEY, M. C.,
Washington, D. C.:

The congress held by Southern Tariff Association in this city to-day attended by delegates from five States representing 60 industries and over a hundred organizations, the following resolutions were unanimously adopted: First, that the tariff policy of the Sixty-seventh Congress was definitely settled at the November election. Second, that we recommend such tariff schedules on southern products as will equalize the cost of production in this country with that of foreign countries so far as may be consistent with the public welfare—

[Laughter on the Democratic side.]

You may laugh, but that is protection, because you never knew free trade to render any assistance in welfare to anybody on earth. You know there are a great many people in the world who love the word "free." In 1896 Bryan made a speech in my home town. I did him the honor to go and hear him. He spoke of free silver, elaborated upon that question. I went forward and shook hands with him. Another man stepped up and said, "Mr. Bryan, I have listened with great interest to what you have had to say about free silver. You are a great man, and I hope and pray that you will be elected. If you are, will you bring us the silver or will we have to go down there after it?" [Laughter.]

Let me continue, now, with the reading of this telegram:

such schedules to be so placed as to fairly distribute the burdens and benefits among all industries without discriminating against any section, class, or product, to the end that there may be maintained American standards of living in every line of effort. Third, we are opposed to the doctrine of free raw material on agricultural, pastoral, oil, and other mineral products. Fourth, we appeal to all Congressmen to give consideration to the economic welfare of the South by favoring the same tariff levies upon southern products that are given the products of other sections. Fifth, agricultural, pastoral, and mining products of the South do not come in competition with the products of our debtor nations, and a tariff levy will therefore not interfere with the payment of our foreign loans.

JOHN H. KIRBY,
President Southern Tariff Association.

The CHAIRMAN. The Chair would state that the gentleman from Michigan has consumed one hour.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for another hour.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FORDNEY. Gentlemen of the South, of the North, of the East, and of the West, the committee in arranging rates in this bill have protected every industry of the South equally with those of the North. [Applause on the Republican side.] I have taken the position, although some of my colleagues have differed with me, that cotton is just as important an agricultural product of this country as corn and wheat and oats, and is entitled to protection for that reason. I am thoroughly convinced that the only way to write an equitable and just tariff law is for every man whose vote takes a part in the passage of the same or in the framing of it to forget the little town in which he lives, the county that surrounds him, the congressional district that he represents, and take into consideration only the welfare of all the people in every State of this Union. [Applause on the Republican side.]

Mr. BLANTON. Will the gentleman yield right there?

Mr. FORDNEY. Yes.

Mr. BLANTON. If the gentleman takes care of the South so well, why did he not place a duty on hides in this bill?

Mr. FORDNEY. Well, you might take from what I have said my position might be the same on that as on cotton, and we are going to have a vote on cotton on the floor of this House before this bill becomes a law, and on hides as well.

Mr. BLANTON. But why not put it in the bill to begin with?

Mr. FORDNEY. My friend, I never kick against the majority. I abide by the majority, and I will by the majority of this House. A tariff bill or any great measure that contains as many important matters as this does never meets with the approval of everybody taking part in it. But it is the best compromise that could be obtained among a body of men, and I feel it my duty to go with the will of the majority without complaining, and I do it. Now, gentlemen, it is said by some of our friends on the Democratic side of the House that whatever duty is imposed upon an article is added to the cost of that article to the consumer. I deny that that is a correct statement. I know that such a conclusion is wrong. That may be true in some particular instances, but in a majority of cases it is not so. Let me ask you, my friends, in all sincerity—I am not abusing you, I want you to come in and make it unanimous. [Laughter.] If there was to-day a duty of $10 a pound on butter, do you believe butter would sell in the United States for $10? No; you know it would not. You know it would not be added to the cost of the article. If there were $40 a yard import duty on cloths of either wool or cotton, do you believe we would pay from $40 to $50 a yard for it in this country? No; you know differently. You know it. You know, my friends, in a majority of cases where competition is keen and where the productive capacity of this country is sufficient to supply us, that no matter what duty is placed upon an imported article it would cut no figure upon the price in this country, except if the foreigner were permitted to come here and sell under free trade or on his undervaluation. Those articles would sell for a while at a lower price, but when the American manufacturer is put out of business then you would pay the penalty as you and I and all the people of this country last year paid the penalty on sugar. [Applause on the Republican side.]

Go to the report of the Alien Property Custodian of January, 1919. A. Mitchell Palmer—I believe a Democrat; he was a Democrat [laughter on the Republican side]—in that report called the attention of the country to some chemicals which were manufactured. He pointed out that there were two well-established chemical institutions in this country making certain chemicals, and among others oxalic acid. Two new industries sprang up in the United States, chiefly with Pennsylvania and New York capital. Before these new industries were built oxalic acid was selling for 6 cents a pound. When the new factories got under way the two old factories reduced the price to 4.4 cents per pound, but the new industries kept on doing business at a loss. In a very little while those two factories reduced the price to 2.2 cents per pound. You will find that in his report; and the new institutions closed their doors; and the president of one of the concerns, who came before our committee, stated that he had to buy his own factory at a sheriff's sale. Now, what happened? When these new factories closed their doors the old established institutions put the price of oxalic acid to 9 cents a pound, 50 per cent higher than before the new factories were built. But when the war came on some one called the attention of A. Mitchell Palmer to the fact that those two old factories might be German-owned property, and upon investigation he found that every dollar in those institutions was German capital, and the Government took over that property and sold it to American institutions. There is an illustration drawn by a Democrat. I never heard a better Republican argument for protection in my life. [Applause on the Republican side.]

Mr. LONGWORTH. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. LONGWORTH. The gentleman spoke a few moments ago about sugar. Apropos of the question of whether an increased tariff necessarily raised prices, the so-called Fordney emergency tariff bill has been in force now for some months, with higher rates of duty on sugar than the Underwood or even the Payne law. Can the gentleman state whether that has caused an increase in the price of sugar?

Mr. FORDNEY. On the contrary, my beloved friend, the price of the refined sugar f. o. b. New York has gone down 2 cents a pound since the emergency tariff bill became a law.

Mr. BLACK. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. BLACK. Does not that negative the promise that the Republican Party made to the producers of Louisiana and other sugar-producing sections of the country that it would raise the price?

Mr. FORDNEY. No, my friend; and let me tell you, on the other hand, in the Payne tariff law there was a duty of 1.685 cents on 96-degree raw sugar and on Cuban sugar 1.348 cents. The Democratic Party reduced that duty to 1 cent a pound on Cuban sugar, and in 12 months' time 42 per cent of all the sugar-producing institutions in the State of Louisiana closed their doors or were sold by the sheriff. [Applause on the Republican side.] We, by the terms of this bill, have given what we think is a fair measure of protection, and we hope to see those sugar factories in Louisiana once more blossom as they did under the Payne law.

Mr. BLACK. The gentleman is discussing the question of chemicals, and the question I rose to ask him was this: If I understand the bill, certain dyes and colors will be classed as "Class A," and upon such articles there can be no importations without the consent of the Tariff Commission, and the finding of the Tariff Commission that those articles can be bought in this country at a reasonable price and in a reasonable quantity. Does that conform to the argument of the gentleman that a tariff of this kind does leave competitive conditions free?

Mr. FORDNEY. For an answer to your question I will ask you to permit me to yield to the gentleman from Ohio [Mr. LONGWORTH], who has had more to do with the chemical schedule and can answer that more correctly than I can. And if the gentleman from Texas will permit me, I will go on.

Mr. LONGWORTH. Mr. Chairman, I need only suggest to the gentleman from Texas [Mr. BLACK] that he read the bill.

Mr. BLACK. I have read that portion of the bill very carefully, and I think I understand it.

Mr. MADDEN. Mr. Chairman, I might say in further reply to the gentleman from Texas, if the gentleman from Michigan [Mr. FORDNEY] will permit, that when the Louisiana sugar factories had to close we were compelled here, as a measure of relief to people engaged in the industry, to establish an experi-

mental cattle station down there and show them how to raise cattle.

Mr. FORDNEY. Yes; we did, and we spent a good deal of money to aid them in that enterprise.

Now, gentlemen, permit me to pass on.

Mr. CARTER. Will the gentleman yield for just a question?

Mr. FORDNEY. For one question.

Mr. CARTER. I want to ask the gentleman what were the importations of cotton into the United States last year? How many bales?

Mr. FORDNEY. Of raw cotton?

Mr. CARTER. Yes.

Mr. FORDNEY. For the eight months ending with March the importation of cotton was 91,755,000 pounds.

Mr. CARTER. How much of it was long-staple cotton?

Mr. FORDNEY. It is not separately classified here, sir. I do not have it.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORDNEY. The emergency tariff bill carries a duty on long-staple cotton; and after a sufficient time to fully investigate, it is found by the committee that with a duty upon long-staple cotton it is practically impossible to determine whether or not cotton goods, when manufactured and entered into our market, were made from long-staple or medium or short-staple cotton. Therefore it is my opinion that, in order to do justice to the whole industry, if we put a duty on cotton it will be a duty on all cotton, with a compensatory duty on cotton goods.

Mr. CARTER. Just one more question, if the gentleman will yield?

Mr. FORDNEY. Yes.

Mr. CARTER. I want to ask the gentleman what was the importation of crude and fuel oil during the last year, if he can tell us?

Mr. FORDNEY. From Mexico it runs about 13,500,000 barrels a month right now, and has been running at that rate for several months.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. GARRETT of Tennessee. In connection with the cotton schedule, can the gentleman place in the RECORD a statement as to how much the rates as fixed in the bill now under consideration on manufactured cotton articles will have to be increased in the event a duty of 7 cents a pound is laid on cotton?

Mr. FORDNEY. I can give the gentleman my offhand opinion. If we put a duty of 10 or 15 per cent on raw cotton, whatever the correct proportion to the total cost of the finished product should be because of that duty on the raw material, it should be reflected in the finished product.

I can not agree with people who express great concern regarding the future of Europe in the event of the passage of tariff rates sufficient to equalize the competitive conditions in the United States and foreign countries. I disagree very strongly with any contention that a policy which will not keep American labor well employed and maintain the purchasing power of the American people can benefit Europe.

On the contrary, I believe it a fallacy to assume that a policy which will reduce the purchasing power of the American people will place America in a position to aid Europe. The immediate and inevitable effect of low import duties is to bring a flood of imports, displacing American labor and curtailing the purchasing power of the American people. Hereafter it is my contention that imports will decline.

Further, it is my belief that the immediate results of the imposition of high duties will be to temporarily reduce importations and revive American industries, increase employment and the purchasing power of the American people, and therefore result in a healthy gain in our foreign trade, both import and export. When the American people are well employed they spend liberally, and certain foreign commodities find a ready sale in the American market. One year ago importations into the United States, June, 1920, amounted to $552,605,000. Since that time imports have declined. This decline in importations can not be attributed to tariff legislation. One year ago cargo space was at a premium. At present cargo space is a drug on the market. More foreign goods are offered on more favorable conditions at present than one year ago. The answer is that America has stopped buying.

The first consideration in making a sale is to find a prospective customer with money with which to buy. The policy which will deprive America of the purchasing power will not aid Europe in selling goods on the American market.

It is absolutely essential to the welfare of the importer that Americans be well employed and the purchasing power of the American people be maintained at a high level. We all have a right to our own opinions, but, candidly, I can not help but consider an advocate of free trade as being selfish. His argument to me appears selfish, and, further than this, the free trader is short-sighted and blind to his own interest.

We want Americans to be better clothed, fed, and enjoy more of the comforts of life than is possible in the majority of foreign countries. To guarantee better conditions in America we have legislation restricting the interstate traffic in manufactures on which child labor has been employed. The various States have laws governing hours of labor. We have enacted employers' liability laws and factory inspection laws.

Is it not inconsistent to permit the products of child labor from foreign countries to come into competition in the American market with our own goods, upon which child labor is not permitted? Does it not defeat every effort on our part to better labor conditions in America? Does it not drag down the American standard to the plane on which we do not want Americans to live?

Mr. GARRETT of Tennessee. Will the gentleman yield further?

Mr. FORDNEY. Let me conclude this and I will yield to the gentleman.

Gentlemen, it is my candid opinion, with all due respect to you—you are the best fellows on earth—the election of a free-trade President and Congress in 1912 was the most disastrous event that has happened to this country for many years, and the ill effects from it will be long felt by the people of this country. The leader of the free-trade party, a Democrat, wrote in his New Freedom:

> Why should the boasted genius of America become afraid to go out into the open and compete with the world?

In his message calling Congress into extra session he said:

> The country must get rid of artificial advantage and thrive by the law of nature. Henceforth the object of the tariff duties must be effective, the whetting of American wit by contact with the wits of the rest of the world.

I want to tell you that it is a pretty difficult matter to whet wits with the little Japanese who receives 20 cents a day in gold for 12 hours a day work when the American laboring man receives some $4 to $10 for a day of 8 hours. I hope the ex-President may live long and have plenty of time to whet his wits on that question. [Applause on the Republican side.]

Now, let me call the attention of the House to this: In the Payne tariff law there was a duty on wool. In the Underwood tariff law, in the framing of which my beloved friend from Texas [Mr. GARNER] took part—and I admire him for it; he is a lovely character; he is my dear friend—he saw to it that wool went on the free list but that Angora goat hair was protected with a duty of 15 per cent ad valorem. [Applause on the Republican side.] Now, the census of 1910 showed that there were, in round numbers, 54,000,000 sheep in the United States. I received information afterwards—which was an estimate, of course—that in 1912 there were nearly 58,000,000 sheep in the United States. Under the effect of the Underwood tariff law the census of 1920 showed that there were 35,000,000 sheep in the United States, a loss of 35 per cent. In 1910 there were 2,900,000 Angora goats in the United States, and in 1920, 3,500,000.

My Texas friend, your people ought to send you here as long as you are alive. [Applause.]

Mr. CARTER. They will do it.

Mr. FORDNEY. You look after the interests of Texas, but to those who have at heart the interests of Oregon and Washington woolgrowers you will go down in history as "Angora goat JACK GARNER." [Laughter.]

The total production of wool in the world last year was 2,800,000,000 pounds. We produced in the United States 300,000,000 pounds of that total, or 11.7 per cent. But we consume 23 per cent of the world's production. That is evidence that we are the best-clothed people on the face of the earth. [Applause.]

A Southern Senator recently in a speech at Boston, Mass., pointed to the great prosperity of this country during the last four or five years, and said that the prosperity of this great Nation during that time had "blossomed like a rose." Oh, yes; oh, yes, my friends; but he forgot that during that time 7,500,000 men laid down their lives upon the battle fields of Europe. Forty million men were under arms. Forty million men were removed from the ordinary pursuits and engaged in destroying property and human life, and Europe called on the United States for products of which they were short. Oh, he forgot; he forgot, my friends, that instead of this country "blossoming

like a rose" during that time, the bloody field of battle in a foreign land was strewn with the flower of the nations. That is what caused high prices in this country, not the Underwood law nor any political influence. [Applause.]

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield for a question there?

Mr. FORDNEY. Yes.

Mr. HARDY of Texas. How does the gentleman account for the reduction of the number of sheep when wool was selling higher than it ever did before?

Mr. FORDNEY. Oh, the whole world was short of everything. The supply was reduced because of the war, and you and I know that for anything that any man produced he could get any price he asked, because the whole world was demanding supplies. But war conditions did not prevail during the entire life of the act of 1913, and the fact remains that under free trade the sheep flock was sacrificed, while the goat flock, with a moderate tariff on goat hair, increased. We got on the crest of the wave in the cost of production and in high prices, my friends, and we are now going down the toboggan slide. Supply and demand hereafter will regulate those things, and more so than anything else in the world.

Mr. HARDY of Texas. Does the gentleman admit, then, that the tariff had nothing to do with the reduced number of sheep?

Mr. FORDNEY. Not after the war was on; and I think you will admit it if you will speak frankly.

Mr. HARDY of Texas. I think it had nothing to do with either the reduction of the number of sheep or the high price.

Mr. FORDNEY. If you think that the high price of wool was caused by the Underwood tariff bill, you are mistaken.

Mr. HARDY of Texas. The gentleman claims that the reduction in the number of sheep was due to the Underwood tariff bill. You are taking the position that the sheep disappeared because of the Underwood bill, and then you say that it had no effect because of the war. [Applause.]

Mr. FORDNEY. Oh, no. You may get in a shot once in a while that you know is incorrect, my friend.

Mr. HARDY of Texas. Oh, no. I merely tried to correct the gentleman.

Mr. FORDNEY. The wool industry is a great one. In the Underwood tariff bill practically every article produced by the farmer of the North was placed on the free list, and you held out the encouragement to the farmer in your campaign at that time that by putting wool on the free list it would increase the price of wool to the farmer, while you used the argument to the laboring man that it would lower the cost of his clothing. You said if you put wheat on the free list it would increase the price of wheat to the farmer and lower the price of bread to the consumer. You remind me of an old story that I once told here in the House, for which perhaps I should have apologized. It is like the old Indian doctor that called to see a sick boy who had chills and fever. He asked the mother of the boy for two glasses of water, and she gave them to him, and then he took a knife and scraped some bark off a root and put it in one glass, and scraped some more bark off the same root and put it in another glass, and he said to the mother, "Give this first one to the boy for the fever, and this second one for the chills." "Oh," said the mother, "they are both off the same root." He said, "Oh, no; they are not." She said, "I saw you scrape the bark off the same root and put it in the glasses." He said, "But you did not see how I did it. This for the fever I scraped off the root upward. That is for the highcockalorum. This for the chills I scraped down on the root. That he will take for the lowcockahighrum." [Laughter.] When you said to the farmer that the Underwood bill would increase the price he would receive for his product, and to the consumer that it would lower the price that he had to pay, you played the part of the old Indian doctor.

Let me tell you, gentlemen, I was a miller for several years. I owned a grist mill, and know something about grinding wheat. Any miller can sell a barrel of flour for the price he pays for the wheat to make that flour and make his profit and cost of conversion out of the by-products. Let me illustrate: Five bushels of wheat will make 196 pounds of flour, or a barrel of flour. One bushel of 60 pounds will produce 40 pounds of flour and 16 pounds of by-products—bran and middling; 80 pounds of bran and middling out of 5 bushels of wheat.

At $32 a ton you can see that that would be a little better than one and a half times 82, or $1.26. That $1.26 value of his by-product should cover his cost of producing a barrel of flour and his profit. Wheat is selling to-day in this country for $1.16 a bushel. I understand that in Canada it is down to $1 a bushel. A barrel of flour should be sold at the mill to-day for $5. Yesterday I obtained from a wholesaler in this town the wholesale price on two grades of flour—$7.25 for low grade and $10.75 a barrel for high grade. Somewhere along the line between the farmer and the consumer an extortionate enormous profit is being exacted. I do not know whether it is the manufacturer or the retailer, but a wholesaler told me yesterday that right in this city flour is selling as high as 3 cents a pound more than the wholesale price.

Mr. GARNER. Will the gentleman yield?

Mr. FORDNEY. I yield to the gentleman from Texas.

Mr. GARNER. The gentleman got his majority in November upon the proposition that he was going to remedy that situation. I would like to ask him what has he done to remedy it?

Mr. FORDNEY. Great God! Have you not seen it? We have brought in here a bill of 346 pages to remedy it. [Laughter and applause.]

Mr. BLACK. Will the gentleman yield?

Mr. FORDNEY. I have detained the House too long, but I will yield to my friend from Texas for a question.

Mr. BLACK. One question. If wheat was worth $1.25 when the emergency tariff law was passed and is now worth $1, how much will it be worth when this bill passes? [Applause.]

Mr. FORDNEY. I will tell you, my brother. That depends on the amount of Canadian wheat that comes in, and the bill will not let in Canadian wheat, but it will save to the American farmer the right to raise a bushel of wheat instead of transferring that right to Canada. [Applause.]

Now, gentlemen of the House, there are, in round numbers, in the Underwood tariff law 300 items upon the free list, and all its other items are so close to the free-trade door that there is but little space between them.

We have transferred from the free list to the dutiable list 110 items out of the 300 in the Underwood law, many of them agricultural products. We believe by that we are going to help maintain our standard of living and our scale of wages in this country.

You may say, "Why did you protect this or that industry by putting a duty upon it?" I have here a statement of the capital invested, the annual output, the annual pay roll, and the number of people employed in the great steel industry of the United States. The United States Steel Corporation last year, out of a total production of more than 32,000,000 tons of all kinds of iron and steel, produced 13,500,000 tons, or 41.6 per cent of the total production in the United States.

In 1901 the pay roll of the United States Steel Corporation alone was $120,000,000, or $2.31 a day average wages. In 1920 they had in their employ 267,500 people, and the average daily wage was $7 a day, or $581,000,000, and they produced, as I have said, 41 per cent of the total production of all the steel produced in the United States. I am indebted to Mr. Hughes, an employee of that corporation, for this statement. The gentleman from Connecticut [Mr. TILSON] will explain it more fully. That corporation has 186,400 stockholders, 74,000 of whom are employees. Thirty-four per cent of the total stockholders of the United States Steel Corporation are women. That corporation has, in round numbers, $150,000,000 invested in halls, churches, hospitals, parks, and places of recreation for its employees, which is most generous and praiseworthy on the part of that company. I commend that to your consideration. You know it is said that a corporation has no soul, and everybody is ready to kick a corporation. I wish my home town was surrounded by great industries owned by corporations. I would be assured that my neighbor who needs employment would find it there. [Applause.] A combination of capital properly regulated and honestly and efficiently handled is a great benefit.

No man on earth can do a greater good to his less fortunate fellow man than to furnish him employment in order that he may have a fair competence to furnish the necessaries of life to his wife and his little children. No matter how poor he may be he loves his wife and children as you and I love ours, and it is our duty, my friends, to legislate in his behalf.

Gentlemen, Canada at the north of us is our best customer. Canada buys a greater percentage of our exports in proportion to her imports coming into our country than any other country.

Gentlemen of the House, in revising our revenue laws, both our import duties and our internal tax provisions, and paying or extending the time of payment of more than $7,500,000,000 of Government obligations, all of which fall due within 22 months from now, we have a difficult task before us. A great many of the people of the whole world are dissatisfied. There is something wrong; the world is out of tune. Class hatred is running rampant. The radicals are abroad in the land; the anarchist bolder than ever, and bidding defiance to all laws. Highwaymen, bank robbers, and thugs are more numerous than ever before. Why all this? Can we not help in some way to

restore confidence? Both labor and capital must work in harmony, or neither can succeed. Between labor and capital confidence is sadly lacking. Unemployment is everywhere. What is really the trouble? The sun shines as brightly as ever, the streams flow as gently, and our lands and mines are as productive. Our flag never floated so proudly before us. Let us tighten our belts and with greater courage and firmness take up the task that is ours to do—namely, reduce our expenditures, repeal some of the war taxes, abolish useless Government agencies, and provide, instead of Government control and dictation, more Government aid to our industries.

Gentlemen, I have much to say, but I am going to conclude very quickly. I have detained you too long and I know that you are tired. I would like to touch generally on all the industries of the land and give reasons why in our judgment we should give some protection to those industries. You must remember that in every industry great or small in the United States is employed American labor, men who voted for you and for you; but whether they voted for you or not you are their representatives here, and it is your duty, my friends, to legislate for one and all alike.

The silk industry is one of great importance. Two hundred million dollars is invested in the silk industry and the product of these factories amounts to $800,000,000 in value. The pay roll runs up into millions of dollars. Why not protect that industry adequately? The products of that great industry are luxuries most generally. We feel that we have placed in the bill rates of duty as near as we could agree upon them that are adequate protection to that industry; and so we have in the woolen industry, in the cotton industry, in the steel industry, and every other industry in the land. This will stimulate employment and restore business in general.

Sugar is a principal article of food. We produce at home 25 per cent of our annual consumption, and we import from our insular possessions 25 per cent of the total consumption and we bring in the rest as duty-paid sugar. While we have but one-sixteenth of the total population of the world we consume one-quarter of the total production of sugar. What I would like to see, knowing that we have the capital, knowing that we have the soil, the energy, and the ingenuity, is that the United States produce all the sugar the people in this country consume. I know it can be accomplished if we will give adequate protection to the industry.

Mr. RAKER. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. RAKER. Generally speaking, do the rates as fixed in the bill equalize the difference of cost of production in the United States with the cost of production abroad?

Mr. FORDNEY. We have done that as nearly as in our power with the information at our disposal. Of course, it depends upon where the competition comes from. We have legislated against the country that competes with us. Before the war many things which were made in Europe and largely in Germany are now being made in the Orient, where is found the cheapest labor in the world, and therefore in many lines we have to consider the Orient.

Mr. RAKER. Taking the cost of production abroad and the rates fixed for importation to the United States added, does that in a majority of cases equal the cost of like articles in the United States?

Mr. FORDNEY. In the majority of cases, yes. Under the American valuation, with whatever rate we adopt, every country will pay a like amount of duty. American valuation is a step in the right direction, but still we can not, while we are competing with two or three countries, place the duty sufficiently high to protect against the lowest cost of production in the world, for if we did that it might operate as an embargo against the rest of the world. We have as nearly as we possibly could made it equitable to the whole world.

Mr. RAKER. One more question: Are there any number of items in the bill upon which the rate is so high that the cost abroad with the rate fixed would place an embargo on the importation?

Mr. FORDNEY. I do not think so; not intentionally so.

Mr. MOORE of Virginia. Will the gentleman yield for a question?

Mr. FORDNEY. Yes.

Mr. MOORE of Virginia. Before the gentleman concludes, I would like to ask him whether there will be available a statement comparing the rates in this bill with the rates of the Underwood bill and the rates of the Payne-Aldrich bill?

Mr. FORDNEY. I do not think so. I shall have to refer the gentleman to the Underwood bill and the Payne bill for the comparison. There are 10,000 items in the bill, and we did not have time. It is late in the summer. People are impatient; they want an internal-revenue revision, and that comparison would only be a matter of convenience to Members and would not have any effect on the rates in this bill at all.

Mr. HILL. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. HILL. This index gives a reference to every item in this bill which can be referred to the old bill?

Mr. FORDNEY. Yes.

Gentlemen, I have before me a tariff bill of Spain. Spain recently placed a duty of 10¾ cents a pound on sugar, 64 cents a bushel on wheat, $3.65 on a barrel of flour, 15¾ cents a pound on butter, 24 to 44 cents a pound on coffee, depending on whether it is roasted or ground. Other countries of the world are doing likewise. Canada has just changed her manner of collecting ad valorem duties from foreign to the home value. France, Australia, and New Zealand have enacted similar proposals, and we are following suit.

In conclusion, let me call attention to one matter: Before the war our chemical industry was in its infancy. To-day it has grown to be of considerable importance in the world.

Before the war the total world production of dyestuffs was, in round numbers, $100,000,000. We consumed about 14 or 15 per cent of the total world production. Germany produced about 35 per cent of the total world production of chemicals, and especially dyestuffs. Now, with our antidumping bill, with American valuation, with an adequate tariff law, we will try to foster that great industry in this country. More consideration has been given to the chemical schedule, perhaps, than to any other in the bill, and my good friend from Ohio [Mr. LONGWORTH], who has given more time and thought and care and labor to that schedule than anyone else, when he takes the floor will explain it in a most careful and detailed manner.

Gentlemen, I thank you for your patience, and to my Democratic friends I want to say, God bless you. I hope every one of you on the morning of the 21st of July, when you wake up and prepare yourselves to come here on that date to vote on this bill, will dress yourselves in your protection clothes and vote with us to make the thing unanimous. [Prolonged applause and laughter.]

Mr. Chairman, I will ask my good friend from Texas [Mr. GARNER] what he wishes to do.

Mr. GARNER. Mr. Chairman, if I had my choice about it I would prefer to go over until to-morrow, but I do not want the House to lose the time which might be occupied between now and, say, half past 5.

Mr. GARRETT of Tennessee. Mr. Chairman, the rule has not yet been adopted fixing the time for debate upon this bill. We have just listened to the opening of the discussion on a very important matter and I presume it is the desire of Members to meet at 11 o'clock to-morrow.

Mr. FORDNEY. Yes.

Mr. GARRETT of Tennessee. It seems to me in those circumstances that the committee might rise now and the House adjourn.

Mr. FORDNEY. I am very glad to agree to that, and if we run short of time and wish to discuss the matter some evening, we will be glad to do that and make up the time which we lose to-day.

Mr. MONDELL. Mr. Chairman, out of deference to the minority, who will have a difficult time answering the argument of the gentleman from Michigan, I think the committee might rise.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456, the tariff bill, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted to—

Mr. DRIVER, for two days, on account of important business.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment joint resolution (H. J. Res. 32) to change the name of the Grand River in Colorado and Utah to the Colorado River.

HOUR OF MEETING TO-MORROW.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

The SPEAKER pro tempore. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 4 o'clock and 13 minutes p. m.), in accordance with the order heretofore adopted, the House adjourned until to-morrow, Saturday, July 9, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

188. Letter from the Secretary of War, transmitting with a letter from the Chief of Engineers report on preliminary examination of channel leading from Oyster, Northampton County, Va., to the Atlantic Ocean; to the Committee on Rivers and Harbors.

189. Letter from the Acting Secretary of the Navy, transmitting a dispatch from the American ambassador to China, recommending indemnity to the widow of a Chinese citizen, Chang Tsu Tsao, who was thrown overboard from an American naval vessel and his body not recovered; to the Committee on Claims.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. WEBSTER, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 7328) to authorize the construction of a bridge across the Pend d'Oreille River, Bonner County, Idaho, at the Newport-Priest River road crossing, Idaho, reported the same with an amendment, accompanied by a report (No. 253), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. HICKEY: A bill (H. R. 7656) to provide for the appointment of an additional district judge in the district of Indiana, for the establishment of judicial divisions in the said district, and for other purposes; to the Committee on the Judiciary.

By Mr. KAHN: A bill (H. R. 7657) to amend section 13a of an act entitled "An act to amend an act entitled 'An act making further and more effectual provisions for the national defense, and for other purposes,' approved June 3, 1916, and to establish military justice," approved June 4, 1920; to the Committee on Military Affairs.

By Mr. NORTON: A bill (H. R. 7658) to amend the act approved August 25, 1919, entitled "An act for the relief of contractors and subcontractors for the post offices and other buildings and work under the supervision of the Treasury Department, and for other purposes"; to the Committee on Public Buildings and Grounds.

By Mr. FOCHT: A bill (H. R. 7659) to regulate the practice of undertaking and embalming in the District of Columbia, and to safeguard the public health; to the Committee on the District of Columbia.

By Mr. ZIHLMAN: A bill (H. R. 7660) granting pension to all policemen and firemen of the district of Columbia who were retired previous to the act of December 5, 1919; to the Committee on the District of Columbia.

Also, a bill (H. R. 7661) to amend the act of Congress entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia, and for other purposes," approved March 3, 1921; to the Committee on the District of Columbia.

By Mr. ANSORGE: Joint resolution (H. J. Res. 172) granting consent of Congress to an agreement or compact entered into between the State of New York and the State of New Jersey for the creation of the "Port of New York district" and the establishment of the "Port of New York authority" for comprehensive development of the port of New York; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIRD: A bill (H. R. 7662) for the relief of F. R. Messenger; to the Committee on Claims.

By Mr. ELLIOTT: A bill (H. R. 7663) granting a pension to Nora H. Dobbins; to the Committee on Invalid Pensions.

By Mr. FOCHT: A bill (H. R. 7664) granting a pension to Theodosia Harris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7665) granting a pension to Priscilla Boyer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7666) granting an increase of pension to Harry H. Sieg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7667) for the relief of Sylvester B. Woollett; to the Committee on Military Affairs.

By Mr. FRENCH: A bill (H. R. 7668) granting a pension to Eli Spitler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7669) granting a pension to William S. Ritman; to the Committee on Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 7670) granting an increase of pension to Peter McLaughlin; to the Committee on Pensions.

By Mr. HADLEY: A bill (H. R. 7671) providing for a survey of river conditions on Puget Sound, Wash.; to the Committee on Rivers and Harbors.

By Mr. LINTHICUM: A bill (H. R. 7672) granting an increase of pension to Sarah Jane Ross; to the Committee on Invalid Pensions.

By Mr. McKENZIE: A bill (H. R. 7673) granting an increase of pension to Nellie Hubacher; to the Committee on Invalid Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 7674) granting a pension to Samuel W. Farmer; to the Committee on Invalid Pensions.

By Mr. MUDD: A bill (H. R. 7675) granting an increase of pension to Laura J. Lowman; to the Committee on Invalid Pensions.

By Mr. PURNELL: A bill (H. R. 7676) granting a pension to Malinda C. Greyer; to the Committee on Invalid Pensions.

By Mr. REAVIS: A bill (H. R. 7677) granting an increase of pension to Dewey C. Shaw; to the Committee on Pensions.

By Mr. REED of New York: A bill (H. R. 7678) for the relief of the estate of John Stewart, deceased; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7679) for the relief of William C. Chandler; to the Committee on Military Affairs.

By Mr. THOMAS: A bill (H. R. 7680) for the relief of John H. Wingfield; to the Committee on Military Affairs.

Also, a bill (H. R. 7681) granting a pension to Decatur D. Kinser; to the Committee on Pensions.

By Mr. WINGO: A bill (H. R. 7682) for the relief of Jesse L. Meeks; to the Committee on Military Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1811. By the SPEAKER (by request): Petition of W. J. Keely and 299 others, of the tenth congressional district of Missouri, and of Thomas H. Masterson and 509 others, of the twentieth congressional district of Ohio, urging recognition for the Irish republic; to the Committee on Foreign Affairs.

1812. By Mr. BURDICK: Resolution of American citizens of Polish descent, of Rhode Island, concerning policies pursued toward Poland; to the Committee on Foreign Affairs.

1813. By Mr. BURTON: Petition of divers citizens of Defiance and Lima, Ohio, praying for recognition of the Irish republic; to the Committee on Foreign Affairs.

1814. Also, resolutions adopted by the Savings Bank Association of the State of New York, favoring an amendment to the Constitution of the United States, empowering on the one hand the Federal taxation of the income from future obligations of the States and their political subdivisions and on the other hand the taxation of future obligations of the United States by States and their political subdivisions; to the Committee on Banking and Currency.

1815. Also, resolution adopted by divers citizens of Cleveland, Ohio, praying for the inauguration of universal physical education through the cooperation of Federal, State, and local Governments, as embodied in the Fess-Capper bills; to the Committee on Education.

1816. Also, resolution from the Cleveland Chamber of Commerce, protesting against the passage of Senate bill 24 and praying for equal tolls on vessels passing through the Panama Canal; to the Committee on Interstate and Foreign Commerce.

1817. By Mr. CULLEN: Petition of William C. Mathews and 35 others, protesting against the proposed duty of 2 cents per pound on tin; to the Committee on Ways and Means.

1818. By Mr. DARROW: Resolution adopted by the congregation of Calvary Methodist Episcopal Church of Philadelphia, protesting against the antiprohibition parade in New York on July 4 and urging further legislation to make the Volstead Act more effective; to the Committee on the Judiciary.

1819. By Mr. FENN: Petition of L. E. Hinckley, commander, and 82 members of General O. O. Howard Camp, No. 7, National Indian War Veterans, Soldiers' Home, Calif., asking pension justice for veterans; to the Committee on Pensions.

1820. Also, petition of Mrs. C. Mulrain and others, citizens of Hartford, etc., requesting recognition of the Irish republic; to the Committee on Foreign Affairs.

1821. Also, petition of William F. Tierney and others, citizens of Hartford, Conn., seeking recognition of the Irish republic; to the Committee on Foreign Affairs.

1822. By Mr. KENNEDY: Resolution of the Polish citizens of the State of Rhode Island, respecting controversy between the Polish residents of Upper Silesia and Germany and protesting against the policy of the English and Italian premiers in their attitude and conduct toward Poland; to the Committee on Foreign Affairs.

1823. By Mr. KISSEL: Petition of Seldner & Enequist (Inc.), Brooklyn, N. Y., urging relief for people in the Near East; to the Committee on Foreign Affairs.

1824. Also, petition of the Asphalt Association, New York City, N. Y., protesting against any tariff on crude oil; to the Committee on Ways and Means.

1825. By Mr. RAKER: Petition of American Petroleum Co., California Petroleum Co., American Oil Fields Co., Petroleum Midway Co. (Ltd.), Midland Oil Fields Co. (Ltd.), Niles Lease Co., Red Star Petroleum Co., California Star Oil Co., Maricopa Star Oil Co., Coalinga Star Oil Co., and Salvia Oil Co., all of Los Angeles, Calif., protesting against any import duty on oil; to the Committee on Ways and Means.

1826. Also, petition of Olin Wellborn, jr., Doheny Pacific Petroleum Co., Pan-American Petroleum Co., Independent Oil Producers' Agency of Los Angeles, California Oil World, and Chamber of Mines and Oil, all of Los Angeles, Calif., protesting against any import duty on oil; to the Committee on Ways and Means.

1827. Also, petition of Caroline E. Bascom, of Sisson, Calif., urging relief for the people of the Near East; to the Committee on Foreign Affairs.

1828. Also, petition of Fletcher Hamilton, California State mineralogist, urging tariff of 35 cents on quicksilver; to the Committee on Ways and Means.

1829. Also, petition of General O. O. Howard Camp, No. 7, National Indian War Veterans, Soldiers Home, Calif., urging increased pensions for Indian war veterans; to the Committee on Pensions.

1830. Also, petition of American Automobile Association, protesting against a tariff on oil; to the Committee on Ways and Means.

1831. Also, petition of D. J. Foley, Yosemite; J. W. Mills, Fairfield; San Francisco Lodge of Perfection, No. 1, Ancient and Accepted Scottish Rite of Free Masons; J. R. Terrell, of Westwood, all of California, indorsing House bill 7 and Senate bill 1252; to the Committee on Education.

1832. By Mr. REBER: Petition of membership of 300 of St. Paul's Lutheran Church, of Gordon, Pa., urging world disarmament and settlement of all disputes by arbitration; to the Committee on Foreign Affairs.

1833. By Mr. RIORDAN: Petition of 74 citizens of the eleventh congressional district of New York, urging relief for peoples in the Near East; to the Committee on Foreign Affairs.

1834. By Mr. ROGERS: Petition of Denis Brassill and 89 others, of Massachusetts, urging the United States to recognize the Irish republic; to the Committee on Foreign Affairs.

1835. By Mr. VARE: Memorial of Philadelphia Board of Trade, opposing enactment of House bill 5676; to the Committee on Agriculture.

1836. By Mr. YOUNG: Resolution of the Walton Equity Exchange, of Walton, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1837. Also, resolution of the Prospect Farmers' Exchange Co., of Prospect, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1838. Also, resolutions of the Bluffs Farmers' Grain Co., of Bluffs, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1839. Also, resolution of the Meredosia Farmers' Elevator Co., of Meredosia, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1840. Also, resolution of the Lanesville Farmers' Grain Co., of Lanesville, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1841. Also, resolution of the Hammond Elevator Co., of Hammond, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1842. Also, resolution of the Fairmount Cooperative Association, of Fairmount, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1843. Also, resolution of the Waldo Cooperative Elevator Co., of Waldo, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1844. Also, resolution of the Spencerville Farmers' Union Co., of Spencerville, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1845. Also, resolution of the Emery Farmers' Grain Co., of Emery, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1846. Also, resolution of the Cedarville Farmers' Grain Co., of Cedarville, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1847. Also, resolution of the Peabody Cooperative Co., of Peabody, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1848. Also, resolution of the Woodburn Equity Exchange, Woodburn, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1849. Also, resolution of the Edon Farmers' Cooperative Co., of Edon, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1850. Also, resolution of the Sadorus Grain & Coal Co., of Sadorus, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1851. Also, resolution of the Catlin Farmers' Co., of Catlin, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1852. Also, resolution of the Yuton Farmers' Grain Co., of Yuton, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1853. Also, resolution of the Strawn Crossing Farmers' Elevator Co., of Strawn Crossing, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1854. Also, resolution of the Farmers' Elevator & Supply Co., of Morrison, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1855. Also, resolution of the Harmon Farmers' Grain & Coal Co., of Harmon, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1856. Also, resolution of the Shawtown Grain Co., of Shawtown, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1857. Also, resolution of the Williamstown Elevator Co., of Williamstown, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1858. Also, resolution of the Swanders Farmers' Elevator Co., of Swanders, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1859. Also, resolution of the Ney Farmers' Cooperative Co., of Ney, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1860. Also, resolution of the Buckland Farmers' Exchange Co., of Buckland, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1861. Also, resolution of the Muncie Farmers' Cooperative Elevator Co., of Muncie, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1862. Also, resolution of the Beaverdam Cooperative Elevator Co., of Beaverdam, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1863. Also, resolution of the Uniondale Equity Exchange, of Uniondale, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1864. Also, resolution of the Forest Farmers' Cooperative Co., of Forest, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1865. Also, resolution of the German Valley Farmers' Grain Co., of German Valley, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1866. Also, resolution of the Lindenwood Cooperative Exchange, of Lindenwood, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1867. Also, resolution of the Spring Valley Farmers' Exchange Co., of Spring Valley, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1868. Also, resolution of the Sully Cooperative Exchange, of Sully, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1869. Also, resolution of the Farmers' Cooperative Exchange, of Prairie City, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1870. Also, resolution of the Arcola Farmers' Elevator Co., of Arcola, Ill., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1871. Also, resolution of the New Haven Equity Exchange, of New Haven, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1872. Also, resolution of the Berne Equity Exchange Co., of Berne, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1873. Also, resolution of the Geneva Equity Exchange, of Geneva, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1874. Also, resolution of the Farmers' Elevator Co., of Pierceton, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1875. Also, resolution of the Farmers' Cooperative Co., of Knox, Ind., favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1876. Also, resolution of the Dola Farmers' Exchange Co., of Dola, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1877. Also, resolution of the Mount Blanchard, Ohio, Elevator Co., of Mount Blanchard, Ohio, favoring enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1878. Also, resolution of the La Fayette Cooperative Co., of La Fayette, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1879. Also, resolution of the West Cairo Farmers' Elevator Co., of West Cairo, Ohio, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1880. Also, resolution of the Gilbert Grain Co., of Gilbert, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

1881. Also, resolution of the Farmers' Cooperative Co., of Roland, Iowa, favoring the enactment of legislation providing that the United States place representatives in foreign countries to collect and transmit information regarding crop and grain conditions abroad, and for other purposes; to the Committee on Agriculture.

HOUSE OF REPRESENTATIVES.

SATURDAY, *July 9, 1921.*

The House was called to order at 11 o'clock a. m. by Mr. WALSH as Speaker pro tempore.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Heavenly Father, Thou art the creator of the morning light and our divine guardian through the still watches of the night season. Therefore we pause at the threshold of our labors to give Thee praise. Thy providences are so generous in the ministries of their love. We thank Thee for Thy will concerning us. Teach us that life in its divinest essence is nobility of soul, purity of heart, and a zealous activity in doing that which is good. May we this day walk worthily, labor justly, and hate and despise cowardice and falsehood. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

HERMAN A. PHILLIPS.

Mr. IRELAND. Mr. Speaker, I ask consideration for the privileged resolution which I send to the Clerk's desk.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 59.

Resolved, That the Clerk of the House of Representatives be directed to pay, out of the contingent fund of the House, to Nellie May Phillips, widow of Herman A. Phillips, late Journal clerk of the House of Representatives, a sum equal to one year's salary as Journal clerk, and that the Clerk be further directed to pay out of the contingent fund the expenses of the last illness and funeral of said Herman A. Phillips, such expenses not to exceed $250.

The committee amendment was read, as follows:

On page 1, line 5, of the resolution, strike out "one year's" and insert in lieu thereof "six months'," so that it will read "a sum equal to six months' salary as Journal clerk."

Mr. IRELAND. Mr. Speaker and gentlemen of the House, this is the usual resolution for the dependents of a deceased employee of the House, with this exception, that the original resolution as drawn provided for the payment of one year's salary to the dependents of the deceased employee, and the custom for ordinary employees of the House has been to pay six months' salary and funeral expenses not to exceed $250 in amount. It has been found to be the precedent, however, of the House that officers of the House and employees of the so-called Clerk's desk have been paid a full year's salary. In committee this resolution was amended to conform to the ordinary resolution. I gave notice before the committee at that time that I should oppose the amendment, and do so now. The family of the deceased employee were led to believe while in his last illness that should he fail to recover therefrom they would receive one year's full salary, and that was the impression and the understanding of his associates. I yield to the gentleman from Illinois [Mr. MANN].

The SPEAKER pro tempore. The gentleman from Illinois is recognized for five minutes.

Mr. MANN. Mr. Speaker, the practice of the House has been to pay a year's salary to the widow or dependents of a Member of the House, six months' salary to the ordinary employee of the House, and a year's salary to the widow or dependents of one of the elected officers of the House. Apparently the precedents are that the practice has been to pay a year's salary to the widow or dependents of clerks at the desk, including the Official Reporters of the House. The precedents are not numerous. The last time an officer or clerk at the desk died was in 1887. A reading clerk died and the House proceeded to pay the widow of the reading clerk one year's salary. Prior to that time Mr. Hincks, one of the Official Reporters of the House, died, and the Committee on Accounts did not recommend a year's salary, but the House increased the amount and paid a year's salary to the widow of the reporter. Again, when Mr. McElhone, one of the Official Reporters, died, the Committee on Accounts recommended that his widow be paid one year's salary, and the House so voted, and he was so paid.

I brought Herman Phillips here to the House nearly 24 years ago as assistant Journal clerk. Shortly afterwards he became Journal clerk of the House. From then on he was Journal clerk during all of the time except when the Democratic side of the House was in control of the House. He had a long and very severe illness, a very expensive illness. It was unfortunate for him that I brought him here. He would have probably died worth considerable money if he had remained at home in Chicago, but I induced him to come down here. He was an expert man in the House, both as a Journal clerk and as an aid in parliamentary work. I think the House can afford to follow the few precedents which have been set, there being no precedents on the other side, and pay his widow as the widow of a clerk at the desk, a full year's salary; and I hope that the amendment reducing the amount to six months' salary may be defeated.

The SPEAKER pro tempore. The question is upon the committee amendment.

The question was taken, and the Speaker pro tempore announced the noes appeared to have it.

On a division (demanded by Mr. BLANTON) there were—ayes 7, noes 67.

So the amendment was rejected.

The SPEAKER pro tempore. The question is on the passage of the resolution.

The question was taken, and the resolution was agreed to.

On motion of Mr. MANN, a motion to reconsider the vote by which the resolution was agreed to was laid on the table.

Mr. BYRNS of Tennessee. Mr. Speaker——

The SPEAKER pro tempore. For what purpose does the gentleman from Tennessee rise?

SABBATH OBSERVANCE.

Mr. BYRNS of Tennessee. Mr. Speaker, I ask unanimous consent to proceed for not exceeding one minute for the purpose of making an announcement.

The SPEAKER pro tempore. The gentleman from Tennessee asks unanimous consent to proceed for one minute for the purpose of making an announcement. Is there objection? [After a pause.] The Chair hears none.

Mr. BYRNS of Tennessee. Mr. Speaker, Mr. Noah W. Cooper, a gentleman of the highest character and a citizen of my home city of Nashville, Tenn., is chairman of a committee which has been named to secure, if possible, the enactment of national legislation with reference to Sabbath observance. I hold a telegram from him in which he asks me to make public announcement of the fact that he and his committee will be in Washington on July the 14th for the purpose of presenting their appeal to the Members individually and the proper committees having jurisdiction of the subject.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed the bill (S. 237) to consolidate certain forest lands within the Humboldt National Forest, in the State of Nevada, and to add certain lands thereto, and for other purposes, in which the concurrence of the House of Representatives was requested.

SENATE BILL REFERRED.

Under clause 2 of Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 237. An act to consolidate certain forest lands within the Humboldt National Forest, in the State of Nevada, and to add certain lands thereto, and for other purposes; to the Committee on the Public Lands.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that July 8 they had presented to the President of the United States for his approval the following bill:

H. R. 5622. An act providing for the appraisal and sale of the Vashon Island Military Reservation, in the State of Washington, and for other purposes.

CALL OF THE HOUSE.

Mr. FIELDS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] A quorum is not present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

Ansorge	Freeman	Kreider	Rose
Anthony	Frothingham	Kunz	Rouse
Bell	Funk	Langley	Rucker
Bixler	Gahn	Lee, Ga.	Ryan
Bond	Gallivan	Lee, N. Y.	Sabath
Britten	Garrett, Tex.	Lehlbach	Sanders, Tex.
Brooks, Ill.	Gorman	Linthicum	Scott, Mich.
Browne, Wis.	Gould	Lyon	Sears
Burdick	Graham, Pa.	McLaughlin, Mich.	Sinnott
Burke	Green, Iowa	McLaughlin, Pa.	Sisson
Burroughs	Greene, Mass.	McSwain	Slemp
Burtness	Griffin	Maloney	Snyder
Cannon	Hammer	Mead	Sproul
Carew	Haugen	Michaelson	Stafford
Chalmers	Hawes	Mills	Stevenson
Chandler, N. Y.	Hicks	Moore, Ohio	Stiness
Clark, Fla.	Himes	Morin	Strong, Pa.
Classon	Houghton	Mott	Sullivan
Codd	Hudspeth	Mudd	Sumners, Tex.
Connally, Tex.	Husted	Nelson, A. P.	Tague
Cooper, Ohio	Hutchinson	Nelson, J. M.	Taylor, Ark.
Cramton	Jacoway	O'Brien	Taylor, Colo.
Crisp	Jefferis, Nebr.	O'Connor	Taylor, Tenn.
Dale	Jeffers, Ala.	Olpp	Thomas
Dallinger	Johnson, Ky.	Paige	Thompson
Deal	Johnson, Miss.	Parker, N. Y.	Tinkham
Dempsey	Johnson, S. Dak.	Patterson, N. J.	Upshaw
Dickinson	Jones, Pa.	Perkins	Vaile
Driver	Kahn	Perlman	Vare
Dunn	Kendall	Petersen	Volk
Dupré	Kennedy	Rainey, Ala.	Ward, N. Y.
Echols	Kiess	Rainey, Ill.	Wason
Edmonds	Kindred	Ramseyer	Williamson
Fairchild	Kirkpatrick	Ransley	Winslow
Fenn	Kitchin	Reed, W. Va.	Wise
Fish	Kleczka	Riddick	Wyant
Fisher	Kline, N. Y.	Riordan	
Focht	Knight	Rogers	

The SPEAKER pro tempore. On this vote 280 Members have responded to their names, a quorum.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER pro tempore. The Doorkeeper will open the doors.

TIME FOR GENERAL DEBATE ON TARIFF.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent that the general debate run on until a little later, when a rule will be brought in. It will be announced soon when that rule will be presented. I also ask that the time be divided equally between the two sides of the House, and that I be permitted to control one-half of the time and the gentleman from Texas [Mr. GARNER] the other half.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent that general debate upon the bill H. R. 7456 be equally divided and controlled by himself and the gentleman from Texas [Mr. GARNER]. Is there objection?

Mr. FORDNEY. That takes into consideration time already used on this side.

Mr. GARNER. In this unanimous-consent request, do you expect to be charged with the time already occupied?

Mr. FORDNEY. Yes, sir.

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

REPRINT OF TARIFF BILL.

Mr. FORDNEY. Mr. Speaker, I present the following resolution, which I ask to have read.

The SPEAKER pro tempore. The gentleman from Michigan offers a resolution, which the Clerk will report.

The Clerk read as follows:

House concurrent resolution No. 23.

Resolved by the House of Representatives (the Senate concurring), That the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, be printed as a House document with an index, and that 15,000 additional copies be printed, of which 9,000 shall be for the use of the House, 4,000 for the Senate, 1,000 for the Committee on Ways and Means of the House, and 1,000 for the Committee on Finance of the Senate.

Mr. FORDNEY. Now, Mr. Speaker, we have received estimates as to the cost of printing, and to print the bill in the size of the print that has already appeared, will cost in round numbers $3,000. I ask to have the size reduced to the ordinary document size, which will reduce that cost to $1,398.

Mr. HUMPHREYS. Can we get this through the document room or the folding room?

Mr. FORDNEY. Whatever is usual.

Mr. HUMPHREYS. It does not state. As written it will go to the document room.

Mr. FORDNEY. The document room, I think, is the proper place.

Mr. HUMPHREYS. I think it ought to go to the folding room.

Mr. FORDNEY. All right; to be placed in the folding room, at the disposal of the Members of the House.

The SPEAKER pro tempore. Does the gentleman from Michigan ask to modify his resolution?

Mr. FORDNEY. I ask that such change be made.

The SPEAKER pro tempore. The Clerk will report the resolution as modified.

The Clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That the bill H. R. 7456, "To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," be printed as a House document with an index, and that 15,000 additional copies be printed, of which 9,000 shall be for the use of the House, to be distributed through the folding room, 4,000 for the Senate, 1,000 for the Committee on Ways and Means of the House, and 1,000 for the Committee on Finance of the Senate.

Mr. BLANTON. Will the gentleman from Michigan yield?

Mr. FORDNEY. I yield to the gentleman from Texas.

Mr. BLANTON. The forms of the print of the present bill are already in existence and can be used if this same type is used.

Mr. FORDNEY. Yes; but it will cost $3,000 to print it in that form and less than $1,400 in this form.

Mr. BLANTON. Has the gentleman taken into consideration that if the size of the type is reduced every word of these 346 pages will have to be reset? Has the gentleman taken that into consideration?

Mr. FORDNEY. It does not take so much paper or press work; it would be set in good large type in document form, and would be just as agreeable, in my opinion, and would save $1,500 in printing.

Mr. BLANTON. Has the gentleman taken into consideration the cost of having the linotype reset all this matter?

Mr. FORDNEY. Yes. Those estimates were given to us by the Printing Office.

Mr. GARNER. Mr. Speaker——

The SPEAKER pro tempore. Does the gentleman from Michigan yield to the gentleman from Texas?

Mr. FORDNEY. I will.

Mr. GARNER. Reserving the right to object, I want to make a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GARNER. I do not know what is customary under the rules, but heretofore when bills were read the first time they were printed in the RECORD, and I was wondering why this bill was not printed in the RECORD as it was read to the House. I present that inquiry to the Speaker.

Mr. MANN. Bills that are read the first time are never printed in the RECORD.

The SPEAKER pro tempore. The Chair is of the opinion that when a bill is read the first time in the House it is not printed in the RECORD, but it simply sets forth that the Clerk has read the bill.

Mr. MANN. A bill that is read a second time is not printed in the RECORD except when an amendment is offered.

Mr. GARNER. I understood that the object of the reading of the bill was to convey the information to the public which the gentleman from Michigan is now seeking to convey.

Mr. MANN. I assure the gentleman from Texas that the public would never read a bill in the fine type in which it would be printed in the RECORD.

Mr. GARNER. I am not as able to speak for the public as is the gentleman from Illinois.

The SPEAKER pro tempore. The Chair is advised by one of the Official Reporters of the House that the practice was followed in this instance which has been established for some time, that when a long bill has been read in the Committee of the Whole it is not printed in the RECORD.

Mr. FORDNEY. Mr. Speaker, I move the adoption of the resolution.

The SPEAKER pro tempore. The question is on agreeing to the resolution offered by the gentleman from Michigan, as modified.

The resolution as modified was agreed to.

Mr. CAMPBELL of Kansas rose.

The SPEAKER pro tempore. For what purpose does the gentleman from Kansas rise?

Mr. CAMPBELL of Kansas. I ask unanimous consent to proceed for one minute.

The SPEAKER pro tempore. The gentleman from Kansas asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. CAMPBELL of Kansas. Mr. Speaker, on Tuesday, after the disposition of privileged matters on the Speaker's table, I shall call up a rule for the further consideration of the tariff bill.

THE TARIFF.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. FORDNEY] moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the tariff bill. The question is on agreeing to that motion.

The motion was agreed to.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. FORDNEY. Mr. Chairman, I ask that the gentleman from Texas [Mr. GARNER] now use some time.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. GARNER. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. FORDNEY. That privilege will be given, Mr. Chairman, to everybody in the rule, I believe.

Mr. Chairman, I yield 30 minutes to the gentleman from New Jersey [Mr. BACHARACH].

The CHAIRMAN. The gentleman from New Jersey is recognized for 30 minutes.

Mr. BACHARACH. Mr. Chairman and gentlemen of the committee, it was my purpose mainly to read an address that I had prepared regarding the tariff, but I can not allow to go unchallenged the statement of my colleague from Texas [Mr. GARNER] concerning the American valuation on the straw hat that he showed us here to-day. I want to call attention to it, and I will do so in just a moment. If his statement was correct as to the foreign valuation of the hat and the American valuation of the hat, then there would be no straw-hat industry in this country under the present bill.

The gentleman from Texas made the statement that straw hats were taxed $10 per dozen. Straw hats have no specific duty and the gentleman from Texas must have drawn upon his imagination to find a specific duty in this bill. For the information of the committee I will read the exact language of the item pertaining to straw hats:

Straw hats valued at more than $3 per dozen, 20 per cent ad valorem; all other men's hats composed wholly or in chief value of any of the foregoing materials, whether wholly or partly manufactured, either not blocked or blocked, not trimmed or trimmed, if sewed, 40 per cent ad valorem.

That would mean that on the hat that the gentleman from Texas states would cost in this country $2 and which would cost in France $1, on the basis of a 40 per cent rate, American valuation, the duty would amount to 80 cents; that is, instead of figuring the duty on the foreign cost or valuation we figure it on the American valuation and add it to the foreign cost. In other words, it would mean that every hat which comes into this country from abroad at $1.80 could not be produced in the United States for less than $2. Without the duty imposed by this bill, computed upon the American valuation, it would mean that the tremendous straw hat industry in the United States, which employs approximately 7,000 people, representing a capital investment of approximately $10,000,000, would not be able to meet the competition from the Orient, from which countries nine-tenths of our imports in straw hats come; and American workmen, were it not for the adequate protection afforded by this bill, would be forced to live in the style of the Chinese and Japanese if their industry would continue in existence and endeavor to meet the competition of the cheap labor markets of the Orient. Of course, as a matter of fact, neither the Underwood bill nor the Payne bill ever intended that such a commodity as straw hats to any great extent would be allowed to come into this country from abroad, and it is a noteworthy and additional fact, of course, that in straw hats the trade-mark, particularly in this country, amounts to a great deal. We can go to one store and buy a hat bearing one trade-mark for $8 and go into another store and buy a hat, apparently of equal value, bearing another trade-mark for $5 or even less. The query of the gentleman from Texas would not hold good, because certainly under the conditions he recites the industry in this country would go out of business.

The gentleman from Texas stated that he did not see any reason why at this time we should have a tariff bill, and my colleague from Texas is as well informed a man as there is in the House. He knows that as to the silk industry in this country, while it has grown some, yet the imports of silk have increased from $28,000,000 to $54,000,000 in less than five years. He also knows that where a few years ago a million dollars' worth of glass came into this country, within the past year $10,000,000 worth has come into this country, and the glass industry is stagnant. He also knows of the failures that have occurred recently in the silk business.

I want to refer also to this question of American valuation before proceeding with my statement. I have prepared a little memorandum here showing the situation with regard to habutai silk. Many Members have stated that they did not understand how we arrive at the American valuation on goods that come from a foreign country. Habutai silk is 6½ mommie, and mommie is the weight. It would be 19 yards to a pound, and the habutai silk is really the leading silk imported into this country from Japan. It is used for women's waists in the higher grades and also for men's shirts. In the lower grades and in the lighter weights it is used for the lining of some hats and also for coffin linings. It is impossible for us in this country to produce a less weight than 6½ mommie. The only reason that the manufacturers have given as to why they want the lighter weight silk kept out of this country is in order that they may be able to produce something that the people would use in place of habutai silk.

Example: One yard of habutai silk of the weight of 6½ mommie—

Cost in the United States:

Per yard	$0.75
Per cent duty rate, Fordney bill, American valuation	31
Amount of duty per yard	0.2325

Cost in Japan:

Per yard	$0.45
Per cent rate of duty in Underwood law	45
Amount of duty per yard	0.2025

By adding 23¼ cents to the cost of the silk in Japan of 45 cents per yard we have the effect of the American valuation; thus:

$0.45
.2325
.6825 cost of Japanese habutai under American valuation.

By dividing the American duty of 23¼ cents by the foreign cost we have a protective duty of 51⅔ per cent, as against 45 per cent under the Underwood law, showing that the 31 per cent rate under the American valuation plan is equal in this case to 51⅔ per cent.

This is what has occurred in the last week: As to the actual market price of 6½ mommie from Japan, the 75 cents indicates the price in this country, and under our present valuation, the American valuation, it would mean that the duty would be 23¼ cents duty per yard on the imported Japanese silk.

Mr. MADDEN. Mr. Chairman, will the gentleman yield there?

Mr. BACHARACH. Yes.

Mr. MADDEN. Which would make it 68¼ cents?

Mr. BACHARACH. Yes; making a total cost of 68¼ cents on the Japanese habutai silk, which compares with the 75 cents in this country.

However, what I wanted to explain particularly to the Members of the House was how they arrive at the difference between the American valuation and the foreign valuation. A statement that has been made heretofore both in committee and here is that the American valuation is about 50 per cent more than the foreign valuation. I think that is generally true. It is the purpose of this committee not to keep the merchandise out of this country but to make it competitive. Of course that is the policy of the Republican Party.

Mr. GRAHAM of Illinois. Will the gentleman yield?

Mr. BACHARACH. I yield to the gentleman from Illinois.

Mr. GRAHAM of Illinois. Will the gentleman tell us whether there are any factories that are producing habutai silk in the United States now?

Mr. BACHARACH. I rather think probably there may be factories that are producing it, and I want to say why. There are certain factories, the same as in all other merchandise lines, in which they have standardized goods. For instance, the gentleman himself, probably, when he goes to buy a shirt or collar goes and asks for some particular kind and pays more for it because he wants that kind and knows that it is satisfactory, and they are the only people who are manufacturing that class of silk in this country.

Mr. GRAHAM of Illinois. I do not know whether the gentleman can tell me about this or not, but during the war this habutai silk was found to be about the only kind that could be used in the preparation of certain cartridge cases.

Mr. BACHARACH. The silk used in the manufacture of cartridge bags is not exactly a habutai silk; they are made from what is known as Japanese peignes or combed silk.

Mr. GRAHAM of Illinois. And vast quantities were used by the Government, all of which, I assume, were imported, or a large part. Now, if by a tariff of this kind that sort of a business can be built up in this country, it seems to me it would be very advantageous. I know of the vast quantities that were purchased by the United States during the war. Does the gentleman know whether they were imported?

Mr. BACHARACH. The business of supplying cartridge bags for the United States Government developed a large importation of this Japanese peignes, which material, up to that time, was not imported into the United States in any appreciable quantity. This silk was also extensively used in the manufacture of airplanes, parachutes, et cetera. We are a great silk manufacturing country. At the same time there are certain classes of silks on which we do not compete. This habutai silk, made in Japan, is one that we do not compete on. This habutai silk is a pure silk. Japan was in such poor favor so far as its merchandise was concerned that it was compelled to standardize it, and now the Japanese stamp the silk that comes into this country, showing not only that it is pure silk but also the grade, showing whether it is first, second, or third grade.

Mr. BLANTON. Will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. BLANTON. I wish to ask the gentleman about the American valuation. It is all right so long as the price in the United States remains 75 cents, but suppose some Daniel J. Sully should create a monopoly in the silk market, and instead of having the American valuation at 75 cents it should be increased 300 per cent, to $2.25. Then, this 31 per cent would amount to three times 23¼, or 69¾ cents duty, which duty alone comes within a few cents of the real American value of 75 cents, hence would make a prohibitive rate.

Mr. BACHARACH. No; it would be just the other way.

Mr. COPLEY. I will give the gentleman the exact figures in a moment.

Mr. BACHARACH. My colleague, the gentleman from Illinois [Mr. COPLEY] is now figuring it.

Mr. COPLEY. It would be $1.14¾ cents.

Mr. BACHARACH. I thank my colleague.

Mr. BLANTON. But as the American valuation went up or down, this duty would go up or down, of course.

Mr. BACHARACH. It would be added to the $2.25, as the gentleman stated, and my friend from Illinois has figured it, and makes it $1.14.

Mr. TREADWAY. Will my colleague yield?

Mr. BACHARACH. I yield to my colleague on the committee.

Mr. TREADWAY. I was not quite sure when the gentleman began his explanation whether he told the House where the 31 per cent in the first column came from.

Mr. BACHARACH. The 31 per cent rate in this bill on woven goods.

Mr. TREADWAY. I do not think the gentleman made that plain.

Mr. BACHARACH. I probably neglected to state that; but the silk industry is one great industry where there will probably never be a monopoly. It is very easy to get into the silk business, and to-day there are about 1,200 factories working part of the time on silk. In other words, the silk industry is not like any other industry. It is not very affluent.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. CHINDBLOM. May I ask with reference to the figures made by my colleague [Mr. COPLEY]? Assuming what the gentleman from Texas [Mr. BLANTON] said, that the manufacturers of this silk should treble the price and make it $2.25, then, I understand, according to the figures on the chart, the Japanese article with the duty could be laid down in the United States for $1.14.

Mr. BACHARACH. Yes.

Mr. CHINDBLOM. And, of course, that would kill off the American product.

Mr. BACHARACH. Absolutely. There is this much about the American valuation and the foreign valuation. Personally I was not a very earnest convert or advocate of the American valuation; but when we heard the testimony which was laid before our committee, in which it was absolutely shown that importers would come and make misstatements as to valuation, the necessity for it was made apparent. In fact, the best evidence, to my mind, that this is a good proposition is that the only people who have objected to it are the importers and the people who handle the greatest amount of imported merchandise. We had one large concern located in New York that made the statement before the committee that they sold 90 per cent of American-made goods, and I do not believe there is a man in the country who is engaged in the mercantile business but knows that they use approximately 90 per cent of foreign-made goods.

Now, if there are any further questions to be asked on this subject I shall be glad to answer them. If not, I will proceed with my remarks.

Mr. FORDNEY. I would like to have the gentleman correct the gentleman from Texas as to the duty on straw hats.

Mr. BACHARACH. I did explain that when I began.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BACHARACH. I yield to the gentleman from Illinois.

Mr. CHINDBLOM. Will the gentleman make a brief statement of the operation of this American valuation system showing just how it is going to operate, so that anyone knowing the foreign value and the American value may figure out the tariff?

Mr. BACHARACH. That was the purpose I had in preparing this chart.

Mr. CHINDBLOM. That is not in the RECORD.

Mr. TREADWAY. Will my colleague yield?

Mr. BACHARACH. I yield to the gentleman from Massachusetts.

Mr. TREADWAY. If I understoood the question of the gentleman from Illinois [Mr. CHINDBLOM] he would like a copy of the table of comparative relations between American and foreign values. We have that, and it should be inserted in the RECORD, either in the remarks of the gentleman from New Jersey or of some other Member.

Mr. BLANTON. Will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. BLANTON. The gentleman has helped me out on one proposition very materially, and if he will permit, I want to ask him what he means by "American valuation?" Is it the wholesale price at which the goods are listed, or is it the total expense that it costs the manufacturer to produce it?

Mr. BACHARACH. I would say that it is the competitive price. If we take the cost of merchandise abroad you would compare the cost of the merchandise here, but if you are going to take the wholesale price abroad you would take the wholesale price here.

Mr. BLANTON. If it is not the list price or cost of production, is it a value definitely ascertainable?

Mr. BACHARACH. Oh, I would not say it was the list price. Prices differ, prices vary, as the gentleman knows.

Mr. TREADWAY. Will the gentleman yield?

Mr. BACHARACH. Certainly.

Mr. TREADWAY. In reference to the table of comparison in the American and foreign valuation, the chairman informs me that he intends to insert that table as a part of his remarks.

Mr. CHINDBLOM. Then that will answer my inquiry.

Mr. TREADWAY. The gentleman from Texas inquired what the American valuation is. If he will carefully read section 402 on page 240, he will have a comprehensive idea of it.

Mr. BLANTON. I have read it and I heard the Clerk read it.

Mr. BANKHEAD. Will the gentleman yield?

Mr. BACHARACH. I will.

Mr. BANKHEAD. I want to ask the gentleman one question. He has taken the item of silk as an illustration.

Mr. BACHARACH. Yes; and the reason I did that was because I was on the subcommittee.

Mr. BANKHEAD. Under the existing Underwood tariff law there is a certain duty on silk, and does the gentleman take into consideration the present tariff in fixing the American valuation?

Mr. BACHARACH. On imported silk I did figure it. The present duty is 45 per cent under the Underwood law.

Mr. BANKHEAD. Upon what intrinsic basis is the American valuation fixed? I would like to know how a revenue agent would undertake to figure out the American valuation; upon what basis would he figure it?

Mr. BACHARACH. In this particular case the silk manufacturers are contending that we are not giving them enough duty. Several silk manufacturers were in my office and they seemed to be under the impression that I would not favor as much protection as they thought they required. That is where I received the figures of 75 and 45, which I stated was the American price of the habutai silk.

Mr. BANKHEAD. Suppose within six months the prices changed. Are the revenue officials to keep track of the different prices from month to month and be charged with the responsibility?

Mr. BACHARACH. They can find out the American valuation very much easier than they would be able to find out the foreign valuation six months from now. Incidentally the wages will go up in Japan and other countries.

Mr. KETCHAM. Will the gentleman yield?

Mr. BACHARACH. I will.

Mr. KETCHAM. I have been much interested in the statement of the gentleman from Texas that we might develop our foreign trade by buying in foreign markets, and I am interested in the interpretation of the gentleman from New Jersey of that argument. Has the gentleman from New Jersey any opinion as to the relative costs of labor involved in the production of goods here and abroad?

Mr. BACHARACH. There has been a statement compiled, which the chairman of the committee will file, of the wage scale in all countries. I want to say for the information of the gentleman from Michigan and others that in my district there are a great many glass factories, and not one of them is running on account of the large amount of goods coming in from abroad. I know that those laboring men can not afford to buy merchandise.

Mr. KETCHAM. I thank the gentleman from New Jersey. I was wondering if he shared the opinion of the gentleman from Texas, who seems to be solicitous about procuring work for the foreign workmen when there are millions of our own workmen lying idle.

Mr. WOODS of Virginia. Will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. WOODS of Virginia. The gentleman is familiar with the silk business?

Mr. BACHARACH. Somewhat.

Mr. WOODS of Virginia. I happen to know that artificial silk is manufactured from wood fiber in two plants in this country, and there is another one being built. I do not think they need protection, but there are several plants abroad, and I do not think in the bill there is any provision for a tariff on this silk.

Mr. BACHARACH. Oh, yes; there is a provision for artificial silk. It is slightly higher than 31 per cent.

Mr. WOODS of Virginia. I thought it might come in and supplant the genuine silk.

Mr. DOWELL. Will the gentleman yield?

Mr. BACHARACH. Certainly.

Mr. DOWELL. Will the committee present in the RECORD a comparative statement of the price of labor for the manufacture of certain articles in other countries and the wages in this country?

Mr. BACHARACH. The gentleman from Michigan [Mr. FORDNEY] has that information, and I have no doubt he will print it in the RECORD.

Mr. FORDNEY. I would like to say to the gentleman that we have a printed document of the wages in all countries of the world, together with the American wages, and I will print it as a part of my remarks.

Mr. DOWELL. Is that in a comparative form?

Mr. FORDNEY. It gives the wages of the various industries, and whether skilled or common labor.

Mr. HAWLEY. If the gentleman from New Jersey will permit, I will say in answer to the gentleman from Virginia [Mr. WOODS] that the provision with reference to artificial silk will be found in paragraph 1215.

Mr. BACHARACH. I state for the benefit of the membership of the committee on both sides of the aisle with reference to American valuation, that Mr. Hoover came before our committee, and I know a great many people value his opinion irrespective of party. This is the inquiry which was made of Mr. Hoover and his answer thereto:

Mr. CRISP. Mr. Secretary, I would like to ask you a question. Of course, I do not care to have you answer unless you see fit to do so. I do not think there is any man in the country that is more familiar with world-wide conditions than you. I would like to know your opinion as to whether it would be advisable for the United States to change its policy of levying duties, to American valuations, as proposed in the bill which the committee is considering?

Secretary HOOVER. I have given that some thought. My impression is that with the unstable currency and exchange situation that we have in a large part of Europe to-day there is practically no other alternative.

The Ways and Means Committee in presenting this tariff bill to the House is offering a measure which, in the best judgment of its members, will assist materially the early restoration of business prosperity throughout the country. Early in the hearings which were begun by the committee last January it became very evident that the Underwood bill would in no wise protect our industries from the onslaughts of the European manufacturers, who have been looking with envious eyes upon the prosperity of America and beginning to formulate campaigns to bring back to their native lands some of the huge quantities of gold that have come to us in our heretofore enormous trade with the world.

The business interests of the country through their representatives who appeared before the committee, and the masses of the people of the country through their votes in the last election, made it very plain that they wanted American business protected from European and oriental onslaughts. We secured a great deal of information and data from the witnesses who appeared at the hearings and from the petitions that literally flooded us at all times, and, separating the wheat from the chaff, we have drawn up rates and provisions that will serve to equalize conditions and still not debar goods from abroad.

It would not be difficult to cite a huge number of industries that are actually threatened by foreign competition to a point where extinction must follow. We have just passed through a period of strife that showed us we should never in the future permit ourselves to be dependent upon any foreign nation, be it for coal-tar medicinals, dyestuffs, optical and surgical instruments, and other commodities to assist us in warfare, or the little celluloid toys that serve to amuse the little children of the land at all times.

Personally I believe it would have been better had we first taken up the revision of the revenue laws, for these need overhauling and have a wider effect on our people than the tariff. Internal taxes hit all classes of people, from the great captains of industry, through all the various professions and vocations, down to the urchin in the street, who must pay his penny to Uncle Sam before he can buy a 5-cent ice-cream cone. Many of the large commercial institutions of the country begin their fiscal years, as does the Government, on July 1, and it would have had an extremely beneficial effect on business if Congress had made it so that the merchants and manufacturers would be able to begin their new fiscal year with a definite knowledge of what they will be expected to pay in the way of Federal taxes.

With the United States holding the overflowing money bags, and Europe owing to us $10,000,000,000 from loans made to our allies, our markets will be sought more and more as the one place able to absorb the surplus products of all the countries. Germany, in particular, looks to America as the fertile field from which she will draw sustenance in the future.

It is true that there has been a fair increase in the wages paid the German workmen, but with this increase in pay the German masters have also adopted intensive methods of shop practice. This increased efficiency has progressed to a point where the higher present-day wage scales, as compared with prewar wage scales, have more than been offset.

World conditions are changing almost daily. However, immediate action is necessary; and, as we are firmly convinced that with the exception of coal-tar dyes, which are subjected to a different form of legislation in this bill than other commodities, no foreign products will be debarred from import into the United States because of the rates we have provided, this bill should be adopted.

I have heard a great deal of talk about a "scientific" revision of the tariff law, but I must confess I do not understand the relation of the term "scientific" in its application to the preparation of tariff legislation. What your committee endeavored to do was to prepare for your consideration and approval a "business" revision of the present tariff laws. We have endeavored to give to the country a tariff which will, first of all, assure to the country the continuous employment of our people at wages commensurate with their labors. To do that, it is necessary for us to give to the manufacturers of the land that degree of protection which will enable them to

compete in our home markets with the products of Europe and the Orient produced with labor employed at wages that would not suffice in our own country.

We can not guarantee the one without affording the other. Employment and protection must travel hand in hand. And when we complete the revision of the tax laws—a matter that will be undertaken almost immediately after the conclusion of the tariff legislation—we will have well-balanced tax laws on our statute books. It is estimated that the new customs levies provided in the bill which we are to-day considering will increase customs receipts $300,000,000.

Mr. BLANTON. Mr. Chairman, will the gentleman yield right there?

Mr. BACHARACH. Yes.

Mr. BLANTON. The gentleman read a statement of Mr. Hoover on American valuation.

Mr. BACHARACH. Yes.

Mr. BLANTON. Did the gentleman's committee follow the opinion and the inference that should be properly drawn from the unbiased statement of facts recently made in a report on American valuation by the Tariff Commission?

Mr. BACHARACH. I do not know how the rest of the members felt about it, but personally I have a very high regard for the Tariff Commission.

Mr. BLANTON. Does that report warrant the provision in this bill fixing American valuation?

Mr. BACHARACH. I do not believe that the Tariff Commission would make any recommendation.

Mr. BLANTON. They gave the figures and facts.

Mr. BACHARACH. They may have; I will not say they did not, but I do not recollect it now.

Mr. BLANTON. I think that is one of the main propositions now before the House.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. MOORE of Virginia. The fact is that the bulletin contains a very complete historical statement. It shows that this subject has been under consideration since the beginning of the Government. A variety of opinions has been expressed about it, and I think it is fair to say that the majority of opinion has been against it. It has been tried for only a very brief period during the existence of the Government.

Mr. FORDNEY. Mr. Chairman, will the gentleman from New Jersey yield?

Mr. BACHARACH. Yes.

Mr. FORDNEY. Let me say to the gentleman from Texas [Mr. BLANTON] that the Tariff Commission prepared a written statement, copies of which we have over in the Ways and Means Committee, showing the benefits of American valuation. They refrained always from recommending rates.

Mr. MOORE of Virginia. May I interrupt further?

Mr. BACHARACH. Certainly.

Mr. MOORE of Virginia. The law unfortunately does not allow the Tariff Commission now to make any recommendations and it has refrained from doing that in this bulletin to which I referred. I do not know anything about private expressions of opinion that members may have made.

Mr. BACHARACH. I would say that I think probably that would be the better method, and I have something to say in respect to why I opposed the Tariff Commission as far as their recommending rates is concerned. I am in favor of the work that they have been doing.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. LONGWORTH. I think the gentleman from Virginia [Mr. MOORE] misapprehended the gentleman's answer. The Tariff Commission did not make a recommendation in favor of American valuation, but at the request of the committee, who desired to put such a provision in this bill, the Tariff Commission helped us to draft it.

Mr. MOORE of Virginia. I think that is an exact statement, but the gentleman will bear me out that they did furnish a very illuminating statement on the subject.

Mr. LONGWORTH. They did, but they did not on their own initiative make any recommendations.

Mr. MOORE of Virginia. Quite true, and one of my difficulties has been that we are without a recommendation from the Tariff Commission.

Mr. LONGWORTH. Absolutely, and may I also add that the gentleman from Virginia, I think, stated correctly that possibly the majority of opinion has been against American valuation. It has been tried only a little while, but never before has the occasion arisen due to the falling of foreign exchange which made it so absolutely necessary now, as Mr. Hoover says it is.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. FORDNEY. Mr. Chairman, I yield the gentleman five minutes more.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. CHINDBLOM. I want to ask this question with reference to the Tariff Commission: Is the Tariff Commission favorable to our Republican doctrine of protection? The gentleman says that we have no recommendation from them.

Mr. BACHARACH. I would say this. In what I am about to say I shall give my own personal views and not the views of the committee regarding the Tariff Commission.

There has been many murmurings around the halls of Congress, coming sometimes from Members, sometimes from business men, that the writing of tariff legislation should be left to an unbiased board, such as the Tariff Commission. I want to say at the outset that the committee was indeed fortunate in having available the many experts employed by the commission, as well as the advice and suggestions of the very able commissioners themselves. At first, before we got very far into the writing of the bill itself, I held the opinion that perhaps it would be better to give the commission greater leeway in this particular work, and I contemplated offering a provision that would enlarge their powers and authorities.

It was the practice of the committee, in seeking information on which to base rates, to call in for conferences leaders in the various trades. The subcommittee members would sit around the table with these business men and the experts of the Tariff Commission having a knowledge of the particular commodity under consideration. It was the result of one of these conferences that completely removed from my mind any desire to delegate any of the constitutional rights of Congress to any other branch of the Government.

The commission's men and these business men debated the question at considerable length, and the subcommittee drew from their discussion its conclusions on which rates were actually based. Then came the information that these very same business men had gone to the commission and complained of what the latter's experts had told us, using various methods in an effort to have the testimony changed that higher rates might be afforded the industry. It so happened that these men remained steadfast, but there is no assurance that where appointive positions are involved the occasion may not sometimes arise where attachés of the commission may not fall victims to intimidation to retain their jobs.

In my judgment the action of these business men was extremely reprehensible. Their complaints should have been lodged with the Ways and Means Committee. We found them endeavoring to influence the promulgation of rates that would have resulted virtually in embargoing the foreign competing products. The Ways and Means Committee had no desire to take any such action. In fact, it has gone about its work with the idea always before it that rates should be as low as would guarantee the healthy continuance of American business, a reasonable return of revenue to the Government, and still permit healthy competition from abroad.

During the hearings held by the Ways and Means Committee there appeared before us interested persons from every section of the country. Some, as I have intimated, gave us information and suggestions that were very valuable. Others, as I have stated, gave us information and statistics that were not in harmony with facts gathered by the experts of the Tariff Commission and other governmental agencies. We had to be able to discriminate between the various classes of information presented.

We have dependable statistics to show that there has been a very rapid increase in the amount of imports coming into the United States from Europe and the Orient since the close of the war, and evidence was produced to show that these imports were so interfering with the sale of American-made goods that many manufacturers were forced to close down their plants.

The members of the Ways and Means Committee, representing all these various sections of the country, have digested and discussed every bit of evidence presented to them from every angle upon every item on which there was any show of disagreement. Therefore it is only fair to assume that they must have reached conclusions which, until proven otherwise, must be for the benefit of American industry and consequently for the benefit of the American workingman.

In writing this bill we have tried to guide ourselves along a safe course, using the Payne-Aldrich and the Underwood laws

for comparative purposes, bearing in mind always the conditions confronting us by reason of the war. These two laws, I believe, offer a very good criterion as between the Democratic principles of tariff for revenue only and the Republican doctrine of tariff for protection. We have tried not to erect around our industries a wall of protection so high as to utterly exclude foreign products, particularly those offering no hurtful competition. In many instances these rates are below those of the Payne-Aldrich law, although it was contended throughout the hearings that even the Payne rates would prove inadequate protection for our industries against the products made with the cheap labor of foreign countries.

We have thought it proper to give to the manufacturers in the so-called key industries every possible, reasonable chance to compete with foreign-made goods. These key industries are those which were created in the United States during the war upon the urgent solicitation of our own Government for the manufacture of those things which were absolutely necessary for our successful participation in and prosecution of the war, and which the country should never again be without. By "key industries" I mean particularly the chemical and the optical-glass industries, and a number of others whose products were so greatly needed during the war not only for our own use but for the use of our allies. It is absolutely necessary for the future safety of this country that these industries shall be available at all times for any emergency that might arise. We should never again be placed at the mercy of a foreign country for the supply of merchandise of any kind which we are perfectly competent to manufacture here.

The bill is designed for the purpose of giving aid to American industries, so that the workingmen of the country may have ample opportunity to make a decent living wage that they can properly care for their families and give to their children a good education. This latter is theirs by right, and it is something they must have if we propose to maintain our place as the first Nation in the world, the only inheritance that has come to us from our participation in the war.

There is another thing we must bear in mind; education and radicalism are not friends, and if we want to eradicate the feeling of discontent and the economic evils which we have inherited during the past few years we can do it in but one way, by assuring to every man who works for a living that America offers him an opportunity to make a decent wage, that he may own his home and bring up his family in a manner befitting his station in life. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from Delaware [Mr. LAYTON].

Mr. LAYTON. Mr. Chairman, the only reason that I am appearing upon the floor of the House in this debate is because of the duty that I feel imposed upon me as a member of the medical profession. There are only five Members of that profession in this House, and in view of the to me tremendous value of the chemical schedule as it relates to modern medicines it has seemed to me that some one at least among those five Members should make a presentation of the value of that schedule.

Before I begin upon that, practically, I desire to make a small confession of faith and creed as a Republican, as far as the tariff is concerned.

I have been for a long lifetime a firm believer in the policy of the protective tariff. It has been to my mind the one fundamental national policy. It has not only developed our great natural resources, increased our population, augmented our wealth, established our incomparable industrialism, but conserved our highest welfare, safety, and independence, making us in effect the mighty continental Nation that we are. The protective policy was wisely the first national policy to be inaugurated by our fathers—the tariff of 1789 being the first legislative measure passed by the Federal Congress. Although from the beginning it was made the football of politics and the excuse for sectionalism, it became the established policy, and with few intermissions has been practically maintained until sectional lines are broken to such an extent that the advocates of this national principle are found not only North, East, and West, but South as well. There are still, however, advocates of a free-trade policy—fatuous followers of a principle long since condemned by experience. They are the modern survivals of Ephraim, who remain joined to their idol, historically, and whom no reason or experience can affect. Cotton was the foundation of most of the opposition to this splendid national policy, this opposition at one time even going to the limit of an attempt at nullification. The southern grower of cotton in the early days of the country, recognizing that he possessed practically a monopoly of this agricultural product so necessary to the world at large, and therefore possessed the power to fix the price thereof, inspired solely by a selfish interest, longed for and sought to secure by free trade the liberty of selling his product in whatever market would give him the highest price therefor and which afforded him the cheapest articles of manufacture he desired to obtain in return. He wanted the maximum price for his product and a minimum price for everything he sought to buy with his product.

Of course, such a policy was narrow, selfish, sectional, and wholly unpatriotic, and one which, if pursued, would have left this country in a condition of undevelopment of its national resources, with a much-lessened population, a much-lessened wealth, and, in time of warfare, largely helpless by reason of a crude and an imperfect industrialism. To-day the conditions have changed. The cotton grower is asking for a protective tariff on his cotton, for his monopoly is gone and he is feeling the pinch of competition from foreign lands.

There is no reason to spend any further time, nor shall I do so, in lauding the results of this policy of protection to American industries, for it has spoken for itself throughout the whole wide world in such tones of power that there is no land nor any people who do not bear witness to the magnificent evolvement it has brought to us in wealth, in art, in science, in industrialism, in every form of national development beyond that of any other people in the same space of time. It was this policy which found us at the beginning of the late unparalleled conflict possessed of a giant's strength. In spite of a lack of especial militaristic preparedness, it was this most highly differentiated industrial power and development that enabled us to exert such a tremendous influence upon that conflict. We had the wealth, the mechanical genius, the industrial equipment, the food-producing power, the men, and the spirit of battle for such a conflict, and the rapid coordination of these powers was fairly marvelous and incomprehensible to the rest of the world and wholly beyond its expectation.

But it is not my intention or desire to speak of these things at any greater length. My real purpose is to speak in advocacy of Schedule A of this bill and in such a way that I may impress upon the House the necessity—I may say the urgency—of this legislation so as to give to coal tar and its synthetical products that fostering care commensurate with the magnitude not alone of its actualities but of its possibilities, as it relates in all certainty to its influence upon the future of our country.

I am minded at this point to make the declaration that there is no schedule in this bill of greater importance than the chemical schedule. I will go further and say that in all our past history there has been no schedule, not excepting that of iron and steel, that so intimately concerns us as a people, for this schedule embraces not only those products of the laboratory required in the manufacture of textiles and the colorings required in all other forms of our industrial life but a schedule through the mastery of which we will combat diseases, conserve the health of the people, and adequately defend them in time of war. Every epoch of civilization has been characterized by some new discovery which stamped it with a special significance. Sooner or later this will be styled the chemical age. Geological history itself is differentiated into ages by reason of some prevailing and predominant characteristic, either in atmospheric or animal or vegetable existence. The Carboniferous age made it possible for us millions of years afterwards to enjoy the potencies created by the tremendous growth of the vegetable matter which characterized it, and which gave us those inestimable possessions such as coal, gas, coal tar, and thousands of resultant products from these raw materials. When one looks at the crude, ill-smelling stuff, and remembers what has been produced already therefrom, the mind is apt to regard it as some magic thing of illimitable and amazing potentialities. I wish to say again that my firm conviction is that there is nothing in this whole tariff bill so pregnant with influence upon the future progress, power, and safety of our country as this schedule which relates to coal tar and the synthetical chemistry which it has largely developed to the high plane it now occupies in science. I believe that we should give every fostering care to the things comprehended in this schedule in order to develop the highest synthetical chemical knowledge of any nation in the world. The acquisition of this knowledge means the acquisition of the greatest modern power. Loath as I am to involve Government intervention in what should be individual enterprise, I am not sure but what the Government itself in this matter would be wholly justified in appropriating money for the purpose not only of securing the greatest chemists of the world but in developing them as well out of our own genius, so encouraging the work of synthetical chemistry as to insure its own supremacy among the nations of the world—notwithstanding the German mind laughs at this, claiming that we lack devotion and the necessary enthusiasm for such work.

I say this because I believe that just as the strength and influence of every nation in the past has been measured by its production of coal and iron, so will the power, the safety, not to say the welfare and happiness of our country be measured in the future by its knowledge of synthetical chemistry. The iron man has been the commanding figure of our civilization up to this time. In the future it will be the chemist who sits quietly in his laboratory and shifts his molecular combinations obtained from coal tar from one angle of the hexagon to another, thereby changing at will the essential qualities of his product, and so, by an almost inexhaustible permutation, make an infinite variety of things so comprehensive in their usefulness and need that health, road building, housing, textile manufacturing, physical adornment, objects of art which delight the senses, agriculture, photography, national defense, and an indefinite number of other things are included within the scope of its power. When one reflects that the first patent granted for "making pitch and tar out of pit coale" was in 1681, the year that marked practically the first attempt to grapple with the mysterious heritage of the Carboniferous age, and that the value of this tar was not recognized really until two centuries later, we can see how slow the scientific world was in comprehending the inestimable and essential potencies of this wonderful substance, compared to which there is nothing like it in the world. It must not be forgotten that the analytical chemist is now standing only on the threshold of a storehouse of inexhaustible possibilities—on the borderland of a vast domain of infinite discovery. The elements with which he is now becoming familiar afford innumerable vistas of beneficent and endless actualities. There seems to be in truth no end to what may reasonably be expected from his efforts in the future, as he gets more and more familiar with a substance that apparently possesses in large measure all the energies of the earth.

Up to this time the work of the synthetical chemist has been chiefly known through his relation to the discovery of dyes used now so generally by our textile and other establishments. While I do not mean to minimize the value of dyes, or the untold value of the chemist's work in war in the manufacture of defensive and offensive deadly gases nor the benefit it has conferred upon the agriculturist by utilizing a by-product of the coal-tar industry for fertilizing purposes, or the delights it brings to those for whom paints and powders and perfumes are indispensable agents, especially in our day, nor the great service rendered to the photographer in his ofttimes priceless work, but I do desire to emphasize again with all my power the indispensable value of this industry in its relation to the science of medicine, in the alleviation of pain, in the preservation of life as it concerns all our people. The relation of the synthetical chemist to the public health in the way of prophylaxis of etiology, in the alleviation and the cure of diseases, is of infinitely more importance and of far greater economic value than his relation to all the rest combined. Let us not forget that when we are well health is taken as a matter of course. Its inestimable beneficence is rarely appreciated except in illness. But in the hour of suffering, when pain and weakness grip us with a grim clutch, and when the fading light of life seems about to leave our eyes, what an incomparable blessing to any human being, whether rich or poor, if there be found a remedy that takes away the pain, restores the strength, and brings a new day of hope to replace the black vision of death.

Most industries have a sequential relation. Iron ore is taken from the ground. Another industry melts it and runs it into "pigs." These in turn form the raw material for the maker of steel and all the other products of iron. These chemical industries are likewise so correlated that they are interdependable and reciprocally valuable the one to the other. As one writer puts it:

> Unlike other industries, all phases of the organic chemical industry are so closely related that it is difficult to single out a specialty for emphasis. The finished products of one group of industrial plants are very apt to be the raw material for still another group, and what is more important, many specialties which have become necessities would be impossible but for the assistance of the organic chemical industry as a whole. In no other way could the necessary raw materials be provided.

I shall not speak upon the question of imports or exports of chemical products, their values or amounts, nor upon the value and the amount of the products of the plants now engaged in manufacturing coal-tar products, nor upon anything else pertaining to Schedule A. I shall leave this part of the subject to others, who will do so, doubtlessly, far more specifically than I can do or desire to do.

The particular branch of this discussion, therefore, to which I address myself is the one in which, as a physician, I naturally have the most interest, namely, the synthetical coal-tar products which are of use in the practice of medicine.

It may be properly said in this connection that every form of chemistry, whether of the crude alchemies of the past or the more modern and, therefore, the more scientific chemistry of the present, has always been a faithful and zealous handmaiden to the physician. In the beginning pharmacy was founded largely on superstition, charlatanism, and witchcraft, always, however, with more or less of a germ of truth and efficacy in the crude prescription, as was seen in that of a cultivated English physician of another century who used powdered crabs' eyes as a remedy for diarrhea, the real curative agent being the carbonate of lime obtained therefrom. It must not be forgotten that medicine in some form, however crude, has been instinctively sought for and used since the coming of man. Remedies for pain and illness were as instinctively and naturally sought for as food and drink and shelter and clothing, for we know that animals themselves hunt eagerly for cures for their disorders. St. Paul was by no means the first to philosophize on the subject of life and death. The earliest caveman saw that since by man came death by man must come also some preparation against death.

Before the discovery of the medicinal values to be found in the synthetical products obtained from coal tar the physician depended entirely upon the mineral world; upon roots, herbs, blossoms, barks in the vegetable world; and the glands of reptiles and parts of other living things. Gradually specialists in the roots, herbs, insects, and the like laid the crude foundation of preventive and curative medicine. The source of supply of these agents against disease were natural products, which could not always be found of standard purity or in sufficient supply. After this came a long and more or less successful pursuit on the part of the early workers in organic chemistry in their attempt to secure greater purity.

The next step in progress was the discovery of alkaloids from vegetable substances which gave a still greater degree of assurance and certainty in the treatment of diseases than had obtained before, because these alkaloids were of fixed purity and strength and could therefore be more accurately measured as to their therapeutic value, thereby leading to a more scientific study and knowledge of pathology. Following this has come the age of synthetic medicine, in which, out of coal tar and its products, the chemist sits in his laboratory and makes medicines at will—curative agents far exceeding in value those that are found in nature, and to the production of which in an infinite variety there seems to be no limit. I venture the prophecy at this point that the time will come, and is not far distant, when the physician will be enabled to select out of a single large group of synthetical medicines possessing substantially one chief characteristic for his therapeutical use with the same meticulous facility that the essayist employs who chooses the proper synonym for the expression of his thought. Without bringing to your attention all of the synthetical products now known to possess medicinal value, I will state that there are more than 200 of them, and to some of these I desire briefly to call your particular attention. Before doing so, however, let me say in passing that these products of the laboratory possess properties which cover practically every use that disease calls for, embracing alteratives, aperients, purgatives, germicides, anesthetics, soporifics, antipyretics, heart stimulants, heart depressants, emetics, and a large number of other uses for medicinal purposes. For the general purpose of antiseptics—the most beneficent of all agencies either in medicine or surgery—the coal-tar products have opened up a field of wonderful resource. This was amply demonstrated in the surgery of the late war.

I will take a few moments to speak specifically of some of the most important of these compounds. Phenacetin is a typical and one of the best of antipyretics. It has special value in all forms of influenza. It was found to be of almost priceless value in the treatment of the late epidemic of influenza. The people suffered beyond measure by the lack of this drug, it being at that time manufactured chiefly in Germany and its importation restricted by war.

Aspirin is another coal-tar product and of such universal favor for rheumatism and other ailments as to be used literally by the ton. Benzyl benzoate has been found by experiments at Johns Hopkins University to be a fine substitute as a soporific for morphia without any drug-habit tendencies. Cincophen, known under the proprietary name of atophan, is used largely and satisfactorily for rheumatism. Barbital—veronal—is used as a soporific, and possesses especial qualities as such. Luminal, to which a great deal of medical research work has been given and which up to this time is looked upon as the very best remedy, we have for epilepsy. I need not mention the salvarsans, a group of laboratory products so efficacious in the treatment and cure of syphilis as to merit the

encomium of a Divine blessing. Dr. Abel, of Johns Hopkins University, has made an important addition to this list through the discovery of supra renin, which is identical with the active principal of the supra renal gland, and is of the utmost importance in bloodless surgery—especially in the surgery of the eye, where its use is practically imperative. When it is understood that it takes the glands of 30,000 sheep to make a pound of supra renin, one gets a competent idea of the saving value of synthetic chemistry. A new dental anæsthetic of coal-tar derivation has just been announced by Dr. Joseph A. Kline, of New York City. It is a liquid in form, and used in dental and oral surgery with the very happiest effect, especially in the dental surgery of children. I will not take the time to mention all these synthetical and medical products and describe them one by one. Let me say, however, that they embrace in their medical qualities remedies for practically all of the demands made for the treatment of diseases.

Let me again remind you that we are only beginning to comprehend the amazing possibilities for the preservation of human life found in coal tar and its products. It is impossible to conceive that an intelligent Congress can fail to recognize the relation which the development of synthetical chemistry bears to the health and happiness of the people in time of peace, and now its supreme necessity in time of war. There are few who realize the vast scope of usefulness and employment these products enjoy. We use them to save the infant's life, and we use them to embalm the dead. In some way, they enter into all employments hardly without exception. When the recent war in Europe broke out we were practically dependent upon foreign nations, especially Germany, not only for dyes and medicines but for all the rest of these synthetical products. Germany had so developed this varied industry as to furnish more than three times as much of these products to other nations as all the other nations put together. Through what is known as the intermediates, she practically monopolized this industry. In view of this fact, it will be perhaps interesting to give the prices not of the dyes but of some of these medicines which we imported.

Phanacetin, largely used during the influenza epidemic of 1890, was valued at our customhouses at a little under $2 a pound. It was sold, however, to the retail druggist at $16 a pound. What it cost the American consumer when it finally passed out of the druggist's hands needs neither imagination nor computation on the part of any Member of this House. It is now made by American manufacturers and sold in our markets at $1.65 a pound. Antipyrin was sold at $20 a pound. The American manufacturer now sells it at $4.50 a pound. Aspirin cost us over $10 a pound. American aspirin now brings $1 a pound. Salvarsan cost $3.50 a dose before the war. Six American concerns are now manufacturing the very best salvarsan, and it can be obtained for 36 cents a dose. These comparisons constitute a fair sample of how the American people are mulcted when they are at the mercy of a foreign manufacturer. I assume that there can be no question of the value of our independence in this industry, an independence which can be surely secured by enacting this schedule into law. If synthetical chemistry produced neither dyes, war gases, fertilizers, nor any one of the thousand and one things for which it is used, from the decoration of the lady in her boudoir to the construction of pavements and roadbeds, the fact alone that it means so much to the life of the people, and will undoubtedly mean more and more as time goes by, would make this schedule worthy of the support of every Member of this body. In conclusion, I venture the prophecy that the most exalted panegyric that shall be uttered over any Member of this House, when hereafter his memory is sought to be eulogized by a reminiscent people, will be found in the words, "He voted to establish synthetical chemistry, to inspire the synthetical chemist, and to make the synthetical laboratory one of the great institutions of the land."

It must not be forgotten that no adequate protection can be given the medicinal part of the chemical schedule, without giving adequate protection to the whole. The intermediates as well as the dyes are the sine qua non—the indispensable preliminary products to the manufacture of all of the coal-tar medicinal synthetical products. They stand or fall together. The country can not be independent in its medicinal supplies unless it is independent in the other coal-tar products as well. The intermediates and the dyes are to coal-tar medicines what the pig iron is to finished steel.

Our commanding position in the industrial world, and therefore our power as a Nation, has been due to the protection thrown around all our industries, especially iron and steel. In this day of scientific chemistry we must not fail to recognize the influence which this form of knowledge will exercise over our future. We shall be blind and recreant to our duty unless we make the United States the greatest country in the world by reason of its attainments in the knowledge of synthetical chemistry.

In conclusion, it must not be forgotten that after the outbreak of the war we found ouselves almost wholly deprived of many useful and imperatively necessary medicines for the supply of which we depended practically upon Germany. I would not like to put in words the pain and suffering our people endured during the epidemic of the "flu" by reason of a lack in these coal-tar medicines so applicable to the treatment of that terrible scourge, much less to say how many who actually died by reason of this lack. I can say that, in my judgment, having had an extensive experience in that epidemic, the extent of the fatalities were far greater in number than is generally known. It is clearly the lesson of common sense that this great Nation should be independent, not alone for iron or steel or copper or deadly gases but as well for the things that concern the life of all our people, even though for a short time some of our industries suffer a hardship until we are independent of foreign nations for the entire product of the coal-tar industry. [Applause.]

Mr. Chairman, I append herewith to my address two classifications of coal-tar medicines. One is by Heyle, and for this classification I am indebted to Maj. H. S. Kimberly, connected with the Carnegie Foundation, which, together with the Rockefeller Institute, is making researches of inestimable value along the line of synthetical medicinal chemistry. The other is by the Barrett Co., of New York City.

Heyle gives the following classification of medicinal dyes:

A. For internal sterilization but not coming into direct contact with the blood: Methylene blue, aniline blue, and acriflavine, for malaria, gonorrhea, antiseptics for urinary, biliary, and intestinal disorders.

B. Dyes used externally for septic condition of the mammalian tissue: Methyl violet and crystal violet, as astringents and antiseptics for suppurating wounds; brilliant green and Pyoktanin Y., for gangrene and suppurating gunshot wounds; acriflavine, same, and also prophylactic for gunshot wounds (of great success during the late wars); methylene violet, disinfectant in veterinary surgery; chinoline yellows, local antiseptic.

C. Dyes which sterilize certain pathogenic organisms, but which are not applicable to the human body either intravenously nor instramuscularly: Trypan red Cl and naga red, sleeping sickness; parafuchsine, chicken spirillosa, slight effect; acridin yellow, sleeping sickness, very powerful; acridine orange, same, but weaker; pyromine and methylene blue, same, negative.

D. Principal dyes used for staining pathogenic bacteria for the purpose of identification: Methylene blue (zinc free) and fuchsine, gonococcus; gentian violet, tubercle bacillus; dahlia violet, streptococcus and staphylococcus; methyl violet, Bismarck brown, and methyl green, used in combination strain.

Barrett Co., of New York City, give the following classification:

SYNTHETIC DRUGS, OTHER THAN DYES.

A. ANTIPYRETICS.

To reduce the temperature in fevers. Antipyrine. Pyramidon. Antifibrin. (acetanilid). Benzenilin. Salicyl-anilid. Phenacetin. Thermodin. Phenocol and Salocol, for rheumatic fevers. Antipyrine and caffein citrate, known as migrainin hoechst, is a wonderful headache cure.

B. ANTISEPTICS.

This list is far too long for this report. A few only are given as examples. Phenol (carbolic acid). Cresols (3) (cresylic acid). Lysol. Thymol, for worms and tapeworms. Tri-chlor-phenol, twenty-five times as strong as phenol. Tri-brom-phenol, forty-six times as strong as phenol. Penta-brom-phenol, five hundred times as strong as phenol. Teta-brom-cresols, most active germicides, kill diphtheria germs in two minutes. Salicylic acid, lowers temperature and diminishes pain in rheumatism and checks gastric fermentation. Aspirin, acelyl salicylic acid. Salicin. Saliginin. Salol, phenyl salicylate. Partial salols, two types. Guiaccols. Formaldehyde compounds: Dextroform, with starch and sugar; formanint, with sugar of milk; check septic conditions in the mouth and throat. Hexa-methyl-tetramine, largely used under the names hexamine, urotropin, cystogen, and cystamine, for laryngitis and pharyngitis. Chloramine T, or tolamine, the sodium compound of para-toluene-sulfon-chlor amide. Aristol, di-thymol di-iodide.

C. PURGATIVES AND APERIENTS.

Derivatives of alpha-methyl-anthra-quinone—chrysophanic acid, chrysophan, emodin—phenol-phthalein, called pergen and laxin; acetyl-valery, called aperitol.

D. LOCAL ANÆSTHETICS.

Holocain; stovain; slypine; orthoform; new orthoform; anæsthesin or subcutin, for hypodermic injection; cycloform; novocaine, one of the most valued local anæsthetics.

E. OTHER IMPORTANT SYNTHETIC DRUGS.

Adrenalene, called also epinephrine and suprarenine, first obtained in crystalline form from the suprarenal glands of oxen by Takamine, now produced synthetically, is a wonderful agent for contracting the blood vessels, regulating blood pressure, and curing hay fever, and arresting bleeding. It is known chemically as laevo-methyl-amino-ethanol-catechol.

AROMATIC ARSENIC COMPOUNDS.

These recently discovered compounds are used for the treatment of sleeping sickness, syphilis, etc.: Atoxyl, soamin, arsamin, arsacetin or aethyl-atoxyl, hectine.

Acriflavine and its homologues for general septicemia, ulcerations, suppurated wounds.
Pyemia.
Salvarsan "606," kharsivan, arsphenamine, for sleeping sickness, syphilis, anemia.
Neosalvarsan.
Galyl.

NAME AND USE OF COAL-TAR MEDICINALS.

Acetanilide, analgetic-antipyretic.
Acetyl salicylic acid (aspirin), analgetic-antipyretic.
Alumnol (aluminum beta-naphthol sulphonate), antiseptic.
Alpin (hydrochloride of benzoxy-dimethyl-amino-methyl-dimethyl amino butane), local anæsthetic.
Ammonium benzoate, internal antiseptic.
Amyl salicylate, local and internal antirheumatic.
Anæsthesine (para-amido-ethyl-benzoate), local anæsthetic.
Antinnonin (sodium ortho dinitro cresylate), fungicide.
Antipyrine (phenyl-dimethyl pyrazolone), analgetic-antipyretic.
Animalgesine, analgetic-antipyretic.
Antiprine salicylate (phenyl-dimethyl pyrazolone salicylate), analgetic-antipyretic.
Antitussin (ointment difluordiphenyl, vaseline lanoline), remedy for whooping cough.
Antramel (resorcin, taraxici, ulmæ jambol, tannigen, thymol, methyl violet), intestinal remedy.
Anusol (anusol suppositories, bismuth-iodo resorcin sulphonate), hemorrhages.
Apiol (dimethoxy methylene ether of allyl tetraoxybenzene), menstrual troubles.
Arhovin (diphenyl and thymol benzoic acid), urinary antiseptic.
Asaprol (calcium beta-naphthol sulphonate), antiseptic.
Aspirin and caffeine, analgetic-antipyretic.
Aspirin and phenacetine, analgetic.
Atophan (phenol-quinolin-carboxylic acid), antiarthritic.
Atoxyl (sodium amino phenyl arsenate), syphilitic remedy.
Benzosol (guaiacol benzoate), internal antiseptic.
Beta-naphthol benzoate, internal antiseptic.
Bismuth salicylate, intestinal antiseptic.
Bismuth subsalicylate, intestinal antiseptic.
Cichonidine salicylate, antimalarial.
Colchicine salicylate, gout remedy.
Cycloform (isobutylester of para amido benzoic acid), local anæsthetic.
D'eciat sirup (glycol carbolate), remedy for whooping cough.
Diatussin (difluordiphenyl in vaseline and lanolin), antituberculosis.
Diplosol (salicylsalicylic acid) crystals, antirheumatic.
Diuretic (theobromine sodium salicylates), diuretic-kidney diseases.
Elbon tablets (cinnamoyl para oxyphenylurea), remedy for tuberculosis.
Enesol (mercury salicylo arsenate), antisyphilitic.
Epicarin (oxynaphthyl ortho oxytoluyic acid), parasiticide.
Epmephrine (dihydroxy phenyl ethyl methylamine), heart stimulant, stops hemorrhages.
Eumictine (santalol-hexa methylene tetramine and salol), urinary antiseptic.
Euresol (resorcinol monoacetate), remedy for skin diseases as dandruff.
Europhon (di-isobutyl-cresoliodide), local antiseptic dusting powder.
Fibroylsin (solution thiosinamine sodium salicylate), absorption of scar tissues.
Fructoid laxative (phenolphthalein sugar coated), laxative.
Galyl (tetraoxydiphosphamino-diarseno benzene), antisyphilitic.
Glycosal (monosalicylic acid glycerin ester), local antirheumatic.
Hectine pills (benzo-sulphone paraamino phenyl arsenate of soda), antisyphilitic.
Helmitol (hexamethylenamine methylene citrate), urinary antiseptic.
Hexalet (sulphosalicylate of hexamethylenamine), urinary antiseptic.
Holocain hydrochloride (paradieth oxyethenyl diphenyl-amidim hydrochloride), local anæsthetic.
Kryofine (methyloxy-paraacetphenetedine) analgetic-antipyretic.
Lactophenin powder (lactyl phenetidine), analgetic-antipyretic.
Luminal (phenylethyl barbituric acid), hypnotic.
Magnesium salicylate, intestinal antiseptic.
Melubrin (sodium phenyldimethyl-pyrazolon amidomothane sulphonate), analgetic-antipyretic.
Mercury benzoate, antisyphilitic.
Mercury salicylate, antisyphilitic.
Mesotan (methyl oxymethyl ester of salicylic acid), local antirheumatic.
Methyl salicylate, analgesic and antirheumatic.
Migrainine (antipyrine caffeine citrate), antipyretic.
Neosalvarsan (sodium diamino dihydroxy arsenobenzene menthanal sulphoxalate), antisyphilitic.
Ninhydrin (triketohydrindenhydrate), testing reagent.
Novasperin, antirheumatic.
Novatophan tablets (methyl phenyl quinolin carboyxlic-acid ester), gout remedy.
Novocain (para amino benzoyoyl-diethylamino ethanol hydrochloride), local anæsthetic.
Orexin tannicum (tannate of phenyldihydroquinazoline), remedy for stomach trouble.
Novocain suprarenin (para amino benzyol diethyl amino ethanol hydrochloride suprarenin), local anæsthetic.
Orphol (bismuth beta-naphtholate), intestinal antiseptic.
Orthoform (meta amino para methyl oxybenzoate), local anæsthetic.
Pageol (sanatol bicampho cinnamate and dioxybenzol and the active principles of Fabiana imbricata and hysterionica baylabuen), urinary antiseptic.
Paramido salicylic acid, analgetic-antipyretic.
Phenacetin (para acetphenetidin), analgetic-antipyretic.
Phenocoll (aminoacet phenetedin), analgetic-antipyretic.
Phenolphthalein, purgative.
Probilin pills, remedy for gall stones.
Phenosal (acetosalicylate of phenetidin), analgetic-antipyretic.
Pyramidon (dimethyl amido phenyl dimethyl-pyrazolon), analgetic antipyretic.
Pyramidon salicylate, analgetic-antipyretic.
Pyrazolene (phenyl methyl pyrazolone), analgetic-antipyretic.
Pyrazolon (phenyl methyl salicylate), analgetic-antipyretic.
Physostigmine benzoate, eye remedy.
Physostigmine salicylate, crystals, eye remedy.
Quinine salicylate (salochinin), crystals, malaria remedy.
Salicylic acid, antiseptic-antirheumatic.
Salit (borneol salicylic acid ester), local antirheumatic.
Salol, intestinal antiseptic antirheumatic.
Salol santal compound, urinary antiseptic.
Salophen (acetylparamidosalol), antirheumatic.
Saloquinone (salicyl quinine), malarial remedy.
Salvarsan (hydrochloride of diamimo dihydroxy arsenobenzene), syphilitic remedy.
Sanoform (iodozon, di-iodo-salicylic methl ester), antiseptic dusting powder.
Santal salicylate, urinary antiseptic.
Santol, extra (sanatol preparation containing salol), urinary antiseptic.
Santyl (santalyl salicylate), urinary antiseptic.
Soamin (sodium para amino phenylarsenate), syphilitic remedy.
Sodium cinnamate, tuberculosis remedy.
Sodium luminol (sodium phenyl ethyl barbiturate), hypnotic.
Sodium salicylate, antirheumatic.
Sodium sulphophenate, antiseptic.
Spirosal (salicylic monoglycol ester), local antirheumatic.
Stovaine (benzoyl-dimethyl amino propanol hydrochloride), local anæsthetic.
Styracol (guaiacol cinnamate), tuberculosis remedy.
Theobromine sodium benzoate, diuretic.
Thiosianamine (allyl-thio urea), absorption of scar tissues.
Tribromhydrocinnamin acid (Adamson tablets), tuberculosis remedy.
Trigemin (dimethlyamido-antipyrinbutyl chloral), analgetic-antipyretic.
Xeroform (bismuth tribromphenylate), antiseptic dusting powder.
Zinc sulpho carbolate, intestinal antiseptic.

DEFINITIONS.

Analgetic—Of, pertaining to, or tending to cause analgesia.
Analgesia—Insensibility to or inability to feel pain.
Antipyretic—Preventive or alleviative of fever.
Diuretic—Efficacious in stimulating the secretion of urine.
Parasiticide—Efficacious for destroying parasites.
Hypnotic—An agent efficacious in producing sleep.
Antiseptic—Preventing putrefaction, fermentation, etc.
Anæsthetic—Pertaining to or producing anæsthesia.
Anæsthesia—Loss of sensation, especially of feeling, produced by disease or by some drug, as ether.
Fungicide—Anything that kills fungi or destroys their germs.
Antiarthritic—Checking the action or growth of bacteria.
Local—Meaning external as applied here.

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NEW YORK, *June 28, 1921.*

Hon. CALEB R. LAYTON,
House of Representatives, Washington, D. C.

HONORABLE SIR: We attach a write up which will appear in the Drug and Chemical Markets shortly, giving an outline of our organization.

There is a tendency on the part of some of the United States Senators to believe that there is a monopoly being organized to control the dyestuff business in America. This is an impossibility, due to the fact that there are several thousand separate and distinct products to be derived from coal tar which are classified as dyestuffs and coal-tar drugs.

There are also several hundred individual manufacturers, ourselves included, without affiliation with any other corporation, who are using their own capital without resort to public funds. It is a free field, and simply narrows down to a question of which organization can compound and manufacture the most desirable dyestuffs and coal-tar drugs of the best quality at the lowest price.

The progress made during the past four years has been creditable, and we are far ahead of any other country, except Germany and Switzerland, who have organizations of long standing, where they are benefited and helped by every educational institution as well as their Governments. Already the American universities, technical schools, and trade schools are intensely interested in the subject of organic chemistry, particularly with reference to dyestuffs and coal-tar drugs, and it will probably be at least five years, to the best of our ability to foresee, before America will have enhanced her position to such an extent that she will be independent of any other country.

The elaborate preparation necessary to this end can not be accomplished in a short time, and if the impetus to research is destroyed by allowing foreign materials to come in here at ruinous prices, not only will capital be timid, but the incentive to develop will be destroyed.

At present the returns to the manufacturer are nil, for the reason that all profit derived from the sale of the produce is put back into new plants and operations. This procedure will have to continue until manufacturing schedules can be maintained, and this is controlled almost entirely by the encouragement which we expect to get from our Government in the way of protection from foreign competition.

We have been in this business for 44 years, part of the time as importers and part of the time as manufacturers. Our plant at Newark, N. J., was erected in the year 1915. We feel, therefore, that we are in a particularly good position to know what will and will not protect this industry. In our opinion the levying of a specific and ad valorem duty, even if the latter is based on American values, will not alone suffice to protect the American dyestuff manufacturer at this stage of his development.

The dyestuff manufacturers in general have appealed for an embargo under certain conditions on such dyes as are being successfully manufactured in the United States, with certain provisions for the licensing of imports of dyes which are not made in this country. Obviously the latter provision is in the interest of the various dye-consuming industries. It is, however, a just and reasonable provision, and there is, in our opinion, no good and valid reason why the United States, Great Britain, and France should not, with advantage to our Nation, act in complete harmony and all adopt the same general principles as applied to this key industry.

We are not disposed to doubt or question the intent of this Congress to protect adequately this industry, but the facts from our side are that if this is not done according to the real needs of the industry every American plant will have to close, leaving another army of over a million people unemployed. Can Congress afford to throw labor out of employment in America to-day?

Our industry is a highly technical one and sensitive to criticism. The staffs of men employed in this industry are on edge. They all work 7 days a week, and are at our command 24 hours out of each day. After four or five years of the most intense effort we find the

personnel of the American dyestuff manufacturers to be, as a body, completely discouraged by the nonaction of Congress.

Why should politics have anything to do with the building up and protecting of one of the country's most important and essential industries? The old feuds dating years back, which bear no relation to this subject matter, should not be taken into consideration.

This is the key industry. We talk about fostering infant industries. Is it not a fact we must do more than this for the key industry? Why will you not help us to build rather than to destroy?

Your own son, who, perhaps, may be attending college, is interested in the study of organic chemistry. It reflects itself all through our educational system. The ramifications and complexities of the subjects are beyond the comprehension of a nontechnical man. Only one of high technical education understands the danger which confronts us by the present attitude of the United States Senate simply because a certain few Senators fear a monopoly, which has absolutely nothing to do with and has no bearing on the fostering of the industry.

We have many men in our company who are capable of bringing these facts to your attention and who would only be too glad to come before one of your bodies and give an expression of opinion which we believe might exert you to greater efforts on behalf of this creative industry.

This company has $3,000,000 invested, all its own capital. We haven't borrowed any money and there has been no stock flotation. It would be an easy matter for us to throw our influence in behalf of letting down the tariff bars and importing foreign colors. It would cause us far less expenditure in the future and would enable us to cut down our expensive organization, but we are in the game to show that America can do more along synthetic lines than any other country.

Very truly, yours,

JOHN CAMPBELL & Co.,
GEORGE H. WHALEY, *President*.

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. TINCHER].

Mr. TINCHER. Mr. Chairman, I want to be fair in the few moments that I shall talk here. I shall start out by saying that I do not believe the Underwood tariff law ever had a fair trial. Had it not been for the interference of the European war, I think the Underwood tariff law would have successfully closed the factories of this country several years ago.

I do not think anyone familiar with the economic situation of this country at the time the war started in Europe will claim that anything save and except this war and our entering into the war prolonged the operation of the American factories until this time. I am a protectionist because I believe in the principle of protection. I believe if the factories in Mr. BACHARACH's district were open to-day that the produce from my district could be sold to the men who would be laboring in the factories in Mr. BACHARACH's district. [Applause on the Republican side.] We came here last December after election, after the people had spoken, and for several days we went along practically all of one accord and one opinion. Christmas came and with it that Christmas spirit, "Peace on earth, good will to men," and we passed the tariff law just about that time, I think immediately before or immediately after Christmas, an emergency tariff bill, in which was the best schedule for agricultural products ever passed by an American Congress. And yet, as I say, that was before some man named White had decided that this Congress should engage in politics; that the policy of one of the great parties of this Nation should be a nagging policy toward the other party; and at that time we were all feeling good and we were fresh from home and our constituents, and we determined to do something in some measure to correct the deplorable conditions in this country. And, my friends, I remember that day when I swelled with pride when I heard my friend GARNER take this floor and persuade 40 Democrats on the other side to vote for a protective tariff. I wish that the rules of this House were such that this country could not be deprived of that magnificent speech, that splendid speech, that should have gone in the CONGRESSIONAL RECORD on the 27th of last December, that would have contradicted very successfully and more effectively than any speaker can do to-day, the speech made by the distinguished gentleman, who represents a new influence in the Democratic Party. I regret that speech, which all of us remember quite well when GARNER bravely, nobly took this floor and made his plea for a protective tariff last December. I can not even procure a typewritten copy from the reporters. There is no way that a Republican Member can ever have the pleasure to-day of reading that magnificent speech that was made here. Why? Why things have changed since then. They are different to-day. You did not know just then what position you were going to take and you caucused. Talk about north of the Ohio and east of the Mississippi! You caucused and you had in your midst one of the brightest, one of the keenest minds in America, a Democratic Congressman from west of the Mississippi, CARL HAYDEN, and I am told that another Democratic Congressman from my neighboring State of Colorado made in that caucus one of the finest speeches ever made in a Democratic caucus for CARL HAYDEN, the only Democrat west of the Mississippi who was a candidate for a position on the Committee on Ways and Means, a committee that would have more opportunity of framing laws concerning taxation and the tariff than any committee of this House. But no. There rose up in your conference, or caucus I believe you called it, that old feeling, and the boys rallied around the old flag and decided that the policy of the Democratic Party would be a free-trade policy, and with that decision CARL HAYDEN went down to defeat and a gentleman from New York went on the committee who would sign minority reports against tariff bills, which reports are a disgrace to the best-thinking American people to-day. [Applause on the Republican side.]

Talk about north of the Ohio and east of the Mississippi! What has happened since we came back last fall; what has happened since last election to change your views so materially? Why you started out then and said, "We are going to help the administration to be constructive and pass good laws, laws that will do a great deal of good." Since then you have adopted a policy of hindering. The papers, the press of this country, do not conceal in any way and make no secret of the fact that the party organization of the Democratic Party have decided that their policy shall be one of hindering and not of helping, of nagging, in an effort to get the offices back. Now, we can not afford to have another world war to prolong the life of a Democratic tariff for eight years. It costs too much money, too many lives, to try out your tariff in that way. Now, I would like to quote the gentleman from Texas in a speech to which I have not access. I will not attempt it, though, for fear I might be inaccurate, and there is just one man in the world who could dispute me if I were inaccurate, and I do not want to engage in a personal controversy with that man. However, Mr. GARNER did say before the spell was completely broken and before the change in the policy of the Democratic Party was fully agreed upon—he said upon the floor of this House in January, because he said his Democratic friends were abusing him for voting for the tariff, and so in the latter days of January he did make a speech a little in explanation of his vote, not of his speech but of his vote, and that speech was a dandy. It caused 40 men to rise in their places as Democrats and walk up and vote for the tariff. It would be a great Republican campaign argument if we could get hold of it, because that day he forgot free trade, he forgot there were three angles, and took the position that there were but two—one was American and one was un-American, and he took the American angle that day. [Applause on the Republican side.] In January, as I say, he said:

> I am not a protectionist, neither am I a free trader. However, I realize that whenever you go to the customhouse to collect duties to run the Government, that just as you levy that duty through the customhouse so do you give the American producer the advantage over the foreigner.

Do you want to do that? Is it possible that that is the issue here to-day, that one side wants to give the American producer the advantage over the foreigner and that the other side does not want to do it? That was when he was voting for a tariff that he said that. That was in a kind of a quasi apology and justification for his quarrel with the leadership of the committee and somewhat of an answer to the distinguished gentleman that has gone back to Illinois, Mr. Rainey, who had chastised him severely for taking the American attitude. Why, my friends, regardless of the sections of the country that we live in, I hope every man stands for America. How can any man advocate going on with a condition that means that the farmers of this country have a market value for their staple products that gives them a purchasing power of only 67 per cent of those products for a 5-year period immediately before the war? There never can come a time when that can be made up to the American farmer, and he can never have a 100 per cent purchasing power from the sale of his products in America with the factories of America closed.

Mr. BLACK. Will the gentleman yield?

Mr. TINCHER. I will gladly yield to the gentleman.

Mr. BLACK. The gentleman comes from probably the largest wheat State in the Union. Will he tell us how much wheat has advanced in price since the passage of the emergency tariff bill?

Mr. TINCHER. I will be glad to answer. I heard the gentleman from Texas [Mr. CONNALLY] make a speech, and in that speech advance the same thought. That speech was to the effect that, "Vote against tariff because it will not raise the price of your products." That speech was this: "Vote against tariff because it will raise the price of all products." And that speech is the same Democratic tariff speech that I have been listening to since I was a little boy. I want to say to you that the price of wheat has gone down since the passage of that bill. I can not give you the number of cents, but it has gone down. And I say that in my honest judgment it has been reduced to about 35 cents less than it would have been without that tariff bill. [Applause on the Republican side.]

Mr. BLACK. Will the gentleman permit a further inquiry?

Mr. TINCHER. I will be glad to do so.

Mr. BLACK. Will he give us the difference in price of wheat in this country and in Canada? As a matter of fact, is there any material difference now in the quotations of the Winnipeg market and the American market?

Mr. TINCHER. That depends entirely on whether you take the American valuation or not. And right on that subject, I wonder how any man can stand before his colleagues to-day, with the condition of our exchange as it is, with an unprecedented and unheard-of condition, and advocate that we use something other than the American valuation in a tariff bill. I did not want to interrupt my friend GARNER this morning, because I knew he did not want to use over half a day, and therefore I did not desire to take his time, but there was a time when I wanted to ask him if he would not use the American valuation what valuation he would advocate using. But he made a long speech, conspicuous by the absence of a suggestion that any other valuation should be used.

There are schedules in this bill that I think need correction. There are things in this bill on the free list that must go on the protected list. There are things in this bill on the free list that I believe, when certain men that are for protection stop to think and realize that they are keeping them on the free list, and that they know they are selfish in doing it, will not be there. I refer to hides. How any good thinking man can fight putting hides on the protected list I can not understand. [Applause.] Never in the history of this country did the men that produce the meat of the country need protection as they need it to-day, and the hides of this country, that are used in this country by the manufacturers, are 40 per cent imported from other countries.

Mr. TREADWAY. Will the gentleman yield?

Mr. TINCHER. I will be glad to yield, because I think you are one of the gentlemen I want to yield to.

Mr. TREADWAY. In view of the gentleman's information as to the need of a duty on hides, does he go to the extent of a compensatory duty on manufactures?

Mr. TINCHER. Absolutely; and I will say the gentleman has gone to the extent of a duty on manufactured products, and that is the reason I am a protectionist. But you can not go too far with a Westerner. We want a duty on hides. We want to be recognized in this bill, and there is a product 40 per cent of which is used in the United States, but that is now imported from countries where labor has no value and that is not protected along with other products.

The balance of this agricultural schedule is not all that I think it should be.

Mr. TREADWAY. I want to interrupt the gentleman in order to congratulate him on his fairness.

Mr. TINCHER. And I will say to the gentleman that I want, if he votes for a duty on hides, to congratulate him on his fairness. I hope when this tariff bill is passed the message will not go out to the country that some few New Englanders stood like a rock of Gibraltar for no protection on the raw products which the farmers have.

Mr. GARRETT of Tennessee. Can the gentleman tell us what duty will be proposed upon hides in order that we may begin looking into the compensatory duty on the manufactured products?

Mr. TINCHER. I will say to the gentleman that I do not know. Some of us over here are talking of offering an amendment, as are some of you folks over there. I do not think they have fully agreed on the amount to be proposed in the amendment. The compensatory duties on the manufactured products need worry no one. Why? Because we are exporting the products of the hides and of the factories in this country, and we are importing the raw material. Somebody said if you put a duty on hides it will increase the price of shoes. How can anyone say that? To-day we have free hides, the cheapest hides ever in the history of America, and the price of shoes is high. Or at least one year ago this statement would have been absolutely true, that the price of shoes is higher than ever in the history of the country and the price of hides cheaper, and hides on the free list.

Mr. GARRETT of Tennessee. Shoes are on the free list in this bill, are they not?

Mr. TINCHER. Yes; and I doubt if there is a Member present or a visitor here in the gallery or a member of any man's family in this House who believes that a tariff of $10 a pair on shoes would raise the price of shoes.

Mr. GARRETT of Tennessee. What is the use, then, of the compensatory duty?

Mr. TINCHER. My reason for saying that I would vote for a compensatory duty is this: I am a protectionist, and I do not propose to have anyone bluff me out against standing up for protection for hides by saying that I am in favor of placing a tax on the exporting manufacturer.

Mr. GARRETT of Tennessee. Then the gentleman is trading.

Mr. TINCHER. No. I do not have to trade to be for protection. All I had to do was to live through a Democratic tariff administration. [Applause.]

Mr. GARNER. Mr. Chairman, I yield to the gentleman from Arkansas [Mr. OLDFIELD] such time as he may desire.

The CHAIRMAN. The gentleman from Arkansas is recognized, if he desires, for one hour.

Mr. OLDFIELD. Mr. Chairman and gentlemen of the committee, I would very much prefer to proceed for a while, at least, without interruption. However, if it is the real desire to interrupt me I shall not seriously object.

I enjoyed the speech of my friend from Kansas [Mr. TINCHER] very much, indeed, and especially that part of his speech with reference to the emergency tariff law, one of the first, if not the first, bill of any magnitude which this Congress placed upon the statute books after the Republican Party came into power; and I do not believe there is a single, solitary person in this Hall, and I do not believe there is a person in the entire country to-day, who will say that that law has been of any benefit whatsoever to the farmers of the country. We told you it would be of no benefit to them. We take the position—and I shall take that position in this speech to-day—that where any product, whether of the farm or of the mine or the factory, produced by us in great quantities for export, it is absolutely impossible for a tariff for protection to do that product any good, or to be of any benefit to that product. I believe I can convince any fair-minded gentleman in this House that that is true.

I was also very much delighted with the speech of our good friend from Michigan [Mr. FORDNEY], the chairman of the Committee on Ways and Means. He is a splendid man. Every member of the Committee on Ways and Means, regardless of politics, loves him. He is a kind man. He treats us all fairly and alike as members of the committee. I was much interested in his argument in regard to protection, and I was especially interested in his illustration of Joseph Chamberlain, who made a fight in England for protection, I believe, in 1905, and he gave the illustration correctly. Mr. Chamberlain made that speech throughout England in that notable fight, and he went down to defeat, to overwhelming defeat, on the issue of protection, largely, I believe, because Great Britain at that time and up until the European war started was a great creditor nation, and therefore she wanted and needed to trade with the world. She had become through free trade a great trading and commercial nation.

The gentleman from Michigan ought to have told the House of the fight made by Sir Robert Peel and Richard Cobden away back in the forties, in the last century, for free trade in England. He should have told the story of people starving for bread in England on account of the corn laws, which were protective tariff laws on food, if you please. The people of those days—the poor, old and young—were starving throughout England because of the high protective tariff on food products. They were converted to the idea that prohibitive tariffs were not good for Great Britain at that time, and Great Britain has taken that position ever since, regardless of the fight made by Joseph Chamberlain.

But, gentlemen, let us see what the two great parties of this country say on this tariff question. It is a great question. The question of taxation is always a great question. It touches the pocketbooks of all of the people of the country, and therefore it has always been and always will continue to be one of the great questions in this country; not only tariff taxation, but other sorts of taxation, if you please, including internal taxation.

I was also interested in the statement of the gentleman from Michigan [Mr. FORDNEY] when he read the platform of the Democratic Party in 1892 and in 1912. You will recall that we won the election on both of those platforms. We declared in the platform of 1892 that a protective tariff was robbery of the many in the interest of the few. We declared for a tariff for revenue only in 1908, and again in 1912 we declared for a tariff for revenue only.

The gentleman from Michigan also read into his speech, I am glad to say, the platform of the Republican Party in 1908, which declared for a tariff "to equalize the cost of production in this country and abroad, together with a reasonable profit to the manufacturers of this country." You went to the country on that, gentlemen, and you won the election. You wrote the Payne-Aldrich tariff law, and you revised the tariff upward instead of downward. That law split the Republican Party in twain. In fact, it almost destroyed your party. And yet you

come here to-day with a tariff bill, with world conditions unsettled, with the economic conditions of the world upside down, and you want to place a law on the statute books even higher, when you consider the American valuation scheme, than the Payne-Aldrich Act.

Now let us see what our platform says in the last campaign. The Democratic platform of 1920 says:

> We reaffirm the traditional policy of the Democratic Party in favor of a tariff for revenue only, and we affirm the policy of basing a tariff revision on the intelligent research of a nonpartisan commission rather than on the demand of selfish interests temporarily held in abeyance.

In other words, gentlemen, we believe this Government has no right to tax its citizens, or a group of its citizens, for the benefit of another group of its citizens.

That is the position of the Democratic Party, gentlemen, and I believe it ought to be the position of the country; and I believe that after you have written this law and placed it upon the statute books it will be the position taken by the people of this country.

Let us see what the Republican platform of 1920 says. As a matter of fact, gentlemen, when you met at Chicago, you had in mind what the Payne-Aldrich tariff law had done to you, and you soft-pedaled on the tariff question, and you know it. One gentleman, a clothing manufacturer, came before the Committee on Ways and Means and advocated a low tariff. Mr. FORDNEY, the chairman of the committee, accused him of being a Democrat. He said no, that he was a Republican. He was for a low tariff under present conditions, and made a splendid statement. Mr. FORDNEY accused him of being a Democrat. He said, "No; I am a Republican; but I do not agree with any Republican tariff policy like the Payne-Aldrich tariff law, and after reading your platform adopted at Chicago, I thought you were going to be sensible about the tariff in the future. I thought you would remember the experience you had under the Payne tariff law, and that you were going to stop, look, and listen before writing another one like it. Therefore I voted for Mr. Harding in the last campaign." But before he left the witness stand he said he never expected in the future to believe anything that he saw in a Republican platform. [Laughter.] I say to you that you gentlemen soft-pedaled on the tariff question in 1920. You did not know where you were on the tariff question. Here is what the Republican platform of 1920 says:

> The uncertain and unsettled condition of international balances, the abnormal economic and trade situation of the world, and the impossibility of forecasting accurately even the near future, preclude the formulation of a definite program to meet conditions a year hence. But the Republican Party reaffirms its belief in the protective principle and pledges itself to a revision of the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry.

You did not say anything about a revision upward. Neither did you say anything in 1908 about a revision upward, but you are going to give a revision upward now just as you did then. You pledged yourselves to a revision of the tariff "as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry." That is the position you took at Chicago in 1920. But what does the first part of that plank mean, if it means anything? It means that you knew of the uncertain and unsettled conditions of international balances. You gentlemen at Chicago knew that the world was upside down. You knew that conditions were such that it was absolutely impossible to get any definite, real information with regard to the difference of the cost of production at home and abroad, and you wrote your bill without that information. I say that is an improper way to write it, and I believe I can prove it to you before I get through here.

You knew also of the abnormal economic and trade situation of the world. You knew then that our allies owed us $10,000,000,000. You knew that the people of foreign countries owed our people in this country an additional $5,000,000,000, and you knew, as everybody knows, that it is absolutely impossible for the Governments of Europe to pay to this Government $10,000,000,000 in gold, because there is not enough gold in the world outside of this country to pay the interest on that sum. Therefore it must be paid in commodities, if the debt is ever to be paid. The same is true with regard to individuals. I believe everybody in this House knows that. You certainly do not expect Canada, for example, our next-door neighbor and one of our best customers, to buy from us unless she can sell to us. You certainly do not expect that Japan, France, England, and Germany will bring their ships to our ports empty in order to pay in gold for our food products, for our manufactured products, and for our raw materials. It is unthinkable, gentlemen. Suppose a farmer in my town or your town should go to the merchants of the town and say, "Gentlemen, I have on my wagon out in the street a load of cotton, wheat, chickens, eggs, or other staple farm products. They are the products of my toil. I brought them here. I want to sell them to you and get the money, so that I may buy something for my family—clothes, shoes, hats, and so forth." Then suppose the merchant should say to the farmer, "No, Mr. Farmer, we do not buy farm products in this town. We have the merchandise to sell you, but we do not buy farm products. Ten miles from here there is a town where the merchants do buy farm products. You go over to that town and sell your farm products to those merchants and then come back here to us and we will sell you the merchandise you want." What do you think the farmer would do, gentlemen? He would buy where he could sell, and the peoples of the earth will buy where they can sell, and they will not buy unless they can sell. [Applause.] No community, no nation can live unto itself alone and prosper. We must sell to foreign peoples the products which we can produce cheaper and better than they can and buy from foreign peoples those products that they can produce better and cheaper than we can if we expect to go forward and prosper as a great commercial nation. It seems to me, gentlemen, that nothing could be plainer than that proposition. Now, you gentlemen understand that principle of economics. Everybody in this country understands that. The man on the street understands it. These manufacturers who appeared before the Ways and Means Committee seeking protective tariffs, seeking to monopolize this market, understand that rule and that principle of economics very well, but they are so greedy and selfish that they would absolutely prevent all foreign competition and keep out all products and thereby lose all revenue. There can be no question about that. Why, gentlemen, I heard these men testify, and, in the language of Sancho Panza, they were testifying for the long green. [Laughter.] They wanted to get the coin out of the consumers of America. The proof showed that they had been getting the coin unjustly, getting without earning what other people had earned without getting. The hearings on this bill are full of that. But some leaders of the Republican Party do not seem to understand that. It seems that the people of the country can understand this question much better and much easier than the leaders of the Republican Party. The protected manufacturers of this country have forced the Republican Party in the past, when we were a debtor nation, to permit them to plunder the people, and they can see no reason now why the graft should not be continued. [Applause.]

There are some leaders on the floor among the Republican Party who say that they want to keep the home market for home producers. That means that they want, at all hazards, the home market for the home manufacturers of the country. Some go so far as to say that if it becomes necessary you are willing to cancel all the debts owed us by European countries in order to protect and preserve the home markets for the home manufacturers. I am not surprised at the Republican leaders saying that. I think that is what you expect to do. I am not surprised, because that is a No. 1 Republican doctrine. Why? Because the $10,000,000,000 that we loaned our allies belonged to all of the people because it was collected by taxes. We loaned it to the Allies to help win the war. Now, if you can give all that money away and permit the manufacturers of America to profiteer to the extent of additional billions, that is good Republican doctrine. That is what you Republicans intend to do, but you give only one of the reasons. A great many manufacturers of this country to-day want this debt canceled, but they do not want the products of Europe to come here, because they say they can not compete with the foreigner. I deny it and demand proof. There is no proof in the hearings that they can not compete with the foreigner. They may not be able to compete in toys or something of that kind, but they can compete on the necessaries of life—food, clothing, shoes—and on steel products and cement, and many other necessary articles. But you give only one of the reasons why you are going to cancel the debt. I will give you another. Here is the additional reason. It will be compelling on the leaders of the Republican Party when the time comes. The time is not ripe now. Here is the reason: The great investment bankers of the country are putting their money into reconstruction bonds of Europe by millions and by billions. You can hardly pick up a newspaper, especially a New York newspaper, without seeing that the bankers have purchased a hundred million bonds here or a hundred million bonds there, and they are buying these bonds at dirt-cheap prices. A lot of them yield usurious rates of interest. Now, when they have bought all the bonds they want, when they have gotten through buying them, what will happen? It will be impossible for the bonds to go to par until those governments pay this Government what they owe us. It is impossible for the bonds to go to par until that happens. When

they have gotten through buying the reconstruction bonds you will wake up some morning to see the greatest wave of propaganda that you ever saw in this country for remitting the debts that Europe owes us. You will find a great many Republican leaders giving this reason and that reason why these debts should be canceled. You will see the newspapers controlled by the great interests of the country giving reasons why these foreign debts should be canceled, and why the hard-earned money of the people of this country should be given away.

And when you get through, if you win the next election—you will say nothing about it, of course, in the platform and it will not be discussed in the campaign, but after the election you will put affidavit expressions on your faces and say the people elected us; hence they want the debt canceled. Of course you will say nothing about it in the campaign, just as you said nothing about the tariff in the last campaign, and yet the gentleman from Kansas [Mr. TINCHER] says that the people commissioned you to write this kind of a tariff bill. Yet the tariff bill that you wrote in 1908 had lower duties than this bill, taking into consideration the American valuation, and yet after that tariff bill was passed the people almost destroyed your party; hence you will cancel the debt and these reconstruction bonds bought now will go to par overnight and the great investment bankers will pocket additional billions of profits.

Mr. KING. Has the gentleman read Col. House's new book in which he says the only way the bonds could be collected is by force?

Mr. OLDFIELD. I do not care anything about what Col. House said. If he said that it is probably a starter for the propaganda, but he never will convince me. If there ever was a party on this earth that has absolutely been controlled by special interests, by the manufacturers, by the Aluminum Trust, by the Woolen Trust, by the Steel Trust, and the great investment bankers, it has been the Republican Party. [Applause on Democratic side.]

Mr. KING. Was not the Democratic Party controlled for eight years by the international bankers, headed by Barney Baruch, with a close connection between the Shoreham and the White House?

Mr. OLDFIELD. No. James M. Beck, of your Department of Justice has started a propaganda on the part of the administration.

Mr. GREENE of Vermont. Col. House was not a part of the Democratic administration; he belonged in the kitchen. [Laughter.]

Mr. OLDFIELD. It makes no difference about Col. House or anybody else. This side of the House is not going to be willing to cancel the debt.

Mr. GREENE of Vermont. I am glad they have come to their senses after eight years.

Mr. OLDFIELD. Oh, we have had some good times in America under the Wilson administration with more villifying criticism and more mean, dirty, slimy abuse from the Republican Party than has ever occurred at any other time in the history of this country.

Mr. GREENE of Vermont. The gentleman is not being personal, is he?

Mr. OLDFIELD. No.

Mr. BLANTON. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. BLANTON. I want to ask the gentleman from Illinois [Mr. KING] if he is in favor of canceling the debt that the European countries owe us?

Mr. KING. I am not.

Mr. BLANTON. Then why is the gentleman quoting Col. House?

Mr. KING. I am quoting Col. House to assist the gentleman. I agree with the gentleman that Col. House is a propagandist, and nothing but a propagandist.

Mr. GREENE of Vermont. And always has been.

Mr. KING. Yes.

Mr. OLDFIELD. You say you do not want these debts paid in goods, for that is the effect of this legislation, you do not want them paid in commodities. It is impossible to pay them otherwise and will continue to be impossible and ought to be impossible for the reason that we do not want them paid in gold. It would upset the world if all of that debt were paid in gold at one time. We want it paid in commodities if the world is to prosper and we are to prosper.

Mr. HARDY of Texas. The gentleman says we want it paid in commodities. That is the way we paid our debts when we were debtors.

Mr. OLDFIELD. Certainly. Suppose a farmer should go to a merchant in the gentleman's town with wheat and cotton on his wagon and say to the merchant, "You supplied me during the time that I made my crops. I have two absolutely staple products on my wagon, cotton and wheat." In the wheat section you can always get a price for wheat and in the cotton section you can always get a price for cotton, although sometimes it is very low, as it is at present. Suppose this farmer should say to the merchant, "I want to pay you as much as I can on my account, but I have no gold and no cash in the bank. Go out and take this wheat and cotton and apply it on the account." What do you suppose the merchant would do? He would take the staple products at the market price and give him credit on the account. Yet that is what you do not want to do in regard to this great foreign debt.

Mr. Chairman, I have had some experience in attending these hearings before the Committee on Ways and Means, and I want to say that if I had my way about it I would swear every witness who goes on the stand. The witnesses keep back all that they can. They say the things that they think will show the necessity for a high tariff rate. They ought to be placed on their oath, and that is not all. We ought to have a law on the statute books that when they do not tell the truth they should be put in jail. Of course that would be an inconvenience for some of you gentlemen, because no doubt a great many of your campaign contributors would get in jail. Mr. Payne at one time swore some witnesses over there. We ought to have a law swearing them in these hearings all of the time. These propagandists who go up and down the country are a menace to the safety of the country. Down in my section of the country some fellow was going through saying that the Chinese and the Japanese were taking the American market for eggs by importing eggs from those countries. That is a very silly proposition, and yet the people did not know whether the man was telling the truth or not. No doubt he put an affidavit expression on his face and told it loud and long. I did not know myself whether he was telling the truth.

Therefore, I looked the matter up. Of course, all of this propaganda happens when you are having hearings on a tariff bill. One newspaper reported that a million dozen eggs had been shipped from Hongkong, China, while we were having the hearings, shipped to Chicago, and that not a single, solitary egg was broken, and that was what was breaking the egg market in America. I looked up the facts, and I found that 3,200,000 dozen eggs had been imported into the country during the last 11 months, and that 23,000,000 dozen had been exported during the same time. Yet you want a tariff on eggs to protect the egg producers of this country.

Mr. HARDY of Texas. They said that hundreds of carloads were being sent to Dallas, Tex.

Mr. OLDFIELD. Certainly. Mr. Chairman, if the 2,000,000 lads who went to France in 1917 and 1918 had been as big cowards as the manufacturers of America are we never would have won the war. [Applause on the Democratic side.] It would have been absolutely impossible, because they came before our committee and told us that they could not compete with Japan on this article or that article, but chiefly it was with Germany that they could not compete. They said they could not compete with Germany on this article and that article, and that therefore they must have protection. As Mr. GARNER said, they wanted from 200 to 800 per cent advance in the rates. They said it was absolutely necessary in order that they might live. They said that they were being swamped at that time with these foreign products, and it looked as though they were telling the truth. You can not tell whether they are telling the truth or not; they look very serious. When they said they were being swamped, of course the Republicans all believed them. I was a bit suspicious. That was back in January, and I now find, and everybody in this House knows, that imports have fallen off in the last six months almost half. However, right then they said they were being swamped, and they were expecting a terrible calamity if they did not get this high tariff wall in the next two or three months. The imports are falling off, and so are the exports, but the imports are falling off more than the exports. Yet they said they were being swamped by these foreign products. Mr. Chairman, they ought to be sworn and put in jail if they do not tell the truth—but why add, "tell the truth"? They do not seem to want to tell the truth about it. Suppose a man should go to a merchant and say to him, "I want to buy a suit of clothes." The merchant would say to him that he had the suit of clothes, and the man would ask how much is it worth, and suppose the merchant would reply $25, but would add that a merchant on the other side of the street could sell him the same suit for $15, but the customer ought to pay the $25 because he, the merchant, paid more house rent and paid his clerk higher wages than the man across the street. What do you think the customer would do? Of course, if he was a Republican I presume he would pay the $25,

but I imagine that the ordinary fellow would say, "No; I will go where the man does business on a business basis, and I will buy goods where I can buy them the cheapest."

That is what these manufacturers do. They buy their raw materials where they can get them the cheapest. They talk about labor, but they get the labor where the labor is cheapest. Then they sell their products for the highest price possible. God knows they profiteered during the war to the extent of billions, and yet you want to place this law on the statute books in order to allow them to continue to profiteer. That is what you are going to do if you pass this legislation.

I was very much interested in what the gentleman from Kansas [Mr. TINCHER] said about the emergency tariff law. Of course, he admitted that it did not do the farmer any good; that he got no benefit from it. That is exactly what we told you when you were passing the bill and trying to fool the American farmer, and you were trying to do that in order to get the farmers in line so that they would help you write a tariff law in the interest of the manufacturers of the country. However, I think you disillusioned the farmer when you passed the emergency tariff bill. [Applause.]

Wheat has gone down; everything else has gone down that we placed this tariff on, and I think everybody except Republican leaders understand why. Everybody ought to understand exactly why that is true. Senator LODGE, Senator Gallinger, Senator Crawford, and Senator MCCUMBER were delegated by the Senate in 1911 to investigate this very question, and here is what they say, and I think they were absolutely sound for once in their lives. Here is what they say:

> That the tariff is not the cause of the present advance is conclusively shown by the fact that the greatest advance has been made in products which are usually produced in sufficient quantities to furnish a large surplus to other countries.

They mentioned wheat, oats, rye, corn, and barley specifically.

That is true, gentlemen, of nine-tenths of the farm products of this country. That being true, according to the leaders in the Senate, this protective tariff will not help the producers of those products. That is not only true in regard to farm products but it is equally true, as I will prove, of the manufactured products of this country as well.

Mr. KING. If the gentleman will permit, in reference to the farm products, is there any tariff bill that will keep up the price on farm products while the Federal Reserve System is deflating the prices of farm products, as is done in the gentleman's district? The gentleman knows of individual cases. Now, how can you make a tariff——

Mr. OLDFIELD. I will say that I have no control over the Federal Reserve Board, but your President and your party have control over it, and why you do not do something to remedy the situation to which you refer is more than I am able to understand.

Mr. KING. They have a renegade Democrat in there.

Mr. OLDFIELD. Then kick him out. That was one trouble with our administration; we had too many renegade Republicans connected with it. And the gentleman says they have one renegade Democrat. Kick him out; it will suit us on this side. [Applause.]

Mr. WINGO. Will the gentleman permit me to remind him of the fact that the head of the Federal Reserve Board is a Republican Secretary of the Treasury, and the renegade Democrat who the gentleman from Illinois claims is there was referred to by a leading Republican newspaper immediately after election as being sure of being retained because he was a Republican and had aided in the election of Mr. Harding.

Mr. GREENE of Vermont. I think that is true of almost all administration Democrats, that they aided in the election of Mr. Harding. [Applause.]

Mr. OLDFIELD. Now, Mr. Chairman, look at the manufacturers of this country when they come before the Ways and Means Committee. They say that they can not compete with Germany on this article and on that article. Why do they pick on Germany? Why do these fellows take Germany and say that they can not compete with her? Why do not they say England, France, Italy? No; they think we have so much prejudice in this country against Germany that they base their argument on that country; but the trouble is that all this is taken down in shorthand and sent broadcast throughout the world. They say we can not compete with these foreign countries, and name the articles. Now, when the German salesman or traveling man goes to Argentina he says, "You do not want to buy these articles manufactured in America, because we can make these articles cheaper than they can, and we can ship them to the American market and undersell Americans there. We can prove that to you." And they turn to these hearings and they read where Mr. Smith and Mr. Jones and Mr. Wood and the other protectionists have said that they could not compete with Germany, that they could not compete with the Japanese, that they could not compete with England, that they could not compete with France, and so forth, and therefore they get the trade, because they have said that they can not compete in our own markets with France, England, and Germany. So how could they compete with them in Argentina? How could they pay the freight to China or Japan and compete with them? That is the argument of these gentlemen who appeared before the Ways and Means Committee, and these very protectionists are so anxious to have a monopoly on the home market that they are willing, perfectly willing, that everybody who manufactures for export shall be cut off from the export market.

What do they want? They want a monopoly of the home market; they want to supply the home market at monopoly prices, and after they have supplied that market at monopoly prices they will do then what they did under the Dingley law and under the Payne-Aldrich law. They will ship their surplus manufactured products abroad and sell them cheaper than to their next-door neighbor. That will happen under this bill just as it happened under the Dingley and Payne-Aldrich laws. What is the next argument? It is to protect the American laboring man. Great God, protect the American laboring man! Why, gentlemen, the proof shows conclusively beyond any question that the industries of this country that have the greatest amount of protection pay the lowest wages. Mr. John Golden, a laboring man, who was engaged in the textile industry for 40 years, who made investigations here and abroad, who had worked himself for 30 years in textile mills, made the bald statement that the woolen mills of this country, that the most highly protected industries of the country, paid the lowest wages to their laboring men. He said he hoped that this Republican Congress would not compel the laboring men of this country to depend upon the generosity of the manufacturers, but that they would treat the laboring men properly and divide this tariff with them. He is a very intelligent man. Let me read to you what he says, if I can find it quickly.

Mr. HARDY of Texas. Will the gentleman yield right there?

Mr. OLDFIELD. Yes.

Mr. HARDY of Texas. I have a recollection, and I want to know if the gentleman agrees with me, that Mr. Roosevelt at one time urged some kind of a proposition in which he said that the laboring men would get something of the tariff if it did not come too high.

Mr. OLDFIELD. Yes. Just a moment. Mr. Golden stated this:

> Consequently we are wondering, gentlemen, whether you can not secure in some way from the various manufacturers some assurance that if they are going to get the protection of our Government they would maintain American standards of living and wages.

That is what he says. Is there anything unreasonable about that? Gentlemen, can there be anything unreasonable about a proposition like that? If you are going to give the manufacturers high protection in this country, would it not be wise, if you love the laboring men as you say you love them, to see to it in this law that the proper amount of the tariff gets into the pay envelopes of the laborers themselves? Do you not think it would be proper? That is what Mr. Roosevelt said in 1912 at the Bull Moose convention. I realize that you did not think so much of Mr. Roosevelt in 1912. Then you used his name to cuss with, and now you use his name to conjure with. But that is exactly what he said. He said the tariff ought to show up in the pay envelopes of the laboring men, if you please. But you all recall the speeches that Col. Roosevelt made. The chairman of the committee, the gentleman from Michigan [Mr. FORDNEY], said when Mr. Golden submitted that proposition that it would be absolutely impossible to put it in the law; that we could not put it in the law to guarantee the laboring men a fair division of the tariff graft; that it was unheard of. He has not a vocabulary sufficient to write that provision in the tariff law. He can not think of the language. All of this two-thirds majority on the Republican side of the House, and nearly that large a majority in the Senate, can not think of the language that would guarantee the laboring men of the country a fair division of the tariff taxes which the consumers of the country pay. I do not think the consumers of the country would kick so much at the tax if they knew there was a provision in the law compelling the manufacturers of America to divide it fairly with their laboring men.

It reminds me of a story of Mike and Pat. Mike was telling Pat how to keep from getting drunk. He said, "The way to keep from getting drunk is, that when you get all the whisky you want, call for sarsaparilla." Pat replied, "When I get all the whisky I want, I can not say 'sarsaparilla.'" [Laughter.]

When these manufacturers and Republican members of the Ways and Means Committee get so drunk on these tariff rates, it is impossible for them not only to say laboring men but they can not even write the words "laboring men." That is a part of the trouble in writing a tariff law. Now, let us see.

But gentlemen on the Republican side say you want protection in order to pay higher wages to the laboring man. You say laborers get higher wages in this country than they do in England and that we have a protective tariff in this country and they have free trade in England; hence protection is the cause of high wages in this country. That seems to be a convincing argument to a Republican leader who wants to help the manufacturers of this country plunder the American consumers. But let us go a little further into the investigation of this question. The manufacturers of England pay higher wages to their laborers than they do in France, and France is a protective-tariff country. If a protective tariff causes high wages for labor, why do not the French manufacturers pay higher wages than they do in free-trade England? English laborers get better wages than they do in Germany. They did before the war and they do now, yet Germany is a protective-tariff country and England is a free-trade country. If a protective tariff is the cause of high wages, why does it not work out in practice in Germany and France? Of course, we can not expect you on the Republican side to tell the people the truth and tell them there is nothing to your claims on this proposition. That would destroy your case. I will tell you the trouble with your proposition that protection is the cause of high wages paid to the laboring men. It is not true, and nobody knows it better than the leaders of the Republican Party. Russia before the war was a high protective-tariff country, and yet lower wages prevailed in Russia, Germany, and France, all protective-tariff countries, than in free-trade England.

Let us go a step further in the argument. You say the tariff is the cause of high wages, and yet the proof shows in the hearings on this bill that the most highly protected industries in this country pay the least wages. The textile industry, the woolen and cotton mills, have protection, yet they pay smaller wages than industries that do not have protection and do not ask for protection. The fact is that every increase of wages has been brought about by the organized demand of the laborers themselves and not by the generosity of the protected industries. The manufacturers get their labor as cheaply as they can. They buy their raw materials where they can buy them the cheapest and then sell their product for the highest price possible. This is but human nature. They make all they can out of their business, and God knows that during the war and for more than a year after the armistice they profiteered to the extent of billions, and yet they come here and want more protection so they can continue to profiteer. When there are two laboring men looking for the same job labor is cheap, and when there are two jobs looking for one wage earner labor is high; hence the price of labor is controlled by the well-known law of supply and demand. The law of supply and demand controls what the laboring man has to sell—his labor—and the same law ought to control what he has to buy in order to live. Yes; these same industries that are clamoring for protection so that they can keep up the standard of living for the laboring man pay less wages than the unprotected industries.

Henry Ford pays higher wages than the woolen and cotton mills, and yet he is not asking tariff protection in order to pay labor a fair wage. Carpenters get higher wages than the laborers in the woolen, cotton, and steel mills, yet they are not protected. A carpenter will get twice as much per day as the woolen-mill workers in the same town, yet there is no protective tariff to protect him. The brick mason gets higher wages than the workers in the woolen mills, the cotton mills, or the steel mills, and yet there is no protective tariff to protect the brick mason. The painter, the man who paints houses, gets a higher wage than the wage earners in these protected industries, yet there is no protective tariff to protect the painter against foreign competition. The plumber gets a higher wage in the same cities where these protected industries are located than the wage earners in the protected industries, yet they are not protected by a protective tariff. Ah, gentlemen, you are going to have to get up a better argument for a protective tariff than the high-wages argument. If the textile industry and the other industries would spend more time attending to business, promoting efficiency in their plants, cutting out waste, and less time writing tariff bills in their own interest, they would not even think they need protection. [Applause.]

Mr. BANKHEAD. Will the gentleman, before he leaves that phase of the subject, pardon an interruption?

Mr. OLDFIELD. Yes.

Mr. BANKHEAD. The gentleman is discussing the effect of the proposed tariff bill on the cost of living. There is a great demand for the reduction of wages because of the fact, so alleged, that the cost of living is reduced to such an extent, and the Labor Board issued an order recently reducing the wages of the railroad men about 12 per cent. Does the gentleman think the effect of this bill, if put into operation, would have the tendency to increase the cost of the necessities of life to the extent of 12 per cent to these laboring men?

Mr. OLDFIELD. I am glad the gentleman asked the question. The gentleman from Michigan [Mr. FORDNEY] tried to convince the House yesterday that these tariff taxes do not increase prices. Gentlemen, if they did not increase prices, or if these manufacturers did not think they increased prices, they would not be hanging around the Ways and Means Committee for six or eight months at great expense. They would not put up $8,000,000 or $10,000,000 electing a Republican President and a Republican Congress if they did not think the tariff would increase the prices of their products to the consumers of the country.

Mr. MORGAN. Will the gentleman yield?

Mr. OLDFIELD. Yes; I yield.

Mr. MORGAN. When you considered the Underwood bill, did you consider at that time the rights of labor as you are now discussing them?

Mr. OLDFIELD. Certainly. We always do consider the rights of labor, and the laboring men have gotten better wages under the Underwood law than under any other tariff law in the history of this Republic. [Applause.]

Mr. MORGAN. Will you answer me just why soup houses in 1913 were opened up, after the Underwood law was passed, as they always are under free trade?

Mr. OLDFIELD. That is the first time I have ever heard of soup houses under the Underwood law. But there are thousands of laboring men out of employment to-day under the Republican administration, and a Congressman told me here that he had four beggars in his office yesterday, and that he never had one in his office under the Democratic administration.

Mr. MURPHY. Does the gentleman say that the tariff is not reflected in the pay envelopes of the American workmen? Does he say that?

Mr. OLDFIELD. I read you what Mr. Golden said.

Mr. MURPHY. Who is Mr. Golden?

Mr. OLDFIELD. Mr. Golden is a high-class man and made a splendid impression upon the committee.

Mr. MURPHY. Then, I call your attention to this fact, that what we are asking is a differentiation between the wages of Europe and those of this country.

Mr. OLDFIELD. You do not know what those wages are. In figuring wages you must figure out what those wages will buy of necessities where the labor is performed. In this country to-day, and it has been so for years, we have the most efficient laboring men on the face of the earth. And the proof shows that in some parts of the world it takes as many as six laborers to do the same amount of work in one day that one laborer here will do. It is nearly always the case that the highest paid labor is the cheapest in the long run, because such labor turns out the greatest amount of product.

Mr. MURPHY. My dear sir, let me tell you that in the glass industry, of which I have some knowledge, they are paying abroad only one-eighth of the laboring cost that we are paying in America.

Mr. OLDFIELD. I am coming to that in a moment.

Mr. MORGAN. Mr. Chairman, will the gentleman yield there for a moment?

Mr. OLDFIELD. Yes.

Mr. MURPHY. Did the gentleman vote for the immigration restriction bill the other day?

Mr. OLDFIELD. No; I voted against it. That is, I voted the other day against the bill brought in here by you Republicans to suspend the immigration laws and relieve several thousand immigrants who had entered our port at New York in violation of law.

Mr. MURPHY. You were voting then for the laboring man, were you?

Mr. OLDFIELD. I have voted for him at every opportunity. I will say to the gentleman that I have always voted for the restriction of immigration in this country.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. GREEN of Iowa. Did I understand the gentleman to say that he did not know anything about unemployment in America under the Underwood bill? Is not the gentleman

aware of the fact that during the last six months of the year 1914 the statistics show that there were 4,000,000 men out of employment in the United States, and the balance of trade was against us?

Mr. OLDFIELD. I want to see the statistics. I have heard many statements from many sources during the last six months, and almost invariably after I had looked it up I found that those who made them either did not know what they were talking about or they were trying to mislead somebody.

Mr. FOSTER. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. FOSTER. I would like to submit to the gentleman some statistics from the coal mines of Ohio.

Mr. OLDFIELD. The gentleman can put them in the RECORD.

Now, gentlemen, in the emergency tariff law you put a duty on cottonseed oil, notwithstanding the fact that we exported in the last 11 months 269,000,000 pounds of cottonseed oil and imported only 1,269,000 pounds. In other words, you are trying to fool the farmers of America. You have done it all through this bill. Of wheat in the last 11 months we imported 50,000,000 bushels. In the same time we exported 268,000,000 bushels. Yet you are trying to make the farmers of the country believe that they will be benefited by your tariff rate on wheat.

You simply try to line them up for this wool schedule; you try to line them up for the cotton schedule; you try to line them up for the iron and steel schedule; and try to line them up in behalf of the Aluminum Trust. I am sorry you have been able to get away with it to some extent heretofore, but, as I said before, I believe the farmers have been disillusioned by the emergency tariff law.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. GREEN of Iowa. When does my friend think the emergency tariff act went into effect?

Mr. OLDFIELD. It went into effect on the 28th of May.

Mr. GREEN of Iowa. And the figures the gentleman uses cover a period before the emergency tariff law had gone into effect at all.

Mr. OLDFIELD. It has been in effect a month and a half, and every farm product included in the bill has gone down every day since that time.

Now take the case of corn. We imported in the last 11 months 5,000,000 bushels of corn and exported 20,000,000 bushels, including exports to Canada. You want to shut out imports from Canada. Then take rice. They went all through the States of Louisiana and Arkansas and neighboring States and told the rice farmers that what they needed was a protective tariff on rice, and they made some of the people down there believe it, and they actually made some Members of Congress believe it. We imported 86,000,000 pounds of rice in the last 11 months, and during the same time we exported 367,000,000 pounds. An attempt has been made to make the rice farmers believe that what they need is protection for their rice.

What rice farmers, and farmers generally, need is a market for their surplus products. You place a duty on meat products, yet out of every 100 pounds of beef and pork products consumed in the United States, the home producer and chiefly the packers furnish 99½ pounds, while all the nations of the world furnish one-half of a pound out of every 100 pounds consumed here. We export 400 times more of these products than we import, yet you place a duty on beef, veal, and so forth, for the benefit of the Beef Trust.

In 1920 the production of beef and veal in this country was 9,000,000,000 pounds, yet you have the nerve to tell the farmers of this country that you are going to benefit them by placing a duty on these products and this is true of nearly all the farm products produced in this country.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. MORGAN. Have you the statistics of the number of pounds of wool and of beef and of mutton and hides that have come in since a year ago last April under the Underwood free-trade law?

Mr. OLDFIELD. The gentleman can put that in the RECORD.

I take the position, as to these farm products which I have mentioned, that where we produce a great surplus for export it is absolutely impossible to benefit the farmer by imposing a protective tariff. It will not put any money in his pocket. I can prove that by the statement of Senator LODGE, made in 1911. If that is true, it ought to be equally true with regard to manufactures.

Let us see. Let us take the iron and steel schedule for example, gentlemen. In the last 11 months we imported under the iron and steel schedule $41,000,000 worth of iron and steel products, and at the same time, gentlemen, during the same period, we exported $908,000,000 worth; nearly a billion dollars worth in the last 11 months. Yet you put a duty on steel, on various kinds of steel, structural steel and other kinds. And just to show you how ridiculous you make yourselves on this proposition, let me read you something. I had it here, but I can not put my hand on it. At any rate, gentlemen, I saw a statement just a day or two ago as to steel railway axles. I find that there are no imports of steel railway axles into this country, and yet you put on railway steel axles a duty of six-tenths of 1 cent a pound. Just a few days ago, about the time this bill was reported, Great Britain tried to sell to the railroads in India some railway axles, and the American manufacturers underbid England 30 per cent on a great order for railway axles, and India could not buy them from the mother country because the manufacturers in Great Britain could not sell them as cheaply as our manufacturers. Yet you put a duty of six-tenths of 1 cent a pound on steel axles. Whom do you benefit there except the Steel Trust? You tighten their monopoly on that product.

Now, what else is there in this bill? Take cotton manufactures.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. GREEN of Iowa. Before the gentleman leaves that subject of axles, does the gentleman remember what the rate was in the Underwood bill?

Mr. OLDFIELD. I do not know as to that. But it does not make any difference. It might have been that 10 or 12 years ago they could compete in our market, but now they can not, because the records show it.

Mr. GREEN of Iowa. They have been able to since the Underwood bill was put into effect.

Mr. OLDFIELD. I am talking about this bill. Do you think it is fair if they can now? You ought to amend this bill and put them on the free list. If that is true, you can find out in 24 hours and can verify that statement; and if we in this country can manufacture axles for railroad cars and ship them to India and underbid Great Britain, the mother country, by 30 per cent, you might as well put them on the free list, because there are none imported here, and you might give the railroad companies of this country the benefit of any competition that might come in. You must remember that when the railroads of the country are compelled to pay monopoly prices for materials, it has to be paid for by the people who ride on the trains and ship their products by rail. [Applause.]

Mr. FOSTER. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. FOSTER. Before the gentleman leaves that, has he any figures as to the wages of employees in the steel industry as compared with those in the woolen and cotton industries?

Mr. OLDFIELD. No; I have not.

Mr. FOSTER. That would be fair in determining what became of it.

Mr. OLDFIELD. I do not know what they get, and I do not know what they get abroad.

Mr. FOSTER. I am talking about what they get here as compared with cotton and wool.

Mr. OLDFIELD. I do not know. Probably they get more. At any rate, if they do get higher wages in the steel industry, and if they can still export their product to the extent of a billion dollars worth of it and ship it throughout the world in competition with the world, then why put on protection and strengthen and tighten the monopoly of the Steel Trust in this country?

What else? Take the cotton manufacturing schedule. Our imports of manufactured cotton goods in the last 11 months were $92,631,000. That may sound big. It may sound like they ought to have protection, but let me tell you the rest of the story. How much did we export and sell abroad in competition with those people who exported to this country? As I have already stated, we imported in 11 months last year $92,631,449 worth of cotton manufactures, but in the same 11 months we exported $231,716,186 worth. Why is it, gentlemen, that you want the manufacturers of cotton goods to have protection? I think it was Mr. Bemis who testified that the manufacturers of this country could make the coarser-grade cotton cloths more cheaply than any other manufacturers on earth.

Now, gentlemen, what else? We had before the Ways and Means Committee a representative of Earl & Wilson, collar manufacturers. That is the concern that had a suit brought against it a few years ago for fixing the retail price of their

product, selling collars all over the country at the same fixed retail price, fixing the price at which the retailer should sell to the consumer. The proof showed that the domestic production of collars in this country was $35,000,000, while the importations of collars were only $41,000. Yet you have put protection on collars in the bill.

Mr. GREEN of Iowa. We have put a lower rate than was ever put on before.

Mr. OLDFIELD. They are not entitled to any. Why should they have any rate when there is an importation of only $41,000 as compared with a production of $35,000,000? If there is no competition at home, why should not the foreigner come in with his competition and let the consumer have the benefit of it?

Mr. MURPHY. The gentleman would let the foreigner come in and let the American workmen be idle.

Mr. OLDFIELD. There are going to be more of them idle when you pass this bill.

Mr. MURPHY. There are 4,000,000 men idle now under the Underwood tariff.

Mr. OLDFIELD. There will be 8,000,000 or 10,000,000 idle when you get this bill on the statute books. Now, what about aluminum? That is a trust owned by the Mellon interests, the Secretary of the Treasury. The Aluminum Trust is a real trust. It started out in 1888 with a capitalization of $20,000 and is now worth $20,000,000, and last year, in 1920, it paid 12 per cent on that $20,000,000 capital. Yet you increase the tariff rates on aluminum in this bill from 2 cents a pound to 5 cents a pound.

Mr. MURPHY. Under the administration of the gentleman's party it was a crime to be a successful business man.

Mr. OLDFIELD. I do not yield to the gentleman any further. Now, gentlemen, in the interest of the American people I do not understand why that increased duty is necessary. Here is a monopoly. Of course, it is owned and controlled by the interests of one of your chief Cabinet officers, the Secretary of the Treasury. But that is no reason why the consumers of aluminum products should contribute their hard-earned money to this monopoly.

The Aluminum Trust sent a man named Davis, who represented the concern and who wanted a higher duty than in the present law. How can you expect the people to buy kitchen utensils and other products made of aluminum if you increase the prices of these products? This is a monopoly, and they charge now all that the traffic can bear. Of course they may not be making as much money as they did during the war. A young fellow in the Treasury Department told me—I will not give his name, for he might get fired—that these fellows who come down to see about the excess-profits taxes say they are in an awful fix, that they have made no money, and when you come to simmer it down if they have not made as much as 100 per cent they think that they are going broke. That is the trouble with these fellows who during the war made 300 or 400 per cent. Before the war the corporations of the country made annually three or four billions in profits, and in 1919 they got nearly ten billions in profit, and if they can not run along in that profiteering way they think that they are being ruined. Now, the Aluminum Trust is not so bad off as the farmers; the farmers have lost $10 for every dollar that the Aluminum Trust has lost, and yet you want the farmers to contribute to the loss of the Aluminum Trust, the Steel Trust, and other trusts of this country.

The CHAIRMAN (Mr. MANN of Illinois). The Chair will advise the gentleman that he has used one hour.

Mr. OLDFIELD. I would like 30 minutes more.

Mr. WINGO. I think the present occupant of the chair was not in the chair when the gentleman from Texas [Mr. GARNER] yielded to the gentleman from Arkansas such time as he might desire.

Mr. OLDFIELD. I will take 30 minutes more.

Mr. BLANTON. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. BLANTON. What is the use of arguing the question any further when an orthodox Republican like the gentleman from Wisconsin [Mr. FREAR], in his report, says that this bill contains provisions fundamentally indefensible?

Mr. OLDFIELD. I do not think there is much use of arguing it myself.

Mr. GREEN of Iowa. Has my friend from Arkansas, who declaims so earnestly about the purchaser of kitchen utensils, figured out how much of an increase the tariff would amount to on a kitchen utensil that weighed about half a pound?

Mr. OLDFIELD. Oh, gentlemen, I have an answer to that which is a corker. [Laughter.] I want to read you the testimony at the hearings of a fish merchant who makes that same sort of argument. The position is that they spread the tariff so thinly that the consumer doesn't know anything about it and does not feel it. We had a man before the committee who made the best argument on that proposition that can be made and I want to read it to you. This man, Mr. Born, was one of the most honest protectionists that appeared before the committee. Here is what he said:

The CHAIRMAN. Fish or no fish, brother, we need the revenue.
Mr. BORN. And on mackerel $2 added to a barrel would not make any difference, the consumer would never know the difference, so far as he was concerned.
Mr. HAWLEY. Who would pay it?
Mr. GARNER. The dealers would pay it.
Mr. OLDFIELD. You mean the manufacturers would pay it?
Mr. TREADWAY. Your argument is that the rate would be practically so low per pound that it would be absorbed before it reached the consumer?
Mr. BORN. The consumer would not know it.
Mr. HULL. It would be just like the sale tax, or the turnover tax.
Mr. OLDFIELD. They would pay it and not feel it.
Mr. BORN. They probably would not.
Mr. RAINEY. You would just submit them to a treatment of chloroform?
Mr. BORN. Well, it would not be like the income tax.

He wanted to spread it along so thinly, just as my friend from Iowa [Mr. GREEN] says about aluminum, that the consumer would not feel it. In other words, if you can pick the pockets of the poor without their knowing it and put it into the pockets of the Aluminum Trust and the fish merchant, that is all right from the Republican standpoint. [Laughter and applause on the Democratic side.]

Is there anybody in the House who thinks that is a sound argument, to spread the tariff so thinly that the people do not feel it and yet say they ought to pay it? Nobody would agree to that, but the Republican members of the Ways and Means Committee not only gave $2 a barrel on mackerel, but they gave it $5 a barrel in this bill. The same is true of the sugar people. Why, Mr. Chaffe, from Louisiana, came here before the committee and said that they wanted 3 cents a pound on sugar, and figured that it would put $180,000,000 in the Treasury. I said, "It is all right to put that money in the Treasury, but it is your position, and do you state before this committee that the producers of sugar cane in Louisiana and the growers of beets in Michigan would get another $180,000,000 and put it in their pockets?" He said, "Yes; that is the way we figure it." Now, I do not think that is fair to all the consumers of America to allow the sugar growers in Louisiana and the beet-sugar growers in the Northern States to put $180,000,000 in their pockets at the expense of all the rest of the people. [Applause on the Democratic side.]

Now, the cotton manufacturers and woolen manufacturers said they were not making any money. I am going to put a statement in the RECORD from a paper showing that they made more in 1920 than they did in any prewar year. They said during the hearings they were not making any money, that their mills were closed down, and had been for six months. Now, I want to read this article from a newspaper of June 29:

COTTON MILL DIVIDENDS—OWNERS DECLARE DEPRESSION PERIOD PASSED AND ARE OPTIMISTIC.

SPARTANBURG, S. C., *June 29.*

Eighteen cotton mills in Spartanburg County to-morrow pay semi-annual dividends amounting to $557,130. Pacolet leads with a 3½ per cent dividend on $2,000,000 common stock and 3½ per cent dividend on $2,000,000 preferred, a total of $140,000. Clifton and Spartan mills come next, each paying 4 per cent on $2,000,000 capital stock. The highest dividends are paid by Arcadia, Beaumont, and Woodruff mills, each paying a 5 per cent semiannual dividend. None fall below 3 per cent.

Local mill men say the period of depression is passing, and they are optimistic over the outlook. Wage adjustments have been made, and the mills are recovering orders for goods in sufficient volume to insure steady operations for months to come.

You will notice, gentlemen, that whenever they increase wages they speak of it in big headlines as a wage increase, but when they decrease them they speak of it as a wage adjustment. [Laughter.] And you want the farmers of America and the four or five million laboring men who are out of work in this country, who have no money with which to feed and clothe their families and educate their children, to pay the increased prices on cotton manufactured goods that the mills in South Carolina and the East generally may make huge profits.

Let us now take the woolen proposition. I do not suppose any Massachusetts man will deny that the Boston News Bureau is a reputable financial newspaper. Here is a statement that it makes from which I desire to quote:

Boston.—Despite all rumors and reports of short-time operations at the plants of the American Woolen Co., the fact of the matter is that the company is operating its entire system at virtually as high a capacity as it has ever obtained.

The American Woolen Co. is a trust. Yet despite that statement which I have just read, they came before our committee and told us that they were going broke just as fast as possible, that they did not have anybody at work, that they were hiring

men to guard their plants, as they were compelled to shut down. Let me quote further from this same newspaper:

The heavyweight goods season was opened late and proved such a pronounced success on overcoatings, suitings, women's wear, and all lines that production facilities have been taxed to get the goods to the trade in time to be made up for the cold weather. The mills will be busy with this work for some weeks yet.

Mr. Chairman, the manufacturers are in much better position than the farmers. Whenever they have a hard time of it, they can close down their mills and cut the expense almost entirely off, and feed out their goods as the demand calls for them. The wheat farmer and the cotton farmer can not do that. There are six and one-half million farmers in America. Those farmers can not get together in a little back room of this town or that town and fix the price of their various farm products, but the Woolen Trust, the Steel Trust, the Sugar Trust, the Aluminum Trust, controlled by a half dozen men probably, can get together in some small back room and fix the prices and they do fix them at all the traffic will bear. Do you know what these gentlemen wanted before our committee? Actually they wanted a tariff that would not only equal the difference in the cost of production at home and abroad, but they wanted enough to overcome the freight rates from the Atlantic to the Pacific coast. About the only bill that the Republicans bragged about during the last campaign as having been passed by them was the railroad bill. Senator LODGE I think, at the convention at Chicago, said that that bill alone was a great accomplishment, and yet since that bill was passed they have boosted the rates to a point more than the traffic will bear, and since the election it has developed that the Republicans permitted the railroads themselves to write the railroad act. To continue the reading from this newspaper:

American Woolen expects to sell every yard of goods it can manufacture in the second half year. Supplies of cloth are far lower than generally appreciated, and American Woolen could almost dispose of another full season's output of winter goods.

Mr. BANKHEAD. Mr. Chairman, I will ask the gentleman if that is a recent issue of this paper?

Mr. OLDFIELD. Last week's. These manufacturers do not fool these people up in Massachusetts, and I am going to prove it to you in the very next paragraph which I shall quote. They may fool the Members of Congress and the people generally, but they do not fool the people up there. Listen to this:

There is the usual intimation that the company is making no money on its business—

The usual intimation! They usually intimate that, and I know they intimated that when they came before the Committee on Ways and Means, and I think they would really swear to it—

but the books do not reveal operating losses, nor does the balance sheet show the slightest need of urgent liquidation.

They do not have to sell the products they have on hand. Yet the usual information is that the company is making no money on its business, although the books do not reveal operating loss nor does the balance sheet show the slightest need of urgent liquidation.

American Woolen is earning its $7 dividend comfortably, and as a result of the forthcoming big spring business will show it handsomely covered when the year ends next December 31.

They are not fooling this trade paper. There is another thing that I desire to call attention to. The Republicans talk about their love for the laboring man, but they will not vitalize that love by putting it in any shape in this bill and make the manufacturers divide the tariff graft with the laborers. I think that the Democrats ought to prepare an amendment—and you gentlemen ought not to object to it or make the point of order against it—which would compel the manufacturers to divide this tariff graft with the laboring people; and if you do not object to such an amendment, we will offer it.

I want now to call the farmers' attention to one proposition. They talk about being so good to the farmer. A man named La Roe wanted a duty on potash and fertilizers. You give the farmer a tariff of 25 cents a bushel on wheat, which does not mean anything, and so much on peanuts that does not mean anything, and they have so much on corn, which also means nothing to the farmer, but you certainly soaked them on fertilizer.

I want to read you what the representative of the potash producers themselves says. They stated that they can produce fertilizer in this country. Their own representative is talking about where the potash can be produced, out in Nebraska, Utah, and California, great lakes of potash salts. He wants that interest protected against Alsace-Lorraine. I want to quote from page 3997 of the hearings and state what their representative says. He talks about how much it costs. Of course, out in Nebraska and in the new countries like that, they do not need fertilizer so badly, but in all of the eastern country they must have fertilizer, as they must in the South and East, if they are to grow good cotton, cabbages, peaches, apples, and other crops.

In my country, we do not use much fertilizer, neither do they in Kansas, but they do in this southeastern section of the country, where the farmers must have it if they make a living. Now, after talking about the lakes, and so forth, then he said:

The green sands of New Jersey constitute another almost inexhaustible supply, and a large corporation, with a capital of over $7,000,000 and equipped with a corps of the best chemists and other technical experts that can be obtained, is about to begin producing potash there, its plant having already been erected. It is estimated that these sands will supply the country's needs literally for centuries and the sand lies right on the surface, where only steam shovels are required to dig it, and this sand is found not only in New Jersey but stretches in a wide belt from Sandy Hook to Washington, D. C.

Stands right on the surface, right on the surface where you can mine it with steam shovels, and yet they want a protective tariff on that for five years, and they get it.

Mr. ARENTZ. Will the gentleman yield?

Mr. OLDFIELD. Not right now. Now, I want to read just what this man said about the farmers. I asked a question of Mr. La Roe, and Mr. La Roe said, "I am trying to show you that the 50 cents duty will be for the cotton farmer from 25 to 30 cents an acre." That is all. That is what they put upon the farmer of the South and Southeast. Why should they kick? Why should they complain when they build up a great industry between here and New Jersey, where you have this stuff which you can mine with steam shovels right off the top of the ground—$7,000,000 already invested in a great corporation? Why should we not tax the farmers that use fertilizer 50 cents an acre for the next five years? Do you think it is fair to the farmer? Yet this is the argument, and the only argument, in favor of such a proposition.

Mr. ARENTZ. I will tell the gentleman why it is fair.

Mr. OLDFIELD. I wish the gentleman would.

Mr. ARENTZ. Alsace-Lorraine produces at the present time all the potash in the world. We do not know how long that potash deposit is going to last, and would not it be a good idea in this country to be safe in protecting the potash necessary for——

Mr. OLDFIELD. But if we can mine this potash between here and New Jersey with steam shovels right on the ground, how can they mine it in its present form in Alsace-Lorraine under ground, ship it to this country, pay whatever duty there is on it, pay the freight, pay the insurance—why impose the duty on it?

Mr. ARENTZ. If you want to wait 100 years after this rock is mined for it to decompose——

Mr. OLDFIELD. But they have a corporation organized there that can mine it with steam shovels.

Mr. ARENTZ. It is absolutely absurd. It takes 100 years for this rock to decompose. It is absolutely absurd.

Mr. OLDFIELD. They have asked for a tariff for five years, and now the gentleman will want us to extend that for 100 years because it takes 100 years for the rock to decompose. [Laughter and applause.]

Mr. GREEN of Iowa. This is an old story about New Jersey potash. They have never made any potash yet.

Mr. OLDFIELD. Then why in the name of common sense did they have a lawyer sent here to represent those people? Why did he come here and mislead the committee? That is what he said.

Mr. GREEN of Iowa. But he does not say they ever made any potash.

Mr. MORGAN. Will the gentleman yield?

Mr. OLDFIELD. I will.

Mr. MORGAN. The gentleman referred to the farmers and the consideration given them by the Republican Party under the tariff schedules.

Mr. OLDFIELD. I did not say there had been any real consideration, just a make believe consideration. [Applause.]

Mr. MORGAN. I want to ask the gentleman this question.

Mr. OLDFIELD. They just made out like they were given consideration.

Mr. MORGAN. I want to ask the gentleman this question: Why is it that farms are sold at sheriff's sale under Democratic tariff schedules and debts are paid under Republican schedules. [Applause on the Republican side.]

Mr. OLDFIELD. If the gentleman wants me to answer that I will answer it. It is simply nothing on earth but Republican propaganda. They always say that. They have the newspapers of America saying that——

Mr. MORGAN. Can the gentleman answer it?

Mr. OLDFIELD. They said in this country for 20 years that there was great undervaluation at the customhouses. When the proof came and those men who had been administering the

law came before the committee these Republican members of the Ways and Means Committee seemed to be dumfounded, when they all—the witnesses—said that there was less than one-tenth of 1 per cent of undervaluation at the customhouse. Therefore it was only Republican propaganda. It is simply not true. You Republicans had repeated this propaganda so often that you had begun to believe it yourselves, when you knew in the beginning that it was not true. [Applause on the Democratic side.] You have gone back to specific and complex rates in this bill.

So that when the prices of products go down these protectionists will still get their pound of flesh. These Republicans never want to give the public the benefit of the breaks. They must give the protected interests the advantage at all times and under all circumstances. [Applause.]

Mr. COLTON. Will the gentleman yield?

Mr. OLDFIELD. Yes.

Mr. COLTON. The gentleman surely does not intend to leave the impression here that this bill provides for a 2½ cents duty per pound for five years, does he?

Mr. OLDFIELD. Let me read it to you.

Mr. COLTON. I will tell you what it does provide for. It provides for 2½ cents per pound for the first two years only, and then on a sliding scale, and automatically ceases to pay duty under the provisions of this bill in five years—only long enough to get this infant industry established.

Mr. OLDFIELD. You will never get up beyond the infant stage, because when they get above that stage you can not choke them off. There was a man before our committee who made sweaters and knitted goods and underwear, and do you know what he said? He said they had been in business for 50 or 60 years; that they had made sweaters and sold them in 1914 for $27 a dozen, and at that time in January when he testified they were making them and selling them for $78 per dozen, and yet he had never had any foreign competition; but he said he was expecting it. [Laughter.] He had been in business for 50 years, but had never had any foreign competition; but, "Oh, my, it is coming now. I can see it coming." And listen to what he said. He said, "We have been paying 7 per cent dividends on our common stock and 7 per cent on our preferred stock, and we have issued 100 per cent in stock dividends." And yet he was afraid of competition.

I said, "How old are you in your business, anyway?" He did not answer directly. They will not do that. It is awfully hard to get them to answer a direct question. I said, "How old is your business?" He said, "I did not say anything about being an infant." [Laughter.] "You have not answered the question," I said. He said, "Fifty or sixty years." And yet he asked for protection, and he gets it under this bill.

Mr. HOGAN. Is that a fair comparison to an industry that had no existence in America prior to the war and only started because of the demand in this country during the war? Is that a fair comparison? And then, further, will you also read the provision of the bill that you started out to read?—because the inference was given here that we were giving the duty for five years.

Mr. OLDFIELD. According to the other gentleman over there, while we were having this colloquy, it would be a hundred years before we got ready.

Mr. GREENE of Vermont. Will the gentleman from Arkansas yield?

Mr. OLDFIELD. Yes.

Mr. GREENE of Vermont. If you are so eager in insisting there is already plenty of material from which to make fertilizers in this country, why were you so anxious to develop Muscle Shoals?

Mr. OLDFIELD. That is an entirely different question. Another thing, we had an understanding in the Ways and Means Committee before we brought this bill over here that our debate should be confined to the bill. Therefore we do not want to talk about the Muscle Shoals proposition.

Mr. GREENE of Vermont. The Muscle Shoals proposition was brought up ostensibly in the interest of the farmers for fertilizer.

Mr. OLDFIELD. Oh, yes.

Mr. GREENE of Vermont. And then you admit it was only a camouflage; that that was only a reason and not the real purpose?

Mr. OLDFIELD. Oh, no; I will say it was a meritorious proposition in the interest of the farmers of the country, but you Republicans killed it.

Mr. GARRETT of Tennessee. I think it would not violate the agreement with Mr. FORDNEY and the gentleman from Arkansas to take the time to tell the gentleman from Vermont [Mr. GREENE] the difference between the product which Muscle Shoals would produce and potash.

Mr. GREENE of Vermont. I did not mention potash specifically, but I said "ingredients."

LUMBER.

Mr. OLDFIELD. Recent investigations show that we are short 1,250,000 homes in this country, yet you write a lumber schedule which, by the testimony of Republican members of the Ways and Means Committee, will increase the cost of building a home in this country all the way from $200 to $500 each. Yet the lumbermen in this country can produce lumber as cheaply as anywhere in the world. You say you are going to remit the duty just as soon as Canada repeals the duty on lumber. The lumber manufacturers in this country can not stand to see the Canadian lumbermen rob the home builders of Canada without their having the same right to rob American home builders. Gentlemen, we are not concerned with tariff rates in Canada, but we are interested in the home builders of America getting lumber as cheaply as possible with which to build homes.

CEMENT.

During the last 10 months, including April, 1921, we imported $981,000 worth of cement, and during the same period we exported $6,980,000 worth of cement. Cement is a very important building material. Yet you have placed protective duties on cement in this bill. Two days after you introduced your bill the Attorney General brought suit under the antitrust laws against the cement people. Here is a trust which has a monopoly on the American market, and yet you give it protection in your bill. The workings of a protectionist mind are indeed strange. [Applause on the Democratic side.]

EARTHEN AND CHINA WARE.

The earthen and china ware people came before the committee with tears in their voices and told us that they were being swamped by foreign competition. What are the facts? We imported in the last 11 months, including May, $11,885,086 worth of earthen and china ware. We exported during the same period $9,368,668 worth. We exported these goods to France, Canada, Mexico, Cuba, Argentina, Brazil, Chile, Uruguay, China, Japan, Australia, New Zealand, and other countries, and competed with the foreign manufacturer in those markets. Yet they tell us they can not compete with the foreign manufacturer here at home. Do you not think these manufacturers ought to be put under oath when they appear before the committee? Why do they want this protection? To increase the prices of their cups, saucers, dishes, and so forth, to the American consumers. [Applause.]

WINDOW GLASS.

I noticed recently in the Southern Tariff Advocate the statement, in big headlines, "Window-glass industry demoralized by foreign competition." The article says the competition is coming from Belgium. During the last 11 months ending May 31, 1921, we imported common window glass to the amount of $1,526,567. During the same 11 months we exported common window glass to the value of $2,381,762, almost twice as much as we imported. Yet they say Belgium is putting our manufacturers of window glass out of business. Now, where did we send our window glass. France, Belgium's next-door neighbor, Canada, Mexico, Cuba, Argentina, Brazil, Chile, Uruguay, China, Japan, Australia, and New Zealand. We compete with Belgium in all those countries.

The average ad valorem rate on all dutiable imports under the Payne-Aldrich Act for the year 1913 was 40 per cent. In this bill the rate will be boosted to a 55 per cent average. It will cost the American people not less than $3,000,000,000 per year in tariff taxes. The people will not stand this burden long. This bill will defeat you worse than did the Payne-Aldrich bill. [Applause on the Democratic side.] I think the people are interested in our export trade, in markets for our surplus products. About 20 per cent of our production in this country is surplus, for which we must find foreign markets if we are to have prosperity at home. For the year 1920 we had a surplus of cotton to the value of $200,000,000, wheat to the value of $450,000,000, meat products to the value of $250,000,000, and manufactured products to the value of $750,000,000.

Now, gentlemen, we can not sell these surplus products, upon which our prosperity depends, to foreign peoples unless we buy their products in return; yet you are building a Chinese wall around this country. The testimony before the committee overwhelmingly showed that if Europe, our best customer, is to exist we must trade with them. Yet you build a tariff wall so high it will be impossible for them to send their goods to our markets. [Applause on the Democratic side.]

MERCHANT MARINE.

What do you expect to do with our $3,000,000,000 merchant marine created during the war? Mr. Lasker, chairman of the Shipping Board, made the following statement a few days ago:

American industry and finance can not exist on the scale to which it has been created unless foreign markets are opened and remain open. American commerce must compete successfully on the seas with the commerce of the world.

No merchant marine can long exist unless its ships have cargo both ways, and you know this; hence your program probably is to sell the ships to your pets at dirt-cheap prices and then if they are put out of business by your tariff policy you will at least make an effort to pass a ship subsidy bill and take the taxpayers' money out of the Treasury and give it to the shipowners in order to guarantee them profits. If this bill becomes a law, the Atlantic and Pacific Oceans had just as well be oceans of fire instead of great highways of commerce as God intended. [Applause on the Democratic side.]

Mr. Chairman, in conclusion permit me to say that every Democrat and every independent-thinking Republican should vote against this bill written by and in the interest of special privilege. Democrats should line up solidly against it. The Democratic Party was organized to combat special privilege wherever it shows its ugly head. This is a contest between the millions of the American people who do not seek special favors at the hands of Congress, on the one hand, and the rich few who promote, write, and pass legislation in their own interests on the other.

The Democratic Party has always taken the side of the ordinary citizen, the masses, if you please, as against their exploiters. The party has a splendid record of achievement in the past, and if we remain true to our principles we have a glorious future awaiting us. I thank you. [Loud applause.]

Mr. FORDNEY. Mr. Chairman, I yield eight minutes to the gentleman from Wyoming [Mr. MONDELL].

Mr. MONDELL. Mr. Chairman, a little later I shall have time, I hope, to address the committee at some length on this bill. At the present time I desire to submit a few preliminary observations.

Mr. Chairman, the Republican members of the Ways and Means Committee of the House have performed a great public service in the preparation and presentation of the Fordney tariff bill. No work of human hand or brain is perfect; no tariff measure dealing with a thousand schedules, affecting billions in values, can be wholly satisfactory in all its items and provisions to anyone. The preparation of this bill was undertaken at a time when the trade and industry and labor of the world is in a sadly disorganized and unsatisfactory state. The difficulties surrounding the securing of accurate information relative to the comparative costs of production have been greater than ever before. Notwithstanding all these handicaps the finished product of rate and policy set out in the 346 pages of this bill has met with a more favorable response from the country than any like measure presented within a generation. This approval is not confined to any particular portion of the country, but is voiced to a considerable extent from every section. It will, in my opinion, grow, rather than diminish, as the provisions of the bill are examined and analyzed.

Mr. Chairman, while the majority has performed a great public service the minority has wholly missed—lamentably missed—a great opportunity to perform a public service. In this country, where the two great parties have held widely differing views on the general subject of tariff legislation, there is abundant ground for legitimate criticism by the minority, whether it be Republican or Democratic, of any tariff measure presented by the majority, be it Republican or Democratic, and this legitimate criticism, if frankly and fairly uttered, serves a useful purpose—first, in defining the views of the opposition clearly; and, second, in pointing out and calling attention to items and provisions relative to which the majority may not have been sound and wise.

Of criticism of this kind, we have had none from the minority. Neither the minority report nor the speeches so far heard from the minority side present clear, concise, logical, much less constructive, criticism. I do not suggest that this is due to any lack of ability on the part of the minority, for the minority has men as well qualified to present their views as any minority in the past. Is it due to the fact that the bill as a whole is a more perfect measure and less vulnerable than other tariff measures? As a Republican favorable to the measure I am inclined to think that the bill is less subject to criticism than any tariff measure which has been presented in many years; but in that fact we can not find a full explanation of the failure of the minority.

I am inclined to the opinion that the failure of the minority to present their case as against this measure clearly, definitely, and logically is due largely to the fact that for the first time in many years the Democratic minority finds itself sadly divided both as to the rates carried and as to the policy outlined in this measure. We may hear before the debate closes some voice reminiscent of the past still proclaiming the virtue of free trade.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Some one on the Democratic side may still be heard denouncing a protective tariff in any shape or form, but those voices will lack the numbers and the assurance of olden times.

Now I yield to the gentleman from Ohio.

Mr. LONGWORTH. Is there not this excuse on the part of gentlemen on the other side, that, as they stated in their report, they did not know that the tariff was an issue in the last campaign, and therefore they have to work hard to keep up to date and find out that it was? [Laughter.]

Mr. MONDELL. The leaders on that side still have many things to learn. [Laughter.]

Eventually, unless I am greatly mistaken, we shall find a very considerable number of gentlemen on the other side supporting the measure, unless at the last moment they are dissuaded from their present inclination by the cracking of the party whip.

Mr. BLANTON. Mr. Chairman, will the gentleman yield right there?

Mr. MONDELL. I will yield if I have time, very briefly.

Mr. BLANTON. When such an orthodox Republican as the gentleman from Wisconsin [Mr. FREAR] denounces it as fundamentally indefensible, why is it necessary for Democrats to attack it? [Applause.]

Mr. MONDELL. It always requires an exception or two to prove any good rule. [Laughter.]

The fact is that America and every section of it is to-day at heart largely favorable to a protective policy, and Democratic orators find themselves embarrassed by the protective sentiment in their section. That fact does not, however, excuse denunciation, abuse, and extravagance or the failure to present criticism in a logical, defendable form.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield right there?

Mr. MONDELL. If I can have more time I will yield.

Mr. FORDNEY. I will yield to the gentleman two minutes more.

Mr. BANKHEAD. The gentleman is criticizing the minority for not offering any constructive help to this bill. Why is it that the gentleman's party refuses to the Democratic minority the opportunity to offer amendments to this bill? The rule cuts it off.

Mr. MONDELL. The rule does not contain anything to prevent the offering of amendments.

The CHAIRMAN (Mr. MANN). The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield two minutes more to the gentleman from Wyoming.

The CHAIRMAN. The gentleman from Wyoming is recognized for two minutes more.

Mr. MONDELL. Mr. Chairman, from the beginning we have endeavored to maintain a high standard of living and a wide field of opportunity in America, and we have succeeded. At no time in our history has the contrast between American wages, American rewards, American standards, American opportunities, and those of many foreign countries with which we compete been so wide and so striking as at this particular time. In no period of our history, therefore, has it been so essential as to-day that we shall safeguard our labor and our living standards. It is that fact, appreciated by our people all over the country, that is largely responsible for the favorable sentiment with which this carefully prepared protective tariff bill has been received. The determination throughout the country to maintain American standards and opportunities is responsible for the favorable sentiment toward protection in all parts of the country. The determination to maintain American standards of living accounts for the fact that this measure is welcome as an assurance that under the policies and legislation of this Republican administration the labor, the industries, and the high standards of America shall be preserved. [Applause.]

Mr. GARNER. Mr. Chairman, with the permission of the gentleman from Michigan [Mr. FORDNEY], I would like to yield five minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. FORDNEY. Yes.

The CHAIRMAN. The gentleman from Tennessee is recognized for five minutes.

Mr. FORDNEY. Mr. Chairman, if the gentleman from Tennessee will permit me, I was requested a while ago by some gentlemen to insert in my remarks a copy of the document on wages. It is so large that I am going to have it printed as a public document instead of including it in my remarks.

Mr. GARNER. That would have to be done in the House.

The CHAIRMAN. The gentleman is not making that request now.

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman from Wyoming [Mr. MONDELL] seems to think that there is a desperate ignorance on the part of the leadership of the minority. Of course, it is almost impossible for any individual to associate with other individuals without absorbing something, and even a strong and intellectual minority, having associated for the past three years, almost, with such a majority as has been had, may possibly have deteriorated to some extent. [Laughter.]

I hold in my hand a rather interesting article, which I think I shall take the liberty of reading just now, following the remarks of the gentleman from Wyoming, the majority leader. It is from the Boston Transcript. It is headed "The Republican failure." I read:

[From the Boston Transcript—Independent Republican.]

THE REPUBLICAN FAILURE.

Already at the executive end of Pennsylvania Avenue the whispered admission is heard that the administration would find much easier the job of keeping its campaign promises if the Republican majorities in the Senate and House were not so large.

If popular sentiment here can be accepted as a barometer of popular sentiment elsewhere, we think we can safely promise the President that the next congressional elections will result in a considerable reduction in the Republican majority in each House. But the congressional elections are more than a year away, and the new Senators and Members of Congress then to be elected will not take their seats until 1923. That is too long for even a patient people to wait for relief from the shortcomings of a Congress so blatantly callous as is the present House to the country's current needs.

The failure of the Republican majority in the House to raise up a leadership capable of doing the work that the Republican Party pledged itself to do fronts the President with the obligation of facing the facts and acting in their light. If he is unwilling or unable, through the exercise of the vast influence of his office or through the attractive amiability of his own personality, to bring order out of chaos in the House, it is high time that he made a public confession to that effect. By going directly to the people and telling them in plain language that the Republican Party in the House has failed him, he would evoke from the country a popular protest against the record to date of the Republican Congress that would make its every Member read, and at least some of them heed, "the handwriting on the wall."

[Laughter and applause.]

After this is copied, I ask that it be sent to the gentleman from Wyoming [Mr. MONDELL]. [Laughter and applause.]

Mr. MURPHY. Mr. Chairman, I ask unanimous consent to extend and revise my remarks.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to revise and extend his remarks. Is there objection?

There was no objection.

Mr. GARNER. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman and gentlemen of the committee, while a Democrat of the "old school" and having an abiding and unfaltering faith in the doctrines and principles of the Democratic Party, I had nevertheless hoped the present Republican Congress and administration would accomplish something for the relief of our tax-burdened people and enact some legislation of a constructive character which would, at least to some extent, ameliorate the almost intolerable business and financial conditions so depressing to the great mass of the people of the United States. But in this earnest, cherished hope I have been wholly disappointed.

For more than four long, weary months an expectant and trustful people have awaited some fulfillment of the boastful campaign pledges of the arrogant and now dominant political party in charge of every branch of the Government, only to meet crushing and withering disappointment. Relief was promised from the galling and unequal burdens of a tax measure justified only by the exigencies and stress of war, and which should have been modified more than two years ago, and yet no bill looking to this end has even been reported to the Congress.

Transportation rates which are almost confiscatory and prohibitive in their character and which so materially impede the improvement of our business and economic conditions, and whose blighting effects are so far-reaching and general, have not been reduced, and no hopeful indications cheer the American public that any reduction will be made in the immediate or near future.

In the campaign of 1920 the spokesmen of the now majority party solemnly pledged the people if it should be placed in power to radically reform and retrench Government expenditures and to embark on a rigid system of economy, but new offices have been created, with fat salaries, and appropriations are still piled up to staggering figures.

The Federal reserve banking system is one of the best which human wisdom ever created, but its prime objects and purposes have been perverted by the board charged with its execution and management and its activities prostituted to that of a mere money-making machine, and no steps have been taken to correct this inexcusable abuse of power or, to be more charitable, gross incompetency.

The chaotic and demoralizing effects of the war have not fallen more heavily upon any class of our people than those engaged in the honorable and necessary pursuit of agriculture, the basic wealth-producing industry of our country.

The cattle and sheep grower does not receive the actual cost of getting his animals ready for market, and yet those who purchase these meats at retail or consume them at the public eating places of the country pay a price grossly out of harmony and in excess of that received by the producer; the grain farmer receives for his products less than the cost of production, but the bread consumers are still forced to pay a comparatively exorbitant price for this necessary food; hides scarcely yield the producer the expense of transporting them to market, and yet the wearers of shoes and users of leather continue to pay unjustifiably high prices for these necessaries; the fruit, melon, and vegetable industries are wholly unprofitable to the actual producers, but those who are so fortunate as to have them on their table pay a price which would pay transportation charges, a liberal profit to the middleman, and a handsome return to the producer; the woolgrower receives starvation prices for his product, but almost inconceivable high prices, comparatively, are still exacted from the consumers of woolen goods; the producer of cotton is forced to sell his cotton at less than a third of the actual cost of production, and yet the finished cotton goods are retailed at prices which justify the producer of the raw or basic material receiving a commensurate reward for his labors; the consuming masses have had but little relief from the unprecedented high prices they paid for necessary commodities during the greater period of the World War and the farmer still pays practically war prices for implements and necessary material in the production of his crops, for which he now receives only about one-third of what he enjoyed during the war period; millions of people are out of employment and in enforced idleness and many working on half time and numerous manufacturing plants are operating at a loss or are earning barely enough to pay operating expenses; and the profiteer is still abroad in the land.

And yet, incredible as it may seem, practically nothing has been done to relieve these distressing conditions.

Mr. KING. Will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. KING. Will not the gentleman be fair enough to state when that situation began? Did it not begin two years before the Democratic Party was out of power?

Mr. WRIGHT. I will be frank with the gentleman and say that it began when Mr. Houston was Secretary of the Treasury and Gov. Harding was governor of the Federal Reserve Board.

In this connection, let me remind you that history shows those nations which failed to build up and foster their industries, and especially their agricultural interests, but neglected them, went to ruin and decay.

The very bill under consideration, which if enacted into law would not only fail to bring relief but would place an additional inexcusable and unjustifiable burden upon the consumers of this country and make the rich richer and the poor poorer, is a striking illustration of the treatment proposed to be accorded the farmers and wealth-producing class of this country. You would largely exempt from duty the luxuries which can only be enjoyed by the rich and place a heavy duty upon and thereby largely increase the prices of the actual necessities of life. Why place a heavy duty on potash, so essential to the production of crops, and especially cotton, and practically exempt many articles which can only be afforded by people basking in ease and wealth?

But it is claimed the enactment of the pending tariff bill would probably produce to the Government revenue approximating from six to seven hundred million dollars annually, but it is overlooked that the provisions of this same bill would wring from the impoverished and overburdened people of our country many billions annually which would not go into the Treasury of the United States but into the coffers of certain favored classes and manufacturers. Besides, the bill discriminates against the producers of the basic materials in favor of the manufacturer. If a high duty is good for the manufacturer, why not for the farmer?

Our people as a rule are conservative, forbearing, long suffering, and patient, but their righteous indignation can be aroused. How long will they passively and quietly endure and submit to the conditions I have detailed? No longer than they have the opportunity of reflecting their views and giving expression of their just grievances at the ballot box, where those who have not been faithful to them will receive a just and stinging rebuke.

In my humble judgment the proposed legislation is ill-timed and unwise, and can not be justified under present conditions when the whole financial, commercial, and industrial fabric of the world is in an upheaval and in an unsettled condition, and when we are trying not only to reestablish but extend and increase our foreign trade and commerce.

Mr. BLANTON. Will the gentleman yield?

Mr. WRIGHT. Yes.

Mr. BLANTON. Concerning that very point that the gentleman has made, an orthodox Republican from Wisconsin, Mr. FREAR, in his report says there are provisions in the bill which are fundamentally indefensible.

Mr. WRIGHT. He is eminently correct.

Mr. MORGAN. Mr. Chairman, I would like to ask the gentleman from Texas a question.

Mr. BLANTON. If the gentleman from Georgia will yield, I will answer it.

Mr. WRIGHT. I will yield.

Mr. MORGAN. I would like to inquire of the gentleman why he asked such a question when he made a speech before the Southern Tariff Association at which I was present in which he said that if he expected to be returned to Congress he would have to vote for protection?

Mr. BLANTON. The speech I made was in favor of the emergency tariff bill, in behalf of the farmers and stockmen of this country, and it is a splendid piece of legislation.

Mr. MORGAN. But it was a tariff bill.

Mr. BLANTON. But not like this measure.

Mr. WRIGHT. How can we expect to sell to the other nations of the world when we levy a duty so high on the commodities they have to sell as to practically prohibit their purchase by us? The one thing so much needed to bring a revival of business prosperity to this country is for our producers and manufacturers to find a foreign market for their surplus products, and how can we expect to sell to those from whom we do not buy? How do we hope to collect the enormous debts owing to us by the Allies if we levy a prohibitive tariff on the fruits of their toil?

As a result of the war this country produced ships aggregating some 30,000,000 dead-weight tonnage at a cost of billions of dollars. If this splendid fleet is to be used to transport a large part of the commerce of the world and be successfully operated and enrich those who may purchase it and engage in its operation, these vessels must not only carry but bring back a cargo, and the provisions of this proposed legislation will prove a serious handicap, if, indeed, they will not prevent the successful operation of our great merchant marine either by the Government, individuals, or companies.

My friends, what I have said is not in a spirit of partisanship, but I have ventured to call your attention to some of the distressing conditions of our country, actuated by an earnest desire to make some suggestion which may be the means of accomplishing some good and bringing some relief to our glorious but now depressed and suffering people.

It is my cherished hope that we may all for once rise above petty partisanship and sectionalism and be actuated by a high order of patriotic statesmanship and diligently and sincerely strive to bring relief to the people of our common country. [Applause.]

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from Maryland [Mr. GOLDSBOROUGH].

Mr. GOLDSBOROUGH. Mr. Chairman, after three months of effort the American Congress is about to enter upon the final phase of its endeavor in putting into concrete form upon the statute books of the United States of America a measure which history will speak of as the "Fordney tariff bill."

In 1913 this country entered into a phase of political development more constructive, more elevated, and with more unselfish vision than probably any other in the whole history of national development. Men were called to the Nation's service without financial alliances and selfish predilections to obscure their angle of vision, but all of them men of sound fundamental training, men capable of sustained thought, and men with no tie or allegiance except unselfish devotion to the solving of the problems which concerned the teeming millions of America.

Since the Civil War, a period of nearly 50 years, the destinies of the great American Republic had been under the control of groups, who—some of them sincerely and some of them selfishly—believed in the principle of what they called protection. When I say for 50 years I am not unmindful that during periods of four years twice the Democratic Party was in the ascendancy, but conditions prior to each instance were like those in France during the latter part of the reign of Louis XV, who, when nearing his death, exclaimed "After us comes the deluge." Four years was all too short a time to undo and make over, and so my original proposition would seem to be sound, that in 1913, when the Democratic Party came into full power, the present majority party had been in the control of the Government for nearly 50 years. Within a little more than a year after the first inauguration of Woodrow Wilson as President of the United States the present national banking law, known as the Federal reserve act, was placed upon the statute books against the sustained opposition of the most powerful financial influences, and so nearly perfect did this masterpiece of economic mechanism work that the country withstood the shock of the altogether changed conditions due to the concentration of the country's energies and resources in financing and conducting a war, which, in cohesiveness of effort, concentration of material and of men intensively but fully trained, and in valor and brilliancy of execution, is the wonder of the world.

For six years the interests of all the people was the paramount governmental consideration. For six years the servants of the people at Washington did what our theory of government conceives they should do. They were in truth and in fact the servants of all of the people. Special privilege beat in vain upon the doors of the sanctuaries of the people's rights, and, defeated and sullen, they returned to their tents determined to await the sadly inevitable public reaction from great mental elevation.

The country's achievements, participated in alike by all of our people, irrespective of creed or political alignment, reached the culmination of opportunity when all Europe, disgusted and sick with war, reached out across the water and asked the great Republic of the West to lead the way toward future peace, prosperity, and economic stability, and then that great instrument known as the covenant of the League of Nations was offered to the Senate of the United States for ratification. And then what happened? The stored-up venom of six years' accumulation appeared. All those who hated the President of the United States because of his great intellectual capacity, because of the directness of his methods, because of his naïve adherence to the simple principles of right and justice, because of his vision in seeing the opportunity to reduce to concrete form a practical plan to bring about national tranquillity and prosperity and international political and economic peace, declared themselves against the world's greatest opportunity to beat its swords into plowshares and prevented the ratification of the covenant of the League of Nations, only, however, and not until, the object of their hatred and spleen, a man whose capacity for constructive and sustained labor was the wonder of his time, was stricken on the field of battle.

Drunk with the opportunity of reaction, the majority party in a wild frenzy to again enthrone privilege where it had long reigned in comfort and with unction, made reckless promises of the Nirvana it would create by governmental action for the people of this Republic, the boys on the Rhine were to come home immediately after March 4, returning prosperity was promised to the speculator and the profiteer, who during and after the war had lost the conception of achievement by hard and consistent labor; the slacker and the gouger, who during the closing years of the Democratic administration had been economically reprimanded and told to go back to honest work, were assured during this campaign of 1920 by the majority party that the glorious days of war-time loot would be returned for them if only the Republican Party was placed in power.

The results last fall were exactly what were to be expected. No properly informed and thoughtful Democrat was surprised at what actually took place, but the results of the election have placed the majority party in the hopeless position of being unable to carry out what it had led the people to expect, and this very tariff measure which the American Congress is now considering, and upon the disposition of which will depend so largely the welfare of 110,000,000 people, is the conception not even of the legislative group which consistently fosters the interests of special privilege, but a hazy attempt to put into concrete form something, no matter how unscientific, no matter how unfair, no matter how discriminatory, no matter to what extent the people will be plundered by it, a hazy attempt to convince the people that something is being done to carry out the Republican promise of constructive legislation.

And what does the mass of testimony taken before the Ways and Means Committee of the House of Representatives demonstrate? Only this: That as soon as it was known that this

Congress was going to enact tariff legislation every selfish and sordid local interest stormed the Ways and Means Committee room in order that it might be allowed to set its talons into the throat of a people prostrate in a period of war reconstruction but asking only that healthy economic conditions be restored, asking only that world trade might be resumed so that wheat and corn and cotton could be restored to normal prices and at the same time feed and clothe the starving and freezing millions across the seas, so that the products of the factory might find a market across the Atlantic, its owner be able to obtain and receive for himself a fair measure of profit for his product, and give labor to the vast body of the country's unemployed.

At a time when this country has a vast surplus of gold, at a time when Europe, sadly in need of our products, can pay for them only in goods, we are building up a tariff wall as a fraudulent fulfillment of a campaign pledge and in order to satisfy the pirates who again desire to take charge of the ship of state.

Ah! how blind men are when their own personal interest is involved, political or material, how they refuse to look beyond and see what they are doing to their fellow men.

In our great cities now, and even in the country, growing children show by their pinched faces and feeble bodies that they are not getting proper nourishment for their minds and their bodies; helpless babies are dying by the hundreds because their natural protectors, out of work, are unable to provide them either with proper food or with medical attention, and I warn you, you who are again placing it within the power of the few to take the bread from the mouths and the clothes from the backs of the many, that the garments of silk which clothe the few do not come from the worm alone, but their raiment is spun from the bowels of babes.

Gen. Hancock said that the tariff was a local question. What he meant was that, as a claim of infant industry could no longer be made by the friends of protection, a tariff, when it was anything more than simply and purely a tariff for revenue, was an instrument provided for various local selfish interests and not a governmental instrument useful to the people as a whole.

It is thoroughly well known that this tariff bill would have been an impossibility except by the cooperation, based on mutual dependency, of various powerful financial and business groups who have long since passed by "the period of infant industry," and who do not fear the competition of any country on earth, or else groups who, neither from the standpoint of the protectionist nor the standpoint of the believer in a tariff for revenue only, are entitled to a tariff. Of the latter class are the lumber and oil groups.

WOOD AND LUMBER.

This country is about to expend $7,000,000 in the planting and preservation of national forests. This is because the Government recognizes that within 50 years the country will suffer from a lumber famine unless something is done to preserve the remnant and to reforest the public lands. Now, what does this tariff bill do?

Timber, hewn, one-half cent a cubic foot (Underwood, free); logs, fir, spruce, cedar, or hemlock, $1 a thousand feet (Underwood, free; provision is made for exemption to countries having no embargo or restrictions upon exportations to the United States during the last year); logs, sawed boards, and other forms of cedar, lignum-vitæ, ebony, mahogany, and other cabinet woods, 15 per cent (Underwood, 10 per cent); wood veneers, 20 per cent (Underwood, 15 per cent); railroad ties, telegraph and telephone poles, 10 per cent (Underwood, same); wheel woods, 10 per cent (Underwood, free); pickets, staves, and hoops, 10 per cent (Underwood, free); shingles, 50 cents a thousand (Underwood, free); casks, barrels, and packing boxes, 15 per cent (Underwood, same); reeds and rattans, 20 per cent (Underwood, 10 per cent); blinds, shades, and screens, 25 per cent (Underwood, 20 per cent); house or cabinet furniture, 25 per cent (Underwood, 15 per cent).

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. HARDY of Texas. As I understand it, it is not proposed to give us any chance to vote on the lumber schedule.

Mr. GOLDSBOROUGH. I think that is correct.

Mr. HARDY of Texas. In other words, they will force it down the throat of the House or compel us to defeat the whole bill.

Mr. FORDNEY. Will the gentleman yield?

Mr. GOLDSBOROUGH. Yes.

Mr. FORDNEY. There will be nothing in the rule to prevent the offering of an amendment.

Mr. HARDY of Texas. I am glad to hear it, and I will do it. Will I be permitted to offer it?

Mr. FORDNEY. I think the chairman will offer no objection to the gentleman's offering an amendment.

Mr. HARDY of Texas. I am glad to hear it, and I will offer it.

Mr. FORDNEY. The gentleman better be getting it ready.

Mr. GOLDSBOROUGH. And what would be its results? It will encourage the destruction of our remaining forests, instead of encouraging the importation of Canadian lumber and the consequent conservation of our present forest reserves.

The above statement alone sufficiently and fully demonstrates that a tariff on lumber is against the interest of the people of this country, but aside from a scientific discussion and getting down to the very time when this tariff bill is to become a law, what do we find? We find that, due to a cessation of building operations during the war and due to the prohibitive cost of lumber since the war, houses have not kept pace with increasing population, so that there is a thoroughly recognized housing shortage throughout the length and breadth of the United States. This has resulted in rent profiteering which has caused untold suffering and privation and self-denial to millions of our people, yet the lumber barons, one group of special privilege now in the saddle at Washington, with the price of lumber already at a peak where they can make more money than they ever made before except in the period during the latter part of the war and immediately after, are having placed in this tariff measure a schedule to further plunder the people and filch from their pockets the money they have to spend in order to keep shelter over their heads and the heads of their wives and children.

OILS.

And then comes the oil group, who control a sufficient number of votes on the Republican side of Congress to block the tariff bill unless they are allowed to put their fingers in the public purse. The very night before the introduction of this measure, which the chairman of the Ways and Means Committee, with such grim humor, has named "the Magna Charta for the perpetuation of American standards of living and the constitution of a uniform and universal prosperity," a tariff was placed upon Mexican oil which practically prohibits its importation and which will enable the great oil producers of this country to place an unearned charge upon the American people of millions of dollars annually until this law is repealed.

Talk about protection for oil. A man who has an oil well found on his land has a mine of untold wealth in the well itself, and the only conceivable purpose of a tariff of any kind on oil is to pay dividends on the watered stock of corporations formed to sell shares to an unsuspecting public, the value of which are based entirely on the unknown possibilities of production of that oil well. In other words, all this tariff can possibly do is to foster the schemes of men who are exploiting the natural resources of this country to extinction and who have been filching the people with a flood of unjustified issues of oil stock for the last four years.

Scientifically viewing the matter, we find that this tariff on oils will result just as the tariff on lumber will result, in a depletion of a national basic resource, when the policy of the country should be to encourage the importation of oils and the corresponding hoarding of a great national basic asset. Under this tariff bill, providing for a tariff on crude petroleum of 35 cents a barrel and on fuel oil of 25 cents a barrel, both of which are on the free list under the Underwood tariff bill of 1913, every man or woman who runs an automobile, every owner of a van or tractor, every farmer who plows or cultivates with a mechanical device, every householder who lights a coal-oil lamp or heating stove, will have to pay the tax which is passed on to the consumer by this tariff on oil. Every railroad which burns oil and every steamer as it sails the Great Lakes or the broad reaches of the Atlantic and Pacific and which burns American oil will pass on the charge to the American consumer in freight rates. These are the particular truths about this "Magna Charta for the perpetuation of American standards of living and the constitution of a uniform and universal prosperity."

AGRICULTURAL STAPLES.

An attempt is made in this monstrous measure to obtain support from the farmers in the customary perfectly transparent manner of placing a tariff on agricultural products, notably a tariff of 30 cents a bushel on wheat and 15 cents a bushel on corn. Everybody knows that we import practically no corn and therefore that by no possible argument, however illogical and insincere, can a tariff on corn affect the American

corn grower, but this duty on corn does serve to illustrate the general fraud attempted to be perpetrated on the producer of staple agricultural products by a reciprocal tariff.

Practical statesmen and economic specialists have been discussing the effect of the tariff on staple agricultural products for the last 50 years, and of late years the Tariff Commission has written largely upon the subject, and never in a single instance, except where the disciples of special interests have been trying to foist a tariff measure on the people of the United States, has any supposedly well-informed man claimed that a tariff on agricultural staples would increase the price to the producer or do anything more than give the profiteer in food products a chance to add a fictitious price onto the bread that goes into the mouth of the great body of consumers of this country and make almost prohibitive the cost of the garments to cover the backs of the great masses of the men, women, and children of the United States of America.

Even Dr. Taussig, professor of economics at Harvard University, the very temple of the priesthood of special privilege, has not the hardihood to claim that a tariff on agricultural staples is of any benefit to the producer. In "Some Aspects of the Tariff Question," published in 1915, on page 4, Dr. Taussig has this to say:

"A duty on a commodity which is produced within the country as cheaply as without, and sold as cheaply, ordinarily has no effect whatever. Of such levies there has been a plenty in our tariff history. Those on the staple agricultural products are the most familiar and conspicuous. In the logrolling which is an almost universal concomitant of protective tariffs the notion that a duty will surely be of benefit to domestic producers has caused our farming sections to insist on 'their share' of the going favors, and to accept, nay demand, duties on wheat, corn, meat and meat products, which yet have been quite without industrial effect. There has been no more striking illustration of the average farmer's naïve state of mind on this subject than the bitter opposition aroused by the reciprocity treaty with Canada which the Taft administration proposed in 1910–11. The free admission of wheat contemplated by that treaty was supposed to portend disaster to the wheat growers of the Northwest, though it was known to all the world that wheat was exported both from the United States and from Canada and that it was the same in price (allowing for cost of transportation) in these two countries and in England. The range of commodities subjected to duties yet not at all affected by them, has been very wide, including not only agricultural staples, but many manufactured articles."

All this would seem to be elementary, easily understood and perfectly clear, and yet in A. D. 1921, after the great educational experiences that the American people have had for the last eight years, a Republican Ways and Means Committee has the cynical temerity to report out a bill which, in so far as the farmer is concerned, is a fraud pure and simple.

Near the beginning of the majority report, on page 2, we find the following:

"During the consideration of rates, as well as during the hearings and previous thereto, the Tariff Commission has supplied the committee in the form of tariff surveys concise and comprehensive information on various subjects. In addition to this, the staff of the Tariff Commission was placed at the disposal of the committee and has been called upon to work with the committee in the drafting of the various tariff schedules. Through these efforts the bill herein recommended proposes many desirable changes in arrangement and classification."

How do the majority members of the Ways and Means Committee reconcile this statement in their report with the "Supplemental Information Concerning the Wheat and Flour Trade of the United States," published during the present year by the Tariff Commission, and which contains, on pages 9 and 10, the following language:

"Aside from the question of price levels, however, it may be said with some certainty that inasmuch as the United States is on an exporting basis, any wheat that is imported from Canada (aside from the question of special cases to meet special needs) releases an equal amount of American wheat for export. This being true, it is not a matter of great importance whether the Canadian wheat reaches Europe directly or indirectly through the United States either in the form of flour or by releasing similar American wheat. Indeed, if we may assume that the European demand is controlling our market, as it does in normal times when we are on an exporting basis, there is a possibility that if the Canadian wheat had been thrown on the English market before the close of lake navigation, instead of filtering slowly through the United States, the world price level, and therefore our own market, would have been depressed more than it was in the fall of 1920. From this point of view it seems fortunate for American producers that there was a buffer between the great Canadian surplus and the Liverpool market."

The real truth of the situation is that the Republican leaders of the House of Representatives during the present Congress have opposed every measure introduced in the interest of the farmers. I have personal knowledge of what I say because much of the proposed farmer legislation during the present Congress has come to the Committee on Banking and Currency, of which I am a member, so that it is perfectly clear that all the use the majority members of the Ways and Means Committee have for the farmer is to appease him and in adding to the great consuming public and their wives and their children the great burden of the fabulous enrichment of special privilege, the duty on staple agricultural products is inserted in this bill in order to shut the eyes of millions of the people upon whom the infamy of this legislation is about to be perpetrated.

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. GOLDSBOROUGH. I can not yield.

Mr. KING. But the gentleman made a statement with regard to the Republican members of the Banking and Currency Committee.

Mr. GOLDSBOROUGH. No; I did not. I said that much of that legislation came to the Banking and Currency Committee, and therefore I was familiar with the attitude of the members of the Ways and Means Committee who constitute the dominating factor on the Republican side.

Mr. KING. The gentleman does not mean to say that the Republican members of the Banking and Currency Committee ever opposed farmer legislation?

Mr. GOLDSBOROUGH. I did not say that the gentleman did, because the gentleman has persistently tried to help it.

My friends, the country has recently emerged from a great war. The spirits of men and women have been chastened by heroic sacrifice and unselfish devotion to duty. We must not lose the heritage which this vision leaves to us and to our posterity through all time. We must not for one moment forget that thousands and thousands of the fresh young boys who went to France believed that what they were doing would result in a better America for them if they lived, and, whether they lived or died, a better America for their loved ones and those that were to come after their loved ones and for the whole 110,000,000 of a great people.

Shortly before making the supreme sacrifice one of these boys wrote a few verses, but I only seem to remember the lines—

If ye break faith with us who die
We shall not sleep,
Though poppies grow on Flanders fields.

We lost one great opportunity when men's minds were with one accord on a policy of national cooperation and international amity, and I say to you, you of the majority party, you who are in full control of the policies of a great people, that you forget your petty jealousies and enmities; that you refuse longer to blind yourselves to the great truths of the political and economic destiny of the United States of America as the leader of the world; that you cast aside this miserable mockery of forward-looking Americanism and stand foursquare before your country on a policy of sound and scientifically fair distribution of financial credits throughout the length and breadth of this broad land, giving an equal opportunity to every industry and every branch of it to finance their legitimate business operations and foursquare before the world on a policy of scientifically fair and mutual, gradual, reciprocal disarmament so that not only the dreadful burden of military establishments will be gradually lifted from the backs of the people of the world, but that also their minds may be gradually withdrawn from warlike trend and toward competition between the achievements of peace.

Adopt this policy, my friends, cast aside small things, and this minority, many of whom, with many of you, strove faithfully and tirelessly to bring success to America in her period of great trial, will go with you and be glad to go.

My friends, in this period of reconstruction, at this time when with world conditions daily changing it is impossible to frame a tariff schedule from the standpoint of either the protectionist or the believer in a tariff for revenue only, you will do well to withdraw your minds from a consideration of the colossal tax on the masses of our people provided for in this measure with its unheard-of duties, its drawbacks, and its American valuation scheme, which will make it impossible for an importer to tell what his goods will cost him, and think of the words of a greater than I, the words of one who spoke at another great national crisis, of the words of Abraham Lincoln at Gettysburg:

It is for us, the living, rather, to be dedicated here to the unfinished work which they who fought here have thus far so nobly advanced. It is rather for us to be here dedicated to the great task remaining before us—that from these honored dead we take increased devotion to that cause for which they gave the last full measure of devotion—that we here highly resolve that these dead shall not have died in vain—that this Nation, under God, shall have a new birth of freedom—and that government of the people, by the people, for the people shall not perish from the earth.

[Applause on Democratic side.]

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. MANN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456, the tariff bill, and had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to—

Mr. BRENNAN for six days, on account of official business.

Mr. MEAD for 10 days, on account of the serious illness of Mrs. Mead.

WAGES IN UNITED STATES AND FOREIGN COUNTRIES.

Mr. FORDNEY. Mr. Speaker, I wish to offer the following resolution.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the publication entitled "Wages in the United States and Foreign Countries," prepared for the use of the Committee on Ways and Means, be printed as a House document, and that 10,000 additional copies be printed, of which 9,000 shall be for the use of the House and shall be distributed through the folding room, and 1,000 for the Committee on Ways and Means.

Mr. FORDNEY. Mr. Speaker, I ask that for this reason: There is a great demand for the document. I had stated during the day that I would print it as a part of my remarks, but there are 100 pages and I would rather not. I would like to have it printed as a public document. The estimate given on the number asked for is $350. I think the House should have it printed as a public document.

Mr. GARRETT of Tennessee. Mr. Speaker, I think we can take that up on Monday morning, and I make the point that there is no quorum present.

Mr. MANN. It only comes up by unanimous consent.

The SPEAKER pro tempore. The gentleman from Tennessee makes the point of order of no quorum.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock on Monday.

Mr. GARRETT of Tennessee. I withdraw the point of no quorum for the present.

Mr. MANN. This is a matter of unanimous consent——

Mr. GARRETT of Tennessee. Well, I object for the present.

The SPEAKER pro tempore. The gentleman from Tennessee objects to the consideration of the resolution. The gentleman from Michigan asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock on Monday. Is there objection? [After a pause.] The Chair hears none.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 18 minutes p. m.) the House adjourned to meet Monday, July 11, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

190. Under clause 2 of Rule XXIV, a letter from the Secretary of War, concurring in the recommendation of the Quartermaster General and suggesting that authority be granted by Congress for the payment of a pro rata share of $1,800 per annum of the rent of office for Chief of Engineers of the Army in charge of the park system of the District of Columbia, was taken from the Speaker's table and referred to the Committee on Appropriations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. ZIHLMAN, from the Committee on the District of Columbia, to which was referred the bill (H. R. 7661) to amend the act of Congress entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia, and for other purposes," approved March 3, 1921, reported the same without amendment, accompanied by a report (No. 255), which said bill and report were referred to the House Calendar.

Mr. BARKLEY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 7208) to extend the time for the construction of a bridge across the Roanoke River in Halifax County, N. C., reported the same without amendment, accompanied by a report (No. 256), which said bill and report were referred to the House Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. McFADDEN: A bill (H. R. 7683) to provide for the consolidation or redistribution of the powers and duties of the several executive departments of the Government of the United States relating to the Territory of Alaska, and for other purposes; to the Committee on the Territories.

By Mr. SWING: A bill (H. R. 7684) to authorize the Secretary of the Navy to acquire 1,000 acres, more or less, at or near Camp Kearny, Calif., for a site for a lighter-than-air aviation station; to the Committee on Naval Affairs.

By Mr. COLLIER: A bill (H. R. 7685) to amend section 90 of the Judicial Code of the United States approved March 3, 1911, so as to change the time of holding certain terms of the district court in Mississippi; to the Committee on the Judiciary.

By Mr. NEWTON of Missouri: A bill (H. R. 7686) to amend section 9 of an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. WINSLOW: A bill (H. R. 7687) authorizing boards of investigation of the United States Public Health Service to subpœna witnesses; to the Committee on the Judiciary.

Also, a bill (H. R. 7688) to provide for the marking of anchorage grounds in waters of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. TEN EYCK: A bill (H. R. 7689) to provide for the industrial rehabilitation of the blind; to the Committee on Public Buildings and Grounds.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARKLEY: A bill (H. R. 7690) granting a pension to Burnie M. Rogers; to the Committee on Pensions.

By Mr. DRANE: A bill (H. R. 7691) authorizing the Secretary of War to donate to the city of Lake Wales, Fla., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. FULLER: A bill (H. R. 7692) granting a pension to Charlotte E. Rockwell; to the Committee on Invalid Pensions.

By Mr. HAYS: A bill (H. R. 7693) granting a pension to John Rigdon; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7694) granting a pension to Martha Morrow; to the Committee on Invalid Pensions.

By Mr. HOGAN: A bill (H. R. 7695) for the relief of James E. Connors; to the Committee on Claims.

Also, a bill (H. R. 7696) for the relief of Tony Troncone; to the Committee on Claims.

By Mr. MUDD: A bill (H. R. 7697) for the relief of John Keretzman; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 7698) granting a pension to Lillie Dixon; to the Committee on Pensions.

Also, a bill (H. R. 7699) granting a pension to Solomon Williams, sr.; to the Committee on Pensions.

Also, a bill (H. R. 7700) for the relief of William H. Nelson; to the Committee on Military Affairs.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7701) granting a pension to D. J. Collins; to the Committee on Invalid Pensions.

By Mr. TEMPLE: A bill (H. R. 7702) granting a pension to Sarah A. Herrick; to the Committee on Pensions.

By Mr. WEAVER: A bill (H. R. 7703) granting a pension to James P. Patton; to the Committee on Pensions.

Also, a bill (H. R. 7704) granting a pension to Will Brown; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1882. By the SPEAKER (by request): Petition of Oolicia Young and 299 others of the eleventh congressional district of Missouri; Robert Daly and 58 others of the first congressional district of Connecticut; Mrs. T. J. Bell and 59 others of the State of North Dakota; Bernard J. Fahey and 299 others of the tenth congressional district of Missouri, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1883. Also (by request), petition of Alex Albin and others of North Dakota, P. W. Cain and 25 others of Kansas, fifth congressional district, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1884. By Mr. APPLEBY: Resolutions adopted by the New Jersey Press Association, protesting against the repeal of amendment of the zone law for mailing newspapers and magazines; to the Committee on the Post Office and Post Roads.

1885. By Mr. BLAND of Virginia: Petition of citizens of Fredericksburg, Va., opposing tax on carbonated beverages in closed containers; to the Committee on Ways and Means.

1886. By Mr. CHALMERS: Petition signed by pastor and members of the St. James Evangelical Lutheran Congregation, of Toledo, Ohio, petitioning Congress of the United States to further such action as may be deemed advisable to put an end to atrocities being committed against the womanhood of Germany by the black soldiers of the French Republic now occupying German territory; to the Committee on Foreign Affairs.

1887. By Mr. DYER: Petition of Charles Rippin, commissioner of the traffic bureau, Merchants' Exchange of St. Louis, urging the passage of the Robinson bill, in regard to railroad tariffs; to the Committee on Interstate and Foreign Commerce.

1888. By Mr. FENN: Petition of Commodore Jack Barry Council, American Association for the Recognition of the Irish Republic, New Britain, Conn., seeking recognition of the Irish republic and requesting a public hearing; to the Committee on Foreign Affairs.

1889. By Mr. KAHN: Resolution of the American Legion, Department of California, opposing the importation and exhibition of German made and other foreign made films in the United States, and urging legislation to protect the American moving-picture industry; to the Committee on Ways and Means.

1890. Also, resolution adopted by the California Homeopathic Medical Society, relative to hospital accommodations for the diseased and disabled overseas veterans; to the Committee on Interstate and Foreign Commerce.

1891. By Mr. KISSEL: Petition of the Religious Liberty League, New York City, urging immediate peace with the Central Powers, and for other purposes; to the Committee on Foreign Affairs.

1892. Also, petition of the Preserved and Salt Fish Dealers' Association of New York City, regarding tariff on mackerel; to the Committee on Ways and Means.

1893. By Mr. KUNZ: Petition of citizens for recognition of the Lithuanian Government; to the Committee on Foreign Affairs.

1894. By Mr. LAMPERT: Petition of citizens of Winnebago County, Wis., urging upon the President and Congress of the United States that they do their utmost to cooperate with other nations for the reduction of armaments at the earliest possible time; to the Committee on Foreign Affairs.

1895. By Mr. LAYTON: Petition of G. L. Griffith and sundry citizens of Delaware, urging the repeal of section 630 of the revenue act of 1918; to the Committee on Ways and Means.

1896. By Mr. RADCLIFFE: Petition of citizens of Paterson, N. J., regarding recognition of Irish republic; to the Committee on Foreign Affairs.

1897. By Mr. RAKER: Petition of Simon Levi Co., of Los Angeles, protesting against House bills 6215 and 6220; to the Committee on Agriculture.

1898. Also, petition of Midcontinent Oil & Gas Association, of Tulsa, Okla., urging a tariff on oil imported into this country; to the Committee on Ways and Means.

1899. Also, senate joint resolution No. 29, State of California, relative to an expression of confidence on the part of the California Legislature in the integrity and ability of Gen. Alvaro Obregon as President of the Republic of Mexico; to the Committee on Foreign Affairs.

1900. By Mr. ROUSE: Petition of citizens of Boone, Kenton, and Grant Counties, Ky., requesting the Government to use influence to prevent Turks from carrying out threats of revenge on the Armenians; to the Committee on Foreign Affairs.

1901. Also, petition of Grand View Council, Junior Order United American Mechanics, Clifton, Ky., by George W. Wagner, secretary, indorsing Smith-Towner bill; to the Committee on Education.

1902. By Mr. SNELL: Resolutions adopted by the First Methodist Episcopal Church, of Potsdam, N. Y., supporting the Volstead amendment; to the Committee on the Judiciary.

1903. By Mr. TAGUE: Telegram of Logan, Johnson (Ltd.), of Boston, Mass., protesting against House bill 7294; to the Committee on the Judiciary.

1904. Also, letter from Gov. Channing Cox, of Massachusetts, in opposition to the placing of a tax on crude and fuel oils; to the Committee on Ways and Means.

1905. By Mr. WATSON: Resolutions adopted at a regular meeting of Division No. 1, Bucks County, Pa., calling upon the President to collect money due from foreign countries; to the Committee on Ways and Means.

1906. Also, resolutions adopted at a regular meeting of Division No. 5, Ancient Order of Hibernians, of Montgomery County, Pa., calling upon the President to collect money due from foreign countries; to the Committee on Ways and Means.

1907. By Mr. YATES: Petition of Dr. Elmer Hagler, the Hagler Building, Springfield, Ill., protesting against the McKellar amendment to the Army reorganization bill; to the Committee on Military Affairs.

1908. Also, petition of Henry Eisenhart, Roy E. Gauen, Henry Schneider, Charles Macy, and Hugo Bremser, urging a duty of 35 cents per barrel on crude petroleum and fuel oil; to the Committee on Ways and Means.

1909. Also, petition of the Rockford Trust and Rockford National Bank, requesting that tax exemption be removed and all things be put on the same fair basis; to the Committee on Ways and Means.

SENATE.

MONDAY, *July 11, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we rejoice in Thy gracious name. Thou hast never failed the trustful soul. Thou hast constantly helped those who in times of difficulty have turned to Thee, expressed their need, and appropriated Thy fullness. May we learn more and more that duty when interpreted as privilege becomes to us more and more related to the thought of doing Thy will heartily. We ask in Jesus' name. Amen.

The reading clerk proceeded to read the Journal of the proceedings of Friday last, when, on request of Mr. CURTIS, and by unanimous consent, the further reading was dispensed with and the Journal was approved.

REPRINT OF TARIFF BILL.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had passed a concurrent resolution (H. Con. Res. 23) providing for the printing, as a House document, with an index, of 15,000 copies of the tariff bill.

Mr. MOSES. Mr. President, I ask the Chair to lay before the Senate the concurrent resolution just received from the House of Representatives.

The VICE PRESIDENT laid before the Senate the concurrent resolution (H. Con. Res. 23), which was read, as follows:

Resolved by the House of Representatives (the Senate concurring), That the bill H. R. 7456, "To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," be printed as a House document, with an index, and that 15,000 additional copies be printed, of which 9,000 shall be for the use of the House, to be distributed through the folding room, 4,000 for the Senate, 1,000 for the Committee on Ways and Means of the House, and 1,000 for the Committee on Finance of the Senate.

Mr. MOSES. I move that the concurrent resolution be concurred in.

The concurrent resolution was considered by unanimous consent and agreed to.

CALL OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Fletcher	Lodge	Robinson
Ball	Gerry	McCormick	Sheppard
Borah	Hale	McCumber	Shortridge
Brandegee	Harreld	McKellar	Simmons
Broussard	Harris	McNary	Smoot
Bursum	Harrison	Moses	Stanfield
Calder	Heflin	Myers	Sterling
Cameron	Johnson	Nelson	Sutherland
Capper	Jones, N. Mex.	New	Trammell
Caraway	Jones, Wash.	Newberry	Underwood
Culberson	Kellogg	Nicholson	Wadsworth
Curtis	Kendrick	Norris	Walsh, Mass.
Dial	Kenyon	Oddie	Walsh, Mont.
Dillingham	Keyes	Penrose	Watson, Ga.
Edge	King	Pittman	Watson, Ind.
Elkins	Knox	Poindexter	Williams
Ernst	Ladd	Pomerene	Willis
Fernald	La Follette	Reed	

The VICE PRESIDENT. Seventy-one Senators having answered to their names, a quorum is present.

ADJUSTED COMPENSATION FOR VETERANS OF THE WORLD WAR.

Mr. WILLIAMS. Mr. President, I hold in my hand a communication from the Private Soldiers and Sailors' Legion of

the United States of America requesting that the so-called soldiers' bonus bill be recommitted for what they consider necessary amendments. I ask consent that the Secretary may read it from the desk for the information of the Senate.

The VICE PRESIDENT. The communication will be read as requested.

The reading clerk read as follows:

NATIONAL HEADQUARTERS PRIVATE SOLDIERS AND SAILORS LEGION OF THE UNITED STATES OF AMERICA,
Washington, D. C., July 8, 1921.

HON. JOHN SHARP WILLIAMS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I respectfully call to your attention certain very serious defects in the bill S. 506, recently reported by the Senate Finance Committee, which defects should be corrected and the bill thoroughly overhauled before it is passed. It would be better still to recommit, strike out all after the enacting clause, and write a new bill very much shorter and simpler than S. 506.

This so-called fivefold soldiers' adjusted compensation bill, S. 506, is so long and complicated, and some of its provisions are so indefinite and obscure in their meaning, and the amount of money and property involved is so enormous, and the number of men whose interests it attempts to dispose of is so great, that we believe Congress should give the proposals contained therein the fullest and most public discussion before enacting any of them into law.

This bill is entitled "A bill to provide adjusted compensation for veterans of the World War, and for other purposes." Adjusted compensation, if it means anything, means just compensation, and the compensation provided in S. 506 is very far from being just compensation for the ex-service men of the World War. For example, it provides in section 202 that "there shall be paid to any veteran, upon application, in accordance with the provisions of section 4, $1.25 for each day of overseas service and $1 for each day of home service" (in excess of 60 days). It might truthfully be called a bonus or a special or additional payment on account of services, but it can not rightfully be called adjusted compensation or just compensation for their services, because it is not. It is only a small part of the compensation due these men for the services and sacrifices which they gave to their country.

More especially does such a payment fall short of justice when it proposes to postpone the payment until nearly four years after the end of the man's service, and even then to pay it only in driblets, once in three months, at the rate of 51 cents per day, dragged out over a period of one or two or more years.

Among other unjust provisions in this bill is one which provides that none of the 400,000 soldiers who were court-martialed for petty and insignificant infractions of Army regulations by the whims and arbitrary acts of inexperienced, incompetent, and unfit officers shall receive any compensation whatever "for the period of such absence or confinement." The court-martial system in this war was a notorious scandal and disgrace, and the great bulk of the fines and penalties already inflicted should be remitted instead of being increased, ex post facto, as subsection 11 of section 202 of this bill, S. 506, proposes.

The other four plans in S. 506 are: (2) An "adjusted service certificate" which by its terms gives rank favoritism to the soldier who is well to do or able to wait two years for his pay, in that it pays him 39 per cent more than it pays the poor soldier who is out of employment or in distressed circumstances, and in such necessity that he needs the money for himself or family right now. To say that it is just compensation to pay the well to do who can not wait is certainly a misnomer.

Substitute plan (3) is called "vocational training," which provides that the veteran who takes vocational training shall receive $1.75 per day for the time he served in the war. It is safe to say that very few will appreciate this sufficiently to take it up unless they are hungry or out of work.

The two land features of the bill, which were plans (4) and (5) of the bill as passed by the House last session, were so bad that one of them has been largely cut out by the House committee and the Senate subcommittee has rejected nearly one-half of the whole bill which related to this subject, which shows how very objectionable was the bill that was jammed through the House in the last session.

Another thing you should consider is that this S. 506, with all its gross defects, its endless complications and thoroughly bad features, was got up by a committee of ex-commissioned officers who were originally opposed to any bonus or extra payment to the ex-service men. During the war these officers received high pay, good living, and accommodations wholly denied to the 4,000,000 private soldiers. They are not qualified, either by experience, ability, or sympathy with the needs of the mass of soldiers, to draft a bonus bill or any other legislation for the private soldiers, and the bad bungle they have made of S. 506 should be convincing evidence of their unfitness to advise Congress on this question.

While speaking on this matter of Congress doing justly by the ex-soldiers, I want to call your attention to the widespread unemployment that now exists and the inevitable distress that goes with it. This condition of enforced idleness of millions of men, including hundreds of thousands of ex-soldiers, is intolerable. House resolution 25 proposes an immediate step for Congress to take in this matter.

Soldiers who cheerfully responded to their country's call to fight for its safety and the liberty of the world are certainly entitled to their Government's guaranty of that economic liberty which will secure them at all times the opportunity to work and earn a decent living, more especially when this great and incalculably valuable right can be secured to them without costing the Government a dollar.

Respectfully, yours, MARVIN GATES SPERRY,
National President Private Soldiers and Sailors Legion.

Mr. ASHURST. Mr. President, inasmuch as this identical communication was incorporated in the RECORD the other day, I can not see the necessity to have it again printed in the RECORD.

Mr. WILLIAMS. If that be true it is, of course, totally unnecessary to duplicate it; but I am not sure.

Mr. ASHURST. I was informed that it had been incorporated in the RECORD.

Mr. WILLIAMS. If it is a mere matter of informing the Senate and the Senator does not know it, I do not know it, either.

Mr. ASHURST. The Senator from Mississippi misunderstands me. I hope that it may be printed in the RECORD, but I suggest that inasmuch as it has already been printed once, it does not seem necessary to print it again.

Mr. WILLIAMS. Can the Senator inform me when it appeared in the RECORD?

Mr. ASHURST. I was only told so.

The VICE PRESIDENT. The communication has already been read, and it will appear in the RECORD.

Mr. WILLIAMS. If the clerks ascertain that it has been printed in the RECORD already, then I request that it be not incorporated again.

Mr. SMOOT. Mr. President, in this connection I wish to say that I have noticed three insertions of the same letter in the RECORD upon the same identical letterhead, the only difference being that it was addressed to different Senators. I have not objected to any of these matters going into the RECORD and I am not going to object. Senators can fill the RECORD as full as they wish and I shall not interpose an objection, but it is a perfect absurdity, as Senators will notice by the RECORD. As I said, I know of one case where there were three insertions of the same identical letter.

The VICE PRESIDENT. The communication will lie on the table.

PETITIONS AND MEMORIALS.

Mr. FLETCHER presented a concurrent resolution of the Legislature of Florida, which was referred to the Committee on Military Affairs, as follows:

STATE OF FLORIDA,
OFFICE OF THE SECRETARY OF STATE,
Tallahassee, July 7, 1921.

HON. DUNCAN U. FLETCHER,
United States Senator, Washington, D. C.

MY DEAR SIR: I am inclosing herewith certified copy of senate concurrent resolution No. 20, passed by the last legislature.

Yours, very truly,

H. CLAY CRAWFORD,
Secretary of State.

A memorial to the Congress of the United States of America, asking that it grant to the State of Florida, for military purposes, the land and buildings known as St. Francis Barracks, in the city of St. Augustine, in said State.

Whereas it is understood that the United States contemplates the early abandonment of the property in St. Augustine, Fla., known as St. Francis Barracks, as a military post or reservation for military purposes; and

Whereas the historic associations connected with said St. Francis Barracks make it fitting that the military character and use of said property should be preserved and continued: Therefore be it

Resolved by the house of representatives (the senate concurring)—

(1) That the Congress of the United States be, and is hereby, requested to grant to the State of Florida the property constituting and known as St. Francis Barracks, located in the city of St. Augustine, in the State of Florida, to be kept, maintained, and used by the said State of Florida for military purposes, and no other.

(2) That the secretary of state be, and is hereby, directed to furnish to each of the Senators and Representatives from this State a copy of this resolution certified under the great seal of the State.

STATE OF FLORIDA,
Office of Secretary of State, ss:

I, H. Clay Crawford, secretary of state of the State of Florida, do hereby certify that the foregoing is a true and correct copy of senate concurrent resolution No. 20, as passed by the Legislature of Florida, 1921, approved by the governor on June 14, 1921, and filed in this office.

Given under my hand and the great seal of the State of Florida at Tallahassee, the capital, this, the 7th day of July, A. D. 1921.

[SEAL.] H. CLAY CRAWFORD,
Secretary of State.

Mr. ROBINSON presented 32 petitions of sundry citizens of Fort Smith, Barling, Little Rock, Greenwood, Dardanelle, Van Buren, Peingdale, Rogers, Midland, Booneville, Jenny Lind, Charleston, Bloomer, Maysfield, De Queen, Mena, Huntington, Fayetteville, Texarkana, Jonesboro, and Springdale, all in the State of Arkansas, and sundry citizens of the States of Oklahoma, Missouri, New Mexico, Wyoming, Nebraska, Texas, Arizona, and Ohio, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

He also presented a telegram in the nature of a petition of Frank M. Blaidsdell, of Little Rock, Ark., praying that the Committee on Foreign Relations hold a public hearing on the so-called Norris and La Follette resolutions, which was referred to the Committee on Foreign Relations.

Mr. SHORTRIDGE presented resolutions, petitions, and letters in the nature of petitions from the following-named churches and citizens, all of the State of California, favoring the affording of relief to the imperiled peoples of the Near East, particularly of Armenia, which were referred to the Committee on Foreign Relations:

A. P. Ruck, Francis D. Ruck, Fred T. Foster, J. H. Brady, Henry H. Keesey, D. T. Berry, Lester J. Roth, W. B. Roberts, F. E. Norman, J. H. Morse, E. C. Dunshee, Roy L. Shurtleff,

Andrew Dalziel, Miss M. M. Cox, J. D. Brown, H. M. Wright, C. J. Auger, Isabelle and Martha Patterson, E. A. Bridgford, Mrs. Helen Clark Sturm and eight others, F. W. Pope, Hazel King, John Campapre, R. S. Pareur, of San Francisco.

R. S. Pareur; Daisy E. B. Pareur; R. E. Rannly, Bradley Paint Co.; D. A. Mulvane; P. H. Meriman; Etta R Finley; Anna L. Oakes; E. S. Miller; L. K. Burgess; Cora Miller; Horace H. Mann; A. G. Hann; A. E. Gockley; Bertha Wilbur; Antone Soethout; Dr. M. H. Chamberlain; Ruth and Alpheus Wood; Ella C. McIntyre; John E. Carson; William S. Haar, jr.; Mariam J. Anderson; Mary P. Singleton; A. S. Easton, Mrs. Mary J. Holmes; Juliett Rogers, Hollywood; Miss R. Schweriend; Mrs. Walter Schwertner; Evelyn W. Selby; Agnes C. Adams; Elsie C. Dobbins; Susan Parmalee; Charlotte E. Joseph; O. C. Haney; F. A. Mackie; California (Southern) Retail Grocers' Association, signed by nine members of board of directors; Emily and Mabel Ellis; Mary P. Haines; C. E. Griffith; John MacAllister; Emma Linn; J. W. Singleton; Charlotte A. Apin; Mrs. George A. Clark; Mrs. I. Saeger; L. H. Harlee; Evelyn Wile; Henry Stauffer, pastor Park Congregational Church and 55 members of congregation signing resolution; C. W. Nix; Fred H. Terry; Mrs. Mary D. Patch and 5 others, Berkeley; A. L. MacLeish, M. D., and 5 others signing; M. Louise Hosmer; Lucy A. Hudson; C. D. Moore, Pacific Mutual Life Insurance Co.; Beatrice Buttram; Mary S. Knapp; First Congregational Church; Rev. T. Lloyd Jenkins, Lincoln Heights Congregational Church, of Los Angeles.

Mary H. Lewis, F. Leslie Smith, J. S. Chase, Herbert House, Nellie M. Thomas, Carrie B. Parker, Mrs. Grace Hobart, Mrs. Carrie Parmenter, Hardee B. Bryan, J. J. Jones, Effie L. Stoneman, Emily Morgan, A. P. Stevens, M. A. Gadew, William Selbre, J. H. Hutchins, pastor Lake Avenue Congregational Church, and Hanford G. Wett, of Pasadena.

Seventeen members of Knox Presbyterian Church, A. E. Eldridge, Estelle M. Thurney, Annette J. Chamberlain, J. D. Newton, Knox Presbyterian Church; resolution with 18 signers from Knox Presbyterian Church; W. W. Ferrier, H. D. Irwin, G. W. Harrison, J. J. Pfister, G. C. Marden, A. E. Plummer, Mrs. V. L. Senney, Augustus Locke, Clelia A. Paroni, Prudence K. Ford, Laura A. Whitman, Dr. A. P. Peck, A. B. Washington, Sarah F. Robinson, Mrs. R. H. McCarthy, Frank F. Bloomer, University Christian Church, of Berkeley.

Carl I. Crew, Robert Davies, E. Deverel, Helen G. Rice, Katie Gilbert, Marshall and Anita Jencks, D. K. Dabagh, Celia Sargeant, Alexander Craige, Selina Sharpe and five others, and Dr. John G. Condit, of Oakland.

Rev. C. H. Emmons and R. B. Cox, of Long Beach.

Mrs. F. L. Lee and Agnes K. Radford, of Santa Monica.

Victor K. Gisher, H. F. Bradburn, and Marian Jenkins, of Ontario.

Miss Annie M. Greene, president First Congregational Church, Amelia J. Anderson, Clara M. Larjar, and Mrs. M. P. Watson, secretary Young Women's Christian Association, of Sierra Madre.

Mrs. Paul F. Johnson and Adolph B. Stevens, of Altadena.

Thomas A. Wright and Edna P. Hann, of Glendale.

J. E. Forsyth, Mrs. Laura B. Withers, and 10 others, of Pacific Grove.

E. Y. Dollermayer and Ben Johnson, of Watsonville.

Petition signed by 182 citizens of Orland and vicinity.

Petition signed by 19 citizens of Alhambra and vicinity.

La Rue C. Watson, of Tehachapi.

Oren B. Waite, district superintendent and principal of high school, of Hemet.

Anna M. Drake and 14 other citizens of Santa Barbara and vicinity.

Dr. B. H. Pelton and 5 others, of Santa Margarita.

Elsie L. Goss, of Whittier.

Petition of Methodist Church, with 50 signers, of Linden.

Minnie D. Harrington and Mrs. Tennent Harrington, of Colusa.

Petition with 49 signers headed by Mrs. George Thayer, of Healdsburg.

Ethel O. Sully, of Upland.

Mary Post Miller and Mrs. J. J. Miller, of San Jose.

B. E. Myers, of Redwood City.

F. M. Beebe and 3 others, of King City.

M. N. Footman, of Madera.

Mrs. E. M. Stephens, of Lodi.

The Anderson family, per C. M. Anderson, of Lower Lake.

Mrs. J. M. Goering, of Cazadero.

Presbyterian Church (petition signed by pastor), of Newhall.

A. T. Ambler, of Lamanda Park.

B. C. Valer, of Mohave.

M. E. Merriam, of Chico.

J. F. Carey, of Encanto.

Frances L. Spooner and Emma Kellog, of Palo Alto.

C. J. Fox and 3 others, of Rockwood.

Mary Ward William and 4 others, of Fern.

Mrs. I. M. Nile, of Rough and Ready.

Lloyd McAulay, of Crows Landing.

L. W. A. Frost, of Burbank.

Lou Jackson Pugh and Miss K. W. Petersen, of San Diego.

Etta B. Gaylord and M. E. Churchill, of Claremont.

Harriet E. Matchen, of Palm City.

Margaret E. White, of Carmel.

Evelyn A. Moore, of Mayfield.

A. F. Shapleigh, of Ocean Park.

Eva F. Huff, National Y. W. C. A., of Asilomar.

Mrs. Sarah A. Baker, of Ojai.

Caroline E. Bascom, of Sisson.

Christ Church Congregation, of Sausalito.

Mr. PENROSE presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of House bill 2419, authorizing the Secretary of the Treasury to create an antidepreciation fund, with which to purchase at par certain war loan or Liberty loan or Victory loan bonds, etc., which was referred to the Committee on Finance.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of Senate bill 664, to protect persons in the exercise of certain privileges and immunities guaranteed and secured by the Constitution of the United States, which was referred to the Committee on the Judiciary.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of Senate bill 741, to provide for refunding and consolidating that portion of the public debt of the United States of America represented by its bonds known as Liberty bonds and Victory notes, and for other purposes, which was referred to the Committee on Finance.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of House bill 5574, to authorize an issue of bonds in exchange for bonds of the first, second, third, and fourth Liberty loan issues, which was referred to the Committee on Finance.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of Senate bill 1094, to amend section 14 of the act of Congress approved December 23, 1913, known as the Federal reserve act, which was referred to the Committee on Banking and Currency.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of Senate bill 1719, to amend an act entitled "An act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes," approved December 23, 1913, as amended, which was referred to the Committee on Banking and Currency.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of House bill 5676, taxing contracts for the sale of grain for future delivery, etc., which was referred to the Committee on Agriculture and Forestry.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the enactment of Senate bill 1915, to provide for the purchase of farm products in the United States and to sell the same in foreign countries, etc., which was referred to the Committee on Agriculture and Forestry.

He also presented a petition from the Philadelphia (Pa.) Board of Trade, praying for the enactment of House bill 6613, to amend section 13 of the river and harbor act of March 3, 1899, which was referred to the Committee on Commerce.

Mr. WILLIS presented a resolution adopted by a mass meeting held at Cedar Point, Sandusky, Ohio, June 26, 1921, favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented 23 petitions signed by 690 citizens of Cleveland and West Park, both in the State of Ohio, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

He also presented a resolution of the Chamber of Commerce of Cleveland, Ohio, favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

Mr. CAPPER presented resolutions of the congregation of the First Methodist Episcopal Church of Gypsum, the pastor and congregation of the Methodist Episcopal Church of Alta

Vista, and the congregation of the First Methodist Church of Hutchinson, all in the State of Kansas, favoring the strengthening of the so-called Volstead prohibition act, which were ordered to lie on the table.

He also presented a petition of the congregation of the Belle Springs Church of the Brethren in Christ, of Abilene, Kans., praying for the enactment of legislation creating a department of education, which was referred to the Committee on Education and Labor.

He also presented seven petitions of sundry citizens of Beattie, Home, Pittsburg, Frontenac, Chicopee, Scammon, and Girard, all in the State of Kansas, and sundry citizens of Joplin, Mo., praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

He also presented a petition of sundry citizens of Olivet, Kans., praying for the calling of an international disarmament conference in furtherance of world peace, which was referred to the Committee on Foreign Relations.

Mr. NEWBERRY (for Mr. TOWNSEND) presented resolutions of sundry members of the "In as Much Class" of the First Presbyterian Church of Ypsilanti, and sundry members of the Congregational Church of St. Johns, both in the State of Michigan, favoring the affording of relief to the imperiled peoples of the Near East, which were referred to the Committee on Foreign Relations.

He also (for Mr. TOWNSEND) presented a resolution of the National Association of Brass Manufacturers, favoring the establishment of a bureau within the Department of Commerce where all merchants and manufacturers may confer and ascertain what can be done within their legal rights, etc., which was referred to the Committee on Manufactures.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

Mr. WALSH of Massachusetts. Mr. President, I present a communication in the nature of a petition from war veterans who are now students in the Agricultural College of Massachusetts, at Amherst, Mass. I ask that it may be printed in the RECORD without the names.

There being no objection, the petition, without the names, was ordered to lie on the table and to be printed in the RECORD, as follows:

MASSACHUSETTS AGRICULTURAL COLLEGE,
Amherst, Mass., March 1, 1921.

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.

DEAR SIR: We, the undersigned disabled soldiers, sailors, and marines who are receiving vocational training (Federal board) at this institution, have come to view with alarm the lack of sincerity with which the Government seems to be dealing with its ex-service men.

When we returned home, after having kept faith with our country, there were some few members of the legislative branch of this Republic who realized that we had not been amply repaid for our services. These individuals, speaking as representatives of the people, made promises of adjustment, which should have been immediately indorsed or rejected by the Congress of the United States. By having such unfulfilled promises held out to us we are delayed or prevented from having any definite plans for the future.

Many of us who have selected some branch of farming as our future vocation will soon be completing our courses under the Federal board, and it has been our hope to be able to purchase a home or farm with aid from the Government, but we are about to lose our hopes of former days.

Therefore, in consideration of the aforementioned facts be it

Resolved, That we do hereby respectfully urge upon you to use your influence toward the immediate enactment of the "fourfold adjusted compensation" plan, indorsed by the American Legion, which is now before the Congress for consideration.

AMBASSADOR GEORGE HARVEY.

Mr. SHEPPARD. Mr. President, I have here two brief statements from American Legion posts, which I request be printed in the RECORD.

There being no objection, the communications were referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

JOHN W. LOW POST, NO. 53, AMERICAN LEGION,
Dallas, Tex., June 27, 1921.

Hon. MORRIS SHEPPARD,
United States Senate, Washington, D. C.

MY DEAR SENATOR SHEPPARD: The members of the John W. Low Post, No. 53, of the American Legion at Dallas at a recent meeting instructed me to write you and ask you to please use your influence as a Member of the United States Senate to urge President Harding to demand an explanation from Mr. George Harvey, our ambassador to St. James, of the recent remarks made by him at the Pilgrim's Society dinner on May 19.

We particularly resent that portion of his talk wherein he attempted to besmirch the part taken by America in the World War, and falsely attributing to the United States as having only sordid and selfish motives in waging her part of the war. The remarks to be explained are as follows:

"Even to this day at rare intervals an ebullient sophomore seeks applause and wins a smile by shouting that 'we won the war.' Far more prevalent until recently was the impression—and this was and still is in a measure sincere—that we went into the war to rescue humanity from all kinds of menacing perils.

"Not a few remain convinced that we sent out young soldiers across the sea to save this Kingdom and France and Italy. This is not the fact. We sent them solely to save the United States of America, and most reluctantly and laggardly at that.

"We were not too proud to fight, whatever that may mean. We were afraid not to fight. This is the real truth of the matter, and so we came along toward the end and helped you and your allies to shorten the war. That is all we did and all we claim to have done."

We feel that our services in the war were not in vain; that we fought for greater and nobler ideals than those stated by Mr. Harvey, and we do not think that any American, especially one holding an honored position at the Court of St. James, has a right to belittle our efforts. We think this man should be recalled or reprimanded.

Therefore, we request that you call on President Harding and do all in your power to get him to censor the above remarks, and ask him to please inform our ally, Great Britain, and the whole world, for that matter, that the remarks uttered by our ambassador, Mr. Harvey, are not the sentiments of those who fought for America in the recent World War, but, to the contrary, we fought for higher purposes and greater principles.

We will thank you to convey this message to the President for us at your earliest opportunity. I beg to remain,

Yours, very truly,

FRANK L. OGBURN, *Adjutant.*

—

Extract from minutes of meeting of Herbert D. Dunlavy Post, No. 581, Veterans of Foreign Wars of the United States, June 1, 1921.

* * * * * * *

Moved and seconded that—

Whereas it has been reported in the public press of this country and Europe that the American ambassador at the Court of St. James has given utterance to certain principles, or lack of principles, for which he claims America fought in the Great War for civilization (as it is called on the victory medals which we so proudly wear) in the following words, to wit:

"Not a few remain convinced that we [America] sent our young men across to save this country [England], France, and Italy. This is not a fact. We sent them solely to save the United States of America, and most reluctantly and laggardly at that. We were not too proud to fight—whatever that may mean—we were afraid not to fight. That is the real truth of the matter." And

Whereas we who fought in that great war on foreign soil and in hostile waters feel that we are in better mind to know the principles for which we fought than the before-mentioned American ambassador, who occupied a swivel chair during that war within the safe limits of the United States: Therefore

We, Herbert D. Dunlavy Post, No. 581, Veterans of Foreign Wars of the United States, now find with regret that it seems again necessary to reiterate those principles for which we fought, and we now declare in unmistakable terms that we fought for the following principles and objects, all of which were well known at the time, and none of which we have now forgotten, namely:

We fought for outraged women;
We fought for martyred nurses;
We fought for crucified nuns;
We fought for innocent civilians, shot down for loyalty to their country;
We fought for little children with hands and arms missing;
We fought for nameless and numberless mutilated soldiers;
We fought for innocent thousands strewn upon the bottom of the sea;
We fought for Belgium, outraged and desecrated as no nation in the previous history of the world has been;
We fought for France, that nation of heroes, bled white defending civilization from the power of the beast;
We fought for England, which chose the path of honor, black tinted with despair, when the little nation she had sworn to defend was set upon by a wild beast;
We fought for Italy, which took up the cause of right against the power of wrong, terrible though she knew the cost must be;
We fought for the defense of those principles of human liberty which were laid down 19 centuries ago by the first great Teacher and Preacher of human rights, the Man of Galilee;
We fought for democracy against autocracy;
We fought to banish forever from the face of the earth the hideous greed of Teutonic kaiserism, in order that the world might be made a decent place to live in and that civilization might not perish;

All these things we fought for, and we disclaim, resent, and protest the efforts of anyone, of whatsoever party or creed, to belittle our efforts and deeds, and to assign to us a selfish and cowardly reason for fighting in our righteous anger and in that wonderful fighting spirit of 1917;

And it is hereby directed that a copy of this protest be spread upon the minutes of this meeting and that copies be sent to the President of the United States; to the American ambassador at the Court of St. James; to the Senators from the State of Texas and the Representatives from this district; to our national headquarters; to our national magazine, Foreign Service; the Stars and Stripes; the London Daily Mail; and to the press of the city of Houston, Tex.

Motion carried.

C. C. WEBNER, *Adjutant.*

AMERICANS IN THE WORLD WAR.

Mr. FLETCHER. I have here a message by Marshal Foch, of France, the commander in chief of the allied armies, sent to the United States by the Associated Press on July 3. Regarding it as an important document, and for the purpose of preserving the truth of history, I ask that it may be printed in the RECORD.

There being no objection, the paper was ordered to be printed in the RECORD, as follows:

FOCH SHOWS HOW AMERICANS TURNED TIDE OF WAR TO ALLIES—SUPREME COMMANDER IN FOURTH OF JULY MESSAGE RECOUNTS PROGRESS OF UNITED STATES, WHICH CRUSHED GERMANS.

[By the Associated Press.]

PARIS, *July 3.*

Marshal Ferdinand Foch, of France, commander in chief of the allied armies, sent to-day through the Associated Press a message to the American Nation on the occasion of the anniversary of the Declaration of Independence.

The message embodies a tribute to the American Army, paid by the man who led to victory the allied forces with which that Army fought, and to the people of the United States as a whole for their "unparalleled effort in every branch of national activity," which did so much to bring ultimate triumph to the allied arms.

It was Germany's intention, says the marshal, to settle the fate of the entente before the United States could get effectively into the struggle, but America, "acting strongly and quickly, ruined the plans of our adversary."

Marshal Foch goes fully into the record and details the various steps through which American help was given the forces arrayed against Germany in the great struggle. He points out the needs of the allied fighting front in the early stages of the crucial 1918 campaign, and how, item by item, the American aid to meet those needs was given—in men, ships, and supplies—as a result of the concentrated national effort, and, finally, the great and telling part played by the American Army organization on the battle fields and behind the lines in France.

TEXT OF MESSAGE.

Marshal Foch's message reads:

"In celebrating America's Independence Day in union with the United States, France does not only commemorate the heroic days when Lafayette, with the best of her sons, brought help to the noble cause of the liberty and independence of the United States, but she commemorates also the days more recent and not less heroic when the American Nation stood up fully bent upon the defense of another great and noble cause—the liberty of the world, which was in danger; France, in fact, can never forget what America did to help in the great and complete triumph of right over brutal strength.

"To-day, before the world, on this great anniversary, what was the American effort for victory, what was its cooperation on the battle fields of 1918 is for him who had the terrible responsibility of leading into battle the 6,000,000 soldiers to him committed by the allied and associated Governments, one more opportunity which he eagerly embraces to pay homage to the American Army, to its chiefs, to its soldiers.

CITES SETS OF FIGURES.

"What was the American share in the strife for victory? Two sets of figures will give its measure. In April, 1917, when the United States declared war upon Germany, the Army had 9,500 officers and 350,000 men. Eighteen months later, at the time of the armistice, she had more than 180,000 officers and 3,500,000 men.

"A prodigious effort of an entire Nation before which the enemy remained astounded and which foiled all his plans.

"Germany intended to settle the fate of the entente before the Americans were able to come into line. Acting strongly and quickly, America ruined the plans of our adversary. She acted strongly and quickly, indeed!

"The 21st of March, 1918, when the Germans are hurling themselves on the British front, the American Army has in France only 300,000 men, their arrivals monthly being about 30,000 men.

"In the presence of the important attacks of the enemy it is vitally necessary to quicken and intensify these arrivals.

"On the 25th of April Gen. Foch asks Gens. Bliss and Pershing, who were present at his headquarters at Sarcus, northwest of Beauvais, in order to guard against the crisis of the effective forces which began to be grievously felt by the Franco-British Armies, that infantry and machine gun units may be transported to France to the exclusion of any others during the next three months.

"The 7th of May the matter is put before the superior war council at Abbeville, and the lack of American tonnage being the only obstacle, it is decided that the British Government shall furnish the necessary ships to transport from the United States to France 130,000 men in May and 150,000 men in June, these being infantry and machine guns only. The American tonnage is being reserved for the transport of the other troops or branches of the service. From that time on landing is unceasingly increasing. From 50,000 men in March and 92,000 in April, the landings increase to 240,000 in May and 280,000 in June.

TWO MILLION YANKS ARRIVE.

"From June to November the total exceeds 1,000,000 men.

"At the time of the armistice more than 2,000,000 of American soldiers were on French soil.

"It is in the same fashion that the large units are organized and their staffs are formed.

"At the end of March, 1918, 6 divisions only are in France. Two months later there are 19. In July there are 27, in August 30, and in October 41; 31 of them, grouped in nine Army corps and two armies, are in the battle front.

"This is already much; it is not enough. In order to make the entente sure of having in 1919, if the war must continue until that date, a real numerical superiority, it is necessary to have the number of American divisions brought to 100, and your President declares that 100 American divisions shall be in Europe by the 1st of June, 1919, with others ready to follow.

"There is no limit to the efforts of everyone.

"To instruct the staffs and the soldiers, schools, and training camps are organized in America and in France.

"To arm and equip them, the factories are working to their full capacity. The production of cartridges reaches 16,000,000 daily. The fabrication of clothing, equipment, means of transportation—motor cars, tractors, and so forth—enlarges itself in a most wonderful proportion and meets every requirement.

PRAISES ENERGY AT HOME.

"The same energy is shown when it comes to transport to France the trained units. In America the administration centralizing in its hands the railway systems, suppresses every hindrance and obstacle.

"In France American workmanship improves the landing harbors, creates new installations, and increases the railway traffic by doubling and quadrupling the lines and terminal facilities.

"On the ocean, by its vigilance and its successful arrangements, the American war fleet protects the transports against the enemy's submarines. The shipbuilding yards are organized in the United States for intensive production, and 341 shipbuilding yards with 1,284 slips are soon in full activity. At the end of the war the American Army is using 3,800,000 tons of ships instead of 94,000 as at the beginning. Behind the front the Services of Supply, organized in Tours in February, 1918, shows a wonderful spirit of organization in a wide field of action, such as the creation of storehouses—some of them of great dimensions—at the landing harbors and along the lines of communication, the organization of a system of supplies, the establishment of great hospitals, barracks, and of other great works.

"Whether in America or in France, whether it is a question of recruiting, of organization, of manufacture, or transportation, or of any other effort, American energy acts with wonderful intensity and with the rapidity called for by circumstances as they arise.

YANKS GO INTO BATTLE.

"In the same proportion that it develops and intensifies at the rear, the participation of the American Army in the battle increases in equal proportion at the front.

"On the 28th of March, 1918, at the supreme moment of the German drive against the Franco-British front, by an act already consecrated in history, Gen. Pershing spontaneously offers to the commander in chief of the allied forces the direct cooperation of the American divisions already trained.

"The 24th of April the first American division comes into line before Montdidier, and one month later distinguishes itself by capturing in a brilliant assault the village of Cantigny—28th of May.

"At the end of May two divisions are in the battle of Picardy, and three others in the Vosges, where they replace the French.

"In June two new divisions take part in the battle of the Marne at Chateau-Thierry and at Belleau Woods, where in hard and heroic fighting they take an important part in the checking of the enemy.

TAKE PART IN DRIVE.

"On the 18th of July five divisions participate in the victorious offensive of the 6th and 10th French armies between the Marne and the Aisne, and contribute largely to the success.

"On the 24th of July the first American Army is created under the command of Gen. Pershing. Its first orders are to clear the Paris-Nancy railway line in the region of St. Mihiel, and on the 12th of September, attacking on a front of 22 kilometers, it captured the St. Mihiel sector, and 200 guns and 15,000 prisoners remain in its possession. Two weeks later, the 26th of September, having become the right wing of a large allied offensive, it reached toward Mezieres.

"Notwithstanding the stubborn resistance of the enemy, despite the numerous obstacles opposed to its progress by the difficulties of the Argonne region it victoriously drives the enemy back.

"As early as the second day Montfaucon is left behind, the 15th of October Grandpre is taken, the 21st Chatillon, and the 30th Buntheville.

"The 1st of November, in a magnificent attack, the American Army reaches Buzancy.

"The 4th it is close to Beaumont, and the 7th it occupies the whole line of the Meuse from Mouson to Bazeilles.

"Other American divisions participate at the same time at several points at the front in the operations of the Franco-British armies.

DISTINGUISHED IN CHAMPAGNE.

"Two of them are working with the 5th French army around Romain and Glennes (northwest of Rheims), and two others with the British armies in the region of St. Quentin. Two more distinguish themselves in the Champagne by the capture of the strong positions of Orfeuil, and two others finally fight with the Flanders group of armies on the Lys and the Escaut.

"In the beginning of November six other American divisions are prepared to attack in Lorraine with the French army, when the German capitulation of the 11th of November comes and stops the hostilities.

"On the 1st of June, 1919, there would have been 100 American divisions in the battle line.

"In the long war that the free nations had to fight against the oppressors of the right the direct participation of America lasted only a short period, but to the American Nation is due the glory of having thrown herself wholly into the struggle at the decisive moment, and in order to insure victory, to have made every branch of the national activity an unparalleled effort.

"Her army, too, so quickly here from so far away, showed itself from the first by incomparable qualities of spirit, courage, and heroism.

"America rushed with all her youthful ardor into the vast turmoil of the battle, and thus contributed mightily to the victory of right and liberty.

"She has generously given her blood to the common cause; 75,000 of her children, dead on the soil of France, testify to this in an undying way.

"Glory to these dead. Glory to the American Army. Glory to the American people.

"(Signed) FERDINAND FOCH."

REPORTS OF COMMITTEES.

Mr. BURSUM, from the Committee on Military Affairs, to which was referred the bill (S. 1565) making eligible for retirement under the same conditions as now provided for officers of the Regular Army all officers of the United States Army during the World War who have incurred physical disability in line of duty, reported it with amendments and submitted a report (No. 217) thereon.

Mr. POINDEXTER, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 2041) for the relief of J. G. Seupelt, reported it without amendment and submitted a report (No. 218) thereon.

Mr. BALL, from the Committee on the District of Columbia, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 2108) prohibiting the interment of the body of any person in the cemetery known as the Cemetery of White's Tabernacle No. 39 of the Ancient United Order of Sons and Daughters, Brethren and Sisters of Moses, in the District of Columbia (Rept. No. 219); and

A bill (S. 2207) to amend the act entitled "An act to establish standard weights and measures for the District of Columbia; to define the duties of the superintendent of weights, measures, and markets of the District of Columbia; and for other purposes," approved March 3, 1921 (Rept. No. 220).

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (S. 1976) to amend the first paragraph of section 2 of an act entitled "An act to regulate the salaries of teachers, school officers, and other employees of the board of education of the District of Columbia," approved June 20, 1906, reported it with amendments and submitted a report (No. 221) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (S. 1790) to place national guardsmen who entered the World War otherwise than through the draft on equal basis as to longevity and continuous-service pay with national guardsmen who were drafted, reported it without amendment and submitted a report (No. 222) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NELSON:

A bill (S. 2228) to amend certain sections of the Judicial Code relating to the Court of Claims; to the Committee on the Judiciary.

By Mr. POMERENE:

A bill (S. 2229) to regulate insurance in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WALSH of Massachusetts:

A bill (S. 2230) granting a pension to Lolie M. Earle; to the Committee on Pensions.

By Mr. SHORTRIDGE:

A bill (S. 2231) to amend the United States cotton futures act by inserting therein a new section for American Egyptian cotton only, to be known as section 5A; to the Committee on Agriculture and Forestry.

A bill (S. 2232) for the relief of Henry S. Kiersted; to the Committee on Military Affairs.

By Mr. NEWBERRY (for Mr. TOWNSEND):

A bill (S. 2233) to carry out the findings of the Court of Claims in the case of Charles A. Parker (with an accompanying paper); and

A bill (S. 2234) to carry out the findings of the Court of Claims in the case of Reuben A. Beach (with an accompanying paper); to the Committee on Claims.

By Mr. JOHNSON:

A bill (S. 2235) to confer jurisdiction upon the Court of Claims to adjudicate the claims of American citizens; to the Committee on the Judiciary.

A bill (S. 2236) authorizing any tribes or bands of Indians of California to submit claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. BALL:

A bill (S. 2237) granting a pension to Eliza J. Paradee (with an accompanying paper); to the Committee on Pensions.

By Mr. FERNALD:

A bill (S. 2238) to carry out the findings of the Court of Claims in the case of Stewart Hunter (with accompanying papers).

A bill (S. 2239) to carry out the findings of the Court of Claims in the case of John M. Gould (with accompanying papers); and

A bill (S. 2240) to carry out the findings of the Court of Claims in the case of Stewart Hunter (with accompanying papers); to the Committee on Claims.

By Mr. WADSWORTH:

A bill (S. 2241) to provide for the industrial rehabilitation of the blind; to the Committee on Public Buildings and Grounds.

AMENDMENT OF THE NATIONAL PROHIBITION ACT.

Mr. KNOX submitted an amendment intended to be proposed by him to the bill (H. R. 7294) supplemental to the national prohibition act, which was ordered to lie on the table and to be printed.

STEAMSHIP "TEXAS."

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (S. 2153) authorizing the owners of the steamship *Texas* to bring suit against the United States of America, which was referred to the Committee on Claims and ordered to be printed.

ENROLLED BILL PRESENTED.

Mr. SUTHERLAND, from the Committee on Enrolled Bills, reported that on the 7th instant they had presented to the President of the United States the enrolled bill (S. 1881) to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 30, 1900, as amended, to establish an Hawaiian homes commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes.

ADDRESS BY SENATOR LODGE.

Mr. KING. On yesterday, Mr. President, the committee appointed by the Senate and House of Representatives met at Hoboken, N. J., where solemn ceremonies were conducted over the remains of more than 7,000 of our soldiers who were brought back from France. The distinguished Senator from Massachusetts [Mr. LODGE], the chairman of the congressional delegation, delivered an eloquent and impressive address. I am sure all Senators will be pleased to have it printed in the RECORD, and I ask that the necessary order be made.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF HON. HENRY CABOT LODGE AT THE FUNERAL SERVICES FOR 7,161 SOLDIERS FROM OVERSEAS, HELD ON PIER 4, HOBOKEN, N. J., SUNDAY, JULY 10, 1921.

"Mr. Chairman, Gen. Pershing, my fellow Americans, this is one of those solemn moments which comes to us as an inevitable legacy of the Great War. So solemn, so impressive is the scene that any word other than those consecrated by religion seem poor, indeed. The light of a great glory shines upon these dumb witnesses of high courage and unstinted sacrifice, but the shadow which light brings with it is that of deep sorrow for youth untimely ended. To a few of us there is a peculiar poignancy in this silent array of the dead, because we were among those upon whom fell the grievous responsibility of declaring the war in which these precious lives were lost. Twice in the course of my public service I have been compelled

by a deep conviction of my highest duty to my country to join with those charged with the same responsibility in declaring war. No one who has not suffered that experience can realize the pain and distress it brings. The thought that you are sending, as often happens, your own nearest and dearest, whose lives are far more to you than your own, sending also the nearest and dearest of other men and women whom you do not and never will know, is well-nigh unendurable. You can not escape the harrowing consciousness that you are uttering the country's command which will carry death to the youth of the land when they with high hearts obey the summons. Imagination flames up and, like the Scotch seer:

"A field of the dead rushes red on your sight.

"But the safety, the freedom, the honor of your country are at stake. The duty is yours, you can not escape it by any coward's plea and the solemn vote is cast. A public man who has had this dark experience never forgets it, never recovers from it. Be assured that there are no men in this country who so dread, so hate war as the Senators and Representatives in Congress upon whom is imposed the duty of declaring war, if war must come.

"It is in this spirit that this committee of Congress, for which I am privileged to speak, comes to-day to unite with those gathered here for these sad ceremonies. Here we meet our dead and take them with tender hands that we may give them final rest in their mother earth, in the land for which they fought. To them, one and all, goes out the profound gratitude of a great people. To their memory we give all honor and their monument is the country they served even unto the last sacrifice. Be it ours to make that country worthy of them. Nothing can touch them further, but we should be miserably false to them if we allowed the country for which they died to fall from its high estate.

"It profits us nothing at such a time as this, looking upon these silent dead, to analyze and seek out the causes of the war or try to penetrate the secrets of the human heart or break through the intricate web of motives which have governed the conduct of millions of men. It is enough for us to know that these, our soldiers, died for their country, fighting as they fervently believed for their country's cause in defense of freedom and civilization menaced by a power which in its pitch of pride sought to trample both under its feet. Our debt to them we can not pay, but a country for which men have thus died must prove that they did not die in vain. The American people owe it to their dead soldiers to keep this country on the upward path. They have added another great tradition which will preserve and guard and guide the United States now and in years to come. No man can do more. Here they lie victorious. Be it our task to be faithful to their memory and never permit the great Republic for which they died to fail in withstanding the trials of the future, never suffer any detriment to the Republic while it is in our keeping, but always be ready to face undaunted, even as they did, malice, domestic, or foreign levy whenever peril comes. With bowed heads we shall follow them to their graves and then rejoice greatly that we have a country for which such men as these were ready to live and die."

YAZOO RIVER, MISS.

Mr. WILLIAMS. Before the morning business is closed, I ask unanimous consent, out of order, to have considered and passed the bill (H. R. 5651) to survey the Yazoo River, Miss., with a view to the control of its floods. The bill was reached the other day under the unanimous-consent rule, but the Senator from Utah asked that it go over for the time being. I have since shown that Senator the report from the War Department on the bill and he has overcome what hesitation he had about its consideration and passage. The bill involves a matter of some urgency, and I should like to have it passed. It has been reported by the committee with an amendment.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 5651) to survey the Yazoo River, Miss., with a view to the control of its floods; which had been reported from the Committee on Commerce with an amendment in line 4, after the word "examination," to strike out the words "and survey," so as to make the bill read:

Be it enacted, etc., That the Secrtary of War be, and he is hereby, authorized and directed to cause a preliminary examination to be made of the Yazoo River, Miss., with a view to the control of its floods, in accordance with the provisions of an act entitled "An act to provide for the control of the floods of the Mississippi River and the Sacramento River, Calif., and for other purposes," approved March 1, 1917.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read, "A bill providing for a preliminary examination of the Yazoo River, Miss."

NAVAL APPROPRIATIONS—CONFERENCE REPORT.

Mr. POINDEXTER. I submit the conference report on House bill 4803, being the naval appropriation bill, and ask unanimous consent for its present consideration.

Mr. KING. Mr. President, may I inquire of the Senator whether it has been printed?

Mr. POINDEXTER. It has not been printed; it is in typewriting; but I will say to the Senator there are very few matters involved in it; in fact, only two amendments. One of them relates to crediting midshipmen with the sum of $250, to be afterwards deducted from their pay. The other amendment relates to the retirement of temporary and reserve officers, the conference report now having omitted the new matter that was originally inserted in the House of Representatives on the last message that we had from the House, leaving it as it was agreed to in conference, limiting the retirement privileges there provided, and requiring application to be made not later than the 1st of October, 1921. Those are the only two matters contained in the conference report.

Mr. KING. I have no objection to the consideration of the conference report, but when it is up for consideration I will ask the Senator kindly to explain the retirement provision further.

Mr. POINDEXTER. Very well.

The VICE PRESIDENT. Is there objection to the request of the Senator from Washington?

There being no objection, the Senate proceeded to consider the report of the committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes.

The report was read, as follows:

CONFERENCE REPORT.

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4803) "making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes," having met, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 57: That the Senate agree to the amendment of the House to the amendment of the Senate numbered 57 with an amendment as follows: At the end of the matter inserted by the amendment of the House, insert the following: ": *Provided further*, That the foregoing proviso shall apply to midshipmen who entered the Naval Academy during the period between June 20, 1921, and the date of the approval of this act"; and the House agree to the same.

Amendment numbered 107: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 107, and agree to the same with an amendment as follows: In lieu of the matter inserted by the amendment of the House, insert the following:

"SEC. 10. That the last paragraph of section 2 of the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes,' approved June 4, 1920, is hereby amended to read as follows:

"That all officers of the Naval Reserve Force and temporary officers of the Navy who have heretofore incurred or may hereafter incur physical disability in line of duty in time of war shall be eligible for retirement under the same conditions as now provided by law for officers of the Regular Navy who have incurred physical disability in line of duty: *Provided, however*, That application for such retirement shall be filed with the Secretary of the Navy not later than October 1, 1921."

And the House agree to the same.

The conferees have not agreed upon amendments of the Senate numbered 16, 18, 45, 46, 51, 54, 55, 71, 95, 96, 97, 108, and 112.

MILES POINDEXTER,
FREDERICK HALE,
CLAUDE A. SWANSON,
Managers on the part of the Senate.

PATRICK H. KELLEY,
BURTON L. FRENCH,
WILL R. WOOD,
JAMES F. BYRNES,
W. B. OLIVER,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. POINDEXTER. The Senator from Utah asked me to explain the retirement provision. In explanation of it I will say that in 1920 Congress enacted a law providing that temporary officers and officers of the Naval Reserve who were disabled in time of war should be entitled to the same retirement privileges for disability incurred in line of duty as regular officers of the Navy. During the consideration of the naval appropriation bill the Senate adopted an amendment providing that applications for retirement under the law of 1920 should be filed on or before the 1st of July, 1922, thereby limiting its application and practically ending the law on the 1st of July, 1922.

The conferees of the two Houses still further restricted the operation of the law, agreeing upon a provision that application should be made on or before the 1st day of October, 1921. The matter then went back to the House, because under the present rules of the House it was held that it had not really been in conference, and the House, although the entire basis of their rule requiring it to go back to the House was objection to legislation upon an appropriation bill, extended the operation of the law and opened up a new class of officers to its benefits—namely, those who had previously been officers in the Naval Reserve and temporary officers in the Navy, even though they had heretofore severed their connection with the Navy.

The Senate refused to agree to that amendment of the House. It went back to conference, and as a result the conferees agreed upon the restriction I have just stated, confining it to those officers who were disabled in time of war who are still in the service, and requiring them to make their application on or before the 1st day of October, 1921.

Mr. KING. Mr. President, may I inquire of the Senator if the law to which he refers, which was passed by Congress some years ago, provides that all reserve officers in the Navy shall receive the same retirement pay as that received by those who are permanent officers of the Navy?

Mr. POINDEXTER. No; it does not; it only provides that officers who are disabled in line of duty in time of war shall have the privileges of retirement. The benefits conferred by it are much narrower than the retirement privileges of regular officers of the Army and Navy, and I will say to the Senator that, even as it is, the effect of the conference report is to repeal it on and after the 1st day of October, 1921, because it limits applications to that date.

Mr. KING. It seems to me we ought to immediately repeal the act. I do not see any justification or any reason for a law that permits officers who are temporarily brought into the service to have the same retirement privileges as those who have given their lives to the service. By that I do not mean that officers who have received disabilities in the line of service should not be cared for in a legitimate way by Congress; but I do not believe that we should apply to them the same laws and the same provisions that apply to regular officers, and if you give these privileges to the Navy, I see no reason why you should not extend the same privileges to those in the Army.

Mr. POINDEXTER. The effect of this is to repeal it on the 1st of October. It goes out of application at that time.

Mr. GERRY. Mr. President, I should like to ask the chairman of the committee if this conference report strikes out the airplane carriers.

Mr. POINDEXTER. Yes.

Mr. GERRY. I am very sorry to hear that, Mr. President, because if there is one thing that we are weak in it is in our scouting facilities. We will build, under this bill, 10 scout cruisers. We needed the airplane carriers in order that the Navy might carry out the development of that type of craft, and might have additional scouting facilities. Now, I presume—in fact, I know—that the chairman of the committee has done everything he could do to keep in the bill the Senate amendment for the airplane carriers; but, as I understand, the House absolutely refused to agree to the amendment.

Mr. POINDEXTER. The House not only refused to agree, but they refused a conference on that subject. That is one of the amendments of the Senate which they hold outside of the pale of conference. The House of Representatives first took a vote rejecting the amendment of the Senate providing for two airplane carriers.

Mr. GERRY. In other words——

Mr. POINDEXTER. If the Senator will allow me just a moment, I will explain the exact situation.

Mr. GERRY. I shall be very glad to hear it.

Mr. POINDEXTER. In conference, the conferees on the part of the Senate, supposing that the entire matters in disagreement between the two Houses were subject to conference, after more or less protracted discussion agreed upon a compromise on the airplane amendment, in which compromise it was provided that instead of two airplane carriers we should have one, and instead of an initial appropriation of $15,000,000 there should be an initial appropriation of $3,000,000. That matter, however, when it went back to the House, was not submitted to the House, on the ground substantially that there had been no conference on it, and it could not be in conference under the House rules; and the motion was to disagree to the Senate amendment, not with the compromise which had been effected in conference. The Senate, upon a vote, still further insisted upon its amendment. The matter went back to the House; and then, I suppose because of attention having been called to that situation in the Senate, it was arranged in the House apparently so that a motion was made to agree to the compromise that had been proposed by the conference committee. That motion was voted down; so that the matter has been voted on twice in the House. Both the original amendment and the compromise between the conferees have been voted down, largely on the ground, I believe, that the committee dealing with this bill is an appropriation committee, the argument there being that it should go before the House Naval Affairs Committee.

I will say to the Senator from Rhode Island, however, that I very much hope that provision for airplane carriers will be incorporated in a legislative bill at an early date, and that we will have an opportunity to act upon it in the usual way in conference between the two Houses and obtain some legislation providing for it.

Mr. GERRY. In other words, Mr. President, we are suffering from the injurious working of the present House rules?

Mr. POINDEXTER. Entirely so; and if the Senator will permit me, I will ask unanimous consent to have the Secretary read a brief report of the Senate conferees upon that phase of this conference, which will explain the situation. It is a separate statement of the Senate conferees.

Mr. GERRY. I shall be very glad to have that done.

Mr. BURSUM. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from New Mexico?

Mr. POINDEXTER. I do.

Mr. BURSUM. What will be the effect of the repeal of this retirement law upon those who have already been retired? As the Senator knows, a number of officers have already been retired.

Mr. POINDEXTER. I do not think it will have any effect at all.

Mr. BURSUM. Those who have already been retired will not be affected?

Mr. POINDEXTER. Their status is fixed under the law, and would not be changed at all by a subsequent repeal of the law.

Mr. BURSUM. The Senator is aware that most of the disabled officers, sailors, and marines have already been retired?

Mr. POINDEXTER. Yes.

Mr. BURSUM. So that this repeal of the law would not affect them?

Mr. POINDEXTER. It would not in any way affect them.

Mr. ROBINSON. Mr. President, pending the reading of the conference report, I desire to ask the Senator in charge of it a question:

Does this report represent a complete agreement between the two Houses?

Mr. POINDEXTER. I will say to the Senator from Arkansas that it does not. The report deals only with the two matters of which I spoke. When the 19 matters in disagreement between the Senate and the House were sent back to the House, the House receded from its disagreement upon four of them. Of course, that brought the two Houses in agreement upon those and disposed of them. Two of these matters have been agreed upon in conference, leaving, I believe, some 13 matters still in disagreement, which are reported here in a message from the House of Representatives; and it is my intention, when the conference report has been acted upon, if it is agreed to, to move a recession by the Senate from its amendments and a concurrence with the action of the House upon the remaining matters in disagreement in order to bring this legislation to a close.

Mr. ROBINSON. So that, if the conference report is agreed to and the motion which the Senator anticipates making prevails, it will result in the passage of the legislation?

Mr. POINDEXTER. It will.

I ask that the Secretary read, for the information of the Senate, the separate report of the Senate conferees.

The VICE PRESIDENT. The Secretary will read as requested.

The Assistant Secretary read as follows:

STATEMENT OF THE MANAGERS ON THE PART OF THE SENATE.

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes, did not confer upon the amendments named in the accompanying report as not having been agreed upon, the reason being that a free conference was precluded by reason of the rule of the House which prevents conferees on the part of the House from agreeing to amendments of the Senate in their original or modified form if such amendments are of a character which would make them subject to a point of order in the House if carried on a general appropriation bill.

In these circumstances, the conferees on the part of the Senate felt that they should bring the amendments in question back to the Senate for disposition.

MILES POINDEXTER,
FREDERICK HALE,
CLAUDE A. SWANSON,
Managers on the part of the Senate.

Mr. GERRY. Mr. President, I should like to ask the Senator from Washington how many airplane carriers he proposes to provide for in the new legislation that he will introduce?

Mr. POINDEXTER. I personally—and that is, of course, as far as I can speak——

Mr. GERRY. Naturally the bill will go to the committee after the Senator introduces it.

Mr. POINDEXTER. I personally favor a provision for two airplane carriers.

Mr. GERRY. Which was the same as carried in the Senate bill?

Mr. POINDEXTER. Yes.

Mr. GERRY. Does the Senator think that that legislation can be passed at this special session of Congress?

Mr. POINDEXTER. I think, from the disposition of the two Houses that has been developed during the consideration of this bill, that there ought to be a reasonable opportunity at this session of Congress to secure provision at least for one. I doubt whether provision for two can be obtained at this session.

Mr. GERRY. I agree entirely with the Senator from Washington that at least two should be built. Of course if we can not get two I presume the Navy will be very glad to have one. This is one of the most important features of the bill.

If there has been any just criticism of the Navy program, it has been along the line of its development of the airplane as an offensive and defensive weapon, and unless we have an airplane carrier it will be impossible for the Navy properly to carry out its experiments, properly to determine the efficacy of that ship, and to keep up with the other navies of the world.

England has been making experiments for a time along this line, and one airplane carrier that she used I understand was unsuccessful because of the arrangement of her smokestacks on the deck making back currents, with the result that it was very difficult to land airplanes on the ship. This is only an example of how important it is that the Navy Department should be allowed to go ahead in this work, experiment with it, and try to develop along three planes. If we do not do that, we are going to be years behind the other great naval stations. We have always had less scouts than were really necessary for our fleet. Even when the 1916 program is completed we will have only 10 scout cruisers to something like 16 for Japan and 48 or 49 for England. In addition, unless we develop airplane carriers, we will have no opportunity of really trying out in maneuvers what the airplane service can do for the Navy.

I regret very much that the peculiar parliamentary situation in the House has prevented a really adequate consideration of this subject, and I hope the Senator from Washington will be able to have this bill introduced very soon and passed at the earliest opportunity. It is essential for the Navy.

Mr. KING. Mr. President, may I inquire of the acting chairman of the committee, if a full agreement is finally reached upon the bill, what will be the aggregate amount carried?

Mr. POINDEXTER. Something over $410,000,000.

Mr. KING. Then, as agreed to now, and if the Senate recedes from the pending disagreements, there will be in the neighborhood of eighty-odd millions of dollars reduction in the amount as the bill passed the Senate?

Mr. POINDEXTER. Something approximating that.

Mr. KING. And ninety millions will be carried for construction purposes during the coming fiscal year?

Mr. POINDEXTER. That is correct.

Mr. KING. May I inquire of the Senator whether there was any interest manifested by the House conferees—if the Senator is permitted to state what occurred in the conference—with respect to the construction of six additional fleet submarines?

Mr. POINDEXTER. Of course, no record is kept of what transpires in a conference. About all I can say to that is that the House conferees strenuously objected to that. They strenuously objected to all of what they held to be legislative provisions, providing new appropriations that were not authorized under the existing law, giving a very liberal interpretation to that rule and extending it very broadly. Very urgent representations were made in conference on the part of the House that by insisting upon those amendments, or amendments of that character, the entire bill would be jeopardized—not only that provision, but the entire building program. Many representations were made as to the difficulty of securing the approval of the House even to the amount that the House bill originally carried.

That is about the situation in the conference.

Mr. KING. It seems to me that no legitimate construction could be placed upon the rule which would preclude the consideration of an appropriation added to the bill by the Senate calling for the construction of additional submarines—I mean not additional to those provided for in the 1916 program, but, as the Senator knows, the work——

Mr. POINDEXTER. I think I have rather misled the Senator. I was thinking at the time about an appropriation for reengining six submarines. I think this matter is not subject to objection that it is new legislation, but it was objected to on the ground that the House insisted upon confining the appropriation to the ships already under construction.

Mr. KING. Mr. President, I think we will make a serious mistake in passing this bill without provision for the construction of additional fleet submarines. I regret that the Senate conferees were constrained to yield upon this important item. The amendment which was offered by the Senator from Connecticut [Mr. MCLEAN] providing for the construction of six additional fleet submarines was an important one. I think to defeat it is a great mistake. It will militate against the kind of a Navy we ought to have, a modern, up-to-date, scientific Navy.

I am very glad to hear my friend from Rhode Island [Mr. GERRY] speak in favor of a "three-plane" Navy. If we can convert the bureaucracy in the Navy Department to the importance of a three-plane Navy, we will have done something for the benefit of the country.

Mr. POINDEXTER. I will repeat to the Senator what I said the other day. This same firm is now engaged in the construction of three fleet submarines, or so-called fleet submarines. They are very large submarines, and capable of accompanying the fleet at sea. There will be an opportunity later on, in the next Congress if Congress sees fit, and the Senator can convince Congress of the importance of this matter as I am convinced of it, to secure an appropriation for that purpose.

Mr. BRANDEGEE. To which firm does the Senator refer when he says "this firm"?

Mr. POINDEXTER. The one which has been making representations in favor of this amendment. I think it is the Lake Torpedo Boat Co.

Mr. BRANDEGEE. Has the Senator information as to how nearly those are completed?

Mr. POINDEXTER. I have.

Mr. BRANDEGEE. What is the percentage of completion?

Mr. POINDEXTER. I have not the exact figures immediately at hand. I can obtain them very readily. They are considerably advanced, and will be completed before a great while.

Mr. BRANDEGEE. The object of my inquiry was to ascertain whether there was enough work remaining to be done on those to keep the company constantly employed.

Mr. POINDEXTER. I think there is enough work remaining to be done upon them to keep them employed probably until the December session of Congress. Then it would require pretty prompt action by Congress.

Mr. BRANDEGEE. Will the Senator tell me whether any additional consideration was given to the question of the construction of more fleet submarines since it was discussed on the floor of the Senate when the previous conference report was adopted?

Mr. POINDEXTER. We were precluded from the only possible opportunity that would have presented itself of giving consideration to it by reason of the circumstances stated in the separate report of the Senate conferees. My hope, and rather expectation, was that the House conferees would confer on all the matters of difference brought up by amendments of a very widely varying character, in which there might have been an opportunity to take up that question, but the House conferees declined to confer upon those amendments at all.

Mr. SMOOT. Mr. President, I prepared a bill, and intended to offer it in the Senate, repealing the law of June 4, 1920, giving the retirement privileges to the Naval Reserve Force and temporary officers of the Navy. It is a little doubtful whether a bill could pass the Congress before October 1, 1921, which is the date provided for in this conference report, or I would certainly oppose the conference report upon that ground.

The act of June 4, 1920, was one of those acts which slip into appropriations bills, which we know nothing about, granting retirement privileges to retired officers of the Navy and temporary officers of the Navy without knowing just how far it would go or what effect it would have, simply giving them the right because some of them asked it.

The House was not satisfied with that. So they put in this bill an amendment—not in the conference report—including those "who have heretofore been separated from the service, and under honorable conditions." I think, Mr. President, that would have allowed about 10,000 men to be placed on the retired list.

I wish the Navy bill had provided for the repeal of the act at once, for there is scarcely a day passes when some of those retired officers are not now going on the retired list, and we will have a retired list here in the United States of Navy and Army officers and Coast Guard officers that will be a burden to the taxpayers for as long as those officers live.

The retired officers of the Civil War were never allowed even a pension. They never were put upon the retired list, and most of them have passed away. But by this provision retirement privilege was given to some of the officers of the Navy, and, of course, if it had been successful in the Navy and had not been noticed so quickly the Army would have been asking the same thing.

Mr. President, this report provides for the repeal of the act on October 1, 1921, which is nearly three months away, and I can not say how many officers will be placed on the retired list before that time.

Mr. WADSWORTH. Does the Senator know how many have been placed on the retired list up to date?

Mr. SMOOT. I have a letter here from the Navy Department with that information.

Mr. REED. Mr. President, if the Senator will permit me, I would like to ask this question——

Mr. SMOOT. Just a moment; I want to give the Senator from New York the information he asked for. I have it here and can state it at once. The Secretary of the Navy in a letter to me of June 21, 1921, states:

For your information I give you the following status of officers on the retired list, which shows those on the list as of December 31, 1920—

That was the last I had—

and those added to such list since that time:

Regular Navy:	
Line	512
Staff	219
Warrant officers	238
A total of	969
Of the reserves:	
Line	37
Staff	10
Warrant	3
Total	50

or a total of 1,019.

The total number of officers placed on the retired list between January 1 and June 13, 1921—

Following the report I have just read—

are as follows:

Regular Navy:	
Line	27
Staff	14
Warrant	10
A total of	51
Of the reserves:	
Line	16
Staff	6
Warrant	4
A total of	26

Making 77 here, or a grand total of 1,096.

Mr. WADSWORTH. What is the total of emergency and reserve officers?

Mr. SMOOT. Seventy-seven.

Mr. REED. Mr. President, this is the question I wanted to ask: If the bill for the retirement of the temporary officers be repealed as of October 1, why should it not be repealed as of the present?

Mr. SMOOT. Mr. President, it ought to be repealed as of the present. But the conferees have agreed to the provisions of this report.

Mr. REED. I want to know the reason for fixing October 1.

Mr. SMOOT. I suppose some officers think they can get in within the next three months, and that they will be put on the retired list. That is the only reason I can assign.

Mr. REED. Of course, that is not a good reason.

Mr. SMOOT. It is the same reason that is always given, and I want to say that I do not think there is any reason that is a good reason. There never was a good reason, to begin with, that any of them ought to be on the retired list.

Mr. REED. When October 1 comes around, there will be still others.

Mr. SMOOT. Yes.

Mr. REED. Who will be soon eligible.

Mr. POINDEXTER. Of course, October 1 was fixed purely arbitrarily. There was no particular reason why that specific date should be fixed. It was a short time, and was contained in an amendment which passed the Senate limiting the operation of the law, which some of us regarded as ill-advised, and it gave some notice to the men who were affected by it.

Mr. REED. Mr. President, I think the conference report ought to be defeated under those circumstances, and the Senate ought to insist on making this repealing clause effective at once.

Mr. SMOOT. I told the Senator from Washington [Mr. POINDEXTER], who has the bill in charge, that if the House provision came to the Senate as it passed the House I never would allow the conference report to pass, because I would make a point of order against it. If the House provision had carried, and the conference report had been agreed to with that in it, I think there were over 10,000 reserve officers who could have come under the provisions of the bill.

Mr. POINDEXTER. The Chief of the Bureau of Navigation advised me that it would have brought in, including temporary officers and reserve officers, about 10,000 additional names.

Mr. SMOOT. If it had gone through then, we would have had 10,000 men drawing three-quarters pay as long as they lived.

Mr. REED. The difficulty with passing the proposition in its present shape, seems to me, is that certain officers will be able to qualify and come under it before October 1, and after that date certain other officers, just as meritorious, will be cut off.

Mr. SMOOT. Absolutely.

Mr. REED. But they will be here claiming that they have been discriminated against unjustly. If there was a sound reason for fixing October 1, which differentiated in principle, those officers who could come under the bill between this time and October 1 from the officers who would come afterwards, then there would be no objection; but we are establishing a precedent which will certainly rise up to bother us in the future. I think we had better stand on this measure and insist upon the elimination of that proposition.

I am not satisfied, either, with the proposal to cut out of the naval bill the airplane carriers. I think it is much more important that we should keep up with the development in the Air Service than it is to build even battleships at this time.

Mr. SMOOT. Mr. President, I simply want to say that this is the first time in the history of the Senate when the conferees on any bill have submitted an independent formal statement signed by the Senate conferees. It may have the effect, at least, of calling attention of the House that the present system of conferences is not altogether approved by the Senate of the United States. It marks a new departure and creates a precedent, and there may be some good come from it.

Mr. FLETCHER. Mr. President, I do not see that there can be any objection to limiting the time to the 1st of October, because I see no opportunity for others to insist hereafter that they were discriminated against or anything of that sort. The officers in order to be retired must have been disabled in line of duty. They are entitled to make that application now. All who are entitled to it and who want it will make the application before the 1st of October. It seems to me it is well to fix a date when there shall be an end to applications of that sort.

Those officers who are entitled to the retirement privilege are entitled to it to-day and will be entitled to it up to October 1, and, of course, should avail themselves of it at that time. Those who do not avail themselves of it by that time will have no

excuse to offer for not having done so. They will not hereafter incur any disabilities in line of duty that will give them this right. It is only in case where they have already incurred disability in line of duty that they are entitled to make the application.

I do not see any great harm in the provision passed in 1920, for that matter. Only 77 temporary officers have taken advantage of its provisions. There is no great burden imposed upon anyone. Officers in the Navy—temporary officers if you please, reserve officers if you please, but officers who risked their lives in the service of their Government and were disabled in line of duty—I do not care whether you call them temporary officers or not, ought to be entitled to some rights, just the same as regular officers were. I shall not debate that, however. Only 77 up to date, according to the Senator from Utah, have come under that provision, and there can not be any very great harm accomplished or great burden put upon the country by reason of that provision.

I am perfectly agreeable to accepting the report of the committee and limiting it to October 1, when such applications can be made. I think it is very well to limit the time, but I still am not impressed very seriously with the arguments that have been made against the provisions in the act of 1920.

Mr. HARRISON. Mr. President, it is not officers that I desire to address myself to at this time, it is the men who won the war, the privates. I wish to read from a speech made by a very distinguished citizen of America, now holding a high place in this Government. The speech was delivered on December 6, 1920. I shall read only a part of it:

> I like the freedom, the association, the patriotic sense of responsibility which abides here. I am conscious of the great place which Congress holds in this Government under our Constitution, and from my service here I am particularly sensible to the obligations of the Senate. When my responsibilities begin in the executive capacity I shall be as mindful of the Senate's responsibilities as I have been jealous for them as a Member, but I mean at the same time to be just as insistent about the responsibilities of the Executive. Our governmental good fortune does not lie in any surrender at either end of the Avenue, but in the coordination and cooperation which becomes the two in a great and truly representative popular government.

Those words were afterwards reenforced from the rostrum of the Senate with more eloquence but not with more logic, carrying out the very distinguished citizen's ideas, that the respective functions of the legislative and the executive branches should be carried out by each without interference from the other. I wish that I could have memorized that I might recall to the Senate and the country what this distinguished citizen said at that time, but it was in executive session, and of course the rules of that "relic of antiquity" must be observed. It was immediately after he had delivered his inaugural address to hundreds of thousands of people who had gathered just in front of the Capitol. He came before us and then unfolded in his usual eloquent way the policy he intended to observe—the absolute abhorrence he entertained toward Executive encroachments and presidential interference.

The point that the new President made at that time and impressed was that he should never interfere with the responsibilities that rested upon the shoulders of the legislative branch of the Government; that he thought they should be separate and distinct and apart from the Executive; that he would at all times be jealous of the duties that would be incumbent upon him as President and see to it that they would never unwarrantedly be thrust upon the Congress. The new President said that he would never interfere with the legislative branch of the Government in exercising the functions incumbent upon it. Those statements and reiterations of policy only reiterated the statements and the assertions that he made as a candidate in the last campaign, as well as to the Congress of the United States in his other addresses.

I do not know why the President has shifted his position and why he has done it so quickly. I do not know why he now seeks to interfere with the duties of the Congress of the United States and bring to bear the power of his office upon Senators or upon Members of Congress to pass or not to pass certain legislation. It may be that he is convinced that he was mistaken in the assertions that he made in the beginning of his administration; that he was wrong in the statements that he made on the stump in the campaign as a candidate. It may be that he has seen that there is no leadership in the Senate or in the House; that the majority party is traveling toward no goal; that it has no fixed purpose; that those of you on the other side of the aisle are violating so many of the campaign pledges that he and you made in the campaign that he feels forced to come to your rescue. If his reasons are the latter, I sympathize with him, because no party was ever more completely demoralized and floundering, without hope or effort, as you are doing here and in the other end of the Capitol. But if that be the reason for his change of policy, he should certainly take the people into his confidence and apologize for his past utterances.

He began to shift when the peace resolution was before the Senate. The Senate passed it. You were repealing the resolution we had passed declaring that a state of war existed. In the House he brought to bear all his influence against your position, and the resolution was held up in the House for weeks that you might change your position. Finally he had his way, and you bowed in humble submission to his will.

When the disarmament provision that was advanced by the Senator from Idaho [Mr. BORAH] was before the Senate for consideration he was against it. He brought the power of his influence against that resolution. There was no one on the other side of the aisle except a few—I believe the Washington Post styles them now as trouble makers—who were for it. Outside of the trouble makers there were only a few who were for it.

I see my friend, the Senator from Iowa [Mr. KENYON], which reminds me that the Post mentioned the "agrarian group" too, and it may be that some of them were for it. However, decidedly few on that side were for the Borah resolution, and you could not pass it. Then the President was forced to change front—sent word down the line to accept the resolution—so it passed the Senate unanimously, and now I am glad to see it incorporated in this conference report.

A little later we had packer legislation before the Senate. We had passed a bill during the last Congress regulating and controlling the five big packers. It was a bill that really would have brought some relief to the people—the people who were paying such highly exorbitant prices for meat, and at the same time it would have restrained the five big packers from lowering the price of cattle or hogs whenever they desired and increasing the price to the consumers of the country when they wished. That was a real piece of legislation. It passed the Senate, receiving the approval of the Members of the Senate by an enormous majority.

At this session some one got in their work, and a bill passed the House without "hands or teeth." It came to the Senate, and the fight waxed warm.

The distinguished Senator from Wisconsin [Mr. LA FOLLETTE] on the floor called attention to the fact that one of the representatives of the five big packers wrote certain amendments into the House bill. I do not know that it has ever been denied—I have not heard it denied yet—but the issue was drawn in this body whether the House bill without teeth should be substituted for the Senate bill which really carried regulation and control. The Senate bill was not as strong a bill, not as good a bill as that which was passed by the Senate during the last Congress, but a bill which would have brought some relief to the consumers of the country and some protection to the livestock raisers of America.

Ah, you know on the other side of the aisle what the arguments were. Into the wee hours of the morning emissaries went about and told you Republican Senators to vote to substitute the House bill. It was an open secret. The whisperings were so loud we could almost hear them over here—"that if the Senate bill was passed and went to the President, your President would veto the measure"—and yet you said, "Boys, let us get in line, let us protect ourselves. It will not do for the word to go to the country that President Harding, our President, has vetoed the packer legislation." So you brought influence to bear. The party lash was employed. Men whom we thought would vote for the Senate bill, who had voted for it in the last Congress, turned over night and, in order to protect your President against being compelled to veto the measure, voted to substitute the House bill. So you put over the House bill, and in time will claim it as an achievement when, if the people knew the truth, it should rise to plague you.

Executive interference! Was the President at the other end of the Avenue living up to the assertion that he made before the Congress and the country when he said they should be kept distinct and apart from each other, that there never would be any interference while he was President, that he wanted to see the functions of the legislative branch of the Government employed by the Congress, and that he did not desire the Congress to interfere with the executive branch of the Government?

I might enumerate other instances. However, we have reached the climax of it now. Last week he forgot the utterances that he had delivered, he was unmindful of the pledges he made to the people, he forgot the principles that he had laid down to you, the road that he said he wished to walk while he

was President of the United States in the discharge of the executive functions of the Government.

For three years or more the soldier legislation has been pending in the Congress of the United States. Nearly two years ago the House of Representatives passed the soldiers' adjusted compensation bill, laying down five optional features giving relief to the men who fought and won the war.

The Senate had been derelict in bringing out of the committee and passing that bill. The distinguished Senator from Pennsylvania [Mr. PENROSE], chairman of the Finance Committee, at about the close of the last Congress, the distinguished Senator from North Dakota [Mr. MCCUMBER], and other Senators on the other side of the aisle, in answer to the delegation appearing before them representing the American Legion promised immediate relief in the way of soldier legislation. Those representatives went back home. The situation was reported to the various posts throughout the country. On the other side of the aisle Member after Member has written his soldier constituents, has answered resolutions passed by American Legion posts, saying, "I am with you; I am for your plan; I am for the adjusted compensation bill; I am going to vote for it when it reaches the floor of the Senate. I am using my influence to have it brought out of the committee and passed by Congress."

Mr. WADSWORTH. Will the Senator yield?

Mr. HARRISON. I excuse the Senator from New York from that imputation. I suppose he did not do that. I am talking about those who did that.

Mr. WADSWORTH. I did the exact opposite.

Mr. HARRISON. I know that. The Senator from New York has a lot of courage, and it is going to get him into trouble some day. I am not speaking of the Senator. I see many Senators on the other side of the aisle, however, who did. So the other day when a motion was made to take up the soldiers' adjusted compensation bill for consideration all but one Senator on the other side of the aisle, the exception being the senior Senator from Wyoming [Mr. WARREN], voted for the motion. You Senators then thought the bill should be considered. You knew what the chairman of the Finance Committee of your party had said and that he had promised these boys legislation. You knew it had been pending for years; you knew that the Senate was already too tardy in bringing about the relief. But at the last moment what do we find? We find that a distinguished citizen of America, who had said that he was against Executive interference with Congress, that he believed that Congress should exercise its own functions, that Congress should be responsive to the will of the people, and that he wanted the day again to come when in the White House he would exercise his functions and Members of Congress here would exercise theirs, as laid down by the Constitution, comes to the Capitol, where he buttonholes Senators, and his Secretary of the Treasury—I suppose at his direction and on his insistence—writes a letter to one of the President's warm personal friends, the Senator from New Jersey [Mr. FRELINGHUYSEN], saying that this bill should be indefinitely postponed.

I suppose the President said that. So, as soon as the President comes here he begins buttonholing Members of the Senate—a practice which he had condemned in the past.

We now see a great change has come about. Only the Senator from North Dakota [Mr. MCCUMBER] on that side speaks in behalf of the soldiers' adjusted compensation legislation. Have Senators on the other side deserted the Senator from North Dakota? Are you going to accept the views which have been pressed by Executive interference? For nearly eight years Republicans abused Senators on this side of the aisle and said we were nothing but rubber stamps; you said that we responded to the will of the President and did whatever he wanted done. I thank God that when we did respond we responded to his will because he desired constructive legislation for the people to be passed; but the response of Senators on the other side as rubber stamps has been in order to block and defeat legislation for the benefit of the people. That is the dividing line; that is the difference in the policies of the present and last President.

So, I read in this morning's Washington Post, the official organ of the administration, that the President on to-morrow—I do not know; I am not in the confidence of the leadership of the other side of the aisle—will be down to deliver a message or that he will send a message—it may be that the message which has already been delivered and which has just come in is the message referred to—asking the Senate to recommit the soldiers' adjusted compensation legislation.

I do not know whether or not the President is going to take the same view as that expressed by the Secretary of the Treasury in his letter. The Secretary says this bill should be indefinitely postponed. It may be that the leaders here in conference with the President told him that it would not do to go too far; it may be that they said to him, "Mr. President, if you advocate recommitting this bill, say that you are for the legislation, but that you are not for it passing just now; give a little more sop to the soldiers." It may be that Senators on the other side have told the President that it would not do for him, after he had committed himself on this proposition, after he had promised the soldiers that he was for the adjusted compensation legislation, to take a position in favor of indefinitely postponing the bill. So when the President comes here to deliver his message he will, perhaps, say that the finances of the country are in such a condition that we can not stand to have this legislation passed at this time; that he is not asking for a recommitment of the bill indefinitely; that he is not asking for postponement of it indefinitely, but merely that action be deferred until tariff legislation and tax revision legislation shall have been passed. That is the kind of legislation you promised the people that you would enact into law as soon as you got here.

Is that the argument the President is going to use? If so, Senators can not fool the soldiers of America with that kind of argument. You Republicans have been in control of this Government for over two years and four months, and you have not yet passed tax revision legislation or tariff legislation. A Republican President has been in the White House now going on five months; you Republicans have had control both of the Senate and the other House during that time, and yet we see that the tariff bill is only just now being discussed in the House. Tax legislation has never been reported from the committee up to this good hour. You have wasted time. You are doing nothing. You are betraying the people and breaking your promises.

Senators, you can not deceive the American soldier who fought and won the World War, and for his service received $30 a month, while profiteers and those who were exempt from war service were receiving $10 a day, by asking that this legislation be deferred a little while longer. You have no idea when you are going to pass the proposed tariff legislation nor the tax-revision legislation. If you show the same lack of leadership and do no better in the next 16 months than you have done in the last 4 months, you will accomplish nothing in that time. So, if the American soldier is fooled by you and is led to believe that he is going to get adjusted-compensation legislation by waiting for the passage of tariff legislation and tax-revision legislation by this Congress, he will go for the next two years just as he has gone for the past two years and four months without any such legislation being passed.

I am wondering about this, Senators. I am talking to those of you who have written letters back home; I am talking to the other side of the aisle, because the test is coming, for I have no doubt the President is coming down here to apply the party whip to Senators on the other side of the Chamber.

What does the President know about the proposed legislation more than do Senators before me? The President never served on the Finance Committee of the Senate. Does he know more about the finances of the country than does the chairman of the Finance Committee, who has had long years of experience in reference to Government finances? Does he know more about the question than do the Senators here who have had to deal with it for years and years? Yet some Senators are going back to their soldier constituents and tell them that they voted for the legislation because the President wanted them to do so. Those who do not do that, those who change their minds, ought to be honest with their constituents and tell them the reason why they change their minds.

Some people will say that the reason why a good many of the Senators on the other side have changed over is because the President still has some patronage plums to give away and they are afraid if they cross with him that they will not get those officers appointed whom they want appointed. I do not believe that; I can not think there is a Senator on the other side of the aisle, as poor an estimate as I have of them politically, who would change his mind or vote against the soldiers of this country merely to please the President and in order to get one of the plums that is dropped from the patronage tree. Yet that is the prevalent opinion.

Oh, Senators; you who voted the other day, as all of you did except one, to consider this soldier legislation, what are you going to write to the soldier now when you vote to recommit the bill? Are you going to do it? Are you going to carry out the wishes of the President when he comes here and says that we can not afford to drain the Treasury of the country at this time; that we must defer for a little while longer; that we have not put it off long enough yet, although the matter has already been

delayed by you for more than two years and four months? What are you going to tell the soldier about it? He will know how you vote. Some of you can say that you voted to recommit the bill because the bill did not meet with your approval and you wanted to send it to committee for amendment. Oh, Senators, that excuse will not do. If you will vote against the recommitment and join with this side of the Chamber to hold the bill before the Senate, we will incorporate some amendments that will bring the adjusted compensation up to date and remove the stain that rests on your party in the eyes of the soldiers and the people, because they believe that you are making the first payment of one-tenth merely in order to get some votes when the political fever will have reached its height next year. We will bring it up to date if you will join with us in voting on the amendment.

I am sorry the distinguished Senator from Utah [Mr. SMOOT] is not in his seat at the moment, as I should like to propound a question to him if he were here, and that is, why it was, as a member of the Finance Committee of the Senate, powerful in his influence on that committee, he did not seek to put in this bill a measure which he has been fighting for or has been supposed to be fighting for for years here, namely, land settlement and irrigation projects? He, as has the leader of the Republicans in the other House, has been pretending to advocate soldier's land settlement and irrigation legislation, and yet the bill comes out of the committee of which the Senator from Utah is a member without such a provision being written into it. Has his enthusiasm for the legislation waxed cold? Is he against it now? What is it that has come over the spirit of his dreams that has caused him to change front on that proposition?

Mr. President, I have made these desultory remarks in the hope that the "old guard," that stood so true here in the past, that never has heretofore been frightened, that no power on earth except the big trusts and the special interests of the country has been able to run over, may see the light. Am I to see that "old guard," led by the distinguished Senator from Massachusetts, the leader of the Republicans in the Senate, and by the chairman of the Committee on Finance, the Senator from Pennsylvania [Mr. PENROSE], and the Senator from Utah [Mr. SMOOT], and others, give way now under the lash of the President? Are they to fall into line because of that lash?

I know Senators on the other side have taken a poll; their party whip has been around; and a poll has been taken of every one of the Republican Senators and it has been reported to the President that you think you have enough votes to recommit the bill and kill it.

Oh, I wish that the soldiers of America, to whom you have written letters and pledged your support to the legislation, knew what was going on behind closed doors and in secrecy here—making a poll concerning the legislation. I know, too, that some of you have said that you would vote to recommit the bill under certain conditions. Some of you told your party whip, if the President came here and gave you a good excuse to postpone this legislation and vote for a motion to recommit, that you would do it, but that he would surely have to give you a good excuse. If you are in that frame of mind he will give you the excuse all right, but he is going to give you the same canned argument that you have heard for 24 months. It may be that the argument he will give you, when he comes here pleading for the defeat of the soldier legislation, is the argument that was given to him the other night when he was in conference with J. Ogden Armour and John Wanamaker and the treasurer of the Republican Party, but you had better take your counsels from your constituents. You had better get your files and look over the letters that you have written to the American Legion posts in the country.

Stand true, men! The test is coming. The President can use the power of his office, but when the motion is made to recommit this bill, those who believe in adjusted compensation will vote against it. We will amend it. We will pass it. If you want to align yourselves against it and send it to the burial ground, vote with President Harding to recommit the bill.

Mr. EDGE. Mr. President, as the Senator from Mississippi, day in and day out during the past administration, in answer to every call, cringed—to use his own expression—to every thought and desire of the then President of the United States in an effort to sell the independence and sovereignty of our country abroad, it is indeed refreshing and illuminating to have the pleasure of listening to this lecture this morning in his emphatic and interesting style.

I do not entirely disagree with the Senator, however, in some of his viewpoints. I do not disagree with him or with his past idea and policy in at least giving heed to a man who has been selected President of the United States; and I am sure that in the final analysis this respect for the great office will not control the individual judgment of the Senate or of this side of the Chamber, as the implied wish or thought in connection with foreign relations and foreign policy for one solid year apparently held a majority of the Members on the other side directly subservient to the President's wish.

So far as I am concerned, I hope the President of the United States comes to Congress to-morrow. I should like to hear his viewpoint at all times, whether it refers to bonus legislation, to tariff legislation, to tax legislation, or to any other current issue before the people of the United States to-day. It does not mean when he sends a message as the Constitution provides that the Senate of the United States, or at least this side of the Chamber, will cringe behind a one-man foreign policy as did the majority of the Members on the other side for so many weary months during the last session. It means that we will listen to what he has to say, as Senators of the United States should listen to what the Chief Magistrate has to present, and then, I am sure, use our best and individual judgments.

Soldiers are citizens of the United States, and very important citizens of the United States, and demonstrated in their work of two and one-half years the sacrifices they were ready to make; but soldiers to-day, in times of peace, as citizens of the United States, are just as much interested in the financial and economic success of this country as are any other class of citizens. I believe that the soldiers should, and believe they will, receive just and adjusted compensation in a proper manner at a proper time; but to-day—and there is no use of our attempting to deceive ourselves about it—this country is suffering from a period of depression and lack of confidence and unrest. Unless it is in some way corrected by Congress through action, irrespective of partisan thought or partisan fight or political by-play, neither the soldiers nor any other class of citizens will rise above the present position of depression, nor prosperity again be restored.

I have had the opportunity in the past three or four weeks of being out in the country more than I have in this Chamber; and I think it is a very good thing for a Member of the Senate or a Member of the House to go out in the country just as frequently as he is able to do so in order to have contact with the people he is here to represent.

I think he will discover, if he goes through the country to-day, that there is one thing that all classes of people want to see adjusted by this Congress more than an immediate soldiers' bonus, more than even tariff legislation, certainly more than any legislation which provides for the expenditure of further money by Congress; and, of course, when I say "by Congress," I mean ultimately by the people. They demand a revision, an equitable revision, of the present taxation system, first and foremost; and until we do that, and through that radiate a confidence to all sections of the land, we are not going to recover from the present state of inertia, from the present state of lack of confidence, from the present state of hesitation in business development.

What good are any of these so-called emergency or special measures unless the country is really doing business—and when I say "doing business" I do not refer to any class of business. I refer to all classes, in every section of the country. We must revise the taxation system so that it is possible for a man to anticipate a reasonable income which he can retain as the result of his labor and as the result of the risk that he takes when he invests money and when he does things, when enterprise and energy are again recognized as essential in the industrial and commercial development of the land. That is the bedrock and the foundation of prosperity, in my judgment. We can pass all the laws in the world, but we can not make a man do things unless he sees a reasonable opportunity for profit, and he does not see a reasonable opportunity for profit under the present system of excess-profits tax and the present system of a 70 per cent surtax. It is absolutely impossible.

I do not want to see the rich evade taxation. I think incomes unearned or large funds lying idle should be taxed, and taxed heavily; but I believe that incomes coming from going, active business should be looked upon as absolutely necessary to employ labor and make the wheels again go around in the country.

Mr. GERRY. Mr. President, will the Senator yield?

Mr. EDGE. Just a moment. To-day we have a 70 per cent surtax. We know perfectly well that we are not collecting it. We know perfectly well that it is being evaded. We know perfectly well that men who are in that class, or near that class, are buying tax-exempt bonds by the hundreds of thousands and crediting their income-tax reports. We know perfectly well that they are dividing their fortunes among the members of their families in order to get in a lower class. In other

words, it is a taxation under which we are absolutely deceiving ourselves, if we are deceived at all; so why continue a tax of that kind, which so directly interferes with and discourages the development of business?

All these other issues, while important in themselves, appeal to me as being to a great extent secondary. It is like repairing the top story of a building rather than strengthening the foundation. It is like trying to alleviate pain when you have some affliction, rather than destroying or trying to destroy the cause of it; and that is the situation to-day when we tamper with this or that or the other economic problem, and do not get right down to bedrock, which is, restore confidence at home; get the people working again.

The purchasing power of this country has not greatly changed since the war. The energy, enterprise, and determination of the people, and their desire to be successful, have not changed as a result of the war. Why, it should be greater, simply because of the wonderful success we scored. It is simply a lack of confidence and a realization that enterprising citizens can not hold for themselves a fair and reasonable profit when they expend their energy and use their capital and use their brains and take the necessary business risks.

So, Mr. President, I do not entirely agree with the present program in Congress. To that extent I partially agree with the Senator from Mississippi [Mr. HARRISON]. I think we should drop everything else and proceed on the floor of the Senate with a consideration of a revision of the taxation system along lines that will encourage industry and enterprise.

I know perfectly well that the Constitution prevents revenue measures originating in the Senate, and on that old pretext we simply stand still. Certainly the Constitution does not prevent the introduction, say, of a repeal of the excess-profits tax in the Senate. Certainly there is nothing to prevent our discussing that matter in all its phases. Sooner or later, in the ordinary way, we are going to discuss on the floor of the Senate tax legislation. Why not do it now, rather than three or four months from now? The Senate of the United States does not need any bill before it, so far as that is concerned, to discuss any subject at any time; but with a bill of that character directly relating to the general subject, certainly we can get out of our systems, as we will have to do at some time or other before any revision becomes a law, the various ideas and thoughts we entertain in connection with tax and revenue legislation.

What is the remedy? I believe a tax on expenditures—why should not we tax expenditures? It would encourage thrift, while a tax on incomes alone prevents development. The wealthy would pay more because they spend more.

So I repeat that it will do you all good to go out in the country and meet the people and talk to them. It is the one thing that they are discussing to-day. "We will restart our mills; we know there is a market abroad, and we can get credit abroad; we will do these things to help build up and develop a feeling of confidence at home if, as in the old days when the country was prosperous—and everything could not have been wrong at that time—we are permitted in a proper and properly regulated manner to go ahead and do business and develop our business affairs."

That, in my judgment, briefly stated, is the first responsibility of the Senate to-day.

Mr. POINDEXTER. I ask that the question be submitted to the Senate.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The question is on agreeing to the conference report.

The report was agreed to.

Mr. POINDEXTER. I move that the Senate recede from its amendments mentioned in the conference report still in disagreement between the two Houses.

Mr. KING. May I inquire of the Senator whether, if his motion prevails, it will bring the two bodies into complete accord upon all items?

Mr. POINDEXTER. It will.

The PRESIDING OFFICER. The question is on the motion of the Senator from Washington that the Senate recede from its amendments in disagreement with the House.

The motion was agreed to.

PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had signed and approved the following joint resolution and bill:

On July 2, 1921:

S. J. Res. 16. Joint resolution terminating the state of war between the Imperial German Government and the United States of America and between the Imperial and Royal Austro-Hungarian Government and the United States of America.

On July 9, 1921:

S. 1881. An act to amend an act entitled "An act to provide a government for the Territory of Hawaii," approved April 31, 1900, as amended, to establish an Hawaiian Homes Commission, granting certain powers to the board of harbor commissioners of the Territory of Hawaii, and for other purposes.

REMOVAL OF BODY OF ADMIRAL JOHN PAUL JONES.

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and ordered to be printed, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of France against this Government on account of losses sustained by a French citizen in connection with the search for the body of Admiral John Paul Jones, which was undertaken by Gen. Horace Porter, formerly American ambassador to France, and I recommend that an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

I may state that the claim was brought to the attention of Congress in messages from the President dated June 4, 1918, and July 21, 1919, which are printed, respectively, in Senate Document No. 231, Sixty-fifth Congress, second session, and in House Document No. 156, Sixty-sixth Congress, first session.

WARREN G. HARDING.

THE WHITE HOUSE, *July 11, 1921.*

ADJUSTED COMPENSATION FOR SOLDIERS OF THE WORLD WAR.

Mr. KENYON. Mr. President, I would like to have inserted in the RECORD a very brief editorial from the Sioux City Tribune, headed, "Let United States Chamber of Commerce pay bonus." I think the United States Chamber of Commerce is posing as the great supergovernment of the United States, and the suggestions made in this editorial might be pertinent. I ask to have it printed in the RECORD, as it is very short.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Sioux City Tribune, July 8, 1921.]

"LET UNITED STATES CHAMBER PAY BONUS.

"It is suggested that the United States Chamber of Commerce raise the bonus for the ex-service men and women and so save itself and its members the need to fight the bonus bill in Congress. Such a step would be a worthy one and would further save its members from worrying about their taxes and bookkeeping. Outside the small cities and towns, which join this national chamber and pay generously for the dubious honor, one wonders who the big contributors to it are, and, more important, what they pay for in Washington.

"Perhaps the Sioux City Chamber of Commerce, which joined just as the fight on the bonus was announced, can answer. As a director of the local body, the editor of the Tribune is on record with Mr. A. L. Galinsky as being opposed to joining the United States Chamber of Commerce. Nor does he assume that the directors of the Sioux City Chamber voted to spend some $225 annually to fight bonus measures. The fact remains that this very money contributed by Sioux City business men will be used wholly or in part for such purposes.

"The editor of the Tribune, moreover, does not think that this opposition to bonus measures is an expression of the judgment or good will of Sioux City business men. Sioux City can get more good advertising for nothing by going on record against the United States Chamber of Commerce purpose in this instance than it will gain in a lifetime by being one of many pay members in the 'me, too' class.

"There is an odd feature in this opposition to the bonus that is hard to understand. Do people assume that the money for the ex-service men is to be buried or lost? No, indeed, it will be spent for homes, business interests, and the thousand and one things veterans gave up when they went to war, for those things which the men who earned war wages at home bought.

"The Tribune believes in paying in a big way for those things in which it has faith rather than in buying a 'pig in the poke.'"

AUTOMOBILE ACCIDENTS IN WASHINGTON CITY.

The PRESIDING OFFICER. The calendar under rule 8 is in order.

Mr. UNDERWOOD. Mr. President, it is not exactly in order now, but the automobile accidents in Washington have become so numerous, so many people have been killed and injured, and so much property destroyed, that the other day I made a personal protest to the commissioner of the District in charge of

the police and asked why traffic could not be regulated so as to avoid, to some extent, the numerous accidents. This morning I received a letter from him stating the facts, which I would like to have read at this time.

The PRESIDING OFFICER. The Secretary will read the letter.

The reading clerk read as follows:

COMMISSIONERS OF THE DISTRICT OF COLUMBIA,
Washington, July 9, 1921.

Hon. OSCAR W. UNDERWOOD,
United States Senate, Washington, D. C.

DEAR SENATOR UNDERWOOD: I feel much indebted to you for the call you made me this morning in the interest of traffic conditions. This is a question of great importance and I was especially interested in it before I became commissioner, and since I have been in office I have given the matter personal attention and am in constant touch with the officers.

During the month of May there were 629 arrests for speeding, and a total number of arrests for all violations of traffic amounting to 2,213; during the month of JUNE there were 810 arrests for speeding, and a total number of arrests for all violations of 2,489. This will give you an idea of the work we are trying to do and the number of cases we have taken up with the limited number of men, of which I am not complaining, but I am complaining about the action of the courts in not supporting the commissioners in their efforts to clean up conditions. The action on the part of the courts is very discouraging. They hold our men nearly all day in court and cause them to lose their rest. But we are not lessening our efforts to make out cases and present them to the courts.

A traffic court here would be most helpful at this time, as the automobile traffic is growing by leaps and bounds. To my mind these offenders of the law are partly encouraged by the small penalties and the consideration they receive in the courts. This is rather plain talk, but it is the real conditions we are up against.

Yours, sincerely,
JAS. F. OYSTER,
Commissioner, District of Columbia.

Mr. UNDERWOOD. Mr. President, this is a very candid, and I have no doubt a very truthful, statement of the conditions. I do not know anything about the difficulties in convicting those who violate the traffic laws, but I do know that not an hour goes by when there is not continued violation of the traffic laws. Any man who will stand on a street corner and watch the automobiles go by for 15 minutes will see from one to five men go by in their automobiles at reckless rates of speed, violating the traffic laws, and the only reason in those instances why an accident does not occur is that no one happens to be in their way.

The commissioner seems to think that what we need is a court which will give special attention to these cases. My own idea about enforcing all law, not only the law in reference to traffic in the District of Columbia but all law, is that we should make punishment certain. I do not believe in extreme punishment for minor offenses, and I do not believe that extreme punishment for minor offenses accomplishes the result desired. Nothing is accomplished if a very heavy punishment is made applicable to an offense and then not enforced by the courts. We are all familiar with the old instance where, in the early days, it was made a hanging offense to steal a chicken in the Isle of Wight, and the law books tell us that no man was ever convicted there of stealing chickens after that time, because the punishment was too great and the juries would not convict. The certainty of punishment is what brings about respect for the law.

I have presented this letter for the RECORD. I am on neither the Committee on the District of Columbia nor the Judiciary Committee, but I present the letter, coming officially from the commissioner in charge of the enforcement of the traffic laws in the District, to call the matter to the attention of the committees having charge of legislation covering the subject, in the hope that investigation may be had as to whether this situation can be relieved by the establishment of a special court to handle these traffic cases and handle them promptly. In my judgment, Mr. President, if on the second or third offense for violating the traffic laws, by running at unreasonable rates of speed through the District of Columbia, the chauffeur's license were taken away from him, it would go a long way toward future obedience to the law, and it would prevent some reckless drivers, who will not recognize other people's rights or recognize the law of the land, from operating cars in this District.

Mr. KING. Mr. President, the matter to which the Senator has referred received attention at the hands of the District Committee, and a subcommittee of that committee, of which I am a member, has had hearings and given some thought to the question.

It seems at first blush as if it could be dealt with very readily, as if curative statutes could easily be devised. But in the consideration of the matter it was discovered that there were many angles to the subject; among the problems was that of dealing with offenders who reside outside of the District, who are not licensed by the District. As the Senator from Alabama knows, many people who live elsewhere come into the District with their automobiles, and some of them have been flagrant violators of the rules and regulations prescribed with respect to automobiles.

The suggestion was made that we create a traffic court. Mr. Eno, a man who has given many years of disinterested thought to the question of regulating traffic upon the streets, appeared before us and made some valuable suggestions, and I feel sure that the committee in the near future will take the matter up and report something which will alleviate the situation.

Mr. ASHURST. Mr. President, the time has been reached when Congress should take action with reference to this menace which imperils the lives of citizens every day in this District. After a study of no short time I am convinced that unless a man has a firm mind he gets what is called the "speed bug." No considerations of prudence, justice, or humanity have any influence with the man who is afflicted with the desire to run an automobile rapidly. It is one of the strange things with which psychoanalysts must deal, but I am sure, Mr. President, that I am able now to suggest a reform, an unerring one, which will cure every man and woman who has the "speed bug."

In the first place, fines are a farce. If a man is wealthy, the fine is trivial to him. If his influence is great enough, the sentence is suspended. So it is idle to talk about fines. It is also idle to talk about imprisonment, because an ordinary court would suspend the sentence if the offender were a man of position or influence.

But, Mr. President, when psychoanalysts, whose field is the human brain, the emotions, and the strange impulses that cause erraticisms, come to deal with automobile speeding they will discover the startling fact to be that a man who has the "speed mania" may have in the car his wife and his children, but the fact that he may imperil their lives by rapid driving or by taking chances is of no consequence to him; he will take desperate chances to get ahead of some other car.

The bank robber, as a rule, when holding up a bank does not wish wantonly to kill, but the "speed-bug man" has no thought or care whether he kills or not, if he can be the first with his car to pass through an opening or make a sensational run.

Mr. President, if Congress were to pass a bill, not providing for fine or imprisonment for the man who runs his car at an immoderate rate but simply providing that the car should be taken from him as a penalty and sold at public auction to pay the damages of any person who is injured or to pay the personal representatives of any person who is killed, and if there were an absolute certainty that such a law would be enforced, the wild driver who loves his car much better than his wife and his children, who loves his car and his speed record so much better than he loves mankind, will, if he knows he will lose his car, run at a moderate rate.

In other words, he would observe the law to save his car when he would not observe the law to save innocent people.

When the speed-bug man, the man who, as psychoanalysts tell us, should be put into an insane asylum to cure him of his speed mania, knows he is going to lose his car, and that it is going to be sold at public auction inside of five days to pay the damages of the injured person, or to pay the personal representatives of the dead person, then you will have no more so-called accidents, at least no more wanton killings, and all men and women in the cities will run their cars at the moderate and prudent rate of 5 to 7 to 10 miles an hour, and it will not be, as it is now, a desperate undertaking to cross one of our streets.

I need not tell the Senate how many, many times each day in the cities women and children just barely make their escape from immediate death at the hand of careless drivers who care nothing for the rights of other people.

Mr. FLETCHER. Mr. President, will the Senator yield?

Mr. ASHURST. Certainly.

Mr. FLETCHER. I wish to ask the Senator if he does not think that perhaps it would be advisable to legislate on the subject at least to the extent of changing the rule of evidence? I introduced a bill—I think at the last session of Congress—providing for that and making the fact of the killing prima facie evidence of negligence.

Mr. ASHURST. That is surely a wise and necessary provision.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. FLETCHER. So often there are cases where the person injured dies and is, of course, unable to testify. When the case comes on for trial in court the people guilty of the negligence have all sorts of reasons or excuses, and they actually prove

sometimes that the person committed suicide by deliberately running in front of the car. The same thing is true as to electric street cars, using the highways as they do. The other day I read an account in the newspaper of an old gentleman who was crossing the street and was run down by an electric car, and a few days after died. According to the story the street car people were able to prove that the old gentleman became ill just as he got on the car track, and that was the cause of the accident.

I think there ought to be some amendment to our laws that would prescribe a rule of evidence that would make the actual accident prima facie evidence of neglect without further proof.

Mr. ASHURST. Mr. President, along that line Arizona years ago was troubled with cattle thieves, and it was difficult to prove that a defendant had stolen a particular animal. We passed a law through the Legislature of Arizona which provided that any animal which was illegally branded or branded not in accordance with the law of the State should be sold at public auction. Cattle stealing then stopped. Cattle thieves said, "What is the use of stealing if the State takes from us all we steal."

When we confiscate and sell at public auction the automobile driven at an improper speed, and dangerous, then, I repeat, improper speeding will come to an end.

On this point I wish to refer to an incident—and I hope there is nothing improper in doing it, because all the people of this country loved and revered the former Chief Justice of the Supreme Court of the United States, Edward D. White. He had a sense of humor and it sustained him upon many occasions. Not longer than nine years ago, coming out of this building, one of these speed-crazy men or, rather, boys in an automobile came speeding by at a rate of 40 or 50 miles an hour. Chief Justice White, of the Supreme Court, and some other person accompanying him, perhaps an associate justice, were required to dodge, twist, and turn with amazing alacrity to escape instant death at the hands of a careless driver whose disregard of pedestrians was manifest. After the driver had gone by the Chief Justice turned to his companion and said, "Some day some fellow is going to come before our court charged with having shot and killed a speed-bug maniac, who recklessly took away the lives of innocent people, and our court will turn him loose."

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes.

The message also announced that the Speaker had designated Hon. JOSEPH WALSH, a Representative from the State of Massachusetts, as Speaker pro tempore, and that said designation was approved by the House.

ENROLLED BILLS SIGNED.

The message further announced that the Speaker pro tempore of the House had signed the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 4803. An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes; and

H. R. 4976. An act granting the consent of Congress to the Trumbull Steel Co., its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio.

The message also announced that the House had passed a joint resolution (H. J. Res. 173) ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922, in which it requested the concurrence of the Senate.

OBLIGATIONS INCURRED BY NAVY FROM JULY 1, 1921.

Mr. POINDEXTER. I ask unanimous consent that the unfinished business may be temporarily laid aside and that the Senate proceed to the consideration of House joint resolution 173, just received from the House.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

The joint resolution (H. J. Res. 173) ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922, was read the first time by its title and the second time at length, as follows:

Resolved, etc., That appropriations for the service of the fiscal year 1922, contained in the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes," are hereby made available from and including July 1, 1921, for the purposes provided in such appropriations for the service of such fiscal year. And all obligations incurred pursuant to the terms of such appropriations in the aforesaid act as approved are ratified and confirmed from and including July 1, 1921.

The VICE PRESIDENT. Is there any objection to the present consideration of the joint resolution?

Mr. UNDERWOOD. What is the joint resolution, Mr. President? My attention was diverted for a moment.

Mr. POINDEXTER. It is a joint resolution making the naval bill which passed both Houses to-day effective from the 1st of the present month. I myself fail to see the necessity for the joint resolution, but the parliamentarians of the House apparently thought that it was necessary; and in order to avoid any question about it and in view of the fact that the obligations of the Navy accrue on the 15th of the present month and it is now the 11th and that obligations have been incurred since the 1st, I think it is probably important that the joint resolution should be acted on promptly.

Mr. UNDERWOOD. Very well, I have no objection to the consideration of the joint resolution.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

ADJUSTED COMPENSATION FOR VETERANS OF THE WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. NORRIS. Mr. President, I send to the desk and ask to have read an amendment which, later on in the consideration of the pending bill, I propose to offer. I should like to discuss it briefly now. When we reach the point in the consideration of the bill when amendments can be offered by individual Senators I expect to offer it. I ask that the Secretary may read the proposed amendment.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The Secretary will read as requested.

The reading clerk read as follows:

Add to the bill a new section, as follows:

"SEC. 705. The Secretary of the Treasury is hereby directed to collect the interest due on the various loans made by the Government of the United States to foreign Governments during the war, and said sum so collected, together with all other interest payments on said loans subsequently collected, is hereby set aside as a separate fund and the same is hereby appropriated for the purpose of carrying out the provisions of this act."

Mr. NORRIS. Mr. President, one of the difficulties in this legislation, conceded to be a difficult proposition, is the enormous amount of money involved in it. I presume none of us are unmindful of the fact that the country is overburdened with taxation, and must be for many years to come; but we do not all of us, speaking generally of the people of the country, now realize that there is due to our Government in interest on money that we have loaned to various other Governments a sufficient amount to pay the entire expense of the operation of the pending bill. As I understand the data given by the Senator from North Dakota [Mr. MCCUMBER]—and if I am wrong I wish he would correct me—it will cost, to begin with, about $200,000,000 per annum. I will ask the Senator if that is correct?

Mr. MCCUMBER. That is the best estimate. That is on the assumption that about 20 per cent will take the cash plan and 80 per cent the insurance plan, or its equivalent, and the testimony to support that view I submitted to the Senator the other day.

Mr. NORRIS. I heard the Senator when he gave it, and it seemed to me it was a very reasonable conclusion that he drew from the evidence.

Mr. MCCUMBER. Mr. President, I wish to correct a misapprehension in my answer to the Senator's inquiry. The cost of operation the first year of the law would not be $200,000,000 but $108,898,000. The second year it would be $200,000,000.

Mr. NORRIS. I am glad to have the Senator make the correction.

Why is it that the Governments owing us large amounts of money should not pay their interest? I presume it is true that some of them can not do it. In cases where it is an impossibility we can not collect. There may be one or two instances, perhaps, in which we have loaned money where we will never get anything in return, either interest or principal. But in the main those Governments which owe us the largest sums are paying their interest promptly on the bonds they have issued, the same as we are paying promptly the interest on our Liberty bonds.

In round numbers, there is owing to us now from foreign Governments to whom we have loaned money during the war $10,000,000,000, due on demand, drawing 5 per cent interest. It only takes a moment for the ordinary schoolboy to ascertain that even the interest on this vast amount of money, if paid, would relieve the Secretary of the Treasury for many years from the payment of anything on account of the so-called soldiers' bonus bill if we succeed in collecting that interest.

The other day I wrote a letter to the Secretary of the Treasury and asked him to give me the total amount of loans, the interest on the same, and the division of it among the various countries of the world. I send to the Secretary's desk and ask to have read the reply of the Secretary of the Treasury.

The PRESIDING OFFICER. The Secretary will read as requested.

The reading clerk read as follows:

SECRETARY OF THE TREASURY,
Washington, June 24, 1921.

MY DEAR SENATOR: I am in receipt of your letter of the 23d instant, in which you ask for certain information concerning loans made by this Government to foreign Governments.

Under the Liberty bond acts the cash advances made by the Secretary of the Treasury to foreign Governments as at the close of business June 23, 1921, were as follows:

Belgium	$349,214,467.89
Cuba	10,000,000.00
Czechoslovakia	61,256,206.74
France	2,997,477,800.00
Great Britain	4,277,000,000.00
Greece	15,000,000.00
Italy	1,648,034,050.90
Liberia	26,000.00
Rumania	25,000,000.00
Russia	187,729,750.00
Serbia	26,780,465.56
Total	9,597,518,741.09

Of which the following repayments have been made:

Great Britain	$110,681,641.56
France	46,714,861.81
Rumania	1,794,180.48
Belgium	1,522,901.66
Cuba	974,500.00
Serbia	605,326.34
Total	162,293,411.85

For the above-mentioned loans this Government holds demand obligations of the respective foreign Governments now bearing interest at the rate of 5 per cent per annum.

The following are the amounts of interest heretofore paid by each of the foreign Governments on advances made to it by the United States Treasury:

Belgium	$10,907,281.55
Cuba	1,282,369.54
Czechoslovakia	304,178.09
France	129,570,376.13
Great Britain	245,557,185.50
Greece	784,153.34
Italy	57,598,852.62
Liberia	861.16
Rumania	263,313.74
Russia	4,832,354.46
Serbia	636,059.14
Total	451,736,985.21

On the net principal sum of this debt, which amounts to $9,435,225,329.24, interest accrued and remaining unpaid thereon up to and including May 15, 1921, amounts to $922,550,143.22. Interest has been paid in full on obligations of the Governments of Cuba and Greece.

Mr. NORRIS. That is as far as I care to have the letter read, as the balance of it does not pertain to our loans. It will be observed that practically all of the countries borrowing money from us have already paid quite a sum in interest, but all of them, with the exception of two, still owe a large amount of interest. The total amount of interest which was due and unpaid on the 15th day of May, 1921, was $922,550,143.22.

Mr. McKELLAR. What was the date which the Senator from Nebraska gave?

Mr. NORRIS. That was on the 15th day of May, 1921. I am not advised as to whether any interest has been paid since, but I take it that none has been paid up to the date of this letter, which was written on the 24th day of June, 1921; so it is safe to say there is due to the United States Government now in the way of interest over $922,000,000.

As I have previously said, Mr. President, several of the foreign countries which are owing us the largest amounts are, as I understand, paying the interest which is due on their bonds as that interest matures, the same as are we.

I presume that is true of nearly all of those countries which have borrowed very large sums. So if those countries that are paying interest to their people who have loaned them money should treat us the same as they treat their own bondholders we should have more money than would be required in order to carry out all of the provisions of the pending soldiers' compensation legislation if it were placed on the statute books.

I desire to call attention to the fact that Greece and Cuba—two of the smallest of the nations that have borrowed of us—have paid all their interest, and that they owe no interest whatever.

Mr. REED. Mr. President——

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. REED. In that connection I desire to inquire, Has the Senator from Nebraska taken the trouble to ascertain whether Greece paid its interest to us out of money which she borrowed from us?

Mr. NORRIS. No; I know nothing about it except what the letter of the Secretary of the Treasury states.

Mr. REED. I do not assert that to be the fact with reference to Greece, but it is the fact with reference to some of the foreign Governments, and, although we have been investigating for some time, we never seem to be quite able to get at the facts. I venture the guess that Greece is one of the countries that borrowed money from us and then out of the new money so borrowed took care of the interest.

Mr. NORRIS. Paid the interest on the old debt in that way?

Mr. REED. Yes. I think the Senator, if he will examine the matter, will find that in any event Greece got from this country large sums of money after the armistice.

Mr. McCUMBER. Mr. President——

Mr. NORRIS. I yield to the Senator from North Dakota.

Mr. McCUMBER. If the Senator will allow me, I desire to say I think in those cases where it is admitted that a foreign country paid its interest out of money which we loaned it this state of facts will be found to exist, that we gave to such nations certain credits in this country as credits were demanded during the war for specific purposes, and that the money was deposited in certain banks in the United States, subject to the control of the country to which the credit was given. Very likely some of these nations were owing interest at that time and paid the interest out of the funds which they had borrowed from us or for which we had given them credit. That undoubtedly is true.

Mr. NORRIS. I have no doubt that is true, although I have no information on the subject; my information is derived from the letter of the Secretary of the Treasury which has been read from the desk; but, Mr. President, I presume we also have paid interest to some of our bondholders out of other loans which we have made. I do not know that it is material, at least it is not for the purpose of the pending legislation, for us to consider the means by which the money was raised to be used for the payment of interest. Neither am I considering the question of the original loans. I confess that I was shocked when I learned that some loans had been made long after the World War had ceased and after the armistice had been signed. The fact, however, remains that $922,000,000 is still unpaid.

As to the amounts borrowed, take Great Britain, for instance, which borrowed $4,277,000,000. Great Britain has paid $245,557,185.50. I presume Great Britain is paying the interest on her bonds as promptly as are we; I presume France is doing the same thing; and that most of the other countries are doing the same thing; but they do not keep paid up to date the interest which is due the United States. I presume they are going to pay it; that they will be paying it as time goes on. The amendment provides that when that money is collected, when it is paid, it shall be set aside as a separate fund for the purpose of carrying out the provisions of this proposed act.

Mr. WILLIS. Will the Senator yield?

Mr. NORRIS. I yield to the Senator from Ohio.

Mr. WILLIS. Does the Senator from Nebraska know whether the payments to which he refers are recent, or were they made at some time in the past? I am wondering whether the various foreign countries are now paying their interest.

Mr. NORRIS. The letter does not state the date of the payments; but I presume that payments have been made at various times.

Mr. McCUMBER. Mr. President, none have been made lately, I will say to the Senator.

Mr. WILLIS. Does the Senator from North Dakota know how recently they have been made?

Mr. McCUMBER. I do not think any of them have been paid since the close of the war, or since a period very shortly thereafter.

Mr. WILLIS. That is my understanding.

Mr. McCUMBER. I think perhaps a brief further explanation ought to be made, because I know we want to get the exact facts in regard to credits to foreign countries, if the Senator will allow me to interrupt him for a moment.

Mr. NORRIS. I yield to the Senator.

Mr. McCUMBER. Several times reference has been made to the fact that we advanced money to those associated with

us in the war after the war had practically closed. That is true; but I think the evidence shows that prior to the end of the war on November 11, 1918, we had agreed to extend to certain countries certain credits for certain projects incident to the war. Those countries were to have the credits for those purposes, and they were first to determine as between themselves how much should be extended to each nation; for instance, Greece, Italy, Rumania, and other countries. The agreement was made before the armistice, but the foreign governments had not at that time presented to this Government a statement of the amount that should be paid each one, and for that reason the payments were not actually made to the foreign governments until some time after the armistice. That was the testimony, I think, as it was given to the committee.

Mr. BORAH. Mr. President, I think the Senator from North Dakota states that a little too liberally. For instance, if I remember correctly, we furnished money to one country to send its peace delegates to the conference.

Mr. McCUMBER. That would hardly be a war proposition.

Mr. BORAH. No. Of course, there were a number of instances of the kind of which the Senator speaks; but we went beyond that and advanced money which, it seems to me, there was no obligation either legally or morally to advance.

Mr. SMOOT. Mr. President——

Mr. McCUMBER. Mr. President, I should like to finish my statement with reference to some reasons, possibly, that justify certain foreign countries in not keeping up the interest on their obligations to us.

From the period almost immediately after the close of the war there was a hope that there might be some kind of a pool formed, but when it was found that that could not be done, that this Government would not under any circumstances join in guaranteeing the debts of other nations, then there arose a question as to the settlement of the claims between the several nations. On the part of some there was a desire to include the interest, together with the principal, and to give bonds for the entire amount, payable at a future time.

I think it will be found also that the countries that owe us, such as France, for instance, and Great Britain, have also advanced to other countries, on which advances they have received no interest. I think I saw a statement the other day to the effect that Great Britain estimated that only 46 per cent of all the money that she had advanced to other nations would ever be paid back, and that the amount Great Britain advanced to her associates would just about equal the amount due from Great Britain to the United States; but none of these countries, I think, will be found to have paid the interest on their debt on account of money advanced.

The point I want to make is that the situation as to the nonpayment of interest does not apply to the United States alone. But now that the German Government is making reparation payments, I can see no reasonable excuse for the interest not being paid. I agree with the Senator from Nebraska that now they ought at least to use the reparation money which they receive to cancel their debts, so far as it will cancel the debts, due to the United States.

Mr. BORAH. Mr. President, I should like to ask the Senator from North Dakota a question. Has the testimony of Mr. Mellon, the Secretary of the Treasury, before the Finance Committee, been printed?

Mr. McCUMBER. I think that it has, but I am not certain.

Mr. WILLIS. His letter has been printed.

Mr. JOHNSON. It has been printed, and I think the Senator can get a copy by applying at the Finance Committee.

Mr. BORAH. I did not know that it had been printed. Does the printed portion cover the testimony before the Finance Committee on this question?

Mr. WILLIS. The letter to which I have referred does not.

Mr. McCUMBER. As to certain of these matters the Secretary did not testify at all.

Mr. BORAH. I am speaking of the testimony which he gave before the Finance Committee with reference to the funding of the foreign loans.

Mr. JOHNSON. Yes; that has been printed and I have a copy of it.

Mr. BORAH. I have not been able to get a copy of it; but I understood it was the view of Mr. Mellon that we would not be able to collect the interest for the next 9 or 10 years, and that we should defer the effort to collect it for some time.

Mr. McCUMBER. I do not remember any such testimony.

Mr. BORAH. I do not state that that is true, because I have not read his testimony; but I have seen that proposition advanced as being based upon his idea of the situation; and, as the Senator knows, there are some people in this country who think that it would be dangerous to us for the foreign Governments to pay their debt to us.

Mr. NORRIS. Well, Mr. President, I should like, as a citizen of the United States, to say that I would be glad to assume that danger and run the risk. I hope that they will not defer the payments out of any sympathy for the American people or the American taxpayers, and that, if they are anxious to pay what they owe us, they will not be deterred from so doing because they fear it might do us an injury.

Mr. BORAH. The Senator knows that a great many financiers and men who have given study to this question insist that any considerable payment would be injurious to this country and it is one of the questions that we will have to meet when we come to the question of funding the foreign debt. It is argued—and I had understood that was the view taken by the Secretary of the Treasury—that its effect upon exchange, the capacity of European people to buy our products, and so forth, would be so injurious as to far more than counterbalance any benefit that we might derive from such payment.

Mr. NORRIS. Mr. President, there is a great difference between paying a debt and paying the interest on it, but if we are not intending to forgive the debt or to forgive the interest, then a delay is not only injurious to those who have to pay, because it is piling up all the time, but it certainly interferes somewhat with our country being able to meet its obligations without taxation that is extremely burdensome.

I do not expect that these debts will be paid during my lifetime. I am not asking that they be paid. I would not want to do anything that would be an injury to any of these countries that owe us money, but I believe we ought to collect the interest, unless a good and sufficient reason be given why it should not be paid, and when the Government of the United States loans money to some country I can not myself understand why they should not pay the interest on what they owe the Government of the United States the same as they pay the interest to anybody else, and the same as the United States Government is compelled to pay the interest to those who bought our bonds. It is immaterial whether this money was carried over to these foreign countries in the shape of gold or cash, or whether, as the Senator from North Dakota says, it was deposited in the banks in this country, and with it they bought goods and materials which were shipped to them.

Mr. WILLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. NORRIS. I yield to the Senator.

Mr. WILLIS. I simply wanted to be sure that I understood the Senator in the observation he made a moment ago. I understood the Senator to say that he did not expect this debt to be paid. Did I correctly understand him?

Mr. NORRIS. No; the Senator did not quite understand me. I said I did not expect this debt to be paid during my lifetime, and I expect to live a good many years, too.

Mr. WILLIS. I join in that hope.

Mr. NORRIS. I am not asking that these governments be required to pay their debts at once. I am perfectly willing that the time should be extended, and if that was not so definitely stated in the law, at least it was my understanding when the authorization for making these loans was passed through Congress that the obligations of the foreign governments should be the same that our country assumed to the people here who loaned it money. If we borrowed money due in 40 years, I understood that the foreign government was to be required to give its obligation to pay within the same length of time and at the same rate of interest.

Mr. WILLIS. I trust the Senator gets my viewpoint. I quite agree with the view he expresses. I think it would be an exceedingly dangerous thing to have it stated here on the floor of the Senate by so distinguished a Senator that he did not expect that this debt would be paid within any definite time. I think the idea ought to go forth that it is expected that this debt will be paid.

Now, following that suggestion, I should like to have the Senator's idea about his amendment. It says:

> The Secretary of the Treasury is hereby directed to collect the interest due.

Mr. NORRIS. Yes.

Mr. WILLIS. I think that ought to be done; I agree with the Senator; but how is he going to do it? What is the method the Senator has in mind?

Mr. NORRIS. Mr. President, first let me discuss the other point. The Senator asks two questions. I think I did say earlier in my remarks that probably some of this debt never would be paid. That may be true.

Mr. WILLIS. It all ought to be paid.

Mr. NORRIS. Money was loaned, for instance, to Russia, and the Government was destroyed. The Kerenski government got a great many supplies, a great deal of food, and a great many war materials. I do not know how that will ever be paid. It is possible that some of the other Governments may never be able to pay; but I do not want the Senator to get the idea that I am one of those who think we ought to forgive these debts. I want to collect them, and I want to collect them without any hardship upon the people of the country who have to pay them. I am willing to give them as much time as we have to take in our bonds; and when they come due, if I should be still alive, and any reason could be given for it, I would extend them again. It seems to me, however, that we ought to collect the interest, and we ought to collect it as promptly as we can.

As to just how we will proceed, that, of course, will be up to the Secretary of the Treasury. I think that if the Secretary of the Treasury were authorized, as he would be by this amendment if it became a law, to collect this interest, and to call the attention of the foreign Governments to the fact that that was a law passed by Congress, and that on the strength of that law he was asking them to pay the interest that was due and continue to pay it as it became due, these Governments would all pay their interest, unless it was a case where it was an impossibility for them to do it.

If there is a bankrupt government somewhere, we will have to be one of the creditors and let it go through bankruptcy, but I presume no one will dispute the fact that some of the leading Governments of Europe that owe us the largest sums would have no more difficulty in paying their interest to us than they would have in paying the interest to somebody else; and it is no defense, either, in my judgment, if they have coming from some other countries debts upon which the interest has not been paid. They can ask that they pay the interest, and perhaps collect it. It is no defense for a creditor, if he is otherwise able to pay, to say: "I do not want to pay you because somebody else owes me who has not paid me yet."

I do not anticipate that any harsh methods will be pursued. I do not want to do anything unreasonable. There would be plenty of time to collect this interest before any money would be due under this bill if it should become a law to-day. I have already called attention to the fact that these Governments have already paid over $400,000,000 in cash, and I presume they have no other idea than that they will continue to pay. I assume that they are honest, and that they are going to pay their debts and that they will pay the interest.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Utah?

Mr. NORRIS. I yield to the Senator.

Mr. KING. I hope it will not disturb the Senator if I suggest to the Senator for his consideration—and doubtless he has considered it, perhaps more fully than I have—this fact:

Germany is not paying some of her foreign obligations, but she is meeting some of her domestic obligations because she can do so without the use of gold. Her internal trade enables her to accomplish it. The Senator will perceive that governments may pay domestic debts where payments may be facilitated and indeed effected through the exchange of domestic commodities, whereas those same governments would be unable to pay a foreign debt if they had to pay in gold. I suggest to the Senator that we may not want Europe, and I particularly mean nations which are our debtors, to pay us any considerable quantity of gold at this time, for this reason:

Assuming that this were possible—and of course Europe can not meet at present her obligations to us—she would further impoverish herself, and destroy her own credit which she must possess to carry on any extensive foreign or domestic commerce. It would make the exchange situation far more difficult, demoralize it far more than it is at present, and that would react disadvantageously to American exporters. Europe owes the United States Government and Americans more than $16,000,000,000, and the only way that payment can be made, either of principal or interest, will be through credits established as the result of exports, and those exports must come largely to our own country. If we want Europe to pay her debts to us, either principal or interest, we shall have to buy European products, or buy products from other nations with which she may exchange her products; but, after all, the payment is going to be made through the production of Europe, not through the export of gold.

I agree with the Senator, if I understand his position, that we should give reasonable time to Europe to make payments; refund the obligations, ask for a reasonable rate of interest, and then insist that payment shall be made, in money when possible and advantageous; and when not available, through the exchange of credits; and it can be made in that way if we establish a reasonable tariff system here by which we will not destroy commerce, but rather will encourage it.

Mr. BORAH. Mr. President——

Mr. NORRIS. I yield to the Senator from Idaho.

Mr. BORAH. May I ask the Senator a question? The Senator is of the opinion that we should not accept gold. If we accept commodities, in what position does that leave our market here at home?

Mr. KING. Is the Senator addressing that question to me?

Mr. BORAH. Yes.

Mr. KING. When I said we could not accept gold, I meant it merely in the sense that if we took gold from Europe now, draining her to the last dregs, so to speak, it would leave the exchange situation in a condition so demoralized that it would be injurious to our foreign trade, and of course much more serious for Europe.

Mr. BORAH. If they glut our markets with their products, their manufactured goods, and so forth, what is the situation at home then?

Mr. KING. My good friend rises to the heights of statesmanship so often that I regret that from Olympian heights he sometimes descends; and he has descended now, in my opinion, and has accepted that archaic, effete, and exploded Republican idea that it will make us poorer and injure us if we have those things which the people of the United States require. We need more food; we need more clothing; we need more of the things that contribute to the happiness and welfare of the people. I should like to see the people "glutted" with good clothes, and "glutted" with automobiles, and "glutted" with the essentials and comforts of life. The more we have of those things the better it is for us.

Mr. BORAH. I appreciate the Senator's compliments, but I would rather have an answer to my question.

Mr. KING. I think I have answered it.

Mr. BORAH. If you dump the goods made in the countries which owe us into the markets of this country, what is going to become of our own manufacturing establishments? I can not see how it is possible for us to maintain our pay rolls, for us to have anything like a business life here, if our manufacturing establishments are put out of business by the importation of these cheap goods from abroad in such quantities as would be necessary if we accept them for the debt.

Mr. KING. Mr. President, if the Senator from Nebraska will indulge me, there is no policy advocated by any party which aims at the destruction of the manufacturing institutions of the United States. The Democratic Party never has advocated a policy of that character. Upon the contrary, its policy will increase domestic production, both of raw materials and finished products. The Democratic Party approves the sentiments announced by Mr. McKinley in the last speech which he made upon the day when an assassin sought his life. He advocated freer and less restricted trade and commerce, and that impediments which had been interposed by unjust tariff laws should be removed in order that there might be enlarged markets for our products and greater trade and commerce between the United States and all nations in the world. He could see that the time had come to modify the antiquated and provincial policy which had been advocated by his party and adopt one that would increase the prosperity of all the people of our land. There is no plan to deluge the land with "cheap goods" in the sense that the Senator uses the expression. But we want more goods and more markets and increased domestic and foreign trade. We will close many of our plants if we cut off our trade with foreign nations, and no goods, cheap or otherwise, will come to us unless we ship our goods and products to other lands. We have just passed a peace resolution because we wanted trade with Germany; and now the tariff high priests want to cut off all trade with Germany and all other countries because we may be "glutted" with their products. We must impose reasonable tariffs, but we will so adjust them that revenue may be obtained and the American people prosper because of their finding markets for their surplus products, and other nations will prosper by finding markets for their surplus products. Thus all will be benefited, and in the end the United States and our citizens will be paid for the billions owed them by Europe.

Mr. BORAH. Mr. President, I only rose to ask these questions for the purpose of getting some light, and not for the purpose of advancing any particular views of my own. But there are a great many people in this country who say that we can not accept from these countries payment in gold; that it would be ruinous. There are others who urge just as earn-

estly that we dare not accept payment in commodities, because that would be equally destructive of our whole industrial and manufacturing life. The logic to which these gentlemen lead us when they combine their arguments is to forgive the debts entirely. That is where we land, to postpone the payment indefinitely. We have gotten ourselves into such a position that when a man owes us a vast amount of money we dare not accept payment in money, because it would be ruinous to him, and we dare not accept commodities, because it would be destructive to us. What I am seeking is a way out, and I am looking for these gentlemen who are financiers, and men who have given a great deal of study to this question, to help me. I was seeking light from my able friend.

Mr. KING. May I suggest to the Senator, with the permission of the Senator from Nebraska, that there is a great deal of difference between asking for the payment of gold 5 or 10 or 20 years from now and demanding its payment now. I addressed myself to conditions as they exist now, not in futuro. I say again that I think it would be unfortunate if we were to drain Europe of the small amount of gold she now has. I think it would tend further to the demoralization of exchange, and it would be harmful to Europe and disadvantageous to the United States. The European nations must possess some credit, and have at least the shell or appearance of solvency. If we should force them into bankruptcy, it would affect not only their economic and industrial life but their political existence. We are interested in the maintenance of law and order in Europe; in the stabilization of political institutions; in the economic revival of the peoples of all nations. Their political and industrial security will promote the welfare and prosperity of the United States.

Mr. REED. Mr. President, if the Senator from Idaho will permit me, with the courtesy of the Senator from Nebraska, who has the floor, I might suggest that one way some of this money could be paid to the United States, without destroying European credit, would be for them to stop fighting over there a while and go to work and send us the money they are spending fighting each other now. I do not believe that would destroy them.

While I am on that question, if the Senator will permit just this word, I regard all this talk about its being ruinous to this country to be paid in goods or money as utter nonsense. Likewise, I regard as utter nonsense the assertion that if Europe is called upon to make payments of what is due us, not all at once but to begin making payments and keep up the interest as they go along, it will be ruinous to them.

The truth is that back of these foolish doctrines—for I characterize them as nothing else—is the doctrine advocated by some gentlemen who are still suffering from shell shock, that we ought to forgive these foreign debts. If anybody thinks he can make himself popular with the American people by advocating that sort of stuff any longer, I advise him to go out into the great Middle West and face an audience with the proposition, and I would also advise him to be prepared with a very fast-running automobile in order to make his escape. It is time to get out of dreamland; it is time for Europe to quit fighting and begin to think about paying, and it is time for us to begin thinking about having some payments made, but, of course, always taking into consideration the fact that we must give some reasonable extension of time to those countries.

Mr. NORRIS. Mr. President, it seems to me that it is utter folly for us to say we do not want to collect our debts, that we do not want anybody to pay the interest on them, that it would hurt us. It is the first time I have ever known of an instance where it was said that a debtor, especially when he is overburdened and bowed down himself from toil and suffering because he must raise a large amount of money, should protest to his creditor that he should not receive anything coming to him from that source.

The countries that owe us this money are themselves collecting money now, as the Senator from North Dakota has said, from Germany. They are getting reparation. They have been paid large sums recently in gold. Is there any reason why we should not receive our interest on the money that we loaned to them? If there is, if a good reason can be given, I would not want to be harsh or unreasonable.

I do not want to overburden anybody. But the fact is that Great Britain, for instance, has since the armistice spent more money in subduing the people of Ireland with a strong military hand, cruel and barbarous, than would pay all the interest that she owes to the Government of the United States. If you follow that out in the other parts of Europe, where Great Britain and France have been engaged in warfare to subdue unwilling people who do not want to subject themselves to their rule, you will find that they have been spending more money in warfare, after this great League of Nations was installed, to give peace and harmony forever, than would pay all the interest that they owe to the Government of the United States.

It is not my purpose now to dictate, or try to dictate, to any foreign Government, as to how it shall use its money, but when any one of those Governments owe us then we have a right to say, it seems to me, "Present indications show that you are spending a lot of money in other directions which you might just as well save. We would like to have you pay us. We would like to have you pay us the interest. We are willing to wait any length of time so that it will be no hardship on your people to pay the principal, but we are paying now large sums of interest, our people are bowed down to the earth from taxation, and Congress now is working night and day, through its committees, to find something else to tax belonging to the American people in order that we may pay what we owe."

Are we unreasonable if we say to our debtors, "We would like to have you pay something; we would like to have you pay some interest; it will relieve us very greatly if you will do it; you are getting money from other countries; apply some of it on the debts you owe to us"?

Mr. REED. Mr. President, has the Senator's attention been called to the newspaper statement to the effect that England has been advancing very considerable sums of money to other countries for the purpose of extending her trade?

Mr. NORRIS. Yes; it is going on all over the world, as I understand it. The testimony before the Committee on Agriculture some time ago showed that there was a sort of a governmental corporation that was advancing money for the purpose of extending the trade and the commerce of Great Britain.

I am not finding fault with that. It is all right that she should do that. But, at least, she ought to consider that she owes us some interest, and that we have to meet our obligations; and it would be no more than fair that we should be paid at least a portion of what is coming to us before it is expended in these other directions I have indicated.

Mr. WATSON of Indiana. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. I yield.

Mr. WATSON of Indiana. Does the Senator assume, in offering this amendment, that there is any thought on the part of the present administration that the debt will not be collected?

Mr. NORRIS. Oh, no; I have made no such charge.

Mr. WATSON of Indiana. I understand that; but I was just wondering, in view of the testimony recently given before the Finance Committee by the Secretary of the Treasury, what the object of the amendment is, because it is quite manifest that it is the purpose of the administration to proceed to the collection of this interest and of these debts just as rapidly as is possible, and therefore I was at a loss to understand the object of the amendment, providing for something that is already in the minds of everybody connected with the administration.

Mr. NORRIS. This is not in the minds of the administration. If it is collected, it will not be set aside for this particular purpose. The object of this amendment, Mr. President, is to create a fund out of which all the expenses of this so-called soldiers' bonus bill will be met, and I think this would pay it all.

Mr. WATSON of Indiana. But, Mr. President, if and when we pass this so-called bonus bill, it will provide for the payment of a certain sum of money out of the Treasury each year. Would it not be better that we leave the provision that way, and pay the money out of the Treasury as we have the money in the Treasury, as the payments fall due, rather than to attempt to set aside a certain fund, which may be nonexistent? Because we may not be able to collect this interest, we may not be able to collect the principal, for, notwithstanding the fact that these foreign nations may be doing what the Senator from Missouri [Mr. REED] suggests and what the Senator from Nebraska [Mr. NORRIS] also suggests, and those things may be deprecated, nevertheless, we have no way of stopping those things, if those nations see fit to continue doing them. In other words, the Senator in his amendment uses this language:

> The Secretary of the Treasury is hereby directed to collect the interest.

It seems to me that is a pretty vigorous statement, under the existing conditions. If the Senator could modify it, and say he shall "attempt" to collect, or "begin" to collect, it might be all right; but here is an express direction to collect. That means for him to go out and get it. How is he going to get it if they are not willing to pay it.

Mr. NORRIS. The language is not different from what, under ordinary circumstances, would be used. If he can not

get it, he can not collect it. We direct him to do it. If it can not be done, he will not succeed at it; and that will be the end of it. If he can not do it, notwithstanding a law of Congress, I would like to find out the reason. It would be worth something to know why.

Mr. WATSON of Indiana. The only reason in the world would be that the nations could not pay; that is all.

Mr. NORRIS. That may be. If they can not pay, of course, they can not. This does not require an impossibility.

Mr. WATSON of Indiana. If the nations can not pay, and hence this fund is not established, then why provide that the bonus shall be paid out of this fund, which may not be in existence? Why not permit the bonus to be paid out of the Treasury in the ordinary course of business, and then, as this money comes in from these nations, it will be put into the Treasury? Why set aside such a fund, and direct that payments be made out of a fund which may not be in existence?

Mr. NORRIS. This amendment does not change any provision of the bill. If this amendment is agreed to, the provision for the payment out of the Treasury of the United States will remain in the bill just the same as it is. If this amendment goes into the law, and the Secretary of the Treasury never collects a dollar on account of it, it will not interfere with the payments at all. The only difference will be that it will not be paid out of this fund. This amendment does not repeal any provision of the bill which provides for the payment of this money. It remains intact in that respect.

But this amendment, it seems to me, would have a good effect outside of that. If we are in favor of collecting this interest, it will be a pretty good thing, it seems to me, for Congress to say so. If it can not be collected, that is another proposition, and the only way to find out is for Congress to act, and see what the result will be.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield.

Mr. McKELLAR. Mr. President, I want to say to the Senator that I am very much interested in his amendment, and I do not know but what it is a very wise one. I am inclined to think it is.

I want to say, in answer to the statement made by the Senator from Indiana [Mr. WATSON] as to our inability to collect, that I recently saw a statement in the papers, which the Associated Press dispatches carried, by Mr. Winston Churchill, and by other noted Englishmen who are a part of the Government, that England was ready to pay the interest on her debt to the United States. That amounts to $225,000,000, and would go a long distance toward creating the fund the Senator from Nebraska is seeking to have created.

Mr. NORRIS. It would run along until we could get enough from some one else to meet the adjusted compensation payments two or three years longer.

Mr. SMOOT. Mr. President——

Mr. NORRIS. I yield to the Senator from Utah.

Mr. SMOOT. I am one who has given a great deal of thought and attention to this subject. With me it is not a question of whether we can collect the money. Of course we can force the money out of England. Of course we can make France pay. Of course we can make some of the other countries pay. The question with me is whether it is for the best interests of the United States to do it. I say to the Senator without a moment's hesitation that it would be the very worst thing in the world for the United States to take that position.

I have not the time now, but I am going to take about an hour's time of the Senate within a very short time and I think I can convince the Senate that if that policy were to be pursued it would be the absolute ruination of the foreign commerce of the United States.

The Senator must know, because he has already referred to the question of the reparations being paid by Germany, that those reparations were paid and the small transfer made in foreign exchange to the United States caused the pound sterling to drop 30 cents within 10 days. If the money that is owing by way of interest was paid to the United States to-day, if it could be paid by all the countries of the world, we would see the French franc drop 50 per cent, we would see the pound sterling drop not 30 cents but at least $1 and perhaps more, and we would be left high and dry as far as reaching any of the markets of the world is concerned until the situation through credits from other countries, and that would take years of time, would drop back to a normal condition, so we could exchange the goods of foreign countries, and I mean exchange the goods by being in a position to exchange our credits that we may be owing one nation to another nation that was owing us. It is a law of commerce, and when it is violated commerce answers, just as in the violation of a law of health the individual has to answer. It is so plain to me that it seems everyone ought to see it.

Mr. WATSON of Indiana. Mr. President, I should like to ask the Senator from Utah a question.

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Indiana?

Mr. NORRIS. I will yield later to the Senator from Indiana to answer the Senator from Utah.

Mr. WATSON of Indiana. I did not wish to answer the Senator from Utah. I desired to ask him a question.

Mr. NORRIS. I think that while what the Senator from Utah has said is fresh in my mind I ought to make what comments I have to make upon his remarks. If the Senator from Utah would apply his logic individually, I should like to owe him some money. I should like to borrow all the money I could get from him and not pay the interest until it ran up to such a large sum that he would refuse to accept it. If I only owed him a little, I suppose he would take it, but if I did not pay it for several years and it accumulated into a large amount I presume he would forgive the debt.

Mr. SMOOT. The only difference between the Senator from Utah and the foreign country is that the Senator from Utah can not begin issuing paper money and compelling the people of the country to take it. No country can compel the people to take it at a certain figure, because it is only worth what it will sell for in a foreign land in the purchase of foreign commodities.

Mr. NORRIS. No one disputes that.

Mr. SMOOT. If the Senator from Utah had the right to issue paper money and compel the Senator from Nebraska to take it, or if the Senator from Nebraska could issue paper money and compel the Senator from Utah to take it with no security other than the promise to pay of either man, then the situation would be quite different. Neither the Senator from Nebraska nor the Senator from Utah can do that, but the Government can do it.

What is the matter with the Government of Poland to-day? The printing press. Germany, with her mark down to 1.3—what is the matter? The printing press. When she owes a debt to a foreign country the printing press does not count. It is what that money that is issued from the printing press will bring in gold as the standard that counts.

In my opinion Germany is in a better position than any country in all the world to-day to get out from under the bondage that has been placed upon her by the war. I say that with the understanding that she will pay every dollar of the obligations that have been placed upon her through the Versailles treaty. She stands in a better position to-day to be out and free from her bonded indebtedness than almost any other country in the world.

Mr. NORRIS. I wonder if I may talk a while?

Mr. SMOOT. I beg the Senator's pardon. I shall not bother the Senator again.

Mr. NORRIS. The Senator's statement about the Government issuing paper money and compelling some one to take it does not apply. It has nothing to do with the case. No Government can compel us to take their paper or any other Government to take their paper. It is not a question of taking any depleted currency here, but the Senator's own argument is to the effect that this has gone on so long, that there is such a vast amount of money due us now, that if we require payment it will do us much more injury than it will do to the people who pay it. His statement that Germany is better off than other countries may be true in one sense, because Germany, by the defeat she has suffered, is not allowed to build up an army and a navy, and her energies will be directed toward other activities.

If the balance of the world continue to spend all their energy, all their money, and all their resources in building up armies and in building up navies, the time will come when the statement of the Senator from Utah will prove to be true. But if his logic is right, then we made an awful mistake in winning the war. We ought to have been defeated. We ought to be the country that owes instead of the creditor nation. In order to save ourselves we ought to get in debt some more and give some more money to the nations of Europe and then say that we will never let them pay it; that we should get into debt ourselves and borrow all the money we can to pay the interest, tax our people to pay it, and then say, "We are going to owe it to you, and then we are not going to let you pay it because whenever you pay it you will ruin us, you will hurt us.

It is an awful thing. If we were demanding now of England and France and Italy and the other countries the pay-

ment to-morrow of all the money that they owe us, it would be an entirely different proposition. We know they could not pay it. It would be an impossibility. It would not be right to ask that. I would not be in favor of it. But every day that we put it off we make it possible for men to make the argument that is made here to-day by the Senator from Utah, that it is too much, they can not pay it, that it is getting bigger every day, and it is going up by the thousands of dollars every hour.

Mr. SMOOT. The Senator does not mean to intimate that I think these obligations ought to be forgiven these countries, does he?

Mr. NORRIS. Oh, no; I have not said that. I do not know what the Senator thinks about it.

Mr. SMOOT. If the Senator had allowed me to continue just a moment, I would have stated that, in my opinion, just as soon as the peoples of the world get back to work and get to producing, then there is no question that the exchanges can be adjusted; and not only would I demand that all the interest be paid but I would demand part of the obligation, and they could pay it then. But as long as the world is in the shape that it is in to-day I would say to the Senator it is a commercial impossibility.

I do not wish the country or the Senator or the Senate to think for a moment that I have the least idea of forgiving these countries either the principal or the interest. Every dollar of both ought to be paid, in my opinion.

Mr. NORRIS. When ought they to commence?

Mr. SMOOT. Just as soon as the countries get in a position whereby they can get to work. The country that is nearest that point to-day is Germany, as I said before. I do not know how long they will take.

Mr. NORRIS. Suppose Germany pays England, as she has paid her something recently; suppose Germany pays England $5,000,000 to-day and England wanted to pay that same $5,000,000 to us to-morrow, to be applied on what she owes us, would the Senator from Utah reject it?

Mr. SMOOT. Not at all.

Mr. NORRIS. He would take it, would he?

Mr. SMOOT. That is quite a different proposition from collecting all the interest. There is nearly a billion dollars of interest, and $5,000,000 would be quite a different proposition from $1,000,000,000.

Mr. NORRIS. Yes; I would rather have $1,000,000,000 than $5,000,000.

Mr. SMOOT. I may say this to the Senator from Nebraska: Whatever payment can be made should be made and we should collect all we can up to the point that it will not interfere with the exchanges of the world so as to place our country at a disadvantage.

Mr. NORRIS. Where will that point be, in the Senator's judgment? How much could we collect to-day if England were willing to pay it? Would it hurt us to take $100,000,000 to-day?

Mr. SMOOT. That would depend upon the ability of England to pay so that it would not interfere with her exchange.

Mr. NORRIS. In other words, no matter how it interferes with us, let England pay whenever it will not interfere with anything she wants to do. If she wants to keep an army in Mesopotamia, if she wants to keep another army in Ireland, if she wants to keep another army in Persia, if she wants to keep another army in India, and another army in Egypt, and if she wants to increase her navy, that will be her business and we ought not to accept any money from her as long as she wants to do that. Would it hurt England, would it hurt France, would it hurt Belgium, if they paid us to-day something rather than to wait four years from now and have such a large sum to pay that even if they could pay it it might interfere with the world trade?

If all those countries paid every cent of interest that they owe the Government of the United States, it would not interfere with the business of the world. It would help to carry it on. It would loosen up something here, and it would relieve the burden of the American taxpayer to some extent, and he is the particular man in whom I am interested more than anyone else.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. NORRIS. I yield.

Mr. McKELLAR. I call the Senator's attention to the fact that not only is England willing to pay, not only has she expressed her willingness to pay by those officers of her Government who usually speak with authority, but she spent last year $765,000,000 in building up a navy and, according to the newspaper reports, she spent over $300,000,000 in buying up oil properties in all parts of the world, for which she does not pay her paper, as suggested by the Senator from Utah, but for which she has to pay cash, for which she has to pay real money.

It does seem to me that a country able to keep up a naval establishment at the rate of $765,000,000 a year and able to go into the markets of the world and buy up oil properties all over the world, and which then expresses her willingness to pay the interest on her debt that she owes us, ought to be permitted to pay that interest. Surely I can not understand how any statesman of this country under those circumstances could say that it would be not to our interest to accept the interest on the money due and owing us.

Mr. NORRIS. In addition to what the Senator has said, after the armistice was signed England made a loan to another country, and practically every dollar of that sum, amounting to about $10,000,000,000, bears 7 per cent interest. I presume every dollar of it came from America, or at least if it did not come from America it was the same as using the money that she had borrowed from the United States and loaned out to another country.

The money was placed where it was returned in the shape of trade, and eventually it probably got back to Great Britain. I am not complaining that she should do that if she wants to do it; but it seems to me that we are negligent when we sit by, with our own people overburdened and bowed down to the earth with taxation, and do not require that something should be paid on what is due us. That is all my amendment proposes to do.

It does not change the bill in any other particular. If nothing should ever be collected on the debt, if the amendment were put into the bill, it would leave the bill intact; but if the interest should be collected I believe it would produce more money than would be sufficient to carry out all the provisions of this proposed legislation and would relieve the Treasury of the United States of a drain in that direction.

Mr. McKELLAR. Before the Senator takes his seat, may I ask him a question?

Mr. NORRIS. I yield to the Senator.

Mr. McKELLAR. I will say to the Senator that last December I introduced a resolution very much like the amendment which the Senator has offered to the pending bill, and at the present session I introduced a similar resolution. I think the Senator is on the right track; but I wish to ask him this question: Instead of directing the Secretary of the Treasury to collect the interest on the indebtedness as it now stands, would it not be better to direct him to fund the present indebtedness into long-time obligations?

Mr. NORRIS. I think the Secretary of the Treasury has that authority now, has he not?

Mr. McKELLAR. I think the Secretary has that authority as to all of the indebtedness except the past-due interest.

Mr. NORRIS. I am in favor of giving the Secretary such authority, if he does not have it, for I realize that foreign countries could not pay the interest all at once.

Mr. McKELLAR. Of course not. It seems to me that, coupled with and as a part of the Senator's amendment, there should be a direction to fund the principal and interest in long-time bonds and to apply the interest in the way which the Senator has directed. It seems to me it would have the effect of removing a tremendous burden from the backs of the American people. As the Senator has well said, the Government will soon have to find additional sources of taxation if we continue as we are now going on. It seems to me that no other step which Congress could take would be better calculated to cause the prompt payment of the interest on the foreign loans than the method which the Senator from Nebraska suggests in his amendment.

The reason I say that is that whenever the foreign Governments know that the interest on their debts is going to be devoted to the payment of a bonus to the soldiers who fought to save their countries they are not going to be remiss about paying the interest on their loans. It will be the greatest incentive in the world, as it seems to me, toward those nations promptly paying the interest that is due to us.

Mr. NORRIS. Mr. President, I desire to conclude, and will therefore only say a word or two more.

The Senator from Tennessee has suggested a point which it seems to me is worthy of consideration—that is, that it ought to appeal to all the nations which owe us interest that the United States Government is going to use the money for the purpose of paying the soldiers who went across the sea, who risked their lives to help to win, and who did win the victory for which they were all struggling long before America went into the war. It is a worthy purpose, which must appeal to all civilization; there can be no question about that. However, it has another perspective—and I had that in view also when

I introduced the amendment—and that is it seemed to me that this was an opportunity for Congress to express its idea about the payment of the interest. The country has known for a long time that the interest was not paid; that the debt had not been funded, as I supposed authority had been given to do under the various Liberty loan acts. Everybody has realized that the debt has been piling up until it has now reached the stage where there is almost $1,000,000,000 due us as interest. Those who have to bear the burdens which are upon our country and our people have naturally been wondering, "What is Congress going to do about it? Are we going to forgive this debt? Are we ever going to collect any of the interest? Is Congress going to take any steps toward the collection of the debt that is due?" It seemed to me that this was a good opportunity to secure an expression from Congress on the subject. I am not wedded to the particular language of the amendment; I am not contending even that all of the interest shall be paid to-morrow; I do not expect that. I am not objecting to any change that would still retain the idea that I believe ought to be in the amendment, and that is that the United Sates expects this interest to be paid just as soon as it can be paid without any undue hardship being imposed upon any of our allies or upon any of the countries to which we have loaned money.

Mr. McCUMBER. Mr. President, if in passing the naval appropriation bill we had attached to it an amendment providing that all money derived from import duties arising under the tariff law should go into a special fund to be applied toward the expenses of the building of the Navy, I am inclined to think there would not be a great many votes for it. We could see no possible reason for dividing or segregating the funds of the Government in that way. Neither can I see any possible reason for providing that any interest that we may collect shall be especially applied toward the particular expenses incurred under the adjusted compensation bill. The money collected must first go into the Treasury. Why keep a separate account of it? What is the use of doing so?

If it is sought to attach the amendment to the pending bill because we think that we can probably get an expression of the Senate and of the House as to how we should collect the interest due us from foreign Governments which owe us money, that, of course, may be another proposition; but in answering that suggestion allow me to say that I do not think it necessary. The Senator from Nebraska fully understands that the administration is already negotiating with foreign powers for the purpose of refunding all of their obligations, principal and interest. He must know that the Secretary of the Treasury asked for a hearing before the Finance Committee in the effort to obtain some special authority to include all debts in any proposal that might be made to refund the amounts due us into long-time obligations. The administration is at work upon that subject. Now, suppose that we should adopt this amendment as a rider to this bill, what effect would it have? What would be the result in any way? We would say to the Secretary of the Treasury, "Collect this interest"; but the Secretary of the Treasury can not collect it; it must be paid by foreign Governments upon bonded obligations. All the Secretary of the Treasury can do in the matter is to negotiate with the foreign Governments in conjunction with the President of the United States for the purpose of refunding all of these obligations into long-time certificates or bonds. I am positive, Mr. President, that that is what is going to be done, and it is going to be done just as soon as the Government can do it—as soon as the administration can bring about that result. Therefore I do not consider this amendment at all necessary.

I think there is not a Senator who does not agree entirely with the Senator from Nebraska that we want the principal and we want the interest on our foreign loans, and we want both as soon as we can get them. Of course, we can not get them all at once, notwithstanding the statement made by the Senator from Utah that if we were so minded we could collect immediately from France and from Great Britain. We could not collect from them, simply because they can not pay; but we can receive from them obligations in the shape of bonds due 20 or 40 or 60 years from now. The question of how much interest shall be paid must be determined by negotiation, as all the conditions involved must be agreed upon.

It is quite essential that in such negotiations we should so far as possible consider the relation of each nation toward the other. France may owe Great Britain over $2,000,000,000, and therefore if she pays Great Britain that amount or an amount about equal to that which she owes us, she could not pay this Government at the same time. The same statement would apply to Russia and to Italy. Great Britain has loaned practically to all of the countries to which we have loaned money. So, we have got to take into consideration what each of the nations owes to the other and their ability to meet their obligations in due time. Therefore, it is not only proper but it is essential that all of the principal nations engaged in the World War should meet together and negotiate as to the new bonds which each one will give and the length of time especially that those bonds shall run.

The Senator asks, "Are we going to do anything?" Of course, we are going to do something. We are going to collect the interest; we are going to collect the principal; but I think we should give the Secretary of the Treasury and the President and the administration full opportunity first to negotiate and to determine as to the time within which each country will be required to meet its obligations, so that it will be possible for each and every one of them to make payment of its bonds when they become due.

The Senator could just as easily without attaching his amendment to this particular bill introduce a resolution reading, "*Be it resolved*, That the Secretary of the Treasury be instructed to collect the interest which could be applied to this indebtedness," and so forth. I see no reason, Mr. President, why we should proceed to divide up the fund that we may receive from foreign Governments and apply it to any particular indebtedness.

I hope that we can secure bonds from foreign governments some of which we can immediately sell and get cash for them, perhaps, $500,000,000 or $1,000,000,000 at one time, and thereby help us to carry our burdens and at the same time help the foreign governments to carry theirs. I think that could be done; but I think it ought to be left to the administration to determine all of these matters. It can go into the details of the subject better than can the Congress under a resolution directing the immediate collection of the interest.

Mr. STERLING and Mr. WADSWORTH addressed the Chair.

The PRESIDING OFFICER (Mr. McNARY in the chair). The Senator from South Dakota.

Mr. STERLING. Mr. President, I do not know that there is to be any further discussion this afternoon on the soldiers' bonus bill. I think there is not to be.

Mr. WADSWORTH. I may say to the Senator that I rose for that purpose.

Mr. STERLING. Very well; I yield to the Senator, if that be the case.

Mr. WADSWORTH. Mr. President, I ask the indulgence of the Senate for a short time while I discuss some phases of the pending measure.

The other afternoon considerable time was taken by Senators indulging in a colloquy concerning the mistakes which were made during the period of our participation in the war. With some of the assertions made upon that afternoon I am in sympathy, and concerning some others I have doubts as to their accuracy; but that we did make mistakes on occasion of course goes without saying. Having entered the war practically unprepared, it was inevitable that in the hurry and rush and turmoil of getting ready to fight after the fight started we should make some false steps. Some of them were made with respect to our treatment of the soldiers themselves, and perhaps the Senate will indulge me if I mention one or two of them. I mention them because I believe they have some bearing upon the present situation, and have given rise, in part at least, to the demand for this kind of legislation.

Mr. President, almost immediately following our entrance into the war the Congress raised the base pay of the private soldier from $15 a month to $30 a month, and made proportionate increases also in the pay of the enlisted men occupying grades higher than that of the lowest—privates of the first class, corporals, sergeants, and other noncommissioned officers. In doing so, I think it was the purpose of the Congress to pay the American soldier at least as much money per month as was paid to the Canadian soldier per month. As I recollect the debate upon the amendment which carried this increase of pay, that was one of the principal arguments, it being contended that it would be shameful for the United States to pay its men less than the Dominion of Canada paid her men, and less than Australia and New Zealand paid their men.

I have no complaint whatsoever to utter against that doubling of the base pay of the private soldier; but when we did that, we did, at the same time, something else, which I believe was a very serious error. I can not remember just how it was done, whether the provision which I am now about to mention was contained in the pay-increase amendment, or whether the Congress continued a provision of existing law; but, in any event, when we determined to pay the private soldier a base pay of $30 a month, we also inserted into the statutes or left remaining upon the statute books a provision to the effect that when-

ever an enlisted man in the Army had dependents at home, members of his family dependent upon him for support, there should be subtracted from his Army pay $15 per month. That $15 per month became known as the allotment which was taken from the soldier's pay and sent to his dependent family; and, at the same time, the Government matched that amount with $15 directly from the Treasury, and with additional amounts, as I recollect, at the rate of $5 per each dependent child. In any event, every soldier who went into the Great War in defense of the United States, and who left behind him dependents in his family, had taken from his pay $15 per month.

I regard that as being a grave error in policy, and a grave error from the human standpoint. I have always contended, when matters of this kind have been discussed, that when soldiers volunteered to defend their country, or are drafted to defend it, the Government should assume the entire burden of maintaining their actual dependents at home. I think it utterly unfair for a Government to ask the soldier to split fifty-fifty with the Government itself in the support of the wife and the children. But we did that very thing.

I am not informed as to how many men in the entire Army of approximately 4,000,000 made allotments. It certainly was a very considerable number. I think, however, that if we had the time and the opportunity to examine into the status at home and in a business sense or a professional sense of the men who made allotments to their dependent families, we would find that they are the soldiers, now ex-soldiers, who are actually in need of some kind of financial help from the Government. It is to be assumed, and I think it is a fairly safe assumption, that the young man between 21 and 30 or 33 or 34 who had dependents upon him at home was a man who was making a pretty hard struggle to get on in life, and the fact that he went into the service and stayed a year or 18 months or 2 years, I think, is almost conclusive evidence that he actually did suffer in his business or employment prospects by reason of that absence.

My proposal has been from the beginning of this discussion, and it is a proposal which I have sent in written form to many, many Legion posts in the State of New York and elsewhere, that the Government should pay back to those men the allotments which they were compelled to make out of their pay, and balance the debt with them by doing that, and assume the entire obligation, as it should have been assumed in the first instance, for taking care of the wife or the dependent child.

I have consulted with officials of the War Risk Insurance Bureau—several months ago, I may say—to ascertain, if I could, how much such a plan would cost; and the best figure I can get on it is in the neighborhood of $340,000,000 to $350,000,000. Now, for myself, and speaking for myself alone, I believe that is a debt owed to those men; and I have said upon many occasions in public and in scores and scores of letters that I think that is the form which this payment should take.

Perhaps Senators will let me go back again and discuss some of the conditions which confronted the enlisted men when they got to the camps—conditions affecting their pockets. We made one or two errors in that connection which I think in a sense can not be cured at this time, but which I think have something to do with increasing the agitation for the payment indiscriminately to every man who wants it of a certain sum of money.

Senators will recollect the Liberty loan drives which took place all over the United States, the first one taking place shortly after we entered the war. Committees of citizens in different communities held mass meetings, made addresses, and urged the civilian public to subscribe; but we did not stop there. Indeed, the War Department encouraged, if it did not even direct, the commanders of the troops in the great cantonments to urge the soldiers themselves to subscribe to Liberty bonds, and a weekly schedule was maintained and published throughout the camps and in the War Department itself showing from week to week how much each camp had subscribed. Inside the camps themselves one would find at division or camp headquarters a similar schedule, showing what each regiment in camp had subscribed, what each brigade had subscribed, and going down into the brigade headquarters and regimental headquarters to show how much each company had subscribed. And each unit, each organization in camp, was urged and pleaded with to outstrip in its subscriptions its neighboring unit of a similar kind and character, and a great rivalry was set up not only between divisions in the several cantonments but between regiments within the divisions and between companies within the regiments.

The result was that thousands and thousands of soldiers subscribed to more Liberty bonds than they could afford, and it helped to create for five or six months at least a distressing situation in the matter of pay-day results, for in making their subscriptions most of these men agreed that the installment payments should be withheld from their pay.

Mr. President, in my humble judgment the War Department made a very, very serious mistake in urging and, indeed, almost commanding the making of these subscriptions, for an appeal of that kind in time of war to proud men who have already shouldered the musket in defense of their country amounts almost to a command to subscribe. I have known of instances in which a standard allotment of subscriptions was fixed for a company of Infantry, from the top sergeant down, the first sergeant to subscribe so much, the line sergeant to subscribe a little less, the corporals a little less, the privates (first class) a little less, and least of all the privates themselves. The result was that upon many monthly pay days some of the men did not have coming to them net in their pay-day envelopes—if I may use that expression in connection with the military service—more than $2 or $3. That was not all due to Liberty bond subscriptions. Some of it, of course, was due to the war-risk insurance which the men were urged to take out, and which they did take out in very, very large figures.

The premiums which they had to pay upon those war-risk insurance policies, added to the installments which they had to pay upon their Liberty bond subscriptions, very materially reduced the money which they received, especially in the first five or six months of the war, until they had begun to catch up with their Liberty bond payments.

I think it was at that point in the history of our participation in the war that a great many soldiers commenced to harbor the idea that some time later on, after the war was over, the Government would give them compensation of some kind—a bonus. I am very much in favor, as I said a little while ago, of paying back to the men who made allotments out of their pay that money. I think we owe it to them. As for the Liberty bonds and the subscriptions thereto, while it did inconvenience the men for a period, at least it is to be presumed that they finally paid for the bonds and now possess them, and have value for the money which they subscribe.

The same may be said of insurance. Unfortunately, Mr. President, I may interpolate here, almost immediately following discharge from the service, a very large proportion of the men allowed their insurance to lapse, feeling, I suppose, that the burden incident to the payment of the premiums was too heavy for them to bear, and that the risk which they wanted to guard against on behalf of their families had terminated with the termination of the war itself.

Mr. President, the bill which is before us is not built upon the theory which I have endeavored to set forth. It attempts to give what it is pleased to call an adjusted compensation to every ex-service man who will take it. The term "adjusted compensation" has a harmless sound, but if we analyze it and apply the proposal to the situation as it exists to-day I think we are compelled to admit that it is not an accurate definition of what the Congress proposes to do by this bill.

In the first place, you are not compensating the men.

You are pleased to call it "adjusted compensation," but it does not compensate the men and does not pretend to compensate the men. How can you compensate the man who spent months in the trenches by giving him three or four or five hundred dollars? You will never be able to go out and persuade anybody that you are paying him the three hundred or the five hundred or the six hundred dollars as compensation which will balance his account with the Government and the country. The very use of the word "compensation" implies that you are going to balance the account; but you can not balance the account with these men, and you can not truthfully use the term "compensation."

Even for the sake of the argument, Mr. President, if we were to assume that the use of the word "compensation" is accurate and proper, the bill calls it an "adjusted" compensation. Adjusted to what? Adjusted to war-time conditions? Certainly not; because the conditions which the 4,000,000 men faced were of infinite variety. Adjusted to peace-time or present-day conditions? Not at all. The men are now facing conditions of infinite variety, and you can not say that by giving them a blanket payment in cash, if they will take it, you are adjusting the compensation to each and every man. We might just as well face this thing frankly and call it by its right name. It is a cash bonus involving an indiscriminate distribution of money to all the men who will take it, whether they need it or not.

Mr. President, I am opposed, fundamentally, to any proposal which will take from the Treasury of the United States a sum of money, great or small, and distribute it as a blanket gratuity, as it were, or bonus, to every person in a given class who is willing to accept it. I think there could be nothing more de-

moralizing, nothing more destructive of public morale, nothing that will come back more readily and more frequently to plague us in the future, than a procedure of that kind.

I am more than willing, as I said before, to refund to those men those moneys which they contributed for the support of their families, but until you can persuade me that every one of the men who will apply for the cash bonus needs it, and that his need for it arose from his having been in the service of his country, I am compelled to oppose it.

I think Senators will not deny that no such proposal as this has ever been made in the history of this country prior to this time. Certainly it was not made at the close of the Civil War or of the Spanish-American War. This is the first occasion upon which it is seriously proposed to give a cash bonus to every man who served his country, regardless of whether he needs the money.

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from New Mexico?

Mr. WADSWORTH. I yield.

Mr. JONES of New Mexico. I think the Senator is quite right in saying that this is an unusual procedure, but is it not a fact that we passed a draft law for this war, also an unusual procedure?

Mr. WADSWORTH. No, Mr. President, it was not unusual; we had a draft law in 1863.

Mr. JONES of New Mexico. But I think the Senator understands that that draft law was quite different from the one which we passed for the late war; and that it was observed in a very different manner. There were differences between that law and the one we passed, if my recollection of the facts is correct, and it strikes me that a situation such as we brought about to carry on this war was unparalleled in the history of our country, and I think it will warrant an unparalleled treatment at this time. I believe the Senator, on reflection, will recognize the very clear distinction between the situation brought about by our legislation for this war and the situation at the time of any of the wars of the past.

Mr. WADSWORTH. Mr. President, if there is any difference between the draft law of 1862 or 1863 and its effects and the draft law of 1917, the difference is only in degree. It is true, of course, that more men were affected by the selective draft law during the war against Germany than were affected in the Civil War. But I myself can not see any distinction between the Government's obligations to the soldier who volunteers and its obligations to the soldier who is drafted. Both owe a duty to the Government, both perform it, and to cite the fact that a large proportion of our Army in the recent war was made up of men who were drafted does not in any degree change the principles upon which we should proceed for the relief of soldiers of the United States.

There were more than 750,000 volunteers in this last war. Surely the Senator from New Mexico would not contend that they are not entitled to this so-called adjusted compensation, and, in fact, the bill permits them to receive it. So there is no difference between the two categories of soldiers, and there never should be. For myself, I am a firm believer in the selective service law in time of great war. I voted for it as soon as I had a chance here in the Senate, soon after we went into the war. I believe it is the only fair and democratic way, and, indeed, the only effective way, from a military standpoint, in which to fight a great war. But I can not see how the fact that we did resort to a selective draft has any bearing upon the present situation as reflected by this bill.

Mr. JONES of New Mexico. The Senator is quite right as to the number of volunteers. He might even have stated that stronger than he did. Out of the 4,500,000 in the Army and the Navy, only about 3,000,000 were selected under the draft legislation of the country; in other words, only about two-thirds. The Regular Army, the Navy, and the National Guard volunteers all amounted to about 1,500,000. I agree with the Senator, also, that there should be no distinction when it comes to this question of compensation under the circumstances as they exist to-day, and the Senator very well stated that this bill draws no distinction as between the two.

But I think the Senator must see that there is a difference, notwithstanding, existing at the present time from what has existed heretofore. There were 3,000,000 men brought into the Army by reason of our legislation, and that legislation affected 24,000,000. There were over 24,000,000 registered under the draft laws of this country, and out of that 24,000,000 we selected only 3,000,000 who should go to the front and bear not only the burdens but take the risks in order to help out our country at that time, and there were 21,000,000 other men who, under our legislation, were just as liable to be taken as the 3,000,000, who remained at home engaged in profitable employment, most of them, or remained at home for other reasons which were thought to the best interests of our country.

Of course that produces the distinction, when we say that there is a distinction as to those 3,000,000 men, that they should have some consideration which should be accorded them different from that accorded the 21,000,000 who remained at home. Of course this million and a half of others who were in our Regular Army, or volunteered, took the same risk, by choice, of course, but yet they did the job.

So, I agree with the framers of this bill and the Senator that there should be no distinction. But the fact remains that out of the 24,000,000 only 3,000,000 were chosen, and the other 21,000,000 were permitted to engage in gainful occupations, and at least avoided any risk for their Government.

Mr. WADSWORTH. Mr. President, still I do not see how that affects the matter of principle involved in this bill. It is true that the registration under the draft produced a list of names numbering twenty-four or twenty-five million males in this country. It is true also that something like 3,000,000 of them were selected under the selective service law to serve the country as being the best fitted to do it. I am one of those who can not possibly underestimate the service which they rendered. But I do not see how you are ever going to compensate them. What measure of value have you put in this bill? None. You do not attempt to measure what they did, severally or collectively.

You simply say that no matter where the man served, no matter what the character of his service was, whether it was in the front-line trench or at an office desk here in Washington, he shall be entitled to a cash payment and can have it if he asks for it.

Can I not impress upon my colleagues in the Senate that that dims somewhat the glory of service to one's country? Senators must know that in their home States and home communities thousands and thousands of men came back, splendid young men, and immediately found their old employment, immediately went to work again, tremendously benefited physically and mentally by the service which they rendered and the experiences through which they had passed. They have gone on in the pursuit of business, respected by all their neighbors, making their way in life. Is it contended that now they must receive a cash bonus for having been soldiers? If that is to be the policy of the United States for all time to come, from the financial aspect alone the country could never defend itself against a combination of powerful enemies.

To quote the figures which the Senator mentioned a moment ago, suppose the war in which we engaged had gone on for three or four more years, and instead of taking 3,000,000 men by the selective service law to defend the country we would have been compelled to draft 10,000,000 men. Would he then propose this same bill? Is it not obvious that instead of having saved the country the war would have wrecked it financially?

I am trying to cast my vision a little to the future. We are about to establish a precedent here which, I fear, will plague our descendants some day; in addition to the pay assured by law to every soldier, volunteer or drafted; in addition to the relief which must be and ought to be afforded to those who are injured; and in addition to the supporting of the dependents of the soldiers while they are away, it is now proposed to establish the principle that every man who goes into the Army or the Navy in future wars is to be paid a cash bonus. In such an event there is little hope for the financial security and the contentment and prosperity of the Republic. You are laying a foundation here, Senators, such as I think you will regret, or our descendants will regret.

Service pensions? Yes; if you please, after the men reach an age or the time in life when they can not readily support themselves. We have done that for the veterans of the Civil War. Disability pensions? Yes; the Government owes them to every man who has been injured in health or in body or in mind by reason of his service. Let us be as generous as we can with them, but when it is said that every man shall have so much money, regardless of whether he needs it or not, rich or poor, prosperous or in poverty, no matter where he lives or what the character of his service was, indeed then we are going very far toward commercializing service to one's country.

Mr. JONES of New Mexico. Mr. President——

The PRESIDING OFFICER (Mr. STERLING in the chair). Does the Senator from New York yield to the Senator from New Mexico?

Mr. WADSWORTH. Certainly.

Mr. JONES of New Mexico. I wish to refer to the argument made by the Senator from New York and to that portion of the Senator's remarks as to what we would do if we had inducted

10,000,000 men into the Army and whether we would still have been willing to pay this bonus or adjusted compensation, and his assertion that that would bankrupt the country and that in a bankrupted state it would not be worth the price of carrying on a war.

I would reply that in my humble opinion that is an overdrawn situation. I do not believe that the passage of this bill is going to bankrupt the country and I do not believe that the Congress would be considering a measure such as this if it were believed it was going to bankrupt the country.

Mr. WADSWORTH. It is the principle of the measure to which I refer. We here establish a principle which will undoubtedly govern our descendants, and if we should ever become involved in another war in the future which would demand the services we will say of twice as many men in the Army and the Navy as were needed in the last war, they would still have to apply the same principle regardless of the number employed.

Mr. JONES of New Mexico. Of course, the Senator would not argue against the payment of pensions?

Mr. WADSWORTH. No; I would not; but this is not a pension payment.

Mr. JONES of New Mexico. I wish to say to the Senator, however, that I incline to the belief that he, together with some others, is unduly alarmed as to the financial burden which the bill will place upon the country and also unduly alarmed as to the resources of the country to meet that burden. To-morrow, if the opportunity presents itself, I hope to present to the Senator and to the Senate some data bearing upon that feature of the bill. I believe I can demonstrate that the burden which the bill will impose upon the country is not an undue one and will not unduly embarrass the Treasury of the United States. I hope to be able to demonstrate the accuracy of that statement and I shall be glad if the Senator to-morrow will listen to what I have to say.

Mr. WADSWORTH. I shall be very glad to listen to the Senator to-morrow. I have not discussed the bill from that standpoint this afternoon and do not intend to do so. I have read, as the Senator has, the letter of the Secretary of the Treasury. My own belief is that he is correct in his estimate of the effect of the bill, were it enacted at this time. I will confess very freely that does not appeal to me nearly so strongly as the question of the principle involved.

To me the indiscriminate distribution of money from the Public Treasury to a great group of people, whether they need it or not, is a demoralizing thing. It is destructive of public morale. It leads to a spirit of dependency upon the Government. It tends toward pauperizing thousands and thousands of otherwise self-respecting citizens. It points the way to future efforts of the same kind from other groups of people who may arise in the future following upon the heels of some emergency to say, "We, too, want a like distribution of Government money."

It is very easy, Mr. President, to arouse agitation for such a procedure. It is not difficult to whet the appetite of millions of people and persuade them that if the Congress will only act in a certain way Uncle Sam will hand them a check whether they need it or not. I maintain, Senators, that we are treading upon dangerous ground, we are establishing a precedent that will come back to plague our beloved Republic some day. Once you do that you will never be able to stop doing it if any emergency should arise similar to the last one.

Where does the money come from with which to meet the payment? The habit of thought has grown up in the country in recent years that when the Government distributes money or expends money it merely comes from the Treasury; that the Treasury has no limit to its resources; but the truth is that it comes from taxes taken from the men and women who work for a living, and the men and women who work the hardest for a living in this life are the ones upon whom the taxes bear with the greatest weight.

Parliaments and Congresses have attempted for generations to so impose taxes that only a few people in the community will pay them. Parliaments and Congresses have uniformly failed in that attempt in spite of the assurance given to the public by the proponents of such laws. No matter what tax may be imposed, no matter how it be desired that it shall be paid by a few of the people, sooner or later, directly or indirectly, by a process of percolation of some kind or other those taxes sift down through the body politic and rest their weight upon the shoulders of every man and every woman and every child in the country. It is not the Government which pays out these sums. It is the men and the women who work and toil, and it will always be so.

When you say to a group of people, whether they be ex-soldiers or not, no matter what the group is, a group numbering 1,000,000, or 2,000,000, or 3,000,000 of the 100,000,000 of this country, "We are going to give you $400 apiece, or $500, or $600, as the case may be, whether you need it or not," you might just as well tell those same people to pass the hat up and down the street in their home community and ask their neighbors to contribute, because it is their neighbors, in the long run and in the last analysis, who will pay and pay and pay. I think it is destructive of that spirit of national service and of patriotism and of the highest ideals for us to establish the theory that whether a veteran needs help or not, needs money or not, and regardless of all conditions, he can have it merely for the asking. That is my fundamental objection to the bill.

Mr. JONES of New Mexico. Mr. President——

Mr. WADSWORTH. I yield again to the Senator from New Mexico.

Mr. JONES of New Mexico. I believe the State which the Senator so ably represents in part in this body has recently taken action regarding some such measure.

Mr. WADSWORTH. It has.

Mr. JONES of New Mexico. I believe that State has appropriated $30,000,000——

Mr. WADSWORTH. Forty-five millions dollars.

Mr. JONES of New Mexico. Forty-five million dollars to be paid to those of its citizens who went into the war. Was the Senator opposed to that action on the part of his State?

Mr. WADSWORTH. I objected to the principle involved, but, at least, the people themselves voted upon it.

Mr. JONES of New Mexico. Then does the Senator waive the principle of it for the other advantages or disadvantages of it?

Mr. WADSWORTH. No.

Mr. JONES of New Mexico. In other words, the Senator, then, is not making any complaint because his own State has appropriated $45,000,000 to be paid as compensation to those of its citizens who were inducted into the war.

If the Senator is not objecting to that action on the part of his State, how can he object to the Federal Government taking some such step; for these soldiers were not soldiers of the State of New York but they were soldiers of this great Nation?

Mr. WADSWORTH. That is perfectly true.

Mr. JONES of New Mexico. And if they are to receive any additional compensation, it seems to me that it might properly come from the Nation as a whole for whose protection they went into the war.

Mr. WADSWORTH. The principle, as I look upon it, is the same in both instances. I will be perfectly frank about it. I understand that something like 21 States have voted cash payments to the soldiers. This proposed Federal bonus is to be placed on the top of those payments.

Mr. JONES of New Mexico. I believe there is a little misapprehension as to that. I have not the exact figures before me, but the latest information I have upon the subject is that only 24 States have considered the question at all, and that a number of those have not acted favorably upon the proposition. I think that the number of States that actually have taken definite action is only about 14, or something like that.

Mr. WADSWORTH. I mention the figures "21 States" because I have seen that statement in print somewhere. I have no accurate information just now regarding it.

Mr. NELSON. May I ask a question?

Mr. WADSWORTH. Certainly.

Mr. NELSON. It is my understanding that all these soldiers received two months' extra pay when they were discharged.

Mr. WADSWORTH. Perhaps the Senator from Minnesota will let me discuss that matter for just a moment?

Mr. NELSON. I wish the Senator would do so.

Mr. WADSWORTH. The matter of the $60 bonus which was paid to the soldiers upon their discharge was discussed in the Senate last Friday, I think. It is true, as the Senator from Minnesota states, that each man upon discharge received $60.

Mr. NELSON. Instead of receiving $60, did not each man receive two months' pay, whatever his pay as an enlisted man may have been?

Mr. WADSWORTH. I think the payment was a flat $60.

Mr. NELSON. It may be that the Senator from New York is right about that.

Mr. WADSWORTH. The sum of $60 happens to be two months' pay of a private. As I said in the colloquy the other day, that sum was not regarded as compensation nor in the nature of what might be termed a cash bonus. It was done to put the man on his feet in the first few days or weeks of his return to civil life, and I think upon that theory it was justified. In other words, the soldier who had been away for a year or 18 months is discharged and goes to his home; his civilian clothes he may not find when he gets back if he left them to be taken care of; he may not be able to get his old job back for a week or two weeks or three weeks, or perhaps for a month;

or his family may have moved, for we Americans are a restless people and are moving all the time. So the Government very properly, I think, said, "We will give each man $60 to tide him over that transition period during which he must pass from a military status to a civilian status."

In addition to that, Congress did another very generous thing, which most Senators I think have forgotten; and we did it by statute. We provided that every man who was discharged from the Army should be equipped with a brand new uniform. All but 700,000 of the approximate 4,000,000 men who were in the Army have obtained that new uniform. Many of them received it at the time of discharge; many others could not receive it at that time because the post quartermaster at the point where the soldier was discharged did not have on hand and available a sufficient number of uniforms to fulfill the obligation of the Government which had been imposed by Congress itself. So the man upon getting home would write back to the War Department and have the new uniform sent to him.

Of what did that uniform consist? It consisted of a pair of new shoes—and I think everybody will admit that the Army shoe is a mighty good shoe—a pair of spiral puttee leggings, a pair of breeches, an olive-drab shirt, a blouse, a campaign hat, and his choice of a winter overcoat or a slicker. That was a generous act on the part of the Government, for many of those articles are exceedingly useful in civilian pursuits—the shoes, the shirt, the hat, and the overcoat; and sometimes one sees former service men wearing Army breeches, and the leggings, although they would not be described as ordinarily available for civilian use.

I do not know what the cost of that outfit of clothing amounted to, but we distributed something like 3,000,000 of them. It was the existence of that statute at the end of the war, and its operation until the Army appropriation bill the other day was signed—I mention the fact because the Army bill which we just passed repeals that statute; it was the existence of that statute during that period which used up the surplus supply of clothing on hand in the War Department.

Perhaps, many Senators remember the parade of the First Division up Pennsylvania Avenue. If so, I think they will agree with me in saying that no body of troops ever passed a reviewing stand better clothed and better outfitted. They wore the uniforms in which they came home; and every one of those men on his discharge was entitled to a new one. Certainly the giving by the Government of the brand new uniform to every soldier was a generous act. The value of those uniforms must at least have approximated $60 per man, and all but 700,000 drew them.

Mr. NORRIS. May I interrupt the Senator?

Mr. WADSWORTH. Yes.

Mr. NORRIS. I wish to ask a question for information. In other words, I should like the Senator to correct me if my information is wrong. I agree with the Senator from New York that the act to which he refers was a very worthy and generous act on the part of the Government; but, as a matter of fact, all the supplies to which he refers the Government had on hand at the time, did it not? The Government did not have to go out and buy them new?

Mr. WADSWORTH. The Senator from Nebraska asks me if it is not a fact that the new uniforms given to the discharged men were taken out of stock on hand. A considerable portion of them was, but we did not have enough; the War Department had to go ahead and continue the manufacture of uniforms in order to meet this obligation. We have been manufacturing uniforms for the soldiers of the Army—Regulars, National Guard men, and ex-service men ever since the war. We had no surplus left after we had gone part way in meeting this obligation. It has meant millions and millions of dollars to the Government. The Quartermaster General testified before our committee as to what it had cost, but I very much regret that I can not remember the figures. The amount, however, is very large; and when the committee last spring ascertained that there were 700,000 men still to be equipped who had not as yet sent in their applications, although the war was two and a half years behind us, it made up its mind that it would have to stop it; so we put a provision in the Army appropriation bill suspending the provision of the act which we passed during the war.

So, Mr. President, I do not think it can be contended that the Government was ungenerous. The Government upon occasions made mistakes; I think its greatest mistake was to demand that an enlisted man should share the burden of supporting his family at home. We did that. To me that is abhorrent. We never should have done it.

The Government and the people should have assumed the entire burden of taking care of the man's family; and at an appropriate time I intend to offer, either in the form of a separate bill or in the form of an amendment to the pending bill, if opportunity affords, the proposal which I outlined in the beginning of my remarks, to wit, that we pay back to those men the money which we withheld from their pay for the support of their wives and children at home. That is simple justice; that is understandable; that is in fulfillment of a moral and patriotic obligation; but I can not subscribe to the proposal that every man who served more than the required two or three months, whatever the pending bill provides in that respect, no matter where he served—at home or abroad—no matter what his present condition, no matter what his needs, shall be paid a blanket cash bonus. To my mind, that destroys the dearest ideals of service to one's country; and, in my opinion, that side of it is of infinitely more importance and involves greater danger to the future than merely the dollars and cents side and the effect upon the Treasury of the United States. If there is one thing that we should preserve uncommercialized it is the spirit of service to one's country. I believe this bill in its first alternative destroys that spirit.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker pro tempore of the House had signed the enrolled joint resolution (H. J. Res. 173) ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922, and it was thereupon signed by the Vice President.

ADJOURNMENT.

Mr. WATSON of Indiana. I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 30 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, July 12, 1921, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

MONDAY, *July 11, 1921.*

The House met at 11 o'clock a. m., and was called to order by the Speaker pro tempore, Mr. WALSH.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, enable us to begin this day aright. Then God, even our own God, shall bless us. We are happy in the thought that Thou dost desire for us the very best gifts. Persuade us then that a good heart is the best possession, for out of it are the issues of an upright life. O may our hearts be good and pure. Then shall we perfectly love Thee and worthily magnify Thy holy name. When the day is done and the night is on dispel all fears and give us sweet rest even as a fond mother over her child. Through Christ. Amen.

The Journal of the proceedings of Saturday, July 9, 1921, was read and approved.

THE TARIFF.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, with Mr CAMPBELL of Kansas in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. FORDNEY. Mr. Speaker, I yield 30 minutes to the gentleman from Connecticut [Mr. TILSON]. [Applause.]

Mr. TILSON. Mr. Chairman, I prefer to not be interrupted during my opening statement, which will occupy possibly 15 minutes of my time.

Mr. Chairman, at election time, when my opponent enters the race and puts forward his reasons why I should not be reelected, I always feel greatly encouraged if I find upon examination that most of what is said by him is inaccurate or untrue, and that the rest of it would be immaterial if true. The views of the majority of the minority of

the Ways and Means Committee very forcefully remind me in this regard of campaign days. The majority members of the Ways and Means Committee have worked long and faithfully and under many difficulties in producing a tariff bill. Now come our Democratic colleagues on the committee, with one notable exception, and proceed to attack our work. It was expected and entirely proper that they should do so.

The Democratic members of the Ways and Means Committee are all men of ability and have doubtless done their best in presenting their views. Party exigencies make it necessary that the strongest possible attack be made upon this bill. Partisan bias, warped still more by political self-interest, has been given full sway. It is therefore most encouraging to read what the minority have to say, for in fact they have said substantially nothing. Almost everything in their remarkable report may be properly characterized as untrue, inaccurate, misleading, or entirely aside from the point. What is lacking in substance, however, is made up in the beauty and appropriateness of the rhetorical imagery. As an example, the figure of the surgeon, infected scalpel in hand, going forth to reap the harvest seeded last autumn, and all of this in preference to the "natural process," is indeed very touching.

What is said concerning sinister influence supposed to be exerted by "business" or "business men" is hardly worthy of serious notice. Of course, no Member signing the minority views believes for a moment that any sinister or undue influences were exerted by either big or little business or business men or had any effect whatever upon the preparation of this bill, but they had to say something. No one who signed these views would say, and attempt to keep a straight face, that he believes any member of the majority of the committee to be any less honest or patriotic than himself; but something had to be said. It is an old story, that of a man approaching the house of a neighbor and finding himself confronted by a dog which gave every outward manifestation of a disposition to do violence. The owner of the beast assured the approaching neighbor that the dog would not bite, but still the neighbor hesitated. Finally the owner rebuked the neighbor for his lack of faith, saying, "Haven't I told you and don't you know that the dog will not bite?" Not wishing to be discourteous, the neighbor replied, "Yes; you know he won't bite and I know he won't bite, but the damned dog he don't know he won't bite."

So with the accusations of our Democratic colleagues. We know that they are not true and they know that they are not true, but there may be some one in the position of the blank dog. As this great country is made up of all sorts of people, there may be somewhere some one sufficiently ignorant and gullible to believe what they say.

It speaks volumes for the merits of this bill that it was found necessary to indulge in such insincere accusations of dishonesty against honorable colleagues in order to be able to say anything derogatory to the bill.

One of the number of crimes charged in the minority views is that the committee failed to prepare a parallel-column edition of the bill, embodying all the tariff laws enacted for many years past. Surely this was a deep, dark, dastardly crime and should not be overlooked. To be sure, the members of the committee were concerned with the preparation of a bill to meet present and future needs rather than with making comparisons with laws that have ceased to exist or that have outlived their usefulness, but still they should not be forgiven. When I was a much younger man than I am now I went for the first time to New York on a visit, and among other places I visited the Eden Musee, on Twenty-third Street. As I entered I beheld, among other wonderful things, a number of freaks on exhibition. Among them was a figure of a man, properly dressed, with collar, necktie, and all in proper position, but the head of the figure was so adjusted that it could only look backward. The insistence of our minority colleagues that we turn back into the past and prepare tables so that they may come and dwell there reminds me of this wonderful work in wax. In fact, the disposition of our Democratic friends to look backward instead of forward causes me to wonder if it is not true that the original prototype of the now lonely Miss Democracy was not Lot's wife, of Sodom and Gomorrah fame.

What the committee had in mind in the preparation of this bill was not what rates were carried in the Payne bill or the Underwood bill or any other bill, but what rates are needed to preserve and cause the continuance of the industries of this country. The question to be decided by the committee was not whether the rates were higher or lower than what had been found adequate or inadequate in the past, but what is necessary for the present and immediate future. One of the important questions to be decided was, Shall the wages of our workingmen and our standard of living be brought down to those of foreign workingmen? Another was whether certain industries are to continue in this country to furnish employment for labor and capital or whether they are to be transferred to foreign soil.

SCHEDULE 3.—METALS AND MANUFACTURES OF.

To a subcommittee of which I was chairman and the gentleman from Colorado [Mr. TIMBERLAKE] and the gentleman from New York [Mr. MOTT] were my associates was assigned the duty of making a special study and preparing a tentative draft of the metal schedule.

We found that whatever may have been the facts in regard to other schedules, the rates of duty as carried in the metal schedule of the act of 1897 were revised downward in the act of 1909. A careful comparison of the two acts will show a general and substantial reduction. The revision of 1909 was well and carefully done, so that comparatively few mistakes were discovered in the administration of this portion of the act for over four years during which the law was in effect. In fact, during all the bitterness of partisan conflict which raged about this law during its four years of life very little adverse criticism, except of the most general kind, was ever made against the metal schedule.

The revision of this schedule in 1913 could not by any stretch of the imagination be called a scientific revision. A few paragraphs were transferred to the free list. In a much larger number of cases the carefully prepared specific rates were stricken out and either a blanket ad valorem rate or a series of more or less haphazard ad valorem rates substituted, while in the cases where ad valorem rates were applied in the act of 1909 the rates were quite generally reduced in 1913, many of them disastrously so, as subsequent events fully proved. Although ruthlessly hacked and distorted in many of its features, shorn of its symmetry, and rendered impotent in most respects to perform the useful functions for which it was originally designed and fitted, nevertheless the framework and in general the classifications of the old schedule were carried over to the new in the 1913 revision.

In the four normal years from 1909 to 1913 the rates of duty carried in the act of 1909 proved on the whole to be reasonably protective without being excessive or prohibitive, and the metal industries thrived. As soon as general business conditions return to approximately the prewar normal many of these rates will doubtless again measure with reasonable accuracy the proper rate level. Acting upon the belief that this will be true, a number of rates which had proved satisfactory in prewar normal times have been restored to this bill. In other cases time and war have so changed conditions that different and sometimes higher rates have been rendered necessary.

Difficulties have been encountered at every step in the committee's efforts to secure satisfactory information as to industrial conditions throughout the world and even at home. Government statistics mean less and have been less valuable than ever before. Statistics for the period of the war and immediately following are practically of no value whatever. Statistics showing the exports and imports during the operation of the act of 1913 are most unsatisfactory, because the groupings are made either by fiscal or calendar years, and that act was not in effect through either a fiscal or a calendar year before the war produced abnormal conditions.

There remain the statistics of the normal years before 1914 and those now accumulating of the last year, which can not be reckoned as normal, but which serve to indicate the tendencies and the direction in which industrial affairs are moving. Some of the most valuable information received as to conditions in foreign countries came from persons who have been abroad recently on business trips. Letters containing offers from foreign manufacturers have been submitted, with price lists and advertising matter, also original invoices of foreign-made goods.

I have here a few exhibits just to emphasize what I am saying. The one before me now is an exhibit of pocket cutlery, the upper row of knives being of American make, and those in the lower row, which in many instances can hardly be distinguished from those above, are a German product. I have here the original invoices in the German language covering a number of these articles, showing that the cost to the importer is in many cases less than half of the actua' production cost in this country.

I have other exhibits here, but I prefer not to dwell on them, but shall let them speak for themselves. They include a number of things made from metal, some of which you might not know what they are even if I told you their names. I shall refer to some in my remarks a little later on; but I bring the exhibits to speak for themselves rather than to speak about them.

From all the information received it appears clearly and beyond question that so far as manufactures of metals are concerned the spread, or differential, between the labor cost of articles made here and abroad is much greater than before the war. This is so to a very marked degree in Germany and only less so in the other countries which compete with us in the metal industries. It is well known that before the war Germany had already become our most effective competitor in the manufacture of metals. With uninjured and in many cases improved facilities for manufacturing, with abundant skilled labor, at wages about one-fourth, in some cases less than one-eighth, measured in gold, that of the corresponding American labor, the German faces his American competitor, now paying the highest wages ever paid in any country at any time, except in this country for a portion of last year. The answer to the problem outlined by such a situation furnishes abundant reasons for such increases in rates of duty as are proposed in this schedule.

Mr. BLACK. Will the gentleman yield?

Mr. TILSON. I yield.

Mr. BLACK. I have heard the gentleman refer, and also other speakers refer, to the wages in Germany measured in gold dollars. Now, has the purchasing power of the wage in Germany depreciated, that which is spent in Germany, to the extent of the exchange?

Mr. TILSON. Not by any means. That is one of the troubles. The German manufacturer goes to the bank and purchases his marks at 1.6 cents or thereabouts, about one-fifteenth of their normal value. When he spends them for labor he finds that he gets something like 8 cents for them, because in the spending of those marks the workingman spends them for rent, which has probably doubled in cost as measured in marks; or he spends them for food, which has probably doubled or trebled in cost in marks; or for clothing, which may have trebled or quadrupled. What the manufacturer gets in labor for his mark, for which he paid 1.6 cents, is, as nearly as we can determine, about 6 or 8 cents a mark.

Mr. BLACK. Will the gentleman yield further, and then I will not interrupt him any more?

Mr. TILSON. I yield to the gentleman.

Mr. BLACK. Now, we are undertaking to fix this tariff upon the production cost that now obtains when German exchange is probably at its very lowest level. As German exchange is rehabilitated and improved, will not that necessarily increase the scale of the wages paid to this German labor and make it a great deal higher than it now is?

Mr. TILSON. Not necessarily so. The actual purchasing power of the mark then may be no higher than it is to-day. It is not a question of exchange. It is not the simple question that the gentleman's inquiry would imply, but there is inseparably connected with it the question of the purchasing power of the mark, or whatever currency is used in the competing countries.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes; I yield to the gentleman from Ohio.

Mr. FESS. To remove all misunderstanding of utterances measured first in our money and then in somebody else's we would like to know how the wage of labor in Germany now compares in purchasing power with the wage of labor here. Is it not about one-sixth of what labor here is paid?

Mr. TILSON. I should say about one-sixth is a fair estimate of what the German workman receives as measured by the present rate of exchange.

Mr. FESS. That is what I mean.

Mr. TILSON. As to what he gets for his wages in Germany, that is a different matter.

Mr. FESS. And does not necessarily modify our duty over here?

Mr. TILSON. Not at all, because the purchasing power may change with the rate of exchange or independently of it. After all, what we are trying to do now is to remove the great disadvantage now prevailing against us, a disadvantage so serious that in a great industry like cutlery, as is shown here by my exhibits, or clocks or toys, we shall find that without some such relief as is provided for in this bill these industries will have to disappear out of this country.

For the purposes of determining proper rates of duty the articles contained in this schedule may be roughly divided into three classes.

The first class includes articles produced in large part by machinery, where the element of labor, though important, is relatively small as compared with the quantity and value of the product. This class includes iron and steel in the earlier stages of manufacture, embracing the many forms of the heavier rolled products. Even for this class of products the increase of labor cost alone would justify an increase in rates of duty beyond what was ever before required, but rates have not been increased upon these articles. In many cases they have been substantially reduced below the rates in the act of 1909, and in some cases below the act of 1913.

Formerly many articles of a higher stage of manufacture fell within this class because of the fact that in this country labor-saving machines and appliances were used to a degree unknown in any other country. America was the land of "jig-made" goods. With proper machinery and an adequate equipment of tools, jigs, dies, gauges, and fixtures one American workman could turn out several times the output of his brother workman abroad. Such advantages on our side in a large measure have ceased to exist and in many of the older industries have entirely ceased. With this change such industries pass into the next class.

The second class comprises articles produced in industries long established and thoroughly developed, wherein advantages by way of labor-saving devices have ceased to exist, where the element of labor is relatively most important, and where the difference in labor cost is the controlling factor in competition.

The list of this class of industries is large and growing as the machines, the equipment, and the methods of this country become the common property of all industrial countries.

The making of clocks is typical of this class of industries. Clock making is very old, but American clock makers opened up a new era in the industry and incidentally captured and retained for a long time a large share of the business by the invention and use of the machinery referred to.

The Waterbury watch, so well known 25 or 30 years ago, and its now more famous successor, the Ingersoll dollar watch, are instances in point. It should be stated in passing that this is one of the cases where watches are not watches, but clocks. Watches of this character are generally made without jewels, and such watches are more properly called clock watches. They are made in much the same way that clocks of other sizes and shapes are made. When it became possible for a comparatively few workmen with a number of power machines properly equipped to stamp out parts of these clocks by the cartload, then the making of the clock became a simple problem of assembling. The same work was done in foreign countries largely by hand. Hence, however low the wages there, the cost was considerable. Now foreign manufacturers have not only as good machines but in many cases the very same kind of machines made in this country.

The CHAIRMAN. The gentleman has two minutes remaining.

Mr. TILSON. Mr. Chairman, will the gentleman from Michigan give me five minutes more?

Mr. FORDNEY. I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Connecticut is recognized for seven minutes more.

Mr. TILSON. I have in my hand an exhibit showing all the parts of a clock watch. Each part can be stamped out by a die stamp, and it can be done so rapidly that these watches have been sold for less than a dollar.

Mr. KING. How many parts are there?

Mr. TILSON. I have not taken the time to count them—more than 50, I should say—but the gentleman can count them here for himself.

Now, not only has the foreigner equally as good machines for manufacturing these goods, but he has the very same machines made in this country.

One of my exhibits is a circular recently issued by an importer of German clocks, which reads as follows:

> We have just received a shipment of imported watches and clocks, as illustrated on this sheet.
>
> These numbers are guaranteed by us to be perfect timepieces. They are made according to American standards, on most modern American machinery, in a foreign factory where the workmanship is high and wages are low.
>
> The goods are ready for immediate delivery.
>
> The clocks shown here are priced 25 per cent to 50 per cent below American merchandise of the same quality.

A price list accompanied this circular showing exactly the same designs of clocks as are made here and at prices as stated in the circular 25 to 50 per cent lower than any American prices.

Watches are to a certain extent in the same category with clocks so far as the portion of the work on the watch that can be done by machinery is concerned. In the making of a watch, however, there must be more hand labor, and this must be highly skilled labor. Every jewel inserted and every adjustment made in the watch takes the time of a skilled workman and adds materially to the cost.

Cutlery of all kinds is an important industry belonging to this class, and for the same reasons as those given in the case

of clocks and watches must have a substantial rate of duty if the industry is to be preserved in this country.

There were before the subcommittee having this schedule in charge a number of exhibits accompanied by original invoices indicating that articles of the same kind and quality made in this country are being produced in Germany and now being offered and sold in this country at prices very far below the production cost in the United States.

These are only typical instances. The list might be considerably prolonged, but all tell the same story—that the difference in the labor cost is becoming the controlling factor in an increasing number of cases, and that unless we are ready to see the wages of our workmen reduced to the level of their brother workmen in Europe it is necessary to maintain a substantial rate of duty that will offset this difference and place our American producer on an even keel with his foreign competitor.

Much the same might be said of a number of smaller industries, such as needles, steel wool, ball bearings, and many others, but in general the stories would be only repetitions of those of the clock, watch, and cutlery industries.

The third class consists of those articles the production of which was begun or largely developed during the war period and which have not yet reached the stage of competition upon even terms with those longer engaged in the industries in foreign countries. A number of these may be truly called "infant industries."

Among the new industries may be mentioned surgical, dental, philosophical, and scientific instruments. Prior to the war we had been accustomed to import these articles largely from abroad. The making of them had not been satisfactorily developed in this country, which, when the war came to us, became a matter of genuine and serious regret, not to mention inconvenience and danger. Before the war ended we had made considerable progress in making these articles, and it is proposed in this bill that, so far as protective duties can properly assist, to insure the continuance of these industries here.

Long before the war the making of steel laid shears had become an important industry in the United States, but the making of solid steel scissors had been almost entirely neglected, so that the war found us without a scissors industry. This was developed and built up during the war, and it is believed that a fair rate of duty will enable it to continue.

Another industry created by the war was that of making tinsel thread. This product had come almost entirely from abroad. Its importation was shut off by the war and consequently its manufacture was begun here. In the act of 1909, there being no industry in this country, only a small revenue duty was placed on this product and a slightly different one in the act of 1913. This bill carries what is believed to be the lowest rate of duty that will prove sufficiently protective to preserve this industry.

The making of new kinds of steel by means of various metal alloys was greatly developed during the war as new and different uses for steel were discovered. Some of these alloys had been used for a long time, but the use of all of them was greatly stimulated. The most important alloy metals used in making different kinds of steel are chrome, tungsten, vanadium, molybdenum, and titanium. Other ferroalloys, for the most part still in the experimental stage, are ferrouranium, ferroboron, ferroaluminum, ferrozirconium, and ferrocerium.

Chrome and tungsten are used extensively in making high-speed tool steel. Vanadium toughens the steel and renders it more resistant to shock and stress. Molybdenum gives it greater toughness and tensile strength. In fact by the use of these alloys the making of steel has become a business much like that of the pharmacist who stands ready to compound his drugs according to the prescription. The present-day steel maker can do practically the same thing. There are unlimited possibilities ahead of the ferroalloy industry.

The addition of alloys in general makes the steel harder, tougher, or in some other respect more difficult to work, requiring an increasing number of operations and additional labor, so that somewhat increased rates of duty are required for these products and articles made therefrom.

During the war, not only such old mining industries as lead, zinc, and quicksilver underwent unusual development, but a considerable number of new industries were undertaken and to a considerable extent developed. Under Government stimulus, mining was encouraged to a very marked degree. Rare metals used as alloys for steel, such as chrome, tungsten, molybdenum, and others, were eagerly sought for. The mining of manganese ore was especially encouraged and reached a production of more than 40 per cent of the total domestic consumption in 1918. Many of these newer enterprises have suffered seriously since the close of the war. In some cases, such as tungsten, molybdenum, and manganese, it is here attempted by protective duties to preserve the industries. Others like chrome, also encouraged by the Government and now destined to lose what has been invested unless recouped by the Government, the committee has deemed it unwise to attempt to save, because the results of the war development do not seem to warrant the belief that an economical industry can be built up in this country, and, if not, then the duty imposed would prove a needless burden upon the entire steel industry.

In the metal schedule, as throughout the bill, specific, rather than ad valorem, duties have been imposed wherever possible; first, because they are more readily determined, and second, because they furnish a greater degree of protection in a falling market when protection is needed most. In comparing the rates in this bill with those contained in previous laws it should be borne in mind that by reason of the war production costs have been generally increased, but nowhere to the same extent as in the United States, which means that a specific rate now furnishes a less degree of protection than was furnished by the same specific rate when the value of the article was less. In view of the well-grounded belief that it will be a long time before production costs in this country again approach normal, it has been found necessary in fixing rates to take these changed conditions into account.

SCHEDULE 14.—SUNDRIES.

The same subcommittee having in charge the metal schedule was also assigned to the sundries schedule.

A wide range of industries is covered by this schedule and nothing but a most general statement would apply to them all. Therefore no comprehensive statement will be attempted.

In the case of a number of articles Japanese competition has become important since the beginning of the war. Japan has been and is endeavoring to grab what Germany and Austria lost during the war. The scale of wages, as well as the standard of living, in the Orient is so different from that which prevails here that it is difficult to make a satisfactory comparison.

The toy industry is probably the worst sufferer on the list, for not only has Japan come into the field once so completely dominated by Germany, but the latter has also returned to the field with unusual advantages for recapturing it. Early in the war, when the Central Powers were first cut off from the rest of the world, the toy industry began an unusual development in the United States and went forward by leaps and bounds until the war was over, but did not reach the stage of being able to compete upon equal terms with Germany in her own chosen field. American toys may therefore be properly included within the class of "infant industries," and protected accordingly. The rate proposed in the bill will furnish a moderate degree of protection only if assessed upon the American valuation. There are a number of new industries in this schedule, but toys will serve as a type of all of them.

A new, more simple, and better classification is made in the glove paragraph. A sliding scale has been adopted according to length. Women's gloves are put upon the same basis as men's gloves. In this way it is believed that a considerable portion of the gloves worn by American women may be made in this country instead of abroad, as at present. The manufacture of men's gloves was brought to America in this way.

Both straw and fur hats fall within this schedule and constitute two very important industries. In process of manufacture they are entirely dissimilar. About the only thing in common is that the raw material in both cases is almost entirely imported. For the straw hat the raw material comes largely in the form of braids, the work of sewing, shaping, blocking, and trimming requiring much skilled labor.

Hats made from the fur of the rabbit, beaver, nutria, and other animals require a great deal of very highly skilled labor. Much of it is done by hand. Wages in this industry always have been and from the character of the work must be comparatively high. A protective rate of duty is necessary to preserve the industry. Substantially the same rate is proposed as was carried in the act of 1909, with corresponding rates for higher-priced hats to meet present conditions. All hats, foreign and domestic, have risen in cost of production since the war began in Europe.

The foregoing will serve as typical of this entire schedule.

I could enlarge indefinitely upon the many and varied items carried in the schedule, but my allotted time is almost gone.

The gentleman from Texas [Mr. GARNER] and other gentlemen have talked much of our being a creditor Nation and of the consequent necessity for opening wide our doors to increased importations of foreign goods in order to enable the foreigner to pay us what he owes us. If we do this, there can be but one

result, and let us not deceive ourselves as to what that will be. If such a policy means anything, it means that an increasing proportion of articles formerly produced in this country will hereafter be produced abroad. This means that a smaller proportion of the products used and consumed here will be produced here. This means that a smaller number of workingmen and workingwomen will be employed here. This means that less wages will be paid to those who have work to do. This means that the buying power of the country will be correspondingly reduced, the demand for farm and other food products lessened, and all business except that of the importer of foreign goods will pay the penalty.

It would be better as an alternative to forgive our foreign debtors all they owe us than to allow them to destroy the industries of this country in which our people earn their livelihood. If we permit this, the countries that owe us and pay with their goods will grow strong and prosperous while we become weak and stagnant.

Mr. FESS. Mr. Chairman, will the gentleman be good enough to yield again?

Mr. TILSON. Yes.

Mr. FESS. It does not mean, however, that it will require a cancellation of our indebtedness?

Mr. TILSON. Certainly not; very far from it.

Mr. FESS. On the other hand, under protection we have had an increase of exports over the volume of trade here?

Mr. GARNER. Mr. Chairman, will the egentleman yield?

Mr. TILSON. Yes.

Mr. GARNER. Will the gentleman tell us how they can pay interest and finally extinguish their debt except with goods?

Mr. TILSON. They can export goods to this country that we can not make and they can export goods to other countries which in turn can export products to us that we do not produce. I am not in favor of their making the goods that we heretofore have made, thereby destroying those industries in our country. [Applause.]

I deeply regret the unfortunate situation in which the peoples of foreign countries find themselves. I would help them in every way possible that is consistent with the best interests of the people of my own country, but my first thought is America, my deepest interest is in the people of the United States. [Applause.]

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. WALSH having taken the chair as Speaker pro tempore, a message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bill of the following title:

On July 5, 1921:

H. R. 2422. An act for the relief of settlers and entrymen on Baca Float No. 3, in the State of Arizona.

THE TARIFF.

The committee resumed its session.

Mr. GARNER. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. COLLIER] such time as he desires.

The CHAIRMAN. The gentleman from Mississippi [Mr. COLLIER] is recognized for one hour. [Applause.]

Mr. COLLIER. Mr. Chairman and gentlemen of the committee, I wish to take this occasion to congratulate my good friend, the chairman of the Ways and Means Committee [Mr. FORDNEY], on having his name attached to one of the general tariff bills. Whether this bill meets with approval or disapproval, the name of the gentleman from Michigan [Mr. FORDNEY] will now be indissolubly connected with the tariff history of the United States. [Applause.]

I was very much struck with the remarks of my friend from Connecticut [Mr. TILSON] when he said that in the days of his early youth, a country boy from Connecticut, he wandered through one of the museums in New York gazing at the freaks in that museum; and I say to him now, in the days of his mature manhood, when he goes to New York he can go again to that museum and see the greatest of all freaks, the Fordney bill as it will pass the House of Representatives. [Laughter.]

My friends, I do not believe that a general tariff bill should be considered at this time. I appreciate the embarrassment of my Republican friends. Fresh from a campaign won on the promise to appease every dissatisfied element arising out of the war, they are now expected to carry out those promises and redeem those pledges made with reckless prodigality to a credulous and a too confiding people. World-wide business depression and apprehension now exist. Reaction from the excitement of a consequence of causes which for over half a decade set in motion forces that almost shook civilization from its foundation and rocked the universe itself is now felt by all peoples and all nations throughout the world. Never before in all time has there been so great a disturbance in the affairs of the children of men. Not a few individuals, not a few nations, but nearly all of the human race have been engaged in the shock of a conflict in which the number of nations participating, the millions of men combating, the deaths resulting from sickness and disease, the casualties on the field of battle, the tremendous losses in man power, and the billions of dollars of treasure spent are without a parallel in the history of ancient or modern times.

Forty million men in the prime of their manhood were placed upon the firing line. Ten millions of them were slain and nearly twice as many more were maimed, crippled, and removed from the fields of productiveness. Two-thirds of the world's wealth, treasure, and developed resources have been utilized, spent, wasted, or destroyed. Now that that war is over and there is no excitement of the conflict to thrill men's hearts to greater effort and stronger endeavor, the inevitable reaction has set in, and accompanying this reaction are all the mischiefs and evils which political, social, and economic life is heir to.

In Europe this reaction is manifested in many ways. It is shown by the development and growth of sovietism and bolshevism. It is manifested by a depreciated currency, an empty treasury, and the almost total curtailment of purchasing power. Starvation and famine, dread and fearful partners, grim, gaunt specters of the war's aftermath, are stalking through the streets of many of the principal cities in continental Europe.

Here at home our troubles are economic rather than social or political. Our agricultural products are selling below the cost of their production. The purchasing power of our people is also greatly curtailed. Railroad rates are an embargo on business. Thousands are out of employment. Wages are being continually lowered. Bank credits are restricted. Our surplus products and manufactured articles are piling high for export, but there is no place for them to go. Our factories are idle and many of them closing down, for there are no purchasers to buy. Our foreign market is decreasing, because the foreigner is unable to pay for what he wants. Our warehouses are full to overflowing with cotton, wool, and other products for lack of both a home and a foreign market.

These are the conditions arising out of the war. These are the conditions which nearly every one of you gentlemen last October so glibly promised to relieve. These are the conditions now confronting us, and after months of deliberation you now propose to cure these conditions, as the gentleman from Michigan [Mr. FORDNEY] said last Friday, by the passage of this bill, a bill which will still further restrict our foreign markets, which will invite retaliatory tariffs, which will raise still higher the cost of living, and which will increase, for the benefit of a few industries, the price of everything that is essential not only to the comfort but to the actual needs of the American people.

There never was a time in the history of the American Republic when there was as little need for protection as there is to-day. We must raise and collect over $4,000,000,000 of revenue, and it is impossible to raise over 15 per cent of this revenue at the customhouse. This bill will not even be a revenue producer, save in a limited way, because in many instances the tax is so high on many articles that it will operate as a prohibition upon imports. The indefensible American valuation which has been placed in this bill will not only raise many rates from 25 to 50 per cent, but will also add to the prohibitive list many articles which should either be free or else bear only a moderate tax. The nearly $4,000,000,000 which must be collected before the Federal Government can function is causing little concern to the Republican majority of this House. For over six months all the time and all the talent and energies of the Republican leaders have been utilized in trying to raise less than 15 per cent of the revenue through the medium of the tariff, while all other means of collecting revenue are neglected.

The greatest problem which confronts the American people to-day is the lack of a foreign market. We all know we are the greatest exporting country in the world. We all know that we raise every year millions more bales of cotton than we can use at home; that we raise every year millions more bushels of wheat and corn than can be used by the American people. We all know that the United States is the greatest shoe manufacturing country in the world.

During the year 1918 we exported shoes to the value of $36,000,000. The next year we exported shoes and manufac-

tures of leather of the value of over $300,000,000. During that same year we exported meat and meat products to the value of more than $1,000,000,000. We exported wheat and wheat flour of the value of over $500,000,000, and cotton of the value of over $800,000,000. We exported during that year over $3,500,000,000 more of our agricultural products than could be used at home. Last year we exported and sold to all the world over $2,950,000,000 more of our manufactured articles and agricultural products than all the rest of the world sold to us.

Now, our foreign market has been materially curtailed and our surplus manufactured articles and domestic products are piling high for export, but there is no place for them to go because of the inability of the foreigner to pay for what he wants and what he needs. The currency of the different nations in Europe who have been our principal customers has materially depreciated and consequently their purchasing power has been curtailed. The English pound sterling has been reduced from $4.86 to as low as $2.89, but to-day is $3.64. The French franc has gone down from 19 cents to less than 7 cents, and to-day is less than 8 cents. The Austrian krone has gone down from 20 cents to about one-fourth of 1 cent. The Russian ruble has depreciated from 51 cents to little more than the value of the print paper it takes to print it.

Polish money has depreciated over 1,000 per cent, while the Italian lira has gone down from 19 cents to 5 cents. The Spanish peseta has also depreciated from 19 cents to 13 cents. The Belgian franc has depreciated from 19 cents to 7.97 cents.

The countries of Europe are staggering under the most tremendous war debt ever known in the history of the world. These countries owe the United States nearly $10,000,000,000, and for the most part are unable to pay any part of the interest on their indebtedness. We have been selling our surplus products and manufactured articles to the people who live in these countries. They want our products now, and they are anxious to secure them. But they have no gold to pay for them by reason of their impaired and depreciated currency. American shippers can not extend to them the credit they ask, for they want an extension of time for payment much longer than our shippers can afford to give. How, then, is the foreigner who needs and who is anxious to secure our surplus products and manufactured articles going to secure them if he has neither gold nor credit?

How, then, if they have neither gold nor credit, can they pay the interest on what they owe us and secure our products that they need and we want to sell?

Mr. TINCHER. Will the gentleman yield?

Mr. COLLIER. I will yield to the gentleman.

Mr. TINCHER. As I understand, the gentleman advocates taking into consideration the war debt that the countries of Europe owe the United States?

Mr. COLLIER. I did not quite catch the gentleman's question.

Mr. TINCHER. The gentleman is advocating, I take it, that we should take into consideration the war debt that the countries of Europe owe the United States. If you do that, do not you advocate just to that extent that the American laborer and the American farmer shall pay the war debt?

Mr. COLLIER. Of course, I do not advocate anything of the sort except in the most immaterial way. It is more important to us to-day that we open up our foreign markets than it is for them to pay us the interest on their bonds. But let me say before I leave that that I for one, representing a certain portion of the American people, people who made a great sacrifice in the purchase of Liberty bonds when we were in the greatest war of all the ages—school-teachers, girls, little children giving their pittance, putting it into Liberty bonds—when we loaned $10,000,000,000 of this money to foreign countries, I will never, in order to foster and keep up a lot of manufacturers and give them the opportunity to pay campaign pledges to the Republican Party, I for one as long as I am a Member of this body will utter my protest against giving that money back to those countries in order to keep up a miserable protective tariff system. [Applause on the Democratic side.]

Mr. BLANTON. Will the gentleman yield?

Mr. COLLIER. I will.

Mr. BLANTON. I want to ask my colleague if he does not believe that the farmers in the State of Kansas want the Congress to remember that the foreign countries owe us $10,000,000,000, and for us to see that means are provided whereby it shall be paid.

Mr. COLLIER. I suppose so; but the point I want to bring out is that the great need of this country is to get a market for our cotton, our wheat, and meat products and other products that we can not use at home. That is the question before the American people and the interest on those debts is incidental, and I only used that as an illustration. This bill is intended to restrict and paralyze the foreign markets. Already Switzerland and Spain, in anticipation of this bill, have enacted retaliatory tariff bills prohibitive in nature. Canada, our greatest customer, has done likewise, and other nations soon will follow.

Mr. FORDNEY. Will the gentleman yield?

Mr. COLLIER. Yes.

Mr. FORDNEY. I want to say that the Canadian tariff law went into effect on May 20, 1920.

Mr. COLLIER. Yes; I said it was in anticipation of this tariff bill; you have been talking about this bill ever since you thought you had a look in. You will not talk much about it two years from now. It will be like the Payne tariff bill, when you could not get a Republican to talk about it, because he was as scared as they used to be of yellow fever down in my country.

Mr. MANN. Will the gentleman yield?

Mr. COLLIER. I will yield to the gentleman.

Mr. MANN. Is it not a fact that everybody in the country, Republicans and Democrats alike, knew in May, 1920, that the Republicans were coming into power? [Laughter and applause on the Republican side.]

Mr. COLLIER. I could not conceive how the American people could believe that, but it seems as though the American people now have the view that I had a year or so ago. [Laughter on the Democratic side.]

Mr. KNUTSON. The gentleman is not giving the American people credit for any intelligence.

Mr. COLLIER. I am not going to brag very much on what they did last November. [Laughter on Democratic side.] I do not think that it is very much to their credit.

Mr. Chairman, this bill and the Payne bill are remarkably similar in one particular, and that is that neither one of the bills reflects either the attitude or the desires of the different chairmen of the Committee on Ways and Means. The distinguished chairman of the Committee on Ways and Means 12 years ago, Mr. Payne, was for a much lower rate of duty than was carried in the bill, but he was overruled by his colleagues, two of whom are at present members of the committee. Had that distinguished gentleman from New York, now gone to his reward, had his way the Payne Act might have escaped some of the odium heaped upon it by a disappointed people, who at the first opportunity thereafter drove the Republicans from power. This bill, much higher in rate and more vicious in character, reflects in few instances either the views or the wishes of the gentleman from Michigan [Mr. FORDNEY]. As high, as indefensible, as prohibitive as these rates are, if the chairman of the committee had been permitted to have his way there is hardly one of them that would not have borne a higher rate.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. KNUTSON. How is the gentleman going to vote on the cotton schedule?

Mr. COLLIER. I am going to vote against it. You can not humbug me with any such foolishness as that. [Applause and laughter on the Democratic side.]

Mr. KNUTSON. Will the gentleman allow his answer to remain in the RECORD?

Mr. COLLIER. Yes; he will; and he is going to say some more about it before he gets through.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. MADDEN. The gentleman seems to complain because this bill seems to protect the American market for the American people rather than the European market for the European people.

Mr. COLLIER. Oh, yes; we have been fed up on that, but nobody takes any stock in it.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. GREEN of Iowa. Where does the gentleman and his colleagues get the idea that the rates average higher in this bill than in the Payne bill?

Mr. COLLIER. By just about 20 to 40 per cent.

Mr. GREEN of Iowa. Oh, that shows Democratic mathematics. As a matter of fact, they are a great deal lower.

Mr. COLLIER. We will decide on that later. There is no use trying to prove things to those who are so blind that they can not see or so deaf that they can not hear, and when it comes to a tariff question my good friend from Iowa belongs in that class.

The hearings before the committee do not justify this bill, because the 900 or 1,000 witnesses who appeared before us had

very little information to give. All they could tell us was that they wanted the highest tariff rates ever known in the history of any country. As the gentleman from Texas [Mr. GARNER] stated on Saturday, no witness who appeared before us had any accurate information as to the difference in the cost of production here and abroad, nor did any witness, either from a revenue or a protective viewpoint, tell us what would or would not be a scientific or proper rate. We could only guess at what they wanted, and these guesses range anywhere from 50 to 1,000 per cent. The hearings were really a farce.

Not 5 per cent of the witnesses even tried to prove that there now exists any foreign competition. They could not prove that any foreign competition exists now, but they were all afraid of some competition which might arise in the future. Germany and Austria are the countries they fear, especially Germany. Those countries are the ghosts which walk abroad in our land throwing the American manufacturers into a frenzy of fear and apprehension.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. LONGWORTH. I merely want to ask the gentleman whether he intends to include in the list of utterly unworthy witnesses the Southern Tariff Association?

Mr. COLLIER. I certainly do; first, last, and all the time. [Applause and laughter on the Democratic side.] I put them down as utterly mistaken. Did the gentleman get the answer that he wanted?

Mr. LONGWORTH. Absolutely; and I want that to remain in the RECORD.

Mr. COLLIER. Oh, it will be in the RECORD.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. KETCHAM Did I understand the gentleman a moment ago to say that the testimony offered before the committee showed no danger of any competition from these foreign countries?

Mr. COLLIER. Oh, no; the gentleman misunderstood me altogether. The testimony showed that they were scared to death, afraid to go to sleep at night.

Mr. KETCHAM. I would like to have the notes read.

Mr. COLLIER. The gentleman misunderstood me if he thought I said that, or I did not make myself clear, and I will cure that by saying this, that Germany and Austria are the ghosts that walk abroad in our land, throwing the American manufacturers into a frenzy of fear and apprehension.

Mr. KETCHAM. Then I think that sustains the question that I asked a moment ago. The gentleman has no fear?

Mr. COLLIER. Not a bit in the world.

Mr. KETCHAM. And may I follow that with another question? Tell me how these nations are going to pay the money they owe us if there is no danger of competition.

Mr. COLLIER. By swapping the things that they make that we want over here for the things that we have over here.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. I yield to the gentleman from Texas.

Mr. BLACK. In reply to the gentleman from Michigan [Mr. KETCHAM] Germany owes us nothing but what we have already got in our hands or in the hands of the Alien Property Custodian. He has enough to pay every cent that Germany owes us.

Mr. COLLIER. Oh, I was speaking about the general condition in Europe, and I thought the gentleman from Michigan referred to Europe generally and not Germany especially. I yield to the gentleman from Ohio.

Mr. FESS. I do not understand the significance of the answer—by swapping what they have for what we send over there.

Mr. COLLIER. Oh, I could use a term perhaps more used in colleges than in everyday use, and change the word "swap" to the word "exchange."

Mr. FESS. If they sell us goods and we sell them goods, where is the balance by which they will pay? Will they not have to pay for the goods that they buy from us with the goods that they sell to us?

Mr. COLLIER. Yes.

Mr. FESS. Then where is the balance with which they will pay the debt?

Mr. COLLIER. Germany does not owe us any debts, and I do not think she will after the action of the House some time ago in reference to the peace treaty. I have tried to make it clear, and every other speaker before me has tried to make it clear, and I only intend to dwell for a moment in passing in reference to the foreign market, because it has been so well brought out, and if the gentleman from Ohio can not understand it I am sorry. We can only give information; God Almighty alone can give those gentlemen on the other side understanding. [Laughter on the Democratic side.]

Mr. FESS. Will the gentleman yield for the purpose of giving Democrats some information?

Mr. COLLIER. Yes.

Mr. FESS. The gentleman answered the question of the gentleman from Michigan as to how the Government would pay their debts, and his answer was by exchanging goods that they send here for goods we send there.

Mr. COLLIER. How are they going to get the money if they can not sell their goods?

Mr. FESS. Sell to other countries.

Mr. COLLIER. Does the gentleman think that we can build a tariff wall around our country, like a Chinese wall, and live within ourselves?

Mr. FESS. Only in matters which we produce. We will sell abroad to Europe the articles not on the dutiable list just as we have before.

Mr. COLLIER. Only in matters which pertain to campaign contributions that come in a Republican campaign. [Applause on the Democratic side.] Now, gentlemen, I would like to be permitted to continue for about 5 or 10 minutes without interruption. I am submitting what the witnesses testified before the committee, how scared and in what a terrible state of apprehension they were in.

It matters not to these witnesses that Germany is torn by civil dissentions and that a war debt and a war indemnity hanging over the fatherland has forced the German mark down from 24 cents to about a cent and a half. It matters not to them that Austria, prone, prostrate, starving, is on the verge of a governmental dissolution. It matters not to them that the article sought to be protected has never been produced or manufactured in either Germany or Austria, yet they all understand that both Germany and Austria intend to manufacture these articles in the future and inundate this country with their products. That already the markets of South America are under German control. That German factories are now working three shifts a day, and that in a short time German competition will be much keener than ever it was before the war.

These witnesses tell us that despite the fact that Germany is hopelessly in debt, her credit ruined, her currency impaired, and that millions of her young manhood lie sleeping on the battle fields of France, yet if we do not give our industries a tariff rate about one hundred times in excess of the Payne Act, this same defeated, discredited Germany will soon capture the markets of the world, and the busy hum of commercial activity in this country will cease.

Thank God, Mr. Chairman, thank God, for the honor of our country, our brave boys who went to France were not half as much afraid of German cannon and German shot and shell as these commercial patriots are of German competition. [Applause on the Democratic side.]

Commercial patriots, many of whom remained at home making untold millions out of the war and who now like bands of hungry and ravenous wolves have for weeks and months been crowding into the Ways and Means Committee rooms telling us that with 75 or 100 per cent advantage over the foreigner, there is no line of American industry which can compete with him.

They admit the superiority of every foreign manufacturer whether he be from Germany, England, France, South America, Austria, Spain, Italy, China, Japan, or anywhere else.

According to the testimony of these American witnesses, there is no country on the face of the earth, there is no island, however remote, in some far distant sea, which is not superior to the United States in the ease and facility by which they can manufacture and produce. Such testimony is a slander upon the greatest country the world has ever seen, a country which on the field of battle, in the busy marts of commerce, in the world of manufacture and agriculture has set new standards for the rest of mankind to look up to with admiration and envy and endeavor to emulate if they can.

I repeat the hearings were a farce, a cheap comedy, but when we find that a majority of the committee and a majority of the Members of this House agree with these witnesses in their denunciatory statements of American inferiority in every kind of American manufacture and production, this comedy turns into a tragedy, far reaching in its consequences and in its effects, not alone upon the pockets but, what is much more, upon the morale of the American people.

No witness who appeared before the committee and spoke for the great consuming masses, no witness who was satisfied with existing rates, no witness who asked that the present rates be lowered, was safe or exempt from the sarcasm, the satire,

or the ridicule of the chairman and other Republican members of the committee. But when some witness of a manufacturing establishment would demand a rate twice as high as the Payne Act the chairman would dismiss him with the smiling assurance of, "Thank you, brother; we will try to give it to you." When cross-examination would develop that the witness represented a monopoly and that a higher rate would serve only to increase the profit of the trust-controlled article sought to be protected, we would often be told that we were wasting the time of the committee in useless and academic discussion.

Mr. LONGWORTH. I would like to know the gentleman's position on this question, because I think he fairly represents the opinion of the majority of the minority: Does the gentleman believe that the Underwood law ought to be allowed to continue permanently, or does he believe that its rates are too high or that its rates are too low?

Mr. COLLIER. Well, at the time——

Mr. LONGWORTH. I mean under the present conditions.

Mr. COLLIER. At the time it was written, not excepting the Walker tariff act, it was the greatest tariff act ever enacted by an American Congress, but in the world conditions which have arisen since then it might be in many instances that some of the rates of the Underwood bill could be cut with profit. [Applause on the Democratic side.] But the Underwood Act is so far superior to this bill that there can be no comparison, and for that reason "the gentlemen" very wisely did not attempt to make any comparison.

Mr. LONGWORTH. Are we, then, to understand that it is the opinion of the gentleman and the majority of his colleagues that the rates in the Underwood law, under present conditions, are, generally speaking, too high?

Mr. COLLIER. Well, I do not know that I can speak for the majority of my colleagues. I am speaking very largely for myself, as a member of the committee. I was put on the committee by my colleagues, and in that respect I am their spokesman. And I would say personally to the gentleman, and repeat what I said, that at the time the Underwood law was enacted it was the best law, in my opinion, that was ever presented to the American Congress. The Underwood law, as the gentleman knows—and he was a Member of Congress at the time—did not suit everyone on the Democratic side, as this bill doubtless does not suit everyone on the Republican side, and I do not see how it could be possible, laying all bombast or political camouflage aside, to bring in any tariff bill with hundreds of items that will absolutely suit a great number of men, even those who may be in favor of the lowest or highest kind of rates. That is about as good an answer as I can make to the gentleman at this time.

Mr. LONGWORTH. I do not think the gentleman quite answers my question. I think he could answer it easily. Generally speaking, does the gentleman think under the present conditions the Underwood law carries rates that are too high?

Mr. COLLIER. I will give you my own opinion. Under present conditions, while we should not go to free trade, and no one here is arguing free trade; all the argument we hear in reference to free trade comes from the Republicans who are charging that we are arguing it; but I will say this to the gentleman in conclusion on this particular section in this particular tariff bill, that when all Europe is prostrate, when the purchasing power of our own people is curtailed, and we have millions of dollars worth of agricultural products and manufactured articles now on hand, and are still manufacturing them, when we have a great many agricultural products that will soon be harvested in the future, I say the less restraint we put on international trade the better it will be for us and all the world. [Applause on the Democratic side.]

Mr. MADDEN and Mr. LONGWORTH rose.

The CHAIRMAN. To whom does the gentleman from Mississippi yield?

Mr. COLLIER. I yield to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. The gentleman has referred very eloquently to the protection under the Underwood law and its beneficent effects on the prosperity of the country. I presume he recalls the fact that before the law was in effect a year nearly every factory in the United States was closed and nearly all the men were idle, and the Democratic Party, which was then in power, was compelled long before we went into the war, and shortly after the war began, to levy what they called the war tax of $120,000,000 a year to make up the deficit created in the Treasury of the United States by the Underwood law? [Applause on the Republican side.]

Mr. COLLIER. I have an absolute answer to that, and that is that the facts the gentleman has outlined about the factories all closing down are not so. They are not true. [Applause on the Democratic side.]

Mr. KETCHAM. Will the gentleman yield?

Mr. COLLIER. A little later. Mr. Chairman, I do not want to speak harshly of the chairman of the committee, if he did do all those things, and said to the protectionists before the committee, "God bless you, brother; we are going to give you what you want." I have never met a more genial kindly disposed gentleman than he, and if there should be a difference in his attitude with that of the other Republican members of the committee, the difference is only one of degree in the amount of the rate to be imposed, All of these members believe alike in protection. Some of them believe—and the chairman is not one of them—some of them believe in more protection on the articles and products of their own districts than on the articles and products in the other fellow's district. All of them believe in protection. All of them believe in the right by law to permit one man to become immensely rich at the expense of ninety-nine others. All of them believe it is right to permit one man "to get without earning what another man earns without getting." All of them believe that all law should be adopted for the benefit of certain manufacturers, and the only way to make a country great is to permit certain men who sell to get a high price from all the men who buy.

Why, the majority members of the committee actually seem to believe that everyone who is not a producer or a manufacturer is an idler and an undesirable citizen because he happens to be a consumer. The merchant, the clerk in the store, the man who moves articles from the factory to the store and from the store to the consumer is no idler whose support lessens the wealth of the world.

The merchant is no idle consumer—a mere trader, an exchanger, who, making his living by exchanging the products of another's toil, adds nothing to the wealth of society. The merchant adds materially to the wealth of his country. The exchanging of these articles and the storing and holding of these articles until they are needed by the consumer is in some instances as necessary to the use and enjoyment of these articles as the manufacture of these articles.

If every time a man needed a pound of nails he would have to go to the factory to get it, the manufacturer would not only charge a higher price on account of the increased cost and labor incident to small purchases but the time and the delay and the increased cost to the consumer would very materially subtract from the world's wealth. How ridiculous it would be for a man if every time he needed a peck of meal or a few pounds of flour he would have to go to a mill, perhaps remotely located, to secure these articles, and how ridiculous it would be for a man to have to go to a shoe factory every time he needed a pair of shoes.

So in its final analysis the man who moves the article from the factory to the store and the man who stores and holds the article until it is needed, in so far as the use and enjoyment of the article is concerned, adds to its value, and in his way contributes his part toward the general wealth as well as the manufacturer. Yet our Republican friends place the manufacturer alone upon a pedestal and ask all the rest of the world to pay him tribute.

It is not only unjust and unfair to select the manufacturers and producers to be alone guaranteed a profit, but there is an additional injustice in that all manufacturers and producers are not included in that profit. Surely the man who makes short-staple cotton is a producer, but the benefits of protection can not be extended to him.

If one of the main purposes of the taxing system is to make profits for private enterprises, and if your system of taxation, whether you allow 10 per cent or a thousand per cent ad valorem, can not affect the price of short-staple cotton, and it is impossible to assist the twenty millions of our citizens engaged in the raising of short-staple cotton, what honest reason can you give to those twenty millions why they should be taxed to create wealth for other industries?

The tax on corn is another instance. Surely the corn raiser is a producer; but for the last 50 years there has not been 1 bushel of corn imported into the United States to 1,000 bushels raised here at home, so that we see that this tax is ridiculous and only intended to deceive some one.

So, then, we see that the whole object of this bill is to assist certain men who produce and manufacture certain articles to receive a high price from all the people who buy these articles. Our Republican friends, then, take the part of certain manufacturers only against all the consumers, of certain producers only against all the buyers, of scarcity in certain articles only as against abundance in those articles, of dearness in the price

of certain articles only as against cheapness in the price of those articles, and they try to prove the absurd proposition that a nation is rich only when it is in want of nearly everything that is needed.

Now, my friends, I am going to ask you to let me proceed for 5 or 10 minutes without interruption, as I want to show what I believe to be the differences and the distinctions between a Democratic and a Republican tariff. The issue between those parties on this great question is well defined. Both parties declare that certain import duties should be levied upon the importation of certain articles produced or manufactured in foreign countries. The distinction lies not in the way in which these taxes are collected. Both parties believe that they should be collected at the customhouse. The distinction lies not in the use to which these taxes are to be put after they are collected, because both parties would apply them to the uses of the Federal Treasury. The distinction, then, lies in the purpose, the object, and the intent which governs the levying of the tariff rate on the article which is taxed. The purpose, the object, the intent of a Republican in levying a tariff rate is to keep out importations, so that the supply of the article taxed will be limited, which will increase the demand in order that the American manufacturer who makes the same article may receive a high price by this destruction of competition, which is called protection. The purpose, the object, the intent of a Democrat in levying a tariff rate is solely to secure funds to meet the expenses of the Federal Government. Therefore, the tax must be so fixed that, instead of keeping out importations, it will permit the bringing in of importations, which generally, though not necessarily, means a competitive rate. To the framer of a Republican tariff bill protection is the object, the purpose, and the intent, and if any revenue should be collected, why, then, this revenue is merely incidental. To the framer of a Democratic tariff bill revenue is the purpose, the object, and the intent, and if any protection should result to any American industry by reason of this rate, then this protection is merely incidental.

The Republicans believe that a tariff tax is a subsidy, a benefit, a bounty, to be bestowed upon some favorite; a privilege to be conferred upon some beneficiary. The Democrats believe that a tariff tax is an expense, a burden, a price that all the people have to pay, not to increase the profits of private enterprise, but to raise revenues to meet the expenses of the Government. The Republicans believe in a system of taxation where the people may tax each other, so that certain classes may be the beneficiaries of that tax. The Democrats believe that the Government alone should tax the people and that the Government alone should be the beneficiary of that tax.

Believing that no dollar should be collected by taxation for any purpose other than the legitimate expenses of the Federal Government, all that concerns the framer of a Democratic tariff bill is not the difference in the cost of the production here and abroad, but, first, how much revenue is needed and, second, how can this revenue be raised by levying a tariff tax in such a way and on such articles as will bring in the greatest amount of revenue, at the same time so fixing the rate that it will fall heaviest on luxuries and nonessentials and prove least burdensome to the people.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. FESS. In order to be further advised as to the gentleman's opinion, would the rate he would lay down be subject to modification, depending on the action of other nations regarding their tariff policy? Suppose that every other country put on a high protective tax, would the gentleman still maintain his policy?

Mr. COLLIER. I think if all the other countries put on a high-protective tax and we should open up our markets to the commodities of all the world by fixing a lower rate, this country would become so rich in a short time that the other countries would be talking about putting down their rates. [Applause on the Democratic side.]

Mr. LONGWORTH. In other words, the gentleman's theory is not to encourage exports, but to open our market to the commodities of all the world, to the destruction of the American market, because that would be the result of his argument.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. MADDEN. Is it in pursuit of the policy outlined by the gentleman from Mississippi that the Democrats of Louisiana demand a tariff on sugar?

Mr. COLLIER. As to that I will say to the gentleman that when my friend from Louisiana [Mr. MARTIN] makes his speech, the gentleman should ask him that question. He is more familiar with that than I am. [Laughter.]

Creating a scarcity of supply by shutting out imports can only for a time maintain high prices, for a scarcity of everything will inevitably lead to the most injurious form of cheapness, a cheapness based on a limited supply, which by reason of exorbitant price will restrict the demand.

It is an old maxim of the political economists that if to the profit of the shoemaker a protective tariff on shoes creates a scarcity, then a protective tariff will create to the profit of the iron industry a scarcity of iron, to the coal industry a scarcity of coal, to the woolen industry a scarcity of woolens, and to every industry a scarcity of the articles made by that particular industry; therefore, the supply of all articles being restricted, the price will necessarily be raised on everything to such an extent that the consumer will be able to purchase only a part of his needs, which will result in a limited demand upon a limited supply, and is bound to bring about an injurious cheapness.

For it is as true as the night follows the day that the chief element of prosperity of every branch of industry and manufacture depends solely upon the general wealth and purchasing power of the community where that industry does business. Destroy that wealth by tariff rates which will stifle competition and decrease the supply to such an extent that prices will be raised so high that the consumer's purchasing power will be materially curtailed, and there is no industry which can thrive.

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. KETCHAM. The gentleman promised awhile ago to yield to me. May I say for the consolation of the distinguished gentleman from Mississippi that I think he is making the best presentation of the Democratic viewpoint to which I have been privileged to listen? Now, in view of that I think the gentleman ought to be perfectly willing to answer this question. [Laughter.]

Mr. COLLIER. Well, after that I will say to my brother, if the Chairman will permit the use of his expression, that I will try to do the best I can. [Laughter.]

Mr. KETCHAM. Referring to the question I asked a moment ago on which I was seeking light, the gentleman said he had absolutely no confidence in the testimony given before the Committee on Ways and Means by those asking for these higher rates on imports. If I understood the gentleman correctly, he said that not more than 5 per cent of it was testimony that ought to be given credence anywhere.

Mr. COLLIER. No; I did not say that. I said that not more than 5 per cent of them attempted to prove that there was any danger from foreign competition.

Mr. KETCHAM. At least the gentleman utterly disagreed with the statements they made that there was real, grave danger of having our home markets destroyed by German competition. The gentleman utterly disbelieves that?

Mr. COLLIER. I think those gentlemen allowed their fears and their imaginations to get the better of their judgment. That is, perhaps, the nicer way to put it.

Mr. KETCHAM. Then personally the gentleman has no such fear?

Mr. COLLIER. I personally have no faith that a country as defeated, as crushed, as discredited, as torn by civil dissention, with a war debt hanging over it, with all the uncertainty of indemnities hanging over it, with millions of her young manhood dead in a foreign land—I, for one, have no fear that that country is going to put American manufacturers out of business by flooding this country with her goods. [Applause.]

Mr. KETCHAM. The gentleman has clarified his position by that statement. Then will he please answer definitely how he expects her great war debt to be paid if she can sell nothing here?

Mr. COLLIER. I do not want to be flippant with the gentleman, because I know he asks his question in good faith, but I will have to go on with my speech.

Now, I want you Republican tariff lovers to listen to this: It is a significant fact that the only two decades in the history of the American Republic, from 1840 to 1920, a period of 80 years, the only two decades in the history of the Republic when the general wealth of the United States increased over 100 per cent, were the two decades when the Democracy was in control and the tariff had been reduced. [Applause.]

When the American people, with an emphasis of disapproval never before paralleled in the tariff history of the United States, repealed the prohibitive rates of the Payne bill most of us thought that the high peak of protection had been passed and that never again would any party dare to have the courage to bring in another bill with so high and indefensible a rate. But, flushed with the intoxication of a great victory, in a campaign in which the tariff question played no part, and once more in control of every branch of the Federal Government, the Republicans

are now again ready to guarantee a profit and insure against loss every trust and manufacturing establishment whose campaign contributions have placed you in power. [Applause.]

Mr. Chairman, it is not surprising to us that the rank and file of the Republican membership of this House are heedless of the fact that less than 30 years ago the great Republican majority which put the McKinley law on the statute books was at the next election cut down to a total membership of 88 Members in this House. They are heedless and helpless, so many rubber stamps who are here to do the bidding of that old guard, now restored to the power from which they were so ruthlessly deposed by the so-called Progressive element in the Republican Party. This rank and file are heedless of the fact that it was only a war with Spain, together with a divided and disorganized Democracy, which saved them from the same fate when the Dingley law was enacted; and as it was, their great majority was reduced to 22. It is not surprising to us that they have forgotten the fatal consequences which followed the enactment of the Payne-Aldrich law, an act of perfidy, a betrayal of trust so resented by an indignant and outraged people that it seemed for a time as if the Grand Old Party of privilege and class and greed would be almost destroyed.

While it is not surprising to us that the rank and file are here to do what they are told to do, yet it does surprise some of us to see the old guard, experienced politicians, gentlemen who know that the teachings of the past and all the lessons of history are the criterion by which the wise who would profit are guided—it does surprise some of us to see so many victims of past Republican tariff legislation so soon forget their bitter experience in the past and bring in a bill with rates over 40 per cent higher than the Payne Act, which has been so signally repudiated by the American people. The old Republican guard, the once discredited standpatter, is again in control as they were a decade ago before the Republican conscience awoke and declared ruthless and successful war against the reactionaries. The old guard, these Republican Bourbons, forgetting nothing, learning nothing, are again in the saddle, riding with the whip and spur of party solidarity, and driving before them the rank and file of the Republican Party into the same repudiation of their platform pledges and the same betrayal of a people's confidence that characterized them a few years ago. [Applause on the Democratic side.]

When the credulous American citizen, who has again been deceived by the Republican Party, picks up this bill and, viewing with increased apprehension and alarm the prohibitive taxes on all the articles which enter into his needs, in desperation turns to the free list in the vain hope that there he may find at least one useful article free from the plundering clutch of a tariff; upon the free list he finds the redemption of the Republican promise to reduce the high cost of living. On this free list he finds the evidences of the thoughtful care the Republicans have had for his comfort and his needs. Here upon this list, absolutely free from any tax, he finds that the Republican majority of the Ways and Means Committee has given manna free to the American people. [Laughter.]

Realizing that the prohibitive rates of this bill will deprive the consuming masses of nearly everything that they eat and wear, and will drive them into a wilderness of privation and want, the Republican members of the committee, knowing there is little the consumers can expect from the goodness of man and that their only hope and trust will be in the mercy of God, have kindly provided that the American people can go out into the streets and highways and as this manna gently falls from Heaven above gather it without paying one cent of tax. [Laughter and applause on the Democratic side.]

What cares the father of a hungry and half-clad family if the bill does raise the price of provisions and clothing if at the same time he may get his spunkwood free? The tax may be high on bread, potatoes may be placed above his reach, but what if they are, moss and seaweeds are free, and even if the manna fails to fall he can live on moss and weeds without paying tribute to a single New England manufacturer.

Mr. MADDEN. Will the gentleman yield?

Mr. COLLIER. Yes.

Mr. MADDEN. When the Democrats were in power the appetites came and went with the tide. [Laughter on the Republican side.]

The CHAIRMAN (Mr. TOWNER). The time of the gentleman from Mississippi has expired.

Mr. GARNER. Mr. Chairman, I do not know where the Chair got the information, but I yielded to the gentleman from Mississippi as much time as he might desire. My understanding was that the agreement was that the time was to be equally divided between the gentleman from Michigan and myself. Probably the Chair got the idea that I had yielded one hour to the gentleman from Mississippi.

The CHAIRMAN. The Chair was so informed.

Mr. GARNER. Then, Mr. Chairman, I yield 30 minutes additional time to the gentleman from Mississippi.

Mr. COLLIER. The tax may be prohibitive on everything we eat, but whetstones are admitted free, and with the free whetstone we can at least sharpen, if not appease, that appetite which you so kindly and so generously put on the free list. [Laughter and applause on the Democratic side.] The Republican Party promised to reduce the high cost of living, and when the hour of redemption arrived they fulfilled that promise by putting dragon's blood, dried blood, ashes, cudbear, divi-divi, and human skeletons on the free list. [Laughter and applause on the Democratic side.] The American people asked you for free bread and you gave them free agates. They asked you for free meat and you gave them free lava. They asked you for free sugar and you gave them free Chinese joss sticks. [Laughter.]

I wish the gentleman from Michigan or the gentleman from New Jersey or the gentleman from Connecticut in their instructive speeches had told us what actuated them in putting leeches on the free list. [Laughter.] Knowing how affectionate they have been to the American leeches, who for months have been hanging around the Ways and Means Committee room demanding rates so high that they would draw the life blood from the American people, I can see no reason from a protective viewpoint why they should permit the foreign leeches to come in competition with the American leeches. [Laughter and applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. FORDNEY. Do I understand the gentleman, then, that the Louisiana sugar manufacturers are leeches?

Mr. COLLIER. The gentleman heard what I said. I am shooting at the covey; I am not picking out single birds. [Laughter on the Democratic side.] Of course, sometimes you make a pot shot and you catch everybody when you do not expect you will.

Mr. FORDNEY. All I want to know is, does the gentleman term southern gentlemen leeches who were here asking for protection?

Mr. COLLIER. I said that I was taking a shot at the covey, but whenever a man wants to tax all of the balance of the American people for his own private gain, I do not care where he is from, if the cap fits him let him wear it, whether he comes from my State or town or anywhere else. The gentleman can not terrify me by stating that this man may come from my State or some other State.

Mr. FORDNEY. The gentleman does know that directly after the Underwood bill became a law 42 per cent of all of the sugar factories in Louisiana were closed by the sheriff or voluntarily closed their doors.

Mr. COLLIER. I heard the gentleman say that the other day.

Mr. FORDNEY. Was that the meat in the coconut or is it the covey that the gentleman is shooting it?

Mr. COLLIER. I will refer the gentleman to my distinguished friend from Louisiana [Mr. MARTIN]. Mr. Chairman, it seems that it is impossible for the Republicans to bring in a tariff bill without putting a lot of jokers in it. They are never so happy as when they feel that they have succeeded in deceiving somebody. The biggest joker in this bill, of course, is the American valuation plan, which will raise the rates from 40 to 50 per cent, but by slightly lowering a number of the Payne rates that will give these Republican orators a chance to go over the country and say that the bill is lower than the Payne bill, because the Payne bill is not very popular; it is a bill of rather unhappy memory. The fact is that the joker raises these rates from 40 to 50 per cent. One of the worst and meanest jokers in the bill is in the lumber schedule. Gentlemen, to hear the Republican members of the Ways and Means Committee talk one would think that all of the lumber is on the free list, when, in fact, nearly all of it pays tribute to the tariff, and a tax much higher than the Payne Act. Paragraph 402 provides that logs of fir, spruce, cedar, or western hemlock may come in free, if imported from any country which has not, within the last 12 months preceding their importation, maintained any prohibition, embargo, or other restriction on lumber; otherwise this lumber shall pay a tax of $1 per thousand.

That is fair enough on its face, but let us look at the joker. All of our logs of fir, cedar, and spruce come from Canada. We make wood pulp from spruce. During the shortage of print paper some time ago, which on several occasions occupied the

attention of Congress, Canada was also suffering from a shortage of paper and she placed certain restrictions on the exportation of these logs. Therefore as Canada is the only place from which these logs can come into the United States, they will pay a tax of $1 a thousand feet, and practically none of it will escape the tax. They may as well have put it in the bill. Nearly all of our lumber comes from Canada, and Canada has a tax of 25 per cent ad valorem on lumber. It is true there are certain provisos in the bill; but if not complied with we have to pay on lumber the same tax that Canada has placed, and it will increase the Payne rates from two and three to in some instances four hundred per cent. They have placed a prohibitive tax specifically on all of those articles of lumber which go into the building of a home. My friends, lumber is a great basic material which comes to us not by the skill or ingenuity of man, but through the goodness of our God. It should never pay a tax.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Not now. It should never pay a tax for the benefit of any man or any set of men. It is needed by every class and condition of our people. The man in the city needs it to build his home. The man in the country needs it to build his barns and his fences and his stables. The American people need it for their furniture; the newspapers need it for their print paper; the children need it for their schoolbooks. Believing that home building should be encouraged, the Democratic Party has always demanded that lumber be placed on the free list. That party has never believed that the Federal taxgatherer should ever stand between an American citizen and the building of a home for his family, a schoolhouse for his children, or a church for his God. [Applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. FORDNEY. Does the gentleman not know that there is no provision in this bill for a duty on lumber; that it is absolutely on the free list, except cabinet wood?

Mr. COLLIER. Does the gentleman call shingles cabinet wood?

Mr. FORDNEY. But shingles are not lumber.

Mr. COLLIER. There are certain provisos on lumber.

Mr. FORDNEY. What is the proviso?

Mr. COLLIER. The proviso is that when the President of the United States enters into negotiations with Canada and fails to remove the Canadian duty, then he shall make his proclamation to that effect——

Mr. FORDNEY. Oh, no; the gentleman is mistaken about that. He may. [Laughter on the Democratic side.]

Mr. COLLIER. I say that he can make a proclamation to that effect.

Mr. FORDNEY. The proviso is that when negotiating with foreign Governments, if he is unable to make satisfactory arrangements with them for their removal of the duty on lumber, he may issue a proclamation, and so forth—not "shall."

Mr. COLLIER. Oh, that is the difference between tweedledum and tweedledee. Knowing, my friend, what a strong and ardent protectionist the President of the United States is, we can all imagine what heroic efforts will be made to reduce the tax on Canadian lumber.

Steel rails ought to be on the free list.

Mr. FORDNEY. Why?

Mr. COLLIER. I will tell the gentleman why. In the operation and equipment of railroads, the cost of steel rails goes into the freight rates of the railroads, as figured by the Interstate Commerce Commission. The American people have already paid in actual money out of the Treasury of the United States millions of dollars to these railroads, and they are now paying hundreds of millions more in increased freight rates, which practically puts an embargo on business—although the Interstate Commerce Commission tells us that the railroads must have these increased freight rates in order to meet their expenses.

Now, these steel rails are taken from the free list, and there is a tax of seven-fortieths of a cent a pound upon every pound of the billions of pounds of steel rails which will be used by the railroads during the 4-year operation of this bill.

Mr. FORDNEY. Does the gentleman believe that will add to the cost of the rails?

Mr. COLLIER. I know it will, if the Interstate Commerce Committee does its duty.

Mr. FORDNEY. Now, let us be fair. The gentleman surmises it will; you do not know it.

Mr. COLLIER. I do not know anybody is going to do their duty. I know the Interstate Commerce Commission will charge the entire expense of the railroads in the making of a rate, and in these billions of pounds they will allow a great many millions of dollars expense to the railroads and they will put that expense in increased freight rates, which increase will go to the coffers of the Steel Trust, perhaps the greatest and richest trust in the world, and perhaps the heaviest contributor to the campaign fund of the Republican Party. [Applause on the Democratic side.]

Mr. FORDNEY. Referring to the Steel Trust; to what Steel Trust does the gentleman refer?

Mr. COLLIER. Oh, well, I have not got time to tell the gentleman which Steel Trust, but I refer to the Steel Trust he has in his mind. [Applause on the Democratic side.] That is the one.

Mr. FORDNEY. One corporation produced 40 per cent of the entire output of steel in the United States, and I presume that is the corporation.

Mr. COLLIER. That is the one in the gentleman's mind and he presumed right. [Laughter.] Now, while on the subject of steel rails let me ask the gentleman from Michigan this: In nearly every specific rate in this bill you have increased the rate over the Payne bill, have you not?

Mr. FORDNEY. No, sir.

Mr. COLLIER. I anticipated what I was going to get——

Mr. FORDNEY. Not more than 5 per cent of the rates of the Payne tariff law have been increased in this bill.

Mr. COLLIER. I am not talking of ad valorem, I am talking of specific.

Mr. FORDNEY. That is what I am talking about, not 5 per cent.

Mr. COLLIER. Have you reduced any of them——

Mr. FORDNEY. There are a few rates——

Mr. COLLIER. Here is what struck me with great force, particularly as the gentleman has in his mind which Steel Trust I am referring to. In structural steel for the building of bridges, battleships, cars, merchant-marine vessels, buildings, the Payne Act carried a rate of three-tenths of 1 cent a pound on all steel valued at nine-tenths of 1 cent per pound or less. This bill carries a rate of seven-twentieths, or three and one-half tenths of 1 cent per pound on structural steel. In going to the report of the Tariff Commission I find that over 90 per cent of all the steel that goes into the building of a battleship, all the steel that goes into the building of a bridge, that goes into the building of steel buildings, that goes into rail cars, all heavy structural steel is in the class you have increased the rate over the Payne Act. The import of this heavy structural steel for the nine months ending March of this year was less than two hundred and three thousand and some dollars. The exports were over $39,000,000. The imports of this steel, of which 90 per cent goes into battleships, railway cars, bridges, and buildings, were less than 3,000,000 pounds, whereas the exports were over 941,000,000 pounds. [Applause on the Democratic side.] That falls under this increased rate where there is no competition and goes into the coffers of the trust.

Look how this tax will retard the good roads program now happily begun and proceeding in so satisfactory a manner in the United States. One hundred millions of dollars was recently appropriated by Congress, conditioned on a like amount being contributed by the local authorities, for roads, and even a larger bill is being contemplated with a hope of its early adoption. All State and county estimates now made will be disarranged by the increased cost of the iron bridges which will be needed to insure a safe and permanent highway.

The millions of pounds of steel going into the building of railroad cars will pay tribute to this tariff and will be reflected in increased freight rates and also reflected in increased dividends to the Steel Trust.

We are going to appropriate, perhaps this week, over $410,000,000 for the Navy. Millions of pounds of this steel will be needed for our battleships, cruisers, torpedo destroyers, and submarines. One of the reasons we can not reduce the heavy governmental expenses is because of the immense sums of money we must appropriate to carry out our military and naval programs. This tax on structural steel will mean perhaps so great an increase in the price of this steel that a deficiency bill will have to be brought in, and all this increased cost will go into the coffers of the Steel Trust.

How can we preserve our great merchant marine, now built by a Democratic administration, if we are going to put so heavy a tax upon the shipbuilder? You might as well, my friends, try to put out a fire with coal oil as try to build up a merchant marine under the prohibitive tariff rates of this bill, rates which will not only raise the price of iron above the reach of the shipbuilder but which will shut out imports, and our vessels will be forced to return with empty bottoms. This

is not the first time that the Democratic administration has built up a great merchant marine. [Applause on the Democratic side.] Nor will it be the first time the Republican administration has destroyed that merchant marine. [Applause on the Democratic side.]

American shipping will again perish between the two fires of high-priced construction material and the walled-out return cargo. The pen that signs this bill, with its prohibitive and indefensible rates, will at the same time write the melancholy epitaph of American shipping on the high seas. [Applause on the Democratic side.]

Mr. FORDNEY. Under the terms of this bill bridge material is not mentioned. And does the gentleman know that there has never been, under a Democratic free trade tariff bill or in any other, a pound of steel brought into this country and put into a bridge that was ever built since the foundation of the Republic?

Mr. COLLIER. Why do you put a big tax on it?

Mr. FORDNEY. We do not. You are speaking about bridge material, and there is nothing mentioned in the bill concerning it.

Mr. COLLIER. Read the definitions on that. I have read this bill.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. PADGETT. If the gentleman from Mississippi will permit, the gentleman will remember that years ago Mr. Carnegie, the great steel manufacturer, appeared before the Ways and Means Committee and stated that the steel manufacturers of this country did not need protection.

Mr. COLLIER. I thank the gentleman for his contribution.

Mr. GREEN of Iowa. Did I understand the gentleman to say that rates on steel rails in this bill were higher than in the Payne bill?

Mr. COLLIER. I said on structural steel; I did not say on steel rails.

Mr. GREEN of Iowa. The gentleman is just as incorrect in that.

Mr. COLLIER. Maybe so. I said seven-twentieths and you got it three-tenths. Maybe my arithmetic is wrong.

Mr. GARRETT of Tennessee. The gentleman knows that there is an American valuation.

Mr. COLLIER. That comes in on another steel.

Mr. GREEN of Iowa. That is what I expected the gentlemen on the other side would do—to apply the American valuations. They have no more to do with its specific rates than they have with the heavenly choir.

Mr. COLLIER. The Republicans claim that this bill is in the interest of labor, so that the workingmen may have steady employment. If you listen to their argument about preserving the standards of American labor, you would think their sole concern is for the benefit of the workingmen, when you know and I know that protection has never been reflected in the pay envelope of the workingman. The protectionist has never cared a rap for the workingman. He has always insisted on protection for himself, and he has always demanded that labor be kept on the free list. Why, during the time of both the Dingley and the Payne-Aldrich Acts there were more men out of employment, and I challenge the Republicans to prove the contrary—there were more men out of employment than in any relative period of time under the Underwood law. During the days of the Dingley bill it was charged here on the floor of this House that the city of Pittsburgh, with industries more highly protected than in any other city in the world, notwithstanding all that protection had to issue bonds to take care of the great army of unemployed in that city. I deny that a Democratic tariff for revenue only would throw an appreciable number of workmen out of employment. Labor may in a few isolated instances be displaced, as it often is, when a labor-saving machine is installed, one of which may take the place of 100 men, but that does not mean that 100 men are out of employment forever.

Labor may be displaced but it will not be destroyed, for all labor saved in the manufacture of one useful article can be used in the manufacture of another useful article, the manufacture of which will not only add wealth to the country but it will increase instead of diminish employment.

To illustrate, if it takes 100,000,000 pairs of shoes to satisfy the annual need of the American people, and if we buy these shoes at $3.50 a pair from the American manufacturer, it will cost the American people $350,000,000 to buy their shoes. But suppose there are a certain number of importations, say 5,000,000 pairs—that will create competition to the extent that both the home and foreign manufacturer can sell these shoes for $2.50 a pair; then, of course, it will cost the American people $250,000,000 only to get their shoes. The consumers will have the same number of shoes that they had before—100,000,000 pairs—but in addition they will have $100,000,000 which they did not have before. And with this $100,000,000 they can purchase many useful articles which never would have been manufactured if it had not been for the money they saved on their shoes. One man will take the money he saved on his shoes and put it in a hat, and that will give increased employment to the hat makers. Another man will buy a shirt with the money he saved on his shoes, and that will increase the employment to the shirt makers and increase the employment to the cotton manufacturers. And others will take the money and buy other useful articles. Now, the manufacture of these additional articles would not have been needed save for the $100,000,000 saved in the shoes, and the labor used in the manufacture of these additional articles will not only add wealth to the country in the use and enjoyment of these additional articles but will take the place of the labor which may have been displaced by the importation of 5 per cent of the consumption of shoes in the United States.

Of course, prohibitive tariff rates, whereby manufacturers can fix their own price on their manufactured articles, will so raise the price of them that they can well afford to give higher wages to American labor. But they have never done it by reason of this protection, and they never will. The members of the committee remember that during the hearings on this bill one witness, representing a great American industry, demanded a rate one hundred times in excess of the Payne Act, and at the same time told us that he contemplated cutting the wages of his employees 50 per cent. During the time of the Payne-Aldrich Act over 70 per cent of the men employed in the cities of Pittsburgh, Providence, and other favored places of protection were ignorant foreigners imported on the free list, nearly all of them unable to read, write, or speak the English language, and were thus employed because they could be secured cheaper and at a lower wage than American labor.

Under the Payne rate of 100 per cent on flannel underwear there was an investigation of 120 children working in the underwear mills at Lawrence, Mass. It was discovered in that investigation that only seven of those children had on any underwear at all, and hundreds of other children in that cold New England climate were working in the manufacture of comfortable garments for other children while they themselves, because of the prohibitive tax of over 100 per cent, were unable to buy them.

Yet, Mr. Chairman, during the hearings on this bill, witnesses from that same manufacturing establishment at Lawrence, Mass., told the committee that during the entire time the underwear mills at Lawrence were in operation, during the entire time that the Payne-Aldrich bill was in force, those mills were making money and declaring large dividends; all of which tends to prove the statement so often made that, no matter how highly protected these manufacturers may be, they are unwilling to divide their spoils with those that helped them to amass their wealth.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Certainly.

Mr. HARDY of Texas. Does the gentleman recall the investigation made here some years ago of the living conditions among the laborers at Lawrence under the highest protection that had ever been given to wool? Is that what the gentleman is referring to?

Mr. COLLIER. Yes; that is what I was referring to.

Raw wool should be on the free list.

I believe, Mr. Chairman, that placing raw wool on the free list benefits every class and condition of our people, even including the woolgrower.

It will result in giving clothing and blankets and underwear and other woolen articles at a greatly decreased price to the American people.

It removes the discrimination against the American manufacturer in the purchase of his raw materials.

It relieves us of the necessity of giving the American manufacturer a compensatory duty equal to the tax on his raw material.

It prevents this compensatory tax from being added to the price of necessary articles of woolen clothing.

It permits us to cut down the rates on the finished product equal to the duty on the raw material.

It furnishes better grades of wool to American manufacturers, and the people can buy more durable clothing.

It increases the output of our mills, so that more employment will be given to American labor.

It takes away from the rank of the protectionists the last link which connects them with the agricultural interests.

It will direct the attention of the American farmer to a profitable industry, the raising of sheep for mutton, with wool as a by-product.

The protectionists have gone protection mad in this bill. They have actually taken acorns, which have been on the free list from time immemorial, and placed a tax of a cent and a half on them. They no longer give the American people the benefit of free Balm of Gilead, but they put a tax of 10 per cent on that. They put a tax of 11 cents per 100 pounds on salt, when all the salt used in the United States is of domestic production. They have put a tax of $5 a barrel on smoked, dried, and kippered salmon and herring. They put a tax on aluminum; but my friend from Arkansas [Mr. OLDFIELD] fully covered that the other day.

I will only supplement what he had to say on aluminum by stating that while the tax does not bring in hardly any revenue to the Government, because the Aluminum Co. of America imports this aluminum and then exports it, and gets the benefit of the drawback, yet the tax on this alumrinum is reflected in the price of alumrinum.

The tax was 7 cents a pound under the Payne Act. From 1909 to 1913 the average price of aluminum, under a 7-cent per pound tax, was 22½ cents per pound. Under the Underwood Act aluminum was 2 cents a pound, and during the year 1914, which was the only year upon which a fair estimate can be made, the average price of aluminum was 19 cents a pound. When the tax was reduced 5 cents a pound the price of aluminum was reduced 3½ cents a pound.

It is estimated that by reason of the Payne-Aldrich tax on aluminum the Aluminum Trust in the United States received during the four years' operation of that over $25,000,000.

They removed calcium carbide from the free list and put a tax of 1 cent a pound on that. Calcium carbide is controlled, as you know, by one trust in the United States, the Union Carbide & Carbon Co., which produces over 125,000 tons of the 150,000 tons that are used in the United States. Less than 10 per cent of the calcium carbide used here is imported. It is a chemical compound of lime and coal which when it comes in contact with water makes acetylene gas.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. COLLIER. I would like to have about 15 minutes more.

Mr. GARNER. Mr. Chairman, I yield to the gentleman 15 minutes more.

The CHAIRMAN (Mr. TOWNER). The gentleman from Mississippi is recognized for 15 minutes more.

Mr. COLLIER. Over 500,000 miners use acetylene gas. Over 340,000 farmhouses and suburban homes are lighted with acetylene gas. Every manufacturing establishment, every jeweler, every machine shop, uses acetylene gas. Thousands of automobiles and trucks use this gas. The railroads use millions of dollars' worth of this acetylene gas in the oxyacetylene method they employ of welding and cutting material. All of this tax paid by the railroads will be added to the freight rates, so that when the Interstate Commerce Commission passes upon these excessive freight rates that are now a practical embargo upon business, they will add the tax on steel rails, and to that they will add the tax on structural steel from which they will build cars, and to that they will add the tax on heavy steel axles to attach to these cars; and after they have added all these enormous taxes on steel they will then have to add a few more cents on account of the acetylene gas and calcium carbide that they will have to buy.

What a staggering price the American people are paying to reimburse these corporations for the immense sums of money they expended in campaign contributions last fall. I do not believe the history of any country will ever show where any people were worse "stung" than those who placed the Republican Party in power last November.

They are going to let us vote on cotton.

A tax on short-staple cotton is ridiculous, for practically no short-staple cotton is imported in this country. About 500,000 bales of long staple is produced in the United States, a great part of which is produced in the district of my colleague, Mr. HUMPHREYS of Mississippi, and my colleagues, Mr. PARKS and Mr. DRIVER of Arkansas, and Mr. WILSON of Louisiana. Some of it is produced in the district which I represent and some in Arizona, California, and the South Atlantic States. This long-staple cotton does come into competition with Egyptian cotton and is largely used in making the best automobile tires.

I do not believe the tax will benefit the growers of long staple to any great extent. Certainly not to the extent which will compensate the American people in having a compensatory tax added to the cotton goods which are made from the manufacture of five or six million bales of cotton which this tax can not possibly affect. The average cotton production of the United States is from twelve to thirteen million bales. Only about 500,000 bales are long staple.

Why, a tax of 1 cent or 100 cents upon each pound of short-staple cotton brought into this country would have no more effect upon the price of short-staple cotton than the fall of Troy, for practically no short-staple cotton is imported into this country. Liverpool does not export cotton to Vicksburg, because cotton can be bought cheaper in Vicksburg than it can in Liverpool, but Vicksburg does export cotton to Liverpool, because it can be sold for more in Liverpool than in Vicksburg.

There were two reasons why our Republican friends are going to give us an opportunity to vote on cotton. One reason is because they hope to divide the Democratic Party. The other reason is because the high protectionists in this House are not satisfied with the well-nigh prohibitive rates on manufactured cotton goods in this bill, but want an excuse to make them prohibitive. The chairman of the committee [Mr. FORDNEY] said to the gentleman from Tennessee [Mr. GARRETT] last Friday that if a duty was placed on cotton the schedule on manufactures of cotton would have to be rearranged and a compensatory tax equal to the tax on the raw cotton would have to be added to the rates now in this bill.

They want you to vote a tax on 12,000,000 bales of short-staple cotton. It will have no effect whatsoever, either one way or the other, on the price of that cotton or in reducing revenue to the Government, for it will not bring in one dollar in revenue. Yet they want you to vote this tax so they can without benefiting the farmers of the South one penny add the amount of this tax to the price of clothes, underwear, socks, stockings, and other cotton manufactures.

Mr. Chairman, I know that this bill will pass without the change of the dotting of an "i" or the crossing of a "t." The party whip has been thrown over the entire Republican side of the House, and its keen lash is ready to fall on the back of any recalcitrant who dares to break away. But none will have the temerity to resist, for they have heard their master's voice, and they stand ready to obey.

That this bill will increase the cost of living to the toiling masses they will hardly deny. That this bill is a repudiation of their party platform they will hardly deny. That this bill is a shameful surrender to the corporate interests which control the Republican Party and whose campaign contributions have placed that party into power they can not successfully deny.

Mr. Chairman, less than 10 months ago an administration which, during its eight years of official life, enacted into law more real, substantial constructive legislation for the benefit of the American people than the Republican Party in the 64 years of their existence ever even attempted, and at the same time conducted to a successful conclusion America's part in the greatest war of all the ages—less than 10 months ago that administration was retired and went down to defeat.

The legislation of Solon, 600 years before the birth of Christ, for the first time in the world's history repealed the cruel and unnatural law whereby a debtor unable to meet his obligations became, together with the innocent members of his family, the slave of his creditor. Solon was repudiated by his people. He was banished from his native land. But the beneficent effects of that legislation were for centuries reflected in the virile manhood of thousands of free-born Greeks.

The yoke of slavery was taken from their shoulders, and by their own conception of free government these Greeks, as a result of Solon's legislation, became not alone by their culture and refinement the hope of the western world but "beating back to its native East" that despotic Persian influence which threatened the civilization and progress of Europe, impressed in their turn upon that eastern despotism, as Arnold beautifully said, "Their own ideals, manners, customs, and even their language, from the shores of the Ægean to the banks of the Indus, from the Caspian and the great Hyrcanian plain to the cataracts of the Nile, to exist actually for nearly a thousand years and in their effects to endure forever."

Less than a century and a half before the dawn of the Christian era, a Roman aristocracy of wealth and power, arrogant and oppressive, owned all the land and, driving the Roman people from the farms to the cities and highways, worked this land by slaves they had captured in battle. The Grachii, championing the cause of the common people, enacted their corn laws, which gave to Rome its first great civic reformation. The grandsons of Scipio Africanus, the Grachii, lost their lives as a result of that legislation, which was the beginning of Rome's triumphant progress, for the liberties and the constitutional government established by them blossomed centuries

later into the full fruition of that triumphant power which made of Imperial Rome the proud mistress of the world.

Here in our own western continent, not much more than a century ago, when all of South America lay bleeding and prostrate beneath the iron heel of Spanish despotism, Simon Bolivar, espousing the cause of the oppressed people of over half a continent, dedicated his life to the preservation of human liberty and freely offered to lay all that made that life attractive on the altar of American independence. The idol of his people, he refused a crown, but accepted the presidency of one of those countries whose independence his genius and devotion had secured.

But with freedom and prosperity came injustice and ingratitude. And though more than one continent was thrilled with the glory and the renown of the achievements of that great liberator, who had delivered five nations from the yoke of Spanish despotism, yet Simon Bolivar died crushed and broken-hearted, an exile from his native land. But now North, South, and Central America unite in paying their tribute of respect and admiration to the memory of that great man, whose devotion to duty and love of liberty contributed so much not only to the independence of his own country of Venezuela but to that of all the South American Continent.

To-day, by reason of slander and misrepresentation, together with the fevered and unnatural conditions incident to the greatest economic, social, and political upheaval in all the ages, the Democratic Party has been retired from power. That party retires with the full consciousness that though it has been slandered and misrepresented and retired to private life as a result of sordid appeals calculated to appease every dissatisfied and unpatriotic influence arising out of the war, yet undismayed it confidently looks forward to that time when calm reason and deliberate judgment, free from the hates and the passions and the prejudices created by the war, shall do tardy justice to the achievements of an administration which under the leadership of that great statesman, Woodrow Wilson, conducted the affairs of our country during one of the most important and in many respects the greatest and most glorious decade in the history of the American Republic. [Applause.]

The Democratic Party is proud of its traditions of the past. It is proud of the part it has played for nearly a century and a half in the material advancement and progress and upbuilding of our common country. It is proud of the part it played in winning the greatest war in all the ages. It is proud of the part it took after that war was over in endeavoring to put into practice the divine precepts of the Prince of Peace. The Democratic Party, proud of its past, confident of its future, goes down to defeat with a full assurance that though you on the Republican side of this House may be flushed with the intoxication of a great victory and though your majority may be nearly three to one, yet you will not have the courage and you will not dare repeal any one of the great Democratic constructive measures so often promised by you, but left to us to fulfill. [Applause.] The history of those eight years of Democratic administration as evidenced by the installation of income taxation, the firm establishment of a safe and sound currency system, the rebuilding of our merchant marine, a farm credits act, and many other laws of a beneficial and beneficent nature will be reflected in the material advancement and progress of the American people for generations to come. [Prolonged applause.]

The CHAIRMAN. The gentleman from Mississippi yields back four minutes.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. GRAHAM of Illinois, having taken the chair as Speaker pro tempore, a message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes, and had receded from its amendments numbered 16, 18, 45, 46, 51, 54, 55, 71, 95, 96, 97, 108, and 112.

THE TARIFF.

The committee resumed its session.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. FREAR] one hour.

The CHAIRMAN. The gentleman from Wisconsin is recognized for one hour. [Applause.]

Mr. FREAR. Mr. Chairman, it has been a pleasure for every Member of the House to listen to the last speaker, even though we disagree with him in many particulars. It is one of the evidences of good nature in the House, and an appreciation of ability in the presentation of a case, that we listen with pleasure to a good speech, although we disagree with the arguments presented; and surely my colleague, Brother COLLIER, has given a strong presentation of his side of the case from his standpoint. [Applause.] When the gentleman from Mississippi [Mr. COLLIER] in the excitement of the moment and without undue prejudice—because his remarks have been in wonderfully good nature—says that the Republicans do not expect to see any importations under this bill, that it is prohibitive, let me say that under the estimates of this bill practically $600,000,000 in duties will be collected on presumably $2,500,000,000 worth of imports every year, which is an evidence that it is intended to be a protective tariff, and at the same time that it permits competition.

I wish to say—and I believe I can speak fairly and as frankly as any Member regarding my colleagues on the committee, because I have disagreed with them on some matters—no Members of this House in all its history, I believe, have given more conscientious attention to their work and have put into the hours that were at their disposal better service for the House and for the country than have the Republican members of the Ways and Means Committee.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. FREAR. In just a moment. I wish to say that while I disagree with some of their decisions, the chairman of the committee [Mr. FORDNEY] has been able and active and courteous, and I say this because I think I ought, as a matter of right, to present the effort to reach complete agreement. Some members of the committee have made themselves experts in the various branches of the subject assigned to them, so that when we tell you—and I know that is true of one of the schedules on which I worked—that the tariff rates in the bill are below the Payne rates on many schedules it means a large amount of work has been carefully and conscientiously performed.

Now I yield to my friend from South Carolina [Mr. BYRNES].

Mr. BYRNES of South Carolina. I understood the gentleman to say that he estimated the revenue under this bill at $600,000,000. Is that correct?

Mr. FREAR. Yes; I so understand.

Mr. BYRNES of South Carolina. I want to know whether that is the gentleman's own personal estimate, or whether he received that estimate from officials of the Treasury?

Mr. FREAR. We received that estimate generally from Mr. McCoy. That was as nearly as he could ascertain so far as his investigations went, and, of course, he had in mind the entire bill. Under the Underwood law receipts were substantially $300,000,000 from tariff duties.

Mr. BYRNES of South Carolina. That means the estimate of Mr. McCoy?

Mr. FREAR. The estimate of Mr. McCoy, who is the estimator of the Treasury Department, and on whom we all rely. I desire to devote my remarks quite closely to the subject of the dye provisions of the bill and to the Chemical Foundation Co. and do not intend to discuss items in the bill generally, because a separate vote will be had in the House to strike out section 27, containing the dye-embargo provision, and I desire in the limited time at my disposal to place the reasons before you why section 27, which is the embargo provision, should be stricken from the bill and the rates of 35 per cent ad valorem, American valuation, and 7 cents per pound, which otherwise govern all importations of dyestuffs, be protective duty.

Let me say that if you strike out paragraph 27, when that action is taken by the House it will leave a duty in the bill of 35 per cent upon dyes, coal-tar products, as stated, and in addition to that 7 cents specific duty. In other words, it is substantially 280 or nearly 300 per cent of duty fixed in the bill higher than in the Hill bill passed in 1916. Let me give an illustrative case. Synthetic indigo before the war sold at 15 cents per pound; to-day it is 60 cents, 400 per cent more than before the war. Synthetic indigo was subject under the Hill bill to a tariff of 30 per cent ad valorem and 5 per cent specific. That would be substantially 10 cents duty on 15-cent indigo. In this bill the duty is nearly three times 10 cents. Thirty-five per cent and 7 cents specific would make a rate of 28 cents on 60-cent indigo or nearly double what indigo itself cost before the war. That is what it will be if the House strikes out the embargo.

Mr. GARNER. Will the gentleman yield?

Mr. FREAR. I would like to get along, but I will yield to the gentleman.

Mr. GARNER. The illustration which the gentleman has given with reference to the chemical schedule will apply to every other schedule in the bill.

Mr. FREAR. Oh, no; certainly not.

Mr. GARNER. It will have that result, taking the American valuation.

Mr. FREAR. No. Let me say this—I feel that I must answer the gentleman from Texas, because he is an able member of the committee and is entitled to an answer: In the American

valuation of agricultural products we shaved it down to the Payne average rates—that is, taking the present cost, the valuation of the goods compared with what they were before the Payne bill was enacted—and then we endeavored to ascertain the average rate and to reduce the present rates below those in the Payne bill. We did so in a great many cases.

Mr. GARNER. Then, you did consider the present American valuation in levying the rates in this bill.

Mr. FREAR. I am speaking of the subcommittee on agricultural products.

Mr. GARNER. And it undertook to ascertain the American valuation of all the items?

Mr. FREAR. No; I said the agricultural schedule. We endeavored to do that, and I will leave the rest of the bill to the other subcommittees.

Mr. GARNER. I thought the gentleman said that the other committees did the same thing.

Mr. FREAR. No; I do not know their practice; but we endeavored to get comparative rates generally before passing on the bill as a whole.

Mr. GARNER. But in the agricultural schedule you did undertake to find the American valuation?

Mr. FREAR. Yes; so far as possible, with the aid of the Tariff Commission experts; and we also had the cost of production in Canada and abroad. Now, if the gentleman will let me proceed, if I may, and address myself to this dye question. When the war came on we were receiving most of our dyes from Germany, and we were paying then for dyes practically one-quarter of what we are paying to-day. Of course, the war made an embargo, outside of what little was brought over by König and others in submarines, and it caused a stimulus of the dye business in this country, due to a practical embargo, and an admirable one, as I believe.

The dye business grew very rapidly, and there has been up to this time a virtual embargo on all foreign dyes of Germany's and all others until to-day the dye business in this country is largely controlled by the Du Pont Co., which is an enormous company with $280,000,000 assets, a portion of which is devoted to the dye business, and the Allied Chemical Co., that is largely a dye manufacturing concern, with $282,000,000 assets, according to a statement made by Senator KING in the Senate. That makes $562,000,000 in these two concerns alone, a great part of which is devoted to dyes—what portion I can not say. Many other smaller dye companies are in existence to-day in this country, all engaged in producing dyes. The fact is that to-day practically all the dyes we use are manufactured in this country. It is almost impossible to secure foreign dyes, and those of us who during the war and long subsequent to the end of the war were perfectly willing to accept inferior dyes, which we have had to accept, now find ourselves paying at this time four times what the cost of dyes was before the war and for inferior dyes. We are held in the grip of the companies I have mentioned, and I have given in the report the testimony of President du Pont, of that company, to the effect that if any man attempted to cut the prices of dyes they would "soak" him. There has been no cut in the price of dyes, and a gentleman's agreement now appears to control. We represent 100,000,000 people who to-day are wearing clothes that crack with inferior dyes. There is not a gentleman present who has not had the experience I had no longer ago than yesterday, and you can not buy foreign dyes. You can not get foreign dyes. Why? Because an embargo exists to-day. Who drew the law? The attorneys for the Dye Trust; and I am prepared to show that by proper witnesses before the senatorial investigating committee that meets next week. It has been suggested, and I saw a number of clippings from the New York newspapers to-day, many columns in extent, addressed to myself by Mr. Garvan, a former public official who is at the head of the Chemical Foundation Co., that my action would be construed as favoring the German dye importer. Let me say to you in all candor that the first thought given by me to this dye question was when two Senators on the floor at the other end of the Capitol, Senator MOSES and Senator KING, made their exposures of this dye proposition. Thereafter I began to study the bill.

ONLY TWO DAYS' NOTICE OF DYE SCHEDULE.

When the dye schedule came to us it was early in the month of June this year, and then we defeated it in committee as it was presented. We never received back any schedule until the 27th day of June, two days before the bill was reported to the House, when the substitute was received and accepted by a majority of the committee. It still provides for an embargo, and who is to fix the embargo? The Tariff Commission. In other words, under this bill we will give $100,000 to the Tariff Commission to make an investigation of the relative value and the cost of production of dyes—questions they never will ascertain in the three years provided in the bill. Thereafter under the terms of the bill the commission is to provide two dye schedules—Schedule A and Schedule B. Under Schedule A the commission will say what dyes are produced in this country that are reasonable in amount and whether they are a fair substitute for dyes produced abroad, and if so, no man can import an ounce of dyes from abroad under Schedule A, excepting for a sample, as appears in the bill in paragraph 27. They are directed to make a complete embargo. One objectionable feature of that plan is that the Tariff Commission can not ascertain such facts in three years. We have had the Interstate Commerce Commission for many years trying to fix the valuation of railroads, with all the facts before them, with a tremendous organization, and it has only just begun real business, and here you are going to have a Tariff Commission do all this in three years. You may ask, will not they be fair? I assume they may, but I call the attention of every Member of the House to a statement given out by the Tariff Commission in which they tell you how much German dye has been imported into this country. In the pamphlet I hold, released by the commission to-day, they try to bolster up this dye provision. Why did this strike your table to-day? The commission says that importations from abroad were 3,400,000 pounds last year. That is the announcement which is to be liberated by the commission on the 11th day of July—timed exactly by this commission which wants the power, which wants the $100,000, and which is insisting that they are the ones to determine what shall be imported and what shall not be.

Mr. GREEN of Iowa. Surely the gentleman is aware of the fact that the Tariff Commission has not asked for this power; on the contrary, the commission asked that it be not given to them.

Mr. FREAR. I will say to the gentleman that in the presence of the Republican members of the Ways and Means Committee I asked why we could not get the dye schedule back to the committee, and was told it was in the hands of the Tariff Commission, and it was stated that they were waiting for their expert, Mr. Jones, to pass upon it before we could get it. This bill gives them the power—3,400,000 pounds imported, and about one-half of that comes from Germany. We exported last year in synthetic indigo alone 8,000,000 pounds, with this American dye monopoly charging four times the prewar cost; that is to say, we exported over four times as much synthetic indigo dye alone as the Germans sent here. That is only one dye exported, and we are asked to put an embargo upon practically all dye importations. I shall vote for any protective tariff that protects any American industry within reason, and we are told this dye industry needs extra protection; but I do say to you that when you hand to this Tariff Commission the right of embargo, to say what dyes can be used, you place not only the American people at a disadvantage but every textile manufacturer in the country, because the Tariff Commission is going to determine what is a practical substitute and what is a reasonable price to pay.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. LONGWORTH. I think the gentleman is clearly wrong when he speaks of satisfactory substitutes, because that is the very thing that is eliminated by the subcommittee.

Mr. FREAR. Does not the Tariff Commission, under this bill, determined what goes into Schedule A?

Mr. LONGWORTH. I will read the provision to the gentleman.

Mr. FREAR. Oh, I know what it is.

Mr. LONGWORTH. I want to show the gentleman that a substitute can not be forced upon them.

Mr. FREAR. That is the point. They can provide whatever is to be put in that Schedule A. I will say that the gentleman from Ohio [Mr. LONGWORTH] wrote the report on the chemical schedule, and I say that the committee did not change a period or a comma in his report. The committee followed his lead, and the gentleman from Ohio has incorporated his views into the report. That is what I have specifically dissented from.

Mr. LONGWORTH. I want to correct the gentleman and state that it is specifically provided in this bill that no substitute can be forced upon any textile producer.

Mr. FREAR. Let me endeavor to show the absurdity of that argument. We manufacture 450 different dyes to-day. It is said that abroad they manufacture 900 or more. The Tariff Commission is going to prevent you from importing 450 dyes manufactured here. How will they determine the balance that go into Schedule B? I have here something sent to the gentleman from Connecticut [Mr. TILSON] by his constituents. They sent him a box of hats; and inasmuch as the gentleman from Texas [Mr. GARNER] spoke so learnedly on the subject of hats yester-

day, I will show Members of the House what poor dyes will do to hats.

Here are hats that cost in the neighborhood of $12 a dozen for the cloth that goes into them. The dye that goes into them costs in the neighborhood of 5 cents each. I am speaking now from the viewpoint of the textile manufacturer—5 cents for the dye and $1 for the goods. Look at the hats. One dollar's worth of clothing has been destroyed because they had to take the hats back under their contract, the dyes faded and the hats could not be sold. Go into any store in this town and where will you find a man who will give you a guaranty with respect to the dyes?

Mr. GREEN of Iowa. Oh, in any of them.

Mr. FREAR. Oh, the gentleman says any of them, but that is not according to my experience or I think the experience of the average Member. We find any quantity of people with shirts, with dresses, with various articles of clothing where no guaranty will be given so far as the dye is concerned. Here is a destruction of 95 per cent of the value of the hat, and every textile manufacturer in the country is obliged to stand that loss when the dye is inferior as in this case.

THE GREAT FAT DYE INFANT IN 1920.

The infant half-billion dollar dye monopoly which can only survive with an embargo against the world so that we may continue to wear socks that crock produced 88,000,000 pounds of dyes in 1920 at $95,000,000, or over a dollar a pound, and 40 per cent more than in 1919. This same dye monopoly exported in 1920 8,000,000 pounds of indigo dyes alone for sale in foreign countries, while all the dyes of every name and description imported into this country in 1920 amounted to 3,460,000 pounds, or less than 3 per cent of our total dyestuff production, of which the Tariff Commission claims about one-half, or 1,700,000 pounds, came from Germany.

The spectacle of a fat female standing on a chair while a wee mouse sticks its nose under the door is likened to that of this great fat dye monopoly in America which is driven to hysterics by the German scarecrow that it pretends to see in its own exclusive cornfield.

Yet the Tariff Commission, which thoughtfully and as innocently as the dye monopoly releases its dye statement on the eve of a vote to give it increased power, is authority for the above statement. This is a confirmation of the statement appearing in my report that the Department of Commerce finds no danger of competition with German dyestuffs either here or in the world at large. In other words, the wolf cry has been raised once too often for a tired Congress to be stampeded. This is a prediction, but I believe a true one.

As President du Pont, of the Du Pont Co., well said before the Senate committee (p. 162):

> The Longworth bill is an embargo; it is a misnomer to call it a license bill; the intention is not to license imports except in rare cases. It is substantially an embargo bill.
>
> Mr. CHOATE. On the selected things?
>
> Mr. DU PONT. On substantially everything. I think in six months it won't be necessary to license at all. We have the aggression and the confidence that the Americans can do the trick.

That was President du Pont's testimony December 10, 1919, or over a year and a half ago. The record of production and exports proves his prediction to have been true, and yet Mr. Garvan, Mr. Choate, Mr. Poucher, and all the other dye lobbyists are crying that the Germans, who are stricken and palsied economically and potentially, are sure to get us if we don't watch out a year and a half thereafter.

Du Pont is honest, and he further said (p. 163):

> You brought up the question yesterday whether the big fellow will try to undersell the little fellow. That is the last thing a man wants to do. * * * That is the last thing the big fellow wants to do; it costs him terribly. He might incidentally put the little fellow out of business if his yields go up and his costs go down where he can make a handsome return at a selling price which will ruin the little fellow. * * * If a concern in this country had substantially all the business at enormous profits and they saw a man who was liable to cut into those profits, a little fellow sticking his head up, they might soak him.

Mr. GRAHAM of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. GRAHAM of Illinois. I would like a little more information about this. Of course the dye industry is in its infancy in this country. By a proper protective tariff, does the gentleman not think that the quality of these dyes can be improved so that ultimately the American manufacturers can produce dyes as good as the German dyes?

In other words, is the remedy to let in the superior German dyes to kill off the infant industry we have?

Mr. FREAR. I will answer the gentleman by asking this question: Would the gentleman with all of his experience be willing to say, after six years of trial, with the troubles we have had with the dye industry, that this great monopoly, with hundreds of millions of dollars at its disposal, shall continue to practice upon the American people in its experiments without giving us any right to import dyes?

Mr. GRAHAM of Illinois. I will tell the gentleman what I am willing to do. I am willing to stand a good deal of discomfort, if you please, in order to build up an industry in this country which we can do as well as anybody else on earth if we have a chance. [Applause.]

Mr. FREAR. Then you have been six years in doing it, and you have in control a monopoly to-day in this country in the dye industry. Look at it from the point of textiles. The people of your State manufacture textiles. They are obliged to compete with the textiles from abroad, textiles which are dyed with the finest dyes that can be found throughout the world. You go into any store and if you want to buy from your American manufacturer, from your textile dealer, you find he is obliged to take his dyes from Du Pont or the Allied Chemical Co., or whatever it may be. He has no choice, yet all imported textiles compete with his. Now, is that fair? Here are the textile people of the country; there are 11,000 factories manufacturing in the United States, and they have over $2,500,000,000 invested. It is ten times the real amount of money I assume that is being used in this dye business. What are you going to do for them? We are in favor of giving protection to infant industries. We never gave an embargo before in the history of the country, so far as I know.

Mr. GRAHAM of Illinois. I am not in favor of an embargo.

Mr. FREAR. I am satisfied of that.

Mr. GRAHAM of Illinois. And never was, but I do think that the argument the gentleman has used that we ought to let in German dyes, as I understand the effect of it, ought not to be at all contemplated, at least by the Republican side of the House.

Mr. FREAR. If it is true that we will put a prohibitory duty on everything here, as has been suggested we are doing by our Democratic friends, then dyes are entitled all to be shut out. We are trying to get a competitive protective duty; that is what we want, for dyes as well as other products, a protective duty. Give two times, give three times the Hill duties as carried by this bill if necessary, but do not make it an embargo.

Now, Mr. Chairman, I can think of no better illustration for the purpose of this dye business. Think of the American women who go to the washtub with a piece of bluing; and then the dyes extend to the finest article in dresses or of draperies. Dyes are used in practically everything, even in glassware. They enter into amost everything. It is of tremendous importance to the country, the use of dyes, and there never has been an organization that I know of before this that has worked so successfully to control the dye legislation of Congress like this dye monopoly has done.

Mr. MANN. Will the gentleman yield for a question?

Mr. FREAR. I will; certainly.

Mr. MANN. Have the American manufacturers now the ability to make dyes which do not run, fast dyes?

Mr. FREAR. In some cases I believe they do, in others they do not.

Mr. MANN. In some cases, as the gentleman has illustrated, they can not do it.

Mr. FREAR. In this case shown by the hats I exhibit.

Mr. MANN. How general is that?

Mr. FREAR. That would be, of course, a hard question to answer. For the Tariff Commission to ascertain these 450 dyes under all the various circumstances that occur with the dyes, to be effective it would be impossible to ascertain how general, I am afraid, in three years.

Mr. MANN. This is, in my mind——

Mr. FREAR. I am glad to have the inquiry from the gentleman.

Mr. MANN. I have not paid attention to the subject of dyes legislatively lately. If we can make in this country fast dyes and will be able to make fast dyes, what is the object of putting a tariff to prohibit dyes coming into the country? If we can not make fast dyes and desire to build up the business, why should we let the foreigners invade our market at all?

Mr. FREAR. Mr. Chairman, that same argument will apply to practically everything produced in this country except one element which the gentleman from Illinois has introduced—whether or not we can make as good as the foreign article. Now, if we are going to have that test not only with dyes but with everything that enters into the foreign production, I agree you can prohibit the importation by an embargo, but I say that after six years we have demonstrated that some dyes do not run, that some dyes are fast, but the difficulty is that here you have imported 1,700,000 pounds from Germany, and from

Switzerland about the same, and that is all the importation we have had. They have been shut out for many years.

Mr. MANN. I know that some of the American dyes are fast in that they will run very fast when the material is put in water.

Mr. LONGWORTH. Will the gentleman permit me to answer the gentleman from Illinois?

Mr. FREAR. Well, if the gentleman will permit——

Mr. LONGWORTH. I will wait and answer it later.

Mr. MANN. I wanted to get the point of view.

Mr. FREAR. I have endeavored to give the point of view as clearly as I can to the gentleman. Let me refer briefly to paragraph 27, in which a motion will be made to strike out, and the gentleman will read in the bill on page 12 that the Tariff Commission shall divide into two different classes—

First, Class A, which shall comprise all of such products which are obtainable in the United States upon reasonable terms as to quality, price, and delivery.

Mr. Chairman, the Tariff Commission, with the small machinery they have, must go through the United States to all these various dye companies and ascertain the various questions of quality, price, and delivery. What is to be the result of such a monumental task?

The suggestion will be made to the Members of the House that England has an embargo. But here is the distinction: England has a hand in that, because it is a part of the governmental machinery. England decides that no salary shall be paid over £1,000, unless they shall appeal to the Government and the Government shall allow it. England decides that not more than 8 per cent profit shall be made, whereas here the Du Pont Co. and the Allied Chemical Co. have only the sky for the limit as to their charges, and they are charging to-day four times what they charged prior to the war. That is the testimony before the Ways and Means Committee. So when anyone discusses with you to-day the embargo in other countries, remember this private monopoly is holding us by the throat to-day, and it is distinguished entirely from Government control and ownership abroad.

Mr. GREEN of Iowa. The gentleman surely does not mean to say there is not a limit placed on the profits in this bill?

Mr. FREAR. I will say this: It says "a reasonable price." What is a reasonable price? What is a reasonable price for the Du Ponts would not be a reasonable price for a little company. Du Pont says in so many words before the committee, "if anyone attempts to cut the price, we will choke him or soak him."

Mr. GREEN of Iowa. The bill says that these prices will be the lowest prices combined with efficient management.

Mr. FREAR. Now, think of the Tariff Commission—this commission that sends out this statement to Congress to-day to help this dye provision—it is going through the United States, with one hundred and odd dye companies, to examine and is to determine what is the value and cost of dyes, what is the reasonable cost. I have heard you gentlemen on both sides say that you objected to price fixing by any organization. You believed it was un-American and undemocratic, and yet you propose to do it in this very bill. What do you mean by that?

As I told you on the start, there is no difference between us politically on this proposition. This embargo provision is absolutely undemocratic. It means the payment of $100,000 for administration by the Tariff Commission, and you do not get a dollar in revenue out of all things that are in embargo. Is not that so? It means you have these intolerable dye conditions, but you do not get a dollar for protective duty; not a dollar to help run your Government; not a dollar from class A; and they can put all the dyes in class A if they choose.

Over on line 14 let us see what it says:

During a period of three years—

It was five years originally, but it was stricken out and three inserted.

During a period of three years after the date of the passage of this act no product while included in class A, as determined by the United States Tariff Commission—

The commission that sends out this statement to help the dye schedule—to continue—

shall be delivered from customs custody in the United States, or in any of its possessions, except that small lot which will be useful only as samples.

And so forth.

Can you conceive of anything drawn stronger than that? Let me say that before it was drawn the first draft provided that if there was anything found in the United States that it was improper to bring in that when the customs officers received it they had to destroy it; in fact, were compelled to do so—to destroy, not to sell to customers at auction or otherwise, but to destroy a valuable product. Who wrote that provision in the bill, do you suppose? Would any intelligent Member of the House write it? That is the one that is stricken out. The gentleman from Iowa well said to the committee, and we all agreed with him, that that was an improper proposition to put into any bill.

Let me say that the strongest indictment of the officials of this Chemical Foundation Co., to which I wish to address myself in a few moments, comes from the gentleman from Iowa, who made a splendid cross-examination, and he only touched upon that matter. Yet he developed the fact that I am going to discuss in a few moments, that it was a fraudulently conceived concern—he and the gentleman from Pennsylvania, Mr. Moore. Let me say, in answer to the statements in the New York papers to the effect that I sat in the committee hearing Mr. Garvan testify on the dye question, my friends, I never sat there a minute. I do not know the gentleman—never saw him in my life—never heard of him, except that he was the Alien Property Custodian, when he was president of the Foundation Dye Co., because, on orders of the House, I was engaged in carrying on an investigation of aircraft throughout the country, and never knew about it. I did not know anything about it until I read the examinations conducted by the Ways and Means Committee and the Senators over on the other side when they had this dye organization before them.

Now, as to class B, this is the other class they are to pass. It says:

That any product in class B which the United States Tariff Commission shall determine is ordinarily sold through dealers to the retail trade shall be delivered from customs custody upon presentation by a registered importer of a bona fide order from any wholesale or retail dealer in such products.

Mr. Chairman, these are the dyes we can bring in. First, we compel the dealer, the importer, to register. The commission can cancel his registration at any time. The absolute power is with them. He has no right of appeal to anybody. He has to put up $10,000 with acceptable sureties before he can import. Then he has to make the affidavit. Read the provisions. The commission can do everything but hang and quarter him before they get through. They can charge him $100 a day for the violation of the rules and regulations of the commission, with no right of appeal.

Mr. GREEN of Iowa. I do not think the gentleman wants to state it quite that way. The importer for sale does not have to make any affidavit whatever.

Mr. FREAR. He puts up a $10,000 bond, with surety. He has to have an affidavit from the consumer that he is not going to use it for over six months and that he needs it in his business. And if the importer does not do that, he is sent to jail if he willfully misrepresents.

Mr. GREEN of Iowa. The gentleman will not find that in the bill.

Mr. FREAR. Many of you are lawyers, and you can examine the record yourself and see whether that is the proceeding.

Mr. COCKRAN. The gentleman says that the importer is sent to jail. By whom is he sent to jail? The court must be the one to send him?

Mr. FREAR. The commission appeals to the court. They have rules and regulations and orders of the Tariff Commission, which can not be violated.

Mr. COCKRAN. The court is bound——

Mr. FREAR. The court would necessarily be largely influenced by the representations of the Tariff Commission.

Mr. COCKRAN. But the importer is not deprived of judicial rights?

Mr. FREAR. No; excepting on rights controlled by the commission. No appeal can be had over the decision of the Tariff Commission to take away the registration, which prevents goods being imported. Means are then provided tentatively for the use of the dyes by the people who need the dyes, by the people who wish to use the dyes.

Mr. Chairman, how much time have I consumed?

The CHAIRMAN (Mr. MANN). The gentleman has used 40 minutes.

Mr. FREAR. I asked to be instructed when I had consumed 30 minutes, and I was not advised.

The CHAIRMAN. A different chairman then occupied the chair.

Mr. FREAR. Mr. Chairman and gentlemen of the House, I now approach another subject, which to my mind is one of the most serious things that has been presented recently in connection with any tariff bill, because it affects the honesty of a contract made with the Government; and whether or not those who have been connected with it are entitled to any considera-

tion. In other words, the Chemical Foundation Co. was organized for the purpose of taking over the German dyes patents, which were taken over after the armistice; they were taken over in February, along to the middle of the month (1919), after the armistice. The same board that was to pass upon the cost of the materials in the office of the Alien Property Custodian was made the board of trustees of this chemical organization. The man who had charge of this matter in the Alien Property Custodian's office at that time was made the president of the company, and he is the president to-day of the Chemical Foundation. The man who was his legal adviser in the Alien Property Custodian's office, a Republican, is the man who to-day is the legal adviser in the Chemical Foundation. Mr. Chairman, there is no politics in this, but they endeavored to inject it into the hearings.

It is a question of honesty in dealing. I ask you to examine the authorities and find out whether any government has ever in the history of the world, outside of the Southern Confederacy, since 1815, violated international law so as to seize alien property of private individuals and confiscate it. Not one. It is an important question here, because this property was taken over by these men for their own use at 2 per cent of the value. I ask to have that contract canceled on the ground of fraud and shall present a resolution to the House asking that the Attorney General bring such action.

The resolution is as follows:

Whereas the official record of hearings before the Ways and Means Committee discloses that during the year 1919 a sale of 4,000 alien chemical and dye patents was made by the Alien Property Custodian to the Chemical Foundation Co; that said sale was conceived and arranged by Francis P. Garvan, Joseph Choate, and Ramsey Hoquet, officials of the bureau of investigation of such custodian's office; that these officials were also, respectively, the president, attorney, and patent adviser of the Chemical Foundation Co. and at the said time were in charge of alien patents in the Government office; that at such time they prepared, or caused to be prepared, an order wherein they were permitted to buy said patents at such price as might be determined by the Alien Property Custodian, whose advisers they were, and they thereupon fixed a price of $250,000 as a consideration to be paid by them for property which was easily worth over $10,000,000; that said parties concerned arranged by order that such sale should be made privately, without notice or competition; and that they thereupon sold to themselves as officers of such corporation the property at a price fixed by them as such Government officers; and

Whereas said sale was fraudulently made by such public officials at a price fixed by them of only 2 per cent of the actual value of such property: Therefore

Resolved, That the Attorney General be, and he is hereby, requested to begin legal proceedings to set aside such sale made by the Alien Property Custodian to the Chemical Foundation Co. because of fraud, and that he be further requested to receive from said Chemical Foundation Co. all licenses, fees, and royalties or other receipts over and above the amount of consideration actually paid by such company as the purchase price of said patents.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes. Certainly.

Mr. STAFFORD. Upon what basis does the gentleman make such a statement—that they took over this industry at 2 per cent of its value?

Mr. FREAR. I will come to that. Gentlemen have told me of the value of synthetic indigo, of the value of salvarsan, which alone is worth $5,000,000, based on royalties and licenses, and these are only 2 of 4,500 patents confiscated. The whole thing was taken over for $250,000 in addition to many valuable patents. It will be difficult to find in all public records, gentlemen, a more patent fraud committed upon the Government than that disclosed by this sale to the Chemical Foundation.

Mr. MADDEN. Mr. Chairman, will the gentleman yield for a question?

Mr. FREAR. Will the gentleman not let me go on? Otherwise I would be glad to yield. I feel that the gentleman's sympathy will be with this part of the proposition. I am offering here the official record, the testimony of the Alien Property Custodian himself, and the testimony of Mr. Choate himself, and they convict themselves out of their own mouths of the very facts that I charge here.

Mr. Chairman, I repeat it would be difficult to find a more patent fraud committed upon the Government than that disclosed by the private sale to the Chemical Foundation of over $10,000,000 worth of German dye patents for the comparatively insignificant amount of $250,000. I am offering an official record which shows that the sale was conceived and carried out by several dollar-a-year men, headed by Francis P. Garvan and Joseph Choate, holding highly responsible positions in the Alien Property Custodian's office, and was undertaken after a public sale of eleven hundred alien patents with other property had brought the Government $5,400,000. Based on a claim that they were acting from patriotic and philanthropic motives these gentlemen in the alien property division took over bodily to the "Foundation" company a board of five Government advisers who recommended sales for the Alien Property Custodian's office and made these same five officials the trustees of the "Foundation" company. Then these trustees, coincidently interested in public service and in the private company, permitted the sale by their branch of the Government to the "Foundation" company, of some 4,000 German patents at less than 2½ per cent of their real value.

The chief moving spirit in the Alien Property Custodian's office, Mr. Garvan, a dollar-a-year man, with Mr. Choate, another prominent dollar-a-year man, his attorney, according to the record submitted, arranged all the details and consummated the sale for a song. The principal defense in hearings is that no politics could have influenced those connected with the sale, because both Democrats and Republicans were connected, and it was altruistic.

If any element of fraud is lacking in this sale it must arise from the broad patriotic motives alleged to govern the organizers of the "Foundation" company, yet here again the test may be applied, because it is alleged that in the height of its power and glory this "Foundation" company has now threatened suit against the Government for royalties and licenses reaching hundreds of thousands of dollars, which licenses were issued by the Alien Property Custodian, and to which the philanthropic "Foundation" company now claims exclusive right by reason of its fraudulently conducted sale.

Another reason why the sale should be set aside by the Government lays in the anomalous position occupied by the Government, which as trustee and custodian of property of aliens taken over under the law now finds all the valuable alien patents gone, and an apparently insignificant sum deposited for their sale by Alien Property Custodian officials, who took the property over to themselves. When foreign owners ask for return of their property or the proceeds, if they establish such rights, there is practically nothing to deliver, while, on the other hand, if no such rights existed in alien property owners, then the Government has been grossly defrauded, according to the official records herewith submitted.

If any philanthropic "foundation" is to be established and can be conducted under existing law or laws to be enacted, then the Government should administer the license and control of all alien patents and turn over the proceeds to the Federal Treasury or to the alien owners.

AN EXPENSIVE DYE LOBBY SHOULD BE ENDED.

Mr. Chairman, the present situation which keeps the Chemical Foundation lawyers busy drafting and pushing through Congress laws that affect the "foundation" presents a situation that demands more than passing protest.

Hundreds of thousands of dollars for lobby fees, it is alleged, have been paid in connection with the passage of these laws. It is also stated, and I offer to present testimony in any investigation of the subject, that existing dye laws were prepared by lawyers representing the "foundation" and the dye monopoly of the country, and I believe it is reasonably certain that the dye bill now pending before the House has been submitted to their scrutiny. This is without reflection on my colleagues on the committee. I believe testimony to this effect can easily be had.

The sale to the foundation company should be canceled by the Government on account of fraud and the administration of the property should be given to responsible Government officials. Recently the Attorney General's office announced contemplated prosecutions of former minor military officials who were connected with the Government and had sold leather goods to themselves, which they are now offering at private sale, and that such acts constituted a fraud and conspiracy warranting cancellation of contract by the Government and return of property and damages. Such legal proceeding will be based on facts developed by an investigating committee of the House, of which I was a member. The Chemical Foundation Co. presents a case of far more significance, greater importance, and more clearly specific evidence because of its inception, consummation, private sale, failure of consideration, and concealment of real purpose to organize the dye business of the country into a legalized monopoly, controlled by officials who formerly represented the Government.

For the sake of argument it may be admitted that some of these officials did not understand the real purpose of the transaction, but the legal effect and gross injustice to the Government is a matter of record.

Bearing on the general subject it is significant that Alien Property Custodian Garvan has never filed a formal report with the Government of his administration of the office, and he was at all times a leading official and during a considerable portion of the time Alien Property Custodian of the United States,

and at the same time he was president of the Chemical Foundation, to which the sale of patents had been made, long after the signing of the armistice and during the year 1919.

THE DYE MONOPOLY THAT PULLS THE STRINGS.

Another significant fact occurs in the underwriting of the Chemical Foundation for $500,000 alleged to have been made through Poucher by the Du Pont Co. Standing in the background and pulling the strings of the "foundation" the Du Pont Co., which profits without limit with these alien patents, is one of the patriotic beneficiaries that is now holding up the public on dye prices.

That will appear in the testimony under the examination conducted by the gentleman from Iowa [Mr. GREEN].

Mr. Chairman, Mr. Francis P. Garvan, chairman of the Bureau of Investigation in the Alien Property Custodian's office and subsequently Alien Property Custodian, who at the same time was president of the Chemical Foundation Co., dignifies my report to the House on the tariff by personal attacks and what he terms to be an answer given to the press. I allow others to answer him and I have no quarrel with Mr. Garvan, do not know him, never saw him, and have only heard of him through his peculiar connection as president of the Chemical Foundation while he was Alien Property Custodian. I do not intend to reply to his personalities, the public is not interested in them. What Congress asks for is facts on which to base judgment, and I will give them out of the mouths of Mr. Garvan and Mr. Choate, an attorney who was acting under him in the Alien Property Custodian's office and who recently received over $25,000 for helping to put dye laws through Congress. No better authority will be asked than the testimony of these gentlemen.

When both witnesses were being grilled by Congressmen MOORE, GREEN, OLDFIELD, KITCHIN, and other members of the Ways and Means Committee, I was absent, permanently excused because of the aircraft investigation.

Based on the official record it appears Mr. Garvan and Mr. Choate, while employed in high positions in the office of the Alien Property Custodian, planned and carried out the scheme whereby they secured at private sale over 4,000 alien chemical and dye patents, which had been seized by the Government after the armistice; that from the record these men had control of such patents in such office and formed a company to buy the patents at private sale at a price of $250,000, or about 2 per cent of their actual value; that based on such prior sales at public auction as set forth in my report on the tariff bill, the Chemical Foundation should have paid from $10,000,000 to $20,000,000 for these patents; that one patent known as salvarsan and another synthetic indigo were worth $5,000,000 each, according to reliable information, and the remaining 4,498, or exact number to be ascertained, are also of value.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes.

Mr. YATES. What is the gentleman reading from?

Mr. FREAR. I am now reading a statement that I prepared in order to get it placed in a few words before you.

The Chemical Foundation Co. took over those 4,500 patents. Then they, themselves, provided that they could license them to all the various dealers and manufacturers that wanted to use them. They said to themselves, "We will put only a limited amount of profit. That is all we ask. We are a philanthropic organization, with Mr. Garvan at the head." But they licensed them to Mr. du Pont, who gave them $500,000 when he underwrote that organization. They did that so as to control the Chemical Foundation Co. and all the others that had these licenses. Now, because some of the foreigners were paid licenses before the Government took over these patents the Foundation company threatens suit against the Government, or is attempting to do so, in order to get the license payments.

I am not discussing the tremendous power of monopoly placed in the hands of these men through these patents, nor the use they have put them to or the ethics of the case. That is beside the question. I present facts, which, if true as testified by them before Senate and House committees, afford ground for recovery of millions of dollars which the Government is entitled to have placed in the Public Treasury as the true value of property which these officials bought for a song while connected with the office of the Alien Property Custodian or of the property itself and licenses collected. This phase of the question is no longer one for Congress, but for the Attorney General to act on, subject to the claims of foreign alien owners for whom the Government acted as custodian or public trustee while holding this property.

Now, I desire to insert in the RECORD several short pages of testimony, which, as I say, bears out the statement that I make, that these men themselves made the transfer to themselves, and, as I said, for a nominal amount, and that is the basis of the demand I make that the sale be set aside:

(From p. 88, dyestuffs hearings, Senate.)

Mr. CHOATE. I appear here as counsel for the Chemical Foundation, into which I shall go in a moment, and also I have been asked to represent the American Dyes Institute, which is an association of all the dye makers in the country, because they have practically the same point of view presented by the Chemical Foundation to-day, and are, therefore, properly represented by the same counsel. I came into this case, gentlemen, through my service in the office of the Alien Property Custodian. * * *

I am a life-long Republican * * * (p. 106), and so although it was none of our business as members of the Alien Property Custodian's staff, but purely for what we conceived to be reasons of public spirit, all of us who had the knowledge thus derived there very early began to scratch our heads to see if we could not find some way of helping this industry here.

And so this descendant of a great lawyer proceeded to invent a scheme months after the signing of the armistice whereby the Alien Property Custodian officers could seize all the remaining German patents at private sale at 2 per cent of their value, and form a "foundation." A sale to the Grasselli Co. of 1,100 patents and other property for $5,400,000 made them realize they would stand little danger in taking over 4,500 patents for $250,000.

Hearings before the Ways and Means Committee, dyestuffs, on H. R. 2706, July 14 to 20, 1919, Mr. Joseph Choate testifying (pp. 110–111):

Mr. CHOATE. The one thing the Alien Property Custodian had power to do without further help from Congress was to sell them (the German dye patents). * * * Now, it was obvious that the wisest thing for us to do was to sell to good American purchasers, and what could we do? * * * It was then that the fertile brain of Mr. Garvan, the present Alien Custodian, then in charge of the Bureau of Investigation, conceived the high idea of getting an industrial organization to act as a trustee corporation to buy the patents. I was present at every detail of every one of the consultations that resulted in that organization. * * * It took the form it did for this reason: In the first place, we had to get an organization that could never fall into the control of any one body, any one company, any one man, or any group of men. For that purpose we made the stock nontransferable without the consent of the company. * * * For that purpose we provided that the whole stock must be placed in the hands of a voting trustee. * * *

Mr. OLDFIELD. Can anybody use these patents (p. 114)?

Mr. CHOATE. Not everybody, but every good American citizen can make application for a license and get it on equal terms, and they have to pay a royalty in each case.

Mr. OLDFIELD. You effect the license system, because all of these patents are controlled?

Mr. CHOATE. Oh, no; they are only controlled by the Chemical Foundation to a very minor extent.

Mr. Hoguet, who furnished the "soft stuff," as he calls it, must be called as a witness. Again quoting (p. 116):

Mr. CHOATE. As to Mr. Garvan being connected with this matter, that happened in this way: We were casting about to get a man to take hold of it, and so Mr. Hoguet, a very ardent Republican, and myself were discussing it as thoroughly as we could as to who could handle it. It was evident that whoever took that position (manager of the Chemical Foundation) would have to have a certain familiarity with the Germans in this country. There was no other man except Mr. Garvan who had a tenth of his qualifications in that respect.

Mr. MOORE. How did he acquire that influence?

Mr. CHOATE. As head of the Bureau of Investigation of the Alien Custodian's office from the start. * * * I should say that Mr. Garvan is a dollar-a-year man, and has no need to ask for any other compensation, and is, therefore, serving with the Chemical Foundation without compensation.

Mr. GREEN. Just what were your duties with the custodian of the alien property?

Mr. CHOATE. In the bureau of investigation; I had charge of the investigation of the chemical business.

* * * * * * *

Mr. CHOATE. The Bayer Co. was sold for over $5,000,000. Of course, they had large properties.

Mr. GREEN. You knew that the patents had large value?

Mr. CHOATE. I knew that the patents had a value which no man could calculate, because no man could say which were valuable except in rare cases. I suppose of the 5,000 taken over a great many were absolutely worthless.

* * * * * * *

Mr. GREEN. Mr. Garvan occupied what position?

Mr. CHOATE. He was head of the bureau of investigation.

Mr. GREEN. And you at that time were working under him?

Mr. CHOATE. I was.

Mr. GREEN. These companies, by virtue of their operation, whether in connection with these patents or not, and although while holding these patents, have made immense profits in this country?

Mr. CHOATE. Large profits, I should say.

Mr. GREEN. And profits that both you and Mr. Garvan were aware of?

Mr. CHOATE. Yes.

Mr. GREEN (p. 118). And learned it in the course of your operations for the Government?

Mr. CHOATE. Certainly. You understand the business was not large. The total amount of imports before the war was under $12,000,000. * * *

Mr. GREEN (p. 118). Now, after these discoveries had been made by virtue of the connection with the Government (value of the German patents) this corporation called the Chemical Foundation was instituted and it was concluded to place as its president Mr. Garvan, a very capable gentleman, and to retain an exceedingly capable lawyer as the corporation counsel, in the person of yourself. * * * Now, this company, having bought these patents, you say would have a considerable power over the imports as the result of its control of the patents?

Mr. CHOATE. It would have the power to control to a certain extent the operations under the patents. It can, if it can induce people to take out revocable licenses, revoke the licenses if the licensee behaves badly. Whether people will take licenses out in that form remains to be seen.

* * * * * * *

Mr. GREEN (p. 120). If, then, he who is a manufacturer in a small way comes before the Chemical Foundation and it appears to the foundation that he has so far not manufactured dyes to their satisfaction, and because he could not manufacture them under these patents without having a license, or for any other reason that appeared to them to be sufficient, he could be excluded?

Mr. CHOATE. He would be excluded if the Chemical Foundation did not believe he was in a position to make dyes that would be a credit to the American industries.

Mr. GREEN. That is a matter entirely in their discretion and judgment?

Mr. CHOATE. Precisely, as it is in the discretion of any other owner of patents.

* * * * * * *

PUBLIC AND PRIVATE SALES.

Mr. KITCHIN (p. 121). Now, in the sale of these patents by the Alien Property Custodian, I believe you said that one chemical company purchased how many?

Mr. CHOATE. Twelve hundred before the organization of the foundation.

Mr. KITCHIN. At public sale?

Mr. CHOATE. Yes, sir; at public sale.

Mr. KITCHIN. Were there any other bidders for them except this chemical company?

Mr. CHOATE. A great many of them, I think.

Mr. KITCHIN. How much did this company bid?

Mr. CHOATE. When the property was sold en bloc the whole property of the Bayer Co. was sold for $5,300,000. I forget the exact figures.

Mr. KITCHIN. That property included also the stock?

Mr. CHOATE. Yes, sir; that carried the company and its patents.

Mr. KITCHIN. Now, has that company turned over to your company these 1,200 patents? (Neither has the Du Pont Co. or others controlling patents.)

Mr. CHOATE. No, sir; we hope they will. They are among the underwriters and good American people, and I think they will try to do the best they can to strengthen the Foundation.

Mr. KITCHIN (p. 122). Now, your company (Chemical Foundation), after the purchase by this chemical company of these 1,200 patents, was organized, and then the other patents were put on sale at public auction?

Mr. CHOATE. They were not sold by public sale by the custodian, because it would have been impossible to do that for a variety of reasons. All the possible available bidders who could have bid in good faith for these patents as real manufacturers were already in the enterprise, because they were members of the American Dyes Institute. The only other kind of bidder there could have been would be a hold-up artist who would buy the patents either for the benefit of his own pocket or who would buy them to hold them up from use. It required an Executive order from the President to effect that transfer.

Mr. KITCHIN. I simply desire to get the facts on the record. Now, were these patents offered separately or were they en bloc?

Mr. CHOATE. They were sold in one transaction to the Chemical Foundation.

Mr. KITCHIN. What was the actual amount of cash that was paid for them

Mr. CHOATE. Two hundred and fifty thousand dollars.

Mr. KITCHIN. Now, did your patents cover any other part of the chemical products except dyestuffs?

Mr. CHOATE. Yes, sir; all chemical products we could lay our hands on, but it is only in the dyestuffs that the patents are of great importance—dye and pharmaceutical goods—because it is only there that the patent is especially important. They cover salvarsan and other products and all the rest that we could get our hands on * * *

Mr. Francis P. Garvan testified as follows:

Mr. MOORE (p. 332). I want again to call your attention to a matter that may be referred to later on, which I did not personally care to stir up too much, and that is the compatibility of the Alien Property Custodian serving also as the president of the Chemical Foundation (Inc.), which intends to enter actively into the business and the control of business, and which seeks legislation for that purpose. Is it not, in your judgment, incompatible for one man to hold those two offices, one being administrative and the other being an office where the administrator can assist the president of the corporation?

Mr. GARVAN. Can you point out any point where they conflict?

Mr. MOORE. Is it not possible that questions affecting the integrity of the Chemical Foundation might come before the Alien Property Custodian for administration?

Mr. GARVAN. Can your imagination suggest such a position?

Mr. MOORE. Yes.

Mr. GARVAN. I would like to hear it. If there is anything inconsistent in my two positions I certainly will resign one or both. * * *

Mr. MOORE. Is it not possible that the Attorney General of the United States might call upon his very efficient Assistant Attorney General whom he is now about to appoint, in the person of the present Alien Property Custodian (Mr. Garvan), to investigate the business of the Chemical Foundation (Inc.), of which the Assistant Attorney General (Mr. Garvan) now Alien Property Custodian (Mr. Garvan) is president?

Mr. GARVAN. No; it is not.

Mr. MOORE. You think that is impossible?

Mr. GARVAN. Absolutely impossible.

Advisory committee of Alien Property Custodian are now Foundation trustees. The same committee passed on sale from Government for the private company that bought. (Dyestuffs hearings, Committee on Finance, United States Senate, H. R. 8078, Dec. 13, 1919. Mr. Garvan had not resigned after six months.)

Mr. Francis P. Garvan, Alien Property Custodian, a witness before the Senate committee (p. 520):

So I conceived the idea of forming the Chemical Foundation and putting all these patents into a quasi-public corporation, which would develop them and give them to chemical companies throughout the country. The way salvarsan had worked out encouraged us. * * * So then we had this board of trustees, composed of Mr. Otto Bennard, president of the New York Trust Co., Mr. Cleveland H. Dodge, * * * Judge George L. Ingraham, * * * Ralph H. Stone, president of the Detroit Trust Co., * * * Benjamin Griswold, jr. * * * These gentlemen had consented to act as the advisory committee for the Alien Property Custodian on questions of the sale of German property. * * *

Senator CALDER. How many patents did they take over?

Mr. GARVAN. Four thousand.

Senator CALDER. The Alien Property Custodian sold them these patents?

Mr. GARVAN. It was by private sale by the President.

Senator CALDER. For how much money?

Mr. GARVAN. Two hundred and fifty thousand dollars.

Mr. GARVAN (p. 522). I am very anxious to make this statement as fully as possible because I do not want to have any rumors or anything to interfere with this case. I am pleased and delighted to answer questions to the fullest.

Senator CALDER. I am very anxious to have information because the situation would indicate there is a great possibility of tremendous profits for some people.

VALUE OF FOUNDATION PATENTS.

Relating to the value of the 4,000 German patents bought by the Chemical Foundation, the following testimony on page 255 is in point.

Mr. MOORE. Would you care to deny the statement, since Mr. LONGWORTH has raised the question, that one of these 4,000 patents (salvarsan) is worth $50,000 a year royalty?

Mr. GARVAN. I would be grateful to have you tell me the name of it.

Mr. MOORE. A one million dollar patent and you bought 4,000 of them for $250,000.

Testimony can be had that two patents included in the sale were worth several million dollars.

Relating to the exclusive power possessed by this Chemical Foundation monopoly over the 4,000 patents under its control the following testimony is relevant:

Mr. GREEN (p. 360). Reading from the charter of the Chemical Foundation "The board of directors may refuse to issue any license or may revoke any license granted by the corporation and may prescribe the terms and conditions of such license." * * *

Mr. GARVAN. Do you claim that we could use arbitrary power to refuse licenses?

Mr. GREEN. I have not the slightest doubt of it. In the first place it says the board may issue; second, it shall prescribe the terms; and, third, it may revoke it at any time it wants to * * *.

Again referring to the dual relationship of Mr. Garvan in a public and private capacity:

Mr. GREEN. A considerable portion of the persons connected with the Chemical Foundation are connected also either directly or indirectly with the Alien Property Custodian's office.

Mr. GARVAN. Yes, sir.

Mr. GREEN. And you consider it entirely ethical that having obtained information through their connection with the Alien Property Custodian that they shall then sell to an institution controlled by themselves?

Mr. GARVAN. It was by virtue of our connection with the Alien Property Custodian office that we saw it as our public duty not to let this thing revert to where it was.

Mr. Garvan complains that he was not in fact Alien Property Custodian when the sale was made to his company. Technically this is true in name, but as officer apparently in charge of this property he arranged all the details for the sale, aided by Mr. Choate, to a company of which he was president and by his subsequent promotion to position of Alien Property Custodian he confirmed by acquiescence that same sale.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. FREAR. I will yield for a brief question.

Mr. LONGWORTH. The gentleman will concede, will he not, that the large majority of the dyes now being made are not being made under these patents?

Mr. FREAR. I can not say as to that, but I know that Du Pont divided up indigo dyes with Levenstein in England. He took all this hemisphere, North, Central, and South America. That is fixed in the contract, disclosed by Senator Thomas in the Senate, and Du Pont gave Europe to Levenstein. I do not know what proportion of the Levenstein dyes or what proportion of the 4,000 patents that were seized enter into total production.

The Chemical Foundation sale and action of alien property custodian officials who conducted that sale is more serious in its effect on future relations between this and other Governments than any mere fraudulent sale or high-handed proceeding on the part of any Alien Property Custodian or any other official. It relates entirely to the justification or lack of justification for seizure of property of aliens during the war, and particularly since the signing of the armistice.

I hold no brief for any alien citizen and have never discussed the subject with anyone else excepting Members of Congress on whose judgment in international affairs I can rely. It is an accepted proposition of international law that with the exception of acts by the Confederacy during the Civil War no country and no government since 1815, over a century ago, has ever sequestered or seized and sold property of alien citizens within its borders during times of war, excepting for the protection of

such property, and always with the intention of returning it or its just equivalent to the owners after the war.

The report of the German alien property custodian regarding American properties in Germany states specifically that American patents and licenses belonging to American citizens filed in Germany were not seized or sold by the German alien property custodian, and that property of private American citizens in Germany, according to such report, was not interfered with after the signing of the armistice. Compared with this treatment of the property of aliens in America, we have the spectacle of officials in the Alien Property Custodian's office months after the conclusion of hostilities and of the armistice engaged in seizing the private property of alien citizens in the shape of alien patents and fraudulently selling such patents to the identical officers who conducted the seizures at private sale, and for an insignificant price, compared to their actual value, a state of facts that would prima facia establish fraud in any proceeding between private parties where one acts as trustee or custodian for the other, and it is aggravated by the facts of this case wherein sworn officials were engaged.

THE LARGE QUESTION INVOLVED.

Mr. Chairman, the American people may be willing to be fleeced by the American dye monopoly in the future as in the past under the patriotic cry that we are still at war with Germany or with Switzerland, from which many dyes come.

Congress may perpetually compel the American people to scour from their skins inferior dye products that have monopolized the home market for the past six years, all in order to maintain a half-billion-dollar dye monopoly that fleeces the people at prices four times those charged before the war.

Congress may continue to put legislative screws of a dye embargo onto 11,000 textile companies of the country that have no alternative now than to use the Du Pont and Chemical foundation dyes, whether good, bad, or indifferent. All these intolerable conditions may be continued by Congress at the behest of the American dye monopoly, that drew the dye laws now in existence and which whips Members of Congress with a German war lash to frighten those who rebel back into line—Democrats and Republicans alike.

This Congress may be willing to pass a law demanded by the dye monopoly that brings no revenue to the support of the country, that spends $100,000 to prevent collecting of revenues under the bill—a law opposed by every principle of Democratic or Republican economics and that can only benefit Garvan and his company, with the Du Pont dye monopoly, which stands in the background—but there is one thing we can not do and maintain our honor among the countries of the world.

I think it was shown by one of the gentlemen now present in the House that they paid $100,000 for legislative expenses for the law now in existence. That was paid by this dye industry.

Mr. KING. Who got it?

Mr. FREAR. Mr. Choate got over $25,000. I have understood it ran up to nearly $50,000. Judge Covington, according to the statement, got almost as much more.

Mr. BLANTON. Will the gentleman yield?

Mr. FREAR. Just for a moment, because I want to finish, if I may.

Mr. BLANTON. The gentleman still maintains his first position, with which I agree, that the provisions of this bill are fundamentally indefensible?

Mr. FREAR. Oh, no. I stand for the protective theory. Do not let us discuss that, because that is really fundamental. I want to get this to the gentleman, because I know his sense of right and wrong will fasten onto this proposition:

In the face of unchallenged international law that for over a century has refused to seize or confiscate private alien property in time of war Congress, acting at the behest of selfish profiteering officials, aided in the enactment of a law as a war measure that permitted the seizure and sale of property of alien enemies at private sale, for a song, long after the war was over and many months after the armistice was signed.

Congress, representing the country, sat quietly by while this dye monopoly, long after the armistice, took the patents and issued or refused its licenses to patents so seized to whomsoever it chose, and until in the height of its arrogance and power it threatens the United States Government with suit to recover several hundred thousand dollars on patent claims which it demands from the Government by reason of the fraudulent sale made by these same public officials to themselves.

All pending dye legislation, however vicious, is insignificant in its purpose or effect compared with that record offered to the world of first violating international law to rob aliens of whatever country they may claim allegiance, and then, with full knowledge on the part of this Government of the theft, to close our eyes to a barefaced fraud practiced on the Government by sworn public officials to satisfy their own thirst for pelf and power when seizing and converting to their own use property for which the United States was trustee. To this strange spectacle we are asked to add the unique situation of condoning the fraud and to face legal proceedings now threatened by these same ex-officials against the Government that fed and protected them during the war.

No more remarkable evidence of private greed and official miscarriage will be found in all the pages of our history, and if we would preserve national self-respect we must cancel this fraudulent Chemical Foundation contract and take over the confiscated dye properties, to be administered according to principles of international law, which priciples can be violated only at the peril of world condemnation of our motives.

Mr. Chairman, I have presented extracts from the record which speak for themselves, and are supplemented by much other testimony showing the responsibility of Mr. Garvan and Mr. Choate for sale to the Chemical Foundation, in which the Government has legal rights of recovery, to be undertaken by the Attorney General.

PERSONAL ATTACKS ARE NO REPLY TO THE FACTS PRESENTED.

In his personal attack on me, Mr. Garvan first published what purported to be a photographic copy of a letter signed by a Chicago firm known as Kuttroff, Pickhardt & Co., in which letter the recipient was asked to immediately wire their representative on the committee and protest against the dye embargo. Whether the letter was true or a forgery I can not say, but it is significant the name of the addressee was stricken out, and I have never received any communication based on any such letter, which I presume it is intended to be inferred was sent constituents of all members of the Ways and Means Committee. I do not know the people, I have never heard from them, nor from anyone to whom such letter, if genuine, could have been sent. The only letter or telegram received by me on the dye question prior to July 9 coming from my own State is a telegram from the Newport Chemical Co., of Milwaukee, a member of the Chemical Foundation, which demands I support this dye bill of Mr. Garvan's. Oath to this fact, if necessary, will be made. This indicates that the Garvan letter is spurious, and Mr. Garvan either innocently or designedly has been a party to the imposition.

It is immaterial what may be the facts, because it is simply a smoke screen to cover up the case with which the Chemical Foundation is connected. From the Senate record I learn that importers named by Mr. Garvan as having thus protested against the embargo bill are American citizens, and one had three sons in the war at the same time that Mr. Garvan, apparently an able-bodied man, was serving his country at $1 a year and planning to transfer 4,000 German patents in the office with which he was connected to a private company, of which he is president, at private sale for 2 per cent of their value. This is a situation that can not be avoided by personal attacks on Members of Congress. I have no concern with either Mr. Garvan or Kuttroff, Pickhardt & Co. as to their apparent percentage of patriotism. My own interest in this astounding dye monopoly proposal was aroused by speeches of Republican and Democratic Senators at the other end of the Capitol, by the vigorous protest of the Economist and officials of the American Protective Tariff League, who have objected to the dye embargo, and by the astounding proposals contained in the dye provision submitted to the Ways and Means Committee.

The fact that the terms of the dye bill could not be learned by the committee until June 27 is sufficient evidence of the methods pursued by this monopoly in recent years to push forward its efforts for legislation that would give it exclusive rights in this country.

WHEN GREEK MEETS GREEK.

The following unsolicited letter, received by me July 8 during consideration of the tariff bill, is from a man who seems to know Mr. Garvan and the facts in the case, and I submit them in reply to Garvan's personal attack. Personally I will not reply, even to the extent of questioning Garvan's intelligence or lack of truthfulness, for few men are influenced by such ravings; neither do I stand sponsor for the letter, but offer it as a proper contribution to the whole dye question.

What Congress and the country is interested in is a cancellation of a fraudulent contract negotiated by public officials to themselves and of full facts regarding the dye monopoly. That is the main question now.

The letter from which I quote is illuminating and sufficiently specific to be easily understood:

NEW YORK, N. Y., *July 7, 1921.*

Hon. JAMES A. FREAR,
Room 402, House Office Building, Washington, D. C.

MY DEAR MR. FREAR: I have been reading with great interest Mr. Garvan's attack upon yourself, and I want to answer it with an idea of giving you ammunition to show what a consummate liar Mr. Francis P. Garvan is.

[Garvan's attack.]

His second great falsehood, upon which his whole report is based, is the contention that there is now existing, or a tendency toward, a chemical or dye monopoly in this country. At the time he wrote that report he had the information from the Tariff Commission that in the two and a half years that the War Trade Board has protected this industry under a licensing system the coal-tar manufacturers in this country have increased from some 3 or 4 mere assembling plants to 208 growing concerns, no one of which made 20 per cent of the country's production.

[Reply to Garvan.]

The attached paragraph from his attack I will answer first. The licensing system of the War Trade Board, which as he states has been functioning for the past two and one-half years, had nothing whatever to do with the growth of the American dyestuff industry at all; such growth was founded on nothing but the question of dollars and cents; and when he makes the statement that two and one-half years ago there were three or four assembling plants in this country which have now grown to 208 competing concerns he lies, and he knows he lies. For the American Dyestuffs Manufacturing Association was formed in, I think, the month of February, 1918, which is nearly three and one-half years ago, and at that time there were put into that association between 35 and 40 members, who were not assembling plants in any sense of the word but were manufacturing dyes from the crude material to the finished product; and in those 35 concerns all of the present large manufacturers were included; that is to say, the "Big Six" concerns—the National Aniline & Chemical Co., now the Allied Chemical & Dyestuff Co., the E. I. du Pont de Nemours Co.; the Sherwin-Williams Co., the Calco Chemical Co., the Ault & Wyborg Co., the Newport Chemical Co., and the Grasselli Chemical Co., who between them to-day control the larger part of the dyestuff business of the United States, and who being in control of the intermediates that formed the basis for finished dyes in turn control all the smaller developments in this country, can at any time that they wish to exert their power force any of the smaller concerns out of business.

Mr. Garvan in his statement declares that two congressional investigations have already been made into the dye industry, at which testimony conclusively proved that no dye monopoly is either in existence or being contemplated. He asserts that Representative FREAR, as a member of the House Ways and Means Committee, heard all the testimony for three weeks and never raised a question at the time.

Regarding the next paragraph, Mr. Garvan knows as well as we all know that no investigation of the dyestuff industry has ever been made. The hearings held before the Ways and Means Committee and the Senate Finance Committee were at the behest of the dyestuff manufacturers "to forward their famous licensing and embargo schemes."

Mr. FREAR. Speaking for myself, I will say I never saw Garvan or heard him, and he is entirely wrong in his statements.

The writer continues:

Mr. Garvan can not point to any part of the record of 1,360 pages where it turned into an investigation except that some few inquiries were made about the Chemical Foundation, which at that time had only just commenced to function. Most of the 1,360 pages were devoted to raising the American flag and in turn inducing the eagle to valiantly cry for protection for the dyestuff industry in the name of patriotism. So that when Mr. Garvan makes this statement again he lies, and knowingly lies.

Mr. Garvan's reply follows, in part:

"Congressman FREAR knows that the billions of dollars that are being appropriated by Congress now for a great Army and a great Navy might just as well, without the development of capacity chemical-producing peace-time factories, be spent upon confetti slingers or kiss throwers. Chemical warfare has come to stay, and in that warfare of tomorrow Germany is armed above all the world. The Chemical Foundation believes, however, that with the development of American chemistry by American chemists,

[Garvan's attack.]

protected during their period of education, war will be impossible."

Regarding this paragraph, Mr. Garvan is airing an opinion which has not yet been confirmed by the Army or Navy Departments in toto as to what the future war is going to be; but it might be well to ask, that in view of the fact that the dyestuff industry in America had been in existence for nearly three years prior to the time that the United States got into the war, whether the dyestuff industry as such contributed one iota in the shape of explosives or ammunition to the war.

Anything that was done during the war in the shape of explosives

[Reply to Garvan.]

or gases was done, and very ably done, by the United States without the aid of any dyestuff factoring; and if it can be done once it can also be done twice, and it is fair to say that any plant, even a brewery, could just as easily be turned into an explosive plant as a dye plant.

The appended paragraph is better answered by making the statement that Mr. Garvan is unquestionably "a god unto himself"; that he is the only man that knows anything in the world, and, therefore, his prognostications as to the future of what warfare in this country will be should stand on a par with the Constitution of the United States.

It means that in 10 years every nation on the globe, through the markets of Germany, England, Japan, Italy, and the United States, can be equipped with airplanes and chemical munitions, and that the ability of even the smallest to wreck vengeance for attack by even the greatest will make the attack impossible. It means that the war-making politician of the future has been placed on the firing line, together with all his family, by the development of chemical warfare.

EDUCATION IS INTEREST.

But even all this is not the chief interest of the Chemical Foundation. The chief interest of the Chemical Foundation is to insure to the American people the benefits of a highly educated and highly developed chemical equipment in the progress of chemical medicine. Universities, colleges, and schools throughout the country are appropriating millions of dollars to develop their chemical courses.

The Foundation's interest in the dye industry is based upon the fact that when the boys and girls in these universities have taken advantage of these courses the chemical industries become not only a proper life work, advantageous to the country, but they become the most efficient post-graduate schools, promising the properly equipped personnel for chemical research the only sure basis for future medical progress.

Regarding this paragraph, I would say that Mr. Garvan grandiloquently talks about the educational value of the Chemical Foundation, and it would be well to learn wherein the Chemical Foundation has contributed one iota of assistance to any college, school, or university of the United States in the course of its two and one-half years of existence.

Rather might it be said that inasmuch as Mr. Francis P. Garvan used the Alien Property Custodian's office for the benefit of carrying Mr. Garvan's name in the public press, so now, having lost the Alien Property Custodian's position, he uses the presidency of the Chemical Foundation to keep the name of Garvan everlastingly before the American public. Mr. Garvan is unscrupulous, has been shown he has lied. * * *

He does not tell the American public that if the combined assets of all the various dyestuff manufacturers in the United States were translated into marks, at the present rate of exchange it would amount to some considerable sum. As an illustration of this, the combined assets of the Du Ponts and the Allied Chemical & Dyestuff Co. as of present date and as of the present rate of exchange, it would amount to 6,720,000,000 marks—quite a tidy sum with which to beat a trust that has only 2,000,000,000 marks worth of capital.

* * * * * * *

These little manufacturers know and have told Congressman FREAR that the larger manufacturers, like the Du Ponts and the Allied Chemical Co., have only a small portion of their capital invested in this industry, and that upon the announcement of open competition with the 40-year developed German cartel they have only to shift the form of their investment, abandoning the dye business, while the little fellows will have their all wiped out, which they invested under the idea that the American people had determined to be independent chemically of all the world.

Regarding this paragrapn, the time is not yet ripe for the octopus of Wilmington to show its hand. The little fellows are going along with a feeling of confidence because they have been able to make a little money while the war was on, but the time will come when Mr. Irenee du Pont's statement made before the Senate Finance Committee in the last hearings, "That may be that some day they would have to soak the little fellow and put him out of business," will come true after the embargo and licensing features contained in the tariff bill are enacted into law.

COMPETING FIRMS.

(1) The Interessen Gemeinschaft, subsidized, protected, and guarded by the German Government, equipped and fed by universities, colleges, and schools that for 40 years have been equipping its personnel, an organization which has itself established a licensing board to which every American manufacturer must bow his head before he can receive 1 pound of German dyes. At what price does the American textile manufacturer believe that this German trust will give him dyes once it has succeeded in exterminating the industry in America, and at what price does he think he would be getting dyes now were it not for this industry here?

Congressman FREAR knows that the Chemical Foundation is an organization founded for public pur-

Regarding this paragraph, the American consumer at least knows that he is being soaked to the nth degree by the prices which are at present in vogue among the American dyestuff manufacturers. He can not conceive that even if the industry did finally get back to the German Interessen Gemeinschaft how they could be very much higher.

Regarding this paragraph about the Chemical Foundation, it is certainly interesting to learn for the

[Garvan's attack.]

poses. He makes the accusation that the American Dyes Institute is now controlled by the Chemical Foundation, that represents $500,000,000 in assets. He knows that the Chemical Foundation has not a dollar of interest in the American Dyes Institute or in any other dye or chemical corporation or concern. He knows that its total capital is $500,000, $250,000 of which were paid to the United States Government and $250,000 reserved for working capital. He could have learned, for the asking, that it has been operated at a loss of $150,000 since its organization, and that no one connected with it, except the managing force, has received one penny, directly or indirectly, for the services which they have given to it.

[Reply to Garvan.]

first time that the Chemical Foundation has lost $150,000 in its operations. That certainly is news to everybody, including the stockholders, who up to to-day have never received a report from the (God Unto Himself) Garvan, and this proves what everybody has for a time suspected that the Chemical Foundation, once safely under the domination of Mr. Francis P. Garvan, was to be used as a means to further the interests of Mr. Garvan's personal friends. And we would all like to know just what salary Mr. Joseph H. Choate, jr., has received as the so-called "general counsel of the Chemical Foundation," though just how much of a general counsel he really is, in view of the fact that most of his activities seem to be confined to running around the country talking to pink-tea parties and camouflaging the whole dyestuff question under the protection, as it were, of the American flag.

Also, it would be very interesting to know how far through the influence of Mr. Francis P. Garvan, as president and control of the Chemical Foundation, the same Mr. Joseph H. Choate, jr., had been wormed into various chemical corporations as counsel for them.

Also, it would be interesting to know what salary Mr. Ramsey Hoguet, the patent attorney of the Chemical Foundation, was receiving as salary from the Chemical Foundation, and also how many nice, soft jobs he had been put into through the same influence as patent attorney for chemical corporations.

Also, the general public would like to know why the property seized in the interests of the American people, as was done in the case of the Chemical Foundation when they seized 4,500 patents, why they should be penalized 10 per cent on every pound of imported dye which is brought into this country under those patents for the express purpose of providing sinecure berths for such riffraff as Francis P. Garvan, the son of a ragpicker of Hartford, Conn.; Mr. Joseph H. Choate, jr., living on the reputation of his father; and Mr. Ramsey Hoguet.

If a thorough investigation of the Alien Property Custodian's office from the time that Mr. A. Mitchell Palmer and his successor, Mr. Francis P. Garvan, handled the affairs of the enemy aliens were ever investigated, it would show a distinct parallel roadway down the line that all power which was given to them by the United States Congress was utilized for the one purpose of filling the pocketbooks of their friends, to the everlasting disgrace of America.

Some day these facts are coming out.

Hoping this may be of some assistance to you,

Very sincerely, yours,

THE REAL QUESTION AT ISSUE.

Mr. Chairman, the foregoing expert opinion expressed by letter from one New York gentleman of another, with a few personalities stricken out, so as not to give offense, assumes to answer Mr. Garvan's defense of himself as given to the press. Whether the letter's estimate of Mr. Garvan as a dollar-a-year swivel-chair patriot, with or without profit, is true is immaterial, but the portion which denies his description of the dye situation here and abroad is an important dyestuff contribution. It does not come from a German or alien citizen, nor from an importer, but it talks to Mr. Garvan in his own vocabulary, gives facts of interest, and parts stricken have a meaning all their own.

Again I say the country is not interested in the comparative patriotism of a respected American citizen importer who gave his three sons to the war and Garvan, who hurried to Washington in order to get his dollar-a-year job, nor is it important whether Mr. Garvan is the prevaricator described by the last critic whose name is withheld, even as Garvan photographed a mutilated letter and gave it to the press. The country does not care a farthing for Mr. Garvan nor for his political or social aspirations. The public that pays the bills wants to know why Mr. Garvan seized and sold alien patents long after the armistice, leaving the Government to hold an empty sack, while he and his associates now threaten suit to recover a half million dollars or more from the Government for licenses they failed to gather in when they scuttled the Alien Custodian office of all patents, copyrights, and trade-marks they could locate.

WHY WAS NO REPORT FILED BY MR. GARVAN.

What the country is entitled to know is why Mr. Garvan has never filed any report of his record as Alien Property Custodian, as he promised to do in public hearings two years ago, and as every public official is expected to do. Is it to cover up large fees squeezed out of aliens for his personal friends, alleged in case of one attorney now connected with the dye monopoly to have reached between $100,000 and $200,000? Or is it because of other transactions in his office as peculiar in character as the sale to his own company of enormously valuable patents at 2 per cent of their value?

This is no political question, and it is immaterial whether Republicans or Democrats were beneficiaries of his bounty as he suggests, because the country does not care a straw who it hits. What it wants to know is why Mr. Garvan has never filed a public report, or any report so far as known, of his official transactions affecting enormous amounts of property formerly in his custody. I make no charge. I will not repeat statements made to me giving the purported reason, but I ask why after two years' delay he has not and does not file his official report so that Congress may investigate the facts and learn the truth?

Postscript attached to the letter quoted is also of same value, as follows:

Here is a reply to the argument advanced that embargoes and licensing systems are in vogue in England, France, Japan, and Italy.

You will notice that the canny Englishman does not propose, in making a dye monopoly for Great Britain, that the consuming public is milked, as is proposed in the United States. On the contrary, it has invested the public's money and is getting 7 and 8 per cent in return.

[From the Oil, Paint, and Drug Reporter, Apr. 11, 1921.]

BRITISH DYESTUFFS CORPORATION INVESTMENT BY GOVERNMENT.

A dispatch from London says that in the House of Commons recently Mr. Gilbert asked the president of the board of trade whether he would state the amount of capital held by the Government in the British Dyestuffs Corporation, whether he would state if it was invested in debenture, preference, or ordinary stocks, if any dividends had been paid on these stocks; if so, what amount, and would he state to what account of his department dividends paid were carried.

Sir Philip Lloyd-Graeme replied: "The securities held by His Majesty's Government in the British Dyestuffs Corporation (Ltd.) are £850,001 preference shares of £1 each and £850,000 preferred ordinary shares of £1 each. On the preference shares 7 per cent has been paid down to October 31 last, on the preferred ordinary shares 8 per cent has been paid down to October 31, 1919, and a further dividend of 8 per cent for the year ended October 31, 1920, has been announced, but has not yet been distributed.

"Dividends on investments are paid into the exchequer, and are not brought into account by the board of trade. They are referred to in the estimates for the board of trade as 'extra receipts,' from which the department does not receive credit."

In this same connection, I am informed under the English law salaries in the dyestuff business and other items of expense are under supervision and limitation.

Mr. YATES. Did the gentleman state at the opening of his remarks that the estimate was that imports would come in under this bill at the rate of $2,500,000,000 per annum?

Mr. FREAR. I said that the amount of duties collected, it was estimated, would reach about $600,000,000. Now, of course, the rates collected will depend on what imports come in. They may be high or low, but at an average of 20 per cent, based on that estimate, I said that the imports would reach about $2,500,000,000 of goods coming in, and that makes it a competitive protective tariff, if the figures of Mr. McCoy are right, and I think they are substantially right.

Now, gentlemen, I have endeavored to present these facts to you. I want to say this: That here is the dye proposition. Look and see who is supporting the dye proposition. We know who drew the law. What Member here has an interest in it? I do not believe you have. Then, if you have not, why not say to the people of the country, "You shall have all the protection you want for this dye monopoly to carry on its industry"; but for heaven's sake, with all the various textile people dependent upon getting good dyes, in order to force the people here to manufacture good dyes, with 100,000,000 people to wear the goods that are dyed, let us do justice by them and say that there shall be no embargo. [Applause.]

Mr. FESS. Will the gentleman yield?

Mr. FREAR. I yield to the gentleman from Ohio.

Mr. FESS. I have been very much interested in what the gentleman has said in his argument. I think he believes that the dye industry must be protected.

Mr. FREAR. Yes; surely.

Mr. FESS. Does the gentleman see a way to protect it other than the one which has been suggested in the bill?

Mr. FREAR. Let me say to the gentleman that to-day we are exporting 8,000,000 pounds of indigo blue at four times the cost before the war by these very same companies, and we only imported about 1,700,000 pounds from Germany, according to the report to the Tariff Commission which I have just read. Now, that was just one item of dye.

Mr. FESS. My question is inspired by a desire to find a way that would be better than this, if there is such a way, to protect this industry.

Mr. FREAR. With a financial power existence in American dye industries four times as large as all the dye industries of Germany, there is no necessity for an embargo. Importations have practically been eliminated. Our exports, on the contrary, are growing rapidly, as fast as we can manufacture the products.

Mr. BLACK. Will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. BLACK. The ad valorem rates in the bill on the goods covered in paragraphs 25 and 26 are 35 per cent, are they not?

Mr. FREAR. Thirty-five per cent on the American valuation, and 7 cents a pound.

Mr. BLACK. Is not that higher by 5 per cent ad valorem and 2 cents a pound than the Hill bill, and will not dyestuffs and chemicals be as highly protected as many articles in the bill, even if you strike out all of these provisions in paragraphs 25 and 26?

Mr. FREAR. I stated at the outset of my remarks that it amounts to about 290 per cent as compared with the Hill bill of 1916; that is, because dyes are four times as much in price to-day.

Mr. MACGREGOR. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. MACGREGOR. I want to get this clear in my mind. At the time the Chemical Foundation took over the German patents it was represented, I think, on the floor here that the Chemical Foundation was for the benefit of the American people; that they were to hold the patents in trust for the American people. Do I understand that is false and that the trust is for the benefit of the Du Ponts and other monopolies of dyestuff?

Mr. FREAR. Let me say briefly, the men in the custodian's office took the dyes, bought them for $250,000, and salvarsan itself was worth $5,000,000.

Mr. NOLAN. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. NOLAN. The gentleman referred to the Chemical Foundation and the licensing system for manufacturers. Is the gentleman aware of the fact that the Chemical Foundation killed the Patent Office bill in the last Congress because it gave the Government of the United States, through the Federal Trade Commission, a right to license manufacturers under Government patents?

Mr. FREAR. It is the same Chemical Foundation Co. that has been fighting the Federal Trade Commission and trying to get the dyestuffs under the Tariff Commission.

Mr. NOLAN. Their charter gives them the right to recall licenses after they have issued them under these patents.

Mr. FREAR. It has the power to issue licenses and annul licenses immediately after they have been given, and it has complete powers under its incorporation.

Mr. KEARNS. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. KEARNS. I believe the gentleman has said that other countries have placed an embargo on the importation of dyes.

Mr. FREAR. I did not say all. England and France, and England owns her dyes and she can control the income from dyes in that case. It is more like a subsidy.

Mr. KEARNS. Do England and France limit the amount of profit that the manufacturer can make?

Mr. FREAR. They reduce it to 8 per cent in England. [Applause.]

ADDENDA.

I ask any sponsor for the dye provisions of this bill to place in the RECORD answers to the following important questions:

1. Did American dye manufacturers export approximately one-half of all synthetic indigo produced last year, or about 8,000,000 pounds exported in 1920?

2. Was that amount of indigo dye alone over four times all German dyes imported into the country in 1920 under the embargo now in force?

3. Are American dyes sold now at approximately four times prewar prices?

4. What is the comparative cost of producing American and foreign dyes to-day?

5. What is the sale price of American and foreign dyes to-day?

6. Are not the assets of the Du Pont Co. and allied companies alone $562,000,000, apart from many smaller companies?

7. Is that not four times the assets of all German chemical companies?

8. Is it not true that other chemical products compose a part of the "big six" American or German assets in both countries?

9. Is it not true that the protection given under this bill to dyes is nearly three times the duty given under the Hill bill?

10. Counting prewar indigo at 15 cents per pound, 30 per cent ad valorem and 5 cents per pound, compared with present indigo at 60 cents per pound, 35 per cent American ad valorem and 7 cents per pound, is that not about a 10-cent prewar duty compared with a 29-cent present duty?

CHEMICAL FOUNDATION.

1. Were Messrs. Garvan and Choate officials in charge of patents when sale was made to the Chemical Foundation in 1919?

2. Did these officers organize the Chemical Foundation?

3. Did they take over 4,000 patents then in the hands of the custodian?

4. Was it at private sale?

5. Was consideration less than 5 per cent of real value?

6. Has the "Foundation" threatened suit for fees against any department of the Government? If so, which one and for how much?

7. Has Alien Property Custodian Garvan ever filed a report? Why not?

8. Has this Foundation Co. a control of 4,000 dyes with power to cancel all licenses?

9. Did dye people spend over $100,000 to put through existing dye laws?

EXTRACT FROM REPORT CONTAINING DYE DATA.

It is impossible to point out many features of the "additional views," which I have filed, concerning the dyestuff provision of the bill, and I ask that those desirous of ascertaining the scope of the dye embargo in the bill will examine such views which follow the majority committee's report of the three reports submitted at page 32 of the combined report. I am printing a brief extract from the report that can not be referred to specifically in an hour speech, but I invite consideration of other portions of the report or "views" not quoted that present arguments against placing any embargo with the Tariff Commission. I quote from the "views":

CHARACTER OF INFANT INDUSTRIES DEMANDING AN EMBARGO.

The Allied Chemical Dye Corporation on December 30, 1920, had total assets of $282,743,000. This infant industry now demands we surrender to a commission all legislative powers of embargo Congress now possesses and far more than Congress has ever exercised in times of peace. For a better understanding of this corporation, reference is made to a discussion of the dye industry on May 23, 1921, CONGRESSIONAL RECORD, page 167.

In addition to the Allied Chemical Dye Corporation with its $282,743,000 in assets, another infant industry, the Du Pont Co. with $280,000,000 assets, also controls large dye interests. These two companies with aggregate assets of $562,000,000 are nursling dye industries that now demand unprecedented protection under the bill.

It is contended that all the $282,000,000 of Allied Chemical Corporation assets are not invested in dyes and that the $280,000,000 of Du Pont Co. assets also comprise other interests besides dyes and chemicals. An investigation would disclose the amount of money invested in dyes, in chemicals, in perfumes, and other products but it is certain that these two $280,000,000 twin nurslings of enormous size and stature are now pressing the bill that will give them unlimited profits and absolute control under the official stamp and seal of the Government. All the dye interests are merged in a "foundation" trust, as will later appear.

DYE INDUSTRIES THAT DIVIDE UP THE EARTH.

A division of the earth in two hemispheres has been made between Levenstein Co. (Ltd.), of Manchester, England, and the Du Pont Co. wherein all America—North, South, and Central—is given to the Du Pont Co. of Levenstein dyes as disclosed an page 6742, CONGRESSIONAL RECORD, May 8, 1920, which arrangement presumably carries millions of profits to the Du Ponts through the Levenstein dye control and indicates the grip this company has on the country.

The Levenstein dye contract gives the Du Pont Co. exclusive right to manufacture and sell in the Western Hemisphere the Levenstein synthetic indigo dyes for $1,250,000. Approximately 8,000,000 pounds of indigo were produced in America in 1919 and the output was doubled to about 16,000,000 pounds in 1920. These dyes sold for 14 cents per pound before the war, but now sell for from 60 to 70 cents per pound. Infant American dye industries that produced 16,000,000 pounds of indigo in 1920 are further reported to have exported 8,000,000 pounds of indigo for foreign trade last year. An analysis of these figures destroys the only argument for embargo offered by the Dye Trust.

In order to "develop chemicals in time for our next war" every housewife who uses ordinary bluing for family washing; every workman who wears blue overalls, cap, or shirt; every man, woman, and child wearing blue clothing, socks, or ties must, one and all, pay annual tribute reaching many millions through the 350 to 400 per cent increase in price of indigo blue.

A tribute to "patriotism" is the argument addressed to Congress by the Du Pont Co. and Chemical Trust Foundation. It seems a far cry from the family washtub to the Christianizing influence of mustard gas and high explosive Du Pont powders for "national defense," but those who reap large dye profits do not employ ordinary reasoning when raising the wolf cry that was old centuries before Æsop's time.

DYE PATENTS NOW HELD BY THE CHEMICAL DYE TRUST "FOUNDATION."

The Steel Trust Foundation, Cement Trust Foundation, and other trust "foundations" have a recruit in the Chemical Foundation.

Patriotic devotion to country is found in the position of Mr. Francis P. Garvan, former Alien Property Custodian of the United States, whose absolute control of all German dye formulas during the war is a matter of record. Patents 4,500 in number, valued at untold amounts, were sold in the name of the Government for $250,000 to the Chemical Foundation, of which he is the president and its chief officer. These patents' cover salvarsan and many other valuable products which were sold for a little more than $60 each, sold at "private sale" for a song to a company of which Mr. Garvan is president.

The record shows a number of patents were sold by the Government to the Grasselli Chemical Co., of Ohio, and its associates for $5,400,000 prior to the organization of the Chemical Trust Foundation. The sale of 1,100 patents to the Cleveland firm for twenty times the amount afterwards received for 4,500 patents sold by the Alien Property Custodian at a private sale, to the monopoly of which Garvan is now president, indicates good business for the monopoly, whatever may be said of the interests of the United States Treasury. The record shows (p. 519, Senate dye investigation) that the Grasselli Chemical Co., the Du Pont Co., the Bethlehem Steel Co., Hercules Powder Co., Newport Chemical Works, Milwaukee, and scores of well-known dye concerns were let in on the ground floor with the patents sold to the foundation for $250,000 by the Alien Property Custodian. Manufacturers of salvarsan, synthetic indigo, and other products covered originally by German patents must first receive a license from the Chemical Foundation, and this dye foundation also receives a commission or rake-off from all imports, so it gets the manufacturer and public coming and going.

The American Dyes Institute, a general dye agency, collected in dues in 1920 $121,976 and expended $104,932, largely for "legislative" work in passing the Longworth dye bill, or practically its entire receipts went for legislative work. An important link in this great dye monopoly is given as follows:

"The moving spirit in the American Dyes Institute is Morris R. Poucher, formerly connected with the Badische Co. (of Badische German vat dye fame). Mr. Poucher is chairman of the executive committee of the Dye Institute; he is on the advisory committee of the War Trade Board, appointed by the Dye Institute; he is on the advisory committee of the Textile Alliance * * *; in other words, he is the Dye Institute, he is the Du Pont Co., he is the Textile Alliance, and on the War Trade Board."

Mr. Poucher should be expert advisor for the Tariff Commission.

The foundation trust that is vigorously pressing this bill for passage includes the Allied Chemical Co. and the Du Pont Co., with combined assets of over a half billion dollars. The companies absorbed by the Allied Chemical Co. and the Du Pont Co., are all in the Chemical Foundation, of which Mr. Garvan, formerly Alien Property Custodian, is now president.

DYE MONOPOLY ASKS EXEMPTION FROM SHERMAN ANTITRUST LAW.

In hearings before the Senate Finance Committee on H. R. 8078, page 161, the president of the Du Pont Co. appeared before the committee and stated: "Our competitors are welcome to trim us if they can, but they have a good, stiff job ahead of them."

In the Du Pont trimming establishment the Government for over a century has furnished many millions of dollars in frames and feathers, but Congress, by the provisions of the dye schedule of the bill, now is asked to become a partner in the trimming ceremony, without profit but at a loss of millions of dollars annually in tariff duties. On page 164 of the Senate hearings the president of the Du Pont Co. says:

"If a concern in this country had all the [dye] business at enormous profits and they saw a man who was liable to cut into those profits, a little fellow sticking his head up, they might soak him."

But he adds, "We are growing up together." With the Government's aid, the lion and lamb may grow up together for a day, after which the lamb decorates the inside of the lion in their last association together.

On December 16, 1919, before the Ways and Means Committee, the Du Pont Co.'s president said:

"The Longworth (dye) bill is an embargo; it is a misnomer to call it a license bill. * * * I want, at the risk of seeming to get a monopoly, to urge that you should provide that the Sherman law does not apply to the dye industry."

MORE TESTIMONY AS TO THE DYE MONOPOLY.

The Chemical Foundation, underwritten by the Du Pont Co., with its control of 4,500 patents, holds the key to the dye monopoly. Testifying before the Ways and Means Committee, June 19, 1919, Mr. Choate, attorney for the "foundation," said (pp. 120–121):

"Mr. GREEN. You say the Chemical Foundation would issue a nonexclusive license * * * and if it appears he has not manufactured dyes to their satisfaction * * * he could be excluded?

"Mr. CHOATE. He would be excluded if the Chemical Foundation did not believe he was in a position to make dyes that would be a credit to American industry.

"Mr. GREEN. That is a matter entirely in their discretion and judgment?

"Mr. CHOATE. Precisely as it is in the discretion of any other owner of patents.

"Mr. KITCHIN. If the patents your company purchased will not enable the dyestuff manufacturer to more easily manufacture the proper dyes, why will he have to pay a royalty on the patents?

"Mr. CHOATE. Because if he did not we could stop his manufacture because of infringement."

* * * * * * *

Thomas Frusher (p. 303), the second largest dye buyer in the country, capital stock, $16,000,000, said:

"There is a great dye manufacture in the United States. They can supply the whole United States and have some to spare. You do not have to build more factories. There are already too many, much too many * * *. I am not in favor of the licensing system.

"Mr. MOORE. It would tend to create a monopoly and to increase prices?

"Mr. FRUSHER. Absolutely. * * * The Foundation Co. can absolutely control and put out of business any man in this country manufacturing dyes. I say the power is there. * * *

"There is too much relation between the dye manufacturers of the country and the Foundation Co. to be healthy for the consumers of dyes in the United States."

GERMANY NOT A DANGEROUS DYE COMPETITOR.

Under the terms of the bill Congress prohibits foreign competition at any price in dyestuffs. A nominal amount of dyes from Switzerland and a less amount from Germany came in during the 10 months ending April, 1921, the last date reported. An official report by the United States Department of Commerce October, 1920, says:

"The United States has abundant coal to supply the raw materials for making aniline dyes. * * * It is evident that whatever the demand for dyes made in Germany may be, that country will never regain its lost supremacy in the world trade in dyestuffs. * * * Germany, it is now conceded, will not be the strenuous competitor she was formerly in the foreign trade. Switzerland is the only country other than the United States now making aniline dyes sufficient to meet its own requirements and able to export on a large scale, and the Swiss are dependent on other countries for the raw materials."

Here is a reliable official Government report that effectually exposes the many misstatements of high-priced attorneys and interested dye stockholders.

PRICES UNDER AN EXCLUSIVE AMERICAN DYE MONOPOLY.

Warren F. Doan, editor of the Philadelphia Manufacturer, quoting from Joseph S. Rambo, president of Rambo & Regar, says:

"There are at least three (domestic) large manufacturers of direct black (dyes), which to-day brings from 80 cents to 90 cents a pound and is about half the strength of the concentrated prewar product, which sold at not more than 25 cents. Methyl violet, of which there are many manufacturers, to-day is selling for about $1.75 and is approximately the same grade as prewar goods at 32 cents. Acid black is to-day selling for $1 to $1.10 and is slightly better than half strength of the concentrated prewar product at 26 cents. Indigo, one of the most important colors, is to-day about 60 cents against a prewar net price of from 15 cents to 16 cents.

"Domestic production of these colors in 1919, according to the Tariff Commission, was: Methyl violet, 547,000 pounds; acid black, 1,800,000 pounds; direct black, 7,250,000 pounds; and indigo, 8,800,000 pounds."

The indigo production practically doubled in 1920 over 1919.

About 18,000,000 pounds of these four dyes in 1919, for which the American cloth manufacturer and consumer paid on the average 400 per cent more than the same dyes cost before the war, paid to a monopoly that "trims" or "soaks" the little fellow if he cuts prices. This American Dye Trust now makes some 450 different dyes, on which proportionate profits occur, and yet asks for the exclusive American field for three years more and thereafter in perpetuity in order to make all of the dyes hereafter produced by foreign chemists.

ONE HUNDRED MILLION CONSUMERS GOOD PICKING.

Dr. Hesse, an eminent authority, states that coal-tar dyes affect the livelihood of more than 1,090,000 employees who work in 11,000 manufacturing establishments in this country, having an invested capital of more than $2,500,000,000 and producing annually $2,600,000,000 in manufactured products. Congress is asked by the dye schedule to give this infant Dye Trust, with aggregate assets of over a half billion dollars, exclusive picking of the 11,000 factories that require dyes and of 110,000,000 American consumers who ultimately pay the bills. By giving an exclusive monopoly of our home market dye prices have been kept up from 300 to 400 per cent higher than before the war with a certainty that the American public will be fleeced as long as the little fellow gets "trimmed" and "soaked" for cutting prices.

In other words, at a time when the Treasury needs every dollar that can be raised by tariff duties, Congress is asked to hold up the American consumer by the throat while the dye monopoly goes through his pockets, keeping for its own use the tariff duty that otherwise would help pay expenses of Government. That is the effect of the chemical schedule reported for passage by the committee.

DYE SCHEDULE AGAINST EVERY PROTECTIVE TARIFF PRINCIPLE.

For many years high priests of protective tariffs have founded their arguments, reports, and tariff schedules on advice of the American Protective Tariff League. Its voice is the voice of thousands of American industries that speak through the league when demanding protective-tariff duties. In a letter dated June 7, 1921, A. H. Heisey, president of the league, writes regarding this dye schedule:

"It seems to be the aim of the parties in interest to incorporate the Longworth bill in the general tariff bill for a period of five years. Such a measure would be a bad precedent, breeding monopoly and dangerous politics. It would really be the commencement of the destruction of protection and therefore directly affects the Republican Party. * * * Why is it necessary to use the immense influence that has been brought forward in its favor than for any other industry? If this measure is necessary to the welfare of the country, the same condition applies to every "key" industry covered by the tariff. * * * The Tariff League has opposed this measure because it is morally wrong and is in conflict with protective principles."

In a pamphlet sent every Member of Congress Editor Doane, of the Manufacturer, says of this dye combination:

"The party of monopoly—no matter in behalf of what class that monopoly is brought into existence, nor upon what specious pretext—can never be the party of the people in this country. It is un-American to the core, and retaliation is certain to be swift and sure. If the present majority in Congress and the national administration permit the Republican Party to be committed to the principle of embargo as embraced in the Longworth bill, theirs will be the responsibility for having placed the American textile industry and the Republican Party upon the sacrificial altar of monopoly."

What higher disinterested authority need be quoted than the judgment of such men who represent manufacturing interests of the country now protesting to Congress against the dye schedule?

Referring to the same dye provision when before the committee asking for a two years' embargo, the American Economist of June 17 says:

"It would be like enacting a law permitting a certain class of people to steal for a period of two years * * * it is stealing. The man who picks your pocket is no more a thief than the one who, under the false plea of patriotism, asks for an embargo on chemicals and dyes in order that he may establish a monopoly under which he will pick your pocket strictly according to law."

How will this Congress go before the people in defense of a law that reputable high protectionists declare permits stealing or picking of the pockets of the American people under a false plea of patriotism?

DYES URGED FOR "NATIONAL DEFENSE."

Like tungsten, manganese, magnesite, and innumerable other articles contained in the bill, an attempt is made to justify this dye monopoly's grip on the American consumer by urging such course as

a matter of "national defense." Who are we about to fight and when and where and why? With the entire world prostrate and helpless no argument can justify the dye schedule for national defense. Legislative crimes without number can be committed on a pretense which permits legalized governmental safe breaking. Congress is confronted with appeals from favored interests in this war cry in times of peace, and it is a sign of well-organized propaganda when many thousands of dollars have been spent in trying to get a stranglehold dye proposal passed through Congress.

Unjust tariff rates, oppressive burdens to consumers, these are objectionable and may furnish just ground for opposition to items in the bill, but all tariff rates, however prohibitive, are insignificant in effect compared with the plan presented by the dye octopus that proposes to vest far-reaching powers not possessed by Congress in an irresponsible commission agency, an agency that is to maintain a trust combination at the expense of the public without right of revision or appeal to the courts or to Congress.

That is a vice of the bill not measured by any tariff standard past or present, but a law unto itself, superior alike to the Congress and the Constitution.

The following letters speak for themselves:

JUNE 29, 1921.

Hon. THOMAS W. MILLER,
Alien Property Custodian,
Sixteenth and P Streets NW., Washington, D. C.

DEAR MR. MILLER: Will you please send me a copy of the report of Mr. Francis P. Garvan while Alien Custodian? I understand such report was prepared, and would like to have a copy, if so.

Thanking you very much for your kindness, I am,

Very sincerely,

JAMES A. FREAR.

ALIEN PROPERTY CUSTODIAN,
Washington, D. C., July 6, 1921.

Hon. JAMES A. FREAR,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: In reply to your request of June 29, 1921, you are advised that Mr. Francis P. Garvan made no formal report while Alien Property Custodian.

Very truly, yours,

GEORGE E. WILLIAMS,
Managing Director.

PROTECTION WHICH THE AMERICAN DYESTUFF MANUFACTURER NOW ENJOYS ASIDE FROM THE LICENSE SYSTEM WHICH IS ASSURED FOR THREE MONTHS.

I. Their own agreed tariff—the present Hill bill of 1916 gives rates of 30 per cent and 5 cents per pound for aniline dyes, practically all the dye manufacturers asked for. These rates have never had a fair trial under normal conditions.

II. Which is guaranteed by an antidumping bill—the emergency tariff just passed contained a permanent and thoroughly effective antidumping clause with teeth such as we have never had before.

III. Compelling highest possible duties—the valuation clause under Title III of the emergency tariff provides that the duty shall be assessed "on a value not less than the export value"; in other words, until repealed the duty is assessed on the foreign home market value or export value, whichever is highest, the immediate effect of which was to materially increase the duty on imported dyes, for the export price is considerably higher than the home market price, as the appended illustration will show.

IV. Entirely additional protection is provided by the Chemical Foundation, which charges 10 per cent of the selling price on all imports of patented colors. These include most of the V colors, and a very large percentage of the various other dyes now in demand for special requirements and of exceptional fastness. This 10 per cent royalty, in many cases, amounts to within a few cents of the per pound selling price of the same dyestuff before the war. In this connection Mr. Choate said before the Ways and Means Committee in June, 1918, regarding the Chemical Foundation: "The purpose, of course, is to prevent the importation of dyes and dyestuff from the outside. Incidentally, undoubtedly, the foundation will not use that power."

Also, it must be borne in mind that the American valuation plan now under discussion would make a most material additional cost to the importers. With all these safeguards the dye manufacturer wants a monopolistic license plan, and, almost as bad, a system of standardization, almost impossible of application, and whose interpretation could result in raising the present tariff rates over 100 per cent.

Telegram read to the Republican conference July 6:

NEW YORK, *July 6, 1921.*

Hon. JAMES A. FREAR,
Member of Congress, Washington, D. C.:

To your colleagues to-night please say that it is the firm conviction of the executive committee of the American Protective Tariff League, after careful survey and consultation with conservative party business men, that approval of dyestuff embargo will lose every doubtful congressional district next year. That embargo has no place in American fiscal system, and especially in any tariff act.

WILBUR F. WAKEMAN,
Treasurer and General Secretary.

THE AMERICAN PROTECTIVE TARIFF LEAGUE,
New York, June 22, 1921.

Hon. JAMES A. FREAR, M. C.,
Washington, D. C.

HONORED SIR: We are informed that the obnoxious dyestuffs embargo or license conditions will remain in the new tariff bill when it is reported by the Ways and Means Committee, House of Representatives, this week. The dyestuffs or dye embargo conditions have been withheld—not yet reported in its proposed form—although the committee has been in session several months. The dye proposal, as reported two weeks ago, was defeated in committee.

The terms of the dye proposal are not yet known, but it is reasonably certain that they will give drastic authority to the Tariff Commission or some other agency to continue present objectionable embargo powers. Doubts are now expressed as to any right being given in the House of Representatives to review or amend the dye schedule under a rule that may be asked by the committee.

We urge that full opportunity be given for review and amendment in order that any continuing dye embargo powers may be stricken out of the bill, and we urge that the House of Representatives fix adequate tariff duties against foreign products in preference to exclusive rights, now enjoyed by monopoly, which has and is spending untold sums for the continuance of its monopoly.

We trust that you will join in strongest protest against a system which substitutes un-American embargo or prohibition for adequate protective tariff laws. We ask your earnest cooperation against this existing monopoly.

Very truly, yours,

THE AMERICAN PROTECTIVE TARIFF LEAGUE,
A. H. HEISEY,
President National Association of Hosiery and Underwear Manufacturers.
W. F. WAKEMAN, *Treasurer and General Secretary.*
C. B. CARTER, *Secretary.*

(Signature authorized.)

THE AMERICAN PROTECTIVE TARIFF LEAGUE,
Newark, Ohio, June 7, 1921.

Hon. JAMES A. FREAR, M. C.,
Washington, D. C.

DEAR SIR: Referring to the license clause of the dyes and chemicals interests, covered by the Longworth bill, now incorporated in the emergency tariff law, which, of course, expires with the termination of this bill.

It seems to be the aim of the parties in interest to incorporate this in the general tariff bill for a period of five years. Such a measure would be a bad precedent, breeding monopoly and dangerous politics. It would really be the commencement of the destruction of protection, and therefore directly affects the Republican Party.

I can not understand why legislation should be passed for the benefit of the few to the detriment of the many, as is the case with this license clause.

From the best information obtainable, I am led to believe that this proposition is so well financed and so completely organized to further the interests of the parties involved that unless some one is to be directly benefited, the means that are now being used to promote this scheme would be unnecessary. Unless these conditions exist, why is it necessary to use the immense influence that has been brought forward in its favor more than for any other industry? If this measure is necessary to the welfare of the country, the same condition applies to every "key" industry covered by the tariff.

Back of this industry are the Du Ponts, as I understand it, who never spend a dollar to promote anything unless they are benefited financially. The Tariff League has opposed this measure because it is morally wrong and is in conflict with protective principles. For this reason the Du Pont industries have withdrawn their connection with the Tariff League and are using every effort to influence their friends to take a like position.

The recommendation to incorporate this clause in the general tariff bill emanated from and was recommended by Mr. LONGWORTH'S subcommittee of the Ways and Means Committee, and he being largely interested in chemicals, it bears a reflection.

It is rather singular to me that any of our Representatives would be influenced by the parties who are directly or indirectly interested in the measure involved, for the people back of this are not philanthropists, but are endeavoring to pass a measure that is directly beneficial to them, and, it necessarily follows, a detriment to the country at large, because the public must compensate for the benefits that the interested parties will derive from this measure if passed. The fact is, it is an attack on the arch of protection, which is the keynote of Republicanism.

I hope that you will give this matter careful consideration and will analyze the situation and its results should this measure be passed.

Yours, very truly,

A. H. HEISEY,
President American Protective Tariff League.

A SELF-EXPLANATORY LETTER.

WASHINGTON, D. C., *June 4, 1921.*

Hon. WILLIAM H. KING,
United States Senate, Washington, D. C.

MY DEAR SENATOR: In accordance with your request I am pleased to have the opportunity of furnishing you with the following facts precedent to the investigation as called for in your recent resolution introduced in the United States Senate:

Mr. Francis P. Garvan, former Alien Property Custodian, is president of the Chemical Foundation (Inc.); Col. Douglas I. McKay, late colonel, General Staff, vice president of J. G. White & Co., is vice president; Mr. George J Corbett, assistant secretary of Central Trust Co, is secretary and treasurer. Mr. Corbett was a director in a number of the alien-enemy concerns taken over by Mr. Garvan as Alien Property Custodian during the recent war. Mr. Joseph H. Choate, jr., who was an examiner of chemical and dyestuff concerns in the Alien Property Custodian's office during the recent war, is counsel for the Chemical Foundation (Inc.). Mr. Ramsey Houget, who acted as attorney for various alien-enemy concerns taken over by the custodian's office during the war, is patent counsel for the foundation.

The following gentlemen who comprised the sales committee which passed upon all the sales of the alien-enemy concerns made by the Alien Property Custodian's office during the war are the trustees of the Chemical Foundation (Inc.):

George L. Ingraham, New York; Otto T. Bannard, president New York Trust Co.; Cleveland H. Dodge, New York; B. Howell Griswold, jr., of Brown Bros., bankers, Philadelphia; Ralph Stone, president Detroit Trust Co.

Mr. Joseph H. Choate, jr., is counsel for the American Dyes Institute. Judge Covington, who was attorney for a number of alien-enemy concerns seized by the Alien Property Custodian's office during the recent war, is also counsel for the American Dyes Institute. Mr. Choate engineered the naming of the advisory committee of the War Trade Board from the Dyes Institute. This same committee is the advisory committee of the Textile Alliance. Employees of the Du Ponts were shifted to the Textile Alliance and represented them in Europe and then went back with the Du Ponts. Dr. Thomas H. Norton, who was formerly with the Department of Commerce, also became connected with the Du Ponts. Mr. B. R. Price, who had charge of most of the color end of the Textile Alliance, is now with the A. C. D. C. So you can see how the combination has been interchanged, and everywhere that you turn there is a

Du Pont representative. Some of the members of the executive committee of the American Dyes Institute are as follows:

Mr. Morris R. Poucher, chairman, E. I. Du Pont de Nemours Co.; Mr. E. R. Baldwin, the Allied Chemical and Dyes Corporation; Dr. Samuel Isermann, Van Dyke & Co.; Dr. J. Merritt Matthews, Grasselli Chemical Co.; Mr. Jeffcott, Calco Chemical & Color Co.; Mr. Klotz, Newport Chemical Co.

Thanking you for this opportunity, I remain,

Very truly, yours,

———— ————.

LETTER WITH HAT EXHIBIT OF POOR DYES.

JUNE 11, 1921.

Congressman JOHN Q. TILSON,
House of Representatives, Washington, D. C.

MY DEAR MR. TILSON: The hat manufacturers of Danbury have had a meeting, and they feel that the present method of obtaining dyestuffs from foreign countries, and especially Germany, are very detrimental to their interests. As you probably know, the dyestuffs in a dozen of hats do not cost over 50 cents per dozen, but the fur costs anywhere from $5 to $12 per dozen; therefore, with a part of the dyestuffs poor, it will make the whole hat bad, and for a saving of a few cents in dyestuffs will ruin many dollars in fur and labor.

You can not imagine the amount of returns we have had during the past four years on account of the American dyes not being fast to light and fading very, very quickly, ruining the whole hat, as you can imagine, for they do not fade out even or uniform, and they look very much worn, while really the hat is in good condition and would be serviceable if it were not for its appearance, caused by the color fading.

We understand that there is to be a vote taken on Tuesday to reconsider the present method. It is all wrong to try to force American dyes on the manufacturers when it only ruins the product. We should be allowed to purchase in the open market, and we are willing to pay the price and a reasonable tariff for protection of the American dye manufacturer, but it simply is ruining our business to try to color hats with these poor-quality dyes, when England and Germany are using first-class dye materials that have stood the test for years. They are showing samples in the United States of their goods and guaranteeing them fast colors.

Now, we are not in a position to do this, as there is not a silk, woolen, or fur house that could guarantee the color with American dyes.

We therefore ask you to do the best you can for us and see that we are placed in a position where we can buy our dyes without it being supervised by a committee who are looking after the interests of the American dye manufacturers, in any case where we wish to use dyes to supersede these American manufacturers' goods where we can obtain the results.

We, of course, will at all times give American-made goods preference, but there are some shades that the American dye manufacturer admits that he does not understand how to make them so that they will not fade, and until such time as they can give us the article that will color textiles, etc., the same as Germany, England, or any other foreign country who has the free use of these old-established and successful dyes, we should be placed in a position where we can obtain them without coercion or supervision by anyone whose interests may be governed by the thought of increasing the sale of American dyes.

I am sure that you understand this, and you would be conferring a lasting benefit on your many friends among the hat manufacturers if you will do your best to arrange for some means that we can obtain the foreign dyes that are absolutely necessary to produce goods equal to our foreign competitors.

For your information I would say that there are no dye manufacturers in the State of Connecticut, and it is comparatively a new industry in the United States and they have a great deal to learn, but I do not think their information should be gained through the ruination of our business, which it will be if we continue sending such hats as we have been coloring for the past few years.

I am sending you, under separate cover, several hats that have just been received from one of our customers, asking if we would give them credit, and I will say we have given him a credit memorandum for the full amount in this case, although we are in no ways to blame. This is but one case of thousands that we alone have had during the past four years.

You will see the difference in the shades by just pulling the band down. These hats were colored with American dyes, and if they had been colored with the German dyes there would be no fading that would be noticeable.

Yours, very truly,

THE VON GAL HAT CO.

TANNERS' COUNCIL OF THE UNITED STATES OF AMERICA,
New York, N. Y., April 14, 1921.

Mr. JAMES A. FREAR,
House of Representatives, Washington, D. C.

DEAR SIR: In the name of the Tanners' Council of America, an organization of approximately 95 per cent of all the tanners, I wish to protest against the licensing feature of the Longworth bill.

While the majority of our membership is not especially interested in dyestuffs, those that make fancy leather are, and they consider it an unnecessary hardship to have to submit to a licensing system for dyes that they require. They contend that they ought to be the final judges of what colors they require, and if certain foreign colors suit their purpose better than similar domestic ones they should be allowed to obtain them.

There is one product, however, in the dyestuff bill that every tanner in this country is interested in, and that is synthetic tannins. We can not understand for what reasons these were included in the bill, except possibly, for those of cupidity. While synthetic tannins are in their infancy they undoubtedly have a great future, and the tanning industry will have to turn to them if vegetable tannins, such as bark, wood, sumac, quebracho, etc., become scarcer and more expensive. We may make synthetic tannins here that are satisfactory for certain leathers, and synthetic tannins may be made in Europe which are satisfactory for some other kind of leather, or may make better leather than the domestic tannins. Now, are we tanners to be the judges of this or is some commission in Washington, whose knowledge of tanning is necessarily limited, to be the final judge? It might as well be said that we need only one kind of vegetable tanning agent as that we need only one kind of synthetic tannin. There are any number of vegetable tanning agents, and there will undoubtedly be a great number of synthetic tanning agents. Are American tanners not to be allowed to use any unless they are made here? And what public advantage is there in giving a monopoly to American manufacturers of synthetic tannins?

I personally have had the matter up with a man who has charge of the leather chemicals of the Du Pont Co., and he agrees with me, and I have requested the company to have this item of "synthetic tannins" stricken from the bill. So far as I know, however, no effort has been made to do this, and so I am applying to you, with the authority of the Tanners' Council of America, to give this matter your consideration and to see that it is eliminated from the licensing bill.

As I said before, we are against all licensing as a matter of principle, but if you insist on requiring licenses for dyestuffs, at least let us have the advantage of getting any synthetic tannins to which our foreign competitors have access.

Sincerely, yours,

GEO. B. BERNHEIM,
Chairman Dyestuff Licensing Committee.

Mr. FORDNEY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Mr. Chairman, I do not intend at this time to enter into any prolonged discussion of this proposition upon which my friend from Wisconsin [Mr. FREAR] has just held the floor. I arise only very briefly to call attention to one or two facts connected with his presentation while it is still fresh in your minds.

As to whether the strictures of the gentleman from Wisconsin on the Chemical Foundation are well founded or not, I am not going to express an opinion. The fact is that very few German patents have been used in the United States for producing dyes. Furthermore, a vast majority of all the dyes now being made in this country are not being produced under German patents. Therefore his strictures on the Chemical Foundation would apply only to the very small portion of the industry which uses the German patents at all.

Now, as to the question of a possible monopoly, let me read you a paragraph from a survey on the product of dyes in 1920 as furnished by the Tariff Commission:

A study of the dyes produced during 1920 from the standpoint of the number of manufacturers producing each dye shows that of the 360 dyes produced, 108 were each manufactured by three or more firms; the output of these represented 92 per cent of the total quantity produced in 1920. Of the total number of dyes produced, 200 were each manufactured by one firm only, but these dyes represented only 5 per cent of the total output. A fact of still greater significance was that over one-half of the total output consisted of dyes (35 in number) each of which was made by seven or more separate firms.

There is no such thing as monopoly; there can not be a monopoly in this country of the product of dyes.

Now, as to the question of exports, the gentleman from Wisconsin stated correctly that the exports in 1920 were very greatly increased over 1919. That is true; but this year, 1921, the exports are decreasing rapidly, according to the Tariff Commission.

During 1920 (calendar year) the exports of aniline dyes showed an increase of more than 100 per cent over those of 1919, or, in other words, they amounted to $22,450,480. The maximum export in any one month during 1920 was $2,648,615 in March. During the first four months of 1921 the exports of aniline dyes showed a marked decline. During the month of April (the last month for which figures are available) the exports of aniline dyes amounted to only $305,760, or only slightly more than 10 per cent of the maximum monthly export during 1920. The export of aniline dyes during April, 1921, was about equal to the lowest monthly export during the latter half of 1917, when the domestic industry was not as highly developed as at present (1921).

Our exports to-day are only 10 per cent of what they were last year. Instead of increasing they are decreasing rapidly.

Mr. EVANS. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. EVANS. What is the reason of the decrease; is it because of decreased demand or because of competition?

Mr. LONGWORTH. There may be several reasons, but the great falling off of exports is, I think, particularly due to the fact that almost every country in the world has placed an absolute embargo on dyes, either from Germany or the United States.

There is one other feature of the gentleman's speech which I desire to call attention to, and that is the question of forcing dye substitutes on the textile manufacturers. It may have been possible, under the bill as originally reported by the subcommittee, for the Tariff Commission to have been able to force the use of substitutes, but that was specifically eliminated from the proposition in these words:

Reasonable terms as to quality for any product of domestic origin shall mean that such product, as determined by the United States Tariff Commission, is of the same chemical composition, etc.

Things composed of the same chemical composition are absolutely identical, and, therefore, under this provision no man could be forced to use any dye except one of precisely the same chemical composition.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. FREAR. I know the gentleman's knowledge of this subject is very extended. Is it not true that any number of different products may be developed from coal tar, and be of

the same chemical composition? Does it not depend upon the proportion of what you get in these various colorings? And if that be true, how is any man on the Tariff Commission, who does not know one-half as much as the gentleman from Ohio, going to ascertain these facts, to know what is a reasonable substitute?

Mr. LONGWORTH. There can be no such thing as a substitute for the same chemical composition. The language "the same chemical composition" means that it must be the same, no matter where the product is manufactured. A certain specific dye is exactly the same, whether manufactured in Germany or in the United States. That particular dye may not be good for dyeing hats. If you use it in dyeing hats, it may not be successful, and the alternative is to use a dye which is good for dyeing hats. Under this bill nobody can be forced to use any except a dye that is suitable for dying hats. One chemical substance is the same identically, if it is of the same chemical composition, as the other, no matter how produced, whether produced under a patent or otherwise.

Mr. HADLEY. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. HADLEY. Referring to the question of the gentleman from Nebraska [Mr. EVANS] as to whether the reduction in the exports is due to competition, is it not a fact that the information which the committee now has is that the reentry of Germany into the markets of the world into which our exports have been going has compelled competition and has greatly reduced the exports during the first four months of this year?

Mr. LONGWORTH. The gentleman is precisely correct. The fact is that America to-day is the one market in the world for the enormous reserve of German dyestuffs. Germany before the war had the world's market. She has still on hand a sufficient quantity of dyestuffs to supply the world market. It is true that during the war she was making them every day, in small quantities, in her enormous factories, all controlled under the one head, which had been turned over to the German Government for the manufacture of explosives and poison gases. The only way she can get back again to anything like world domination is to force her products regardless of cost into the only markets that remain open to her. England has an embargo for 10 years, Italy has an embargo, France has an embargo, Belgium has an embargo, Japan has an embargo, and Russia is out of business. The United States is the only market left for Germany to again obtain world domination.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. FREAR. I want to read something from my minority report, quoted from a report of the United States Chamber of Commerce in October, 1920:

> The United States has abundant coal to supply the raw materials for making aniline dyes. * * * It is evident that whatever the demand for dyes made in Germany may be, that country will never regain its lost supremacy in the world trade in dyestuffs. * * * Germany, it is now conceded, will not be the strenuous competitor she was formerly in the foreign trade. Switzerland is the only country other than the United States now making aniline dyes sufficient to meet its own requirements and able to export on a large scale, and the Swiss are dependent on other countries for the raw materials.

That is from the United States Chamber of Commerce, and is it not of far more value than any report of the Tariff Commission?

Mr. LONGWORTH. I am not relying upon the Tariff Commission; I am relying solely upon the reports of the United States Army, which nobody can question, as to the situation. Germany to-day is stronger than she ever was before. During the whole course of the war not a man was ever drafted from a dye factory, and all of their dye institutions were turned over to the Government for making explosives and poison gases. Every poison gas in the war was made in a dye laboratory; every explosive in Germany was made in dye works, and they are ready now, they are as ready as ever, they are united under one head, subsidized by the Government. Even if there were to be a monopoly in this country, which is impossible, but, even so, under the circumstances I would support it. I would rather have a monopoly in this country that this Government can control than be under the domination of a foreign monopoly, the most gigantic and conscienceless trust in all the world, over which we have no control. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GARNER. Mr. Chairman, I yield 25 minutes to the gentleman from Louisiana [Mr. MARTIN].

Mr. MARTIN. Mr. Chairman, I shall vote for this bill. [Applause on the Republican side.] I shall vote for it because I am a firm believer in protection to American industries.

I regret that there are so many Members from the South who so materially differ with me on this great question, but I accord to them the same degree of sincerity and honesty of purpose which I claim for myself.

I conceive it to be the duty of Congress to so legislate that no citizen of a foreign country shall be permitted to offer for sale in this country any competitive article under conditions more favorable than are enjoyed by an American citizen. [Applause on the Republican side.]

I can well understand how in years gone by, when the National Treasury was overflowing, there may have been a difference of opinion as to whether the duties imposed should be confined to the actual needs of the Government or should be imposed with the view of giving protection regardless of the condition of the Treasury.

But at this time, with our country deeply in debt, when the interest alone on our indebtedness is more than it took to run the Government before the war, I can not understand why those who stand for a tariff for revenue or tariff for revenue with incidental protection should oppose this bill either by voice or vote.

It seems to me that no good reason exists why the two parties can not stand together. When our country was at war party lines were laid aside and forgotten, and the Congress unanimously passed the necessary legislation that would insure victory for American arms. And now that the war is over and our country is suffering from the after effects, with our Treasury depleted, with a stupendous national debt, with our industries threatened with destruction by reason of foreign competition, with our farmers appealing for relief from all sections of this country, it does seem to me that we can again join hands and pass a bill that will give us both protection and revenue.

Every Republican can vote for this bill, because there was never a time in the history of this country when the principles of protection should be more generally applied and more carefully guarded. Every Democrat can vote for this bill, because if he believes in imposing tariff duties for revenue only, then he must concede the time has arrived when he can honestly and conscientiously vote for such a measure.

If it be possible to draw the line of demarcation at this time between "tariff for protection" and "tariff for revenue," then let us rename this bill and call it—in the words of a late Member of this House, Mr. Reynolds—a "tariff for prosperity." [Applause on the Republican side.]

I believe that we are all agreed that something is wrong with the economic situation in this country.

What, then, is the remedy? Certainly it can not be contended that the remedy lies either in free trade or the reduction of the tariff. Prosperity can never be attained by shutting down our shops and mills, giving our labor nothing to do, and by purchasing our supplies and manufactured articles from other countries, and it can not be attained by compelling our farmers to sell their grain and food products in competition with the pauper-paid laborers in distant parts of the world.

Even in normal times the scant wages paid the laborer in Continental Europe is but a fraction of what we pay in America and now that Europe is prostrate as a result of the war, the laborer must accept a most inadequate wage and must eke out an existence on the lowest possible basis of living.

For the industries of this country to compete with Europe and other foreign countries, we must do one of two things—either the labor of this country must be reduced to the low level of that of other countries, or we must place such duties on competitive articles coming from other countries, as will equalize the cost of production.

As between the two, I can not hesitate in making a choice. I sympathize with the poorly paid laborer of Europe, but I can never consent that the American laborer shall be dragged down to his level.

The wages of labor are just like values and prices. They seek to find a common level, and without protection, the natural tendency would be for the wages in this country to sink to the level of that of foreign countries.

THE SOUTH AND PROTECTION.

Mr. Chairman, no man in this House loves the sunny South more than I do. I was born there and I love its history and its traditions. Many of my ancesters and relatives fought, bled, and died in the Confederate armies and their belief in the cause for which they fought and their record on the field of battle will ever be a sacred heritage to me. But this issue is passed, gone, and forever settled. We are now a reunited country. Sectionalism should play no part either in the debate or in the vote upon this bill. We must not permit prejudice or feeling to warp our judgment when we come to adopting an economic policy that will redound to the benefit of the entire Nation.

Our country is now in the midst of a reconstruction period, similar to that which prostrated the South after the Civil War. The wheels of industry are idle, the great army of unemployed is becoming a menace to the peace and good order of our country, the values of both farm and manufactured products have declined so rapidly that their market value is now below the cost of production and foreign countries are dumping their products in this country, to the disaster and ruin of American industries.

There has been a general appeal to this Congress to enact legislation that will enable the American producers to compete with foreign products, and the South has joined in this appeal. From Virginia to Texas, the farmers are appealing to Members of Congress to support some measure that will give them relief from present conditions and which will accord them such protection as will enable them to compete with the foreign producers.

I do not contend that this bill is a perfect piece of tariff legislation. In my opinion there are some articles that have been placed on the free list that should be protected and there are others which have not been given a sufficient amount of protection.

There is no good reason why hides should not be protected. [Applause.] I know that it is contended that the price of hides does not add to the value of the animal when it is sold, but this argument is founded neither upon reason nor fact. Certainly one who purchases an animal for the purpose of slaughter will pay more for it if the price of meat has advanced, and why should he not pay more for it if the price of the hide has advanced? They are both parts of the same animal. [Applause.]

At the hearings held before the Ways and Means Committee the shoe manufacturers admitted that the 15 per cent ad valorem duty carried in the emergency tariff bill would not add 10 cents to the cost of a pair of shoes, and yet they would deny to the farmer who raises the cattle, a meager duty of 15 per cent ad valorem.

Under existing prices the hides of animals slaughtered and dying from natural causes on the farms and ranches in this country are allowed to rot, because the price of hides is too low to justify the trouble of skinning and curing.

But other southern industries are accorded a fair amount of protection.

The rice growers of California, Louisiana, and Arkansas, though modest in their demands for protection, were given the duty for which they asked and will be in a much better position to compete with the cheap contract labor of the Orient.

While it is much to be regretted that this bill does not put a tariff on cotton, or at least upon the long staple variety, which must compete with the Egyptian cotton, yet the cotton farmer does receive protection upon his product. For every 1,500 pounds of cotton he picks in the field he gets 500 pounds of lint and 1,000 pounds of seed, and the protection which the bill carries on the vegetable oils of Korea and China, which come in direct competition with cotton-seed oil, is protection to the farmer on his seed.

The peanut growers of Georgia, North Carolina, and Texas will now be in a much better position to meet competition from the oriental countries.

I am glad that the committee placed a reasonable duty upon petroleum or crude oil. This industry is now at a very low ebb, and in many sections our domestic crude oil is being sold below the cost of production. The production of oil is always accompanied by great financial risk, as one never knows whether he will strike a "gusher" or a "duster," and unless there is a certainty of a profit when a well is brought in, capital will cease to take the risk, and oil production in this country will rapidly decline.

In Louisiana, where the value of crude oil produced last year amounted to $100,000,000, a severance tax has been imposed and every oil producer must pay 2 per cent on the oil produced by him. It would be manifestly unfair to permit the crude oil of Mexico, where the supply is certain and inexhaustible, to come in free, and then impose a tax on our own producers. [Applause.]

I can see no force in the contention that a tariff on oil will raise the price of gasoline. The unrestricted free admission of Mexican oil, which is extremely low in gasoline content, has already resulted in the closing down of many of our oil refineries. A fair and adequate tariff would permit the operation of domestic wells of small production, but which are high in gasoline content, and thereby have a tendency to hold down the price of gasoline.

Among other southern products which are protected under this bill are live stock, citrus fruits, grain, onions, potatoes, tobacco, dairy products, cotton goods, poultry, wool, glass, and graphite.

SUGAR.

I ask the indulgence of the House for a few minutes while I discuss the sugar schedule, in which my constituents are most vitally interested.

The duty imposed upon pure or refined sugar under the provisions of this bill amounts to 2.16 cents per pound, as compared with 1.36 in the Underwood bill and 1.825 cents in the Payne-Aldrich bill.

But as no refined sugar is imported (it all being imported in the raw state and refined in this country), a more intelligent comparison of rates can be arrived at by taking the rates of duty imposed upon raw or 96 test sugars.

The rate of duty upon foreign sugars other than Cuban in this bill amounts to 2 cents, as compared to 1.265 in the Underwood bill and 1.685 in the Payne-Aldrich bill.

But let it be remembered that in normal times 99½ per cent of our importations of sugar comes from Cuba and that Cuba by treaty has a differential of 20 per cent in its favor, so that in considering the duty upon sugar, the Cuban product alone is to be considered, and it is against the importations from that country that we must be protected.

The duty upon Cuban raw sugar carried in this bill amounts to 1.60 cents per pound, as against 1.0048 cents in the Underwood bill and 1.348 in the Payne-Aldrich bill. While this is an approximate increase of six-tenths of a cent a pound above the Underwood rate and one-fourth of a cent above the Payne-Aldrich rate, it still does not meet the difference in the cost of production between this country and Cuba.

Sugar was the one product where the difference in the cost of production here and in Cuba was conclusively shown, in the hearings before the Ways and Means Committee.

Witnesses appeared before the Ways and Means Committee representing the beet-sugar interests of Michigan, Colorado, California, Ohio, Iowa, Utah, and Washington, and the cost of producing cane sugar in Louisiana and our insular possessions was shown by witnesses representing these respective interests.

The cost of producing beet sugar varies in different States, but in no State is the difference in the cost of production as compared with Cuba, less than 2 cents per pound.

A representative of the Tariff Commission submitted figures relative to the cost of production in this country and Cuba, which will be found in a table on page 1354 of the hearings.

According to the Tariff Commission, the average difference in the cost of producing beet sugar in this country and cane sugar in Cuba for the prewar period of five years ending in 1914 was 1.792 cents per pound, while the difference for the year 1918–1919, which are the latest figures, was 1.898 cents per pound.

But since these figures were compiled the freight rate from Cuba to New York has been decreased, while the freight rates in this country have been increased, thus making the marginal difference between producing and marketing the two crops well above 2 cents per pound.

In Louisiana, according to the Tariff Commission, the differences in the cost of production between the two countries in the prewar period amounted to 2.4 cents per pound, while in 1918–19 the difference amounted to 5.2 cents per pound, but this large difference was due to an almost total crop failure in Louisiana.

However, the difference in the cost of production now exceeds that of the prewar period and is at least 3 cents per pound.

Therefore the duty carried in this bill does not place any of the domestic producers on a parity with the producers of Cuba, and I yet hope that before this bill becomes a law Congress will see the wisdom of increasing the duty to 2 cents a pound as against Cuban raw sugar.

DUTIES IN OTHER COUNTRIES.

A comparison of the duties imposed on sugar by other countries with that imposed by this country shows that we are much below the average. The average rate of duty imposed by 14 of the principal countries of Europe is 3.008 cents per pound, as follows:

	Cents per pound.
England	5.574
France	6.128
Japan	3.392
Austria	2.39
Italy	2.
Netherlands	4.103
Hungary	2.39
Denmark	1.216
Canada	1.93
Spain	5.25
Czechoslovakia	2.276
Sweden	1.216
Germany	2.93

With the exception of Sweden and Denmark, the duties imposed on sugar are much higher than in this country, and to permit our duty to remain under 2 cents as against Cuba means that this country will be the dumping ground for Cuban and other foreign sugars.

The price of sugar is lower to-day than it has been in five years, and this notwithstanding the fact that the Fordney emergency tariff bill, carrying 60 cents a hundred pounds additional duty, has been in effect since the 27th day of May. The day the Fordney emergency bill went into effect the wholesale price of raw sugar, duty paid, in the New York market was 5.06 cents per pound, and on July 1 it was 4 cents per pound, a decrease of over 1 cent.

This is due to several causes. The consumption of sugar has materially decreased in Europe, because the people have not the money with which to buy it, and the fact that the duty imposed by this country is less than that of others makes this country the most inviting market.

But whatever may be the cause, the present price of sugar clearly shows that the entire tariff is not added to the price paid by the consumer. The price is largely governed by competition and the law of supply and demand regardless of the tariff imposed.

I hope and believe, however, that when conditions are more normal that the tariff imposed will be reflected in the price of sugar, to the end that the beet and cane sugar producers of this country may remain in the business.

Mr. GREEN of Iowa. Then, as I understand the gentleman, the protection given the sugar grower is not high enough?

Mr. MARTIN. That is correct.

SUGAR TRUSTS.

It has been contended on the floor of this House that any increase in the duty of sugar is in the interest of the Sugar Trust. It is passing strange that if the Trust is to be benefited and enriched by an additional tariff that the representatives of the Trust should have so earnestly and vigorously protested against any increase in rates before the Ways and Means Committee, and should have suggested that an excise or consumption tax be adopted in lieu of the tariff.

There is but one way to clip the wings of the so-called Trust and protect the American people from a sugar monopoly, and that is by encouraging and increasing domestic production.

Why, Mr. Chairman, in 1871, when there was but little sugar produced in this country and that little was raw sugar, the seaboard refineries were charging the American people 5 cents a pound simply for washing or refining foreign sugars.

But under the stimulating influence of protection, the beet-sugar industry of the West began to develop and grow, and the cane-sugar industry in Louisiana took on new life. In 10 years the best sugar industry increased more than 1,400 per cent and the seaboard refiners found that they could no longer monopolize and dominate the sugar market.

Competition, and serious competition, was staring them in the face, so that instead of charging the American people $5 a hundred pounds for washing sugar, they began to reduce their margin until they were finally charging only 60 cents a hundred pounds for refining sugar.

The sugar-beet factories turn out their product in a refined form and fully 75 per cent of the sugar produced in Louisiana is direct consumption sugar, so that the seaboard refiners, who are engaged solely in refining foreign sugars, must compete with the domestic producers.

Strike the cane and sugar beet industries out of existence and you give the refiners the monopoly they formerly enjoyed and enable them to fix the price of sugar and charge the American people any price they please.

The issue is therefore well defined. Shall we permit a dozen refineries in this country, called the Sugar Trust, to import foreign raw sugars, for which we must send abroad over $200,000,000 annually, and at the same time place the American people at the mercy of the so-called trust; or shall the sugar we consume be made from home-grown beets and cane, and the American people be permitted to purchase their sugars on a competitive market?

Free trade or an inadequate tariff will accomplish the first result, while a tariff that will put us on equality with Cuba will accomplish the second.

REVENUE DERIVED FROM SUGAR.

The total sugar consumed in the United States in 1920 was 4,084,672 long tons, as follows:

	Long tons.
Imports:	
From Cuba	2,133,699
Other countries	544,319
Total imports	2,687,718
Domestic production	1,396,954
Total sugar consumed	4,084,672

Due to the scarcity and high price of sugar for the first half of the year 1920, the imports were the heaviest on record, and therefore the duty collected was exceptionally large.

Under normal conditions the domestic production, including that of our insular possessions, about equals our imports.

The duty collected on sugar for the fiscal year ending—

June 30, 1920, was	$67,908,807
From which must be deducted the drawback on exported sugars	14,987,183
Total duty collected	52,921,624

While this extraordinary amount of duty will never be collected again, yet, admitting that future imports will equal that of the fiscal year ending June 30, 1920, then a 2-cent duty would just double the duty of 1 cent then collected on raw sugars and would therefore amount to $105,843,238.

The increased duty of six-tenths of a cent proposed in this bill will bring in a revenue of $84,673,624, of which $52,921,624 would be collected under the 1-cent duty carried in the Underwood bill and $31,752,000 would be collected by the increase of six-tenths of a cent per pound carried in this bill.

DUTY COLLECTED IN A MORE NORMAL YEAR.

Taking a more normal year—say, 1918—we find the following:

	Long tons.
Imports from Cuba	1,881,244
Imports from other countries	19,303
Domestic production	1,525,059
Total sugar consumed	3,495,606
Duty collected	$48,980,573
Less drawback	5,412,620
Total duty collected	42,567,953

A 2-cent duty would therefore double the duty collected under the Underwood bill and would equal $85,135,906, and the increase of six-tenths of a cent carried in this bill will bring in a revenue of $68,708,724, of which $42,567,953 would have been collected under the duty carried in the Underwood bill and $25,140,771 would be the additional amount collected by the increase of six-tenths of a cent carried in the present bill.

COST TO THE CONSUMER.

A great deal has been said on the floor of the House about the great burden that an additional tariff will put on the American people.

While, as a matter of fact, the entire duty is not added to the consumers' price, as is amply demonstrated by the Tariff Commission in series No. 9, entitled "Cost of production in the sugar industry," yet, admitting that the entire duty is paid by the consumer, let us see what the additional per capita cost to the consumer will be under this bill.

As nearly all of the sugar imported into this country comes from Cuba, the Cuban tariff alone need be taken into consideration. The average per capita consumption of sugar in this country for the past three years amounted to 81¼ pounds and the additional duty carried in this bill is 60 cents per 100 pounds. The additional cost to the consumer is therefore 49 cents per capita.

But, as only three-fifths of the sugar consumed enters directly into family consumption, the balance being used for manufacturing purposes, it follows that the cost per capita for family consumption would only amount to 29.4 cents.

If the duty as against Cuba should be still further increased—as it ought to be—to $1 per 100 pounds, the per capita increase would be 81¼ cents, or 49 cents per capita for direct family consumption.

This is a very small tax for the consumer to pay when you take into consideration the fact that it will save a great American industry, guarantee competition in sugar, and not place the people of this country at the mercy of the refiners of foreign sugars.

Mr. Chairman, the hearts and interests of my constituents are wedded to protection.

They have seen their industries prosper and flourish under protection, but wither and fade under free trade or inadequate protection.

They are not selfish in their views. What they ask for their own industries they are willing to accord to others in similar need of protection. They would extend its benefits to every interest that demands it in order that it may live.

Such is the constituency which I have the honor to represent, and as their Representative I would be recreant to my duty and I would be doing violence to my own convictions if I did not vote for this bill. [Applause on the Republican side.]

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7556 and had come to no resolution thereon.

CONFERENCE REPORT, NAVAL APPROPRIATION BILL.

Mr. KELLEY of Michigan. Mr. Speaker, I present a conference report on the naval bill and ask unanimous consent for its immediate consideration.

The SPEAKER pro tempore. The gentleman from Michigan presents a conference report on the naval appropriation bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 4803) entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes."

The SPEAKER pro tempore. Is there objection to the consideration of the conference report? (After a pause.) The Chair hears none.

The conference report and statement were read, as follows:

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes, having met, have agreed to recommend and do recommend to their respective Houses as follows:

Amendment numbered 57: That the Senate agree to the amendment of the House to the amendment of the Senate numbered 57, with an amendment as follows: At the end of the matter inserted by the amendment of the House insert the following: "*Provided, further,* That the foregoing proviso shall apply to midshipmen who entered the Naval Academy during the period between June 20, 1921, and the date of the approval of this act"; and the House agree to the same.

Amendment numbered 107: That the Senate recede from its disagreement to the amendment of the House to the amendment of the Senate numbered 107, and agree to the same with an amendment as follows:

In lieu of the matter inserted by the amendment of the House insert the following:

"SEC. 10. That the last paragraph of section 2 of the act entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1921, and for other purposes,' approver June 4, 1920, is hereby amended to read as follows:

"That all officers of the Naval Reserve Force and temporary officers of the Navy who have heretofore incurred or may hereafter incur physical disability in line of duty in time of war shall be eligible for retirement under the same conditions as now provided by law for officers of the Regular Navy who have incurred physical disability in line of duty: *Provided, however,* That application for such retirement shall be filed with the Secretary of the Navy not later than October 1, 1921."

And the House agree to the same.

The conferees have not agreed upon amendments of the Senate numbered 16, 18, 45, 46, 51, 54, 55, 71, 95, 96, 97, 108, and 112.

PATRICK H. KELLEY,
BURTON L. FRENCH,
WILLIAM R. WOOD,
JAMES F. BYRNES,
W. B. OLIVER,
Managers on the part of the House.

MILES POINDEXTER,
FREDERICK HALE,
CLAUDE A. SWANSON,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 4803) making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying report as to each of the said amendments, namely:

On No. 57: Confines advances to midshipmen to cover the cost of initial clothing and equipment issues to those entering the Naval Academy subsequent to June 20, 1921.

On No. 107: Restores the language, proposed by the Senate, with respect to the retirement of officers of the Naval Reserve Force and temporary officers of the Navy for physical disability incurred in line of duty, amended to provide that the disability must have been incurred in time of war and that applications for such retirement must be filed not later than October 1, 1921, instead of June 30, 1922, as proposed by the Senate.

The committee of conference have not agreed upon the following amendments of the Senate:

On No. 16: Increasing the number of heavier-than-air stations to be maintained on the coasts of continental United States from six to seven.

On No. 18: Extending the provisions of the act providing for the establishment of marine schools to include Tampa, Fla., and Portland, Me.

On Nos. 45 and 46: Appropriating $500,000 for pier extension and $90,000 for rifle range for small arms, including purchase of land, at the navy yard, Puget Sound, Wash.

On No. 51: Appropriating $800,000 toward the development of a naval heavier-than-air station at Sand Point, Wash.

On No. 54: Authorizing the Secretary of the Navy to accept a tract of land from King County, State of Washington, for use as a site for a naval aviation base.

On No. 55: Authorizing the acquisition, out of any funds appropriated for aviation purposes, of a tract of land in the vicinity of Camp Kearny, Calif., for use as a site for a lighter-than-air aviation station.

On No. 71: Increasing the statutory limit for repairs and changes to capital ships of the Navy from $300,000 to $500,000.

On No. 95: Authorizing the construction of two airplane carriers and appropriating $15,000,000 toward their construction.

On No. 96: Increasing the limits of cost of certain vessels of the Navy.

On No. 97: Providing that all orders or contracts for work or material heretofore or hereafter placed with Government-owned establishments shall be treated the same, so far as the appropriations affected are concerned, as contracts with private concerns.

On No. 108: Authorizing such entry on the records of men who served honorably in the recent war with the Navy or Marine Corps as would prevent militating against them any charge of desertion which the records now show.

On No. 112: Providing for the transfer under certain conditions to United States district courts all suits brought in State courts growing out of naval war contracts, and prescribing the procedure after such transfer if the United States assumes the defense as the party in interest.

PATRICK H. KELLEY,
BURTON L. FRENCH,
WILL R. WOOD,
JAMES F. BYRNES,
W. B. OLIVER,
Managers on the part of the House.

Mr. KELLEY of Michigan. Mr. Speaker, I move the adoption of the report.

The question was taken, and the conference report was agreed to.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent for the present consideration——

Mr. MANN. May I ask, on the other amendments not agreed to in conference the Senate has receded?

Mr. KELLEY of Michigan. That is right. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution which I send to the Clerk's desk.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent for the present consideration of the resolution which the Clerk will report.

The Clerk read as follows:

Joint resolution (H. J. Res. 173) ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922.

Resolved, That appropriations for the service of the fiscal year 1922 contained in the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes," are hereby made available from and including July 1, 1921, for the purposes provided in such appropriations for the service of such fiscal year. And all obligations incurred pursuant to the terms of such appropriations in the aforesaid act as approved are ratified and confirmed from and including July 1, 1921.

The SPEAKER pro tempore. Is there objection to its present consideration?

Mr. BLANTON. Mr. Speaker, I object.

Mr. KELLEY of Michigan. Mr. Speaker, I think the gentleman will not object after I make a statement about this.

Mr. BLANTON. Will the gentleman yield?

Mr. KELLEY of Michigan. Yes.

Mr. BLANTON. Does not the gentleman think that the other body at the other end of the Capitol should be given

to understand that when they hold up an appropriation bill of this magnitude and importance for 10 days after the beginning of the fiscal year that they shall take the consequences of their act?

Mr. KELLEY of Michigan. Well——

Mr. BLANTON. Especially when they are trying to get $100,000,000 extra on the bill.

Mr. KELLEY of Michigan. I will say to the gentleman that this resolution simply makes the funds available as of July 1, 1921.

Mr. BLANTON. It simply undoes——

Mr. KELLEY of Michigan. No.

Mr. BLANTON. The action that brought about this emergency.

Mr. KELLEY of Michigan. Of course, the gentleman would not desire to penalize the men working in the navy yards and naval stations and make it impossible for them to receive their pay from July 1 up to the time of the signing of this bill?

Mr. BLANTON. No; but they will be taken care of eventually, and the gentleman from Texas believes that the responsibility for this situation ought to be placed where it belongs.

Mr. WINGO. If the gentleman will permit, I hope the gentleman from Texas will withdraw his objection; I do not think that we ought to punish a great branch of the Government for the inefficiency of the Republican Party in getting a supply bill through.

Mr. KELLEY of Michigan. I think the gentleman from Texas ought to withdraw his objection. The House has had its way to a very marked extent in adjusting its differences with the Senate.

Mr. BLANTON. I will say to the gentleman from Arkansas that even a mild protest sometimes does some good, and this is merely a mild protest.

Mr. KELLEY of Michigan. But the House has had its way as to the amounts carried in this bill to a very unusual extent. We ought not to penalize the Navy because of any differences between the two Houses which tended to delay this bill. The Navy is scattered all over the world; some of it is in the Orient; some of it is in the Mediterranean Sea; our sailors are widely scattered over the face of the earth. They can not be paid for the time between the 1st of July and the signing of this bill unless this resolution is put through. I ask the gentleman from Texas if he will not withdraw his objection and allow this resolution to be considered now.

Mr. BYRNES of South Carolina. Will the gentleman yield? I do not blame the gentleman from Texas very much, because we know that when the Democrats were in control of the House we were always lectured when we failed to pass an appropriation bill before the beginning of the fiscal year. I happened to look back the other day at the RECORD and I read such a lecture by the Speaker of the House [Mr. GILLETT], who was then the ranking member of the Committee on Appropriations. But notwithstanding the fact that is true, I hope my friend from Texas will not object now, for the reasons stated by the gentleman from Michigan, that the House certainly has been successful in holding down these naval appropriations. There has been no division among the conferees. We have worked together and have succeeded in reducing the Senate increase from $100,000,000 to $14,000,000. Then, I do not believe we ought to cripple the Navy Department and force them in violation of law to contract obligations. I can not blame the department. They are not responsible for the situation. We have not provided the appropriations, and they went ahead functioning. They have been operating without authority of law from July 1 up to this time. The Congress has had from April to this day to pass the naval bill. The gentleman said that the body at the other end of the Capitol is responsible. Maybe that is so, but certainly the department is not responsible. I hope my good friend will not object.

Mr. BLANTON. Will the gentleman yield me three minutes?

Mr. KELLEY of Michigan. I yield the gentleman three minutes.

The SPEAKER pro tempore. Does the gentleman withdraw his objection?

Mr. BLANTON. I withdraw my objection.

Mr. MANN. Well, is there objection?

The SPEAKER pro tempore. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Mr. Speaker, the House has passed upon one proposition definitely at least half a dozen times since I have been here. That is that its Members are not going to stand for any further expenditure of money on District of Columbia matters except in the proportion of 60 to 40. Yet, when that matter has been passed upon conclusively, time and time again, and this body has decided it by practically the unanimous vote of this House, we are soon to be called upon here in the heat of summer to pass upon a piece of legislation which seeks to go back to the old 50-50 basis.

I hope within a short time—the very first time that a bill comes before this House from the District Committee—to be able to show my colleagues here in the House and the people of this country just how many hundreds of thousands of dollars, even into the millions, since 1878 this District of Columbia has hogged the whole people of the United States of without any reason whatever. I expect to show it so conclusively that there will be no room for doubt. And I merely raise this protest because our friends at the other end of the Capitol ought to understand that the business of the Government is not going to be run just exactly like they want it run, but that they must take into consideration the will of the 435 Representatives of the people, who come directly from the people every two years, and that they ought to give some little consideration to our views on legislation. And my objection a few moments ago was just a mere mild protest on that one point.

Mr. KELLEY of Michigan. Mr. Speaker, I move the adoption of the resolution.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time.

The SPEAKER pro tempore. The question is on the passage of the resolution.

Mr. SISSON. Mr. Speaker, I would like to have the gentleman explain what this resolution does. It simply puts in operation what you have agreed to from the 1st of July?

Mr. KELLEY of Michigan. Yes.

The SPEAKER pro tempore. The question is on the passage of the resolution.

The resolution was agreed to.

On motion of Mr. KELLEY of Michigan, a motion to reconsider the vote by which the joint resolution was agreed to was laid on the table.

DESIGNATION OF SPEAKER PRO TEMPORE.

Mr. KELLEY of Michigan. Mr. Speaker, I ask unanimous consent for the consideration of the resolution which I send to the Clerk's desk.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent for the consideration of the resolution which the Clerk will report.

The Clerk read as follows:

House resolution 147.

Resolved, That the designation by the Speaker of Hon. JOSEPH WALSH, a Representative from the State of Massachusetts, as Speaker pro tempore be approved by the House and the Clerk notify the Senate and President thereof.

Mr. KELLEY of Michigan. Mr. Speaker, the necessity for this is a desire to get the bill signed, so that it will become a law to-day. This is pay day in nearly all the navy yards and stations of the Government. The resolution is sent to the desk for that purpose.

The SPEAKER pro tempore. The question is on the passage of the resolution.

Mr. GARRETT of Tennessee. Mr. Speaker——

The SPEAKER pro tempore. Does the gentleman from Michigan yield to the gentleman from Tennessee?

Mr. KELLEY of Michigan. I yield.

Mr. GARRETT of Tennessee. As I caught the reading of it, it is in the regular form. The purpose of it is to authorize the Speaker pro tempore to sign this bill, and this is in the usual and regular form?

Mr. KELLEY of Michigan. Yes.

The SPEAKER pro tempore. The question is on the passage of the resolution.

The resolution was agreed to.

MESSAGE FROM THE PRESIDENT—CLAIM OF THE FRENCH GOVERNMENT.

The Speaker laid before the House the following message from the President of the United States, which was read, and, with the accompanying documents, referred to the Committee on Foreign Affairs and ordered printed:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of France against this Government on account of losses sustained by a French citizen in connection with the search for the body of Admiral John Paul Jones, which was undertaken by Gen. Horace Porter, formerly American ambassador to France, and I recommend that an appropriation be made to effect a settlement of

this claim in accordance with the recommendation of the Secretary of State.

I may state that the claim was brought to the attention of Congress in messages from the President dated June 4, 1918, and July 21, 1919, which are printed, respectively, in Senate Document No. 231, Sixty-fifth Congress, second session, and in House Document No. 156, Sixty-sixth Congress, first session.

WARREN G. HARDING.

THE WHITE HOUSE,
July 11, 1921.

The PRESIDENT:

In 1899 Horace Porter, at that time the American ambassador at Paris, undertook a search for the body of Admiral John Paul Jones. After an extensive investigation the body was found in 1905 in the old St. Louis cemetery for foreign Protestants in Paris, which was by law closed as a cemetery in the year 1793. Arrangements for making the necessary excavations were made by the ambassador with the owner of the premises, Madame Crignier, a French citizen, to whom Gen. Porter paid from his own funds a sum of money which Madame Crignier was obliged to pay to tenants who occupied buildings erected on the land in which the excavations were made to indemnify them for the disturbance caused them by the work carried on in the search for the body.

It appears that after the work had been completed the walls of the buildings settled and cracked, and that thereupon the tenants brought suit against Madame Crignier and recovered judgments against her in a French court for damages alleged to have been sustained as a result of the injury to the buildings. The amount of these judgments and the expenses incurred by Madame Crignier in connection with this litigation were not covered by the agreement which she made with Gen. Porter when she granted him the right to undertake the excavation in question on the payment of a sum of money which when the agreement was made seemed adequate to meet the demands of her tenants.

The French Government has asked the Government of the United States to pay, as an act of good will and generosity, the sum of 70,006.90 francs to indemnify Madame Crignier for her losses.

It appears that Madame Crignier is a person of small means and that she has suffered considerable hardship as a result of the losses sustained by her. In view of this fact, and in view of the deep interest of the Government of the United States in the work which was undertaken by Gen. Porter at his own expense, and which was made possible by the friendly action of Madame Crignier, the Secretary of State has the honor to recommend that Congress be requested to make an appropriation of an amount which will be equivalent to 70,006.90 francs, the indemnity requested on behalf of Madame Crignier.

In this relation the Secretary of State has the honor to lay before the President, with a view to their transmission to Congress for the consideration of that body in connection with this case, copies of correspondence in regard to the claim presented by the French Government.

It should be added that the claim was brought to the attention of Congress in messages from the President dated June 4, 1918, and July 21, 1919, which are printed, respectively, in Senate Document No. 231, Sixty-fifth Congress, second session, and in House Document No. 156, Sixty-sixth Congress, first session.

Respectfully submitted.

CHARLES E. HUGHES.

DEPARTMENT OF STATE,
Washington, July 7, 1921.

THE TARIFF.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. WURZBACH]. [Applause.]

Mr. WURZBACH. Mr. Chairman and gentlemen of the committee, I want to take my hat off to the gentleman from Louisiana [Mr. MARTIN] who has just taken his seat. He is a true representative of the South. I am a native Texan. I have lived in Texas all of my life. I know the Texas people and I believe that I am fairly familiar with the political conditions existing in that State. I want to say to you that ever since I can remember, and my memory goes back 20 or 25 years, at least, I have heard the Democratic politicians of Texas and of the South—and when I say "politicians" I want you gentlemen on the right side of the aisle to understand that I am not referring to you, because I know, and you will freely admit, that you are statesmen and not mere politicians—but I have heard the politicians of the South make the statement that the Republican Party was the party of the North and that that party had no interest in the South and had no sympathy with their people or with their wants and needs. I did not believe that statement, but if I had believed it, as many southern people do believe it, from the constant repetition of that charge, I want to say to you that I would have been surprised when during the first 30 days of my service in this House, and during the consideration of the Young emergency tariff law, I saw what took place upon the floor of this House. I know, as you all know, that this emergency tariff law was proposed for the benefit, for the sole benefit, of the agricultural and the live-stock interests of this country—the interests of the South and the West. I want to call your attention to the fact that there was not one single manufactured article included within the provisions of that law. Every article was an agricultural product, the products of Texas, the products of the Southern and Western States.

I say I was surprised, remembering the charge that I had heard, when I saw that almost every Republican Congressman from the North voted for that bill and almost every southern Democrat voted against it. I knew then, as you men on the Democratic side of the House knew then, and know now, that our industries—the agricultural and live-stock industries of the South—were prostrate. But you voted against the bill. Those people living in that section of the United States that you have talked so much about, living in the northeast quarter of the Union, who Democratic alarmists have been telling us would selfishly control the policies of this Congress—those Congressmen representing that section bounded on the west by the Mississippi and on the south by the Ohio River—voted solidly for a bill that protected your own people—the people of the South. [Applause on the Republican side.] And you gentlemen, representing a constituency living south of Mason and Dixon's line, voted almost solidly against that bill.

I want to call your attention to the fact that every Republican from the State of Maine voted for the Young emergency tariff bill and that every Democrat from the State of Mississippi voted against it; that every Republican from the State of New Hampshire voted for it and every Democrat from North Carolina voted against it [applause on the Republican side]; that every Republican from the State of Vermont voted for the bill and, I believe, every Democrat from Virigina voted against it. [Applause on the Republican side.]

Mr. BLANTON. Mr. Chairman, will my distinguished colleague from Texas yield?

Mr. WURZBACH. Yes; I yield to the gentleman.

Mr. BLANTON. I want to commend my distinguished colleague for his effort in trying to get his Republican brothers to put hides upon this bill.

Mr. WURZBACH. They are going to do it at the proper time.

Mr. BLANTON. Nearly 180 Congressmen, exclusive of the steering and Ways and Means Committees, signed a petition to the Committee on Ways and Means to put hides on the dutiable list in this bill. My colleague presented it to the committee without avail. If my colleague had been here on December 22 last he would have heard the pleading that I then made to the members of his party to put frozen beef and mutton, as well as hides, on the emergency bill, but we were then turned down by the gentleman's party on that proposition.

Mr. WURZBACH. I will continue. I want to call your attention to the fact that I referred to three of the extreme northeastern States of this Union, New England States, Yankee States, if you please, and every one of those three States voted solidly for that bill, while southern Representatives, alleged Representatives of their people, voted against it. Is not that a positive and solemn refutation of the charge that has been made in the South for the last 60 years that there is any feeling of sectionalism on the part of the northern people against the South?

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. WURZBACH. Yes. I would like to have a little more time later on.

Mr. GARRETT of Tennessee. Has the passage of the bill helped?

Mr. WURZBACH. Certainly it has helped. If it has not helped, then what are you Democrats complaining about? [Laughter on the Republican side.] If it has not put up the price of agricultural products included in that bill, what are you Democrats complaining about?

Mr. GARRETT of Tennessee. We are complaining, probably, because it has not. Has it?

Mr. WURZBACH. I think it has. If it has not raised the price it has at least kept the price from continuing to go lower and lower, as it did during the Democratic administration. [Applause on the Republican side.]

Mr. DEAL. Mr. Chairman, will the gentleman yield?

Mr. WURZBACH. I would like to yield, but I can not. I know how you Democrats in the House feel in regard to this lone Republican from Texas. I will give you all the privilege you want to interrupt me. I will try to answer any questions as I go along.

Mr. DEAL. I wanted to correct the statement of the gentleman in saying that all the Members from the State of Virginia had voted against the emergency tariff bill.

Mr. WURZBACH. Is the gentleman Mr. DEAL?

Mr. DEAL. Yes. I voted for it, but I want to say that we have received no benefit therefrom. [Applause on the Democratic side.]

Mr. WURZBACH. I want to say to the gentleman from Virginia that I will qualify that statement of mine to the effect that I believed that all the gentlemen from Virginia voted against the emergency bill. I will say, as I said to the gentleman from Louisiana [Mr. MARTIN], "I take off my hat to you." [Applause on the Republican side.] Now, here is the proposition——

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. WURZBACH. I regret I can not yield. We had, among the 17 Texas Democrats, 13 who voted against the Young bill and 4 who voted for it, 13 to 4. I want to say to the 4 that you truly represented the interests of your constituents—you that are here. [Applause on the Republican side.] I know that the other 13 say that you are not true to the caucus, to the Democratic caucus. They claim that you are not true to your party, and that you are not true to yourselves. Now, in order to be perfectly consistent——

Mr. BLANTON. Mr. Chairman, now, right there, will my colleague yield for a moment?

The CHAIRMAN. Does the gentleman from Texas yield to his colleague?

Mr. WURZBACH. No; I can not, for this reason——

The CHAIRMAN. The gentleman declines to yield. The gentleman from Texas [Mr. BLANTON] will take his seat. [Laughter.]

Mr. WURZBACH. This is the first time during my service in this House that I have appeared on this floor speaking, and I think we all recognize that "the shrinking violet of Texas" has had plenty of time compared with the small amount of time I have taken. [Laughter.] I think he ought to give me a little time.

Now, I want to say to you four Democrats of Texas that in order to be absolutely consistent, in order to be true, not only to the interests of your constituents, but to be true to yourselves, you ought to come over on this side of the House. I want to say to you, "Come in boys; the water is fine." [Laughter.] Come on over here and wear the rare but precious jewel of political consistency. [Laughter.] I do not know what to say about the 13 on the other side. I think they are all wrong. It is true they have been standing by their platform; they have been standing by the Democratic tradition of the last 60 years. You have got one Member among the 13, the wisest of you all, that voted both ways on two bills that represented exactly the same principle. [Laughter.]

Now, I suppose that he might say that he was true not only to himself but also to himself and his party. But some analytical fellow might come along and say, "John, you have not been true either to yourself or to your party." [Laughter.] You know I have wondered whether the little couplet has not occurred to my friend from Texas, the dean of the Texas delegation—

Oh, how happy could I be with either,
Were t'other dear charmer away!

[Laughter.]

You know when I came here, a green boy from the sticks, away down in Texas, I had an idea that everything a man said on this floor was recorded against him, and that if you made a speech on the floor you would certainly find it in the RECORD. I have looked into the RECORD, and on December 22, 1920, I found a note in the CONGRESSIONAL RECORD to the effect that, "Mr. GARNER addressed the committee. His remarks will appear later." [Laughter.] I chased around here, foolishly, I find now; I went around to see the reporters, and everybody else, and they told me that the speech was not on record at all. [Laughter.] But I will say this: I am so anxious to read a good Republican tariff speech made by a man like JOHN GARNER that I will give $50 to any Washington charity if JOHN GARNER will give me a copy of that speech. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ARENTZ. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 15 minutes more.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman five minutes more.

Mr. WURZBACH. Give me 10. It will take me a little longer. I have only started. [Laughter.]

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman 10 minutes.

The CHAIRMAN. The gentleman from Texas is recognized for 10 minutes more.

Mr. WURZBACH. Now, I want to say this: That speech has gone.

Mr. FORDNEY. I have a memorandum of the major portion of it that I took down at the time.

Mr. WURZBACH. That speech is gone. It is a goner. It is a John Goner speech. [Laughter.] Now, I want this understood. You know I am one of the boys. I am a Texas boy like all of you Texas men. JOHN GARNER and I are as good friends as any two men in this Congress, and what I say here has not the slightest ill feeling, except that I do delight, just for a change, to live in a rich Republican atmosphere. [Laughter.] You know I have been living for a whole lot of years down there in a Democratic atmosphere that is so thick that a Republican can hardly live in it. [Laughter.] When I get up here and have a lot of Republicans to back me up it is really a delight. [Laughter.] Why, I have heard more than a score of men on this side pay the highest compliments to the Texas delegation. In fact, they say that there is no State delegation in this Congress that stands higher than the Texas delegation, and I tell you it does me good as a fellow Texan when I hear that kind of language. I feel good over it because I am a Texan myself. [Applause.] You know I love the Democrats almost as much as I do the Republicans. [Laughter.] I would love them twice as much if it were not for the foolish way they have down South of acting on election day. [Laughter.] Some of you people have a wrong conception of conditions down South. I am free to admit that some years ago there was some sectional feeling, but to-day that is gone. There is no prejudice upon the part of the North and its people toward the South and the people there, and so far as the rank and file of the people of the South is concerned, there is no feeling of sectionalism against the North or the northern people. We all feel that we are citizens of the same country and lovers of one flag. [Applause.] The Spanish-American War partly and the World War wholly wiped out the last vestige of sectional feeling in the South. Now and then you will find on this side of the line or on that side of the line some exceptional man who brings up those questions, but they are but the flickering flames of a dying hate that does not even cast a shadow in the brighter and purer light of the rising sun of a new reunion. [Applause.]

Now I want to talk to you Democrats. It is not necessary to talk to the boys over on the Republican side, because they are with us, but I want to try to talk to you men of the South. Take this Fordney bill which we have now under consideration. What complaint have you got to make against its provisions? Does it not provide for every product of your State? There was a time when the claim was made that the protective tariff was only for the North and East, but you can not make that complaint now. Every product of your State is on the protected list except hides and cotton, and if I have the same success, if my appeal will carry as much weight with you men on the Democratic side of the House as I know it will with the gentlemen on the other side, I believe that when this bill comes up for final passage you will have to vote for protection on hides and cotton, too. [Applause.] I am hoping you will do that. In fact, I am half expecting you to do it. Get away from the dead tradition of your party. It is not really a tradition of your party. Your party did not always stand for free trade or for a tariff-for-revenue-only policy. The greatest men of your party—Jefferson, Madison, Monroe, and Andrew Jackson—stood for a protective-tariff policy. [Applause.] And when you see the industries of your section, the cotton farmers, the cottonseed growers, the peanut growers, the live-stock men of your section lying prostrate, I say you ought to rise above your partisanship

and vote for this bill. If you do not, I want to say you are going to have some of the tallest explaining to do that you have ever had to do in all your lives. [Applause.] I want to say to you further that it is going to be your political funeral and not mine. [Laughter.] And right here and now, in order to test your sincerity in the stand that you are taking on this tariff question, I want to make this open challenge to you Democrats of the South.

I want some of your leaders to declare, collectively or individually, that you will go before the people of your States in the next congressional election free from all extraneous questions, partisan politics, and everything else, and declare that you stand against a protective-tariff policy, against protecting the industries of your own section, and let the verdict of the people of the South be upon that sole issue. If you will accept that challenge and do that, my Democratic friends, you will see the merriest time in Dixieland that you have ever seen. [Laughter and applause.] And I think there will be a considerable break in the solid South. Why, 80 per cent of the people of Texas favor a protective tariff, and I want to tell you Democratic Congressmen from Texas who have senatorial bees buzzing in your bonnets—and I think includes about five-fourths of you [laughter]—you had better get straight on the tariff question. You might have some trouble in getting by a Democratic nomination, but whenever you get before the people of Texas and stand on a protective-tariff policy you will win. And if you do not do that, we will put up some Republican candidate for the Senate and we may elect a Republican Senator. [Applause.] Now, why do I believe in the protective-tariff policy?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FORDNEY. I yield five minutes more to the gentleman.

Mr. WURZBACH. I believe in the protective-tariff policy, gentlemen of the committee, because it is an American policy. It may be a selfish policy, but it is a selfish American policy. We stand for the proposition that before the foreign producer—and that includes the foreign laborer—can come into this country and take away from us the American market, he must pay for that privilege by paying a tax or tariff or duty equal to the difference in the cost of production here and the cost of production in other countries. What are you going to say to your live-stock men? What are you going to say to your cottonseed growers and your peanut growers? It is impossible for the Texas live-stock men to successfully compete with the raiser of live stock in South America, just as it is impossible for the Texas cottonseed grower and the peanut raiser to compete with the cheap labor of the Orient.

Mr. BLANTON. Will the gentleman yield?

Mr. WURZBACH. Yes; I will yield just for a question.

Mr. BLANTON. Why does not my protection colleague from Texas get his protection party to put cottonseed cake in this bill and put a duty on it?

Mr. WURZBACH. Well, we had not thought of that——

Mr. BLANTON. Your cottonseed men of Texas are thinking about it.

Mr. WURZBACH. Would you vote for the bill if we put that in?

Mr. BLANTON. I will vote for that provision, but I will not vote for the bill as a whole, which Mr. FREAR, a Republican, terms "fundamentally indefensible." [Laughter.]

Mr. FORDNEY. Will the gentleman from Texas [Mr. WURZBACH] permit an interruption?

Mr. WURZBACH. Yes.

Mr. FORDNEY. Did the gentleman from Texas [Mr. BLANTON] ask the committee to incorporate such a provision in the bill?

Mr. BLANTON. On December 22 last I offered from the floor an amendment to put it in the emergency bill.

Mr. WURZBACH. That is past history. That was in the other bill. That is the trouble with you Democrats. You talk about sectionalism, and still you come in here and say, "We want protection for our own products, but we will not consider this policy as a national policy. [Applause.] We are willing to accept a protective tariff on our own products, but we are not willing to give other sections a tariff on their products."

That is the difference between the Republican Party and the Democratic Party. [Applause on the Republican side.] You admit it when you 40 Democrats from the South voted for the emergency tariff bill—you admitted the justice of the protection policy, because certainly you will not admit that you would take the benefits of a policy that was not just. You convict yourselves of sectionalism when you make the charge against the Republicans that they are sectional.

The only argument, and I think that is the sum and substance of the protective tariff policy, is that the American markets belong to the American laborer and the American producer. When you consider that the American pays the taxes to keep the wheels of government in motion, that he himself is a part of the consuming market, and he can be called upon, and when called upon always cheerfully responds to the commands of that country, that he lays down his life even, if that life is necessary, and do not you think it right, do not you think it fair that the American producer should have at least an equal chance with the foreigner in the American market?

We consume 90 per cent of what we produce in this country, and the saving of the home market to the American producer is much more important than the foreign market. If one or the other must be sacrificed let it not be the 90 per cent home market.

What is your solution of that problem? You have got to do one of two things: Under the nonprotective policy of the Democratic Party, you have either to say to the American producer, "You must get out of your particular line of business that comes into competition with the cheap products of foreign countries or you have got to lower your scale of wages and your standard of living down to theirs." I am not willing to do either.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FORDNEY. I yield to the gentleman 5 minutes more.

Mr. WURZBACH. What will you say to the live-stock men of Texas who can not compete with the cheap cattle coming from South America and from Mexico? Will you tell them to go out of business or tell them to reduce their standard of living, and will you tell the same thing to the manufacturer and to the laborer? Why, we would not reduce our high American standard if we could, and we could not if we would. [Applause.] That is the proposition. Your whole argument, every argument that I have heard on the floor from the Democrats is based on a false premise. You take the position that a protective tariff is necessarily a prohibitive tariff, and it is not. You do not have to exclude foreign imports in order to give protection to the domestic producer. Any kind of a tariff to that extent makes it easier for the American workman and the American producer to compete with the foreign laborer and the foreign producer.

The gentleman from Michigan [Mr. FORDNEY] has been very indulgent with me, and I thank him for his kindness, and in conclusion I want to say to you, my friends, that this is not a conference at Versailles or Geneva, called together for the purpose of benefiting the nations of the earth, but this is the American Congress, gathered here from 48 sovereign States for the protection not of foreigners but of Americans first. [Applause.] I owe no allegiance to any mottled flag of internationalism, but I love Old Glory and I love my people, the people, the American people, better than all the rest of the people of all the world. Therefore, I stand for the protection and the preservation of American rights and American interests against the world. I stand for America first, the Stars and Stripes forever. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield 30 minutes to the gentleman from Pennsylvania [Mr. WATSON].

Mr. WATSON. Mr. Chairman, the distinguished gentleman from Texas [Mr. GARNER] on Saturday in his speech stated that an influential Republican remarked that this bill would be obsolete before it passed the House. We all know there has never been a time in the history of our Government when it was so difficult to write a tariff or a revenue bill as just now. I am not a seer, but I predict that within two years the Fordney bill will be a most popular tariff measure [applause]; and, conversely, it will be a political disappointment to the Democratic Party.

The times in which we live are marked by more extraordinary events than any other period within the history of our Republic, which emphasizes the responsibility that rests upon Congress, and of all the bills considered in the House not one is assailed and so universally criticized as a tariff measure.

The bill in debate was written under the generalship of our able and distinguished chairman, having for its purpose three well-defined objects, raising a revenue, protecting industries, and maintaining living wages for the American workman.

The first tariff law was enacted in 1789, framed not only for a revenue but for protection, as its caption defined:

Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and the encouragement and protection of the manufacturers, that duties be laid on goods, wares, and merchandise imported.

Protection was the policy of Congress from 1789 to 1816, and from that date to the present, tariff has been a party issue, influenced, however, by sectional or territorial commercial interests. During the 132 years Congress imposed protective duties for 89 years, and for revenue 43. If we review these periods without prejudice, the facts reveal that our country enjoyed greater prosperity under a protective policy than for a revenue, save during the Crimean War from 1853 to 1856, and the World War, so recently passed into history.

The prosperity of the country in 1856 under a moderate tariff encouraged the passage of the act of 1857, which reduced the duty on many commodities and created a free list that was very acceptable to foreign manufacturers. Europe thus found America a valuable market for her merchandise, manufactured by cheaper labor, that closed our factories and caused the greatest financial panic experienced by the American people. These conditions influenced the passage of the protective tariff of 1861. No country in the history of the world advanced so rapidly in wealth and power as the United States under a protective tariff. Since 1861, except 12 years, protection has marked the tariff bills and prosperity stamped the history of the Nation. The following table will emphasize this statement, at least since 1860:

The estimated wealth of the United States in—

1860 was	$16,000,000,000
1920 was	300,000,000,000

An increase of 1,875 per cent.

The estimated wealth of the United Kingdom in—

1860 was	$28,965,600,000
1920 was	120,000,000,000

An increase of 414 per cent.

The estimated wealth of Canada in—

1860 was	$1,965,120,000
1920 was	16,000,000,000

An increase of 839 per cent.

The estimated wealth of Australia in—

1860 was	$879,660,000
1920 was	6,000,000,000

An increase of 682 per cent.

The unlimited resources of the United States may have been a strong factor for our phenomenal growth, but protection extended our industries as they developed was the legislative policy that so rapidly increased efficiency and enabled the American workman to live in a fashion that developed self-respect and made him a more useful citizen.

Nature wrote a tariff bill at the time the world was created for the habitation of man. Thousands of commodities essential for the existence and comfort of the human race are natural in one country and not produced in another. After governments were formed and commerce established, laws were enacted regulating the exchange of commodities. Thus was the beginning of a tariff for revenue, from which was evolved an import duty for the protection of domestic industries. As an illustration, in 1920 we imported from Japan and China, the principal silk-producing countries, 11,263,000 pounds of imperfect cocoons, from which are manufactured coarser fabrics, and about 47,182,000 pounds of raw silk, both of which are admitted free. When the silk, however, is doubled, twisted, or advanced, a duty is imposed as compensatory for the labor required. Silk must be reeled soon after the worm dies in order to obtain perfect yarn. This labor does not come in competition with the American workman. Protection has encouraged the silk industry of our country. One hundred years ago it was in its infancy, now there are over 1,000 different silk plants, yielding $800,000,000 of fabrics in various conversioned forms. We do not produce raw silk because of an economic reason, but our soil and temperature are fitted for other industries. Last year we exported 27,000,000 barrels of rye to Mexico, New Zealand, Denmark, Holland, and the United Kingdom.

The exchange of commodities gives employment to the workmen of the world and we should therefore be jealous of our artisans by protecting all new industries wherever possible and thereby increase our internal sources of taxation.

Tea can not be commercially cultivated in the United States and under the philosophy of trade it is admitted free, but China and other countries where tea is produced a protective duty is imposed. A protective policy creates competition which lowers the prices of domestic commodities, as has been so thoroughly illustrated during the protected periods.

April 20 a memorial was presented to the committee by the Southern Tariff Association, whose membership consisted of 95 per cent Democrats, representing 18 Southern States and 57 different industries. The increased wages paid to the Negro upon plantations since the war, has forced the South to ask for protection in order to compete with the low wages paid in South American countries and the Pacific islands. The staple commodities of the South must be protected by a duty in order that the southern planter may profitably follow his occupation. In all instances the duty should not be greater than required to equalize the cost of production comparable to those of domestic articles. For instance, Japan pays its skilled laborers working in the potteries $1 a day of 10 or 12 hours, while in the United States men doing the same character of work are paid $9 for an 8-hour day. Sugar-cane laborers in Java are paid 10 to 20 cents per day, and in the United States an average perhaps of $3.25 per day. Field labor in the tobacco fields of Sumatra receive 10 to 15 cents per day, in America $1.50 to $6 per day. These are only a few examples to illustrate that the southern planter must have protection, otherwise sugar cane, rice, and tobacco will not be commercially cultivated in the United States.

It is an interesting fact that the wages of those employed in the building trade in England for a period of 700 years have gradually increased and not receded, except in time of war or financial depression, in either case not permanently. In 1252 the wages of carpenters, joiners, and bricklayers were 2¾ pence per day; in 1588, 1 shilling per day; in 1660, 2 shillings per day; in 1872, 7 shillings per day; in 1914, 9 shillings 6 pence per day.

Wages are being reduced in every part of the world, but when prewar levels are reached they will slightly increase, if we reason from the past, but in no country have wages advanced so rapidly as in the United States under a protective policy. Taking extracts from a scale of wages paid by an industry that has been in continual operation over 100 years, I find that in 1843 this concern paid 5 to 7 cents per hour of 72 hours per week—

1870 to 1910, 53 cents per hour of 70 hours per week.
1910 to 1914, 63 cents per hour of 58 hours per week.
1914 to 1915, 66 cents per hour of 55 hours per week.
1915 to 1919, 67 cents per hour of 50 hours per week.
1919 to 1921, 92 cents per hour of 48 hours per week.

Pennsylvania, the great industrial State, developed her natural resources by protection. Iron, steel, silk, leather, wool, and many other commodities have found their industrial homes in the Keystone State, and when the Nation was taxed to meet war expenses Pennsylvania's share of taxes exceeded the total amount paid by 13 Southern States. [Applause on Republican side.] I can not speak for other States, for Pennsylvania we want a strong protective policy and less governmental control over our industries and individual efficiency. [Applause.]

Can we not ask with all seriousness, are the political and social problems too great, are they too many, do they follow each other too rapidly for the legislative bodies of the world to solve to meet the temper of the people and exigencies of the times? The tendency for luxury, the increased ordinary public expenditures, and the burdens of taxation, present strongly the subject of economy, one that should receive the most careful and serious consideration. Money or its equivalent is the power that not only builds empires but destroys them. One hundred and forty years previous to the war, through diplomacy, our Republic was not drawn into the controversies and the political games of the Old World. The end of the war grafted our Nation into the affairs of England and continental Europe, it has germinated, we can not withdraw, but each year as electricity quickens the transmission of thought and the greyhounds of the ocean equalize the commerce of the world, America will naturally be drawn into the political controversies between nations, and the future Congresses of the United States will have international questions to solve, answers to which will evolve the progress of the world.

As population multiplies and education becomes more universal public issues are more intense and their number proportionately increases.

Because of the political unrest of the world it is of potential importance to conserve our resources, exercise political economy, that we may prepare for the struggle of commercial and financial wars that must face the world. It is to our interest to encourage every new industry that may be within our confines; supply ourselves with all the contingencies of modern warfare, that can only be assured by a protective policy. That was so well emphasized by the war embargo, which forced us to develop new industries that now remain permanently on our commercial lists, to further increase our wealth and power as nature unfolds her secrets, to aid man in his purpose, to create a more perfect existence in the growth and development of civilization. [Applause on the Republican side.]

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having resumed the chair as Speaker pro tempore, Mr. GRAHAM of Illi-

nois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456 and had come to no resolution thereon.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolution of the following titles, when the Speaker pro tempore signed the same.

H. R. 4803. An act making appropriations for the Naval Service for the fiscal year ending June 30, 1922, and for other purposes;

H. R. 4976. An act granting the consent of Congress to the Trumbull Steel Co., its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio;

H. R. 2421. An act granting certain public lands to the city of Phoenix, Ariz., for municipal purposes;

H. R. 6814. An act to authorize the construction of a dam across Wabash River at Huntington, Ind.; and

H. J. Res. 32. Joint resolution to change the name of the Grand River in Colorado and Utah to the Colorado River.

TARIFF.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, with Mr. GRAHAM of Illinois in the chair.

Mr. FORDNEY. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. LINEBERGER].

Mr. LINEBERGER. Mr. Chairman, I shall refrain from making some of the observations I had intended to make, because the distinguished gentleman from Texas [Mr. WURZBACH] has very ably covered the tariff situation in the South, to which I had intended to devote a part of my time. I am not a native of the great State of Texas, but I am a native of what until the very recent past has been considered one of the leading Democratic States of the South, namely, Tennessee, and I know something of the Democratic doctrine of free trade. I have no doubt whatsoever as to the absolute sincerity and integrity of the gentlemen who come from south of the Mason and Dixon line, who happen to sit upon the Democratic side of this House, so far as their pretentions in respect to the tariff are concerned, but I feel that, sincere though they be, they have a very misguided conception of what protection really means. The gentleman from Texas [Mr. WURZBACH] observed that the average southern Democrat seems to think that protection means an absolute monopoly. To my mind the whole policy of protection is intimately involved with the principle of Americanism. The people who live in this country, who pay the taxes and who gain their daily bread in the fields of American endeavor, are certainly entitled to prices for their products which will permit them to maintain American standards of living. There is no question in my mind that every American producer has the absolute right to demand in protection to American industries the difference in the cost of production in this country and the cost of production abroad.

So far as the present tariff bill is concerned, and I believe it to be the greatest tariff bill ever originated in the Congress of the United States, there is no question but that it involves a series of compromises. There never was and never will be a piece of legislation passed in either House of Congress which will fulfill all the desires and wishes of the individual Member, and I think it is right and proper that it should be so. Legislation is like life, it involves the principle of "give and take," and compromise is the watchword of all progress.

I believe that this great committee, which has had this bill under consideration for months, who have devoted themselves most assiduously to the consideration of every angle of the momentous situation confronting the Nation in the revision of the tariff, have done the very best that could be done under the circumstances. California, far removed from Washington, far removed from the centers of consumption, like many of the other west coast States has unusual and peculiar conditions which it would like to have covered and met so far as possible by this tariff bill. To a great degree our ambitions and interests have been met. We are not absolutely satisfied, it is true, but I dare say that there is not a Member of this House who is absolutely satisfied with every provision of the bill so far as it affects his own particular district; but, in that very fact, in the fact that the average Member on the Republican side of the House admits it is not absolutely perfect—and in admitting this I am sure they are sincere—I am all the more convinced that the bill is the best tariff bill that has ever been put out in any Congress; and the fact that they are not absolutely pleased with every provision, together with the fact that the majority of our Democratic friends oppose it, is the very best argument, in my mind, that the interests of the consumer as well as the interests of the producer have been taken care of, on the whole, in a most satisfactory manner under existing circumstances, and the people in general will approve of the measure. Great stress has been laid by some of my colleagues on the fact that the rates were either above or below those of the Payne-Aldrich bill or of the Underwood bill. I for one realize that the bills to which I have referred have to a certain extent been held up as yardsticks or as precedents in the consideration of this bill, but I am not disposed to pass upon the wisdom of this great committee in having so acted. I believe that the conditions which this country faces to-day as the outcome of the great World War have turned things really upside down, and I do not believe that in all cases the schedules should have been measured or that even an attempt should have been made to measure and enact schedules in harmony with the Payne-Aldrich bill as a yardstick.

But that is a mere question of opinion. Other opponents of this bill have said that we could not expect to collect the money which the foreign Governments owe us unless foreign exports were permitted to come into this country at no duty or at a low rate of duty. Personally I think and believe that the country is with me when I say that charity should begin at home. The American producer is the man whom we should first protect or otherwise in our attempt to look after the peoples of Europe and to see that their indebtedness is paid we shall neglect our own people and those basic industries which are the very life of the Nation will be left to perish. Then, when we are again in the hands of the European importer, we will find ourselves as we were 10 or 15 years ago in the matter of lemons. There was a time when we paid from one to two dollars a dozen for lemons in this country, which would be equivalent to-day in terms of the relative purchasing power of money practically to from two to four dollars a dozen, and this is what always happens when the basic industries of a country are throttled in an effort to aid the foreign exporters and domestic importers. It is inevitable. Let us look after our own people first and the rest of mankind will probably take care of themselves. At least let us not perish that they may flourish at our expense. [Applause on the Republican side.] I do not desire to take up the time of this committee unduly with exhibits, but I want to show you a few bona fide pictures of rotting lemons that you may know something of what happened in California under a Democratic tariff. Last year in California 10,000 carloads of lemons, the product of 17,500 acres of lemon groves, were thrown into the washes because the competition of Italian importations into this country was such that we could not meet it. But when you stop to consider, my friends, that those people in California are American citizens, and it is estimated that the average grove in California consists of about 10 acres, there being 50,000 acres in lemons owned by 5,000 American families, each family composed of an average of five members who are dependent upon this industry, who have invested all their savings in an industry which they assumed was right and proper for them to engage in, it is convincingly pathetic—yes, even tragic. We now find we face postwar conditions in Europe. One gentleman to-day held up before us the unfortunate condition of the peoples of Europe.

In very pathetic tones he told us of the condition they were in. In a very pathetic plea he told us how we should give them an opportunity to arise from the condition in which they find themselves. He did not mention the fact that these peoples are perfectly willing to-day to work for practically nothing, and that in permitting them to bring the products of cheap labor into this country we put our own people in a worse condition than the peasants of Europe, because immediately our living conditions would drop to the lowest levels ever known and from which American industry would not recover in a generation. No doubt can arise in the mind of any man who takes the Fordney tariff bill quietly, without any sentimental or political bickering, and analyzes and reads it from cover to cover, but that it is the greatest tariff bill that we have ever had placed before us for passage. [Applause on the Republican side.]

These gentlemen have not been hidebound in their hearings. Every man who has had a desire to present his proposition before them has had ample opportunity to do so. And their liberality was shown here the other night in caucus when they permitted certain articles upon which the committee had not been

able to agree to be submitted to the House where there is going to be an opportunity to vote upon those schedules which have been most debated. Beyond that, every Member has an opportunity to go before the committee as a whole and present his argument, to there repeat the arguments which were presented to the subcommittees, and I am sure that under the chairmanship of the able gentleman from Michigan [Mr. FORDNEY] of the Ways and Means Committee, each and every man will be given a legitimate and ample opportunity to further press his claims. And if he can sustain his contentions on the basis of the protection theory of the Republican Party a tariff which will equalize the difference in the cost of production in this country and abroad, on those articles produced in this country, I am sure that he will be given in large measure that for which he asks.

The people of California—and I hope the House will pardon the reference which I am going to make to a certain section—are of your own flesh and blood and kind. The people of my great State, and I include in this reference all those great States west of the Rocky Mountains, have little by little, down through the last 75 years, percolated out to the western shore of America. On the shores of the Pacific the East meets the West, for beyond lies Asia and its teeming millions of coolie labor. In my district I have some of your ex-constituents, no matter from what constituency you may come. I do not wish to say that I have all of the good people from every constituency in the United States, but I do say without fear of contradiction that I have some of the best people, former residents of your constituencies, within the bounds of the district which I represent. And those people are looking to this House for a square deal, and I feel confident they will not be disappointed in this most legitimate of expectations.

The Republican Party in California is a party upon which the people of that State have seen fit to place their reliance. During the recent presidential campaign we had the distinguished gentleman who was a candidate on the Democratic ticket, Mr. Cox, of Ohio, come into my own State and plead the protectionist principle as reason for our vote, but the people of California did not see fit to cast their votes for the party represented by Mr. Cox or his party candidates, and the first Representative from my district for a period of six years to sit on the Republican side of the House was overwhelmingly elected. I am glad to know that there is no partisanship in this bill. I am glad to know that where the gentlemen from south of the Mason and Dixon's line have seen fit to present their requests, and where they have been able to justify the schedules for which they have asked they have been in a large measure granted, and I sincerely hope that the gentlemen who are asking for a duty on hides will get that duty. [Applause on Republican side.]

I do not care from what section of the United States a man may come if he can show to me that a majority of the people in his section producing an essential article can not continue to produce that article in this country without an equalizing tariff I am in favor of giving it to him. [Applause.] I believe that this House in its wisdom will unquestionably pass this tariff bill by a greater majority than any tariff bill which has ever been passed in the history of the American Congress, and I expect to see a great number of my good friends on the Democratic side voting for the bill when the final count is taken. You gentlemen can not afford to vote against it. You can not go back before your constituencies and give any logical, tenable reason for having voted against an equalizing duty on the products of your country and protection for its free citizens, and you know it. [Applause from Republican side of the House.]

Mr. SMITH. The gentleman spoke of the languishing condition of the lemon industry. Is that due to the present rate on lemons under existing law?

Mr. LINEBERGER. If the gentleman will permit me, I will say this, that the California lemon industry has been and is in a most languishing condition. Quite recently, due to the fact that our people had thrown away 1,000 carloads of lemons and had been unable to ship them to the eastern markets the American people during the hot spell all at once found themselves without any lemons. The only people that were able to supply them were the Italian importers in New York. These people are the men who have been responsible for charging you to-day from 50 cents to $1 a dozen for lemons inferior in quality that have not half of the acid content that the California lemons contain.

This is the way they are trying to perpetuate themselves on the American people. Look at this printed propaganda with which they have flooded Congress. The Italian Chamber of Commerce, of New York, composed of wealthy Italian importers, has spent thousands of dollars in propaganda in this country in the last few months, and the very minute that they succeed in extinguishing the California lemon industry you gentlemen will not be paying 50 cents a dozen for your lemons, but you will be paying from a dollar to a dollar and fifty cents a dozen. It takes seven years, my friends, to bring a lemon grove into bearing. A man has no income during that time. It is an entire outgo. And at the end of seven years, when the books are balanced, it has cost him $2,500 an acre to bring that grove into bearing. A few more Democratic blunders, such as the Underwood tariff, will wipe that entire industry off the map, and you will be in the predicament which I have indicated, and you will kill an American industry employing thousands of American citizens and in which over 125,000,000 American dollars are invested.

Mr. SMITH. Will the duty of 2 cents a pound in the Fordney bill help to stabilize the industry?

Mr. LINEBERGER. It will. The California lemon growers asked for 3 cents; that they felt they were entitled to. We tried to justify it before the committee, and we believe we did. However, the committee in its wisdom has given us 2 cents, and we are going to take the rate and make a "go" out of the lemon industry in California on the 2-cent rate, because Californians are people who never lie down on any job, even when the odds are against them. [Applause.]

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. FORDNEY. Mr. Chairman, I will yield to the gentleman five minutes more, but I will ask him to withhold for a moment so that I may make a statement to the House that will enable gentlemen to more thoroughly understand the argument of the gentleman from California. In the Dingley law a duty was imposed on lemons of 80 cents a box. In the Payne-Aldrich tariff law that duty was increased to $1.50 a box. In the Underwood tariff law that was reduced to 35 cents a box. In this bill we have increased it to $1.60 a box.

Mr. LINEBERGER. Yes. We are not making any complaint whatever now. We made our 3-cent fight in committee. We feel that, everything taken into consideration, we have been treated fairly, so far as the raw fruit is concerned, but I shall take up the matter of citrus by-products further before the committee as a whole. We feel these rates are entirely too low and we have faith that the committee will yet right the wrong in this matter.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LINEBERGER. Yes.

Mr. CHINDBLOM. How many lemons go in those boxes?

Mr. LINEBERGER. They will contain from two to three gross; depending upon the size of the fruit.

Mr. CHINDBLOM. What does the tariff per dozen amount to?

Mr. LINEBERGER. It could easily be figured out on the basis of 300 lemons, we will say, to the box.

Mr. CHINDBLOM. It is about half a cent a lemon, is it not?

Mr. LINEBERGER. Yes.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Thereupon the committee rose; and Mr. WALSH, as Speaker pro tempore, having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment joint resolution (H. J. Res. 173) ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922, when the Speaker pro tempore signed the same.

ENROLLED JOINT RESOLUTION SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker pro tempore signed the same:

H. J. Res. 173. Joint resolution ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922.

THE TARIFF.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill.

The motion was agreed to.

The SPEAKER pro tempore. The gentleman from Illinois [Mr. GRAHAM] will please resume the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill.

The CHAIRMAN. The committee will resume its sitting. The gentleman from California [Mr. LINEBERGER] is recognized for five minutes.

Mr. LINEBERGER. I will say to the gentleman from Illinois [Mr. CHINDBLOM] that the duty on lemons amounts to about 5 cents a dozen.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. LINEBERGER. Yes.

Mr. BARBOUR. Is it not a fact that in the past few months, when the California lemons have been rotting in the dumps, European lemons have been coming in here under the one-half cent tariff rate and were being sold and are to-day being sold, I believe, in the markets of the East at from 75 cents to $1 a dozen?

Mr. LINEBERGER. That is correct. I will say this, gentlemen, in closing, that we are satisfied with this 2-cent rate. We would have been more satisfied with 3 cents, but we are going to "try to get by" on it because we are developing our water transportation, and we are going to give the eastern consumers the benefit of every cut that we can possibly make, so that they may have cheap lemons and still have American lemons.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LINEBERGER. Yes.

Mr. BLANTON. We want to keep lemons within the reach of the people, because after the next election there will probably be some handed out. [Laughter.]

Mr. LINEBERGER. Well, I will say to the gentleman that probably as many lemons will fall on that side of the aisle as on this.

Mr. CHINDBLOM. The gentleman is anticipating the Democratic vote for this bill, is he not? [Laughter.]

Mr. LINEBERGER. Yes; that and more, for I anticipate that there will be more political lemons handed to that side than otherwise if the gentlemen over there do not get right on this tariff bill, and I will not have much sympathy for them.

The fact is that conditions in Europe are extremely unfortunate from the American standpoint if we permit producers of products over there to ship them into this country. The exchange rate is very much disturbed. I would like to quote an example here so that you may see what I mean. Italian lemons before the war sold in New York at about $2.20 a box, which was approximately 11 lire. The producer in Italy, including his freight cost, had to make an outlay for production and freight of about 7 lire, which left him 4 lire profit. To-day he is getting approximately $2.20 in the New York market, and upon the receipt of that amount of money he walks over to an international bank and buys, not 11 lire of Italian exchange, but approximately 60 lire. It is true that the production and freight charges have doubled. In other words, instead of paying 7 lire for the production and freight charges across the Atlantic he now pays 14 lire. But 14 lire from 60 lire leaves 46 lire. I want to say that one of the greatest weaknesses in the argument that has been made on the other side of the House is that no one has seen fit to admit that this money goes back to be spent in Italy, not in this country. That 46 lire, which in purchasing power in Italy equals 23 lire of prewar days, will buy 23 lire's worth of transportation and 23 lire's worth of labor on the Italian market, and therefore you have, on a basis of prewar comparisons, 23 lire to 4 lire, or practically five and one-half times the normal return.

Gentlemen, you can not meet these conditions except by putting up a tariff wall sufficiently high to cover the difference in the cost of production in this country and the cost of production abroad, and you need not try to get around it. It is cold business, and you can not meet it otherwise. The American valuation provision under these circumstances is a Godsend to the American producer.

I certainly hope this bill will pass, and I am sure California will back it unanimously. I do not think even our two Democratic friends from California [Mr. RAKER and Mr. LEA] on that side of the House, both of whom I admire and respect personally, would dare oppose this bill, because I know them to be conscientious, and for conscience's sake many good Democrats will, no doubt, feel constrained to take the party lash, that they may voice their sentiments of the "greatest good for the greatest number" and for this, the greatest and best tariff bill ever presented to an American Congress. In the words of the distinguished gentleman from Texas [Mr. WUNZBACH], "Come on in, gentlemen of the minority, the water is fine," and your political sun will shine brighter after having once, at least, immersed yourselves in the clear and shining pool of "protection." You may thereby acquire the habit. [Prolonged applause.]

I yield back the remainder of my time.

Mr. FORDNEY. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. HERRICK]. [Applause.]

Mr. HERRICK. Mr. Chairman and gentlemen of the committee, I have a few political enemies back home who seem to think that it is a crime for a farmer to run for Congress and be elected. Therefore they are vilifying me in every way, shape, and form, and for that reason I have placed this little address of mine in the form of a typewritten speech. I am sorry to have been compelled to do that, but there are certain gentlemen who have misrepresented me. There is one man, who travels around on a railroad pass, and it is reported that when one of the conductors looked at his pass and saw what was written on it he said, "Is this your name or your business?" The name on the pass was Swindell, and I was of the opinion that it was both his name and his business. [Laughter.] Now, owing to the fact that I am going down on this bombing expedition to see the sinking of those late not very much lamented German battleships to-morrow or the next day, and as I am very anxious to get in on this general debate for a few minutes—I hope to get in later under the five-minute rule—I have not much time, and I hope gentlemen will not ask me to yield, because I am going to be compelled to decline. If you will give me your attention I will read these few remarks. I want to preface them a little bit further by saying that I anticipate that there will be numerous gentlemen on both sides of the aisle who will be more or less prompted by curiosity who would like very much to ask me questions, but I wish to say to them that they will have full and ample opportunity to ask those questions later. I will now proceed to read this little address.

We as a Nation can exist without exporting a single pound of anything or importing a single pound of anything. I used to think some 25 years ago, when I was somewhat afflicted with domocratitis, that the free importation of foreign goods might have a tendency to keep down profiteering to the consumer on goods of American manufacture, but I have come to realize that goods sold upon the market to the consumer, whether of domestic or foreign manufacture, passed through the hands of the same profiteer, and no matter how cheaply he purchased the foreign goods, he sold them at the same or very nearly at the price as the goods of American manufacture. On account of the fact that he could purchase them so much cheaper abroad they yielded him a greater profit, but as the foreigner was employed in producing goods for sale in the American market, it produced a corresponding decrease of employment here in America, which caused a condition of want and misery for our American laborers. That being the case, there is no excuse whatever for the free-trade theory, and there is every reason why we should have a tariff that will equalize the cost of production in America and abroad. The whole question of protection ultimately rests upon protecting the American laborer and American producer from the competition of cheap foreign labor. That being the case, there is no excuse or justification for refusing the American farmer a just, reasonable, and adequate protection for his hides, for it has not been 10 months ago that a farmer could hardly carry enough cowhides to purchase one pair of shoes. Yet shoes were selling at from $8 to $20 per pair. The same reasons apply to giving just and adequate protection to the independent oil producer, in order that he may not be driven out of business by unfair competition from cheap foreign oils, which are owned by the big oil trusts, and that the American laborer in the American oil fields may continue to receive American wages for his labor and thus maintain the American standard of living. The Republican principle of protection as a national policy is fundamentally sound, but protection never was and is not now a license to create a monopoly and rob under the guise of the law. Therefore it is futile to suppose that the German dye industry is going to run our dye industry off the face of the earth because they are compelled to supply a vast amount of their coal to France in reparation for the damage done to the French coal mines, and, from the further fact that they have lost nearly one-half of their mining regions. This being the case, to put an embargo upon dyes at the behest of the Allied Chemical Corporation and the Du Pont Co., two gigantic trusts with an

aggregate capital of $562,000,000, is to endanger future Republican success and the whole principle of protection.

There seems to be great apprehension as to just how the foreigner is going to pay his indebtedness to us if he can not pay it in goods, in view of the fact that he has no gold with which to pay it. It does not seem to occur to those who are thus so worried that he might pay in a kind of goods that we do not produce at home and thus would not come into competition with our own goods of domestic manufacture. And, furthermore, if we can manufacture and ship our goods abroad and undersell the foreigner in his own country, then it is physically impossible for him to repay his indebtedness to us under any circumstances, tariff or no tariff.

The tariff is only one step in the promotion of decent and adequate standards of living. Of course, the American laborer will not get the full benefit thereof unless we also pass a wage standardization bill. The statement that a prohibitive tariff would enable monopolies and trusts to exact extortionate prices is only partly correct, because the commerce of the whole world is now in the hands of monopolies and trusts, and they will charge for their goods all that the traffic will bear, tariff or no tariff, while paying for their labor just as little as they can get their labor for unless they are restrained therefrom by law; and if this country wishes to escape from the calamity of first having all wealth concentrated in the hands of the few, to be followed later by a bolshevist revolution with its resulting chaos and loss of life and property, there will have to be enacted a law establishing a fixed price for labor and commodities, and the sooner such a law is enacted the better, for the old idea of taking all the profit that the profiteering corporations can exact is a clear case of destroying all profit, because it is a case of drying up profit at its source by destroying the source thereof. This is, of course, a new and somewhat unusual idea, but conditions are coming to that, and there is no getting away from it. There has got to be something done to prevent strikes and to stabilize business. This is one sure method whereby the differential could be divided between the manufacturer and consumer, and if our Democratic friends really meant what they say when they say they would like to see some method devised whereby the differential could be divided, they would vote for it. But would they? [Applause.]

Mr. FORDNEY. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. WALSH having taken the chair as Speaker pro tempore, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the tariff bill (H. R. 7546), had come to no resolution thereon.

PRINTING FOR COMMITTEE ON THE DISTRICT OF COLUMBIA.

Mr. FOCHT. Mr. Speaker, I ask unanimous consent for the present consideration of the following resolution.

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent for the present consideration of a resolution, which the Clerk will report.

The Clerk read as follows:

Resolved, That the chairman of the Committee on the District of Columbia be, and he is hereby, authorized to have printed 2,000 additional copies of its hearings on the bill, H. R. 227, for the use of said committee.

The SPEAKER pro tempore. Is there objection?

Mr. SPROUL. I object.

Mr. FOCHT. Will the gentleman reserve his right to object?

Mr. SPROUL. Yes.

Mr. FOCHT. Mr. Speaker, I have assumed the responsibility of making this request, because of the fact that there is a demand for copies of these hearings. It is nothing to me personally, but members of the committee and Members of the House have asked me to have copies printed. I sincerely hope the gentleman will withdraw his objection.

Mr. BLANTON. Will the gentleman yield?

Mr. STAFFORD. Will the gentleman yield?

Mr. FOCHT. I will yield first to the gentleman from Texas.

Mr. BLANTON. I want to state to the gentleman from Wisconsin [Mr. STAFFORD] that the printed copies of the hearings are exhausted. The chairman can not furnish them. I hope that he and the gentleman from Illinois [Mr. SPROUL] will not object.

Mr. STAFFORD. No one has furnished any information to the House about the subject matter of the hearings. The gentleman from Pennsylvania has not furnished it. I think the Members of the House are entitled to some information as to what it is all about.

Mr. FOCHT. When the gentleman is through I would be glad to give the information. This bill is what is known as the antipicketing bill. We have held hearings extending over a month, with numerous witnesses and experts before us. It applies only to the District of Columbia. The bill was introduced by the gentleman from Texas [Mr. BLANTON], but notwithstanding that, although I am a Republican, as you know, chairman of the committee—and I am not here to say that I will even vote for the bill—but regardless of politics, the gentleman who introduced it is a Member of Congress, and the bill ought to be considered.

The SPEAKER pro tempore. Is there objection?

Mr. SPROUL. I object.

HOUR OF MEETING TO-MORROW.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. Is there objection?

There was no objection.

CALENDAR WEDNESDAY.

Mr. CAMPBELL of Kansas. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday next, and on the next Wednesday thereafter, be dispensed with.

Mr. GARRETT of Tennessee. Let us take it one day at a time.

The SPEAKER pro tempore. The gentleman from Kansas asks unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with. Is there objection?

There was no objection.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. KENNEDY for five days, on account of illness in his family.

To Mr. KELLER for 10 days, on account of serious illness in his family.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p. m.) the House, under its previous order, adjourned until to-morrow, Tuesday, July 12, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

191. Under clause 2 of Rule XXIV, a letter from the Acting Secretary of the Navy, transmitting a tentative draft of a bill for the relief of Capt. George G. Seibels, Supply Corps, United States Navy, was taken from the Speaker's table and referred to the Committee on Expenditures in the Navy Department.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BARBOUR, from the Committee on the Public Lands, to which was referred the bill (H. R. 6323) for the relief of Frank M. Stewart, reported the same with amendments, accompanied by a report (No. 257), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. TAYLOR of Colorado: A bill (H. R. 7705) to add certain lands to the Hayden National Forest, in the State of Colorado; to the Committee on the Public Lands.

By Mr. SUTHERLAND: A bill (H. R. 7706) to reimburse veterans of the World War for travel and subsistence expenses incurred in joining the military or naval forces of the United States; to the Committee on Military Affairs.

By Mr. REAVIS: Joint resolution (H. J. Res. 174) to provide for the payment of expense of Joint Committee on the Reorganization of the Administrative Branch of the Government out of the contingent fund; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 7707) granting a pension to Phoebe Williams; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 7708) to correct the military record of John McNickle; to the Committee on Military Affairs.

Also, a bill (H. R. 7709) granting a pension to Josephine Jump; to the Committee on Invalid Pensions.

By Mr. DRANE: A bill (H. R. 7710) granting a pension to F. Maud Gardner; to the Committee on Pensions.

By Mr. ELLIS: A bill (H. R. 7711) granting an increase of pension to Caroline Johnson; to the Committee on Invalid Pensions.

By Mr. GENSMAN: A bill (H. R. 7712) authorizing the Secretary of War to donate to the city of Walters, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7713) authorizing the Secretary of War to donate to the city of Lawton, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7714) authorizing the Secretary of War to donate to the city of Anadarko, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7715) authorizing the Secretary of War to donate to the city of Watonga, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7716) authorizing the Secretary of War to donate to the city of Kingfisher, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7717) authorizing the Secretary of War to donate to the city of El Reno, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7718) authorizing the Secretary of War to donate to the city of Chickasha, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7719) authorizing the Secretary of War to donate to the city of Duncan, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

Also, a bill (H. R. 7720) authorizing the Secretary of War to donate to the city of Waurika, Okla., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. KRAUS: A bill (H. R. 7721) granting an increase of pension to Hattie E. Rayburn; to the Committee on Invalid Pensions.

By Mr. LONGWORTH: A bill (H. R. 7722) granting a pension to Walter Ficklin; to the Committee on Pensions.

Also, a bill (H. R. 7723) granting a pension to Bettie B. Scott; to the Committee on Pensions.

Also, a bill (H. R. 7724) granting an increase of pension to Eva Lochner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7725) granting an increase of pension to Fred Schwarz; to the Committee on Pensions.

By Mr. MOORES of Indiana: A bill (H. R. 7726) granting an increase of pension to William A. Dell; to the Committee on Pensions.

By Mr. SCOTT of Michigan: A bill (H. R. 7727) granting a pension to Laura A. Hayner; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7728) granting a pension to Samuel S. Coldwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7729) granting a pension to Henry B. Jones; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 7730) granting a pension to Ora O. Beerbower; to the Committee on Pensions.

By Mr. TINCHER: A bill (H. R. 7731) granting a pension to Elizabeth Walker; to the Committee on Invalid Pensions.

By Mr. VESTAL: A bill (H. R. 7732) for the relief of Nancy E. Mason; to the Committee on War Claims.

By Mr. LINEBERGER: Resolution (H. Res. 146) appointing Inman P. Crutchfield as successor to the person named in House resolution adopted by the House January 15, 1900; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1910. By the SPEAKER (by request): Resolution unanimously adopted by the Maui Chamber of Commerce on June 27, 1921, urging the passage of Senator Dillingham's resolution permitting importation into the Territory of Hawaii for limited periods of time sufficient agricultural labor to relieve the present local labor shortage; to the Committee on the Territories.

1911. Also (by request), petition of Alice Sheehan and 299 others, of the eleventh congressional district of Missouri, and Gunder Besrud and 123 others, of the State of North Dakota, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1912. By Mr. BARBOUR: Senate joint resolution adopted by the California Legislature, relative to an expression of confidence in the integrity and ability of Gen. Alvaro Obregon as President of the Republic of Mexico; to the Committee on Foreign Affairs.

1913. By Mr. BURTNESS: Petition of divers citizens of North Dakota, praying for recognition by the United States of the republic of Ireland; to the Committee on Foreign Affairs.

1914. By Mr. CONNOLLY of Pennsylvania: Petition of the Pennsylvania Forestry Association, protesting against placing any tariff on Canadian lumber; to the Committee on Ways and Means.

1915. By Mr. DYER: Telegrams from J. M. Walsh and Mary Klien, demanding recognition of the Irish republic, and of John J. Lavin, president of the George Washington Council of the American Association for the Recognition of the Irish Republic, urging the holding of public hearings on House resolution 1; to the Committee on Foreign Affairs.

1916. Also, telegram from the Missouri Farm Bureau Federation, representing 50,000 Missouri farmers, opposing any adjournment of Congress until pending agricultural legislation is enacted; to the Committee on Rules.

1917. Also, petition of W. F. Carter, president of the St. Louis Chamber of Commerce, opposing cash bonus plans for ex-service men; to the Committee on Ways and Means.

1918. Also, telegram of William Sacks, relative to tariff on the importation of crude oil; to the Committee on Ways and Means.

1919. By Mr. FAIRFIELD: Petition of the official board of the Methodist Episcopal Church, of Lagrange, Ind., representing nearly 400 members, indorsing the proposed constitutional amendment to prohibit sectarian appropriations (H. J. Res. 159), and urging its immediate passage; to the Committee on the Judiciary.

1920. By Mr. FENN: Petition of Palos Council No. 35, Bristol, Conn., seeking recognition of the Irish republic; to the Committee on Foreign Affairs.

1921. By Mr. FULLER: Petition of Rev. Frederick H. Adams and 41 other citizens of Cherry Valley, Ill., for additional legislation to strengthen the Volstead prohibition enforcement law; to the Committee on the Judiciary.

1922. By Mr. JAMES of Michigan: Petition of Peter Gedda Post, No. 27, Bessemer, Mich., in favor of legislation for the benefit of ex-service men; to the Committee on Interstate and Foreign Commerce.

1923. By Mr. KISSEL: Petition of the board of aldermen of the city of New York, urging the recognition of the Irish republic; to the Committee on Foreign Affairs.

1924. Also, petition of the Fidelity Metal Co., Brooklyn, N. Y., protesting against the removal of tin from the free list; to the Committee on Ways and Means.

1925. Also, petition of 114 New York City residents, urging the passage of House joint resolution 18; to the Committee on the Judiciary.

1926. By Mr. LINTHICUM: Petition of the Baltimore Enamel & Novelty Co., Baltimore, Md., opposing the removal of tin from the free list; to the Committee on Ways and Means.

1927. By Mr. OSBORNE: Memorial of the legislative department, State of California, forty-fourth session, relative to an expression of confidence on the part of the California Legislature in the integrity and ability of Gen. Alvaro Obregon as President of the Republic of Mexico; to the Committee on Foreign Affairs.

1928. By Mr. PARK of Georgia: Petition of Frank J. Batcheller, chairman national committee, American Minute Men, South Duxbury, Mass., urging support of House joint resolution 159; to the Committee on the Judiciary.

1929. By Mr. RAKER: Petition of the Orange Grove Monthly Meeting of Friends, Pasadena, Calif., indorsing a conference for disarmament; to the Committee on Foreign Affairs.

1930. Also, petition of Lewis Carrigan, of Redding, Calif., urging tariff rate on almonds on basis of three times that of unshelled for shelled; also, petition of the Chico Chamber of Commerce, Chico, Calif., relative to an increase of tariff rate for almonds; also, petitions of Paso Robles Chamber of Commerce, Paso Robles, Calif.; Fred J. Hart, editor Farm Bureau Federation Monthly, of California; Loring Pickering, associate editor San Francisco (Calif.) Bulletin; Paso Robles Fruit & Nut Co., of California, urging increased rate for tariff on almonds; to the Committee on Ways and Means.

1931. Also, petition of the California Almond Growers' Exchange, San Francisco, Calif., urging readjustment of tariff rate on almonds; also petition of William H. Crocker, president Crocker National Bank, San Francisco, Calif., urging increased rate on almonds; also petition of Mid-Continent Oil & Gas Association, of Tulsa, Okla., relative to a tariff on oil; to the Committee on Ways and Means.

1932. By Mr. SINCLAIR: Petition of the Women's Christian Temperance Union, Minot, N. Dak., urging the passage of the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

1933. By Mr. TAYLOR of Colorado: Petition of citizens of Glenwood Springs, Colo., urging permanent relief for the imperiled people of the Near East, etc.; to the Committee on Foreign Affairs.

1934. By Mr. YATES: Petition of the Mikesell Bros. Co., of Chicago, protesting against the 15 per cent ad valorem duty to be placed on noninflammable jute cloth (burlap); to the Committee on Ways and Means.

SENATE.

TUESDAY, *July 12, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we are glad that in view of Thy manifold mercies we can appreciate living, and living to Thy glory. Grant that the business of this day may show how much we appreciate the dignity of service and willingness to fulfill Thy good pleasure. Upon our land, upon the President, upon all for whom we should pray at this time, cause the riches of Thy benediction to rest. We ask through Jesus Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker pro tempore of the House had signed the following enrolled bills and joint resolution, and they were subsequently signed by the Vice President:

H. R. 2421. An act granting certain public lands to the city of Phoenix, Ariz., for municipal purposes;

H. R. 6814. An act to authorize the construction of a dam across Wabash River at Huntington, Ind.; and

H. J. Res. 32. A joint resolution to change the name of the Grand River in Colorado and Utah to the Colorado River.

CALL OF THE ROLL.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Hale	McCumber	Simmons
Ball	Harreld	McKellar	Smoot
Brandegee	Harris	McNary	Stanfield
Broussard	Harrison	Moses	Stanley
Calder	Heflin	Myers	Sterling
Cameron	Johnson	Nelson	Sutherland
Capper	Jones, N. Mex.	New	Swanson
Culberson	Jones, Wash.	Newberry	Trammell
Cummins	Kellogg	Nicholson	Underwood
Curtis	Kendrick	Norris	Wadsworth
Dial	Kenyon	Oddie	Walsh, Mass.
Dillingham	Keyes	Penrose	Walsh, Mont.
Edge	King	Poindexter	Warren
Ernst	Knox	Pomerene	Watson, Ga.
Fletcher	Ladd	Reed	Williams
Frelinghuysen	La Follette	Robinson	Willis
Gerry	Lodge	Sheppard	
Glass	McCormick	Shortridge	

Mr. SIMMONS. I wish to announce the absence of my colleague [Mr. OVERMAN] on account of serious illness in his family. He has a general pair with the senior Senator from Wyoming [Mr. WARREN]. I will let this announcement stand for the day.

The PRESIDENT pro tempore. Seventy Senators have answered to their names. There is a quorum present.

ADDRESS BY GEORGE M. REYNOLDS (S. DOC. NO. 49).

Mr. JOHNSON. Mr. President, I have in my hand a very brief address delivered by an eminent financier and citizen, Mr. George M. Reynolds, of Chicago, entitled "Capital—shall we export it or use it for American business?" I deem it an important and valuable contribution to the economic questions of the day. I ask leave that it may be printed in the RECORD without reading.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CAPITAL—SHALL WE EXPORT IT OR USE IT FOR AMERICAN BUSINESS?

[An address by George M. Reynolds, chairman of the board, Continental and Commercial National Bank, of Chicago, at a banquet given by the Millers' National Federation at Chicago, Ill., June 30, 1921.]

"Foreign trade for the United States is both necessary and desirable. There is no disagreement on this point among bankers, business men, economists, statesmen. However, in seeking a lead for the revival of American business, attention should not be focused on foreign trade to the exclusion of domestic business. American exports have constituted only some 6 to 8 per cent of the total sales of this country during the period of maximum exports. The domestic market is definitely under American control, to be revived if proper thought and action be taken. A clear ray of hope offers in the thought that measures looking toward business revival can be taken at home and at once. This does not mean that foreign trade, particularly in certain commodities, is not important. It does mean that the key to business revival lies in the domestic market and a more normal foreign trade than that of the calendar years 1915–1920.

"THE PLACE OF FOREIGN TRADE IN AMERICAN BUSINESS.

"The basic factors which determine the character and scope of a country's foreign trade will operate to cause the United States to seek out certain commodities needed and to export commodities in the production of which the United States has the greatest comparative advantages.

"The climate of the United States prevents the production of certain commodities needed, such as tea, coffee, raw silk, rubber, cocoa, sisal, jute. These must be bought in the countries where they can be produced. It so happens that the products denied the United States by climatic conditions are found in tropical countries which want and do not produce the commodities this country can and does produce. Direct trading with such countries is therefore natural.

"The United States can export goods in the production of which it has the greatest comparative advantages, due to climate, natural resources, and the genius of the American people for organization and quantity production. In resources the United States excels in iron, silver, lumber, copper, and other well-known basic materials. Soil and climate combine to give an advantage in the production of such goods as grain, cotton, meat, and dairy products. The genius of Americans has found characteristic expression in the mass production of standardized articles, particularly of iron and steel. It also has found expression in such devices as cash registers, adding machines, typewriters, sewing machines, and many similar articles of clever invention. It seems reasonably clear that whatever is the peculiar product of the climate of the United States may be sold everywhere by Americans in the face of any competition. Whatever product is benefited by peculiarity of American resources, either great supply or accessibility, may likewise be sold against competition. It is probably not too strong a statement to say that whatever is the peculiar product of American genius—whether genius for invention, mass production, or business organization—may be sold by Americans in the face of competition. These influences not only make possible but even compel the export of certain goods.

"In sum the United States can sell in any open market the commodities in the production of which it excels. There will be an interchange of goods with those countries which can supply products needed and requiring American goods. There will be a continuing pressure to export goods to Europe. Though the total value of exports to Europe has shrunk, the United States will continue to look to Europe to purchase cotton and other products which have so long been marketed there. Indeed, it seems reasonably certain that the United States will have a favorable balance of trade with Europe for some time, though appreciably less than indicated by export figures for the war and afterwar period.

"It scarcely needs to be said that foreign markets must be available in the years ahead for those commodities which have comprised the major portion of the export trade of the United States during the period 1914–1920. Heading the list of these commodities are raw cotton, manufactures of iron and steel, breadstuffs, meat and dairy products, and mineral oil. It seems likely, however, that this export trade of the United States will conform more and more to the value, volume, and trend of such trade during the period 1900–1913 rather than to the export trade built up through war conditions.

"In determining the place of foreign trade it is just as important to emphasize the point that foreign trade is both necessary and desirable for the United States as it is to emphasize a second point, which seems sometimes to be overlooked, that a continuation of abnormal exports can not be expected. American exports mounted both in value and volume to unprecedented

proportions, particularly during the years 1915-1920. But once the stimulation of extraordinary demand and dire necessity were withdrawn, there was a noticeable drift back to trade more in alignment with prewar trends. Any notion that the United States can go on indefinitely selling all kinds of goods in all markets at fancy prices finds no confirmation in the views of experts who have studied conditions or in foreign trade statistics.

"The prospect for the revival of American business lies in the increase of business in the domestic markets and in a foreign trade maintained along more natural lines and developed in a more normal way than is sometimes urged by the proponents of plans for the artificial stimulation of foreign trade. Ultimately, of course, if (also when and as) European countries pay the interest due the United States on their borrowings and try to amortize their debts, these payments will be made largely in goods and an unfavorable trade balance, or stream of merchandise imports in excess of merchandise exports, must be expected. Any long-time appraisal of foreign trade solely in terms of exports is faulty. Close thinking must compass the problem of imports and tariffs.

"In approaching the problem of business revival, it is true that account must be taken of the fact that although the export trade of the United States has constituted only some 6 or 8 per cent of total sales during the years when exports were at their height, this comparatively small volume of sales has a disproportionate significance, particularly with respect to those commodities in the production of which the United States enjoys distinct advantages. Export trade conforming more closely to the 'doctrine of comparative costs' is as inevitable as it is desirable.

"Before developing the remaining points in this paper, that Europe should take steps to help herself and that the export of capital has a distinct effect on business revival, it is necessary to sound the warning that such arguments set up no brief against the position that a natural, normal foreign trade is necessary for the United States.

"WHAT EUROPE SHOULD DO.

"The world, as a community of nations engaged in trade, is in an ill-balanced financial position. The United States, and in much less degree Great Britain, are the only countries with an appreciable amount of capital for export. For the purpose of maintaining their own financial solidity, these two countries can ill afford to supply continental Europe with funds secured through bank expansion. In fact, they can properly urge that the continental countries take steps to straighten out their finances as a matter of good faith, if nothing more, before seeking extensive financial aid.

"Reports indicate that the nations of continental Europe have made small progress in balancing their budgets. Deficits have accumulated. These nations must make serious efforts to improve public finances. This course involves stringent measures in the way of deflating inflated paper currencies. It also involves taxation of the most rigorous character. There must be retrenchment in public expenditures. Internal funding loans of greater proportions will doubtless be necessary to reduce floating debts—particularly to reduce debts to the State banks of issue so as to bring about a reduction in the volume of outstanding bank notes. It seems clear that European nations—some more than others—must do all these things. But more, they must put such restrictions on imports as to bar out goods that are not vitally necessary for their rehabilitation. It is imperative that the European countries work, tax, save, restrict imports to necessities—and above all reverse the mad policy of printing bank notes. On these points economists are in agreement.

"If continental Europe does not show a disposition to put her house in order, it is not too much to suggest that British and American financiers, as well as the Governments of Great Britain and the United States, should exert at least moral pressure to bring about this result. The United States could even lay down as a condition precedent to its financial cooperation or aid serious and intelligent efforts at financial and monetary rehabilitation by the countries of Europe.

"It is not amiss to note that efforts to correct the ill-balanced financial position of European countries will affect the volume of American exports to Europe. These exports are now diminishing because of the high premium the dollar commands in other currencies. The point should not be lost sight of that one of the chief influences affecting exchange rates is the difference in the price levels in different countries. It has been demonstrated in fact as in theory that the parity of exchange between two countries is affected by the purchasing power of the moneys of those two countries. If inflation is not checked or appreciably reduced, exchange rates must obtain which will operate as a barrier to the exportation of American goods to Europe. If France, for instance, makes no serious effort at deflation, and America is successful in its deflationary process, the ratio between the price levels in the two countries will show an even wider disparity, and buying by France in America will be increasingly difficult. It is probably safe to say that variation in price levels, monetary standards, and politics now have a major influence on foreign exchange—a greater influence than trade balances.

"One of the conditions necessary for normal trading between the United States and Europe is, therefore, that European countries shall themselves take clearly defined steps to strengthen their exchange position. Moreover, Europe should first help herself before seeking large amounts of new capital in the American market. This is necessary as a matter of good faith—as a common sense way of strengthening her position with regard to making securities attractive in the American market.

"THE EXPORT OF AMERICAN CAPITAL.

"The extent to which European nations have been securing capital in the American market may not be fully comprehended. During the period 1915-1920 foreign loans floated through American bankers aggregated some five billion dollars. Direct loans by the Federal Government to European nations amounted to some ten billion dollars. At the present time the unfunded debt of Europe probably amounts to somewhere between three and one-half and four billion dollars. In all, these figures represent an export of something like nineteen billions of capital.

To show the significance of these figures a comparison may be noted. During the period 1915-1920 the total reported issues of securities—railroad and traction, industrial, municipal, and State and those put out by the Federal Government—amounted to forty-three and one-half billion dollars. Of that total fifteen billion dollars went to Europe. Europeans received three billions more than were given to all American railroads, traction companies, and industries combined. They received as much as these with State and municipal issues added.

"Justification for proposals to furnish Europe with even more capital is sought in the plea that the fortunes of the people of the United States are tied up with those of Europe. Failure, distress, and disaster there will mean failure, distress, and disaster here. The view is urged that American goods, particularly raw materials, must be sold to Europeans, not only in order to relieve the American market, but also to furnish Europe the materials on which to work in the process of economic rehabilitation. Any proposal to furnish Europe with more capital should receive the closest scrutiny.

"In many statements regarding the subject of exporting capital, the idea seems to be prevalent that money is the only form of capital. If the United States makes loans to France and the proceeds of the loans are expended in the United States, it is felt that Americans will be safe because the money is still here. But in such case they have parted with capital goods which have been paid for with their own funds. They will receive for these capital goods the customary evidences of debt—bonds or notes which draw interest. This is as truly an export of capital as if gold had been sent abroad, and Americans have identical evidence in either case. American capital resources have been depleted to the same extent in either case. It is immaterial whether the recent hundred million dollar French loan was made in goods or in gold, so far as this country's capital account is concerned. Thinking about the export of capital should not be confused by centering attention on money and forgetting the fact that capital goods are exported even though the money may be spent in this country.

"Much the same situation underlies the plan for the proposed hundred million dollar foreign trade financing corporation. It is a plan to export some part, or all, of a billion dollars' worth of capital, chiefly to Europe. It is a plan to stimulate exports, but it involves the export of capital goods in return for which Americans would receive interest-bearing promises to pay.

"The reluctance of many of the larger banks to furnish capital for the organization of this corporation in such large amounts as have been asked is no doubt due to the knowledge bankers have of the enormous losses sustained by foreign financing companies during the last 18 months, and the further knowledge of the fact that almost every foreign dock has been filled with goods which have not been accepted by foreign buyers.

"It is a matter of common knowledge that European nations owe the United States Government about ten billion dollars. Payment of the principal amount is regarded in some quarters as problematic. Payment of the interest charges has been deferred. But if payment is made of both principal and interest, such payment must be made largely in goods—that is, the

balance of trade over a number of years must run in favor of the obligated nations and be unfavorable to the United States.

"Under the circumstances it is possible to understand the argument in favor of the cancellation of the debt owed by European nations to the Federal Government. However, it seems unlikely that any such proposal can be seriously entertained, both because it is contrary to the trend of public opinion in the United States and because it might not be acquiesced in abroad. Therefore the long-run view of the effect of capital advances to Europe and the payment of interest and principal must compass the question of imports and ultimate unfavorable trade balances.

"Even if proposed plans for financing Europe are not brought to the point of execution, the prevention of foreign raids on American capital resources is worthy of serious thought. The German war indemnity bonds are an illustration.

"It is reported that on July 1 next series A of the German war indemnity bonds to the amount of three billion dollars will be issued. Series B, nine billions in amount, will be issued November 1 next. The interest rate will be 5 per cent. Series C bonds will amount to twenty-one billion dollars and will be issued at such times and in such amounts as the Reparations Commission may decide. The United States will receive none of these bonds, nor indemnity payments of any kind. Nevertheless, the Governments that do receive the bonds will probably try to market them in the United States, as it is the only great, unrestricted investment market. European nations will command new American capital to the extent that the bonds are bought by American investors.

"In any discussion of America's part in European rehabilitation the question of the export of capital from America is a primary, not a secondary, matter. This fact has already been shown by the large amount of capital furnished Europe—some nineteen billions of dollars. The promoters of the hundred-million-dollar foreign-trade financing corporation have urged that the United States is morally bound to help Europe and selfishly concerned in developing export trade if it would maintain or revive domestic prosperity. But no plan has yet been proposed that does not in effect provide merely for the wholesale granting of commodity credits.

"In connection with this or other proposals to furnish Europe with capital, it goes without saying that persistent refusal to cooperate in any way with Europe would have a serious reaction on industry in the United States. About this point there can be no doubt. However, the United States owes to Europe, as well as itself, the duty of keeping its house in order. If the United States does not do the best it can with its own resources, it will do less than is possible for Europe. In considering foreign trade and the export of American capital, not only the needs or demands of Europe must be taken into account but also the capacity of Americans to export capital without seriously affecting domestic industry. Europe would not gain in the long run from the impairment of American resources and capital. Too much emphasis can be placed on what America can do for Europe and not enough on what Europe can and must do for herself. European countries owe America the duty of righting their economic position by strong adherence to sound and sane rules of financing, taxation, and fiscal operations. It is important that attention be given the needs of Europe for capital, but it is necessary also to consider American needs.

"AMERICA'S NEED FOR CAPITAL.

"No recourse to statistics is really necessary to confirm the truth of the statements so often made that American railroads have not received for several years adequate additions to their capital, additions which were necessary to efficient transportation service. It is common knowledge that renewals, additions, and betterments are needed. Some idea of the situation, however, can be gained from the fact that reported issues of railroad and traction securities from 1909 to 1914 averaged almost one billion dollars each year, while from 1917 to 1920, inclusive, the average was less than four hundred and fifty million dollars a year. It seems a reasonable inference that the export of American capital to Europe must have helped to stay railroad progress and development. Similarly, the export of American capital must have had an adverse effect on building operations and must have been a contributing cause to the present housing shortage. Capital needs for building are problematic. Estimates range from one to five billion dollars. Even the most conservative figures, however, show the need for capital in the United States if building is to play its full part in the restoration of domestic prosperity. Indeed, in every field of domestic endeavor the shortage of capital, evidenced by high interest rates, has been more or less seriously felt, and, although the United States is now a creditor nation, it must be recalled that at no time in its history prior to the war have the people of the United States accumulated enough capital for American needs. The United States was regularly a debtor nation.

"INTEREST RATES.

"Business men in the United States have been greatly disturbed over high interest rates. Bankers, however, are not to be charged with the responsibility for this condition. There has not been enough capital to meet the demand at low interest rates. Bidding for the available supply of capital has been vigorous and always in competition with hard-pressed European countries. The prospect of lower interest rates is remote unless the demand for capital subsides to an improbable extent or unless capital accumulations are greatly increased. With Europe still bidding for capital, interest rates are not likely to take a marked and immediate downward trend. Prior to the war the average amount of new securities issued, recorded and unrecorded, is estimated at three billion dollars a year. During and since the war it is estimated that these issues have averaged six billions and yet apparently they have not been sufficient to meet capital demands at a low rate of interest. With a lower and lowering price level, domestic capital requirements should diminish, but there will also be a diminution in capital accumulations measured in terms of dollars. The probable trend of interest rates, so closely related to the export of American capital, raises the question of the capacity of the American people to save.

"SAVINGS NOT INDEFINITELY ELASTIC.

"If the savings of the American people were indefinitely elastic, there would be no problem connected with the export of American capital. There would be no particular problem of interest rates. The hard fact, however, is that savings are not indefinitely expansible. The amount of capital accumulated depends on the national income and the capacity and disposition of the people to save.

"Any nation's income has limits. For 1917 the best estimates fixed the total income of the American people at fifty to sixty-five billion dollars. Assuming twenty million families at that time and a bare subsistence cost of living for each at a thousand dollars a year, twenty billion dollars were needed for what may be called a 'human maintenance fund.' This fund is certainly not less to-day. Out of the remainder of whatever the national income may be must come all expenditures for comforts, luxuries, taxes, and also capital, whether for American industry or for foreigners, or both.

"In considering the possible savings of the people of the United States it is helpful to divide the total number of families into income groups. Families with incomes of $1,500 or less can save practically nothing. Families whose incomes range from $1,500 to $5,000 are disposed to spend rather than save, after making their customary investments in insurance and homes. Families with incomes above $5,000 have had their resources eaten into by income and surtaxes. While the greater proportion of capital accumulations during the period 1900 to 1910 came from the last-named group and from corporation surpluses, income and profits taxes have cut heavily into what might otherwise have been industrial capital. If the tax program of the United States could be radically revised, this source of capital would be restored, but it seems unlikely that such modification of tax rates will be made as to restore the position of the well-to-do or corporations with respect to this matter of furnishing capital. With the savings power of the high-income group seriously impaired, and the low-income group without financial leeway, dependence for capital rests more largely on the middle-income group—families with incomes from $1,500 to $5,000 a year.

"If savings can not be indefinitely increased, the question arises, To what use shall capital accumulations be put? Shall they be turned in large measure to Europe or put to work in the United States? Since savings are not indefinitely expansible, a decision is necessary as to whether they shall be spent here to furnish Europeans with capital goods, or spent here to furnish American industries with such capital goods. Or perhaps the question should be put thus: To what extent shall American savings be used to furnish Europe with capital goods and to what extent used to furnish capital goods for the rehabilitation of American industries? One thing at least seems clear—the United States can not export its capital and have it, too.

"The evident purpose of the proponents of the various plans for financing Europe is to sell American goods, hence the suggestion that capital advances be conditioned on the expenditure of the funds in American markets. Thus any real or supposed surplus of goods can be reduced or disposed of—at a price. This plan was followed during the war, with the result that there has been an accumulation of Europe's obligations in this country on

which interest charges may be paid, but there is no general and confident expectation of the prompt repayment of the principal. The point must not be lost sight of that if payment is made it will be made chiefly in goods. Europe's purpose in seeking American capital is probably not to buy manufactured products beyond immediate needs, but rather raw materials and equipment. With these, her labor can produce finished products to be sold back to the United States or to other countries, perhaps in competition with America.

"The scheme of financing sales to Europe would be more alluring if a revival of business on the high price level of the first part of 1920 could be foreseen. But the maintenance of such a price level is neither possible nor desirable. It has already been lowered everywhere. The revival of American business on the basis of lower prices is inevitable. If the price of goods is to be lower, costs must be lowered enough to give a reasonable margin of profit. This applies not only to production for the domestic market but production for foreign markets. The lowering of costs demands a higher degree of efficiency in production. This higher efficiency must be found in capital as well as labor. There must be the use of adequate and efficient capital equipment. American transportation in particular has capital needs that must be met. It is important, therefore, in fact of major importance, that the question of business revival be considered in relation to the problem of the extent to which American capital should be exported.

"THE REVIVAL OF AMERICAN BUSINESS.

"The main thread of the argument in this paper is that the revival of American business will be worked out on the basis of the domestic market and a normal foreign trade.

"In turning attention to domestic trade the question of capital needs at home must receive attention. In considering American export trade due regard must be had not only for schemes for financing that trade, but also for the 'doctrine of comparative costs.' Full thought must likewise be given to the correction of monetary conditions in Europe through deflation, taxation, and economy. The fact must not be overlooked that Europeans must restrict imports. If European nations are to deflate their currencies, pay taxes, and work they will have less demand for anything from the United States other than what aids them to manufacture goods and sell them chiefly in the American market. If certain of the European nations are impoverished their position will not be greatly improved by America's financing sales of goods without adequate consideration of the risk involved or thought of the extent to which capital should be exported. If Europe is impoverished, improvement of the condition of her peoples will not be brought about by forcing America to the same condition.

"Foreign trade has been emphasized to such a degree of late that thought of business revival is largely in terms of exports and foreign financing. If it were necessary for the people of the United States to await the rehabilitation of Europe before they could enjoy a fuller measure of prosperity they might have to wait a very long time. Just how long no one knows. Such a prospect is far from comforting at a time when gloom enough engulfs American business. It was in the hope that a shift of emphasis from foreign to domestic trade would carry a message of encouragement that this paper was prepared. An American perspective shows that measures at home can and should be taken. There need be no paralysis of action with the world's greatest domestic market at hand and controllable. To emphasize this point an exaggerated statement might almost be risked, that if we take care of our 92 or 93 per cent of domestic business the 7 per cent of foreign business will take care of itself.

"This is calculated to be a message of comfort and cheer to all who have not lost the power of self-help. What is needed is courage, straight thinking, the restoration of a sound moral code, but above all, action."

Mr. JOHNSON. I ask leave further that the address just ordered printed in the RECORD may be printed as a public document.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ANGLO-JAPANESE TREATIES.

Mr. McCORMICK. Mr. President, I ask unanimous consent to have incorporated in the RECORD several Anglo-Japanese treaties and related matter.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

CHRONOLOGY OF JAPANESE AGGRESSION IN CHINA.

Sino-German "lease" of Shantung, March 6, 1898.
Sino-Russian "lease" of Port Arthur and the Liao-Tung, March 27, 1898.
Hay "open door" proposals, September 6, 1899.
Boxer uprising, January to December, 1900.
First Anglo-Japanese alliance, January, 1902.
Russo-Japanese War, 1904.
Cession of the Liao-Tung and half of the Manchurian Railroad to Japan, 1905.
Second Anglo-Japanese alliance, August, 1905.
Franco-Japanese treaty, 1907.
Root-Takahira agreement, 1908.
Annexation of Korea, 1910.
Third Anglo-Japanese alliance, 1911.
Great War and surrender of Kiau-Chau to the Japanese, 1914.
The 21 demands upon China, January to May, 1915.
Russo-Japanese secret treaty, July 3, 1916.
China breaks relations with Germany, February, 1917.
Great Britain and France promise to support Japan in Shantung, February, 1917.
China declares war on Germany, August, 1917.
Lansing-Ishii agreement, November 2, 1917.

CONVENTION BETWEEN CHINA AND JAPAN FOR THE WITHDRAWAL OF CHINESE AND JAPANESE TROOPS FROM KOREA, APRIL 18, 1885.

It is hereby agreed that China shall withdraw her troops now stationed in Korea, and that Japan shall withdraw hers stationed therein for the protection of her legation. The specific term for effecting the same shall be four months, commencing from the date of the signing and sealing of this convention, within which term they shall respectively accomplish the withdrawal of the whole number of each of their troops, in order to avoid effectively any complications between the respective countries; the Chinese troops shall embark from Masan-Po and the Japanese from the port of Ninsen.

The said respective powers mutually agree to invite the King of Korea to instruct and drill a sufficient armed force, t at she may herself assure her public security, and to invite him to engage into his service an officer or officers from amongst those of a third power, who shall be intrusted with the instruction of the said force. The respective powers also bind themselves, each to the other, henceforth not to send any of their own officers to Korea for the purpose of giving said instruction.

In case of any disturbance of a grave nature occurring in Korea which necessitates the respective countries, or either of them, to send troops to Korea it is hereby understood that they shall give, each to the other, previous notice in writing of their intention so to do, and that after the matter is settled they shall withdraw their troops and not further station them there.

TREATY OF PEACE BETWEEN CHINA AND JAPAN, APRIL, 1885.

ARTICLE 1. China recognizes definitely the full and complete independence and autonomy of Korea, and in consequence the payment of tribute and the performance of ceremonies and formalities by Korea, in derogation of such independence and autonomy, shall wholly cease for the future.

THE "OPEN-DOOR" PROPOSALS OF SECRETARY OF STATE HAY.

SEPTEMBER 6, 1899.

To the AMERICAN AMBASSADOR TO GERMANY:

At the time when the Government of the United States was informed by that of Germany that it had leased from His Majesty the Emperor of China the port of Kiaochow and the adjacent territory in the Province of Shantung assurances were given to the ambassador of the United States at Berlin by the imperial German minister for foreign affairs that the rights and privileges insured by treaties with China to citizens of the United States would not thereby suffer or be in any wise impaired within the area over which Germany had thus obtained control.

More recently, however, the British Government recognized by a formal agreement with Germany the exclusive right of the latter country to enjoy in said leased area and the contiguous "sphere of influence or interest" certain privileges, more especially those relating to railroads and mining enterprises, but as the exact nature and extent of the rights thus recognized have not been clearly defined, it is possible that serious conflicts of interests may at any time arise not only between the British and German subjects within said area but that the interests of our citizens may also be jeopardized thereby.

Earnestly desirous to remove any cause of irritation and to insure at the same time to the commerce of all nations in China the undoubted benefits which should accrue from a formal recognition by the various powers claiming "spheres of interest" that they shall enjoy perfect equality of treatment for their commerce and navigation within such "spheres," the Government of the United States would be pleased to see His German Majesty's Government give formal assurances and lend its co-

operation in securing like assurances from the other interested powers, that each within its respective sphere of whatever influence—

First. Will in no way interfere with any treaty port or any vested interest within any so-called "sphere of interest" or leased territory it may have in China.

Second. That the Chinese treaty tariff of the time being shall apply to all merchandise landed or shipped to all such ports as are within said "sphere or interest" (unless they be "free ports"), no matter to what nationality it may belong, and that duties so leviable shall be collected by the Chinese Government.

Third. That it will levy no higher harbor dues on vessels of another nationality frequenting any port in such "sphere" than shall be levied on vessels of its own nationality and no higher railroad charges over lines built, controlled, or operated within its "sphere" on merchandise belonging to citizens or subjects of other nationalities transported through such "sphere" than shall be levied on similar merchandise belonging to its own nationals transported over equal distances.

The liberal policy pursued by His Imperial German Majesty in declaring Kiaochow a free port and in aiding the Chinese Government in the establishment there of a customhouse are so clearly in line with the propositions which this Government is anxious to see recognized that it entertains the strongest hope that Germany will give its acceptance and hearty support.

The recent ukase of His Majesty the Emperor of Russia declaring the port of Ta-lien-wan open during the whole of the lease under which it is held from China to the merchant ships of all nations, coupled with the categorical assurances made to this Government by His Imperial Majesty's representative at this capital at the time, and since repeated to me by the present Russian ambassador, seem to insure support of the Emperor to the proposed measure. Our ambassador at the Court of St. Petersburg has in consequence been instructed to submit it to the Russian Government and to request their early consideration of it. A copy of my instruction on the subject to Mr. Tower is herewith inclosed for your confidential information.

The commercial interests of Great Britain and Japan will be so clearly served by the desired declaration of intentions and the views of the Governments of these countries as to the desirability of the adoption of measures insuring the benefits of equality of treatment of all foreign trade throughout China are so similar to those entertained by the United States that their acceptance of the proposition herein outlined and their cooperation in advocating their adoption by the other powers can be confidently expected.

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FIRST ANGLO-JAPANESE ALLIANCE, 1902.

ARTICLE 1. The high contracting parties, having mutually recognized the independence of China and Korea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politically, as well as commercially and industrially, in Korea, the high contracting parties recognize that it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests if threatened either by the aggressive action of any other power, or by disturbances arising in China or Korea, and necessitating the intervention of either of the high contracting parties for the protection of the lives and property of its subjects.

ART. 2. If either Great Britain or Japan, in the defense of their respective interests as above described, should become involved in war with another power the other high contracting power will maintain a strict neutrality, and use its efforts to prevent others from joining in hostilities against its ally.

ART. 3. If, in the above event, any other power or powers should join in hostilities against that ally, the other high contracting party will come to its assistance, and will conduct the war in common, and will make peace in mutual agreement with it.

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PROTOCOL BETWEEN JAPAN AND KOREA, FEBRUARY, 1904.

ART. 2. The Imperial Government of Japan shall in a spirit of firm friendship insure the safety and repose of the Imperial House of Korea.

ART. 3. The Imperial Government of Japan unconditionally guarantee the independence and territorial integrity of the Korean Empire.

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SECOND ANGLO-JAPANESE ALLIANCE, 1905.

ARTICLE. 1. It is agreed that whenever, in the opinion of either Great Britain or Japan, any of the rights and interests referred to in the preamble of this agreement are in jeopardy, the two Governments will communicate with one another fully and frankly, and will consider in common the measures which should be taken to safeguard those menaced rights or interests.

ART. 2. If by reason of unprovoked attack or aggressive action, wherever arising, on the part of any other power or powers either contracting party should be involved in war in defense of its territorial rights or special interests mentioned in the preamble of this agreement, the other contracting party will at once come to the assistance of its ally, and will conduct the war in common, and make peace in mutual agreement with it.

ART. 3. Japan possessing paramount political, military, and economic interests in Korea, Great Britain recognizes the right of Japan to take such measures of guidance, control, and protection in Korea as she may deem proper and necessary to safeguard and advance those interests, provided always that such measures are not contrary to the principle of equal opportunities for the commerce and industry of all nations.

ART. 4. Great Britain having a special interest in all that concerns the security of the Indian frontier, Japan recognizes her right to take such measures in the proximity of that frontier as she may find necessary for safeguarding her Indian possessions.

—

RUSSO-JAPANESE TREATY OF 1907.

ART. 2. The two high contracting parties recognize the independence and territorial integrity of the Empire of China and the principle of equal opportunity in whatever concerns the commerce and industry of all nations in that Empire and engage to sustain and defend the maintenance of the status quo and respect for this principle by all pacific means within their reach.

—

FRANCO-JAPANESE TREATY, 1907.

The Governments of Japan and France, being agreed to respect the independence and integrity of China, as well as the principle of equal treatment in that country for the commerce and subjects or citizens of all nations, and having a special interest to have the order and pacific state of things preserved, especially in the regions of the Chinese Empire adjacent to the territories where they have the rights of sovereignty, protection, or occupation, engage to support each other for assuring the peace and security in those regions, with a view to maintain the respective situation and the territorial rights of the two high contracting parties in the Continent of Asia.

—

ROOT-TAKAHIRA AGREEMENT, 1908.

ART. 4. They (the United States and Japan) are also determined to preserve the common interests of all powers in China by supporting by all pacific means at their disposal the independence and integrity of China and the principle of equal opportunity for commerce and industry of all nations in the Empire.

ART. 5. Should any event occur threatening the status quo as above described or the principle of equal opportunity as above defined, it remains for the two Governments to communicate with each other in order to arrive at an understanding as to what measures they may consider it useful to take.

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DECLARATION OF ANNEXATION OF KOREA BY JAPAN, SIGNED ON AUGUST 22, 1910, AND PROMULGATED ON THE 29TH OF AUGUST.

ARTICLE 1. His Majesty, the Emperor of Korea, makes complete and permanent cession to His Majesty, the Emperor of Japan, of all rights of sovereignty over the whole of Korea.

ART. 2. His Majesty, the Emperor of Japan, accepts the cession mentioned in the preceding article, and consents to the complete annexation of Korea to the Empire of Japan.

ART. 3. His Majesty, the Emperor of Japan, will accord to their majesties the Emperor and ex-Emperor and his Imperial Highness, the Crown Prince of Korea, and their consorts and heirs such titles, dignity, and honor as are appropriate to their respective ranks, and sufficient annual grants will be made for the maintenance of such titles, dignity, and honor.

ART. 4. His Majesty the Emperor of Japan will also accord appropriate honor and treatment to the members of the Imperial House of Korea and their heirs, other than those mentioned in the preceding article, and the funds necessary for the maintenance of such honor and treatment will be granted.

ART. 5. His Majesty the Emperor of Japan will confer peerages and monetary grants upon those Koreans who, on account of meritorious services, are regarded as deserving such special recognition.

ART. 6. In consequence of the aforesaid annexation, the Government of Japan assumes the entire government and administration of Korea and undertakes to afford full protection for the persons and property of Koreans obeying the laws there in force, and to promote the welfare of all such Koreans.

ART. 7. The Government of Japan will, so far as circumstances permit, employ in the public service of Japan in Korea those Koreans who accept the new régime loyally and in good faith and who are duly qualified for such service.

ART. 8. The treaty, having been approved by His Majesty the Emperor of Japan and His Majesty the Emperor of Korea, shall take effect from the date of its promulgation.

JAPAN'S ORIGINAL 21 DEMANDS, JANUARY 18, 1915.

GROUP I.

The Japanese Government and the Chinese Government, being desirous of maintaining the general peace in eastern Asia, and further strengthening the friendly relations and good neighborhood existing between the two nations, agree to the following articles:

"ARTICLE 1. The Chinese Government engages to give full assent to all matters upon which the Japanese Government may hereafter agree with the German Government relating to the disposition of all rights, interests, and concessions which Germany, by virtue of treaties, or otherwise, possesses in relation to the Province of Shantung.

"ART. 2. The Chinese Government engages that within the Province of Shantung and along its coast no territory or island will be ceded or leased to a third power under any pretext.

"ART. 3. The Chinese Government consents to Japan's building a railway from Chefoo, or Lungkow, to join the Kiaochow-Tsinanfu Railway.

"ART. 4. The Chinese Government engages, in the interest of trade and for the residence of foreigners, to open by herself as soon as possible certain important cities and towns in the Province of Shantung as commercial ports. What places are to be opened are to be jointly decided upon in a separate agreement."

GROUP II.

The Japanese Government and the Chinese Government, since the Chinese Government has always acknowledged the special position enjoyed by Japan in South Manchuria and Eastern Inner Mongolia, agree to the following articles:

"ARTICLE 1. The two contracting powers mutually agree that the term of lease of Port Arthur and Dalny and the term of lease of the South Manchurian Railway and the Antung-Mukden Railway shall be extended to the period of 99 years.

"ART. 2. Japanese subjects in South Manchuria and Eastern Inner Mongolia shall have the right to lease or own land required either for erecting suitable buildings for trade and manufacture or for farming.

"ART. 3. Japanese subjects shall be free to reside and travel in South Manchuria and Eastern Inner Mongolia and to engage in business and in manufacture of any kind whatsoever.

"ART. 4. The Chinese Government agrees to grant to Japanese subjects the right of opening mines in South Manchuria and Eastern Inner Mongolia. As regards what mines shall be opened, they shall be decided upon jointly.

"ART. 5. The Chinese Government agrees that in respect of the (two) cases mentioned herein below the Japanese Government's consent shall be first obtained before action is taken:

"(a) Whenever permission is granted to the subject of a third power to build a railway or to make a loan with a third power for the purpose of building a railway in South Manchuria and Eastern Inner Mongolia.

"(b) Whenever a loan is to be made with a third power pledging the local taxes of South Manchuria and Eastern Inner Mongolia as security.

"ART. 6. The Chinese Government agrees that if the Chinese Government employs political, financial, or military advisers or instructors in South Manchuria or Eastern Inner Mongolia the Japanese Government shall first be consulted.

"ART. 7. The Chinese Government agrees that the control and management of the Kirin-Changchun Railway shall be handed over to the Japanese Government for a term of 99 years dating from the signing of this agreement."

GROUP III.

The Japanese Government and the Chinese Government, seeing that Japanese financiers and the Hanyehping Co. have close relations with each other at present, and desiring that the common interests of the two nations shall be advanced, agree to the following articles:

"ARTICLE 1. The two contracting parties mutually agree that when the opportune moment arrives the Hanyehping Co. shall be made a joint concern of the two nations, and they further agree that without the previous consent of Japan China shall not by her own act dispose of the rights and property of whatsoever nature of the said company nor cause the said company to dispose freely of the same.

"ART. 2. The Chinese Government agrees that all mines in the neighborhood of those owned by the Hanyehping Co. shall not be permitted, without the consent of the said company, to be worked by other persons outside of the said company; and further agrees that if it is desired to carry out any undertaking which it is apprehended may directly or indirectly affect the interests of the said company the consent of the said company shall first be obtained."

GROUP IV.

The Japanese Government and the Chinese Government, with the object of effectively preserving the territorial integrity of China, agree to the following special article:

"The Chinese Government engages not to cede or lease to a third power any harbor or bay or island along the coast of China."

GROUP V.

ARTICLE 1. The Chinese Central Government shall employ influential Japanese as advisers in political, financial, and military affairs.

ART. 2. Japanese hospitals, churches, and schools in the interior of China shall be granted the right of owning land.

ART. 3. Inasmuch as the Japanese Government and the Chinese Government have had many cases of dispute between Japanese and Chinese police to settle, cases which cause no little misunderstanding, it is for this reason necessary that the police departments of important places (in China) shall be jointly administered by Japanese and Chinese, or that the police departments of these places shall employ numerous Japanese, so that they may at the same time help to plan for the improvement of the Chinese police service.

ART. 4. China shall purchase from Japan a fixed amount of munitions of war (say 50 per cent or more of what is needed by the Chinese Government) or there shall be established in China a Sino-Japanese jointly worked arsenal. Japanese technical experts to be employed and Japanese material to be purchased.

ART. 5. China agrees to grant to Japan the right of constructing a railway connecting Wuchang with Kiukiang and Nanchang, another line between Nanchang and Hangchow, and another between Nanchang and Chaochou.

ART. 6. If China needs foreign capital to work mines, build railways, and construct harbor work (including dock yard) in the Province of Fukien, Japan shall first be consulted.

ART. 7. China agrees that Japanese subjects shall have the right to propagate Buddhism in China.

SECRET RUSSO-JAPANESE TREATY, JULY 3, 1916.

ARTICLE 1. The two high contracting parties acknowledge that the vital interests of both require the safeguarding of China against the political domination by any third power entertaining hostile designs toward Russia or Japan, and therefore mutually pledge themselves, each time when circumstances demand it, to enter into frank relations based on complete mutual trust with one another, with a view to taking joint measures for the prevention of the possibility of the advent of such a state of affairs (in China).

* * * * * * *

ART. 6. The present convention shall be kept in complete secrecy from everybody except the two high contracting parties.

NOTE FROM THE AMERICAN MINISTER AT PEKING TO THE CHINESE MINISTER OF FOREIGN AFFAIRS.

PEKING, *February 4, 1917.*

I have the honor to advise your excellency that I have been instructed by my Government to make to you the following notification in its behalf:

This Government, in view of the recent announcement by the German Government of its intention to renew indiscriminate submarine warfare, has no alternative but to pursue the course laid down in its note to the German Government on April 18, 1916. It will therefore recall the American ambassador and his suite at Berlin and will forthwith deliver to the German ambassador in Washington passports for himself and his suite.

I am further instructed to say that the President is reluctant to believe that Germany will actually carry out the threats made against neutral commerce, but, if it is done, the President will ask from Congress authority to use the national power to protect American citizens engaged in peaceful and lawful errands on the high seas. The course taken is, in the view of the President, in entire conformity with the principles enunciated by him in his address to the Senate on January 22, and he therefore believes that it will make for the peace of the world if the other neutral powers can find it possible to take action similar to that taken by the Government of the United States.

APPENDIX C OF "THE SECRET TREATIES."

DIPLOMATIC DOCUMENTS RELATING TO JAPAN.

[By F. Seymour Cocks.]

The following diplomatic documents from the archives of the Russian foreign office have appeared in the Petrograd press. The translations were published in the Manchester Guardian on February 7 and 22, 1918. The first three relate to Japan's territorial war aims, the last three to Japan's relations with China and to the interpretation of the term "special interests" in the Japanese-American agreement (Mr. Lansing's note of Nov. 2, 1917), quoted on page 64:

I.

[From M. Krupensky, the former Russian ambassador at Tokyo. Dispatch dated February 8, 1917.]

I never omit an opportunity for representing to the minister for foreign affairs the desirability, in the interests of Japan herself, of China's intervention in the war, and only last week I had a conversation with him on the subject. To-day I again pointed out to him that the present moment was particularly favorable, in view of the position taken up by the United States and the proposal made by them to the neutral powers to follow their example, and, more particularly, in view of the recent speeches of the American minister at Peking. Viscount Motono replied that he would be the first to welcome a rupture between China and Germany, and would not hesitate to take steps in this direction at Peking if he were sure that the Chinese Government would go in that direction. So far, however, he had no such assurance, and he feared lest unsuccessful representations at Peking might do harm to the Allies. He promised me to sound the attitude of Peking without delay, and, in case of some hope of success, to propose to the cabinet to take a decision in the desired direction.

On the other hand, the minister pointed out the necessity for him, in view of the attitude of Japanese public opinion on the subject, as well as with a view to safeguard Japan's position at the future peace conference, if China should be admitted to it, of securing the support of the allied powers to the desires of Japan in respect of Shantung and the Pacific islands. These desires are for the succession to all the rights and privileges hitherto possessed by Germany in the Shantung Province and for the acquisition of the islands to the north of the Equator which are now occupied by the Japanese. Motono plainly told me that the Japanese Government would like to receive at once the promise of the Imperial (Russian) Government to support the above desires of Japan. In order to give a push to the highly important question of a break between China and Germany, I regard it as very desirable that the Japanese should be given the promise they ask—this the more as, so far as can be seen here, the relations between Great Britain and Japan have of late been such as to justify a surmise that the Japanese aspirations would not meet with any objections on the part of the London cabinet.

II.

[Dispatch dated March 1, 1917.]

The minister for foreign affairs asked me to-day whether I had received a reply from the Imperial (Russian) Government relating to Japan's desires on the question of Shantung and the Pacific islands, and told me that the Japanese Government would very much like to have at the earliest a promise from us on the subject.

III.

[Dispatch dated March 21, 1917.]

I communicated to-day to the minister for foreign affairs the contents of your high excellency's telegram, and gave him a copy. Viscount Motono confined himself to the observation that he took note of my communication, and would report it to the council of ministers and the Emperor. The attitude of public opinion and the press here toward the revolution in Russia is, on the whole, sympathetic. It is regarded as a pledge of a successful prosecution of the war until complete victory has been obtained, and the end of the rule of the bureaucracy is welcomed. While paying due tribute to the Emperor's and Grand Duke Michael Alexandrovitch's patriotic acts of abdication, public opinion here expresses the hope that the new Government and the popular representatives to be summoned would not be inclined toward extreme decisions. The same attitude toward the events in Russia could be perceived in the few general words which I heard in this connection from the minister of foreign affairs.

IV.

[Dispatch from the Russian ambassador at Tokyo, dated October 16, 1917.]

In reply to my question as to the credibility of the rumors alleging that Japan is prepared to sell to the Chinese Government a considerable quantity of arms and munitions, Viscount Motono confirmed them, and added that the Peking Government had promised not to use the arms against the southerners. It was evident from the minister's words, however, that this promise possessed only the value of a formal justification of this sale, infringing as the latter does the principle of nonintervention in the internal Chinese feuds, proclaimed by Japan herself, and that the Japanese Government was in this instance deliberately assisting the Tuan-tse-shua cabinet in the hope of receiving from it in return substantial privileges. It is most likely that the Japanese are aiming principally at obtaining the privilege of rearming the entire Chinese Army and at making China dependent in the future on Japanese arsenals and the supply of munitions from Japan. The arms to be supplied to China are estimated at 30,000,000 yen. At the same time Japan intends establishing an arsenal in China for the manufacture of war material.

V.

[Dispatch dated October 22, 1917.]

Referring to Bakhmetyeff's (Russian ambassador at Washington) N 598, if the United States thinks, as it appeared to our ambassador from conversation with Lansing, that the recognition of Japan's special position in China is of no practical consequence, such a view will inevitably lead in the future to serious misunderstandings between us and Japan. The Japanese are manifesting more and more clearly a tendency to interpret the special position of Japan in China, inter alia, in the sense that other powers must not undertake in China any political steps without previously exchanging views with Japan on the subject, a condition that would to some extent establish a Japanese control over the foreign affairs of China. On the other hand, the Japanese Government does not attach great importance to its recognition of the principle of the open door and the integrity of China, regarding it as merely a repetition of the assurances repeatedly given by it earlier to other powers and implying no new restrictions for the Japanese policy in China. It is therefore quite possible that at some future time there may arise in this connection misunderstandings between the United States and Japan. The minister of foreign affairs again confirmed to-day in conversation with me that in the negotiations by Viscount Ishii the question at issue is not some special concession to Japan in these or other parts of China, but Japan's special position in China as a whole.

VI.

[Dispatch dated November 1, 1917.]

The minister for foreign affairs asked me to call on him to-day and communicated to me confidentially, but quite officially, the text of the notes transmitted in my telegram N 2, which are to be exchanged at Washington on November 2 or 3 between the American State Secretary and Viscount Ishii. A similar communication was made to-day to the British ambassador here. The French and Italian ambassadors will receive the text of the notes in a day or two, privately, for their information. The publication of the notes will probably take place on November 7; until then the minister asks the powers to keep his communication secret.

When handing me the above-mentioned text of the notes, Viscount Motono added that he had only received it in final form yesterday by wire from Washington, and since Viscount Ishii was to leave (Washington) the night after next, the signature of the notes could not have been postponed, in spite of the Japanese Government's desire to ascertain the views of the Russian Government on the subject prior to it. The minister hoped that he would not be blamed for that at Petrograd, especially as the present agreement between America and Japan could not arouse any objection on our part. Viscount Motono mentioned that when concluding (gap in the original), one of the objects was to put an end to the German intrigues intended to sow discord between Japan and the United States and to prove thereby to the Chinese that there was between the two powers a complete agreement of view with regard to China, who, therefore, must not reckon on the possibility of extracting any profit from playing off one against the other.

To my question whether he did not fear that, in the future misunderstandings might arise from the different interpretations by Japan and the United States of the meaning of the terms "special position" and "special interests" of Japan in China, Viscount Motono replied by saying that (a gap in the original). Nevertheless, I gain the impression from the words of the minister that he is conscious of the possibility of misunderstandings also in the future, but is of the opinion that in such a case Japan would have better means at her disposal for carrying into effect her interpretation than the United States.

CORRESPONDENCE (IN PART) CONCLUDING THE AGREEMENT BY FRANCE AND GREAT BRITAIN TO SUPPORT JAPAN IN SHANTUNG.

FEBRUARY 16, 1917.

To the JAPANESE MINISTER OF FOREIGN AFFAIRS:

With reference to the subject of our conversation of the 27th ultimo, His Britannic Majesty's Government accedes with pleasure to request of the Japanese Government for an assurance that they will support Japan's claims in regard to the disposal of Germany's rights in Shantung and possession of the islands north of the Equator on the occasion of the peace conference, it being understood that the Japanese Government will in the eventual peace settlement treat in the same spirit Great Britain's claim to the German islands south of the Equator.

CONYNGHAM GREENE,
His Britannic Majesty's Ambassador.

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FEBRUARY 21, 1917.

To the BRITISH AMBASSADOR:

The Japanese Government is deeply appreciative of the friendly spirit in which your Government has given assurance, and happy to note it as fresh proof of the close ties that unite the two allied powers. I take pleasure in stating that the Japanese Government on its part is fully prepared to support in the same spirit the claims which may be put forward at the peace conference in regard to the German possessions in the islands south of the Equator.

———— ————,
Japanese Minister of Foreign Affairs.

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To the FRENCH AMBASSADOR:

The Imperial Japanese Government proposes to demand from Germany at the time of the peace negotiations the surrender of the territorial rights and special interests Germany possessed before the war in Shantung and the islands situated north of the Equator in the Pacific Ocean.

The Imperial Japanese Government confidently hopes the Government of the French Republic, realizing the legitimacy of these demands, will give assurance that, her case being proved, Japan may count upon its full support in this question.

———— ————,
Japanese Minister of Foreign Affairs.

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To the JAPANESE MINISTER OF FOREIGN AFFAIRS:

The Government of the French Republic is disposed to give the Japanese Government its accord in regulating at the time of the peace negotiations questions vital to Japan concerning Shantung and the German islands in the Pacific north of the Equator. It also agrees to support the demands of the Imperial Japanese Government for the surrender of the rights Germany possessed before the war in this Chinese Province and these islands.

———— ————,
French Ambassador.

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THE LANSING-ISHII AGREEMENT.

NOVEMBER 2, 1917.

To the AMBASSADOR OF JAPAN:

I have the honor to communicate herein my understanding of the agreement reached by us in our recent conversations touching the questions of mutual interest to our Governments relating to the Republic of China.

In order to silence mischievous reports that have from time to time been circulated, it is believed by us that a public announcement once more of the desires and intentions shared by our two Governments with regard to China is advisable.

The Governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and,, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous.

The territorial sovereignty of China, nevertheless, remains unimpaired and the Government of the United States has every confidence in the repeated assurances of the Imperial Japanese Government that while geographical position gives Japan such special interests they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other powers.

The Governments of the United States and Japan deny that they have any purpose to infringe in any way the independence or territorial integrity of China and they declare, furthermore, that they always adhere to the principle of the so-called "open door" or equal opportunity for commerce and industry in China.

Moreover, they mutually declare that they are opposed to the acquisition by any Government of any special rights or privileges that would affect the independence or territorial integrity of China or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China.

I shall be glad to have your excellency confirm this understanding of the agreement reached by us.

Accept, excellency, the renewed assurance of my highest consideration.

(Signed) ROBERT LANSING.

—

NOVEMBER 2, 1917.

To the SECRETARY OF STATE:

I have the honor to acknowledge the receipt of your note of to-day, communicating to me your understanding of the agreement reached by us in our recent conversation touching the questions of mutual interest to our Governments relating to the Republic of China.

I am happy to be able to confirm to you, under authorization of my Government, the understanding in question set forth in the following terms:

In order to silence mischievous reports that have from time to time been circulated, it is believed by us that a public announcement once more of the desires and intentions shared by our two Governments with regard to China is advisable.

The Governments of Japan and the United States recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, particularly in the part to which her possessions are contiguous.

The territorial sovereignty of China, nevertheless, remains unimpaired and the Government of the United States has every confidence in the repeated assurances of the Imperial Japanese Government that while geographical position gives Japan such special interests they have no desire to discriminate against the trade of other nations or to disregard the commercial rights heretofore granted by China in treaties with other powers.

The Governments of Japan and the United States deny that they have any purpose to infringe in any way the independence or territorial integrity of China and they declare, furthermore, that they always adhere to the principle of the so-called "open door" or equal opportunity for commerce and industry in China.

Moreover, they mutually declare that they are opposed to the acquisition by any Government of any special rights or privileges that would affect the independence or territorial integrity of China or that would deny to the subjects or citizens of any country the full enjoyment of equal opportunity in the commerce and industry of China.

I take this opportunity to convey to you, sir, the assurances of my highest consideration.

(Signed) K. ISHII.
Ambassador Extraordinary and Plenipotentiary of Japan on Special Mission.

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CHINA HELPLESS—JAPAN TIGHTENS SHANTUNG GRIP—TOKIO INVESTED HEAVILY IN PROVINCE.

[By Charles Dailey.]

[Chicago Tribune Foreign News Service. Copyright, 1921, by the Chicago Tribune.]

TSINGTAO, SHANTUNG, CHINA, *July* 7.

If China accepts Japan's terms, Shantung will remain virtually a Japanese Province, for acceptance of the terms paves the way for even greater advantages to Japan through the extension of the Shantung Railway across the fertile plain from Tsingtao to the richer Shansi Province, where lie vast stores comprising Japan's greatest needs—iron, wool, and cotton.

Japan controls all the trade in Shantung through the splendid Tsingtao port, and after seven years' occupation it has made its position so strong that it will be impossible to dislodge it except through pressure from some stronger power. However, if Japan is permitted to remain much longer it need have no fear.

CHINA IS HELPLESS.

Taking advantage of China's helplessness Japan has steadily been driving nails into Peking's coffin. The Japanese terms, as given to the Chicago Tribune's correspondent by Maj. Gen. Yui, the military governor of Kiaochow, during the course of an hour's interview, follow:

"Japan expects from China in exchange for Shantung, first, the establishment of a police organization guaranteeing the safety of foreigners and foreign interests; second, a decision as to whether Tsingtao will be an open treaty or international port; third, Sino-Japanese management of the Shantung Railway and a like management of the mineral rights. When China agrees to a conference the first two questions will be foremost; then we shall be willing to take up the railway question.

INVESTS HEAVILY IN PORT.

"Not only Germany but Japan has invested heavily to make this an important port and a beautiful city. We can not return it except under condition that it be maintained as now, and that its security be guaranteed. Minor questions involve whether the harbor will be attached to the railway, and also the disposition of eight squares of land, partly in the city, upon which Japan has erected many factories and buildings at a cost of millions of yen.

"China wishes to recover Shantung for herself exclusively, but this is impossible. We are ready to confer whenever China asks. While China hesitates we are continuing to develop business here, so China is losing by every day's delay. We are working not only for China's interests, but also for the Japanese, who have invested 150,000,000 yen in Shantung since the occupation."

JAPAN NAME USED.

Already the Japanese name Santo is being applied to the Province, and it appears on some railway passenger cars. All the streets bear Japanese names, and there is every indication that the Province is a permanent Japanese possession, lacking only the formality of annexation. Industrially Japan is also firmly intrenched in Shantung and is making Tsingtao a city of factories.

The fate of Shantung seems sealed.

JAP TROOPS TO HOLD SHANTUNG FOR A UNITED STATES WAR—WOULD GRAB AMERICAN PROPERTY IN CHINA.

[By Charles Dailey.]

[Chicago Tribune Foreign News Service. Copyright, 1921, by the Chicago Tribune.]

TSINGTAO, SHANTUNG, *July 8.*

The expected arrival from Tokyo of Dr. Akiyama, the civil administrator of Shantung, after a long conference with the cabinet, has given rise to a report that Japan will withdraw its railway guards on August 1 as a first step to placate China. The Tribune's correspondent was assured by Gen. Yui that this was not true, for he reiterated his statement that Japan would remain until China voluntarily asked Japan to return the Province.

"The army costs Japan 5,000,000 yen yearly," he said, "but that sum is wholly paid by the Tokyo Government, it forming no part of the bill awaiting China.

"We have but 2,400 troops in all Shantung, this number being ample, for the Province is quiet. Even if China should negotiate, we would not withdraw this force until China organizes a well-disciplined body of troops.

CHINA WANTS JAPS TO STAY.

"The factions in China prefer that Japan does not withdraw from Shantung, so that they can continue to enlist foreign sympathy. But world progress can not be halted on account of Shantung. We can not wait here in Tsingtao. There are too many foreign interests involved. If China should take over Tsingtao and the railway, all progress and development may cease, owing to the lack of a stable Peking Government. Withdrawal now is not being thought of."

Through the mist of this interview it would seem that Japan is preparing for grander game. While it is admitted Japan seeks to profit by the economic development of Shantung and to provide a place for its excess population, still there are hints of a military motive behind the Shantung moves. This would indicate that Japan is preparing to seize China's vast reserves in the event of a break with the United States.

WOULD SEIZE AMERICANS.

A tentative military plan, attributed to Japanese officers recently detailed here, follows:

"The first thing we would do in the event of a break with America would be to send an army into China. We would round up all the Americans and seize their businesses. Then we would draw on the supplies of north China, which we would have all to ourselves, for here is where the Anglo-Japanese alliance comes in. Great Britain would refuse to interfere on the grounds that the violation of China's neutrality was a necessity for its ally."

Maj. Gen. Crozier, former Chief of Ordnance of the United States Army, who spent six months in China, has left Tsingtao for Japan, where he will remain until September. Gen. Crozier believes Japan is remaining in Shantung for economic rather than military reasons, but he also sees the potential military value of its position.

SENATOR FROM DELAWARE.

Mr. BALL. Mr. President, I present the credentials of my newly appointed colleague, Mr. DU PONT, which I ask may be read and placed on file.

The credentials were read and ordered to be filed, as follows:

STATE OF DELAWARE,
EXECUTIVE DEPARTMENT.

To the President of the Senate of the United States:

Be it known that I, William D. Denney, governor of the State of Delaware, according to an act of the general assembly of said State, have appointed T. COLEMAN DU PONT to be a Senator from the State of Delaware in the Senate of the United States, to serve as such Senator of the said State for the unexpired constitutional term, caused by the resignation of Josiah O. Wolcott, lately Senator from said State in the Senate of the United States.

Given under my hand and the great seal of the said State, in obedience to the said act of the general assembly and of the said act of Congress, at Dover, the 7th day of July, in the year of our Lord one thousand nine hundred and twenty-one and in the year of the Independence of the United States of America the one hundred and forty-sixth.

[SEAL.] WM. D. DENNEY.

By the governor:
A. R. BENSON, *Secretary of State.*

POLITICAL AND ECONOMIC REPORT ON RUSSIA (S. DOC. NO. 50).

Mr. LODGE. Mr. President, I present a report (Russia No. 1, 1921, political and economic) of the Committee to Collect Information on Russia, presented to Parliament. It has been sent to me by the State Department. I think it is of great value, and ask that it may be printed as a Senate document.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PETITIONS AND MEMORIALS.

Mr. WATSON of Georgia. Mr. President, I ask unanimous consent that a very brief memorial from the board of directors of the Savannah Cotton Exchange may be read by the Secretary for the information of the Senate.

There being no objection, the memorial was read as follows:

SAVANNAH, GA., *July 7, 1921.*

Whereas the Federal Reserve Board under its authority to interpret the Federal reserve act has ruled that cotton factors' paper is ineligible for rediscount; and

Whereas Senator MCKELLAR has introduced an amendment to the Federal reserve act which will specifically authorize the Federal reserve bank to make the paper of cotton factors eligible for rediscount; and

Whereas the cotton factors perform a valuable and important part in financing the production and marketing of the cotton crop; and

Whereas it is understood that the Federal Reserve Board authorizes the rediscount of the paper of cotton commission merchants, which is exactly in the same class as the paper of cotton factors, except that manufactured goods, instead of raw cotton, is pledged as security for the loans to said cotton commission merchants; and

Whereas the ruling of the Federal Reserve Board is inflicting an unnecessary hardship upon those engaged in the legitimate business of cotton factors, and thereby injuring the cotton farmers and hampering the orderly marketing of the cotton crop: Therefore be it

Resolved by the board of directors of the Savannah Cotton Exchange, That they heartily approve of the amendment to the Federal reserve act introduced by Senator MCKELLAR and described above; and be it further

Resolved, That a copy of these resolutions be sent to the senior and junior Senators from Georgia and to the members of the Senate Banking and Currency Committee, with the earnest request that the amendment be favorably reported by the committee with the least possible delay, and that the Federal reserve act be amended so as to give the desired relief within the next few weeks, so that it may become effective prior to the heavy movement of the 1921 cotton crop.

Attest:

W. H. TEASDALE,
Secretary and Superintendent.

Mr. WATSON of Georgia. I move that the memorial be referred to the Committee on Banking and Currency.

The motion was agreed to.

Mr. HARRELD presented a petition of the tribal council of the Seminole Tribe of Indians of Oklahoma, praying that an appropriation of $15,000 be made from other than tribal funds for the erection of a monument to the Seminole Tribe in the city of Wewoka, rather than from Seminole tribal funds, as provided in an act of Congress passed March 4, 1921, and that the act be repealed to that extent, which was referred to the Committee on Indian Affairs.

Mr. LODGE presented a resolution of Local Union No. 122, Boot and Shoe Workers' Union of America, of Randolph, Mass., favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the congregation of the First Parish Church of West Roxbury, Mass., favoring the calling of an international disarmament conference by the President, which was referred to the Committee on Foreign Relations.

He also presented a resolution of the Armenian Evangelical Alliance of America, of Worcester, Mass., favoring the affording of relief to the imperiled peoples of the Near East, particularly of Armenia, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a resolution of the Southwestern Lumbermen's Association, of Kansas City, Mo., opposing a tariff on lumber manufactured and shipped to the United States, which was referred to the Committee on Finance.

Mr. WILLIS presented a resolution adopted at a mass meeting held at Chillicothe, Ohio, Monday, June 27, 1921, favoring the recognition of the republic of Ireland, which was referred to the Committee on Foreign Relations.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

Mr. WALSH of Massachusetts. Mr. President, I ask unanimous consent that three short communications which I now present be inserted in the RECORD. The first is from the Worcester, Mass., Chamber of Commerce opposing the soldiers' adjusted compensation bill, the second is from the commander of the Massachusetts Department of the American Legion, and the third is from the chairman of the national legislative committee of Veterans of Foreign Wars, the two latter urging favorable action by Congress on the aforesaid bill.

There being no objection, the communications were ordered to lie on the table and to be printed in the RECORD, as follows:

WORCESTER, MASS., *July 11, 1921.*

Hon. DAVID I. WALSH,
Senate Office Building, Washington, D. C.:

Committee appointed by Worcester Chamber of Commerce to consider matter of bonus for World War veterans has passed the following resolution and recommends it to your careful consideration:

"This committee is in favor of and urges a generous and immediate provision for the relief of disabled soldiers, sailors, and marines who are dependent, but is strongly opposed at this time to the general cash bonus now advocated."

(Signed) George F. Booth, chairman; Dr. Charles L. Nichols; George A. Gaskill; Maj. Chester D. Heywood and Capt. Slater Washburn, the last two being overseas service men.

WORCESTER CHAMBER OF COMMERCE,
DR. SAMUEL B. WOODWARD,
President F. D.
E. BABCOCK, *General Secretary.*

—

BOSTON, MASS., *July 11, 1921.*

Senator DAVID I. WALSH,
Washington, D. C.:

Massachusetts Department the American Legion vigorously urges that you exert every effort in the passage of readjustment compensation for veterans. The spirit of the 7,000 heroes now lying in morgue at Hoboken cries out, "Take care of my disabled buddies both physically and financially." Immediate action on your part will render to the needy veteran a valiant service.

JAMES T. DUANE,
Commander Massachusetts Department of the American Legion.

—

WASHINGTON, D. C., *July 11, 1921.*

Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.:

Veterans of foreign wars of United States denounce west end of Pennsylvania Avenue's attempt to control prerogatives of Congress or coerce it into deferring action on soldiers adjusted compensation bill. Secretary of Treasury had ample opportunity to appear at hearings before Senate Finance Committee, and President should not overstep his powers.

EDWIN F. BETTELHEIM, JR.,
Chairman National Legislative Committee.

REPORTS OF COMMITTEES.

Mr. CUMMINS, from the Committee on the Judiciary, to which was referred the resolution (S. Res. 77) creating a special committee to investigate the expenditures made in behalf of various propaganda and in the maintenance of lobbies, reported it with an amendment and submitted a report (No. 224) thereon.

Mr. GERRY, from the Committee on Naval Affairs, to which was referred the bill (S. 1075) giving permanent rank to district superintendents of the Coast Guard on the retired list, reported it with an amendment and submitted a report (No. 223) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HARRELD:

A bill (S. 2242) to provide for the purchase of a site for a public building at Cushing, in the State of Oklahoma; to the Committee on Public Buildings and Grounds.

By Mr. PENROSE:

A bill (S. 2243) for the relief of the estate of Benjamin Fenton, late surviving partner of Fenton & Co.; to the Committee on Claims.

A bill (S. 2244) granting a pension to Carl Reed (with accompanying papers); to the Committee on Pensions.

By Mr. BROUSSARD:

A bill (S. 2245) for the relief of M. W. Salomon & Son (Inc.); to the Committee on Claims.

By Mr. JONES of New Mexico:

A bill (S. 2247) to amend an act entitled "An act to provide capital for agricultural development, to create standard forms of investment based upon farm mortgage, to equalize rates of interest upon farm loans, to furnish a market for United States bonds, to create Government depositaries and financial agents for the United States, and for other purposes," approved July 17, 1916; to the Committee on Banking and Currency.

By Mr. SMOOT:

A bill (S. 2248) for the relief of George A. Bihler; to the Committee on Claims.

By Mr. STERLING:

A bill (S. 2249) authorizing the Secretary of War to donate certain obsolete ordnance to the University of South Dakota; to the Committee on Military Affairs.

A bill (S. 2250) for the relief of F. C. X. Boucher; to the Committee on Indian Affairs.

By Mr. NEW:

A bill (S. 2251) granting an increase of pension to Richard Dobson (with an accompanying paper); and

A bill (S. 2252) granting an increase of pension to Silas Rouch (with accompanying papers); to the Committee on Pensions.

By Mr. KENYON:

A bill (S. 2253) to amend subdivision 7, section 12, of the act approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

A joint resolution (S. J. Res. 83) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

AUTOMOBILE ACCIDENTS IN WASHINGTON CITY.

Mr. FLETCHER. Mr. President, there was some discussion yesterday in regard to the numerous accidents arising from the operation of automobiles and street cars on the highways of Washington. We are the center of the lawmaking branch of the Government, and yet I believe there is more lawlessness in this city than in any other city in the country with respect to the use of the highways. At the last session of Congress I introduced Senate bill 4539, which was referred to the Committee on the Judiciary. There was not, however, time to consider the bill. I now propose to introduce a similar bill. The bill is somewhat drastic, but it seems to me that something must be done in the matter, and I will leave it to the Committee on the Judiciary to work out the proper modification of the bill, if it needs modification.

The main purpose or scope of the bill is to put the burden upon any person causing an injury or damage in the streets to prove that the accident or the injury or the damage resulted solely from the negligence of the person injured or damaged. That may be a little harsh, but I am convinced that some legislation in that direction, changing the rule of evidence, is important.

There are certain reports which have been filed with the Judiciary Committee in connection with the former bill, some data, and some material which I then collected, which the committee can use in connection with this bill. I therefore introduce the bill and ask its reference to the Committee on the Judiciary.

The bill (S. 2246) making it incumbent upon every person, firm, or corporation injuring or damaging, or causing injury or damage to the person or the property of another while lawfully upon a public street or highway in the District of Columbia, to prove that the injury or damage was caused solely by the negligence of the one so injured or damaged, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

Mr. JONES of Washington subsequently said: Mr. President, the bill introduced by the Senator from Florida [Mr. FLETCHER] a few moments ago, as I understand, relates solely to the District of Columbia. It therefore seems to me that the bill should be referred to the Committee on the District of Columbia rather than to the Judiciary Committee.

Mr. FLETCHER. A similar bill at the last session was referred to the Committee on the Judiciary, which committee has some data on the subject. However, I have no objection to the bill being referred to the Committee on the District of Columbia, although it is a bill with respect to a proposed change in the rules of evidence.

Mr. JONES of Washington. I think it very proper that the bill should be referred to the Committee on the District of Columbia, if the Senator from Florida has no objection to that reference.

Mr. FLETCHER. I have no objection to the reference of the bill to the Committee on the District of Columbia.

Mr. JONES of Washington. Then I ask that the bill may be referred to the Committee on the District of Columbia.

The PRESIDENT pro tempore. Without objection, the reference of the bill will be changed and it will be referred to the Committee on the District of Columbia.

AMENDMENT TO MATERNITY AND INFANCY BILL.

Mr. KENYON submitted an amendment intended to be proposed by him to the bill (S. 1039) for the public protection of maternity and infancy, and providing a method of cooperation between the Government of the United States and the several States, which was ordered to lie on the table and to be printed.

AMENDMENT TO NATIONAL PROHIBITION ACT.

Mr. McCORMICK submitted an amendment intended to be proposed by him to the bill (H. R. 7294) supplemental to the national prohibition act, which was ordered to lie on the table and to be printed.

AMENDMENT TO VETERANS' ADJUSTED COMPENSATION BILL.

Mr. McKELLAR submitted an amendment intended to be proposed by him to the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes, which was ordered to lie on the table and to be printed.

JOINT COMMITTEE ON REORGANIZATION.

Mr. SMOOT submitted the following resolution (S. Res. 109), which was referred to the Committee on Appropriations:

Resolved, That pursuant to the authority contained in the joint resolution entitled "Joint resolution to create a joint committee on the reorganization of the administrative branch of the Government" (Pub. Res. No. 54, 66th Cong.), and in the joint resolution entitled "Joint resolution to authorize the President of the United States to appoint a representative of the Executive to cooperate with the joint committee on reorganization" (Pub. Res. No. 1, 67th Cong.), there shall be paid out of the contingent fund of the Senate one-half of the expense of said joint committee on reorganization, upon vouchers countersigned by the chairman of the said committee on the part of the Senate and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

ACTIVITIES OF NATIONAL GRAIN DEALERS' ASSOCIATION, ETC.

Mr. KENYON submitted the following resolution (S. Res. 110), which was referred to the Committee on Agriculture and Forestry:

Whereas it is reported in reputable newspapers that on June 27, 1921, at Cincinnati, Ohio, a convention was held under the auspices of the National Grain Dealers' Association at which a national organization was projected with the announced purpose of combating legislation for the relief of the farmers of the country, said national organization, as reported, consisting or to consist of the United States Chamber of Commerce and other chambers of commerce, the Wholesale Coal Dealers' Association, Wholesale Lumbermen's Association, Wholesale Implement Vehicle Association, the Millers' National Federation, the Flour Association, the National Feed Dealers' Association, the National Hay Association, the National Cotton Growers' Association, Growers of Potatoes and Produce, Wholesale Grocers' Association, country grain elevators, all grain exchanges, National Seedmen's Association, and also banks and exporters of grain; and

Whereas it is reported that at this meeting it was determined to institute an active campaign against the United States Grain Growers (Inc.), a newly organized national cooperative marketing company for marketing the grain of the farmers of the country, and also to institute a campaign for defeating legislation desired by the organized farmers of the country; and

Whereas it is reported that at this meeting a minimum fund of $250,000 was authorized to be expended in opposition to the United States Grain Growers (Inc.) and for the purpose of defeating legislation: Be it therefore

Resolved, That the Committee on Agriculture is directed to inquire into this matter fully; to ascertain the various subscribers to the alleged fund, the officers and executive agents appointed to carry out the program authorized by this convention, and all facts and circumstances relating thereto, and to the efforts of business, commercial, or other organizations to defeat the cooperative marketing movement which the farmers of the country have instituted; also to inquire and ascertain whether the United States Grain Growers (Inc.) and the farmers' program for cooperative marketing are or are not in the public interest.

AMENDMENT OF NATIONAL PROHIBITION ACT.

Mr. STERLING. I move that the Senate proceed to the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

The VICE PRESIDENT. The Senator from South Dakota moves that the Senate proceed to the consideration of the bill named by him.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. The motion is not debatable.

Mr. HARRISON. If I may ask the Senator from South Dakota a question, Does he intend to ask for the consideration of this bill during the entire day, laying aside the soldiers' adjusted compensation bill for that purpose?

Mr. STERLING. I shall proceed with the consideration of the bill as long as I am permitted to do so, I will say to the Senator from Mississippi.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. For what purpose does the Senator from Nebraska rise?

Mr. NORRIS. I wish to say to the Senator from Mississippi [Mr. HARRISON] and also to the Senator from South Dakota [Mr. STERLING] that I think the bill as to which I gave notice that I intended to ask to have taken up should have precedence outside of the morning hour. I have no objection to proceeding during the morning hour with the consideration of the bill in charge of the Senator from South Dakota, but if he is going to ask that the unfinished business be laid aside for that purpose I shall object.

The VICE PRESIDENT. The unfinished business will be laid before the Senate at 2 o'clock. The question is on the motion of the Senator from South Dakota [Mr. STERLING].

Mr. HARRISON. Mr. President——

Mr. JONES of Washington. I ask for the regular order. The motion is not debatable.

The VICE PRESIDENT. The motion is not debatable. The question is on the motion of the Senator from South Dakota that the Senate proceed to the consideration of House bill 7294.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill H. R. 7294, supplemental to the national prohibition act.

Mr. HARRISON. Mr. President, the Senator from Nebraska suggested he was going to try to secure consideration for the bill of which he is in charge. I suppose there is no understanding to lay aside the soldiers' adjusted compensation bill, at least not until the President arrives and asks the Congress to recommit it. Is that the understanding?

Mr. STERLING. The intention on the part of the Senator from South Dakota, I will say to the Senator from Mississippi, is to proceed with the consideration of House bill 7294 until 2 o'clock, at any rate. What may happen thereafter I do not know.

The VICE PRESIDENT. At 2 o'clock the unfinished business will be laid before the Senate.

Mr. STERLING. I now ask that the bill be read for amendment, the committee amendments to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read the bill for action on the committee amendments.

The reading clerk proceeded to read the bill.

The first amendment of the Committee on the Judiciary was, in section 1, on page 1, line 3, after the word "commissioner," to strike out "applicant" and insert "application," so as to make the section read:

That the words "person," "commissioner," "application," "permit," "regulation," and "liquor," and the phrase "intoxicating liquor," when used in this act, shall have the same meaning as they have in title 2 of the national prohibition act.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 3, after the word "any," to insert "such vinous or spirituous," so as to read:

SEC. 2. That only spirituous and vinous liquor may be prescribed for medicinal purposes, and all permits to prescribe and prescriptions for any other liquor shall be void. No physician shall prescribe, nor shall any person sell or furnish on any prescription, any vinous liquor that contains more than 24 per cent of alcohol by volume, nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of 1 gallon of vinous liquor, or any such vinous or spirituous liquor that contains—

The VICE PRESIDENT. Without objection, the amendment is agreed to.

Mr. WADSWORTH. Mr. President, I inquire if the amendments in lines 3 and 4 have been adopted?

The VICE PRESIDENT. The amendment in line 3 has been adopted. The amendment in line 4 has not yet been acted upon.

Mr. WADSWORTH. Mr. President, I do not expect to detain the Senate for more than a few moments on this proposition. I find it difficult adequately to express my feelings concerning a piece of legislation which attempts to provide how much spirituous or vinous liquor a physician may prescribe to patients. For the Congress to set up its judgment on medical matters as against that of the medical profession seems to me to be going pretty far.

As I read this bill with the proposed committee amendments, no physician may prescribe more than 1 quart of wine to a patient for consumption by that patient in a period of 10 days. I do not know upon what basis the Congress proceeds to de-

liver such an ultimatum or decision intended to govern the medical profession in the treatment of patients. I know, of course, the zeal of the advocates of prohibition that it shall be enforced, and, as the Constitution of the United States now contains the eighteenth amendment, I, too, am heartily in favor of its enforcement, but I can not conceive how this provision will tend to the general enforcement of the prohibition amendment. To my mind, it is an invitation for reputable physicians to violate the law and the Constitution. I think if Senators will search their recollections of medical cases which may have come under their observation, they will agree with me that there are occasions when a very, very sick person may need more than 1 quart of wine in 10 days—I have known of such instances myself—and where physicians in perfect good faith, long before prohibition became a part of the Constitution, did so prescribe; and now Congress proceeds to step in, or is about to do so, and deny to a reputable physician the right to prescribe what he thinks is necessary for the safety and the health of his patient.

The same applies not only to vinous liquors but to spirituous liquors. I know it is difficult to persuade certain types of people to the belief that the use of liquors for medicinal purposes is justifiable at all; and yet I would ask Senators to recollect the influenza epidemic which swept this city two or three years ago and swept many great communities in the United States, and how at that time physicians by the dozens treating patients by the hundreds begged their friends to obtain for them liquor with which to treat patients suffering from influenza-pneumonia.

I personally know of appeals made by the most reputable physicians here in the city of Washington to their friends to help them out in securing something of that kind to administer to their patients; and hundreds and hundreds of poor people, who otherwise could not have been helped in the way that many reputable physicians insist is under certain circumstances the best way, would have been without recourse to those remedies had it not been for the efforts of physicians who went about this city asking private citizens to donate liquor for use in hospitals. This I know from my own observation, for I encountered those physicians when they were making those very pleadings.

It may be said that the present law forbids the prescription of more than a pint of whisky in 10 days to a patient. If that is true—and I assume that that is the state of affairs—it makes it no better. Every Senator here with an ounce of common sense knows that in many a crisis in the life of a patient suffering from pneumonia or other disease more than 1 pint is prescribed by a physician in a 10-day period. It seems to me that this amendment and this bill elaborate the restrictions which are to be placed upon the medical profession, and make it almost impossible, if the physician is to obey the law, for him to use any discretion.

This fanaticism has gone just about far enough. It seems to me we might well pause before we follow citizens unto the sick bed and to the verge of the grave and insist that they shall not be allowed what a physician thinks they need. It is scarcely statesmanship, it is not sane, it is not within the bounds of logic or sanity, for the Congress to set up its judgment in this way, and say to some of the best people in this country who are practicing medicine that within a 10-day period they shall not be permitted to prescribe more than 1 pint or 1 quart to a patient struggling for his life and needing that stimulant.

My protest may not be a very popular one, but, such as it is, I utter it now. It seems to me the time has come when we should gather our wits together and resume our sense of proportion. The thing every patriotic citizen in this country hopes for most is that the Constitution of the United States shall be respected and that the laws shall be obeyed; but when Congress crowds upon the people and crowds upon a profession as high in its ideals as the medical profession restrictions of this kind, how can you expect respect for the law and the Constitution? You are injuring the very cause which you have at heart, the cause of Nation-wide prohibition. You are adding to the number of those who already despise the law and who are already violating it in a perfect debauchery of violation. You are adding to that number, and unfortunately you are adding to that number from among those whom we expect will respect the law most of all—highly educated professional men.

Do Senators actually believe that all physicians, when faced with a crisis in the lives of their patients, will obey this restriction? It is a pretty hard decision to put up to a doctor. I have seen physicians face a crisis of this kind. I have seen them meet it by the prescription of more than 1 pint in 10 days and save the life of the patient. What is the moral duty of the physician? The law prescribes that there shall not be more than 100 prescription blanks filled out by any physician within a 90-day period. I assume that that would result in this: That if a physician within such a period had exhausted the number of blanks to which he is entitled under the statute, and he had a patient needing the stimulant which the physician had been accustomed to administer, he could not administer it.

He or the family of the patient then would have to go around and search out other physicians, and find one whose allowance had not been overdrawn.

Mr. REED. Mr. President——

Mr. WADSWORTH. I yield.

Mr. REED. What would happen if there were an epidemic of "flu," or some other disease, requiring every physician to be working night and day, and all physicians needing liquor to keep their patients alive?

Mr. WADSWORTH. Earlier in my remarks, let me say to the Senator from Missouri, I asked Senators to recollect the "flu" epidemic here in Washington two or three years ago, and just what happened. It must live in the memory of Senators. The Senator from Missouri asks a mighty pertinent question. There were thousands and thousands of people suddenly stricken, and physicians did work night and day. They could not stop to calculate or to figure out how many prescription blanks they had left, respectively, to their credit with the Treasury Department, as it were. They would have to go ahead and do the best they could under the circumstances. Then, what becomes of your statute? What have you gained by it? Have you advanced the cause of real prohibition? Can we not trust reputable physicians to prescribe to patients only those things which they believe the patients need? Must we distrust the entire profession, thousands and thousands of educated gentlemen, and say to them: "You shall prescribe this much and no more under any circumstances."

Mr. BRANDEGEE. Mr. President——

Mr. WADSWORTH. I yield.

Mr. BRANDEGEE. Replying to the suggestion of the Senator from Missouri, I will state that the bill provides that in such cases additional amounts may be authorized by the commissioner; and I assume, inasmuch as he is authorized to make rules and regulations, that he would provide that such applications might be made to the commissioner in the particular State concerned. When I say that, however, I do not mean that I think that is a sufficient provision to cover the case at all. I think myself that it would be a calamity to compel physicians in the stress of an acute epidemic to try to get access to a commissioner in a State, for all the physicians would be making applications at the same time; and the chances are that they would either have to issue a blanket authority suspending the prohibitions contained in the law, or else people would die for the lack of the medicine that they needed.

Mr. REED. I am aware of the clause to which the Senator calls attention; but the Senator has already furnished the answer, that in case of a general epidemic in the country requiring the use of a stimulant of this character it would be impossible for the commissioner to pass upon these applications. He therefore could only take general action in the nature of a nullification or setting aside of the law, not making an exception where a particular case was proven, because he could not pass upon the particular cases. The patients would all be dead long before the machinery of the office would function in that respect.

Mr. WADSWORTH. Mr. President, I do not intend to take the time of the Senate any longer. I simply want to voice my protest at this character of legislation. I think it is fanaticism of the wildest kind, and that it will hurt the cause of law enforcement. We can not go on in this way and expect to arouse and maintain in the hearts of the law-abiding people of this country a genuine respect for the law and the Constitution.

Mr. LODGE. Mr. President, I was one of those who voted against the prohibitory amendment to the Constitution. That amendment was adopted by large majorities in both Houses of Congress and by the States of the Union by very large majorities in the legislatures. It therefore became the fundamental law of the land, and, believing, as I do, in the rule of the majority, of course, like all other law-abiding Americans, I accepted the result, and I feel therefore very strongly that the constitutional provision should be thoroughly, vigorously, and sanely enforced. I voted for the Volstead Act on that theory and belief.

I feel also very strongly that nothing is worse than a disregarded statute except a disregarded constitutional provision, and I believe absolutely that as the prohibition amendment is there it must be and ought to be enforced, and anything I have been able to do to aid in its enforcement has been done.

But, Mr. President, I think this bill, which carries prohibition far beyond any point which it has ever reached and brings in another profession and another trade with definite limitations is not only bad in itself, but I think it will defeat the very purpose for which it is intended. Briefly, I am going to call attention to the objections which have occurred to me.

I think in the first place there is some very reasonable doubt about its constitutionality. The language of the constitutional amendment refers to "beverage purposes," and we all know that beverage means drinking, whether it is water or wine. It is derived from the old, now obsolete, English word bevere, and that derived from the Latin bibere, and it means to drink, and it seems to me that to include something purely medicinal within the words "beverage purposes," clearly intended here to cover intoxicating drinks, is going rather beyond the limits of the amendment.

The object of medicine is not drinking; medicine for its curative properties or for hygienic purposes. I am not going to enter into any elaborate discussion of the constitutional point, but I think there is a point there, which is very likely to find its way into the courts.

The second objection to it, and to my mind the controlling objection, is the attack it involves upon the medical profession and upon druggists. It is assumed that they will abuse their privileges and violate the law. If they abuse their privileges and violate the law, there is abundant law now to deal with them as we should deal with any other violators of the law, but to assume that they will all violate the law unless restrained by statute seems to me intolerable.

I have, and I suppose other Senators have, protests against it from the medical profession. I hold in my hand a protest, which reads:

> The undersigned physicians and surgeons practicing their profession in the State of Massachusetts respectfully petition the legislature to relieve the people of this Commonwealth from the present onerous Federal restrictions of the manufacture and prescription or sale of alcoholic beverages for medicinal purposes.

I do not know precisely how the State is going to do it, but the purpose of the protest is plain. That is signed by 236 physicians and surgeons. The names of many of them are well known to me. There in this list are the names of men who represent the highest rank in the medical and surgical profession in my State and in the United States. I ask to have the protest, with the names, printed with my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

> The undersigned physicians and surgeons practicing their profession in the State of Massachusetts respectfully petition the legislature to relieve the people of this Commonwealth from the present onerous Federal restrictions on the manufacture, prescription, and sale of alcoholic beverages for medicinal purposes.
>
> Samuel J. Mixter, Wm. Whitworth Gannett, John Taylor Bottomley, F. A. Washburn, Daniel F. Jones, Myles Standish, John B. Hawes, 2d, Arthur C. Jelly, Maurice V. Tyrode, W. Alvin Hitchcock, jr., J. Collins Warren, William M. Conant, Charles M. Green, Frederick L. Jack, Robert B. Dixon, Harry W. Goodall, Frederick W. Johnson, Alex. Quackenboss, Paul Thorndike, J. C. Hubbard, Henry A. Christian, David W. Wells, C. Wesselhoeft, Percy Brown, George A. Leland, Henry M. Pollock, John L. Ames, Rockwell A. Coffin, Henry B. Chandler, R. Fitz, Joseph B. Howland, Andrew Nichols, 3d, L. Chandler Walker, Fred B. Lund, John J. Dowling, William E. Chenery, W. K. S. Thomas, Arial W. George, Frederic J. Cotton, Edmund W. Clap, Philip Hammond, Arthur L. Chute, Henry Jackson, Charles E. Prior, Harold M. Frost, Nat. N. Morse, J. L. Bremer, John Warren, Harold C. Ernst, A. S. Begg, Harry J. Lee, Ralph C. Wiggin, Thomas E. Chandler, W. D. Rowland, Milo C. Green, Solomon C. Fuller, George H. Earl, William F. Wesselhoeft, E. O. Otis, Edward J. Denning, Louis E. Phaneuf, John F. Fennessey, W. Russell MacAusland, Harry F. Hartwell, J. Homer Wright, Edward P. Richardson, Henry C. Marble, George A. Leland, jr., George W. W. Brewster, Harold L. Babcock, E. P. Ruggles, Frederick W. Colburn, Roland O. Parris, Waldo W. Walker, Nelson M. Wood, C. Wesley Sewall, Charles T. Howard, Edw. S. Calderwood, Joseph E. Sternberg, Frederick W. Derby, Z. B. Adams, E. S. Welles, W. G. Atwood, A. S. Merrill, Lloyd T. Brown, Fritz B. Talbot, Daniel N. Vose, N. K. Garrick, Edw. W. Smith, A. G. Chesley, R. B. Greenough, Walter B. Lancaster, Frederic C. Cobb, Allen Greenwood, W. Holbrook Lowell, Fred'k W. Watkeys, Fred M. Spalding, Harold B. Chandler, George S. Derby, N. D. S. Tashjian, Isabel L. Cameron, F. H. Verhoeff, Samuel H. Wilkins, Vincent Y. Bowditch, Robert G. Loring, George H. Stone, George P. Denny, Charles W. McClure, J. Walter Schirmer, A. P. Thompson, Edmund W. Wilson, John A. Foley, Frank H. Lahey, Horace Binney, Francis S. Brodnick, Arthur H. Ring, John F. Ahern, Augusta N. Carlson, Alonzo G. Howard, Orville R. Chadwell, Elmer W. Barron, J. A. MacMillan, Kermit C. Rosen, Joseph Rejnik, Abraham J. Hurwitz, Samuel L. Marvoy, Ettore Crampolici, Robert V. Swift, H. B. Eaton, Class J. Euclauske, Louis Arkin, Sidney J. Solomon, Antonio C. Ventrone, Hilbert F. Day, A. K. Paine, George H. Binney, Edward Hartshorn, George W. Whichelow, Chas. J. McKenna, Charles F. Vanderwart, Leonard D. Nathan, Homer C. Searles, Harold J. Cutler, Kent Hermain Thorne, D. H. Walker, George Gilbert Smith, Leroy M. S. Miner, James H. Stevens, Seth F. Arnold, Roger S. York, Joseph A. Cogan, William S. Cooling, F. Chester Durant, Henry N. Piper, Charles L. Scudder, Walter F. Provan, Charles R. Draper, George Westgate Mills, P. F. Graham, J. J. Corbett, Nilson E. Hunt, Walter E. Paul, Richard F. O'Neil, Roger P. Dawson, Terr W. Harmer, James M. Gallison, Henry F. Hewes, Beth Vincent, Arthur M. Dodge, George Sumner Hill, Herbert H. Howard, W. E. Faulkner, G. L. Vogel, C. R. C. Borden, C. J. Herman, Edmund W. Wilson, Samuel F. Haines, Malcolm Seymour, Wm. Pearce Coues, O. R. T. L'Esperance, Newton J. Eastman, P. H. Sylvester, Howard T. Swain, George W. Papen, A. R. Kimpton, A. R. Roshwell, Donald Munn, M. J. English, John A. Foley, J. W. Manary, Eben C. Norton, Robert M. Green, Elwin H. Wells, Frederick L. Hayes, Harold Bowditch, W. Herbert Grant, Charles Lawrence, Donald V. Baker, Harold G. Giddings, John T. Bowler, A. J. Gagnan, Edwin C. Shattuck, Cornelius P. Harkins, Frank B. Worthing, Gardner W. Allen, Walter Woodman, G. K. Sabine, Harold V. Hyde, G. L. Tobey, jr., K. H. Thoma, James L. Huntington, Horace Paine Stevens, L. M. Spear, Mark H. Rogers, Ralph D. Leonard, J. Herbert Young, A. Carlton Potter, W. C. Miner, Robert C. Cochrane, D. J. Bristol, jr., G. W. W. Brewster, R. C. Larrabee, Walter F. Nolen, Lesley H. Spooner, Arthur H. Crosbie, Charles O. Day, Halsey B. Loder, Franklin S. Newell, Frank L. Richardson, Gerald Blake, Frederick E. Garland, F. H. Cushman, R. M. Hopkins, Louis W. Hill, John S. Phelps.

Mr. LODGE. Mr. President, it seems to me this is an unwarranted attack upon a great and noble profession and also upon a widespread and absolutely necessary business of high standing.

My third reason for opposing this bill is that such drastic legislation will not help the enforcement of the law, but will encourage violation. The law as it stands is difficult of enforcement in many parts of the country. I do not know how it is in other large cities, though I fancy it is the same everywhere, but in the city of Boston there are on the docket 700 liquor cases under the Volstead Act. I think in New York there are something like 3,000. The dockets of our United States courts are blocked with these cases. The natural and normal business of those courts is arrested and delayed in this way, at least in the State where I live. Massachusetts is not a very large State territorially, but to bring a man 150 miles across the State to get him before a United States judge to be fined $10 for violation of the act seems to me a monstrous system. We shall either have to multiply district judges throughout the country, or in certain parts of the country, or else establish a system, if we can, resembling magistrates' courts to deal with these cases in the first instance. It is going to be impossible to carry on the business of the United States courts, where there is this block, owing to the pressure of the liquor cases.

Moreover, when these cases get before the juries there is almost invariably an acquittal; and that is not a wholesome condition of affairs. The successful enforcement of a law must depend largely on the great body of public opinion behind it; and if the great body of public opinion regards a law not only with hostility, but with the belief that it is unjust, that violations of it are venial offenses, it is a very unnatural and wrong situation. Therefore, to make the law continually more drastic, and to extend it from bootleggers and evaders of the law to physicians and surgeons and hospitals and all druggists, only increases the difficulties of which I have spoken.

I do not think that my State differs materially from any other of our densely populated States with large cities and great industrial populations; but I noticed the other day, in the report of the chairman of the Parole Board of Massachusetts, that he says:

> At the State farm in Bridgewater the number jumped from 238 to 338. Prison authorities hold bootlegging to be responsible for this boom in business at Bridgewater, which seldom had more on its hands in the days before prohibition.

There was an increase of a hundred, more than 30 per cent, in the cases sent to that reformatory on account of drunkenness.

Mr. President, what I am aiming at is a thorough and effective enforcement of the law. The figures I have given show the difficulty now of enforcing the law in many of our cities with crowded populations, and it is not a wholesome condition.

I cut from the New York Times of Monday, June 27, 1921, the following statement by Mr. Alfred D. Van Buren, of Kingston, N. Y., who has just resigned as chief counsel to the Federal prohibition commissioner:

"Mr. Van Buren said he had always been a prohibitionist, but believed that, if national prohibition was to succeed, it would be necessary to maintain respect for the law at any cost, and this could not be accomplished by further curtailment of personal liberties and 'abusive and ruthless' restrictions.

"'The situation is critical,' said Mr. Van Buren, 'and deserves the most careful consideration and study by all who be-

lieve that this Government should not suffer from an abuse of those principles upon which it was erected.

"'There can be no doubt that when the eighteenth amendment was adopted the people intended to prohibit for all time intoxicating liquors for beverage purposes, but there is reason to doubt that the people intended, or at least fully understood, that the measure for its enforcement would be carried to the extremes which Congress deemed necessary to include in the national prohibition act.'

"PERIL TO MEDICINE AND RELIGION.

"'Consequently, when the people realized—and they are just beginning to realize—that the practice of medicine, pharmacy, chemistry, and even religion was affected, surprise and consternation prevailed, which, in many sections, have given way to resentment and indignation. The influence of this legislation and the regulation and control of the traffic as exercised by the commissioner have penetrated into legitimate industry to such an extent that business conditions are intolerable.

"'From all over the country professional and business men, ardent supporters of prohibition against beverage liquors, generous contributors to the cause and among the dryest of the drys, are raising their voices in vigorous protest against further encroachment upon rights guaranteed in the pursuit of lawful occupations.

"'Liquor, as defined by Congress, includes not only alcohol, whisky, wine, and beer, but also all other "liquids or compounds, whether medicated, proprietary, patented, or not, and by whichever name called, containing one-half of 1 per cent or more of alcohol by volume, which are fit for use for beverage purposes."

"'One can readily see that, when such liquors are prohibited for beverage purposes and the manufacture, purchase, sale, transportation, and even possession thereof for nonbeverage or legitimate purposes, are subjected to the drastic regulations and control of the Government, the problem is a very serious one.

"'If the good people who have been enjoying the benefits of State prohibition for many years, and the so-called drys, wherever they may be, could realize and appreciate the many difficulties encountered by those who are endeavoring to supply such articles as alcohol, medicines, perfumes, toilet articles, flavoring extracts, and like products for legitimate purposes, be they manufacturers, dealers, chemists, doctors, or druggists, they would not allow their spokesmen to be too insistent in their demands or suffer their Congressmen to be apprehensive of the folks "back home."

"'There is a bill now being rushed through Congress which further restricts the physician in the practice of his profession and clothes the commissioner with the responsibility of limiting the manufacture and sale of sprituous and vinous liquors to such quantities as he may believe sufficient for nonbeverage purposes. In this connection the definition of liquor should be kept in mind, and, though the commissioner were endowed with the powers of the ancient prophets, it would be utterly impossible for him to anticipate such needs.

"'I can not believe that this country is given over to lawlessness and crime. The many problems of prohibition must be solved by chemists, doctors, druggists, and other merchants, with the hearty cooperation of all law-abiding citizens. The original law is amply sufficient to safeguard the situation if properly enforced, but care must be so taken that the honest business and professional man is not treated as a potential bootlegger. The act provides swift and certain measures against those who disobey.'

"SPEAKS AS A PROHIBITIONIST.

"'I have always been a prohibitionist and always will be. I have never touched a drop of liquor in my life, and have little sympathy with those who become victims of the habit. I have been with this cause now since national prohibition was born and have given it the best that was in me, at no small sacrifice.

"'If it is to succeed, and all good citizens are pledged to its success under the Constitution, respect for law must be maintained at any cost, and this can not be accomplished by the further curtailment of personal liberties and abusive and ruthless restrictions.

"'Mistakes have been made; but wonders have been performed. Rome was not built in a day, and prohibition can not be established in 18 months. The same law which prohibits alcohol, the basis of all intoxicating liquors, for beverage purposes provides in no mistaken language that its legitimate nonbeverage use shall be encouraged and promoted. Those advocating more drastic rules loudly proclaim that they do not intend to embarrass or disturb legitimate industries and occupations, but they go ahead just the same and do so.'"

That is the statement of a well-known, distinguished lawyer, who has been the counsel of the Federal prohibition commissioner and who has been, as he said, always a prohibitionist and heartily in favor of the constitutional amendment.

He makes the very points which I desired to make.

The law, in the first place, has not been sufficiently tested. It is a mistake to think because there are violations that we can cure the situation by still more drastic legislation. Because the statutes against murder have been violated, shall we go on and increase the terrors of the death penalty? Shall we provide that men shall be tortured or burned to death in the hope of checking murder? Of course no sane man would suggest anything of the kind.

We have but to look at the history of the eighteenth century laws in England, where almost every offense, even the slightest, including the theft of a loaf of bread from a shop, was made a capital offense. The offenses were not stopped, but a public opinion was gradually created which swept all those extravagances out of existence. Indeed, the reaction went so far that those drastic statutes of the eighteenth century, which we in part inherited, were the cause, no doubt, of the endless technicalities which cause in certain States in the Union great delays in the administration of the criminal law. They are at the bottom of the ill-founded and harmful sympathy for criminals, a morbid sentimentality in that direction which is injurious, and to them is, in my judgment, to be traced the strong reaction in public opinion against the ferocity of the criminal legislation of Great Britain, which, as I said, in part at least was inherited by this country.

That is not the way to bring to successful enforcement a law which we desire to see honestly and thoroughly and vigorously enforced. If we attack all the physicians by a law like this, we imply that every one of them is a potential bootlegger. They are a very powerful body; they mingle but little in politics; but I know of no profession, unless it be that of the clergy, which has such an influence on public opinion as the trained doctors and surgeons to whom we submit our health and our lives and the health and lives of those who are far dearer to us than ourselves. They naturally feel humiliated at the unescapable implication of the bill that they must be watched as if they were habitual criminals trying to escape and break the law.

The opinion of those men in support of the enforcement of the prohibitory amendment to the Constitution is very important, and legislation is proposed here which, in my judgment, tends to drive them away.

The same is true of the trade or the occupation of the druggist and the apothecary. They are men under our modern laws who are educated and who have to pass examinations to enter that business. They are responsible men and good, law-abiding citizens. There will be found here and there, no doubt, some physician who will abuse his privileges and some druggist who will abuse his, but there is plenty of law now existent to take care of them and punish them. When we deal with them as a class and put on one great business and on one great profession the stigma which seems to me to rest in the provisions of this bill, we are doing no good to the cause of temperance. We are delaying and not helping the proper enforcement of the law, which every law-abiding American citizen desires to see thoroughly enforced.

As one who is earnestly desirous to have that law thoroughly tested and thoroughly and honestly enforced, I protest against legislation of this kind. It is tending to destroy the very public opinion that we ought to have to make the law secure and effective. Desiring, as I do, to have that law secure and effective, that is the reason why I find it impossible to vote for the bill.

Mr. WILLIAMS. Mr. President, unlike the Senator from Massachusetts, I voted for the eighteenth amendment. I voted for it in obedience to the will of the people of my State and in keeping with my political theory to the effect that this is a representative and not a misrepresentative form of government, and that a man standing here or at the other end of the Capitol ought to represent his constituents, except where he thinks his constituents are constitutionally or morally wrong, or else he ought to give up his place on the floor of either body.

That leads me to the inquiry: "What was and is the eighteenth amendment?" I supported it in spite of my own private opinion, which never was to the effect that there was much wisdom in attempting to make people good by law. But there was no constitutional objection to it, it was certainly not immoral, and therefore I thought I ought to obey the will of my people rather than my own inclination.

What was the eighteenth amendment? It was to forbid the manufacture and sale of alcoholic liquors for *beverage* pur-

poses. It was abundantly set forth at the time it was adopted, and if it had not been then abundantly set forth it would not have been adopted, that the amendment would not interfere with the use of liquors for sacramental or for medicinal purposes.

Now, what is the very object of the legislation now proposed? It is to interfere with the use of liquors for *medicinal* purposes. "Oh," Senators say, "We find now and then a doctor who will act corruptly." Of course we do. "We find now and then one who will convert himself into a rum-prescription shop." Yes; of course we will. The medical profession, in my opinion, has filled a higher place in this world than the priesthood, and it is a more sacred profession than the priesthood, yet even in the priesthood, even amongst the Twelve Disciples, anywhere, there will be found now and then a corrupt scoundrel. But we do not make laws to fit the corrupt scoundrel. We make laws to fit the general situation. I say, whether the Supreme Court of the United States shall have the question brought to it in such a clear outline as to be able to decide it or not, that a law undertaking to interfere with the sacramental or medicinal use of liquor, even after the passage of the eighteenth amendment, is itself unconstitutional.

This Government had no right to interfere with it at all except by virtue of the eighteenth amendment. It has no right to interfere with it now *except in keeping* with the eighteenth amendment, and to the limit of the meaning of the eighteenth amendment and not beyond the limit of that meaning. The limit of that meaning was to prohibit the manufacture and sale of alcoholic liquors for "beverage" purposes, and the minute we undertake to regulate their uses in the church for sacramental purposes, or in the doctor's office for medicinal purposes, it is we who are violating the Constitution of the United States, even with the eighteenth amendment included, and not those who are resisting it.

It is now proposed to go further and add to the Ten Commandments. Thus far there are only 19 amendment commandments, and it is proposed to add to them something of our own manufacture. Now, of course, there will be found a doctor now and then who will convert his office into a corrupt prescriptions-for-sale place. What of it? What of it? The medical societies will take care of him. That is the first thing. If you put the medical profession upon their honor, they will themselves unfrock a fellow of that sort just like the church will unfrock the unfaithful priest, whosoever's church it may be.

That is not all. That man thus violating law and medical ethics is punishable by the ordinary criminal laws of the country, because he has obtained money under false pretenses. A man who under the pretense of giving a medical prescription for a medicinal purpose gives it for a beverage purpose and charges money for it, upon proof before a jury is, in my opinion—and about the justice of that opinion I have no doubt—guilty of getting money under false pretenses. That is not all. He is punishable under the provisions of the Volstead Act without any further amendment, because when, under the guise of administering liquor sacramentally or medicinally, a man administers it for beverage purposes, the original Volstead Act, in addition to the common law and in addition to professional ethics, will furnish punishment for the man thus offending.

But the great punishment, after all, Mr. President, is in professional ethics. There has never been a profession—the Senator from Massachusetts [Mr. LODGE] said, "with the possible exception of the clergy"—I say there has never been a profession without the exception of the clergy or without any exception that ever stood as strictly for a given line of professional ethics as does the medical fraternity. It is to their interest to do it. Do you suppose reputable doctors are going to sit down and let quacks make immense amounts of money in their native villages and native towns by constant violation of the law?

Along comes a fellow who sets himself up as a medical expert and tells you that liquor is not fit for medicine anyway; that he knows all about it. Long before there was any prohibition in this country the doctors prescribed Dublin stout to women nursing young babies, and prescribed ale and stout to women in pregnancy when the pregnancy assumed certain conditions. A man who says that beer was never prescribed medicinally by reputable physicians is—I will not say what he is; his ignorance is too stupendous to characterize in parliamentary language. I know of my own knowledge, long before there was any prohibition, that one of the favorite prescriptions for women in certain stages of going to pieces after childbirth and before childbirth was porter or Dublin stout. I have seen it prescribed again and again, and to women who never drank in their lives, to southern women who with their sweet Puritanism—and all the Puritanism of America, by the way, has fled from New England and gone South long ago—regarded it as a sin for a woman to take a drink at all.

You have no right under the guise of *enforcing* a constitutional amendment to *violate* the Constitution; and the Constitution with the eighteenth amendment has conferred upon you no power or authority or jurisdiction over the liquor question except as a "beverage." You have no constitutional jurisdiction when it comes to its use as a medicine or for sacramental purposes except to see to it that a man shall not *pretend* to administer it for those purposes while he actually *does* administer it for a beverage. You have that power because you have a right to make certain that it is not administered as a beverage; but you have no other power in connection with it.

Why should you not trust the honor of the physician? I do not mean of every physician, for there are crooks and scoundrels and self-seekers and profiteers in every business in the world. The Senate itself is not free of them; the House of Representatives is not; our judiciary has not been altogether, though rarely during its entire history, although it has been more nearly free of them than almost any other body.

Why should you not just simply say that the judge of whether a thing is good for medicinal purposes is the medicus—the doctor—the physician—and that if he abuses his position he is almost with absolute certainty doomed to be dealt with by his profession, a profession peculiarly jealous of its honor; much more jealous of its honor than is the legal profession, to which most of you belong; much more jealous of its honor than the clerical profession, which it has grown to be the habit of people in this country and other countries to set forth as the highest calling of man? Would you, therefore, pass laws that would affect the clerical profession because there are hypocrites in it? Would you, therefore, pass laws that would affect the honor of the medical profession because there are quacks in it? There are some right now here in Washington who are prescribing whisky every day in cases where it is not needed. One of the reasons why they are not stopped is because reputable physicians, whose honor you are impugning, whose lives you are suspecting, and whose practice you are putting under espionage, do not move against them lest it might look as if the whole medical fraternity was involved; but when you put the members of the profession upon their honor they will take care of themselves and of the crooks. As a student in the old University of Virginia I learned something about the honor system. From Thomas Jefferson's brain came the idea that students should not be subjected to espionage and treated like little children, but that they were to be put upon their honor. I believe the only pledge we ever took there was that we would "obey the laws of the State of Virginia and would act the part of gentlemen toward one another." Put the medical profession upon its honor and it will take care of the crooks.

Say to them, "You are upon your honor; the common law is here to help you; the Volstead Act is here to help you; but after all it is chiefly you, and what are you going to do about it? Have you the honor to respond to the call of honor or have you not?" By the way, if the medical profession has not the honor to respond to the call of honor, then civilization has been destroyed already, because if they have it not, no other class of society has it—lawyers, preachers, farmers, I care not what—because none stands higher. They must stand high.

A Catholic priest is a confessor; other clergymen are not; but every doctor, independently of church and religion, is a family confessor, and his duties as a confessor are not conserved by superstition like that of the priests. When you come to realize how he is a confessor and why, it is simply because he is a gentleman dealing with other gentlemen and other gentlemen's wives and children. No superstition holds him to his task; no pope, no bishop, no archbishop; and yet you will search your memories, each of you, to find where a physician ever betrayed a confidence. Out of the 96 Members of this body I dare say there will not be found 5 who ever knew of such a case; there will not be found 15 who ever heard of one; there will not be found 20 who ever read of one, even in the rough and ready, careless and unscrupulous common literature of the American people, which is the daily newspaper.

Why do you want to insult this profession? What makes you think you can not rely upon their honor as a whole—not the honor of each one of them, of course? That is not the reason behind this proposed legislation. The real reason behind it is that after you got the American people to adopt an amendment to the Constitution giving you the right to control the manufacture and sale of liquor or to prohibit it as "a beverage," you now want to "fudge" upon your authority, to "sneak" further, and *usurp* the authority to prohibit its use, or to regulate to the point of prohibition its use, sacramentally and medic-

inally; that is all. Whether that be your motive or not, that is the effect of what you are trying to do, and will do if this clause of this bill shall pass.

Mr. KNOX. Mr. President, I should like to say a word or two in explanation of the vote I intend to cast upon this amendment, and more particularly for the purpose of informing the very, very few of the 9,000,000 people in my State who have urged upon me to swallow, hook, line, sinker, pole, and all—every proposition that is presented here which is labeled prohibition.

When the eighteenth amendment was before this body I took the trouble to read it before I voted upon it; and when I read it I found that it contained limitations with respect to only one thing, and those limitations were the right to manufacture, sell, or transport intoxicating liquors "for beverage purposes." I was willing, Mr. President, and my vote so indicated, that that question should be submitted to the American people. Had the eighteenth amendment placed these limitations upon the use of intoxicating liquors for beverage and medicinal purposes, I would not have voted for the amendment; and I do not propose by my vote to import into this amendment that which never was dreamed of by its proponents and is not even claimed by the language of the pending bill, because its supporters recognize the therapeutic value of liquors of different character and only seek to put their hands upon the discretion of the medical profession in its prescription.

Mr. President, it is not my purpose by my vote to put an insult upon that great and noble profession to which we all must turn at many times in our lives for the protection of our lives; neither do I intend by my vote to put an insult upon my own intelligence by conceding that a constitutional amendment limited to beverage purposes can be stretched in such a way as to place any restriction upon the use of liquor for any other purpose.

Mr. WALSH of Montana. Mr. President, the same line of argument to which we have listened this morning against the measure now before us was addressed to the Senate and addressed to the Supreme Court of the United States with reference to one of the most essential features of the original Volstead Act. It was contended here upon the floor, for instance, that the constitutional provision was limited to the prohibition of the manufacture and sale of intoxicating liquors for beverage purposes, and that liquor containing no more than one-half of 1 per cent of alcohol was not an intoxicating liquor, and therefore the provision was plainly beyond the limit prescribed by the Constitution.

It was argued at that time that though the Constitution did not prohibit the sale of liquor that was not intoxicating, it was easily within the scope of the powers conferred upon Congress by the Constitution to prohibit the sale of those liquors, even though they were not intoxicating, the sale of which would render abortive the enforcement of the prohibition act; in other words, that in order to make effective at all the amendment or any legislation intended to carry it into effect, it became necessary to regulate the manufacture and sale of intoxicating beverages for purposes that are legitimate under the Constitution.

I think we would have a clearer idea of just exactly what are the limitations upon the power of Congress in this matter if we would attend to what the Supreme Court has said upon the subject. I read briefly from the opinion in the case of Ruppert against Caffey:

Purity Extract Co. v. Lynch (226 U. S., 192) determined that State legislation of this character is valid and set forth with clearness the constitutional ground upon which it rests.

I quote now from the opinion in that State case:

When a State exerting its recognized authority undertakes to suppress what it is free to regard as a public evil, it may adopt such measures having reasonable relation to that end as it may deem necessary in order to make its action effective. It does not follow that because a transaction separately considered is innocuous it may not be included in a prohibition the scope of which is regarded as essential in the legislative judgment to accomplish a purpose within the admitted power of the Government.

Mr. POMERENE. Mr. President, the expression of the court is, "it may adopt such measures having reasonable relation."

Mr. WALSH of Montana. Undoubtedly.

Mr. POMERENE. Undoubtedly so.

Mr. WALSH of Montana. If the measure has no reasonable relation whatever to the prohibition of the manufacture and sale of liquor for beverage purposes, confessedly it is beyond the power of Congress; but they held in that case that the prohibition of the sale of malt liquor that was not intoxicating at all, and that had no alcoholic content whatever, was reasonably adapted to secure the end of the prohibition of the manufacture and sale of intoxicating liquors for beverage purposes.

Mr. KNOX. Mr. President——

Mr. WALSH of Montana. I yield to the Senator.

Mr. KNOX. I entirely agree with what the Senator from Montana says about the decision in that case; but does not the Senator from Montana recognize the distinction between the legislative power to determine what is an intoxicant and the legislative power to expand the purpose for which it shall be used?

Mr. WALSH of Montana. I do not distinguish in that regard. If it may be used for medicinal purposes—as, of course, it may be under the Constitution and the law—and the manufacture and the use of it for medicinal purposes is likely to lead, as it undoubtedly is, to the manufacture and sale of it for beverage purposes, it is unquestionably within the power of Congress to regulate the use of it and the manufacture of it for medicinal purposes in order that it shall not be diverted from that use and used for the prohibited purpose.

Let me continue until we get clearly before us the views of the Supreme Court on the subject.

It was competent for the Legislature of Mississippi—

Considering the case referred to—

to recognize the difficulties besetting the administration of laws aimed at the prevention of traffic in intoxicants. It prohibited, among other things, the sale of "malt liquors."

The statute of the State of Mississippi prohibited the sale of malt liquors, whether those malt liquors contained any alcohol or not.

In thus dealing with a class of beverages which in general are regarded as intoxicating, it was not bound to resort to a discrimination with respect to ingredients and processes of manufacture which, in the endeavor to eliminate innocuous beverages from the condemnation, would facilitate subterfuges and frauds and fetter the enforcement of the law. A contrary conclusion logically pressed would save the nominal power while preventing its effective exercise. * * * The State, within the limits we have stated, must decide upon the measures that are needful for the protection of its people, and, having regard to the artifices which are used to promote the sale of intoxicants under the guise of innocent beverages, it would constitute an unwarranted departure from accepted principle to hold that the prohibition of the sale of all malt liquors, including the beverage in question, was beyond its reserved power.

Let me go a little further, for they consider the very case before us.

That the Federal Government would, in attempting to enforce a prohibitory law, be confronted with difficulties similar to those encountered by the States is obvious; and both this experience of the States and the need of the Federal Government of legislation defining intoxicating liquors, as was done in the Volstead Act, was clearly set forth in the reports of the House Committee on the Judiciary in reporting the bill to the Sixty-fifth Congress, third session, report 1143, February 26, 1919, and to the Sixty-sixth Congress, first session, report 91, June 30, 1919. Furthermore, recent experience of the military forces had shown the necessity of fixing a definite alcoholic test for the purpose of administering the limited prohibitory law included in the selective service act of May 18, 1917, chapter 15, section 12 (40 Stat., 76, 82). And the Attorney General, calling attention specifically to the claim made in respect to the 2.75 per cent beer, had pointed out to Congress that definition of intoxicating liquor by fixed standards was essential to effective enforcement of the prohibition law. It is therefore clear both that Congress might reasonably have considered some legislative definition of intoxicating liquor to be essential to effective enforcement of prohibition, and also that the definition provided by the Volstead Act was not an arbitrary one.

Plaintiff's argument is equivalent to saying that the war power of Congress to prohibit the manufacture and sale of intoxicating liquors does not extend to the adoption of such means to this end as in its judgment are necessary to the effective administration of the law. The contention appears to be that since the power to prohibit the manufacture and sale of intoxicating liquors is not expressly granted to Congress but is a power implied under section 8 of Article I of the Constitution, which authorizes Congress "to make all laws which shall be necessary and proper for carrying into execution" powers expressly enumerated, the power to prohibit nonintoxicants would be merely an incident of the power to prohibit intoxicants, and that it can not be held to exist because one implied power may not be grafted upon another implied power. This argument is a mere matter of words.

Now, listen to the gist of the decision of the Supreme Court:

The police power of a State over the liquor traffic is not limited to the power to prohibit the sale of intoxicating liquors supported by a separate implied power to prohibit kindred nonintoxicating liquors so far as necessary to make the prohibition of intoxicants effective; it is a single, broad power to make such laws, by way of prohibition, as may be required to effectively suppress the traffic in intoxicating liquors. Likewise the implied war power over intoxicating liquors extends to the enactment of laws which will not merely prohibit the sale of intoxicating liquors, but will effectually prevent their sale. Furthermore, as stated in Hamilton against Kentucky Distilleries & Warehouse Co., supra, while discussing the implied power to prohibit the sale of intoxicating liquors: "When the United States exerts any of the powers conferred upon it by the Constitution, no valid objection can be based upon the fact that such exercise may be attended by the same incidents which attend an exercise by a State of its police power * * *."

So that if, for the purpose of actually preventing the manufacture and sale of intoxicating liquors, it becomes necessary to regulate its manufacture and sale for legitimate purposes, as undoubtedly it is, then Congress may exercise that power and enact such reasonable legislation as is calculated to effect that end. Accordingly we must regulate the manufacture and

sale of liquor for medicinal purposes, and in doing so beyond question we may prohibit the prescription by the physician of such liquor as in the judgment of the medical profession has no therapeutic value.

Accordingly it becomes a question of fact as to whether there is evidence upon which the Congress of the United States may say that beer has no therapeutic value or that it has so little therapeutic value as that to permit it to be prescribed for medicinal purposes would be effectually to prevent the complete execution of the act.

Now, what is the evidence upon that subject?

I have before me a copy of the resolution adopted by the American Medical Society in the year 1917, which reads as follows:

Whereas we believe that the use of alcohol as a beverage is detrimental to the human economy; and
Whereas its use in therapeutics as a tonic or a stimulant or as a food has no scientific basis: Therefore be it

Resolved, That the use of alcohol as a therapeutic agent should be discouraged.

Now, bear in mind, this relates to all manner of alcoholic or intoxicating liquor, and this great association, which, of course, speaks for the great body of physicians of this country, recognized that the law is being violated through the connivance of unfaithful and scoundrelly members of its own profession.

Much has been said here, Mr. President, about this law casting some kind of aspersion upon an honorable and honored profession. Why, Mr. President, it does nothing of the kind. It endeavors to penalize the unfaithful and unworthy members of that great profession—a thing which they themselves desire to have done; for in their 1921 meeting they resolved as follows:

Whereas reproach has been brought upon the medical profession by some of its members who have misused the law which permits the prescribing of alcohol: Therefore be it

Resolved, That the American Medical Association now expresses its disapproval of the acceptance by a small minority of the profession of the position of being purveyors of alcoholic beverages.

We simply intend to penalize these members of their profession whom they thus in unsparing terms themselves denounce. We are simply carrying out what is evidently their desire in the matter before us.

Mr. President, it would be perhaps entirely unjust and improper upon the part of the Congress of the United States to put beer or other malt liquor under a ban unless there were abundant testimony in the hearings that would justify that course. I must confess that I am not as well informed about this matter as the distinguished Senator from the State of Mississippi. I do not know whether malt liquors have any therapeutic value or not. I am obliged for my information to go to the testimony before me.

The testimony in the record is overwhelming, Mr. President, that they have no therapeutic value; that they are not even mentioned in the American Pharmacopœia as a remedy for anything, and the medical profession did not come, in any way, shape, or manner, before the committee to protest against this restriction upon their profession.

The fact about the matter is that one doctor from the city of New York, who professed to talk for a medical society of the city of New York, appeared before the committee, but he was immediately repudiated by the society, and he talked only for himself. Some of the most eminent practitioners of medicine in the United States, a multitude of them, signed a statement, found in the record, that malt liquors have no therapeutic value and that their use as a medicine ought to be forbidden by the law.

Not only that, Mr. President, but there are only about ten or a dozen States in the Union in which malt liquors may be prescribed as a medicine. In all others the local laws now forbid physicians to prescribe malt liquors as a medicine.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON. With reference to the power of Congress to legislate upon the subject of prescribing malt liquors for medicinal purposes, does the Senator maintain that there is any distinction between the power of the States with respect to the same subject, under the so-called police power, and the power of the Federal Government under the prohibition amendment to the Federal Constitution? Is the power of the Federal Government under that prohibition amendment as broad and as general as is the power of the States under their police powers to deal with the subject?

Mr. WALSH of Montana. I think so. I think that the only power that is within the scope of the police powers of the States is to prohibit the sale of intoxicating liquors for beverage purposes. That is as far as it goes. That authorizes them to do all of these things.

The amendment to the Constitution gives power to Congress to legislate to prevent the manufacture and sale of intoxicating liquors for beverage purposes. The powers are defined and limited in exactly the safe way, and manifestly the same limitations upon both must be the same. In other words, whatever a State may do under its police power to effectively prohibit the manufacture and sale of liquor for beverage purposes Congress may do under the amendment.

Mr. ROBINSON. Will the Senator yield for a further question?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON. Have the States the power to regulate the practice of medicine?

Mr. WALSH of Montana. They have.

Mr. ROBINSON. Has the Federal Government that power?

Mr. WALSH of Montana. I should say it has no general power, but it has the power to prohibit the sale of intoxicating liquors for beverage purposes; and if, in order to accomplish that end, it is necessary to regulate or restrict the manufacture and sale of liquor for medicinal purposes, it may do that much, and it may regulate the medical profession to that extent, and to that extent only.

But let me say one more word. I am very glad the Senator has asked that, because I have before me here the Harrison Narcotic Drug Act, in which the Congress of the United States has already put prohibitions upon the medical profession and has restricted physicians in the prescription of opium and other narcotic drugs.

Mr. ROBINSON. Will the Senator yield for a statement in that connection?

Mr. WALSH of Montana. If the Senator will pardon me—of course, the only purpose of that act of Congress was to prevent the use of narcotic drugs by addicts and for purposes that are illegitimate; but the Congress found that it became necessary to restrict physicians in the way that they could prescribe narcotic drugs, in order that the prohibitions against the sale of them for illegitimate uses might be made effective.

Mr. ROBINSON. The principle the Senator has announced runs all the way through the courts' decisions with respect to the powers of the Federal Government. Take, for instance, the power to regulate commerce. That power is, of course, the power to regulate interstate and foreign commerce. But the courts uniformly hold that if it is necessary, in order to accomplish that, to also regulate, as an incident, intrastate commerce, it may be done.

Mr. WALSH of Montana. Quite right.

Mr. LODGE. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	Lodge	Shortridge
Ball	Gerry	McCormick	Simmons
Borah	Glass	McCumber	Smoot
Brandegee	Gooding	McKellar	Stanfield
Broussard	Hale	McNary	Stanley
Bursum	Harreld	Moses	Sterling
Calder	Harris	Myers	Sutherland
Cameron	Harrison	Nelson	Swanson
Capper	Heflin	New	Trammell
Caraway	Johnson	Newberry	Underwood
Culberson	Jones, N. Mex.	Nicholson	Wadsworth
Cummins	Jones, Wash.	Norris	Walsh, Mass.
Curtis	Kellogg	Oddie	Walsh, Mont.
Dial	Kendrick	Penrose	Warren
Dillingham	Kenyon	Pittman	Watson, Ga.
Edge	Keyes	Poindexter	Watson, Ind.
Elkins	King	Pomerene	Weller
Ernst	Knox	Reed	Williams
Fernald	Ladd	Robinson	Willis
Fletcher	La Follette	Sheppard	

The VICE PRESIDENT. Seventy-nine Senators having answered to their names, a quorum is present.

ADJUSTED COMPENSATION FOR VETERANS OF THE WORLD WAR.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is Senate bill 506.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. LODGE. I move that the Chair appoint a committee of two Senators to escort the President of the United States to the Senate Chamber.

The motion was agreed to, and the Vice President appointed Mr. LODGE and Mr. UNDERWOOD as the committee.

The committee retired and immediately reentered the Chamber escorting the President of the United States.

ADDRESS BY THE PRESIDENT.

The VICE PRESIDENT presented the President of the United States to the Senate, who was greeted with prolonged applause, and standing at the Vice President's desk, the President spoke as follows:

Mr. President and gentlemen of the Senate, there has come to my attention the pending unfinished business before the Senate, and it is an imperative duty to convey to you the probable effect of the passage at this time of the proposed act providing for adjusted compensation to our service men in the World War. If this measure could be made effective at the present time without disaster to the Nation's finances and without hindrance to imperative readjustment of our taxes it would present an entirely different question than that which is before you. In a personal as well as a public manner, which ought to be a plight of good faith, I have commended the policy of generous treatment of the Nation's defenders, not as a part of any contract, not as the payment of a debt which is owing, but as a mark of the Nation's gratitude. Every obligation is to the disabled and dependent. In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action if it is taken. Even without such reservation, however, a modified view would be wholly justifiable at the present moment, because the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligations to those we must not fail to aid.

I am addressing the Senate directly because the problem is immediately yours, as your unfinished business, but the Executive branch of the Government owes it to both Houses of Congress and to the country frankly to state the difficulties we daily are called upon to meet, and the added peril this measure would bring.

Our land has its share of the financial chaos and the industrial depression of the world. We little heeded the growth of indebtedness or the limits of expenditure during the war because we could not stop to count the cost. Our one thought then was the winning of the war and the survival of the Nation. We borrowed and loaned—individuals to the Nation and the Government to other Governments, and to those who served the Nation, with little thought of settlement. It was relatively easy then, because national life was at stake. In the sober aftermath we face the order of reason, rather than act amid the passions of war, and our own land and the world are facing problems never solved before. There can be no solution unless we face the grim truths and seek to solve them in resolute devotion to duty. After a survey of more than four months, contemplating conditions which would stagger all of us were it not for our abiding faith in America, I am fully persuaded that three things are essential to the very beginning of the restored order of things. These are the revision, including reduction, of our internal taxation; the refunding of our war debt; and the adjustment of our foreign loans. It is vitally necessary to settle these problems before adding to our Treasury any such burden as is contemplated in the pending bill.

It is unthinkable to expect a business revival and the resumption of the normal ways of peace while maintaining the excessive taxes of war. It is quite as unthinkable to reduce our tax burdens while committing our Treasury to an additional obligation which ranges from three to five billions of dollars. The precise figures no one can give. If it is conceivably true that only two hundred millions a year will be drawn annually from the Treasury in the few years immediately before us, the bestowal is too inconsequential to be of real value to the Nation's defenders; and, if the exercise of the option should call for cash running into billions, the depression in finance and industry would be so marked that vastly more harm than good would attend.

Our Government must undertake no obligation which it does not intend to meet. No Government fiat will pay our bills. The exchanges of the world testify to-day to that erroneous theory. We may rely on the sacrifices of patriotism in war, but to-day we face markets, and the effects of supply and demand, and the inexorable laws of credits in time of peace.

At the very moment we are obliged to pay 5¾ per cent interest for Government short-time loans to care for our floating indebtedness, a rate on Government borrowing in spite of tax-exemption, which ought to prevail in private transactions for the normal interest charges in financing our industry and commerce. Definite obligations amounting to seven and a half billions in war savings certificates, Victory bonds, and certificates covering floating indebtedness are to mature in the two years immediately following, and the overburdening of the Treasury now means positive disaster in the years immediately before us. Merest prudence calls out in warning.

Our greatest necessity is a return to the normal ways of peace activities. A modest offering to the millions of service men is a poor palliative to more millions who may be out of employment. Stabilized finance and well-established confidence are both essential to restored industry and commerce.

The slump which is now upon us is an inevitable part of war's aftermath. It has followed in the wake of war since the world began. There was the unavoidable readjustment, the inevitable charge-off, the unfailing attendance of losses in the wake of high prices, the inexorable deflation which inflation had preceded. It has been wholly proper to seek to apply Government relief to minimize the hardships, and the Government had aided wherever possible, and is aiding now, but all the special acts ever dreamed of, all the particular favors ever conceived will not avoid all the distresses nor ward off all the losses. The proper mental state of our people will commit us resolutely and confidently to our tasks, and definite assurances as to taxation and expenditure will contribute to that helpful mental order. The only sure way to normalcy is over the paths nature has marked throughout all human experience.

With the approval of Congress the Executive branch of Government has been driving toward that decreased expenditure which is the most practical assurance of diminished taxation. With enthusiastic resolution your administrative agents are making not only conscientious effort to reduce the call for appropriations, but to reduce the cost of government far below the appropriations you have already provided. It is easy to believe that the only way to diminish the burdens which the people must pay is to cut the outlay in which public moneys are expended. War is not wholly responsible for staggering costs; it has merely accentuated the menace which lies in mounting cost of government and excesses in expenditure which a successful private business would not tolerate.

I can make you no definite promise in figures to-day, but I can pledge you a most conscientious drive to reduce Government cost by many millions. It would be most discouraging to those who are bending their energies to save millions to have Congress add billions to our burdens at the very beginning.

Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it is able to bestow.

The United States participates in none of the distributable awards of war, but the world owes us heavily, and will pay when restoration is wrought. If the restoration fails, world bankruptcy attends. I believe the world restoration is possible, but only with honest, diligent work in productivity on the one hand and honest and diligent opposition to needless public expenditure on the other.

If the suggested recommitment of this measure bore the merest suggestion of neglect or a hint of national ingratitude, I would not urge it. It has been my privilege to speak to Congress on our obligations to the disabled and dependent soldiers and the Government's deep desire to prove its concern for their welfare. I should be ashamed of the Republic if it failed in its duty to them. Neither armistice nor permanent peace puts an end to the obligations of the Government to its defenders or the obligation of citizens to the Government. Mindful of these things, the administrative branch of the Government has not only spoken, it has acted and has accomplished.

In view of some of the things which have been said, and very carelessly said, perhaps I ought to report officially some of the things which have been done. In the Department of War Risk Insurance there have been filed up to July 7, 1921, compensation and insurance claims numbering 813,442. Of these, 747,786 have been adjudicated, at an expenditure of $471,946,762. There were 200,000 claims pending when the War Risk Department was reorganized, late in April, this year, and the number of pending claims has been reduced by 134,344. All work in this department will be current by the 21st of this July; that is to say, all action which the bureau may take on a given case will be current, though new claims are being filed at the rate of 700 per day.

There have been requested 887,614 medical examinations, and less than 14,000 await medical action. Up to July 7 there have been 26,237 disabled soldiers hospitalized, and in Government controlled hospitals to-day there are 6,000 available beds without occupants. You are already aware of the progress made toward the construction of additional Govern-

ment hospitals, not because we are not meeting all demands, but to better meet them and the better to specialize in the treatment of those who come under our care.

There has been paid out in allotment and allowances the sum of $578,465,658, and nearly $4,000,000,000 of Government insurance is in force.

In vocational training and rehabilitation of disabled soldiers there have been enrolled to date 107,824 men. To-day there are 75,812 men who are training with pay, at the maximum cost of $160 per month; 8,208 training without pay, but at a tuition and supply outlay of $35 per month. Four thousand disabled men have completed their training and have been returned to gainful employment. These earned an average of $1,051 per year before entering the Army, and are earning to-day, in spite of their war disability and in spite of diminished wage or salary levels, an average of $1,550 per annum.

It is an interesting revelation and a fine achievement, attended by both abuses and triumphs. Congress has appropriated $65,000,000 for this noble work for the current year, but the estimated acceptance of training for the year before us contemplates an average of 95,000 disabled men, and the cost will be in excess of $163,000,000, or nearly a hundred millions more than Congress has provided. This additional sum must be made available. With the increase of availability to training, as recently urged upon Congress, the estimated additional expenditure will be $468,000,000 per annum until the pledge of training is discharged. These figures suggest neither neglect nor ingratitude. It is more than the entire annual cost of Federal Government for many years following the Civil War, and challenges every charge of failure to deal considerately with our Nation's defenders. I do not recite the figures to suggest that it is all we may do, or ultimately ought to do. It is inevitable that our obligations will grow, and grow enormously. We never have neglected and never will neglect the dependent soldier, and there is no way to avoid Time's remorseless classifications.

Contemplating the tremendous liability, which the Government never will shirk, I would be remiss in my duty if I failed to ask Congress to pause at this particular time, rather than break down our Treasury, from which so much is later on to be expected. The defenders of the Republic amid the perils of war should be the last of our citizenship to wish its stability menaced by an individual pittance of peace.

I know the feelings of my own breast, and that of yours and the grateful people of this Republic. But no thoughtful person, possessed with all the facts, is ready for added compensation for the healthful, self-reliant masses of our great armies at the cost of a Treasury breakdown which will bring its hardships to all the citizens of the Republic. Its enactment now in all probability would so add to our interest rates that the added interest charge on new and refunded indebtedness may alone exceed the sum it is proposed to bestow. When Congress was called in extraordinary session I called your attention to the urgent measures which I thought demanded your consideration. You promptly provided the emergency tariff, and good progress has been made toward the much-needed and more deliberate revision of our tariff schedules. There is confessed disappointment that so little progress has been made in the readjustment and reduction of the war-time taxes. I believe you share with me the earnest wish for early accomplishment.

It is not expected that Congress will sit and ignore other problems of legislation. There are often urgent problems which must enlist your attention. I have not come to speak of them, though the reorganization of the war risk and vocational training, now pending, would hasten the efficient discharge of our willing obligations to the disabled soldiers.

But I want to emphasize the suggestion that the accomplishment of the major tasks for which you were asked to sit in extraordinary session will have a reassuring effect on the entire country and speed our resumption of normal activities and their rewards which tend to make a prosperous and happy people.

Upon the conclusion of the address (at 2 o'clock and 21 minutes p. m.) the President of the United States, escorted by the Committee of the Senate, retired from the Chamber amid great applause.

Mr. PENROSE. Mr. President, I move that the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes, now pending before the Senate as the unfinished business, be recommitted to the Committee on Finance. At the same time I desire to give assurance, so far as I personally am concerned as chairman of the Finance Committee, that careful further consideration will be given to the measure.

The VICE PRESIDENT. The question is on the motion of the Senator from Pennsylvania that the bill be recommitted to the Committee on Finance.

Mr. ROBINSON. Mr. President, in view of the fact that this measure or one closely analogous to it has been deliberated upon at great length by the body at the other end of the Capitol during a previous session of Congress; in view of the fact that the Finance Committee of the Senate, after carefully considering the subject, reported this bill to the Senate, and the Senate undertook to consider it and has considered it for many days, discussing every feature and provision of the bill, its relationship to other measures of vital importance, and to the present condition of the Treasury of the United States; and in view of the further fact, as indicated by the vote to proceed to the consideration of the bill, the Senate, until recently at least, was almost unanimously in favor of its consideration and passage, I shall oppose as vigorously as may be within my power the method of disposing of this bill proposed by the Senator from Pennsylvania in his motion to recommit it to the Committee on Finance.

The Senator has given us the gratifying assurance that if his motion prevails the bill will receive very promptly the further consideration of the committee. Let no one be deceived by that statement. From a consideration of the events which have transpired in the Senate during the consideration of this bill I, as one of the least intelligent among you, inform you in advance that if the motion of the Senator to recommit the bill prevails the bill is dead, not only for this session of Congress but, in all probability, for future sessions extending over a period of some years.

The Senate understands this bill. We have just listened to an address from the Vice President's desk by the President of the United States, in which are assembled and expressed with force facts which in the main have been within the knowledge of Members of the Senate for a long time.

During the administration preceding the last one an old custom, which had been pursued in the beginning of this Government by our Chief Executives, was revived. President Wilson, in disregard of the precedents which had been followed throughout a great many administrations, adopted the practice of coming in person to the Congress of the United States and delivering orally his messages here. That practice on the part of the former Chief Executive of the United States was criticized and denounced by some Senators and by many great newspapers and periodicals as an unwarranted and indefensible innovation, as an effort on the part of the Executive to exert the magnetism of his personal presence and personal influence on the Congress in an attempt to control its action respecting legislation.

The present Chief Executive has apparently taken a contrary view of the subject. He has pursued in this instance and in some others the precedent reestablished by President Wilson. I have no criticism to offer as to that course. I prefer, in so far as my views may be influential respecting the subject, that the Executive, when he has a message of importance to present to Congress, shall appear in person and deliver that message.

But, Mr. President, forceful and persuasive as is the address of the President respecting this subject, it has not brought to the conscience and consciousness of the Senate any new state of facts, any facts heretofore unknown to the Senate which would justify Senators in precipitately reversing their attitude upon this question or in failing to express their views regarding it. We understand this bill. We ought not hastily to recommit it to the Committee on Finance. We ought to vote on it.

What will happen to the bill if the motion of the Senator from Pennsylvania prevails? It will die in the Committee on Finance, and every Senator here knows that to be true. It is not expected that the bill will be reported, or any substitute for it, during the present session of Congress. This motion is the formal ceremony attending the death and burial of the adjusted compensation bill. We might at least deliberate the question for a few hours.

What is the history of this proposition as comprehended within the last few days?

When the Senator from North Dakota [Mr. MCCUMBER] moved to proceed to the consideration of the bill, with the exception, if my memory is correct, of three or four Senators, every Senator supported his motion. I am informed by a Senator near me that there were four votes against it. When we voted on that motion we knew that the bill contemplated imposing an additional obligation on the Treasury of the United States. No Senator was in doubt that if we proceeded to its consideration and passed the bill some means must be devised

by the Treasury of the United States to meet the burdens which are imposed upon it by the bill. With that information in mind the Senate voted almost unanimously to proceed to the consideration of the measure, which meant that the Senate was almost unanimously in favor of the bill.

As the debate proceeded it became apparent that the bill was going to pass. The leader of the majority in the meantime had advised a recess. It was support for the adjusted compensation bill in the Senate that prevented the recess. Many Senators who favored the bill voted for the recess, but the Senators who defeated the concurrent resolution authorizing a recess or adjournment were moved to their position almost unanimously by a desire to secure action on this bill.

The Secretary of the Treasury, seeing the situation, sent the Senate a letter, which was read in the Senate and printed in the CONGRESSIONAL RECORD, making in large part the arguments which are submitted in the address of the Chief Executive. He asserted that the additional drain on the Treasury that this bill will impose may cause a financial breakdown and bring disaster to the country. The majority then undertook to find out whether it would be possible to put this bill aside, to carry such a motion as is now being proposed by the Senator from Pennsylvania. Days ago active and vigilant members of the majority went from Senator to Senator seeking to ascertain whether enough votes could be obtained in the Senate to sidetrack the adjusted compensation bill; and after that purpose was pursued, until the leaders of the majority became convinced that a sufficient number of votes could be obtained, the stage was set for a very dramatic performance.

We were informed by the newspapers that at the psychological moment, when the attitude of the Senate was ripe for it, the President would come in person before us, and through the power of his oratory and the magic of his matchless personality cause the Senate to recommit the bill to the Committee on Finance, which, as I have said before and say again, means its burial without the possibility of resurrection in the early future.

There is not anything known to the Senate now respecting this subject that has not been known or obtainable from the beginning of the consideration of this bill. In May, 1920, remarks the Senator from Nevada [Mr. PITTMAN], this fight began at the other end of the Capitol. Why, we knew then as we know now that during the course of the late war this Government had accumulated great financial obligations which must be met. We knew then just as well as we know now that any adjusted compensation bill which Congress might pass would impose an additional burden on the Treasury. We knew then that if we found hundreds of millions of dollars necessary to sustain the failing credit of the railroads of the country, and also found hundreds of millions of dollars necessary for purposes of adjusted compensation, there would be some difficulty in it; and in the beginning, with this knowledge in mind, if we had preferred to meet the obligations contemplated by other measures and to defer or refuse this, our action might have been justified. But in pursuance of pledges and promises Senators indicated their purpose to support the bill sufficient in numbers overwhelmingly to pass it. That fact became apparent. It was necessary to set the stage to give the Senate and the country a very dramatic performance.

In order that those little souls who are for this bill, who pledged themselves to vote for it, may shield themselves from the responsibility for violating their promises and their pledges behind the personality of the President, it was arranged that the latter should come to Congress, and after expressing in appropriate language his profound appreciation for the services of those who upheld our flag and carried it to victory in foreign battles, in order that there might be a pretense justifying Senators in a reversal of their position on the subject, we witnessed the thrilling and patriotic display that occurred in this Chamber just a few moments ago.

If the difficulty is merely that of meeting the financial obligation which will result from the bill, there is not a Senator present who does not know how that obligation may be discharged without immediate embarrassment to the Treasury of the United States. You can put on sale an adjusted compensation bond, an issue adequate to meet every obligation under this bill, and those bonds would be purchased by the people of the United States without the necessity of a Nation-wide campaign in order to popularize them.

The proceeds of such bonds could be used from time to time in meeting the cash requirements. Do you doubt that such bonds would sell? Is there a Senator present who doubts that such bonds would find a ready sale among the people of the United States? If you do, you are unfamiliar with their temper.

It is true that conditions throughout the country reflect an unparalleled depression; but you can take a bond issued to meet the obligations contemplated by this legislation and sell it in almost any part of the United States, and you know you can do it. You can sell it far easier than you can sell railroad bonds, which may be taken by the Government as security for loans proposed to be made by the Government to the railroads. So that it is not the financial condition alone which prompts this motion.

Senators who have opposed the legislation from the beginning are consistent, and no doubt find great gratification in the address of the President, in which he appeals to the Senate, in the name of an impoverished Treasury, not to enact this legislation. But Senators who are for the bill, who studied it and promised to vote for it, and who knew, when they did so, just as much about the condition of the Treasury as they know now, occupy an entirely different position with reference to the subject.

Mr. President, I am not unmindful of the weighty arguments which have been urged here in opposition to the passage of the adjusted compensation bill. Underlying it is a question of governmental policy which should be determined only after great deliberation and careful consideration. The Senate has given the subject that consideration. The Senate was ready to vote on the bill when the President came before the Senate and told us that if we did so it might wreck the Treasury of the United States.

This motion to recommit is not a frank disposal of the question. I think Senators ought to take a few hours to deliberate on it. Let us wait until to-morrow. Let us think over it to-night. Why undue haste? The bill has been before the Senate a very long time. What harm can come to the country by putting this question over until to-morrow? Shall we be in haste to carry out the program which I described in the beginning of my remarks, a program which contemplated a careful census or poll of the Senate to ascertain whether Senators could or would change a program which anticipated a message from the President, conveying, in very forceful and beautiful language, facts which we already knew, and then a motion, to be considered and disposed of apparently without debate, made by the Senator from Pennsylvania [Mr. PENROSE], who no doubt has come a long way for the purpose of making it, to be voted on immediately, and then the country to be informed that some time the bill and the issues presented by it will be resurrected? I do not want to shut off debate upon this question, if Senators desire to debate it, but unless there be further debate I intend to make a motion that the Senate adjourn, in order that the question may be carried over and considered by the Senate on another day.

I refrain for the present from making the motion.

Mr. MOSES. I ask unanimous consent that 10,000 additional copies of Document No. 47 be printed and that there be printed as a part of the document the message of the President to-day.

Mr. WATSON of Georgia. I object.

The PRESIDING OFFICER (Mr. CAPPER in the chair). Objection is made.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	La Follette	Shortridge
Ball	Gerry	Lodge	Simmons
Borah	Glass	McCormick	Smoot
Brandegee	Gooding	McCumber	Stanfield
Broussard	Hale	McKellar	Stanley
Bursum	Harreld	McNary	Sterling
Cameron	Harris	Moses	Sutherland
Capper	Harrison	Myers	Swanson
Caraway	Heflin	Nelson	Trammell
Culberson	Johnson	New	Underwood
Cummins	Jones, N. Mex.	Newberry	Wadsworth
Curtis	Jones, Wash.	Nicholson	Walsh, Mass.
Dial	Kellogg	Norris	Walsh, Mont.
Dillingham	Kendrick	Oddie	Warren
Edge	Kenyon	Pittman	Watson, Ga.
Elkins	Keyes	Poindexter	Watson, Ind.
Ernst	King	Pomerene	Weller
Fernald	Knox	Robinson	Willis.
Fletcher	Ladd	Sheppard	

The VICE PRESIDENT. Seventy-five Senators having answered to their names, a quorum is present. The question is on the motion to recommit.

Mr. JONES of New Mexico obtained the floor.

Mr. MOSES. Mr. President, will the Senator from New Mexico yield to me to have an order made for printing?

Mr. JONES of New Mexico. I yield for that purpose.

Mr. MOSES. I ask unanimous consent for the immediate consideration of the order which I send to the desk.

The VICE PRESIDENT. The Secretary will read the proposed order.

The order was read, considered, and agreed to, as follows:

Ordered, That 10,000 copies of Senate Document No. 47, entitled "Soldiers' bonus bill" with the message of the President delivered to the Senate on July 12, 1921, added thereto, be printed for the use of the Senate document room.

Mr. JONES of New Mexico. Mr. President, this to me is a solemn hour. It is not a time for captious criticism. We have just witnessed an incident which I believe to be without precedent in the history of our country. The Constitution of the United States confers upon the Chief Executive of our Government the right and the duty to advise Congress upon the state of the Union. Hitherto Presidents have presented messages to Congress. During the last administration especially it was a common occurrence for the President to come before the Congress and advocate the enactment of legislation.

This is the first time, I believe, in the history of the Nation when the President of the United States, during the consideration of a bill when it was laid before the Senate as the unfinished business, has come before the Senate for the purpose of advising nonaction. I do not believe for that fact alone any criticism is warranted. I mention it for the purpose of emphasizing what must be the importance of the occasion.

We have had the bill under consideration for several days——

Mr. STERLING. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from South Dakota?

Mr. JONES of New Mexico. I yield.

Mr. STERLING. If I understood the Senator from New Mexico correctly, he stated that this is the first time the President has come before the Senate while a bill was pending to discuss the bill and to question the propriety of action on the bill. May I call the Senator's attention to the appearance of President Wilson before the Senate on the occasion of the pendency of the woman suffrage amendment?

Mr. JONES of New Mexico. I said it was the first time a President had come before the Senate and asked for nonaction. In the case to which the Senator refers the President came before the Senate for the purpose of urging action.

It is, as I said, a common occurrence for the President to wish some action regarding matters affecting the Nation or the affairs of the Nation, but I believe upon examination it will be found that this is the first time that a President has appeared before the Senate to make an argument against the passage of a bill.

Mr. McKELLAR. Mr. President, will the Senator yield to me just a moment?

Mr. JONES of New Mexico. Certainly.

Mr. McKELLAR. Has not the President done more than that? Has he not come here when the bill was about to be passed, when everybody understood that an overwhelming majority of the Senate was in favor of it, and asked that it be recommitted—not that it be acted upon, but that it be recommitted?

Mr. KING. Mr. President, will the Senator yield to me just at that point?

Mr. JONES of New Mexico. Certainly.

Mr. KING. Does the Senator from Tennessee deny the right of the President to come to Congress and present his views upon important matters? Does he not think that under the Constitution it is his right, if not his duty, when he possesses information which may be of importance to Congress to present the same to Congress, either by written or oral message? It occurs to me that the President, whatever may be the view of Senators as to his position, is entitled to the thanks of Congress and of the country for his courageous attitude.

Mr. McKELLAR. The Senator may have that view about it. I think it was very improper for him to take the matter out of the hands of the United States Senate when we were about to vote on it.

Mr. HARRISON. Mr. President——

The VICE PRESIDENT. Does the Senator from New Mexico yield to the Senator from Mississippi?

Mr. JONES of New Mexico. I yield.

Mr. HARRISON. It is peculiarly strange, though, it would seem to me, that while in the cases of President Wilson coming to Congress it was in the interest of world peace, world humanity, the enfranchisement of the women of the country, for the ship purchase bill, and other constructive legislation, yet the only time the present President has come before the Senate has been in an obstructive way, and he has attacked the soldiers of America who fought and won the recent war.

Mr. STERLING. Mr. President, I wish briefly to say in answer to the Senator from Mississippi that that depends on the idea of what is destructive action. In my opinion, the President's action was constructive rather than destructive.

Mr. JONES of New Mexico. Mr. President, I believe I shall ask that there be no further interruptions unless some one seeks to get some information. I shall be very glad to hear all of the Senators a little later after I shall have concluded, but I do not desire to cut off interrogatories if anyone desires to ask any questions concerning the bill.

As I said, I do not refer to these matters for the purpose of criticism. I wish to add, however, to what I said or was trying to say a moment ago when the able Senators interjected some very pertinent remarks, that hitherto if there was legislation pending and the President was opposed to it, he has acted in pursuance of the express provision of the Constitution of the United States. He has expressed his disapproval by his veto after Congress has acted.

I wish to emphasize once more that I have not referred to these matters for the purpose of criticism. I know that the President would not have taken this action unless he believed that the occasion justified it. I know the President ordinarily to be a very level-headed man, a man of cool judgment, a man who has a personality which all of us admire and love, and in undertaking to say anything now I must confess a degree of trepidation; but I do believe that notwithstanding the President of the United States has come to us and in a most solemn manner opposed the enactment of this legislation and made the statements concerning the Treasury of the United States which he did make, he has performed his duty, he has exercised his right, he has gone to the extreme extent to which he can go in opposition to the bill.

But I want to say to my fellow Senators that while he has performed his duty we yet have ours to perform. We can not let the judgment of any man, the conscience of any man, be substituted for our own. It is our duty to consider the facts and the purposes of this legislation and then to perform our sworn duty and enact such legislation as we believe the exigencies of the occasion or of the time require.

This is not a new situation. The Congress has been deliberately and serenely considering this situation for months. In May, 1920, after the Committee on Ways and Means of the other House had for months been deliberating upon such a bill, by a vote of 289 to 92 the House passed a bill which in some respects was much more comprehensive than is the bill which is at present before the Senate. That bill was thoroughly considered, and I may state further that those in the other House who were responsible for that legislation have not changed their minds about it, or, at least, they had not changed their minds up to a few days ago. I hold in my hand a copy of the American Legion Weekly of date July 15, 1921, a periodical to become current a few days in the future, and on the front page of that periodical is a concise and forceful argument by the chairman of the Ways and Means Committee of the House of Representatives as to why this proposed legislation should be enacted. He is yet advocating it. I do not care to repeat what he has said, but I mention that fact for the purpose of showing that one of the leaders in the other body is still advocating, in the most forceful terms which can be used, the passage of such legislation as this.

Mr. WALSH of Montana. Mr. President, may I interrupt the Senator?

Mr. JONES of New Mexico. I yield to the Senator.

Mr. WALSH of Montana. When was the statement to which the Senator from New Mexico has referred made by the leader of the other House?

Mr. JONES of New Mexico. It must have been within the last few days, but I do not know.

Mr. WALSH of Montana. The Senator does not mean to assert that he is to-day occupying that position, does he?

Mr. JONES of New Mexico. Mr. President, I do not. I must say that this day may have brought about many changes for aught I know.

We heard a great deal during some few years past about rubber stamps, about taking orders from the Chief Executive. I do not want to inject that suggestion into this debate; but I do not doubt that some Members of this body, and doubtless many Members of the other body, who may have been in favor of the pending measure yesterday are not in favor of it to-day. However, be that as it may, I feel it my humble duty to express in this Chamber my views regarding the measure.

After it passed the other House in May, 1920, it came over to the Finance Committee, a committee of which I have had the honor of being a member ever since I came into this body. It

is true there was much delay in that committee, and I made that delay the subject of some observations which I submitted to the Senate last February; but finally a subcommittee was appointed, with the distinguished Senator from North Dakota [Mr. McCUMBER] as chairman. He at once became industrious; he began to study the provisions of the bill, and finally reported out of the committee a bill to the Senate. Unfortunately the bill was reported too late during the last Congress to receive the consideration of this body, but I have no doubt if it had been brought to a vote last February or in March it would have received the approval of a large majority of this body.

There is a mistaken view as to the purposes of this bill. I have listened to distinguished Senators here, among them the distinguished Senator from Alabama [Mr. UNDERWOOD], discussing this bill, who, to my mind, have overlooked or misunderstood the real purpose and object of the bill. There can be no price put upon patriotism. This bill does not seek to accomplish any such purpose. There is nothing allowed in the bill on account of the patriotism of any soldier who went to France or who went into the ranks of the Army in this country. That is not the purpose of the bill. The purpose of the bill is to apply to the situation a command of the Constitution of the United States that we shall not take private property for public use without just compensation. That really is the foundation of this measure.

We enacted a selective service law, under which there were registered over 24,000,000 men in this country. They all came within the ages specified in the law; but it was ascertained that there had to be many acts performed in this country; that we still had to carry on the production of crops in the land; that we had to manufacture munitions; that we had to manufacture clothing. So, Mr. President, out of the 24,000,000 men only 3,000,000 were selected to go into the ranks. Some 21,000,000 were left in private occupations and in gainful pursuits; but the other 3,000,000 we selected to perform this special service. In the Regular Army, in the National Guard, and in the Navy, with the volunteers there had also been brought together a million and a half others, making altogether 4,500,000 men in the Army and the Navy. They were taken away from the ordinary vocations of life and put into the ranks at a wage of a dollar a day. The other 21,000,000 were left in the United States to continue in their gainful pursuits at wages ranging, as Senators know, from $4, $5, $6, $8, $10, to $20 a day. The purpose of this bill is to adjust that compensation. We have taken that property; we have taken that labor from those four and one-half million men; we have devoted it to a public use and have not compensated for it.

If a corner lot is needed for public purposes what is done in order to acquire it? It is appraised and before title is taken, or before the public would think of taking title, just and full compensation is provided. That has not been done here. I ask if property rights are more sacred and deserving of more consideration than human rights, than the muscle and the brain of human beings when they are taken and devoted to a public use?

There is another element which is involved in the same question. Not only did we take their services, but when those men came home and undertook to secure places in the affairs of life, in many instances they found the places occupied; and, if they were not occupied, they had been out of their lines of occupation for from one to two years and were not so efficient and were not so much in demand as when they went away. That demoralization in the economic and social side should be compensated for in some degree.

Incidentally there is a third reason, and that is if the Government enables these men, many of whom are unable to enter the ordinary businesses of life, to rehabilitate themselves to some extent it has done a public good for the Nation. That incidental benefit which would arise from the passage of this bill would have a wholesome influence throughout the length and breadth of the land, because the soldiers came from every State and every county in the Union. Whatever is done to enable them to build up homes or engage in useful occupations will benefit not only them but the country at large.

Mr. President, I come now to the objections to this bill.

I have observed that some of the objections are based upon very peculiar grounds; and I wish again to refer to the argument which has been made that you can not measure patriotism in dollars. I hope every Senator will get any such notion as that eradicated from his mind, because, as I say, there is no purpose here to weigh patriotism in this balance in any respect at all. This bill is for the purpose of doing justice, as the distinguished Senator from North Dakota states in the report which was filed in the Senate at the time the bill was reported out with the affirmative approval of every member of the Finance Committee who was present. One or two members reserved the right to consider the bill further, but they were in favor of reporting it to the Senate. The report of the committee was read; it was considered, and that report is the unanimous judgment of practically every member of the Finance Committee, including its distinguished chairman, and the Senator who now makes the motion to recommit.

There may be many reasons suggested why there is this change of heart. The Senate the other day, with only four votes in the negative, brought this bill before the Senate for consideration. It has had it under consideration for several days; and why this change of heart? I do not want to question the motives of any man, and especially of any Senator, but I do want the Senate to understand some of the things that other people are thinking about.

I hold in my hand a copy of the American Legion Weekly. This organ is owned and edited by the American Legion, and on its editorial page, under date of July 8, 1921, I find the statement I am about to read. First, there is a discussion to the effect that the argument against putting a price upon patriotism was dissipated a year ago, and then there came to be presented to the country the cry of "How much will it cost?"

This editorial is headed:

AN ORGANIZED PROPAGANDA.

For weeks an organized propaganda based on this argument has been carried on nationally. In April a bulletin was issued by the National Industrial Conference Board, which, while purporting to give an impartial analysis of the Legion's measure, devoted only 85 words to the merits claimed for the bill, while it spent 400 words in pointing out its alleged defects and 200 words calling attention to the deplorable situation of the disabled. This memorandum was not only placed in the hands of all national legislators, but its contents were published broadcast in a section of the public press hostile to the compensation bill.

Numerous bulletins grossly misrepresenting the cost of compensation also began to appear at the same time. It was not a coincidence that in one week recently half a dozen different trade organizations issued bulletins identical in text which were sent to thousands of business firms throughout the country and printed in several trade publications. There was no mention of the moral obligation of the country to its ex-service men in these bulletins—merely a discussion of the "staggering burden the taxpayer will have to pay." And the accuracy of the estimate of this "staggering burden" may be gauged by the following statement made in the bulletin:

"If we try to pay the soldiers' bonus, the direct cost to the Nation will be vastly more than the sum represented by multiplying the number of soldiers by the amount of the bonus. That is, if the bonus is $500, and the number of beneficiaries is four and a half million, the indicated cost to the Nation is two billion and a quarter dollars. Instead, the cost of administration—of collecting or funding—would bring the direct cost to the Nation up to about $5,000,000,000."

Then the editorial proceeds:

"If the bonus is $500 * * *." This assumption is, of course, grossly misleading. The official estimate of the average amount collectible under the cash payment plan—which is the only feature of the bill involving anything that approximates immediate payment by the Government—is just under $331. The total, therefore, is not $2,250,000,000, but $1,547,904,395, and this on the basis that every veteran would choose the cash compensation feature. Even with the false total of $2,250,000,000 to work with, the calculation by which the total of five billion is gained is nothing less than weird. The assumption that it would cost $2,750,000,000 to administer the expenditure of $2,250,000,000 is so palpably false that it would be detected by a 9-year-old schoolboy. Yet this, apparently, is the basis for the oft-quoted statement that compensation would cost $5,000,000,000.

I may add at this point that in the letter from Secretary Mellon the word "billions" was rounded out in different sentences; and with all due respect, if I heard correctly the magnificent address to which we listened to-day, the word "billions" was there used not in an exact sense, and I am afraid it was used in a sense which will not carry exact information to the people of this country.

Mr. President, before I refer to the letter of the Secretary of the Treasury, I wish to remind the Senate that that letter did not satisfy the people of this country. I have here an article which appeared to-day in the Herald of this city. It bears the headline, "American Legion says bonus foes engineer delay." Then comes a statement of what the legion officials understand the situation to be. It uses some very drastic language. It uses language stronger than I would use; but every individual at this time has a right to his own opinion of the action of others and of current events.

In one paragraph, quoting from the legislative committee of the legion, it is said:

The eleventh-hour order from one end of Pennsylvania Avenue to the other is intellectually dishonest, economically unwarranted, and politically ludicrous.

There is a statement in very strong terms of the attitude of the legislative committee of the American Legion. With permission to print in the RECORD the balance of the article, I will not take the time of the Senate to read it.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The matter referred to is as follows:

AMERICAN LEGION SAYS BONUS FOES ENGINEER DELAY—LEGISLATIVE COMMITTEE SCORES MELLON IN SCATHING STATEMENT.

Plans of Secretary of the Treasury Mellon and the administration to delay soldier bonus legislation were vigorously denounced by the legislative committee of the American Legion in a statement issued last night.

"The eleventh-hour order from one end of Pennsylvania Avenue to the other is intellectually dishonest, economically unwarranted, and politically ludicrous," the statement declared.

The American Legion officials have carefully weighed the question of whether the legion should consent to the delay without protest, the statement said.

SCORE MELLON'S REASONS.

"The American Legion can do no such thing," it continued. "There is nowhere in the Mellon statement any reasonable justification for the theory that a bill, not designed to become financially operative until July 1, 1922, would ruin the country if passed now but be safe and sound if passed in November or December. It makes not a scintilla of difference, so far as the United States Treasury is concerned, whether the bill is passed in July or December of this year. Any difference which might be argued would be in psychoanalytics and political jockeying with which former service men are not at all interested.

"Against Secretary Mellon's ex cathedra pronouncement that the bill's enactment would cripple and impair if not altogether ruin the Treasury, there stand reports on the bill from both the House Ways and Means and the Senate Finance Committees, the composite membership of which committees the American Legion believes is fully as capable of declaring the bill economically feasible as any one man is capable of declaring to the contrary.

CITES LOANS TO RAILROADS.

"Former service men did not fail to observe, too, news dispatches in the very same editions which carried the Secretary's statement against the adjusted compensation bill, to the effect that the Government was to be called upon to loan the railroads of the country $500,000,000. As a matter of fact, the interest alone due this Government on its loans to the Allies would more than finance the adjusted compensation bill, if enacted, for the first five years of its operation, or until July 1, 1927. Considering the fact that all of the allied Governments have paid their soldiers and sailors adjusted compensation, is it unreasonable for the former service men of the country to call attention to this fact?

"Secretary Mellon's diatribe against the adjusted compensation bill is nothing more than a rehash of the objections long ago interposed by his predecessor in office, former Secretary of the Treasury Houston.

"Against the Republican majority members of the Senate Finance Committee, which had reported the bill favorably, and the Republican majority in the Senate, which had voted to make the bill unfinished business, the Republican Secretary of the Treasury hurls the left-over thunder of his Democratic predecessor in office. Truly an amusing political spectacle.

"The proposed postponement is merely a subterfuge, a play for time, through which its enemies hope ultimately to destroy the measure. Further delay by Congress in meeting this just obligation will only aggravate a situation which is already deplorable enough."

Mr. WALSH of Montana. Mr. President, before the Senator passes from that, I notice that the article speaks of the order coming from one end of Pennsylvania Avenue to the other. I observe by what might be regarded as the official organ of the administration, the Washington Post, that that is not the correct view to take of this matter; that during the former administration, when similar communications were made, they were in the nature of orders which the members of the party of the President were expected to observe and obey, but that this communication is of an essentially different character; it is merely the communication by the Executive to the Senate of his views on the matter unaccompanied by anything in the nature of coercion.

I merely call attention to the distinction between the two kinds of communications thus made by the organ of the administration.

Mr. JONES of New Mexico. I thank the Senator for putting that statement in the RECORD.

To-day there was received by the Stars and Stripes, an ex-service men's paper, this telegram from Cleveland, Ohio:

CLEVELAND, *July 12.*

Notwithstanding the opposition of the United States Chamber of Commerce to the adjusted compensation bill, the Cleveland Chamber of Commerce, comprising 4,000 business men and firms of Cuyahoga County, at a board of directors' meeting passed the following resolution:

Resolved, That the Cleveland Chamber of Commerce, acting through its board of directors, earnestly inderses and urges the passage of the legislation drafted by the American Legion providing for adjusted compensation in various elective forms for the service men of the World War.

Resolved, That copies of this resolution be sent to the President of the United States, to the proper committees of the United States Senate and the House of Representatives, and to the Members of Congress from Ohio.

Resolved, That a copy be sent also to the Chamber of Commerce of the United States, which has taken the opposite action, in order that the national chamber may be advised of the action of one of its constituent members.

Mr. President, this bill has been discussed on several occasions; it has been under consideration really for about a year and a half, and I do not care to take up the time of the Senate at this time in stating what its provisions are. There is in this report submitted by the Finance Committee about a page under the heading "Explanation of the bill," and without reading, I ask that that may appear as a part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

EXPLANATION OF THE BILL.

The purpose of this bill being to correct the inequalities suffered by those who performed actual soldier duties and received meager soldier wage, there are excluded from its benefits all those who were given commissions while performing merely clerical service in the departments. Its benefits are also limited to those below the grade of captain in the Army or Marine Corps and lieutenant in the Navy and like grade of officers. For detailed statement of all those so excluded, see section 203 (a) of Title II.

While your committee believes that justice demands this adjustment of pay to the veterans of the World War, it does not believe that the privileges and benefits of this legislation or the war risk insurance act should be extended to persons other than such veterans.

By act of Congress at the time of the discharge of our soldiers they were given two months' extra pay, at $60 each. Therefore, in the bill which passed the House in May, 1920, as in this bill, 60 days are deducted from the service of each soldier and sailor at home or abroad. If he had such service both at home and abroad, the 60 days are first deducted from his home service.

The bill then gives $1 per day for each day's service in the United States and $1.25 per day for each day's service overseas exclusive of the said 60 days. This is the cash plan provided in Title II and is called "Adjusted service pay." The cash payment, if $500 or over, is to be made in 10 quarterly installments. If less than $500 it is to be made in quarterly installments of $50 each.

Title III, "Adjusted service certificates," gives the veteran the option to take insurance payable at the end of 20 years. If he chooses this insurance plan he will receive as the basis of his adjusted pay a sum 40 per cent greater than the cash plan, and this sum will bear interest at the rate of 4½ per cent per annum, compounded annually. In the event of his death prior to 20 years his estate will receive the amount of such adjusted pay and interest, compounded annually for 20 years. The veteran can borrow against this insurance. The bill provides that the adjusted service certificate shall become effective as of the 1st day of January or July next succeeding the date of filing the application for the benefits under the adjusted service certificates title, but not before July 1, 1922. If a loan is made during the third to fifth years, inclusive, after the certificate becomes effective, he can borrow 90 per cent of his adjusted service pay, with 4½ per cent interest, compounded annually up to the date of the borrowing; if a loan is made during the sixth to twentieth years, inclusive, after the certificate becomes effective, he can borrow 80 per cent of the amount of the adjusted service pay increased by 40 per cent, with 4½ per cent interest, compounded annually. On these borrowings he will pay 4½ per cent interest, the same as he is allowed on his adjusted service certificates.

Title IV, "Vocational training aid," authorizes the veteran to receive vocational training at the expense of the Government to an amount equal to his adjusted service pay plus 40 per cent.

Title V, "Farm or home aid," authorizes the veteran to receive from the Government the adjusted service pay plus an additional 40 per cent to be applied toward the purchase price of such home or farm.

Title VI. "The land settlement aid," gives the veteran preference right to take lands on the opening of public or Indian lands to entry or the restoration to entry of public lands and on all reclamation projects now in existence or hereafter established, whether such reclamation is made by irrigation, drainage, or otherwise.

The veteran at his option may select any one of these five plans.

Mr. JONES of New Mexico. That shows that this bill is somewhat different from the one which passed the House in May of last year, and the one which was presented to the Senate last February. I made some criticisms of the bill as presented to the Senate at that time, among them especially the criticism that amendments should be made so as to put the bill into operation at an earlier date than that provided in the bill as it passed the House, and I wish to say that this bill has been very much improved in that particular. Under the terms of this bill the vocational-educational provision and the home-aid provision are made to take effect on the 1st of next January, but the provision for cash compensation has been brought forward only six months. It becomes operative on the 1st of July of next year. I have presented to the Senate an amendment making that provision of the bill take effect on the 1st of January, 1922. I may add that the certificate feature of the bill, as presented by the committee, is also operative from the 1st of next January.

I have sent to the desk and had printed another amendment, one which I advocated when the bill was reported to the Senate at the last Congress, to add another title and option to the bill. We have in the western part of this country millions of acres of land which have been classified under the stock-raising homestead law. Any citizen now can go upon those lands and by merely putting $800 of improvements upon the land acquire a title to a section of it, 640 acres. If that can be done, I do not see why we should not permit these ex-service men to apply their adjusted pay, plus the 40 per cent, to the purchase of that land at $1.25 an acre.

But I do not intend to argue these amendments at this time.

The letter of the Secretary of the Treasury, which was sent to the Senate last week is a peculiar document; it is unusual. The Finance Committee has had this matter under consideration, as I have stated, for almost a year. It had its subcommittee examine into every phase of this bill. That subcommittee made an elaborate report to the full committee, and the full committee deliberated upon it several days. The report was actually read in that committee, and some changes were made in it, but there was no one who dissented from the statements made in that report. It comes here with the unanimous support of that committee.

Does the letter of the Secretary furnish anything new? There is not a word of information in it which the committee did not have. Even the very figures which the Secretary quotes are figures which appear in the report of the Finance Committee, both sets of figures having been made by the actuary of the Treasury Department. So there is nothing new, no new fact.

This letter comes, then, not for the purpose of giving the Senate information, but for the purpose of bringing to bear upon the Senate the influence of the executive department of this Government, mere opinion. I say to Senators, have we not a right, and is it not our duty, to form our own opinions? What justification can there be for any Senator who knows these facts to lay aside his honest judgment and conviction and accept that of anybody on earth?

Mr. President, if the opinions expressed in this letter, and so forcefully expressed in the address to which we listened to-day, were borne out by the facts of the case, as our judgments would suggest, then I would be against this bill. But, Mr. President, I have given some thought and study to the facts of this case. I do not want to set up my judgment against that of the great Secretary of the Treasury or that of the President of the United States. I do not want to ask you to accept my judgment as against the judgment of those two eminent officials; but I do want to present the facts to you and ask you to exercise your judgment and to reach your conclusion as to whether the opinions which have been brought to the Senate by the Secretary of the Treasury justify the decision which has been reached to recommit this bill because it would "break the Treasury." Those are the words we heard. I should like to quote them at great length, but the time is growing late. I just want to refer to a few excerpts to show how strong the language used is. You listened to one address to-day; you heard this letter read last week, but you may have forgotten, and I read briefly from the letter as follows:

> It would greatly swell the cost of government and virtually defeat the administration's program of economy and retrenchment. It could be financed only by adding to the burden of debt and taxes under which the country is now staggering. However financed, no such sum could be taken out of the Public Treasury without throwing a corresponding load upon the whole people in the form of increased interest charges, increased taxes, and increased cost of living. This burden, moreover, would be in addition to that already imposed in most of the States, which have provided bonuses in varying degrees of liberality to veterans of the late war.
>
> Nor could the vast payments required by the bill be financed without introducing grave complications into the refunding operations which will be necessary within the next few years. * * * I know of no one thing, for example, that would so greatly strengthen the market for Liberty bonds as the assurance that Congress had once and for all given up consideration of a soldier's bonus.
>
> * * * In these circumstances, I believe that the best interests of the country demand that action be deferred upon the soldiers' bonus or the bill to provide so-called adjusted compensation. This is not a time to impose several billion dollars of new liabilities on an already overburdened Treasury.

I wish to call special attention to one of those excerpts which I have just read, which says that the market for Liberty bonds would be greatly strengthened if there were an assurance that Congress had once and for all given up consideration of a bonus bill. That is what the Secretary of the Treasury wants, and I think it justifies the surmise made by the Senator from Arkansas [Mr. ROBINSON] this afternoon that the purpose behind recommitting this bill is not to amend it, is not to reform it, but it is to destroy it.

There is in the letter this paragraph, which is full of food for thought:

> Not the least disturbing feature of the bill is the plan to postpone actual distribution of the principal benefits conferred by the bill to the fiscal year 1923.

The bill does not postpone it until 1923; it brings it up to the 1st of July, 1922, and if they want to pay out the money any sooner, they can support the amendment which I have offered, and begin paying it out the 1st of next January.

The letter continues:

> This means that, without conferring immediate benefits on ex-service men, the country would be committing itself to a stupendous indeterminate liability which, once assumed, it would have to carry through, no matter how embarrassing it might prove to the finances of the Government and the business of the country when the time comes for fulfillment.

So, with respect to the remarks of the distinguished Senator from Pennsylvania this afternoon, when he said that the Finance Committee will at once take up this bill for consideration, he holds out the promise to the country that there shall be legislation at an early date upon this adjusted compensation question. Is not the statement of the chairman of the Finance Committee, if believed, as much of a ghost before the financial world as the passage of this bill would be, which, according to its terms, would not become effective until the 1st of next July, and the great burden of which would not rest upon the Treasury until 1943?

That is not all of that paragraph. I read further:

> Incidentally, this feature of the bill tends to mislead the people into the belief that in some way the proposed program can be accomplished without imposing a serious burden on the Treasury or the country. The result is to secure for the bill more favorable consideration than it could receive were the situation presented in its true light.

I no longer wonder why the Secretary of the Treasury did not go before the Finance Committee and there present his views. If he believed, as he stated in that letter, that the Finance Committee of the Senate is proposing an act of legislation or has presented a bill for the purpose of misleading the people of the country, I do not wonder that he did not appear before that committee. Moreover, I think it at least injudicious to have him make the statement that—

> The result is to secure for the bill more favorable consideration than it could receive were the situation presented in its true light.

In other words, the committee is presenting it in a false light, and it is in such a camouflaged, false light that it is securing support and consideration from Senators who would not otherwise support it.

I should approach the subject of the state of the Treasury with less confidence had it not been for a statement in the newspapers of the country, which was published on the evening of the day the Secretary's letter came to the Senate. I have before me a copy of the Washington Star, of date July 7. In the third column from the right, on the first page of that issue of the Star, I read the headline, "Bonus hopes dead for this session." In the next column to the right is the headline, "President urges bonus bill delay." That is a statement about the Secretary's letter going to the Senate with the approval of the President. In the next column I read the headline, "Treasury to give half billion more to aid railroads."

Now, I am not a member of the Interstate Commerce Commission. The railroads of the country may be in need of funds, and they may be so much in need of funds that the Treasury of the United States ought to be brought to their support. I do not know about that, but I do know that if the Secretary of the Treasury would even consider for one moment the taking from the Treasury of half a billion dollars for the railroads, I know that the passage of this bill would not "break the Treasury."

Mr. President, what are the facts? During the last session of Congress I made some remarks upon the financial situation of our country. At that time my remarks were founded largely upon estimates made by the Secretary of the Treasury, but, fortunately, to-day we have the benefit of transactions performed. We have a report of the Treasury Department which is brought up to the first day of this month. The whole of the last fiscal year is covered by the report. The Treasury Department has done the country a valuable service in presenting to it the facts surrounding the condition of the Treasury. I believe that those facts are not understood. I believe that their true significance is unknown even to the Secretary of the Treasury, from whose office they came. Our country has done a most marvelous thing. Many Secretaries of the Treasury have not been infallible in their opinions as to what the country could do.

In the first place, before we entered into the war the total net income of the entire Nation for reinvestment was annually not over $5,000,000,000. We put into the war the first fiscal year over $12,000,000,000. We prepared to put into it the second year $24,000,000,000, and would have done so had not the armistice been signed. After we passed the war resolution in April, 1917, our allies sent their commissions to this country to obtain aid and support. They wanted to get credit in the United States. The bankers were called into conference. What do you think was the opinion of those bankers? It was that this country might possibly as a maximum extend credit to our allies to the amount of half a billion dollars. What was the ultimate fact? We extended credit to them almost to the extent of $10,000,000,000.

When we undertook to float the Liberty bonds the bankers were again called into conference, and their opinion was that as a maximum this country might possibly absorb as much as $1,000,000,000. The fact was that it absorbed over $20,000,000,000. I am afraid, Mr. President, that there is some one in the Treasury Department who has not yet learned the full extent of the strength and resources of this great Republic of the United States.

I do not believe the people of the country understand just what has been done in regard to financing the war. We issued about $21,500,000,000 of bonds. How many people in the United States do you suppose understand that of those $21,500,000,000 of bonds there have been actually retired over $2,000,000,000?

Does anyone think the people understand that? I not only have the figures but the classes of bonds. I read from a statement by the Treasury Department of the public debt of the United States dated April 30, 1921. I do not know how many bonds have been retired since that date, but this is the report of the Secretary of the Treasury at that time to the Houses of Congress when he was urging financial legislation.

Of the first Liberty loan 3½ per cent bonds there have been retired $37,155,700. Of the second Liberty loan there have been retired $489,348,700. Of the third Liberty loan there have been retired $531,207,250. Of the fourth Liberty loan bonds there have been retired $605,556,600. Of the Victory loan 5-year bonds there have been retired $426,193,000. This makes a total retirement of those big securities of $2,089,461,250.

That is not all. We know about the war-savings stamps, the thrift stamps, so called. Of the series of 1918, when there was something over $906,856,054 issued, there have been retired $424,543,097. Of the 1919 series, when there were $138,543,210 issued, there have been redeemed over $38,000,000. Of the 1920 series about $11,750,000 have been redeemed, and of the war-savings certificates, series of 1921, $643,559.56 have been retired. This makes a total retirement of all these bonds and certificates of $2,703,197,950.20.

Now, Mr. President, does it appear that the Treasury of the United States is upon the verge of bankruptcy when, since those bonds and securities were issued, there have been retired over $2,700,000,000 worth of them, reducing the actual bonded indebtedness of the country to less than $19,500,000,000?

Not only that, Mr. President, but let us see what has taken place with respect to the short-term securities, the notes, the floating debt. That debt reached its peak on August 31, 1919. I wish Senators to bear that date in mind. That was the peak of the floating debt and of the entire debt of the country. On that date, including obligations under the Pittman Act and other special acts, the total short-term paper of the country amounted to $4,201,139,050. What was the situation on the 30th of June last of this year? That indebtedness had been reduced to $2,699,572,950, a reduction of more than $1,500,000,000 in the short-term paper. I do not want it understood that there has been actual total reduction of over $2,000,000,000 in the funded indebtedness and of $1,500,000,000 in the floating indebtedness, a total reduction of three and a half billion dollars since the peak of the debts was reached, because some of the bonds were redeemed before that time; but what I do want to impress upon the Senate is that those reductions have occurred, including a reduction in the floating debt of a billion and a half dollars. That reduction in the floating debt has been made since the 31st of August, 1919.

I will give the figures. On the 31st of August, 1919, the gross debt, including the bonds and the floating indebtedness, was $26,596,701,648. That debt on the 30th of June last was reduced to $23,977,450,552, a reduction of $2,619,251,096.

Mr. WATSON of Georgia. Mr. President, the Senator does not refer to the retirement of the Federal reserve notes, as I understand?

Mr. JONES of New Mexico. No, sir; those notes are entirely apart from the transactions of the Treasury of the United States, to which I am referring. My figures have nothing whatever to do with the Federal reserve system; they relate only to the actual transactions of the Treasury of the United States.

Mr. President, I have stated what has been going on; that is the way we have been reducing our indebtedness. If we are in a position to go ahead and reduce indebtedness to that extent, I ask, in the name of heaven, if we pass the pending bill whether there would be any danger of bankrupting the Treasury of the United States?

Let us go further. On the 30th of last April the Secretary of the Treasury presented to the House of Representatives statements regarding the financial transactions of the Government for the fiscal years 1921 and 1922. He estimated at that time that for the fiscal year 1921, the year which has ended, the total receipts would be $5,487,000,000 plus; that the total disbursements would be $5,602,000,000, showing a deficit of $114,000,000. We have the facts now. The last report of the Treasury showed what actually occurred; that the total receipts, instead of being $5,487,000,000, were $5,625,000,000; that the disbursements, including sinking funds, were only $5,115,000,000 plus—I am stating the round figures. There was a cash balance in the Treasury at the end of that period of $549,000,000 plus.

Mr. President, let us analyze that. For instance, the receipts from customs were estimated as being only $300,000,000, while the actual receipts were about $312,000,000. The new tariff bill as reported to the other House, according to the statement of the chairman of the Ways and Means Committee, is expected to raise during the year after it begins operating at least $700,000,000. That is an added revenue of $400,000,000, according to the estimate of the chairman of the committee reporting the bill.

As to the disbursements, what do we find? It develops that during the last year, according to this estimate, there were expended for the War Department $1,027,750,000; there were expended for the Navy Department $697,500,000, making a total expenditure on account of the War and Navy Departments of about $1,700,000,000. That was cared for during the fiscal year which has just been brought to a close. We will not have that expense during the next year, for this Congress has already reduced the appropriations for the Army and Navy by almost $1,000,000,000. As I recall, the Army appropriation bill recently passed carries only about $336,000,000, while the naval appropriation bill carries about $414,000,000, making a total of about $750,000,000, constituting a reduction over the amount expended last year of about $950,000,000.

Now, Mr. President, let us consider the estimates for the present fiscal year and ascertain if we can not find some margin there which will justify the passage of this bill. According to the estimate of the Secretary of the Treasury, he expects the miscellaneous internal-revenue receipts to be reduced by $50,000,000 and the income tax to be reduced by $800,000,000, and he estimates that there will be received from customs taxes only $300,000,000. So it would seem that it is safe to assume that the Treasury will get at least as much revenue next year as the estimate would indicate.

Now as to the expenditures. If the present sinking fund law and the other provisions of legislation are to be complied with, the public debt of the United States next year will necessarily be reduced by $421,354,865. The estimate of the Secretary of the Treasury takes into account that reduction, and also assumes that there will be expended by the War Department $569,750,000 and by the Navy Department $545,225,000, making a total of $1,114,000,000 for the Army and Navy for the current year.

As I have indicated, however, the fact is that we have not appropriated that much money for the Army and Navy, and if I had my way we would not have appropriated anything like the amount we did appropriate for those departments. I believe that this is a time when we should save the money of the Public Treasury from being devoted to destructive purposes and should use it for the betterment of our citizens and the upbuilding of our country. As I stated a while ago, instead of appropriating $1,114,000,000 for the Army and Navy, we have appropriated for those services only about three-quarters of a billion dollars, thereby saving in that direction $350,000,000. There will be, it is estimated, an accretion on account of the new tariff law of $400,000,000, and in addition, as I have stated, there will be provision for a reduction of the public debt amounting to $451,000,000.

Mr. President, in the face of that statement which comes from the Treasury Department of our Government, I should like to inquire how it can be said that the payment of a few million dollars to adjust the compensation of the selective-service men will "break the Treasury."

Now, let us consider how much the pending bill will probably cost. At the instance of the Finance Committee, the actuary of the Treasury Department worked out various phases of that question, and the figures furnished by him appear in the report of the committee. They ought to be studied by everyone who intends to reach an intelligent conclusion regarding this bill.

You must, of course, understand the bill itself—the cash-payment plan, the certificate plan, the land-settlement plan, the vocational plan. You must understand their provisions.

Under the cash-payment plan the soldier is to receive compensation at the rate of $1 a day for his service in this country and $1.25 a day for his service in Europe, and that is to be paid in quarterly installments of $50 each. That was intended only for the soldier who might be in desperate circumstances; and I submit that no soldier who is not in distress would, through his option, choose that option of the bill.

The next provision, the certificate plan, is that he shall receive that adjusted compensation plus 40 per cent, and that there shall be added to those sums interest at 4½ per cent, compounded annually for 20 years, and he is given a life endowment policy for that sum. If he dies the next day, his dependents get the full amount. There are also provisions for borrowing money on the certificates. If he lives, at the end of 20 years the certificate becomes payable; and is not that the plan which would be chosen unless, perchance, the man wants to buy a home or wants to get a farm? In such case the bill provides that the money shall be paid him at once. If he wants to go to

school, prepare for some occupation, his payment then becomes due at the rate of $1.75 a day.

But, Mr. President, while these plans involve us in conjecture, we can form some idea as to what percentage of the men would avail themselves of these different provisions. You can not demonstrate it with any mathematical certainty. The informed judgment of one man ought to be as good as that of another, and for that reason I do not hesitate to say that my judgment as to the number of people who would avail themselves of these different plans is different from that stated by the Secretary of the Treasury. He says that it is probable that one-half of them would take the cash plan. Mr. President, I can only believe that if they do, every mother's son of them needs the money, or he would not do it; and if he is in such straitened circumstances as to cause him to lose the large advantage by accepting some other plan, then, I say, for God's sake let us dig into the Treasury and relieve his suffering.

Mr. President, the entire membership of the Finance Committee voted in favor of making this report; and in this report it appears that it is the combined judgment of the Finance Committee that only 20 per cent of the men would avail themselves of the cash plan and 80 per cent of the certificate and other plans. On that basis, let us see what the burden upon the Treasury is going to be. Let us see how heavy it is going to be. Let us see whether there is anything here which promises to "break the Treasury."

The figures were stated in the report. This has all been figured out by the actuary of the Treasury Department; and I want to say that all these figures are based upon the assumption that every soldier will immediately avail himself of the provisions of this bill in some respect.

Mr. President, if there is anything in the argument which has been made in this Chamber that there are hundreds of thousands and millions of these soldiers who do not want any compensation, if that surmise be true, then I think we can safely say that all entitled to the provisions of this bill will not avail themselves of it immediately upon its passage. A very proper change has been made in this bill as compared with that which was presented to the Senate last spring. Under that bill, as it came from the House and was reported to the Senate, they all had to make their applications within a year's time. Under this bill there is no limitation, and we can refer to the experience following the legislation regarding the veterans of the Civil War. Many of them for years never availed themselves of any of the legislation of their country until late in life and until the time had come when they really needed the aid; and so I take it that these men will not be different from what men have been in the past. I have not any doubt but that many of them will defer the time for making application; and if so, the burden upon the Treasury will be even less than that stated in the report.

But let us take the report. Assume that everyone applies immediately, then what do we find?

If the opinion of the committee is to be accepted, we find on page 7 of the report, table 3, that during the first year the total cash payment will be only $108,898,900; for the second year it will be $200,737,944; for the third year it will be $118,453,954; for the fourth year it will be $79,386,725; and finally it gets down to where the Treasury has an absolute credit until 1943; and I should like to inquire whether the assuming now of an obligation payable in 1943 is going to "break the Treasury" of the United States?

Mr. President, take the Secretary's own judgment as to the probable ratio, that 50 per cent of them will accept the cash plan and all do it at once, and the other 50 per cent the certificate plan; then what happens?

During the fiscal year ending July 1, 1923, there will have been paid out in cash only $239,000,000. Let me ask, can we not by that time shut off the building of enough battleships to pay that insignificant sum? From now until the 1st of July, 1923, according to this bill, and taking the Secretary's own estimate as to the number who would avail themselves of the provisions of this bill, the cash payment would be only $239,000,000. That, according to the Secretary, would "break the Treasury"; but if the railroads are in distress you can let them have at once a half billion dollars.

Mr. WATSON of Georgia. Mr. President, I was a Member of the other House 30 years ago, when the amount paid in pensions to the Union soldiers reached the sum of $150,000,000, and the same objection was made then, that it would bankrupt the Treasury. I am proud to say that I voted for it nevertheless; and it did not bankrupt the Treasury.

Mr. JONES of New Mexico. I thank the Senator for his remarks. I fully concur in the spirit shown.

Even for the next year, the year ending July 1, 1924, for that full year, the total charge on the Treasury would be only $478,611,235. The payment in that year would be higher than in any other year. You can not pay that to these soldiers without breaking the Treasury, but you can pay it to the railroads of the country, to increase their facilities, when they are not getting enough freight to occupy the facilities they have now.

Mr. WATSON of Georgia. When they are charging so much for hauling freight that the people can not afford to ship.

Mr. JONES of New Mexico. I do not mean by that remark, Mr. President, to say that I am opposed to doing anything that ought to be done for the railroads, but I do say that I am not in favor of being generous to the railroads and being unjust to these veterans.

Think what it would be the third year, only $133,000,000; the fourth year, $48,000,000 only; and the next year, $43,000,000, and finally it gets down to the point where it is through interest on loans paying to the Treasury over $11,000,000 in a year. Yet they talk about it breaking the Treasury.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). Does the Senator from New Mexico yield to the Senator from Alabama?

Mr. JONES of New Mexico. I gladly yield.

Mr. HEFLIN. The Senator will recall that when the war was on, and the question was discussed as to how great a financial strain the United States could bear, our financiers stated that we could incur indebtedness to the extent of $75,000,000,000 without breaking the Treasury. When the war ended it was costing us $1,000,000 an hour, $24,000,000 a day, $8,760,000,000 a year, and in the two years and eight months since the armistice was signed the boys, by ending the war when they did, have saved to the Government of the United States $23,326,000,000.

Mr. JONES of New Mexico. I thank the Senator for his statement. That reminds me to look at another account upon the ledger of the Treasury. We are not bankrupt. Foreign nations now owe us, in original principal, $9,447,000,000 plus. To that may be added another billion dollars of interest. In addition to that the Secretary of War and the Secretary of the Navy sold supplies abroad for which we have foreign Government obligations amounting to $562,781,000 plus. We have other accounts. We have capital stock of the War Emergency Corporation. We have capital stock of the Sugar Equalization Board. We have capital stock of the United States Grain Association and capital stock of the War Finance Corporation. Then we have obligations of the railroads, in one item of sixty-six million, another item of three hundred and ten million, another item of eighty-nine million, another item of one hundred and ninety-four million. Then we have stock of the Federal land banks to the extent of $6,700,000 plus. We have farm loan bonds, which we have acquired, of $183,000,000, making a total, besides the billion dollars of interest, of $11,313,000,000 plus. We have those assets in addition to the great strength and resources of this Republic.

Mr. WATSON of Georgia. Will the Senator be kind enough to say how many million dollars the Government has right now in the vaults of the national banks being used by the national banks and paying the Government nothing?

Mr. JONES of New Mexico. The net balance of the Treasury of the United States, according to the last report, was $549,000,000 plus, and in addition to that, I may add, we have had a shipbuilding board, which spent between three and four billion dollars.

Mr. WATSON of Georgia. The national banks have $79,000,000 idle money right now.

Mr. JONES of New Mexico. So much for the property assets of the country.

Mr. REED. Before the Senator leaves that topic, I direct his attention to the fact that since the armistice was signed we have paid out of the Federal Treasury to foreign Governments approximately $2,000,000,000, and the excuse offered is that there were commitments or promises made to those Governments, but in a number of instances the Government to which the money has been paid was not even in existence at the time the armistice was signed.

One very interesting chapter is that with regard to Greece; which shows that when Greece entered the war the allied Governments, not including the United States, as I understand, agreed to furnish Greece with certain money, but when the Greek Government changed, when Venizelos lost power, France and England declined to advance these moneys, but the United States made an advance of a very large sum, and still holds to the credit of Greece some $33,000,000, I believe; I am speak-

ing entirely from memory, and it may be $38,000,000. We have been unable to get any kind of assurance from the Treasury Department that it does not still intend to pay that money, and the present Secretary of the Treasury has paid $13,000,000 to Italy since the Committee on the Judiciary began investigating the question, and since his predecessor in office solemnly promised that there would be no more money paid without first giving the Judiciary Committee of the Senate notice.

That does not go to the merits of this question, but I thought it fitted into what the Senator was saying.

Mr. JONES of New Mexico. It fits in very nicely, to show the unlimited resources of this country, and what this country can do when it wants to do; when it is trying to find a way "to do," instead of trying to find a way "not to do."

The query of the Senator from Georgia [Mr. WATSON] a few moments ago brings to my recollection a statement of the Federal Reserve System of our country, and, according to their last report, which was given out on last Wednesday, the ratio of total reserves to deposits and Federal reserve note liabilities combined is 60 per cent. The ratio of gold reserve to Federal reserve notes in circulation, after setting aside 35 per cent against deposit liabilities, is 76 per cent. That is the state of the Federal Reserve System, and the gold from the rest of the world is flowing into its coffers in a ratio never equaled at any time before. There is in the Federal reserve treasury now just about $1,000,000,000 of free gold, and if the credits of the banks of this country should be built up on that billion dollars of gold, as they are built up, it would present an opportunity to expand the credits of the Federal Reserve System by over $20,000,000,000.

Talk to me about this country being to the limit of its resources! In the face of these figures, does the Senate now want to abandon this measure? Do you not think you had better pass the bill? Do you not think you had better resolve the doubt, if you have any doubt, in favor of doing justice to the ex-service men of this country, rather than being generous to the railroads of the country?

Mr. President, I agree with the Senator from Arkansas [Mr. ROBINSON] that if this bill is recommitted it means its death knell. If this bill is to be passed at all, it ought to be passed now. If you are going to have any vocational education, at what age in life should a man receive it? The average age of these ex-service men is now 28 years. If you are going to benefit him with vocational education, should he not start in now?

A good many of these men are passing away, passing to the great beyond. Why should we not issue these insurance certificates and let their dependents be getting the benefit of them, and why should we not do it now?

Even as to the cash plan, my prediction is that when the next midwinter rolls around, if there shall be at any time any of these ex-service men in distress, you will find them in distress. I am not a pessimist, but if I read the signs aright, next winter will be the severest in the history of this country, and if there will be any of these men in distress at any time should we not make provision for their support then? That is why I have offered the amendment putting that feature of the bill into effect on the 1st of next January.

Now, Mr. President, I believe we have before us sufficient facts to enable us to understand the situation of the Treasury of the United States. While high officials who have communicated to us their view of the situation are honest and sincere in their views, and I do not question their motives, in my humble judgment they are looking through the spectacles of certain schools of thought in this country through which I do not look.

Who are objecting to the bill? The very foundation of the bill is that there has been discrimination; that we have taken the services of some people for less than cost; that we have taken their services for less than we were giving to other people. Considering it as a pure mathematical and financial question, we owe these people the money, and why should we not pay it? I believe that no one in this great land of ours has the right to object to this payment as long as he has in his pocket a single dollar of profit which he made during the war. These people not only worked for no profit but they worked at a loss, and until we put them upon an equal basis with the others of the country I say that no man and no institution has any moral right to object to the burden of taxation. It is a maxim of law that we shall not take private property for public use without just compensation. Here we are taking the lifeblood and the muscle and the brain of these men without just compensation. Until that compensation is made just, every dollar of profit which was made during the war in some manner ought to be made to share this burden.

Mr. President, I believe that this country of ours is big enough and great enough to do justice to these men and not "break the Treasury."

Mr. McCUMBER. Mr. President, there are a number of Senators who desire to speak on this subject to-morrow and we desire a short executive session at this time. I therefore move, if agreeable to the Senator from Massachusetts [Mr. LODGE], that the Senate proceed to the consideration of executive business.

Mr. UNDERWOOD. Will the Senator withhold the motion just a moment to permit me to have an order made?

Mr. McCUMBER. Certainly.

COMMITTEE SERVICE.

On motion of Mr. UNDERWOOD, it was

Ordered, That the Senator from South Carolina, Mr. DIAL, be assigned to service upon the Committee on Revision of the Laws, to fill the vacancy occasioned by the resignation of the Senator from Delaware, Mr. Wolcott.

HEARINGS BEFORE COMMITTEE ON NAVAL AFFAIRS.

Mr. POINDEXTER. Mr. President, will the Senator from North Dakota yield to me for a moment to submit a resolution?

Mr. McCUMBER. Certainly.

Mr. POINDEXTER. I ask for the present consideration of the resolution which I send to the desk.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The resolution will be read.

The resolution (S. Res. 111) was read, as follows:

Resolved, That resolution of the Senate numbered 47, agreed to April 13, 1921, be, and is hereby, amended to authorize the Committee on Naval Affairs to employ such clerical and other assistance as may be deemed necessary in furtherance of the purposes of said resolution.

Mr. POINDEXTER. This amends the resolution that was adopted authorizing the Committee on Naval Affairs to conduct investigations, so as to make it accord with the usual resolution adopted. The matter was omitted by mistake, and certain clerical services have been rendered to the committee for which there is no authority to pay unless this resolution is adopted.

The PRESIDING OFFICER. The Chair is in doubt as to the proper course to be pursued at this time. Should not the resolution be referred to the Committee to Audit and Control the Contingent Expenses of the Senate?

Mr. POINDEXTER. I have no objection to that course.

The PRESIDING OFFICER. The resolution will be referred to that committee.

EXECUTIVE SESSION.

Mr. McCUMBER. I renew my motion that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. LODGE. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and (at 5 o'clock and 10 minutes p. m.) the Senate took a recess until to-morrow, Wednesday, July 13, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 12, 1921.

TREASURY DEPARTMENT.

COLLECTOR OF CUSTOMS.

Charles Fowler, of Nogales, Ariz., to be collector of customs for customs collection district No. 26, with headquarters at Nogales, Ariz., in place of Charles E. Hardy.

ASSISTANT APPRAISER OF MERCHANDISE.

George O'Brien, of Philadelphia, Pa., to be assistant appraiser of merchandise in customs collection district No. 11, with headquarters at Philadelphia, Pa., in place of Harry Nichols.

COLLECTORS OF INTERNAL REVENUE.

Galen L. Tait, of Bethesda, Md., to be collector of internal revenue for the district of Maryland in place of Joshua W. Miles.

Frank Bowers, of New York, N. Y., to be collector of internal revenue for the second district of New York in place of William H. Edwards.

PUBLIC HEALTH SERVICE.

The following-named officers for promotion in the Public Health Service:

Surg. William G. Stimpson to be senior surgeon in place of Senior Surg. Arthur H. Glennan, placed on waiting orders, effective March 1, 1921.

Surg. Benjamin W. Brown to be senior surgeon in place of Senior Surg. Fairfax Irwin, placed on waiting orders, effective March 3, 1921.

Surg. Charles H. Gardner to be senior surgeon in place of Senior Surg. Charles E. Banks, placed on waiting orders, effective March 5, 1921.

The following-named assistant surgeons to be passed assistant surgeons in the Public Health Service, to rank as such from the dates set opposite their names:

Richey L. Waugh, March 23, 1921.
Ralph C. Williams, March 26, 1921.

DEPARTMENT OF JUSTICE.

UNITED STATES ATTORNEY.

Andrew B. Dunsmore, of Pennsylvania, to be United States attorney, middle district of Pennsylvania, vice Rogers L. Burnett, resigned.

DEPARTMENT OF THE INTERIOR.

REGISTER OF THE LAND OFFICE.

Miss Nemecia Ascarate, of Las Cruces, N. Mex., to be register of the land office at Las Cruces, N. Mex., vice John L. Burnside, resigned.

UNITED STATES COAST AND GEODETIC SURVEY.

Joseph Murray Smook, of New York, to be aid in the United States Coast and Geodetic Survey, with relative rank of ensign in the Navy, vice L. M. Zeskind, promoted.

PROMOTIONS IN THE REGULAR ARMY.

To be colonels.

Lieut. Col. Charles Brooks Clark, Infantry, from July 1, 1921.
Lieut. Col. Herman Walter Schull, Ordnance Department, from July 1, 1921.
Lieut. Col. Henry Blow Farrar, Field Artillery, from July 1, 1921.
Lieut. Col. Leon Benjamin Kromer, Cavalry, from July 2, 1921.

MEDICAL CORPS.

To be captain.

First Lieut. William Thomas Fisher, Medical Corps, from June 27, 1921.

DENTAL CORPS.

To be captain.

First Lieut. Arthur Clay Foard, Dental Corps, from June 27, 1921.

VETERINARY CORPS.

To be first lieutenants.

Second Lieut. Raymond Thomas Seymour, Veterinary Corps, from June 17, 1921.
Second Lieut. Oscar Charles Schwalm, Veterinary Corps, from June 18, 1921.
Second Lieut. Walter Richard Pringle, Veterinary Corps, from July 1, 1921.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

Lieut. Col. Francis Herbert Lomax, Coast Artillery Corps, with rank from July 1, 1920.
Maj. Rudolph William Riefkohl, Coast Artillery Corps, with rank from July 1, 1920.

CORPS OF ENGINEERS.

First Lieut. Reynolds Johnston Burt, jr., Coast Artillery Corps, with rank from July 2, 1920.

ORDNANCE DEPARTMENT.

Maj. Francis Augustus Englehart, Coast Artillery Corps, with rank from July 1, 1920.
First Lieut. Lyle Sayers Lindsey, Infantry, with rank from July 1, 1920.

SIGNAL CORPS.

Capt. Winchell Ivan Rasor, Cavalry, with rank from October 12, 1917.

FIELD ARTILLERY.

Lieut. Col. J. Alfred Moss, Infantry, with rank from July 1, 1920.

CONFIRMATION.

Executive nomination confirmed by the Senate July 12, 1921.

DEPARTMENT OF JUSTICE.

UNITED STATES ATTORNEY.

John D. Hartman to be United States attorney, western district of Texas.

HOUSE OF REPRESENTATIVES.

TUESDAY, *July 12, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Dear Lord, bless our lives with good thoughts, happy words, and cheerful hopes. So shall our pathway be likened unto the way of the just. Let us feel that we are not making the journey alone. We do not ask for great things, but help us in the little needs and secret longings that so often fill our breasts. May Thy will, which bids the weak be strong and the strong be good, be done wherever man is found. Then shall we feel that the earth shall soon be filled with righteousness, happiness, and peace. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

RULE FOR CONSIDERATION OF TARIFF BILL.

Mr. CAMPBELL of Kansas. Mr. Speaker, I submit a privileged report from the Committee on Rules, which I send to the desk and ask to have read.

Mr. GARRETT of Tennessee. Mr. Speaker, I think we ought to have a quorum present to consider this rule, and I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. It is clear there is no quorum present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Funk	Layton	Rouse
Anthony	Gahn	Lazaro	Rucker
Arentz	Gallivan	Lee, Ga.	Ryan
Blakeney	Goldsborough	Lee, N. Y.	Sabath
Brand	Gould	Lineberger	Schall
Brennan	Graham, Pa.	Linthicum	Sears
Brinson	Greene, Mass.	Lyon	Siegel
Britten	Griffin	McClintic	Sisson
Brooks, Pa.	Hammer	McLaughlin, Pa.	Slemp
Buchanan	Hawes	Maloney	Snyder
Burke	Hayden	Mead	Steagall
Byrnes, S. C.	Herrick	Michaelson	Stevenson
Carew	Hicks	Mills	Stiness
Chalmers	Hogan	Morgan	Sullivan
Chandler, N. Y.	Hudspeth	Morin	Sumners, Tex.
Clark, Fla.	Husted	Mott	Taylor, Ark.
Codd	Jefferis, Nebr.	Mudd	Taylor, Colo.
Collins	Jeffers, Ala.	Murphy	Taylor, Tenn.
Cramton	Johnson, Miss.	Nelson, A. P.	Ten Eyck
Crowther	Johnson, S. Dak.	Nelson, J. M.	Thomas
Curry	Jones, Pa.	O'Brien	Thompson
Dale	Keller	O'Connor	Tinkham
Dallinger	Kendall	Patterson, N. J.	Valle
Davis, Tenn.	Kennedy	Perkins	Vare
Deal	Kiess	Perlman	Volk
Dunn	Kindred	Rainey, Ala.	Walters
Echols	Kitchin	Rainey, Ill.	Ward, N. Y.
Edmonds	Kleczka	Riddick	Wason
Fairchild	Kline, N. Y.	Riordan	Wheeler
Fish	Kreider	Robsion	Williams
Fisher	Kunz	Rodenberg	Wise
Freeman	Langley	Rosenbloom	Young
Frothingham	Larson, Minn.	Rossdale	

The SPEAKER. Two hundred and ninety-nine Members have answered to their names—a quorum.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The doors were opened.

The SPEAKER. The gentleman from Kansas offers a privileged resolution from the Committee on Rules, which the Clerk will report.

The Clerk read as follows:

House resolution 145.

Resolved, That immediately upon the adoption of this resolution the House shall resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7456) entitled "A bill to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes."

That general debate shall be confined to the bill and be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means and shall terminate when the Committee of the Whole arises on July 14, 1921.

Thereafter the bill shall be considered for amendment under the five-minute rule, but committee amendments to any part of the bill shall be in order any time, as shall also amendments to paragraph 1582 (hides); that part of paragraph 26, beginning on page 11, line 21, after the word "pound" and ending with the period on page 12, line 21, and paragraph 27 (dyestuffs); paragraph 80 (oil); paragraph 1557 (cotton); and paragraph 207 (asphalt).

That said specified amendments shall take precedence of committee amendments to other paragraphs.

That clause 3 of Rule XXI shall not apply to committee amendments.

That consideration of the bill for amendment shall continue until Thursday, July 21, at 3 o'clock, at which time the bill with all amendments that shall have been adopted by the Committee of the Whole shall be reported to the House, whereupon the previous question shall be considered as ordered on the bill and all amendments to final passage without intervening motion except one motion to recommit.

A separate vote may be had on amendments relating to the paragraphs enumerated above irrespective of their adoption or rejection in the Committee of the Whole, and the vote on all other amendments shall be taken in gross.

That during the consideration of the bill (H. R. 7456) the daily hour of meeting shall be at 11 o'clock antemeridian.

That said bill shall be the continuing order until its consideration is concluded, subject only to conference reports, privileged matters on the Speaker's table, and reports from the Committee on Rules.

That until July 28 all Members shall have leave to extend their own remarks on the bill in the RECORD.

With the following committee amendments:

Line 16, page 1, and lines 1, 2, and 3, page 2, strike out the following language: "that part of paragraph 26 beginning on page 11, line 21, after the word 'pound' and ending with the period on page 12, line 21, and"

Line 10, page 2, after the word "o'clock," insert the word "postmeridian." Line 20, page 2, after the word "gross," insert "except when a separate vote is requested by the Ways and Means Committee on an amendment offered by said committee."

Mr. CAMPBELL of Kansas. Mr. Speaker, in preparing this rule and bringing it to the House we have followed the precedents and traditions of the House in the consideration of tariff bills. Indeed, in the preparation of this rule we have liberalized the former rules upon revenue or tariff measures. The rule provides that in the further consideration of the bill general debate shall continue until the committee rises on Thursday of this week. On Friday morning the bill shall be considered for amendment under the 5-minute rule. The Committee on Ways and Means will have a number of amendments which it may offer at any place in the bill and at any time. Provision is made for the offering of as amendments five separate paragraphs in the bill, thus providing for a vote on hides, oil, dyestuffs, cotton, and asphalt. Whether the vote upon these five separate paragraphs in the Committee of the Whole shall in effect strike out the paragraph or leave the paragraph in, there may be a vote in the House on any one of these measures, sustaining the Committee of the Whole in leaving the item in as it is, or in striking it out, or in refusing to put it in. This, notwithstanding the previous question, operates so far as the offering of amendments is concerned, and so far as debate is concerned. When the bill is reported to the House, if amendments on these five paragraphs are offered, they may be voted on in the House.

Mr. BEGG. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. For a question.

Mr. BEGG. Will the gentleman please explain the last part of lines 17, 18, 19, and 20, on page 2, with the committee amendment.

Mr. CAMPBELL of Kansas. The vote on amendments other than those which I have specified shall be in gross, except as provided in the rule. The Committee on Ways and Means may offer amendments notwithstanding clause 3 of Rule XXI. This contingency might arise: If it were agreed in the committee and in the House that a duty should be placed on hides, then the Committee on Ways and Means might offer a compensating duty on leather. Upon that there could be a separate vote demanded, and likewise on any other of the separate paragraphs to which reference is made in the rule.

Mr. FESS. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. FESS. That supplementary amendment offered by the Committee on Ways and Means, if voted down in committee, would not permit a vote in the House, would it, under the rule, since all others must be voted on in gross?

Mr. CAMPBELL of Kansas. I called attention to that a moment ago.

Mr. FESS. I would like to have the chairman state whether that is the intention.

Mr. CAMPBELL of Kansas. My understanding is that if a committee amendment on the subject mentioned should be offered and voted down in the committee the rule does not apply. If the Committee on Ways and Means should be successful in the Committee of the Whole House on the state of the Union and there was a question raised, they may appeal to the House to sustain them, but if they are defeated in the Committee of the Whole House on the state of the Union that would end it so far as that amendment is concerned.

Mr. BURTON. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. I do.

Mr. BURTON. What is the interpretation of the language used in line 13 and part of line 14 on the first page:

Thereafter the bill shall be considered for amendment under the five-minute rule.

Does that mean that an amendment other than the two classes of preferred amendments can be offered to any paragraph of the bill, or must it be confined to that part of the bill which is read in the Committee of the Whole House on the state of the Union?

Mr. CAMPBELL of Kansas. Answering the gentleman from Ohio, the Committee on Ways and Means, and any gentleman offering any one of these separate paragraphs, may offer it at any time or at any place in the bill, but all other amendments must be to the paragraph which is read and must be germane to that paragraph.

Mr. ASWELL. Will the gentleman yield for a question?

Mr. CAMPBELL of Kansas. How much time have I used?

The SPEAKER. Ten minutes.

Mr. CAMPBELL of Kansas. I reserve the remainder of my time and yield 30 minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Speaker [applause on the Democratic side], I ask to be notified when I have used five minutes.

Mr. Speaker, the gentleman from Kansas [Mr. CAMPBELL] stated in opening his remarks that in preparing this rule the committee had followed the precedents with regard to tariff bills. The committee has followed Republican precedents but it has not followed Democratic precedents. Democratic precedents are that tariff and revenue bills, the most important bills that affect the life of the Nation, are left open for the offering of amendments. This rule will not perform that function. The only way that I can comprehend a person defending this rule and keeping a straight face throughout the time of his effort is by his recalling the bill that it is intended to expedite the passage of, because there is harmony in their respective infamies. This rule was not drawn by novices. The gentleman from Ohio [Mr. BURTON] asked a very pertinent question when he asked the construction of the language in lines 13 and 14, page 1, "thereafter the bill shall be considered by amendment under the 5-minute rule," and it was explained to him that it meant if he wished to offer an amendment that he would have to wait until the section is reached in regular reading while the Committee on Ways and Means can step in at any time.

I think I can assure the gentleman from Ohio now that if he has any amendment in mind the opportunity is not likely to come to him to offer it. We know how these rules are administered. This is practically the same as the one under which the Payne bill was passed, the Dingley bill was passed, and the McKinley bill was passed. What is going to happen is that the seven days from next Thursday until the following Thursday, on which this bill is to be considered for amendment, will be taken up by the offering of committee amendments and the few schedules specifically mentioned, and the gentleman from Ohio will never hear a complete reading of this bill under the 5-minute rule, or anything that will approach a complete reading of the bill under the 5-minute rule. Not only that, but this rule, if adopted, causes the House to confer upon the Committee on Ways and Means a power of which in two instances it will deny itself. First, in line 7, on page 2, it says that clause 3 of Rule XXI shall not apply to committee amendments. Clause 3 of Rule XXI is the clause providing that amendments shall be germane to the items to which they are offered. Now it is proposed to give to the Committee on Ways and Means absolute freedom of action to offer any amendment they may choose, without regard to its germaneness either to the paragraph or to the item in the bill to which it is offered. To the body of the House there will be denied that privilege. I wonder if the House is willing to deny itself that power. And, again, in the matter of separate amendments there has been inserted an amendment in this rule which you will not find in the printed copy—it is one of the committee amendments read at the desk—which provides that upon the demand of the Committee on Ways and Means a separate vote may be had upon any amendment offered by the committee. What is going to happen? Take the cotton schedule: Suppose a duty is voted on raw cotton. The gentleman from Michigan tells you that of course his committee is going to raise the compensatory duties——

The SPEAKER. The gentleman has used five minutes.

Mr. GARRETT of Tennessee. I will use two minutes additional.

The Committee on Ways and Means will thereupon offer new compensatory duties increasing the duties in the manufactures schedule over those now provided in this bill; and if the Committee of the Whole votes them in, no matter what those new compensatory duties may be there will be no opportunity for you or me or any individual Member to demand a separate vote. The only way a separate vote can be had is upon the demand of the Committee on Ways and Means, and if the committee gets what it wants in the Committee of the Whole, do you believe for an instant that that committee will be nonsensical enough to demand a roll call of the House?

Mr. HARDY of Texas. Will the gentleman yield right there for a question?

Mr. GARRETT of Tennessee. I yield.

Mr. HARDY of Texas. Then as it appears, the statement made by the gentleman from Michigan [Mr. FORDNEY], in a colloquy with me the other day, that adequate opportunity would be given to Members of the House on the lumber schedule or any other schedule, is not in practical effect correct?

Mr. GARRETT of Tennessee. No, sir; that is the ingeniousness of this rule. It was not written by a novice. Ostensibly it leaves the bill open to amendment, but by reason of the limitation of time and by reason of the preference conferred on the Ways and Means Committee there will never be a chance for an ordinary Member of this House to offer an amendment to any of the schedules.

Mr. GREEN of Iowa. I think my friend misapprehends the situation. It was intended to cover a situation like this: Suppose a duty was placed on hides, the committee would offer a compensating duty on shoes; then suppose when the bill comes back to the House, on a separate vote, the hide amendment goes out, necessarily the Ways and Means Committee would want to take out the compensating duty. Unless this provision is in there that could not be done.

Mr. GARRETT of Tennessee. That does not differ from anything I have said. What I have stated is, that the Members of the House in supporting this rule are voting their power away from themselves and giving to the Ways and Means Committee an authority of which they are absolutely denuding themselves. [Applause.]

Mr. CAMPBELL of Kansas. Will the gentleman from Tennessee [Mr. GARRETT] use some more of his time now?

Mr. GARRETT of Tennessee. I will say that there will be only two other speeches on this side.

Mr. CAMPBELL of Kansas. Then I yield 10 minutes to the gentleman from New York [Mr. SNELL].

Mr. SNELL. Mr. Speaker, at various times during the history of the Republic it has become the purpose and duty of the majority party to pass a tariff measure. It is always the function, opportunity, and desire of the minority to criticize, and not construct. The present minority are running true to form in the consideration of this bill. By the greatest avalanche of votes ever given any political party in the history of any country, the Republican Party has been commissioned to place a new tariff bill on our statute books, and once more give that protection to American labor, industry, and farm products that has been the foundation of our national progress for the last half century. [Applause.]

Mr. ASWELL. Will the gentleman yield?

Mr. SNELL. I can not yield at this time.

Mr. Speaker, to-day the responsibility is ours, and as a member of the majority I accept my share of the responsibility and propose to do all I can to give the country a protective tariff at the earliest possible moment. [Applause.] This is not a perfect measure; not every schedule exactly pleases me. It probably does not fully meet the wishes of any Member on either side. No uninspired human committee could present one that did. Your Ways and Means Committee have labored long and diligently. They have consulted every source of information at their command and have presented to us a carefully considered, well-balanced bill, that not only treats fairly and honestly every part of the country, but gives due consideration to both producer and consumer and is entitled to the support of every real protectionist in this House. [Applause.]

I live next to the Canadian border, and I want reasonable protection for the farm products and industries of my section as against those cheaper-produced Canadian products, and I am willing to give the same consideration to products of the other parts of the country that need that protection. And it is a pretty narrow man that wants a tariff on what he produces but advocates free trade on what he buys because he thinks perhaps he can get it a few cents cheaper. He is what I call a "spot protectionist," and he is here to legislate for the few, and not for the greatest good of all the American people. We have some of that kind of protectionist on the minority side of the House, who would like to have the Republican Party give them protection on what they produce and still leave them alone to advocate free trade on everything they buy. [Applause.] These same people are now hoping and praying for Republican votes to put this bill through, in order that their own people may receive the benefits of it, while they themselves will vote against it because it is Democratic Party policy to do so. Not so on our side of the House. Every man is free to vote as he pleases on the final passage of this bill; but we Republicans openly profess that we want American storehouses filled with American-made goods, and we want the laborer and producer to be so protected against cheap foreign competition that they will always have money in their pockets to buy them. That is the intent and purpose of the Fordney bill, and that is the reason that it is entitled to your support. [Applause.]

To hasten this bill to its final passage, the majority members of the Rules Committee have presented this rule, the provisions of which have been explained by the chairman. To consider a tariff bill under a special rule is no new procedure in the history of tariff legislation. It is the orderly, natural way to do it and the same procedure that has been followed in nearly every tariff bill that has been passed in the last half century. I have carefully examined the precedents that have governed each and every one of them, and in my judgment this is the most liberal rule of them all.

The first regular tariff bill passed this House in the Forty-fourth Congress and was under consideration only one day.

The second was in the Forty-fifth Congress and was considered parts of six different days.

The third was in the Forty-eighth Congress, and they did not allow any debate nor consideration of any kind, but simply struck out the enacting clause.

The McKinley bill of 1890 was passed under special rule of similar nature to this one.

Now, my Democratic friends, I want you to give close attention, for next comes the first real Democratic tariff revision, known as the Wilson bill. Now, mark you what you Democrats did. A special rule for consideration of the bill was introduced in the House on January 5, 1894, the Democratic Party being in complete control of the House and a Democratic Speaker in the chair.

This rule not only provided for general debate, when it should begin and end, but also how much time for reading under the 5-minute rule, and the exact time when it should be reported back to the House, the previous question considered ordered upon the amendments upon the bill to its engrossment and third reading and upon its final passage. And, as a matter of history, the Members of the House never did have an opportunity to consider each and every paragraph of the bill. To further show the absolute autocracy of the Democrats when they are in control, in passing a tariff measure, I want to call your attention to another special rule they adopted while considering the Wilson bill. They brought into the House a special rule that provided for only 15 minutes' debate on either side and compelled a vote and secured the passage of 637 Senate amendments, and that was done despite the vigorous protest on the Republican side of the House. This is but one example of how the Democrats used power when they had it.

The Dingley bill of 1897 was brought into this House under a special rule.

Mr. JONES of Texas. Will the gentleman yield?

Mr. SNELL. Not now.

The Payne bill of 1909 was considered under a special rule, almost identical with the present one but not quite so liberal as the one now before you.

The Underwood bill, the last Democratic attempt at tariff legislation—the fatal results of which are fresh in the minds of all—was not passed under special rule but was put through under the tightest censorship of them all. The chairman of the Ways and Means Committee, Mr. UNDERWOOD, would not tell anyone how long they would have to consider it or whether it would be open to amendment or not. He gave no information about the consideration in answer to the questions from the minority, but simply said, in answer to a direct question by Mr. Moore, of Pennsylvania, when asked by Mr. Moore if he would have an opportunity to offer an amendment to a certain section that he was especially interested in, "We will consider that when the time comes." He did allow some amendments to be offered on the floor but he protected his bill by caucus agreement rather than by special rule, and the bill went through practically as it came from the committee. Yet this same minority complains when we try to protect our bill and pass it within a reasonable length of time. We are not only

giving practically the same time for consideration as was given to the Underwood bill but under this special rule we are going still farther, for we specially provide that after the bill is reported back to the House the House itself shall have an opportunity to express itself on the principal schedules in controversy, which was not afforded you when you passed the Underwood bill.

Now, notwithstanding the precedents that I have called to your attention, notwithstanding the fact that we have followed the procedure used by the Republican Party for over 30 years in passing tariff measures, notwithstanding the fact that we are following the same procedure used by the Democratic Party, the only two times they were ever intrusted to write a tariff law, yes, I say, notwithstanding all this, the minority have the boldness and temerity to come in here now and complain because we are not going to sit here all summer and give them all the time they now think they want to consider and vote on each individual item in this bill. Why, every man here with an ounce of brain in his head well knows that if we did not consider this bill under special rule, by caucus agreement, or some other means just as limiting, that we could not pass it before Christmas. That is not what the country wants. They want more action and less talk. They want a protective tariff and they want it now, and we propose to give it to them.

Mr. Speaker, we have in this rule every reasonable provision for the orderly, expeditious passage of this bill. We are not unduly limiting debate or liberty of debate, but we are limiting the right to delay public business by dilatory tactics. There is no subterfuge in it; it is fair, open, and aboveboard. It follows as closely as possible the procedure used in consideration of every tariff measure except one in the last 30 years. It is now offered in good faith by your Rules Committee, to make possible the further consideration and early passage of the Fordney bill.

This is purely a Republican measure, and we must accept the responsibility before the American people. It is based on the Republican principles of protection to American industry, American labor, and American farm products. And I call on every one of you who believes in those principles to support this rule and once more give the people of this country both protection and prosperity. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, I yield five minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Speaker, I have looked over this rule and studied it with reference to what has gone before it. I have concluded, both in the vote and after consideration of the rule after the vote was given in the Rules Committee, that it is one of the most liberal of any rule of which I have any memory. I want the Republican Members especially, who might be confused over what the gentleman from Tennessee [Mr. GARRETT] said, to listen to the wording of the rule:

> Thereafter the bill shall be considered for amendment under the five-minute rule.

That is under the rules of the House, and it does not prevent any amendment being offered that is germane. It is the broadest possible rule that could be offered and no one should take exception to that particular provision.

Now, secondly, there is an addition that some one questioned the purpose. "Committee amendments to any part of the bill shall be in order at any time." That is true. It is different from the usual procedure, but that was the purpose, in order to allow the committee to present an amendment that is important at the time that they wanted to vote upon.

Mr. JONES of Texas. Mr. Speaker, will the gentleman yield?

Mr. FESS. I do not. I have only five minutes.

Thirdly, amendments to the specific paragraphs, hides, dyestuffs, oils, and so forth, can also be offered, not limited to the committee, but by anyone at any time. And if you can find a broader privilege or a wider latitude written in any rule than that, I do not understand what it is.

Now, there is another suggestion by some Members as to why we should make a modification in lines 5 and 6, on page 2. Why, that is to broaden the privilege of the Members of the House, Democrats as well as Republicans.

The preferment is not given to the committee. The preferment is given to the membership of the House. Line 5 is a broader provision than any that we have hitherto seen anywhere in any rule, namely, "That said specified amendments" that may be offered by anybody on either side will be considered before the committee amendments are offered. If there is any breadth that is greater than that to give to the membership of the House, I do not know how you would find it.

Then there is this other provision, which does suspend Rule XXI. Some one said that it takes away from the House a privilege that the House is giving to the committee. It takes it away from the House only by the vote of the House, and the House votes to give the privilege to the Committee on Ways and Means, so that if by one of these amendments passed there is necessitated another amendment to be offered, and we have already passed the reading of the paragraph to which it is offered and can not go back to it without unanimous consent of the House, the House has not bound itself that it can not consider an amendment that ought to be considered. Therefore, the rule does not apply. It is suspended to that degree.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. FESS. Yes.

Mr. MADDEN. The purpose of that privilege to the committee is due to the fact that they have superior knowledge as to the details over anybody else?

Mr. FESS. Precisely so; and every item of the rule is to broaden the privilege of the House and not to limit the privilege of the House.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. FESS. And I insist that the rule itself is giving a wider berth to the privilege of the House on both sides than has appeared in any rule heretofore, with the single exception of this one clause. [Applause.]

Lines 17 to 20, page 2, give an additional privilege in allowing a vote in the House on any amendment whether it was passed or rejected in the committee.

This rule comes here for but one purpose, to give full consideration of the tariff measure, and to insure expedition of its passage.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. GARRETT of Tennessee. Mr. Speaker, I yield the remainder of my time to the gentleman from New York [Mr. COCKRAN].

The SPEAKER. The gentleman from New York is recognized.

Mr. COCKRAN. Mr. Speaker, the practice of considering and disposing of revenue bills by special rule is entirely of Republican origin. No one can dispute that the party is entitled to all the credit or discredit that can come from its operation.

I was a Member of the Fiftieth Congress, when the Mills bill was considered, and I was a Member of the Fifty-third Congress, which passed the Wilson bill through the House and passed, under the rule which the gentleman from New York has described, something radically and fatally different that came back from the Senate. I think it only fair to add that I voted against that rule and that surrender of the House to the Senate, though I was one of the authors of the measure originally enacted here. The attitude I am assuming now has therefore at least the merit of consistency.

This practice of proceeding under a special rule when every important bill is brought before the House is of quite recent origin. For considering it vicious in the last degree, I have already given my reasons to the House while the proposal to consider the declaration of peace was before it. I shall address myself particularly now to the peculiarly vicious feature of the pending resolution, which restricts the power of this House to deal with a revenue bill, and restricts its power in a manner that affects vitally the constitutional discharge of its functions. But before proceeding to the discharge of that task let me first call attention for one moment to the position which the Committee on Rules has acquired in the economy of this body, according to its chairman.

When addressing the House on this subject a few weeks ago I charged the Committee on Rules with having seized, absorbed, and usurped powers which constitutionally belong to the whole House and which therefore can be exercised properly and legally only by its entire membership. That statement was a conclusion which I considered inevitable from facts which I believed to be unquestionable. Still the conclusion might have been disputed and the facts might have been denied. But, now, the precise relationship between the committee and the House, or rather the measure of subjection to which the House has been reduced by the committee, is no longer a matter of reasoning or of inquiry. It has been stated and defined by the chairman of the committee himself with a cynical frankness that obviates all doubt or possibility of doubt.

While the naval bill was under consideration—that is, while we were discussing amendments by the Senate and disagreements between the two Houses—the gentleman from Kansas [Mr. CAMPBELL] took the floor and pronounced a eulogy on the Committee on Rules. With respect to the terms of praise applied by him to the individual members, why, he fell short of what I would like to have said myself.

They are the best behaved, best equipped, best disposed lot of gentlemen who were ever called together by a happy chance—Providence aiding—to take charge, control, direction, and management of a representative body. [Laughter.] The feature of the gentleman's address to which I ask attention on both sides of the House was his statement that the Committee on Rules vindicated its existence and justified its powers by the fact that it was an effective force to prevent this House from making a fool of itself. He instanced by way of illustration and enforcement—and a very powerful illustration it was—the case, as I recall it, of a proposal looking toward a general censorship which had been pending in the House, which the gentleman from Kansas said would undoubtedly have been passed in the heat and passion of war and if passed would have been a blemish on our political system, and the Committee on Rules stopped it by preventing it from coming before the House. I think I am right in that description of what the gentleman said. The gentleman will correct me if I have misstated it in the slightest degree.

Mr. CAMPBELL of Kansas. The gentleman is absolutely correct, and my recollection is that there is a brief on file with the Committee on Rules from the learned gentleman from New York in opposition to the bill. [Applause on the Republican side.]

Mr. COCKRAN. That may be; I am not sure. If the measure were vicious as the gentleman described it, I should most assuredly have embraced an opportunity to oppose its passage by a brief or otherwise. But what I want to observe here is this: Who the mischief is the gentleman from Kansas? [Laughter.] And who the mischief are all the members of the committee? That he or they should stand up here and say, "We must take this House into custody and restrain it according to our wisdom—our notions of what is wise or unwise—lest it commit a folly, or something worse"? [Laughter.] Is not that a complete vindication of what I ventured to say here the other day, that the Committee on Rules had assumed to keep the House from going in a wrong direction by preventing it from going in any direction? And now, Mr. Speaker, the House is asked by this rule in this special instance to write itself down imbecile, incapable of considering with a view to their amendment or rejection various paragraphs, amounting to many score, each one of them a separate revenue measure—that is to say, imposing a separate tax on the American people.

Mr. MADDEN. Mr. Speaker, will the gentleman yield?

Mr. COCKRAN. Yes; I always yield to my friend from Illinois in order to promote the good humor of debate. [Laughter.]

Mr. MADDEN. As to the Committee on Rules possessing any such power as that which the gentleman speaks of, the power rests with the House. The committee is simply the agent of the House, representing what the House wants.

Mr. COCKRAN. The gentleman always contributes to the sum of human knowledge something that was universally known before. [Laughter.] What the gentleman says everybody understands. It is the very thing of which I complain. It is what I am stating here to you Members of the House. You are asked to write yourselves down incapable, imbecile, unfit to decide for yourselves which of those proposals to levy taxes should be adopted, which modified, which rejected. I do not say the Committee on Rules has made you imbecile or incapable. That would be far beyond its powers. I do not say the Committee on Rules has accused you of being imbecile. That would be merely an accusation which you could repel by speech and disprove by action. What I complain of, and what I think must be apparent to everybody except perhaps the gentleman from Illinois [Mr. MADDEN] is that the House itself should be asked to approve the profoundly contemptuous judgment of it expressed by the chairman of the Committee on Rules and here embodied in this particular proposal that is now before us.

Mr. Chairman, let us consider the actual effect already produced by this system of proceeding to consider every important measure under restraints imposed on us by the Committee on Rules. It has brought this House into such contempt that the people show such total lack of interest in its proceedings that the newspapers no longer accord them space in their columns, and the Senate pays no attention to them. Yet the Constitution says that we must originate every revenue bill. The Constitution prohibits the Senate from even considering a revenue measure except by way of amending a proposal sent to it by this House. Yet everyone knows that the proceedings here are universally regarded as of no importance. It is the action of the Senate that will determine the final character of this and every other similar measure. Why is this so? It is because the proposal that will go over there is not the proposal of this House, but the proposal of the Committee on Rules or of the steering committee which directs and controls it; not a measure adopted by this House, but a measure forced upon it by the Committee on Rules through driving the membership here to an alternative between total rejection of the bill and acceptance of all the provisions which they choose to let us vote upon.

This, Mr. Speaker, I think is a very serious condition to which the representative legislative body of our country has been reduced. The fact that its abasement has been effected by its own action merely makes deeper, more abject, its degradation. It is of that more than anything else that I complain here now. Had it been degraded from the high place to which the Constitution assigned it by hostile forces its misfortune would be deplorable. But it would always be remediable. The House might still reassert itself and prevail over its enemies. But abasement accepted, degradation endured voluntarily, is well-nigh hopeless.

But, Mr. Speaker, have we the right to forego a duty that is imposed on us by the Constitution? Here is a question vastly different from the one presented by the proposal to bind us hand and foot before we would be allowed to consider the great question of declaring peace by a joint resolution of Congress. There is a specific provision of the Constitution which forbids us to do this thing we are asked to do. When the Constitution intrusts us with a power it is not a privilege that we can use for our own enjoyment or advantage. It is not an opportunity to write "honorable" before our names or "M. C." after them. We are not Members of the House merely to draw salaries and occupy well-furnished offices in a very convenient and beautiful building. All these things are but agencies to aid us in discharging duties that the Constitution imposed upon us when it conferred powers upon us. That duty we swore to discharge before we were admitted to seats on this floor. We raised our hands in the presence of the Speaker and took Almighty God to witness the truth of our pledge that every act of ours here would be an act to defend and guard the Constitution.

In the light of that solemn promise to your Creator and pledge to your country, you have no right to pass this resolution. You have no right to deprive yourselves of your powers, slavish though you may be, eager though you may be to abase your own dignity; you have no right, no moral or constitutional right to do it. [Applause.] You have, indeed, the power. Yes; that is inherent in every political system, especially in a system of constitutional limitations and balances. A constitution is not a living thing that can protect itself or defend itself. A constitution by its very nature must intrust its operation, enforcement, and defense, its vigor and its very life, to the officials created by its provisions. While these officers are faithful our Constitution will be vigorous, ever growing, and expanding, increasing its beneficent results to our own people, its power for good to all humanity. When its officials become lax, indifferent, inefficient, faithless, its strength will decline; its very existence will be imperiled. If we pass this resolution, there is no power to gainsay or prevent us. But I say we are foresworn. We are throwing down under the feet of the Senate, or rather under the feet of the Committee on Rules, by them to be cast under the feet of the Senate, the powers confided to us, and by that act we are faithless and disloyal to the duty that is imposed upon us by the Constitution, and recreant to the oath we swore before taking our seats.

Nor is the argument of convenience applicable here. The gentleman who has just concluded [Mr. FESS] said the rule was essential to expedite the passage of this bill. For such a statement there is not a shadow of justification. There is nobody more anxious to expedite its passage than we on this side. We thank God that at last you are going before the people with a proposal to remedy specific evils. The gentleman from Michigan [Mr. FORDNEY] when asked by the gentleman from Texas [Mr. GARNER], "What are you proposing to do to remedy the evils that are now afflicting the body politic and to avert the graver perils that threaten it in the future?" held up the pending Fordney bill and said amid the loud cheers of his partisans, "This is our proposal and our remedy." And so we know now the shield which you gentlemen propose to interpose between this country and disasters that are impending over it. If it proves to be a shield able to protect the country, you will deserve success. If this Fordney bill averts these perils that are threatening and remedies these evils that are afflicting us, not only will you deserve success but you will achieve it, and you will achieve it in abundant measure. But you will not be able to win success by misrepresentation, however ingenious, nor by promises, however lavish they may be. By its fruits the tariff will be judged; either well-fed men and women eager to reward you will be enjoying its beneficent result, or hungry men and women, suffering from its impositions and exactions, will punish you, and your punishment will be overwhelming and final. [Applause.] So we rejoice at the opportunity to

obtain the popular judgment on this tariff measure, not according to the promises of its framers or the interested statements of its beneficiaries but according to the results it will have actually produced. But, meanwhile, we do protest against binding the House of Representatives in fetters that render it incapable of performing the duty imposed on it by the Constitution.

Mr. LONGWORTH. Will the gentleman yield?

Mr. COCKRAN. I am always glad to yield to my friend from Ohio, even though my time is short.

Mr. LONGWORTH. Does the gentleman defend the method by which his party passed the Underwood law, namely, by binding the majority solidly by a caucus to vote against any amendment offered? [Applause.]

Mr. COCKRAN. Mr. Speaker, I do not know anything about how the Underwood bill was passed, and therefore I have neither the ability nor disposition to discuss that mode of procedure. But I say this: Anything which binds the House of Representatives by a solemn vote to be recorded by the Clerk and to become an enduring part of its records to a declaration that it is incapable of performing a specific function which the Constitution not only says that it must perform but that it must originate, is an abomination in the eyes of every man who loves the country of which this Constitution is the foundation. [Applause.]

Mr. Speaker, there is nothing new in vice and little new in folly. We are here again treading the old pathway over which other institutions have hastened through disorder and discredit to disaster and destruction.

It is surely an extraordinary thing to see revived here in the House of Representatives the machinery by which the old Scottish Kings reduced their Parliaments to absolute servility and subjection. So great an authority as Dr. Robertson, in his history of Scotland, after describing the weakness of the crown in dealing directly with the nobles, its total lack of power to control them, as shown by the fact that most of the kings died violent deaths, remarks that nevertheless the Parliaments, composed of those same turbulent nobles, were always absolutely subservient. There was never such a thing as an independent Scottish Parliament. The individuals composing it were independent to the point of turbulence, but Parliament itself was always subservient. He explains it in this way:

> As far back as our records enable us to trace the constitution of our Parliaments we find a committee distinguished by the name of Lords of Articles. It was their business to prepare and to digest all matters which were to be laid before the Parliament; every motion for a new law was first made there and approved or rejected by them at pleasure; what they approved was formed into a bill and presented to Parliament; what they rejected could not be introduced into the house.
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> The Lords of Articles, then, not only directed the whole proceedings of Parliament, but possessed a negative before debate. That committee was chosen and constituted in such a manner as put this valuable privilege entirely in the King's hands.
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> Capable either of influencing their election or of gaining them when elected the King commonly found the Lords of Articles no less obsequious to his will than his own privy council, and by means of his authority with them he could put a negative upon his Parliament before debate as well as after it, and what may seem altogether incredible the most limited prince in Europe actually possessed in one instance a prerogative which the most absolute could never obtain.

Mr. Speaker, in the Committee on Rules, as its chairman confirms its powers and describes its operations, we have the Lords of Articles here. If we are to have the Lords of Articles we can not have better specimens of the tribe or class than the gentleman from Kansas and those associated with him. The Scottish Lords of Articles destroyed the Parliament by emasculating it, and this American Committee on Rules has brought the House to an abasement where not only is it considered unworthy of notice in the newspapers, but where its performance of the most important function confided to its enactment of a revenue measure has become a mere formality to enable the Senate to assume jurisdiction of it and take the definite action on it which will be really decisive.

You gentleman have given us, as I have already said, one issue on which we eagerly ask the judgment of the people—the power of this Fordney device to bring prosperity back to the market places which it has forsaken; activity to the factories that are closed; contentment to the farms that are unprofitable.

You have given us another. This House is no longer in the position that the Constitution assigns it in our scheme of Government. It has been made subservient to one of its own committees. You justify that abasement on the ground that by it alone can the House be prevented from injuring our national welfare and discrediting our national fame. We deny and resent such an imputation on the honor of the representative body. On that issue we on this side and the Democrats throughout the country will gladly take the judgment of the American people.

It was never intended that this should be a Government with a single House. Yet the Committee on Rules has proved as efficient in enabling that mysterious "steering" committee which operates in secret places, its membership undisclosed, its habitat unknown, to obliterate this body, leaving the Senate practical control of all legislation, as did the Lords of Articles in stifling and reducing to impotence the Parliament under the Scottish Kings.

Mr. Speaker, I want to express my grateful acknowledgment to the House for its forbearance and attention. Let me add a suggestion that goes to the efficiency of the House. I think anybody who says that debate here has fallen below the highest standard must have changed his view within the last few days, even though discussion is hampered as it was when that other great measure, the declaration of peace, was before the House. I repeat my acknowledgment to the gentleman from Rhode Island [Mr. KENNEDY] who enlightened me toward the course I finally decided to pursue on that question, but surely we can not forget how the gentleman from Ohio [Mr. BURTON] in the course of a luminous address found himself compelled to turn around and ask, "Mr. Speaker, how much time have I left?" When the Speaker replied that the gentleman had a minute and a half, he was compelled to abandon and leave unspoken what promised to be a noble peroration. How can discussion proceed effectively when every debater must be continuously pirouetting between the Speaker and the Clerk. Pirouetting and perorating (if I may use such a word) are not compatible activities. [Laughter.] Where one is made necessary, the other is rendered impossible.

Mr. Speaker, I do think for the credit of the House, that we ought not to pass or even consider this resolution until some necessity for intervening with a special rule shall have disclosed itself; that the House should be given at least the opportunity to discuss amendments and to vote upon them. If discussion should become wasteful the previous question can always be invoked.

The House is not necessarily entitled to discussion, but it is entitled to vote—to vote on every measure involving a levy of taxes. That is its constitutional right, yet by this rule you attempt to subvert the Constitution in its operation through this Chamber.

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield for a question?

Mr. COCKRAN. Certainly.

Mr. JOHNSON of Washington. I am much interested in the distinguished gentleman's discussion of the condition of the House of Representatives and its powers. I desire to ask the gentleman if he would, if he could, restore the position of the Speaker of the House to that of the Speaker of the House of Representatives actually rather than that of moderator?

Mr. COCKRAN. If the gentleman could understand what I have been saying, he would realize that I am moved by the highest regard for the authority and dignity of the Speakership. Perhaps the gentleman has forgotten how the Speakership originated? If that be so, and if I had the time, I should be very glad to enlighten him. Everyone who is jealous of the dignity of a parliamentary body must of necessity be jealous of the power and dignity of the Speaker.

The Speaker is the voice of the House. He embodies the House when the House must express itself or take action as such. Where the power of the Speaker is destroyed, where his dignity is impaired, then both the power and the dignity of the House itself must always suffer.

Mr. JOHNSON of Washington. I desired to know if the gentleman would make that an issue along with the other issue which he proposes to place before the people?

Mr. COCKRAN. Oh, that question is also involved in restoring the dignity and the consequence of this House. We will ask the people to restore this House as a parliamentary body, to suffer it no longer to remain an appendage of the Lords of the Articles. We will go before the people claiming that the Lords of the Articles belong to centuries that are gone, and that in the dawning centuries to come, centuries of progress and growth for the American people—and I believe that growth can not even be measured now—the Lords of the Articles must be cast aside like other discarded rubbish and the House itself must resume the dignity which the Constitution intended for it by discharging the powers and duties which the Constitution imposes on it. [Applause.]

Mr. CAMPBELL of Kansas. Mr. Speaker, the gentleman from New York [Mr. COCKRAN] is always interesting. While he was discussing the theoretical matters that he had under consideration a moment ago, I was trying to decide in my

own mind whether I would rather hear him on the Einstein theory of relativity or upon the termini of the Milky Way and what may be found there.

Mr. COCKRAN. But we have the Milky Way.

Mr. CAMPBELL of Kansas. He has a wonderful vocabulary and a most vivid imagination; but the subject matter the House now has under consideration, the passage of a tariff bill, is a practical, closely contested matter. The gentleman complimented the House of Representatives upon its work in the passage of the Wilson bill in 1894. That was passed under a drastic rule.

Mr. COCKRAN. Oh, I must rise to order. I just said that I voted against it.

Mr. CAMPBELL of Kansas. Against the final passage of the bill as it came back from the Senate, I understood.

Mr. COCKRAN. I voted against the final passage of the bill when it came back from the Senate, and I voted against the rule under which it would pass.

Mr. CAMPBELL of Kansas. But the gentleman voted for the bill as it passed the House.

Mr. COCKRAN. Oh, gladly.

Mr. CAMPBELL of Kansas. And it passed the House under a drastic rule that makes this rule liberal.

Mr. COCKRAN. It was passed by the consent of both sides.

Mr. CAMPBELL of Kansas. Oh, it was passed under a rule that fixed the time for debate, that fixed the time for voting on amendments, fixed the time for a final vote, and gave no consideration to the separate items in the measure whatever. But the bill did go to another body that had neither "lords of the articles" or a committee on rules that terminated debate, and they added 640 amendments, which made the bill such a monstrosity that the gentleman from New York would not vote for it, and Grover Cleveland as President would not sign it. [Applause.]

We propose to pass a bill that the President of the United States will sign, and I think the gentleman from New York, after it has been in operation for a year, will say that he thanks the Lord that the Committee on Rules brought in a rule for its consideration, so that it could not be mutilated by its enemies or impeded by those who would delay its passage until after the time for having it in operation long enough to demonstrate its wisdom or the wisdom of those who had created it had passed before the election next year. If it were not for this or a similar rule, gentlemen on the Democratic side of the House could prolong the deliberations on this bill until one year from this coming October.

Mr. COCKRAN. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. COCKRAN. Could not the Committee on Rules come in with a rule at any time?

Mr. CAMPBELL of Kansas. Yes; they could bring in a rule like this and provide for the passage of the bill after months of time had been wasted, but they defer in their wisdom to the wisdom of the Republican side of the House and bring it in now.

Mr. COCKRAN. To keep us from doing wrong?

Mr. CAMPBELL of Kansas. So that we may pass the bill and let the bill's operation demonstrate the wisdom of those who have prepared it at as early a day as possible.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GARRETT of Tennessee. The gentleman speaks of this rule preventing the bill from being mutilated by its enemies. Does the gentleman mean to indicate that the majority of this House are enemies to this bill?

Mr. CAMPBELL of Kansas. Not at all. I refer to the gentleman from Tennessee, among others, who is a past master in the art of mutilating matters he does not like. This rule provides, as other rules have provided for the passage of all tariff bills, for the consideration of the bill under the leadership of the committee that prepared it, the Committee on Ways and Means. What does the gentleman from New York or I know about the tariff on argols or some of these other unpronounceable things in the bill? We have not spent months in the study of these technical terms and these scientifically arranged schedules. We are submitting this rule at this time for the consideration of the bill to expedite its passage.

Mr. Speaker, I move the previous question on the resolution and amendments.

The SPEAKER. The question is on ordering the previous question on the resolution and amendments to final passage.

The question was taken, and on a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 163, noes 72.

So the previous question was ordered.

The SPEAKER. The question is on the committee amendment.

The question was taken, and the committee amendment was agreed to.

The SPEAKER. The question is on the resolution as amended.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 222, nays 100, answered "present" 1, not voting 106, as follows:

YEAS—222.

Ackerman	Fairfield	Langley	Reed, W. Va.
Anderson	Faust	Lawrence	Rhodes
Andrews	Favrot	Lazaro	Ricketts
Ansorge	Fenn	Leatherwood	Roach
Appleby	Fess	Lehlbach	Robertson
Atkeson	Fitzgerald	Longworth	Robsion
Bacharach	Focht	Luce	Rogers
Barbour	Fordney	Luhring	Rose
Reedy	Foster	McArthur	Sanders, Ind.
Begg	Frear	McCormick	Sanders, N. Y.
Benham	Free	McFadden	Scott, Tenn.
Bird	Fuller	McLaughlin, Mich.	Shaw
Bixler	Funk	McLaughlin, Nebr.	Shelton
Bland, Ind.	Gahn	McPherson	Shreve
Boies	Gensman	MacGregor	Siegel
Bond	Gernerd	Madden	Sinclair
Bowers	Glynn	Magee	Sinnott
Brooks, Ill.	Goodykoontz	Mann	Smith
Browne, Wis.	Gorman	Mapes	Snell
Burdick	Graham, Ill.	Martin	Speaks
Burroughs	Green, Iowa	Merritt	Sproul
Burtness	Greene, Vt.	Michener	Steenerson
Burton	Griest	Miller	Stephens
Butler	Hadley	Mills	Strong, Kans.
Cable	Hardy, Colo.	Millspaugh	Strong, Pa.
Campbell, Kans.	Haugen	Mondell	Summers, Wash.
Cannon	Hawley	Montoya	Sweet
Chandler, Okla.	Hays	Moore, Ill.	Swing
Chindblom	Hersey	Moore, Ohio	Taylor, N. J.
Christopherson	Hickey	Moores, Ind.	Taylor, Tenn.
Clague	Hill	Morgan	Temple
Clarke, N. Y.	Himes	Mudd	Tilson
Classon	Hoch	Murphy	Timberlake
Clouse	Hogan	Newton, Minn.	Tincher
Cole	Houghton	Newton, Mo.	Towner
Colton	Hukriede	Nolan	Treadway
Connell	Hull	Norton	Underhill
Connolly, Pa.	Hutchinson	Ogden	Vare
Cooper, Ohio	Ireland	Olpp	Vestal
Cooper, Wis.	James, Mich.	Osborne	Volk
Copley	Johnson, Wash.	Paige	Volstead
Coughlin	Kahn	Parker, N. J.	Walsh
Crowther	Kearns	Parker, N. Y.	Watson
Curry	Kelley, Mich.	Patterson, Mo.	Webster
Darrow	Kelly, Pa.	Patterson, N. J.	White, Kans.
Davis, Minn.	Ketcham	Peters	White, Me.
Dempsey	King	Petersen	Williams
Denison	Kinkaid	Pringey	Winslow
Dickinson	Kirkpatrick	Purnell	Wood, Ind.
Dowell	Kissel	Radcliffe	Woodruff
Dunbar	Kline, N. Y.	Ramseyer	Wurzbach
Dyer	Kline, Pa.	Ransley	Wyant
Elliott	Knight	Reavis	Yates
Ellis	Knutson	Reber	Zihlman
Elston	Kopp	Reece	
Evans	Kraus	Reed, N. Y.	

NAYS—100.

Almon	Dominick	Lampert	Rankin
Bankhead	Doughton	Lanham	Rayburn
Barkley	Drane	Lankford	Sanders, Tex.
Beck	Drewry	Larsen, Ga.	Sandlin
Black	Driver	Lea, Calif.	Smithwick
Bland, Va.	Dupré	Logan	Stafford
Blanton	Fields	London	Steagall
Bowling	Flood	Lowrey	Stedman
Box	Fulmer	McDuffie	Stevenson
Brand	Garner	McSwain	Stoll
Briggs	Garrett, Tenn.	Mansfield	Sumners, Tex.
Brinson	Garrett, Tex.	Montague	Swank
Buchanan	Gilbert	Moore, Va.	Tague
Bulwinkle	Hardy, Tex.	Nelson, J. M.	Ten Eyck
Byrnes, S. C.	Harrison	O'Connor	Tillman
Byrns, Tenn.	Hawes	Oldfield	Tyson
Cantrill	Hayden	Oliver	Upshaw
Carew	Huddleston	Overstreet	Vinson
Carter	Humphreys	Padgett	Voigt
Cockran	Jacoway	Park, Ga.	Ward, N. C.
Collier	James, Va.	Parks, Ark.	Weaver
Connally, Tex.	Johnson, Ky.	Parrish	Wilson
Crisp	Jones, Tex.	Pou	Wingo
Cullen	Kincheloe	Quin	Woods, Va.
Deal	Kleczka	Raker	Wright

ANSWERED "PRESENT"—1.

Aswell

NOT VOTING—106.

Anthony	Chandler, N. Y.	Fairchild	Griffin
Arentz	Clark, Fla.	Fish	Hammer
Bell	Codd	Fisher	Herrick
Blakeney	Collins	Freeman	Hicks
Brennan	Cramton	French	Hudspeth
Britten	Dale	Frothingham	Husted
Brooks, Pa.	Dallinger	Gallivan	Jefferis, Nebr.
Brown, Tenn.	Davis, Tenn.	Goldsborough	Jeffers, Ala.
Burke	Dunn	Gould	Johnson, Miss.
Campbell, Pa.	Echols	Graham, Pa.	Johnson, S. Dak.
Chalmers	Edmonds	Greene, Mass.	Jones, Pa.

Keller	McClintic	Riordan	Taylor, Ark.
Kendall	McKenzie	Rodenberg	Taylor, Colo.
Kennedy	McLaughlin, Pa.	Rosenbloom	Thomas
Kiess	Maloney	Rossdale	Thompson
Kindred	Mead	Rouse	Tinkham
Kitchin	Michaelson	Rucker	Vaile
Kreider	Morin	Ryan	Walters
Kunz	Mott	Sabath	Ward, N. Y.
Larson, Minn.	Nelson, A. P.	Schall	Wason
Layton	O'Brien	Scott, Mich.	Wheeler
Lee, Ga.	Perkins	Sears	Williamson
Lee, N. Y.	Perlman	Sisson	Wise
Lineberger	Porter	Slemp	Woodyard
Linthicum	Rainey, Ala.	Snyder	Young
Little	Rainey, Ill.	Stiness	
Lyon	Riddick	Sullivan	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. JOHNSON of South Dakota (for) with Mr. KITCHIN (against).

Mr. WHEELER (for) with Mr. ASWELL (against).

Mr. MORIN (for) with Mr. RIORDAN (against).

Mr. STINESS (for) with Mr. KINDRED (against).

Mr. EDMONDS (for) with Mr. SULLIVAN (against).

Mr. FROTHINGHAM (for) with Mr. JOHNSON of Mississippi (against).

Mr. KREIDER (for) with Mr. GRIFFIN (against).

Mr. LAYTON (for) with Mr. GALLIVAN (against).

Mr. BROOKS of Pennsylvania (for) with Mr. KELLER (against).

Mr. BRENNAN (for) with Mr. TAYLOR of Arkansas (against).

Mr. WALTERS (for) with Mr. FISHER (against).

Mr. KIESS (for) with Mr. MEAD (against).

Mr. LINEBERGER (for) with Mr. HAMMER (against).

Mr. KENDALL (for) with Mr. LYON (against).

Mr. ANTHONY (for) with Mr. DAVIS of Tennessee (against).

Mr. ABENTZ (for) with Mr. RAINEY of Alabama (against).

Mr. WOODYARD (for) with Mr. MCCLINTIC (against).

Mr. GRAHAM of Pennsylvania (for) with Mr. LINTHICUM (against).

Mr. DALE (for) with Mr. RAINEY of Illinois (against).

Mr. DALLINGER (for) with Mr. O'BRIEN (against).

Mr. WASON (for) with Mr. SEARS (against).

Mr. BLAKENEY (for) with Mr. SABATH (against).

Mr. GREENE of Massachusetts (for) with Mr. HUDSPETH (against).

Mr. THOMPSON (for) with Mr. WISE (against).

Mr. KENNEDY (for) with Mr. THOMAS (against).

Mr. HICKS (for) with Mr. RUCKER (against).

Mr. PERLMAN (for) with Mr. JEFFERS of Alabama (against).

Mr. RODENBERG (for) with Mr. KUNZ (against).

Mr. VAILE (for) with Mr. TAYLOR of Colorado (against).

Mr. PERKINS (for) with Mr. LEE of Georgia (against).

Mr. CODD (for) with Mr. BELL (against).

Mr. JONES of Pennsylvania (for) with Mr. SISSON (against).

Mr. MALONEY (for) with Mr. COLLINS (against).

Mr. MCLAUGHLIN of Pennsylvania (for) with Mr. GOLDSBOROUGH (against).

Until further notice:

Mr. A. P. NELSON with Mr. CLARK of Florida.

Mr. ASWELL. Mr. Speaker, I was paired with the gentleman from Illinois, Mr. WHEELER, and I wish to change my vote of "no" and answer "present."

The name of Mr. ASWELL was called, and he answered "present."

Mr. BROWN of Tennessee. Mr. Speaker, I desire to vote "aye." Am I recorded?

The SPEAKER. The gentleman is not recorded. Was the gentleman present and listening when his name was called?

Mr. BROWN of Tennessee. I evidently was not listening, but I was present.

The SPEAKER. The gentleman does not bring himself within the rule.

Mr. SCOTT of Michigan. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. SCOTT of Michigan. I was called out on the second roll call and missed my name on the first roll call. I do not think I would qualify, but if I could have voted I would have voted "aye."

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment the following concurrent resolution:

House concurrent resolution 23.

Resolved by the House of Representatives (the Senate concurring), That the bill H. R. 7456, "To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," be printed as a House document, with an index, and that 15,000 additional copies be printed, of which 9,000 shall be for the use of the House, to be distributed through the folding room, 4,000 for the Senate, 1,000 for the Committee on Ways and Means of the House, and 1,000 for the Committee on Finance of the Senate.

The message also announced that the Senate had passed with amendments the bill (H. R. 5651) to survey the Yazoo River, Miss., with a view to control of its floods.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that July 11 they had presented to the President of the United States, for his approval, the following bills:

H. R. 4803. An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes;

H. R. 4976. An act granting the consent of Congress to the Trumbull Steel Co., its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio; and

H. J. Res. 173. Joint resolution ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922.

AMENDING ACT IN REFERENCE TO PHILIPPINES.

Mr. TOWNER. Mr. Speaker, I desire to present a conference report on the bill H. R. 5756, and ask that it be printed in the RECORD under the rule.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands," approved August 29, 1916.

The SPEAKER. Ordered printed under the rule.

THE TARIFF.

The SPEAKER. Under the rule, the House will resolve itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Ohio [Mr. LONGWORTH] 1 hour and 30 minutes. [Applause.]

Mr. LONGWORTH. Mr. Chairman, the introduction of the bill we are now considering and the adoption of the rule just passed means the speedy resumption, after an interregnum of eight years under the British policy of free trade, of the time-honored American policy of protection to American industries and to American labor. [Applause on the Republican side.] It means the abandonment for many years to come, and, as I believe, forever, of any policy verging so closely as does the present law upon the policy of free trade. It may not be that this bill in the form in which it shall be finally enacted will endure indefinitely. In all probability it would not be wise that it should, for it has been framed in abnormal times, when there is chaos in the commerce of the world, and it would be a severe tax on human ingenuity under such circumstances to frame tariff schedules which could be so logical and so scientific as to fully meet the requirements of all new conditions that may arise in the future. But of this I am confident, that such further revision as may become necessary will be made for many years to come by Republican Congresses. [Applause on the Republican side.] Even if in the dim future the shifting sands of public opinion shall restore the Democracy to full power in government, they will not dare to again enact such a polyglot monstrosity of free trade to the country at large and high protection to a favored few, as they did in the Underwood law now about to be consigned to unhonored oblivion.

Protection sentiment fairly seethes to-day throughout the South. So strong was it even last year that it divided your party in the House in halves in the last session of Congress, and it was only the party whip, plied with hitherto unexampled strenuosity, that brought even a semblance of cohesion in your scattered ranks. If the Democratic Party shall ever write another tariff bill, it will be based, at least in substantial degree, upon the policy of protection, or you will cease to exist as a party in this Nation.

There was but one dominant issue in the last political campaign. It was the issue of Americanism. We took the American side; you took the anti-American side. [Applause on the Re-

publican side.] And upon that issue we won the greatest victory ever achieved in the Republic's history. It was upon that issue that we attained our enormous majority in the House of Representatives and our unprecedented majority in the Senate, and seated in the White House a Republican President by more than 7,000,000 votes. [Applause on the Republican side.]

Americanism means protectionism [applause on the Republican side], and protectionism is Americanism. It means that the American producer, whether by his brains or by the sweat of his brow, shall have at least the same opportunity to sell his goods in the American market as is accorded producers of other nations. It means that he shall have at least a fair chance of competition in the markets of the world, for unless he can preserve a foothold here it is a mere idle dream to imagine that he can secure a foothold elsewhere. Retention of the protected market is the prerequisite to the gaining of a position of anything like real influence or power in the markets of the world. That is protection doctrine and it is American doctrine. You say that the tariff was not an issue in the last campaign. On page 4 of the report occurs the following sentence:

It is false to say that the majority were commissioned by the people at the last election to revise the tariff. It is so false, so patently, obviously false that no honest man will avow it. The tariff was not an issue in the 1920 campaign. The people did not believe they were voting for a change in the tariff.

Now, as a matter of fact, I doubt whether there is a bare handful of men on that side of the House who honestly believe that the tariff was not an issue in the last campaign. But if there be such I hazard the suggestion in all charity that they are possessed of just about the mental caliber of the gentlemen, whoever they are, who wrote the minority report.

I doubt whether there was a single speech of any length made by the Republican candidate for President in which he did not lay great stress upon the tariff issue. In my own case, for instance, there was not a speech I made in the last campaign—and I made, I suppose, at least 200—where I did not bring the protective issue prominently to the front. And I believe that is the case with practically every man on this side of the House, and probably many men on that side of the House.

The question of turning over our man power to the control of other Governments differs only in detail from the question of turning our market over to other nations. Our opposition to the League of Nations, particularly to article 10, and our opposition to free trade, went hand in hand, and if you think that the people did not know they were voting for a change of our tariff policy in the last election you must equally believe that they were not voting against submission of our man power and all our material resources to the dictation of a supergovernment over and above the Government of the United States.

The minority says further in its report that this is not the time to write a tariff law for the United States. I agree that it is not the most favorable time, that it is not the easiest time, but who can tell when the trade conditions of the world will be restored to their usual courses? Were we to wait until conditions should be restored like unto those prevailing in the piping times of peace, or were we courageously to do the very best we could to write a tariff bill which might remedy the conditions, bad enough as they are, but which will inevitably grow worse from day to day so long as the Underwood law is permitted to remain on the statute books of the United States? We have chosen the most difficult course, perhaps, but it was the right course, and we have no apologies to make.

Mr. GARNER. Will the gentleman yield right there?

Mr. LONGWORTH. I will.

Mr. GARNER. Realizing the gentleman's difficulty in this matter, I was wondering——

Mr. LONGWORTH. The "gentleman" has not admitted any difficulty.

Mr. GARNER (continuing). What became of the Longworth resolution, which provided you might displace this chaotic law on the statute books and put this bill into effect at once.

Mr. LONGWORTH. There was some objection originally on the part of certain members of my party to putting into force rates they had not seen. That objection would never rest to-day, because they approve the rates.

Mr. GARNER. Mr. Chairman, will the gentleman yield there?

Mr. LONGWORTH. But, unfortunately, we have to depend on another body, and there are at least a few men in that body belonging to the gentleman's party who will filibuster against any proposition to put protective rates into effect, and that is the reason why nothing further is going to be done as to that. [Applause on the Republican side.]

You say further in your report:

We won the war, but we lost the peace.

Now, if in that first sentence "we" means the American people and the Democratic and Republican Party alike, you are correct. And if in the second sentence—

We lost the peace—

"We" means the Democratic Party; you are also correct. [Applause on the Republican side.] For it is upon the Democratic Party, and primarily upon your then leader, that the responsibility rests for keeping this country out of peace for nearly three years after we had won the war. President Wilson, armed with autocratic powers never possessed by any American President and by few monarchs in history, decreed that there should be no peace unless incorporated in it as a vital and integral part was that thing that shocked the conscience of the American people, article 10 of the League of Nations, which bound us in advance to do not what we were ordered to do by the American Government, but what we were ordered to do by a supergovernment over and above the Government of the United States. Thank God, there were enough patriotic men in the United States Senate to throttle that proposition. [Applause on the Republican side.] And even afterwards, when we did the only thing possible to Congress, when we passed a resolution through both Houses declaring that a condition of peace existed, it was vetoed by President Wilson, and you yourselves in this Congress have done all you could do to delay peace coming to this country until you were overwhelmed by the passage of the Knox-Porter resolution.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. You did keep us out of peace. Make the most of it.

Now, there is another feature of the report on which I would like to comment briefly. You say—

It would be superfluous to occupy any space in showing the intimate relations which bind together the beneficiaries of this bill and the Republican organization.

The official lists of contributors to campaign funds establish beyond all questions the sources from which were derived the enormous funds dispensed by the party which prevailed at the last election. The managers of that campaign prided themselves on being first and above all "business men." The campaign was run avowedly as a "business" enterprise. The essence of "business" is exchange, which signifies that for everything given equivalent is to be received. The only adequate equivalent conceivable for these millions given to political managers is bestowal on the givers of special favors by government. When therefore we see in this measure the taxing power transferred to the men who subscribed lavishly during the campaign we know at once that here "business" is in full operation. Never has "business" in politics been so bold, so defiant of restraint, so indifferent to appearances as in the presentation of this measure to Congress.

These words have a mighty familiar sound to me, gentlemen. I can almost hear them falling from the lips of my old friend from Ohio, the Democratic candidate for President in the last campaign, who, I believe, still lives in Ohio. From the very day when, summoned to the White House, he reluctantly swallowed the League of Nations and said to the waiting populace, "The President and I are one upon this question," for months not a word was said by Gov. Cox upon the League of Nations or upon any matter of broad national policy. His speeches were confined solely to a denunciation of the Republican Party for the great fund alleged to have been raised to "buy the voters"; but forced day by day by the irresistible logic of the facts to reduce the amount further and further, he was finally forced down to a sum even less than that spent to elect his predecessor, and the whole issue fell by the board.

One can hardly blame Gov. Cox; he had an indefensible case; and, moreover, he was brought up in that school of Democracy in my State which at one time was well represented by the Hon. Ike Hill, who occupied at one time, I think, the position of Deputy Sergeant at Arms in the Senate. He was regarded as a great prognosticator of political events, and he was detailing on a certain occasion to some Democratic Senators at the Capitol here the results of a visit he had recently made to Ohio, and he said, "Gentlemen, we are going to win, and we are going to win big, unless the other fellows buy us." [Laughter.]

That was the issue upon which Gov. Cox started his campaign, and it is the main issue that the minority now bring up in feeble criticism of what we have done in this bill. [Applause on the Republican side.] I had hoped that this tariff bill, so vitally important as it is to the welfare of America, might have been discussed upon a high plane throughout the debate, but the minority has made it all but impossible to do so. Your minority report is not an economic document. It is a howl—a long, low, lugubrious howl.

I frankly admit that I was one of those who advocated the amendment of the taxation laws before we took up the tariff. [Applause.] But at that time I found myself nearly alone in the House, apparently, and I accepted, of course, the judgment of the majority of my colleagues. I believed then, and I still believe, that the ultimate enactment of this tariff law

would not have been delayed by that proposition. I believed and still believe that the first thing that the country wanted was to be relieved at once from the obnoxious and burdensome taxes under which we are now staggering. But now my interest is to pass this bill as speedily as possible. The country wants action, and not words. I am glad that this rule limits closely as it does the time that might be wasted, perhaps, in prolonged discussion of the bill's merits, and, as far as I am concerned, I am going to confine myself just as briefly as I can to four outstanding features of this bill.

Mr. GARNER. Before the gentleman goes to those features, will he kindly inform the House about when, in his opinion, this bill will become a law? The gentleman from Ohio has been prophesying a good deal. I would like to have that prophecy.

Mr. LONGWORTH. "The gentleman from Ohio" has prophesied occasionally, he ventures to believe with some accuracy, as to what this House might do, but not as to what another body may do.

Mr. GARNER. You decline to make any prediction whatever as to when this bill will become a law?

Mr. LONGWORTH. I decline, and for the reason only that I can not tell how much wind there may be in Democratic Senators to filibuster against it. [Laughter.]

Mr. STEVENSON. Mr. Chairman, will the gentleman yield for a question? I am very much interested in the question of the revision of taxation. Can the gentleman give us any prophecy as to when the taxation bill will likely be reported into this House? I will ask that question of the gentleman not from the partisan standpoint, but from my interest in business.

Mr. LONGWORTH. I understand that the gentleman is not asking that from a partisan standpoint, and I hope that nothing I have said so far can be construed as having been said from a partisan standpoint. In reply to the gentleman I will say that if on the very day after we pass this tariff bill the Ways and Means Committee shall meet and take up immediate consideration of the taxation bill, I see no reason why we can not report it to this House within two weeks or, at the outside, three weeks, and pass it right off. [Applause.]

Mr. CARTER. There is no reason why it can not be done, but it will not be done.

Mr. LONGWORTH. The subjects I propose to discuss are four in number, representing substantial changes in policy upon which previous tariff laws, both Democratic and Republican, were based. In the first place, I propose to discuss the bargaining clause in this bill; second, the provision as to American valuation of imports subject to ad valorem duties; third, the new wool schedule; and, fourth, the chemical schedule, particularly as it relates to a new and novel treatment of coal-tar products imported into this country.

Mr. LONDON. Will the gentleman yield for a question?

Mr. LONGWORTH. I yield to the gentleman from New York.

Mr. LONDON. To what extent has the Tariff Commission contributed to the authorship of this bill?

Mr. LONGWORTH. In so far as the furnishing of complete and accurate information upon which the various schedules could be predicated, it has contributed an enormous and invaluable amount. In so far as recommending any broad policies or rates of duty, it has contributed nothing.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. LONGWORTH. Certainly.

Mr. MOORE of Virginia. Simply to show the scope of the activities of the Tariff Commission and the use that has been made of its work, I wish to suggest that almost entirely the administrative laws incorporated in the bill are those proposed by the Tariff Commission.

Mr. LONGWORTH. The administrative sections are largely proposed by the Tariff Commission as the result of an investigation that they made covering some three years, but those provisions do not relate to any question of national policy, but merely to the enforcement of such laws as Congress may see fit to pass.

Mr. MOORE of Virginia. I quite understand that. If the gentleman will permit me to interrupt him further, I wish to say that my own view, which, perhaps, may be worth nothing, is that the Tariff Commission should be intrusted with very much larger powers, including the duty to make recommendations with respect to rates; and it seems to me that the Tariff Commission has demonstrated its capacity by being able to compile in its report of 1918 a large body of amendments to the administrative customs law which have received the approval of the Ways and Means Committee and are embodied in this bill.

Mr. LONGWORTH. There is much in what the gentleman says; but I feel at least now that it would not be advisable to give to the Tariff Commission the power to recommend any specific rates of duty, and I doubt whether I would like to give them the power to recommend any matters which would involve real changes in national policy.

Mr. ANDREWS. Will the gentleman yield for a question?

Mr. LONGWORTH. Yes.

Mr. ANDREWS. Is not the Secretary of the Treasury the real administrative force with reference to the administrative provisions of the law?

Mr. LONGWORTH. He is. As I look back upon the days of the framing of the Payne law—and there are only two Members of this House who were members of the Ways and Means Committee of that time, the gentleman from Michigan [Mr. FORDNEY], chairman of the committee, and myself—I am impressed more than anything else by the difference then and now in conditions from the international viewpoint. Then we were a debtor nation. To-day we are a creditor nation, the greatest creditor in the world's history. Europe owes us $14,000,000,000, more than $10,000,000,000 in loans and nearly $4,000,000,000 in unsettled balances for export. Under such conditions I think even the most rigid protectionist would hesitate to advocate a tariff so high as to prevent Europe from doing any business whatever in the American market. But the countries of Europe are high-cost countries compared with others with which they are in competition, notably the Orient and South America, and duties designed to permit Europe to deal freely in this market might subject it to absolute swamping by the products of the Orient and South America. In other words, an attempt to benefit those countries which are our largest debtors might inure solely to the benefit of those countries which owe us nothing. I believe in a tariff sufficiently high against the world to preserve a fair opportunity in the American market for the American producer; but I believe also that it should be sufficiently flexible in some cases to enable us to give some countries certain advantages here in return for receiving certain advantages in their markets.

Such a consummation, I concede, is difficult of attainment, and has never been hitherto satisfactorily worked out. Reciprocity has never been a success in this country and, in my judgment, never will be, requiring, as it may, the action not only of the Senate but of the House, and precipitating a general tariff discussion on each occasion. And while provisions for reciprocity treaties have been made in this bill I have little expectation, as I have already indicated, that many, if any, will be satisfactorily negotiated by this administration. There is, however, a provision in this bill under which trade agreements may be made which will inure both to our advantage and to the advantage of certain other nations, primarily, I hope, those which are largely indebted to us. I refer to the provision which authorizes the President to reduce the conventional duties in this bill by 20 per cent in the case of foreign nations with whom he may negotiate trade agreements in return for our receiving the benefits of their minimum tariffs on certain of our commodities. I can conceive of nothing which will have a more beneficial effect upon the enlargement and retention of our export trade than the inclusion in this bill of section 303 of title 3, which makes of this tariff a bargaining tariff. The duties in this bill are high; not so high as in the Dingley law and not so high as in the Payne law, the gentleman from Texas [Mr. GARNER] to the contrary notwithstanding. They are not so high as many of the duties in many nations with whom we are to-day in competition, but high enough to check the flood of imports that would enter this country under the Underwood law were it permitted to remain upon the statute books. If, however, no flexibility at all were allowed in the administration of those duties, it might be that some countries would initiate measures of retaliation, and in such cases, in my judgment, a maximum tariff is of little avail. But if other nations know that the President of the United States has it in his power to give them certain special advantages in our market in return for certain special advantages in theirs, I have every confidence that instead of discrimination against our exports there will be encouragement of them by many countries and that an era of good feeling in our international commerce will be inaugurated, unexampled in our history.

I entirely agree with the gentleman from Texas [Mr. GARNER], who is leading the minority against this bill, on the proposition that legislation the effect of which would be to curtail our export trade would be most unwise. But I entirely disagree with him in the thought that our export trade should be encouraged at the expense of our dominance in our own markets. [Applause on the Republican side.] Can anything

be more certain, gentlemen, than that in order to ship our goods abroad we must have competent industries in this country to produce them? Can anything be more certain than that if we open our doors wide to the products of other countries, produced by infinitely cheaper labor, our industries at home must inevitably go by the board and we will have no means of producing commodities to ship abroad?

Yet, in the face of these undeniable facts, it appears to be the position of the Democratic Party that the rates of duty in the Underwood law, the lowest rates in existence for 50 years, are too high. This was admitted yesterday on the floor of this House by a member of the Ways and Means Committee, the gentleman from Mississippi [Mr. COLLIER], one who, I believe, more accurately represents the opinion of the majority of his colleagues than does the gentleman from Texas [Mr. GARNER]. Unfortunately, we do not find the remarks of the gentleman from Mississippi in the RECORD this morning. It seems to be the abiding rule upon the Democratic side of this House that any speech made on a revenue bill by any member of the committee is kept indefinitely out of the RECORD. Not one speech made by a member of the Ways and Means Committee so far in the discussion of this bill appears in the RECORD to-day.

Mr. GARRETT of Tennessee. On either side.

Mr. LONGWORTH. Some speeches were withheld from publication on the revenue bill in the last session for months, and the most eloquent speech made in the last Congress by a very prominent gentleman on that side has never appeared in the RECORD.

So I may be pardoned in commenting on the remarks of the gentleman from Mississippi yesterday, and I am subject to correction if I should by any chance misquote him. I asked the gentleman from Mississippi the specific question, whether the rates of duty in the Underwood law were in his opinion too high or too low, and he replied that in his opinion they were too low. He said that all bars should be taken down against the free importation of goods from Europe, and particularly from those nations which owed us large sums of money. I asked him then if his position on that subject was so rigid that it could not be influenced by the fact that other countries raised their duties against us, and he said it was. I said, "Suppose every country in the world should put high protective rates against the American exports, would you still favor reduction of duties in the Underwood law," and he said, "I would." In other words, he said in effect, "I want to make the American market a free place for the importation of all European articles so that it will be the most prosperous country in the world, notwithstanding the fact that every other country may put high tariff barriers against the importation of our articles in their markets." Conceive what would happen to this country if any such policy were ever carried out. Woe to American industry, woe to American labor if any party should ever come into power in this country dominated by such a policy as that.

A most important provision in the bill is that which inaugurates the American valuation in case of ad valorem duties. This seems to excite the wrath of the minority more than almost any other provision in this bill, I presume because it is a distinctively American policy. The word "American" always seems to excite the indignation of the democracy.

Mr. FESS. Will the gentleman yield?

Mr. LONGWORTH. I will yield to the gentleman.

Mr. FESS. I do not want to ask any questions of my colleague if it will interrupt him.

Mr. LONGWORTH. I shall be delighted to yield.

Mr. FESS. Before the gentleman goes to the question of the American valuation I have a question I would like to have answered, because there have been numerous inquiries of me. Suppose a country has a duty on imported articles from our country of a competitive character, and we have no duty upon the articles coming from that country. What is the provision in the bill for our protection? Take agricultural implements, for instance.

Mr. LONGWORTH. There is no general provision in this bill which applies to that, but there are some special provisions which give to the President the right to negotiate with countries imposing restrictions against us with the view of inducing them to remove those restrictions, and in case they fail to do so he may impose similar restrictions against them.

Mr. FESS. Then that situation is not overlooked.

Mr. LONGWORTH. The situation is not overlooked.

So far as I am concerned, my only regret is that the American valuation system was not established years ago. I think the failure to establish it is due to the natural inertia that Congress always has in changing from one system to another, unless confronted by such a crisis as now exists in the matter of foreign exchange. The assessment of ad valorem duties based on home valuations has been a part of the tariff policy of many countries, and as I understand it has invariably worked successfully. Even in normal times duties assessed upon values of importations in our own market would be preferable to their assessment upon the value of goods in the foreign market. In the first place, when proper machinery for its administration is inaugurated—and that in my judgment can be done in a comparatively short time—it will be simpler, more expeditious, and more economical. It will bring about a uniform assessment of duties for the same merchandise from countries having different costs of production. It is apparent that it will be easier and less expensive to secure evidence to maintain values in cases before the Board of General Appraisers as to the American selling price and as to foreign values. The power to secure facts regarding values will be in the hands of our own officials. An equal amount of revenue in many cases will be produced by a much lower duty. The American manufacturer will have increased actual protection and will be a party to the furnishing of reliable evidence. So much for the advisability of this system in normal times.

The need for it becomes infinitely more pressing in these days of chaos in foreign exchange. To-day there is scarcely a country with whom we do business where the exchange value of their currency has not fallen between 10 and 90 per cent, and the rates of exchange fluctuate from day to day. Consequently the foreign values expressed in the terms of these currencies also fluctuate from day to day. Under said circumstances it would be utterly impossible if we did not abandon the foreign valuation system to get the rates of duty intended.

Mr. DENISON. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. DENISON. Will the gentleman state what system of valuation is followed by the principal countries of the world with which we do business?

Mr. LONGWORTH. I could not state offhand now just what countries have the home value and the foreign value. I know that Japan has the home valuation, as well as Holland, Belgium, and some others, but I shall get the information for the gentleman later. I think it is conceded that there is no man in the United States more competent to speak authoritatively on this question than the Secretary of Commerce, Mr. Herbert Hoover. It is his department which will have more to do than any other with the acquisition of information for the determining of American values, and there is no man in the world to-day, perhaps, who is more familiar with the present and past conditions of international trade.

Mr. MADDEN. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. MADDEN. Might it not well happen if we took the foreign valuation that in many cases we would get not to exceed 10 per cent of the rates fixed and in no case more than 75 per cent.

Mr. LONGWORTH. Very possibly, depending upon the terms of the currency in which that value was expressed. Secretary Hoover appeared before the Ways and Means Committee on the 3d of May last. Among other questions he was asked by the very distinguished and learned gentleman from Georgia [Mr. CRISP] to express his opinion as to the advisability of the American valuation system. Secretary Hoover said:

> My impression is that with the unstable currency and exchange situation we have in a large part of Europe to-day there is practically no other alternative.

A little later he said:

> So far I have seen no inspiration of a better method or a workable alternative that would meet this wide variation between economic values and exchange values.

During the course of his testimony the gentleman from Connecticut [Mr. TILSON] asked him this question:

> In the meanwhile what is going to happen to some of our industries that are now facing this abnormal competition of which you speak? Unless we do something by way of American valuation to take care of this depression in the foreign currency what is going to happen to some of our industries, many of them long established, that are now facing this German competition?

The Secretary at that time was talking particularly of conditions in Germany, to which I shall advert a little later on in my remarks. He replied:

> I am thoroughly imbued with a notion that we must have protection of a very large order. We must have such protection as will enable our people to weather through this period and to hold their own afterwards.

That is pretty good American doctrine. Mr. TILSON further asked:

> Could any reasonable duties be made that would meet this extreme condition? And in addition to substantial duties must we not do something else? I mean in addition to duties based on foreign valua

tions, must we not either by American valuations or by handling the question in some other way meet this question or suffer the consequences?

Secretary HOOVER. I intended to convey that meaning a moment ago when I said that I could see no alternative at present except American valuation.

The gentleman from Texas [Mr. GARNER] the other day made the broad general assertion that American valuation necessarily means an increase of duties so great as to amount practically to prohibition of importations.

With all due regard for the ordinary accuracy of statement of my friend from Texas, that statement has absolutely no foundation in fact.

Mr. GARNER. That is the same character of statement that the gentleman just made.

Mr. LONGWORTH. I am going to show what the situation is.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. CHINDBLOM. Have the ad valorem rates in the Fordney bill been based upon the American valuation plan in all instances?

Mr. LONGWORTH. They have, and that is the reason why they have been very greatly reduced from all of the ad valorem rates in the Payne law.

Mr. CHINDBLOM. So that at the present time the proposed bill will bring the revenues contemplated under the plan of an American valuation of goods.

Mr. LONGWORTH. Precisely; and the rates will be the same as against every country, no matter what their local value may be or the cost of production in that country.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARNER. If I understand the gentleman, he ascertained the American valuation in order to levy the rates in this bill?

Mr. LONGWORTH. The gentleman made no such assertion. The trouble with the gentleman's argument the other day was that he assumes a thing which is not the fact. Nobody knows what the American or the foreign valuation of any article is to be until it is investigated.

Mr. GARNER. Was the gentleman present yesterday when his colleague, Mr. FREAR, made the statement that he, Mr. FREAR, ascertained the American valuations in the agricultural schedule and reduced the rates below the Payne rates, and may I add in that connection that he also stated that he knew nothing about what the policy was of the other subcommittees?

Mr. LONGWORTH. I do not think the gentleman made any such statement; I did not hear it; but I am sure he did not make it.

Mr. FREAR. No.

Mr. GARNER. It is in the RECORD this morning.

Mr. FREAR. My statement, if the gentleman will examine the RECORD, is to the effect I could not answer as to what the other subcommittees had done, but we had passed upon all of these rates at that time as fully and as intelligently as was done by any prior committee.

Mr. LONGWORTH. I think I can relieve the mind of my friend from Texas.

Mr. CAREW. Will the gentleman be kind enough to tell us how he was able to know how much reduction to make on these ad valorem rates if he was not able to make any comparison between American and foreign values? Previous tariff rates were always based, at least ad valorem rates were always based, on a certain per cent of the foreign value. This proposition is to base them on a certain percentage of the American value. Now, it is said the American value is higher. How much higher I am sure I do not know, but it seems to me it would be necessary, in order to make a proper reduction in the rates, that we ought to know what at least is the difference in the American value and the foreign value. [Applause on the Democratic side.]

Mr. LONGWORTH. Well, if there is any gentleman seated on that side who framed the ad valorem rates in the Underwood law, I would like to ask him what the foreign valuation of those goods were.

Mr. CAREW. Well, of course, we are not going to deal with what gentlemen did in 1913; we would like very much to know what the gentleman is doing to-day. [Applause on the Democratic side.]

Mr. LONGWORTH. If the gentleman will inform me as to the foreign valuation of the goods provided for under the Underwood law, I will inform him of the American valuation provided for under this law. Of course, on the face of it the question is absurd, because no one knows what the value of anything is until the value is determined——

Mr. CAREW. Then how in the name of God could you reduce these rates proportionately?

Mr. LONGWORTH. I appreciate the opposition of the gentleman to this very safe and sound method of obtaining values.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. CHINDBLOM. Of course, the committee had before it the cost of production in this country as well as in Europe.

Mr. LONGWORTH. In some cases——

Mr. CAREW. The gentleman just stated he did not know anything about it.

Mr. LONGWORTH. No; my only assertion as to lack of knowledge pertained to that of the gentleman from New York—not myself.

Mr. CHINDBLOM. After all, the cost of production is what concerns us from a protective standpoint.

Mr. LONGWORTH. In great part; and we tried to investigate it as fully as possible.

Mr. COCKRAN. Will the gentleman allow me a question, if it does not interrupt his line of argument, right in the line of the last question? To what extent was the gentleman or the committee able to ascertain the cost of production with reference to any article embraced in the schedules?

Mr. LONGWORTH. It would be impossible to answer the question categorically. In some cases, I frankly admit, it was impossible. There were many cases in the chemical schedule where it was utterly impossible—in fact, generally speaking, in dealing with chemicals it is usually impossible to ascertain the exact cost of production of any particular chemical, because the production of chemicals is so interwoven that it is impossible to segregate individual units; but the subcommittee of which I was chairman had very complete information of another character with reference to every chemical mentioned in this bill. We had all the importations for the year 1913.

We had the price at which those importations were entered for consumption in 1913 and 1920. Furthermore, we had the home value as quoted in the official chemical journals for each one of those chemicals in 1913 and 1920, and in addition to that we had the value as of the middle of April of this year on every one of them, and with those facts as a basis I believe we have pretty nearly obtained a basis for a scientific imposition of duties.

Mr. COCKRAN. Would it trouble the gentleman at all if I ask him another question? I do not want to interrupt his argument.

Mr. LONGWORTH. Not at all.

Mr. COCKRAN. Is there a single item in the schedule in which the gentleman actually believes he has ascertained the actual cost of production?

Mr. LONGWORTH. I think there are a large number, probably.

Mr. COCKRAN. One more question, because I attach great importance to the gentleman's views——

Mr. LONGWORTH. I would be glad to give the gentleman a little later some very illuminating information with regard to the cost of the production of all articles in Germany from the testimony of Mr. Hoover.

Mr. COCKRAN. Very well. Just one more question and I will not interrupt the gentleman again. Is the gentleman's conclusion as to the cost of production based upon a money rate of wages?

Mr. LONGWORTH. Not invariably.

Mr. COCKRAN. Well, mainly?

Mr. LONGWORTH. I think that is a most important feature of the question, particularly in the case of articles on which a very large amount of labor is expended.

Mr. ANDREWS. Will the gentleman yield for a question?

Mr. LONGWORTH. I will.

Mr. ANDREWS. When the importer approaches the customs officer to enter his goods, how will that customs officer proceed to determine the basis of valuation according to the American standard?

Mr. LONGWORTH. That is set forth with much detail in the bill. It would be very unprofitable for me now to discuss the various details as to the determination of the question of value. Much discretion is left to the American officer and much discretion is left to the foreign officer. It is purely a matter of administering details so abundantly set forth in the bill.

Mr. LONDON. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. LONDON. The American valuation involves various valuations at the various ports?

Mr. LONGWORTH. No.

Mr. LONDON. Take the case presented yesterday by the gentleman from California [Mr. LINEBERGER], of the competition of Italian lemons with lemons from California. They could not bring the lemons of California to New York, because, I presume,

of the heavy freight. Now, in fixing the importation of imported lemons at the port of New York what would be the valuation and cost at New York, at San Francisco, or New Orleans?

Mr. LONGWORTH. A mere reading of the definition of the word "value" in the bill answers the question of the gentleman. In section 402 of Title IV it says:

Except as otherwise provided by law, the word "value" wherever used in this act or in any other law relating to the appraisement or the classification of imported merchandise shall mean the price on the date of exportation of the imported merchandise at which comparable and competitive products of the United States were ordinarily sold or freely offered for sale in the usual wholesale quantities.

That is, the general market price of similar articles in the American market. It does not involve the particular price that may prevail at a particular port of entry due to transportation costs or otherwise. It is the value of the particular product in the wholesale markets of the United States, and provision is made for determining that valuation.

Referring again to the general statement of the gentleman from Texas [Mr. GARNER] that the American valuation system necessarily means higher duties in many cases amounting to prohibition, of course, it is true that duties may be so high as to amount to practical prohibition, but that may happen under foreign valuation just as easily as under American valuation. It is all a question of the size of the duty, and you will observe that the ad valorem duties in this bill are almost invariably less, in many cases very much less, than the duties imposed in the Payne Act, and in a large number of cases they are even substantially less than the duties imposed in the Underwood Act. There is no rule of thumb, as some of these questions that have been recently asked me seem to suppose, by which it can be determined in advance whether American valuation means higher duties than foreign valuation or not. It all depends on the size of the duty and the difference between the foreign value and the American value in each particular case. Of course, in a majority of cases it can be generally stated that foreign valuations of similar goods are less than American valuations simply because the cost of materials and the cost of labor employed in their production abroad is less than here. But there are also many articles in which the foreign valuation is higher than the American valuation.

Mr. MANN. I do not want to take the time of the gentleman——

Mr. LONGWORTH. I will be glad to yield to the gentleman.

Mr. MANN. Is it not ordinarily the case that where goods are imported from a foreign country to the United States subject to an ad valorem duty that the value of the goods in the United States is very close to foreign value plus the duty?

Mr. LONGWORTH. I think the gentleman is correct.

Mr. MANN. I should suppose naturally the American valuation, regardless of the question of exchange—and I do not fully understand that—would result in simply increasing the ad valorem rates where the duty is ad valorem, because the ad valorem rate is added to the foreign valuation to make the American valuation. The only reason for the American valuation, as I understand, or the principal reason, is so that the value of goods coming from different countries into the United States may be fairly the same.

Mr. LONGWORTH. Fairly the same.

Mr. MANN. Instead of a low value on goods that may be produced in Japan or Germany and a higher value on competitive goods coming from France or England or some other country.

Mr. LONGWORTH. And all difficulties incident to the expressed value in terms of depreciated currency, constantly varying, will be eliminated entirely. Here is the practical way it works out: Take a given duty, and the duty, for instance, the same in this law as in the Payne law, would be higher than the Payne rates on articles on which the foreign valuation was very low; but as the foreign valuation approaches the American valuation the duties relatively decrease, so that when you get to an article which is sold abroad the value abroad is the same as the American value and the duty would be precisely the same. And when you get two articles—and there are a great many of them—where the foreign value is greater than the American value, that would be less here than even under the Underwood law. I will refer to that historic hat in a few minutes and illustrate where the gentleman from Texas absolutely damned his case by his own argument.

Mr. BEGG. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. BEGG. Say a penknife is brought in from Germany and one from Japan, and the Japan penknife in our money and in our country would sell for 50 cents. Would the gentleman make it clear just what value would be fixed to get the duty on it?

Mr. LONGWORTH. I do not think I quite understand the gentleman's question.

Mr. BEGG. Suppose the same article were brought into this country from two different countries, and say the cheaper article is inferior in quality.

Mr. LONGWORTH. The duty would be the same on similar articles. The question would be whether they were similar.

Mr. BEGG. That would be the only question?

Mr. LONGWORTH. Absolutely. There would be no other question than the question of similarity.

Now, let me refer to the case of the hat cited by my friend from Texas [Mr. GARNER]. We will assume that he was correct in his assumption as to values. The duty would not be prohibitive upon his own statement. He will understand it after I explain it to him, I have no doubt, because he has a very acquisitive mind.

Now, suppose you attempt to bring in that dollar hat, to compete in the American market against a $2 hat. What you have to decide upon, first, is whether you can compete in this market. First you must determine what the duty is going to be, and then what the transportation charge is going to be, as my friend from Illinois [Mr. MANN] indicated. Now, the duty on that hat is based on the American value. Assume all the facts that the gentleman stated; 40 per cent on $2 is 80 cents. The man who desires to import that hat adds 80 cents to his dollar. That is its value. How much will it cost to transport that hat? The transportation of hats, I assume, is very cheap. A large estimate for the transportation cost of that hat here would be 10 cents, in my judgment. Add your 10 cents to your $1.80; it costs the importer then to land that hat here $1.90. He is competing against a $2 article, and yet the gentleman from Texas says we are putting the bar so high as to amount to a prohibition.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARNER. I made the statement that the rate on hats in this bill of $10 a dozen was greater than the rate in the Payne law. It is $10 per dozen plus 20 per cent. That is fourteen dollars and some cents for the importation of a dozen hats valued at $24. Under the Payne law it would be $12. I think it is automatically true to anybody who can make a calculation at all that the rate under this bill on one dozen hats that cost $24 is greater than the rate in the Payne bill.

Mr. LONGWORTH. But the gentleman merely used that as an illustration to his general proposition that these rates were necessarily higher than the Payne bill.

Mr. GARNER. It costs a larger duty to import hats at $24 per dozen under this bill than it did under the Payne bill.

Mr. GREEN of Iowa. The gentleman from Texas is altogether wrong.

Mr. LONGWORTH. If the gentleman will name me one article with a 40 per cent duty on an American valuation where the difference between the foreign and American valuation in the instance cited is 50 per cent, where, for instance, the foreign valuation is a dollar and the home valuation is $2; if he will show me one instance where such a rate is prohibitive, then I will grant that he is right.

Mr. GARNER. The rate of $10 per dozen plus 20 per cent is greater than 50 per cent ad valorem on a dozen hats.

Mr. LONGWORTH. In the case supposed, which may or may not be correct——

Mr. GARNER. You have it in the bill; hats, $24 per dozen; you levy $10 as duty, plus 20 per cent, which makes 62½ per cent.

Mr. LONGWORTH. Precisely; but you overlook the determination of the ad valorem duty. I reply to the gentleman that he can not mention one instance where the difference is such as in his particular case, goods selling abroad at a dollar, goods selling here at $2, where a 40 per cent rate, whether higher than the Underwood bill or the Payne bill, is other than a competitive rate.

Mr. GARNER. If you will apply the American valuation to the Underwood law, it would be greater than under the Payne law. Here is a hat that cost $1.50 under the Payne law, because you add 50 per cent ad valorem. Apply the 40 per cent in the Underwood law to the American valuation of that hat, and you would have 60 per cent charged at the customhouse.

Mr. LONGWORTH. In the case cited 40 per cent of the American valuation on $2 as against a dollar is higher than the Payne rate.

Mr. GARNER. I did not say $2. Here is a hat that I say is imported for $1 in the foreign market. Under the Payne law it costs you $1.50. Therefore that must have been the market price, if scientifically drawn. Now, applying the 40 per cent

rate to the American valuation of the hat, it is $1.50 instead of 60 cents as in the Payne law.

Mr. LONGWORTH. And you could land it here for $1.90, with transportation paid. And yet the gentleman says that is prohibitive.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Certainly.

Mr. BACHARACH. How many hats do you imagine would be imported into this country if the Underwood law was functioning as it did before the war? How many straw hats do you suppose would be made in this country? I would like the gentleman from Texas to answer, if he may.

Mr. GARNER. Let me ask the gentleman from New Jersey where is the country of the principal importation of hats to this country? What countries?

Mr. BACHARACH. The gentleman is speaking of men's straw hats?

Mr. GARNER. Yes.

Mr. BACHARACH. From Japan.

Mr. GARNER. No. The principal part is made in Italy and China. They do not come from Japan at all.

Mr. BACHARACH. I would like the gentleman to show me.

Mr. GARNER. All you have to do is to pick up the survey made by the Department of Commerce.

Mr. BACHARACH. Some straw hats are imported from England and some from Japan.

Mr. GARNER. And a great number from Italy.

Mr. BACHARACH. Harvest hats, not men's straw hats.

Mr. LONGWORTH. I only referred to the gentleman's hat in order to show that the general statement of the gentleman from Texas that the duties in this bill based on American valuation are so high as to be prohibitive is not true as to a single item in this bill, and I challenge him to contradict it. We will let it go at that.

Mr. BLANTON. Will the gentleman kindly yield for a question on the hat proposition?

Mr. LONGWORTH. Yes.

Mr. BLANTON. How is the gentleman from Ohio going to square himself with the American hat manufacturers when he admits that he has failed to protect them, in that he permits a hat to come here from France at $1.90, as against a $2 American hat?

Mr. LONGWORTH. The gentleman from Ohio proceeds upon an entirely different principle in his votes on tariff bills than does the gentleman from Texas. The tariff, in the estimation of the gentleman from Ohio, is not and never ought to be a local issue. [Applause.]

Mr. CHINDBLOM. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. CHINDBLOM. If this was a bill only for a tax on hides it would get the vote of the gentleman from Texas [Mr. BLANTON]?

Mr. LONGWORTH. Certainly.

Mr. BLANTON. It would depend on its provisions entirely.

Mr. LONGWORTH. Now, of course, where the foreign valuation approaches or exceeds the American valuation it is possible that very high duties might amount to prohibition, but that would be even more true in the case of the foreign valuation. For instance—I cite this only as an example—there are certain articles that are going to be sold in this country no matter how high the duty and no matter how high the cost. In such cases the American valuation is rather more favorable to their importation than the foreign valuation. Take the case for instance of a very valuable dress, a woman's dress such as is sold in Paris for $500, and in New York the price is $500. If they were in direct competition it would be hopeless for the Paris importer to attempt to get into the New York market as against a 50 per cent duty, but in that case the foreign valuation and the American valuation are the same. And yet those goods come freely into this market, although the cost of landing them here and paying the duty makes the price of the dress $750 in competition with a $500 dress in this country. They are sold here freely, simply because some people are willing to pay $250 additional for the Paris label. So that in all possible cases under this bill under the American valuation system the duty never can be prohibitive or anywhere near prohibitive except in certain very high grades of luxuries, and then the foreign valuation is more militative against their importation than the American valuation. The statement of the gentleman from Texas [Mr. GARNER] falls utterly to the ground. The American valuation does not mean necessarily higher rates of duty, or duties approaching prohibition of importation. It means convenience and certainty and the equalization of duties on all articles, no matter from what country imported.

Mr. TILSON. Will my colleague yield?

Mr. LONGWORTH. Yes.

Mr. TILSON. Does it not mean one thing further? Does it not mean a certainty which you never can have so long as we depend absolutely upon the word of the foreign importer?

Mr. LONGWORTH. Absolutely; and it prevents also that systematic undervaluation abroad which loses to this country millions of dollars a year.

Mr. ROSE. Will the gentleman yield?

Mr. LONGWORTH. I yield to the gentleman from Pennsylvania.

Mr. ROSE. It has been said that we are going to have great trouble in collecting the debts owed us by some foreign countries. Will the gentleman give me an answer to that proposition, in which it is said that this present law, as it is now proposed, will prohibit foreign countries from paying us the debts that they now owe us?

Mr. LONGWORTH. If the gentleman had been here at the opening of my remarks, he would have noted my reference to a specific provision of this bill which gives a certain amount of flexibility in the administration of these laws, both for our benefit and for the benefit of our debtor countries, to be administered by the President of the United States.

There is one schedule in this bill that seems to bring grievous disappointment to the minority, and that is the wool schedule. My friend from Texas [Mr. GARNER] worked himself into a high state of indignation over it. Of course, he and his colleagues had hoped that the old, worn-out system carried for so many years in former tariff laws, of assessing duties upon the grease pound of wool, would be retained. They wanted another opportunity to rave at the iniquities of Schedule K. But the wool schedule carried in this bill is not Schedule K or anything like it. While it gives far more effective protection to American woolgrowers, it very greatly reduces the duties on all manufactures of wool, from yarns up to finished clothing, and this is made possible by the change in the system of the assessment of the duty. I will explain in detail just what that change is.

Under the Payne law and under the previous tariff laws the duty was assessed at the rate of 11 cents a pound on raw wool, 22 cents a pound on washed wool, and 33 cents a pound on scoured wool. This was on the theory that all wool shrinks between the raw condition and the scoured condition 66⅔ per cent. Possibly that may have been true when that system was first inaugurated, more than 60 years ago, but it is not true now, and has not been true for many years. As a matter of fact, practically all the wool imported under the Payne law shrank only 33⅓ per cent instead of 66⅔ per cent. Therefore the importer for the 11 cents duty got twice the amount of real wool that the law intended him to get, and the producer of wool in this country, who produces wool which shrinks 66⅔ per cent, got only half the protection that the law was intended to give him. All this is changed in the present bill. What the buyer of wool wants is clean wool. It is the basis that wool has been sold on ever since wool has been a commodity in international markets. The buyer of wool does not desire or pay for the grease, dirt, and other impurities of the wool any more than the buyer of lead ore pays for the surplusage of material outside of the lead content. There is no more reason for putting a duty on lead ore by the ton regardless of the lead content than there is in putting a duty on the content of wool regardless of the actual wool content. In the case of metallic ores the policy has been to impose a duty on the thing of value; that is, the metal pure content in the ore. In this bill by analogy we impose a duty on the thing of value in the pound of wool—that is to say, the actual wool—and not the grease and dirt and other extraneous substances.

The latter system was the vice of Schedule K; the imposition of a duty on worthless substances in a pound of wool was responsible for the outcry against Schedule K, because it gave to the manufacturer a concealed protection and accounted for the high ad valorem duties that sometimes ensued.

In this bill we impose a duty of 25 cents a pound on the clean content of wool regardless of shrinkage; on the wool actually scoured we impose a duty of 26 cents a pound as against 33 cents a pound. In other words, the bill reduces the duty on the scoured wool 7 cents a pound, and this reduction has enabled us to fix the duties substantially less than those contained in the Payne law on all wool in a scoured condition through its various processes until converted into actual clothing. Thus the American woolgrower receives the actual protection to which he is entitled and the wool manufacturer receives only the reasonably adequate protection to which he is entitled.

This schedule is modeled in all its essential features upon that introduced in a former bill of 1912 by the late Sereno E. Payne, who, to my mind, unquestionably was the most learned student of the tariff that ever sat in either House of Congress, not even excepting Mr. Dingley or Senator Aldrich. It was the result

of months of labor and cooperation with the Tariff Commission, which had recently completed an elaborate survey of the wool industry here and abroad. The report was signed by six out of seven Republican members of the Ways and Means Committee, which were then in the minority. They were Mr. Payne, Mr. Dalzell, Mr. McCall, Mr. Hill, Mr. Needham, and myself. But one Republican member of the Ways and Means Committee failed to sign, and that was the distinguished gentleman, the chairman of this committee, Mr. FORDNEY, who now, I am glad to say, cheerfully joins with us in this report.

This wool schedule as now drafted is scientific and will be equitable to the wool grower, the manufacturer, and the consumer as well. It will no longer be a liability to a Republican tariff bill and a target for the opposition. Schedule K is a thing of the past. Schedule 11 of this bill is an asset for the future.

I wish that I had time to discuss in extenso the chemical schedule, because it is a schedule for which I myself was more responsible than any other and one upon which my colleagues, the gentleman from Washington, Mr. HADLEY, and the gentleman from Illinois, Mr. COPLEY, worked together for months.

The schedule is one of such infinite complexity and technical difficulty that I might spend hours of valuable time in this general debate without being able to give more than cursory information upon the manifold details. All I can hope in the very limited time I shall occupy is to touch one or two of the high spots.

First, may I say that my colleagues and I would have been practically helpless in the drafting of this schedule, at least in an attempt to make it absolutely scientific and up to date, had it not been for the assistance we received from the Tariff Commission. We had working with us three of the chemical experts of the commission. Dr. Grinnell Jones, a very distinguished American chemist, a professor at Harvard University, gave us much of his time, as did also Mr. De Long and Mr. Kirkpatrick, both young men of the highest scientific attainments. The result has been that we have been able to bring to you a chemical schedule which perhaps may be faulty in some of its rates of duty, but nevertheless with proper modesty may be said to be more scientific and more correspondent to commercial usage than any chemical schedule of previous tariff acts. The growth of the chemical industry in the United States since the passage of the Underwood Act has been marked and many fundamental changes have occurred. Since that time and as a result largely of conditions that have occurred during and since the war, many commodities have become of such importance as to deserve special tariff treatment. The magnitude of our task may be illustrated by the fact that more than 100 chemicals have in this schedule been given specific enumeration for the first time in tariff history, and, on the other hand, many other commodities obsolete in commerce that have been carried in various tariff bills purely as a matter of custom have been dropped altogether. Generally speaking, the rates of duty in this schedule are about the same on the articles enumerated in the Payne law as in that law. The general rate of duty throughout the schedule has been established at a uniform level of about 25 per cent, both ad valorem and specific. It is only on those particular products which represent new industries or materials essential to national preparedness that the rates are higher. It can be said of the chemical schedule that the rates of tariff imposed affect the ultimate consumer of articles in which chemicals are a component part to a negligible extent.

In almost everything the consumer buys of which a chemical is a component part, and everything that one buys has some chemical in it, the amount of chemical is so small as not to affect the cost to the consumer. We had much opposition to a duty on magnesite, for example, an absolute necessity for making high-grade steel to-day. Yet the fact is that the cost of magnesite in steel is less than one-tenth of 1 per cent of the finished article. Take, for instance, the cost of dyes. The average cost of the dye in a suit of clothes is about 18 cents. There is not a man now present in this House who has on a suit of clothes that has more than 25 cents worth of dye in it. Thus as compared to the cost of the article in which the consumer is interested it is so negligible as to be utterly absurd to discuss.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. LONGWORTH. Will the gentleman from Michigan kindly give me half an hour more?

Mr. FORDNEY. Mr. Chairman, I yield the gentleman 30 additional minutes.

Mr. COCKRAN. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes. I want now to discuss the provision relating to coal-tar dyes.

Mr. COCKRAN. Before passing to that very important schedule, so as to avoid disturbing the current of argument, I want to ask the gentleman a question which I think should have been propounded before. The report of the Committee on Ways and Means accompanying the measure states as the fundamental cause why its enactment is necessary or advisable, that there has been a great increase of imports during the last year and a diminution of exports. I would ask the gentleman from Ohio if he really means to place the argument in favor of this measure upon the assumption that such a state of facts exists—that there has been a great falling off of exports and a greatly disproportionate increase of imports?

Mr. LONGWORTH. I read in a newspaper this morning that the falling off of imports was just about the same relatively as the falling off of exports for the last year. There are certain articles, new imports, in the last two or three months where the increase has been so alarming, coming almost invariably from Germany, either directly or through other countries like Switzerland or the Scandinavian countries, as to cause apprehension. They are coming in, not in tremendous quantities but at rates so low, if they be allowed to continue, as utterly to destroy American production of those articles. Germany has now gotten into a position, as have other countries, but Germany particularly, where they have resumed largely their prewar efficiency. She is loaded up with products accumulated before and during the war, and she is prepared to ship those articels in here, regardless of cost, in order utterly to throttle American industry. That is the thing that alarms me.

Mr. COCKRAN. In that report of the minority, which the gentleman criticized so forcibly in the opening of his remarks, there is incorporated a table showing the imports and exports from July, 1920, to May, 1921. The gentleman concedes the accuracy of that table, I suppose?

Mr. LONGWORTH. I have not examined that particular table. I presume that it is accurate. The thing that disturbs me is the class of imports that have been recently coming in, which indicate the ability of Germany and certain other European countries to absolutely destroy American industry unless we put up some bars.

Mr. COCKRAN. I want to express my acknowledgement to the gentleman for a very lucid explanation.

Mr. TILSON. Mr. Chairman, the gentleman will not say that certain articles have not been imported into this country in increasing volume.

Mr. LONGWORTH. Oh, not at all.

Mr. TILSON. I call special attention to cutlery, silverware, and glass.

Mr. LONGWORTH. Optical glass; yes. Many of the industries that were purely war industries are being seriously menaced by these importations.

Mr. RHODES. May I suggest that various chemicals are also being imported into this country from Germany. Was it the intention of the Committee on Ways and Means to impose duties on all chemicals imported into the United States under the tariff bill now under consideration?

Mr. LONGWORTH. No; there are some still on the free list.

Mr. RHODES. Is the gentleman aware that barium hydrate, a chemical produced in Germany, is being imported into the United States in large quantities, a commercial product, worth something like $100 a ton, which is entirely omitted from the bill under consideration?

Mr. LONGWORTH. If it is omitted, then it will carry a duty of 25 per cent, American valuation, higher than it has ever carried in its history.

Mr. RHODES. Under what provision of the bill?

Mr. LONGWORTH. Under the basket clause of the chemical schedule. I think that is a higher duty than it has ever carried heretofore.

Mr. MONDELL. Mr. Chairman, will the yentleman yield?

Mr. LONGWORTH. Yes.

Mr. MONDELL. Referring to the question of the reduction in volume of exports and imports, that very great reduction in the last year is due, as the gentleman knows, to a very considerable extent to the reduction in the value of the products. That is particularly true with reference to our agricultural exports.

Many of them have been exported recently at a value of less than half the export price of a year ago, so the reduction is largely a matter of value rather than a matter of volume.

Mr. LONGWORTH. I think the gentleman is absolutely correct.

Mr. COCKRAN. No doubt about it.

Mr. LAZARO. Will the gentleman yield for a question with reference to the chemical schedule—dyes?

Mr. LONGWORTH. If the gentleman will permit, I am coming to that and I am about to discuss it.

Mr. LAZARO. I want to know what percentage Germany manufactured prior to the declaration of war, and the part that it played during the war.

Mr. LONGWORTH. I will give the gentleman all these facts, but I must go ahead.

Mr. CHINDBLOM. If the gentleman will permit, I want to ask the gentleman, Is it the purpose of the gentleman to discuss what the various duties might be imposed in place of paragraph 27 if that should be eliminated from the bill?

Mr. LONGWORTH. I will state to the gentleman that if these paragraphs are eliminated from the bill no tariff duties are of any avail at all; there will be no possibility of preventing the destruction of the American dyestuff industry by any tariff duty. I have no counter proposition to propose for that of the one carried in this bill if we desire to save the coal-tar industry of this country.

Just a word or two about the history of this industry. At the time of the passage of the Payne Act the dyestuffs industry of this country was so insignificant as to be negligible. There were only two dye plants of any size here and those were mere assembling plants for German materials. Germany at that time supplied 95 per cent of the American market with dyes and all forms of coal-tar materials, chemicals. It was not because the raw materials were not available. There was then, and is now, in this country an unlimited supply of the raw materials from which coal-tar chemicals are made, as there always is in any country which has a large supply of coal and a large steel industry which requires much coke.

The trouble was that in the process of making coke at that time the beehive type of oven was mainly used in which the materials to produce coal-tar chemicals were entirely wasted. It was not until the biproduct coke oven came into general use that a practically unlimited supply of coal tar became available. It seems strange when we reflect upon it that until very recently we allowed in the manufacture of coke to escape and be wasted in the air the materials upon which we must rely for all modern perfumery, dyes, modern medicinal preparations, and upon which we must absolutely rely for all chemical gases and every form of explosive. It was only until recently that we allowed all those things to go to waste.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. LONGWORTH. Now, we have an abundant supply of raw material and the only question is to make provision for converting it into the finished product.

Now that the biproduct type of coke oven has come into general use, it ought to be in every way encouraged. In fact, as I recollect it, during the war at one time a regulation was made by one of the war boards preventing the transportation of coke produced by the beehive type of coke oven in order to make it necessary to produce coke by the biproduct process. More than 30 years ago Germany by the encouragement of the biproduct coke oven began the establishment of a dyestuffs industry later to grow into proportions so gigantic as to control the markets of the world. Every form of Government subsidy was used for this purpose.

Chemists were given bonuses and pensions to develop investigations into new methods of producing dyestuffs; rebates were given to the railroads for hauling; so that on the day war broke out Germany was without a competitor in the world's market. It was not until after the war that the world came to a full realization of the absolute interdependence of the dye and war material industry which Germany had known for years. A very distinguished chemist, who graduated at Heidelberg some 30 years ago, told me that during his course there he had wondered why such tremendous impetus was being given by the Government to the development of the dye industry, and why the study of organic chemistry was given such encouragement in the great universities, and particularly in Heidelberg University. He told me that on the day he graduated he went to say good-by to the head professor of chemistry, and asked him why it was that this organized effort was being made in this direction, and the old professor, he said, put his hand on his shoulder and said, "Some day, young man, this will save the fatherland." Germany was a forward-looking country in those days. She realized that if war came with any great sea power she would be cut off from the supply of Chilean nitrate, and in any substantial war would be cut off from the use of water power in Sweden, which the German chemical interests formerly controlled and where much of her nitric acid was made before the war.

And she knew that the only way to make herself prepared for war with the world was to develop a competent coal-tar chemical industry. And so it was that the immense dye trust grew up, which made millions of dollars in time of peace, which controlled the markets of the world, which sold to us here in America 90 per cent of our dyes at any price they chose. And so it was that the day war was declared we found ourselves in just the position in which any country ought to find itself if it is content ever to be reliant wholly upon one other nation so far as bedrock necessities both for peace and war are concerned.

Mr. LAZARO. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. LAZARO. Is it not a fact that because we had no dye industry in this country we paid higher for what we bought from Germany?

Mr. LONGWORTH. I am very glad the gentleman mentioned that, and I am going to give him a few cases.

The price of dyes, as all of you remember, on the day after war was declared and when Germany was cut off from importation here went up by leaps and bounds, and in many cases they could not be procured at any price. A few months after war began there came before the Ways and Means Committee a manufacturer of women's hats, who showed us that for a year's supply of a particular kind of a dye absolutely necessary to his business, which for the last 15 years had cost him an average of $1,700, he had been forced to pay $120,000. And there are hundreds and thousands of instances of that nature. Dyes did not double in price; they went up 10,000 and 20,000 per cent, and in many cases were not procurable at all. The Government itself was seriously embarrassed in the procuring of ink for use in the Printing Office and in the Bureau of Engraving and Printing owing to the impossibility of procuring dyes to color the ink.

I remember very well a call that was sent out by the very amiable and charming daughter of our late Speaker of revered memory, Champ Clark, who was president at that time of the Woman's National Made-in-the-United-States-of-America League, to 200,000 women in the United States, asking them to wear white clothes during the war in order to give American dye manufacturers a chance to get upon their feet.

Mr. REED of New York. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. REED of New York. Some time before the war a college friend of mine, a chemist, told me that he was working in a large plant in this country, and after giving some study to the work in that plant he discovered a by-product and went to the proprietor and asked him to manufacture it. The proprietor said he would like to do so, as there would be a large profit in it, but he said, "I can not." The young chemist asked him why he could not do so, and he replied that the German manufacturers would not permit him to do it. He said: "They permit me to manufacture just certain articles, and if I go beyond that they will ruin me." Is that the situation you are trying to escape?

Mr. LONGWORTH. Precisely. The German "yellow-dog" fund was used for just that purpose.

The Dye Trust in Germany to-day is even more powerful than it was in those days before the war. The six German cartels are now united into one gigantic trust, of which I will have more to say in a few moments. I referred to the fact that millions of dollars were invested by patriotic American manufacturers in the production of dyes, with little hope at that time of ultimate profit, but to secure, at least, a reasonable supply of those absolute necessities of American everyday life. But it was almost impossible to secure chemists of sufficient skill to make the ventures anything except losing ones. But with all our great disadvantages, assisted by the great universities that encouraged the study of organic chemistry, we have succeeded in building up the dye industry in this country which is capable of supplying 90 per cent of the needs of the consuming public.

That industry, however, is on the ragged edge, and a determined onslaught from Germany will bring ruin unless we take adequate measures to preserve it. Can anyone seriously doubt the ability of Germany to overwhelm the American market under existing conditions? All reports indicate that the German chemical industry was never on a firmer footing than now. The six great dye companies, as I said a moment ago, existing before the war are now united into one gigantic trust of unlimited capital and unlimited Government backing. Both their labor and scientific forces remained untouched during the war—a most important consideration. Not a man was drafted into the Army from a German dye plant throughout the entire war.

Now, I want to call your particular attention, gentlemen, to the testimony I am about to read. I quote again from the testimony of Mr. Hoover before the Ways and Means Committee, and I think it will be conceded that on such questions as these he is a world authority. Mr. Hoover said:

The analysis of the German Government's expenditures would indicate, roughly, that, of a total budget in excess of 80,000,000,000 marks, somewhere from 50,000,000,000 to 60,000,000,000 marks is spent in indirect subsidies to the cost of production. The German Government imports a large amount of food supplies and resells them at a loss to the population. It pays a large proportion of the operating expenses of the railways. Likewise many public utilities are running at a great loss, and the deficit is being paid by municipalities. All this amounts to a cumulative subsidizing of production. The payments of these deficiencies by the Government and by the municipalities are being met largely by currency issues. But, no matter how they are met, it results in the German manufacturer, so far as his particular product is concerned, being relieved of costs that would normally apply.

In commodities where transport plays a large part, such as steel, this indirect assistance must amount to a very considerable sum. German steel is being offered at prices at the present time with which practically no other country can compete.

Now, that is a most significant situation.

Mr. COCKRAN. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Certainly.

Mr. COCKRAN. Is there any German steel now coming into this country, and if so, how much, under these conditions?

Mr. LONGWORTH. I am not speaking of the amount that is coming in. I am simply giving Mr. Hoover's opinion as to what Germany can do when trade relations are resumed.

The gentleman from Texas [Mr. GARNER] asked Mr. Hoover this question:

How long, in your opinion, can a nation continue to sell cheaper than any other nation in the world, as Germany, you say, is now doing under the processes that she is adopting at the present time?

Secretary HOOVER. I can not put a period on it. I do not think any of us know how long it takes for an economic process to act.

Here was another question:

Mr. LONGWORTH. May I ask you about the German Government buying and selling at less than cost? Do they have a ration system under which anyone can buy a certain amount at a given price?

Secretary HOOVER. They originally started by the Government controlling the price and distribution of the entire food supply. As time has gone on they have relaxed control of certain commodities. At the present moment the German Government is itself importing practically the whole of the breadstuffs and much of the fats; that is, such portion as is required from abroad. They are selling them at a loss, as near as I have been able to learn, of about 50 per cent, and by that means they are holding down the cost of food supplies internally below the world level.

How can we hope, if we have practical free trade with Germany, to conserve any of our industries in this country, much less the great chemical industry, which is at the very foundation of our integrity and safety as a Nation under such conditions?

Mr. SNELL. Mr. Chairman, will the gentleman yield for a question?

Mr. LONGWORTH. Certainly.

Mr. SNELL. Is there an absolute embargo in this bill as written at the present time, or are there provisions under which a manufacturer who absolutely needs foreign dyes can procure them?

Mr. LONGWORTH. There is no embargo in this bill on such dyes as the gentleman mentions, and I will be glad to answer the gentleman's question more specifically.

Mr. SNELL. I would like to get that information.

Mr. LONGWORTH. What will happen under this bill is this: The Tariff Commission will, as speedily as possible, prepare a list of all dyes and dyestuffs which are now being made in this country at reasonable prices and in satisfactory quantities and on reasonable terms of delivery. All dyes on that list, while they remain on that list, are not importable; but all other dyes are importable by any man, any dye user, without expense, so far as the Government is concerned, automatically and without a license.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. BLACK. I believe that the gentleman stated that about 90 per cent of the dyes were now made in this country. Mr. du Pont testified in the Senate as follows:

The Longworth bill is an embargo. It is a misnomer to call it a license bill. The intention is not to license imports except in rare cases. It is substantially an embargo bill.

Mr. du Pont is quoted as having testified that on page 162.

Mr. LONGWORTH. I presume he did, because that bill was in effect an embargo bill. But this bill is not. If the gentleman will examine it he will see that it is absolutely different.

Mr. BLACK. I have examined it. But does it not act as an absolute embargo on every article that the commission sees fit to put in class A?

Mr. LONGWORTH. So long as it is in class A it is not permitted to be imported.

Mr. COCKRAN. Under any circumstances?

Mr. LONGWORTH. Under any circumstances. But it will not remain in class A unless it continues to be sold at a reasonable profit and in sufficient quantities to meet the needs of the dye users in this country.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. BLANTON. The record shows that synthetic indigo before the war sold at 15 cents in this country, and that its value now is 60 cents. The rate of duty under this bill will be 28 cents, almost double what it sold for before the war, according to the statement of the distinguished gentleman from Wisconsin [Mr. FREAR]. What about that proposition?

Mr. LONGWORTH. The gentleman evidently was out of the Chamber when I discussed this question. That is a paltry increase in comparison with other items. You must talk in terms of thousands of per cent when a country relies on another country for a vital necessity if something happens to cut off importations.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. LONGWORTH. I hate to take up more time, but I think I can get through in 15 minutes more.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman 15 minutes more.

Mr. CHAIRMAN. The gentleman from Ohio is recognized for 15 minutes more.

Mr. COCKRAN. Mr. Chairman, will the gentleman give way for a suggestion?

Mr. LONGWORTH. Yes.

Mr. COCKRAN. I understand this part of the gentleman's argument is addressed to the necessity of this measure as a war measure, and not as a protective measure. I understand the gentleman is now speaking on this schedule solely as to its necessity as a war precaution and not as an ordinary measure of protection? I merely wanted to know that.

Mr. LONGWORTH. I will say to the gentleman that in so far as the dye industry is solely a mercantile industry, I have but little interest in it. I would not go further to protect that than I would with any other industry that I desire to see preserved. But believing as I do and as I am convinced, that our country can ever again be properly prepared either for attack or defense without such a measure as this, that the health of the Nation is vitally concerned in the further progress in the production of medicinals from these organic chemicals, I absolutely believe that this stands as something by itself and can not be compared with other industries; and this is the only case where I would go so far as to establish an embargo, even for a limited time.

I think there ought not to be any politics in this question. I think that gentlemen on that side of the aisle and on this side of the aisle should join upon it. There has never been a better description of the vital bedrock necessity of this great dyestuff industry than is contained in two messages delivered to this House by President Wilson. On the 20th of May, 1919, President Wilson, in addressing the first session of the Sixty-sixth Congress, said:

Nevertheless, there are parts of our tariff system which need prompt attention. The experiences of the war have made it plain that in some cases too great reliance on foreign supply is dangerous, and that in determining certain parts of our tariff policy domestic considerations must be borne in mind which are political as well as economical. Among the industries to which special consideration should be given is that of the manufacture of dyestuffs and related chemicals. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacturer of dyestuffs, on the one hand, and of explosives and poison gases, on the other, moreover, has given the industry an exceptional significance and value. Although the United States will gladly and unhesitatingly join in the program of international disarmament, it will, nevertheless, be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants. The German chemical industry, with which we will be brought into competition, was and may well be again a thoroughly knit monopoly capable of exercising a competition of a peculiarly insidious and dangerous kind.

Six months afterwards he renewed this recommendation. So I say to you, gentlemen, that I have eminent authority for the proposition that this industry stands by itself. Not a poison gas can be made except in a dye laboratory. Not a high explosive under modern conditions can be made except in a dye laboratory, and it is only in a dye laboratory that you can afford to hire chemical knowledge of a substantial sort. It is for that reason that we must retain this industry, looking forward to the future.

Mr. HILL. Will the gentleman allow me to ask him a question?

Mr. LONGWORTH. Yes.

Mr. HILL. A great deal has been said on the other side of the House about the so-called embargo on chemicals. Is it not the case that in the bill there is full provision for a public hearing by anyone who is interested, as to whether or not any element shall be put on the forbidden list, and does not that

provide absolute publicity for any question of putting it on that list?

Mr. LONGWORTH. Any dye user who finds he can not immediately get a six months' supply of some dye that he needs, or if he is charged an undue price, may immediately go before the Tariff Commission and ask that the material be removed from class A.

Mr. EVANS. Will the gentleman yield?

Mr. LONGWORTH. I yield to the gentleman from Nebraska.

Mr. EVANS. Can the gentleman from Ohio give us information as to the time it will require the Tariff Commission to prepare the list required under this bill after it shall have become a law, so as to give information which will be a reasonable authority?

Mr. LONGWORTH. I think the day this bill is passed the Tariff Commission will be able to provide such a list. It may be varied somewhat later on further information. We are producing to-day practically all the dyes that are needed except what are known as vat dyes, certain particular dyes which are produced mainly in Germany. To an extent we are producing those. We are producing new ones all the time. Every few months a new dye comes out.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. HARDY of Texas. Does the gentleman think we need all those dyes as aids to the manufacture of war material, or would the manufacture of a number of the very important ones be sufficient to furnish us with a basis for war supplies in case we got into a war? Have we got to exclude all the dyes of other countries?

Mr. LONGWORTH. The situation is simply this: If we allowed Germany to take a certain portion of the American market, with her tremendous capacity and the enormous variety, it would be the question of only a few months when she had the whole market.

Mr. HARDY of Texas. So the gentleman thinks that even though we should reserve to the American manufacturer a vast volume of the more important dyes, it would still be necessary to reserve all the others?

Mr. LONGWORTH. Absolutely. We could not divide the American market with Germany on the dyes that we actually produce. The reason is that no tariff, no matter how high, will avail in this situation, because Germany will adopt what is called the full-line forcing system and will sell the dyes that we produce here at a very low rate, less, perhaps, than cost, and will sell at a profit the dyes that are not produced here, coming out even on the transaction and destroying the American industry which is producing the dyes we need.

Mr. HARDY of Texas. I do not think the gentleman quite understood my question. Suppose we put an embargo on a great number of dyes, enough to put in operation a number of American dye plants. Would not that give us enough dyes for war material purposes?

Mr. LONGWORTH. You could not pick them out. You could not discriminate in favor of one and against another. You have to cover all of them or else let our whole dye industry go by the board. If we should undertake, for instance, to put duties so high as possibly to keep them all out, it would have the effect of discriminating against the bona fide users of dyes in this country, the textile men. We must not make them pay too much duty on the dyes which are not now produced and which they must import, and that is one of the reasons we have this provision.

Mr. MADDEN. Will the gentleman yield?

Mr. LONGWORTH. Certainly.

Mr. MADDEN. If the gentleman has not already done it, will he explain how the Tariff Commission may transfer these chemicals from Schedule B to Schedule A, and the effect of the transfer.

Mr. LONGWORTH. At any moment if a dye comes into being in this country by the ingenuity of a chemist in our dye works and can then be produced in commercial quantities at a reasonable price, it is at once transferred by the Tariff Commission to class A. On the contrary, in case of any article specified in class A, and it is undertaken to raise its price unreasonably, through monopoly or otherwise, it automatically goes into class B, and can be imported until it is again sold in this country at a reasonable price. That is the reason why the fears of the gentleman from Wisconsin [Mr. FREAR] that a monopoly might be created which would unduly raise the prices is entirely unfounded.

Mr. MADDEN. So, all the dyes in class B are importable and all dyes in class A are obtainable in the United States.

Mr. LONGWORTH. Yes; and the thing will practically work automatically. If anybody tries to raise the prices of anything in class A, immediately they are dropped from class A.

In the face of conditions as I have described them, liable to continue perhaps indefinitely, can anyone contend that something more than ordinary treatment is not required to save an industry from total destruction as against a country now possessing a world's supply. I am not in love with any embargo system. I would not advocate it if I were not convinced that no other method will avail, and even then I would only advocate it for a very limited time as provided in this bill. But we must face conditions as we find them, and here is the present situation:

Every principal country in the world save only America and China has an embargo against dyestuffs. Great Britain has recently passed an act placing an absolute embargo upon all dyestuffs for a period of 10 years. Even more recently Italy has followed suit. For some time Japan and France and Belgium have had embargoes on dyestuffs. Russia is out of business. America and China alone provide a market for the vast accumulations that Germany now has on hand. We will be at Germany's mercy if we fail to take the same measures for our protection that our great sister nations have so wisely undertaken.

If this were a question purely industrial in its scope, I would hesitate to advocate even a limited embargo, but this question is more than industrial, it is vital to our very integrity as a nation. It is vital to the health of the Nation, for it is upon the maintenance of this industry that our progress in modern medicines must depend.

Many people hope and believe that we are entering upon a period of international disarmament, and if so, possession of such an industry becomes of infinite importance. During the period of disarmament a nation possessing such a potential arsenal would be in a position to overwhelm one less well endowed, and would practically be immune from attack. Generally speaking, preparedness costs money, and the less prepared a nation is the more it costs. It costs billions to build ships and to raise and equip an army, but that army and navy will be utterly useless if we have not the chemicals or the means of producing them, which are the bedrock necessities of modern warfare.

But from the Treasury standpoint it costs nothing to maintain a thoroughly equipped dyestuffs industry capable in time of peace of supplying the needs of the people in dyes and medicines, and in time of war the vital necessities for war. This is the one form of preparedness that costs nothing and yet is the most necessary of all.

This question should arise above all party differences or personal prejudice for or against any ordinary method of dealing with importations.

Some gentlemen, and particularly my friend from Wisconsin [Mr. FREAR], are fearful that the enactment of this legislation might encourage the creation of a monopoly. I have no such fears; but even if I had I would prefer to deal with a monopoly here, which we can control, than with a foreign monopoly, the most ruthless, conscienceless, and greatest trust that has ever existed in the world, which we have no means of controlling. The gentleman from Wisconsin made some rather severe strictures yesterday upon the Chemical Foundation, formed during the war for the taking over of the German chemical patents, and alleged that it was a monopoly. Whether his criticisms are well founded or not I shall not argue, but the fact is that very few of the German patents were used in making dyes and that a very large majority of all the dyes now produced in this country are not being made under the German patents at all, and, therefore, the great majority of our present dye industry is in no way under the control of the Chemical Foundation. As a matter of fact, practically all the German patents related to the so-called vat dyes, which are not yet being produced to any large extent here; but even if they were the Chemical Foundation could not control them, because they are bound to license these patents to the use of any firm or corporation which can prove that it is under American ownership.

Far from there being any monopoly in the dyestuff industry in America to-day, the report of the Tariff Commission shows that during the year 1920 that out of 360 dyes produced 108 were each manufactured by three or more firms; that the output of these represented 92 per cent of the total quantity produced in that year. Of the total number of dyes produced, 200 were each manufactured by one firm only, but these dyes represented only 5 per cent of the total output. Over half the total output consisted of dyes, 35 in number, each of which was made by seven or more separate firms. There is and can be no danger of any monopoly existing in this country.

No protective tariff, as such, no matter how high, can meet the present situation. The German dye trust could well afford to sell all the dyes now being produced in this country at far below cost if by so doing it could destroy our industry, and in

the meantime they could recoup the losses on these dyes by selling those not now produced in this country at any price they pleased, and the inevitable consequence would be that we would lapse back to the conditions of the prewar period, when we were at Germany's mercy.

Let us rise above partisan politics. Let us forget for the moment our predilections toward this or that method of dealing with tariff questions and adopt the one sure means of saving to America the industry which is the prime necessity of the health and happiness of our citizens in time of peace and to their safety in time of war or threatened war. [Applause.]

Mr. FORDNEY. Mr. Chairman, when the committee rises this evening I am going to ask that the House meet again at 8 o'clock this evening for the purpose of discussing the bill under general debate. We will have to ask the same permission to-morrow, and perhaps Thursday evening, because there are many requests for time. I think there are 25 hours requested on this side and on the other side of the House. If agreeable at that time, we will ask unanimous consent to recess until 8 o'clock.

Mr. GARNER. Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. TYSON].

Mr. TYSON. Mr. Chairman and gentlemen of the committee, I hope the Member from Ohio [Mr. MURPHY] who spoke to this committee on last Saturday afternoon is present. I have a message for him and for those who applauded the sentiments expressed by him on that occasion. Years ago it was recorded in the greatest book that was ever written that a man by the name of Balaam owned an ass, and that, under the whip of his owner, he spoke. On last Saturday we heard the speech of the Republican ass. [Applause on the Democratic side.] I sincerely hope that it was not the result of a chastisement by the Republican whip. I can not believe that he uttered the sentiments of the leading Republicans in this House in his vitriolic assault upon the Democrats of this House, charging them as being senseless and incapable of representing their constituents and ascribing to them a baseless reason for opposing this bill.

He injected into his bray the Negro question. He charged among other things, that we Democrats are against the bill because it would enhance the wages of the Negroes of the South. I say to that gentleman that that statement is as malicious as it is false.

There is a very apt Bible injunction which I commend to you Republicans and to the constituents in Ohio whom that gentleman represents on the floor of this House. It is this: "He that sendeth a message by the hand of a fool cutteth off the feet and drinketh damage."

NEGRO QUESTION.

We are willing to, and do accord to the Negro of the South his rights, but when we give him those rights he is entitled to no more. The Constitution secures to him no social rights but only civil and political.

I shall never permit to go unchallenged, as long as I am able to raise my voice, aspersions upon southern civilization. I would be untrue to the land that gave me birth, the traditions of the South, its institutions, and the noble women who preside over our homes, our altars, and our firesides, and to whom we are indebted for the inspiration of southern chivalry, manhood, and courage, which has distinguished our soldiers on the field of battle, and our men in the walks of every-day life, if I did not resent, with all the vigor and courage of my being, all attempts to create conditions having in view the elevation of the Negro to a plane of social equality with the whites.

To those of the North who believe in social equality and who advocate legislation promotive of it, I wish to say, there is no power under Heaven that can force the Anglo-Saxons of the South to recognize the Negro as his social equal.

In 1875, the Congress passed an act to secure to all persons full and equal enjoyment of the accommodations, advantages, facilities, and privileges of inns, public conveyances by water or land, theaters, places of amusement, and imposed a penalty for a denial of those rights on account of race, color, or previous condition of servitude. The act was declared unconstitutional by the Supreme Court of the United States.

This year the house of representatives of the Legislature of Pennsylvania passed a similar bill, but its passage failed in the Senate.

In 1867 the supreme court of that State sustained as reasonable and constitutional a rule adopted by a railway company, requiring whites to occupy one portion of the car and Negroes another, upon two grounds; the right which the company had in its property and the public interest. The court, in speaking of the difference between the white and colored races, said, among other things:

> Why the Creator made one black and the other white, we know not; but the fact is apparent and the races distinct, each producing its own kind and following the peculiar law of its constitution. Conceding equality, with natures as perfect and rights as sacred, yet God has made them dissimilar, with those natural instincts and feelings which He always imparts to His creatures when He intends that they shall not overstep the natural boundaries which He has assigned to them.

Some years ago a school committee in Boston excluded the Negro from the white public schools of that city. The right and power of the committee to do so was challenged in the courts on the ground that it was a denial to the Negro children of a constitutional right—a civil right—but the Supreme Court of Massachusetts sustained the exercise of the power by the committee.

The Supreme Court of the United States sustained the constitutionality of the "Jim Crow" law of Louisiana. That great court, in its opinion, said:

> The argument also assumes that social prejudices may be overcome by legislation, and that equal rights can not be secured to the Negro except by an enforced commingling of the two races. We can not accept this proposition. Legislation is powerless to eradicate racial instincts and to abolish distinctions based upon physical differences, and the attempt to do so can only result in accentuating the difficulties of the present situation.

So long as racial instincts and physical differences exist, which the Creator made, and which will always exist, no law can be constitutionally enacted compelling the owners of hotels, theaters, and places of amusement to admit Negroes on equal terms with the whites; nor can any status be created by law promoting and establishing in the South social equality of the races.

The Anglo-Saxons of the South will never degenerate into a mongrel race.

I know some of you think that we do not accord to the Negro his political rights. But this is untrue. The right of suffrage is not conferred by the Constitution of the United States, nor is it an attribute of citizenship. It is a right conferred by the States and the States alone possess the power to prescribe such qualifications for its exercise as they may deem proper, provided they do not, by their laws, deny or abridge the right to vote on account of race, color, or previous condition of servitude. In the exercise of their sovereign powers, the States may prescribe, as a condition precedent to the right to vote, the payment of poll taxes, educational qualifications, and the ownership of property. Several of the New England States, in their constitutions, exact that a voter possess some, if not all, of those qualifications.

Maine, New Hampshire, and Connecticut, in their constitutions, require that all electors shall be able to read, in the English language, the Constitution and write their names.

The constitution of Massachusetts requires the payment of all taxes assessed; and that of Rhode Island prescribes that no person shall vote in the election of the city council of any city or upon any proposition to impose a tax or for the expenditure of money, in any town or city, unless he shall have paid a tax assessed upon his property, valued at $134. That State also requires all registered voters to pay at least $1 tax for the support of the public schools.

Similar provisions are in the several constitutions of the Southern States.

The motives that induced their adoption were the same that caused the New England States to incorporate them in their constitutions.

They are safeguards against municipal control by the irresponsible, ignorant, and vicious citizen.

TARIFF.

The brains and wealth of the Nation may be north of the Ohio River, as asserted by the gentleman from Ohio [Mr. MURPHY], but I want to say to you that we have brains enough and we have integrity and loyalty enough to the people we represent and to the great body of the people of this country—the consumers of your tariff-laden goods—not to accept the invitation extended by the chairman of the Ways and Means Committee [Mr. FORDNEY] to vote for this bill by putting a tariff on cotton and hides. Short-staple cotton is a noncompetitive product and the markets for a greater portion of it are in Europe. The price of no noncompetitive article of commerce can be enhanced by a tariff. You will, no doubt, levy a compensatory duty, if a duty is levied on cotton, for the benefit of the manufacturer of cotton goods large enough to enable him to collect enough out of the consumer to reimburse him for all duties he may pay upon such long-staple cotton as he may import, the only competitive raw cotton, of which only a small quantity is raised in this country. You will also, no doubt, provide a scheme by which the manufacturer may put his hand in the Treasury and reimburse himself for substantially all moneys paid by him at the customhouse. So then the scheme proffered by the honorable chairman of the Ways and Means Committee to tax cotton will not benefit the cotton producer nor produce any revenue for the Government, but will enrich the manufacturer at the expense of the great body of the people who must use cotton goods.

As to the offer to put hides on the dutiable list, I will say to the gentleman that farmers do not raise cattle for their hides, but for beef. In my country cattle are sold on the hoof. The large percentage of hides produced in this country are owned by the packers, and they fix the price. They will be the beneficiaries of the levy.

In addition to the tax proposed, a corresponding compensatory duty will be awarded to the manufacturer of leather goods, such as shoes, harness, and the like, and a drawback scheme devised under which he will get back practically all duties paid on imported manufactured leather goods, resulting in no revenue to the Government and in an increase in the price of shoes, harness, and the like, which the farmer and the great consuming public must have.

The great body of the people of the South are dependent upon the prosperity of agriculture and can get no possible benefit from the high taxes imposed by this bill. They are consumers, and if this bill is enacted into a law their already oppressive financial burdens will be increased without any corresponding benefits. The taxes sought to be levied by this bill are for the benefit of a small class of our citizenship to whom the southern taxpayer, by the consumption of their manufactured goods, must pay tribute.

In the debate on the Dingley tariff bill sectional animosities were attempted to be injected, just as has been attempted here by the gentleman from Ohio, to which Private John Allen replied:

> The South has learned some hard lessons in the bitter school of experience. Our people are not tramps, but they are at work; they have learned to live at home; they decline your proffer to enter into a scheme of public plunder in order to secure a small division of the stolen goods. We do not believe in your scheme of legislative robbery and we will not go into it. All we ask of the North is that it will keep its tramps at home and keep its hands out of our pockets.

It can not be doubted that the main purpose of this bill is for protection with revenue as an incident. The object to be accomplished is to add millions to the wealth of those who have already made millions and grown fat under the protective tariff system at the expense of the great masses of the people of this country. It is in effect a bounty but covertly concealed under the pretense that it is a bill "to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes." You have not the courage to come out openly and aboveboard and let the people of this country see and understand what you are really doing. You are resorting to this device for the purpose of deceiving the people. It will not work. In the language of Abraham Lincoln—

> You can fool some of the people all the time and all the people some of the time, but you can not fool all the people all the time.

If this bill should ever become a law, with its restrictions upon imports into this country, reflected in a corresponding decrease of exports to other countries, loss of markets for the surplus products of agriculture, of the mines, and of the mills will result, producing greater financial stringency than exists to-day.

After the next election you will wake up to a realization that "you can not fool all the people all the time."

Oh, you say that the laboring man of this country will be benefited by it. Woe be to him when he must depend for his prosperity upon the gratuity of the man who filches his wealth out of the pockets of his neighbors.

If this bill was not intended to make the rich few, richer, and the poor many, poorer, and would not operate to protect industries capitalized by the millions, enhancing their profits so as to increase the wealth of their millionaire owners and not to raise revenue for the Government, it would never have been reported to this House.

If its main purpose was to raise revenue, carrying with it incidental protection, as every tariff on competitive manufactured articles of commerce necessarily does, it would not be here. It would not fulfill the obligation, "Let us take care of him"—the special interests who subscribed so liberally to the campaign fund used in the last election and who must be reimbursed.

This bill would not command the support of that illustrious Democrat, Samuel J. Randall, who was regarded by many as a protectionist, were he living and here. In a speech in this House in May, 1882, he denounced a tariff for protection's sake by saying:

> I do not favor a tariff enacted upon the ground of protection, simply for the sake of protection, because I doubt the existence of any constitutional warrant for such construction of the grant of any such power. It would manifestly be in the nature of class legislation, and to such legislation, favoring one class at the expense of another, I have always been opposed.

In other words, Mr. Randall did not believe in the right to give protection to one branch of industry as a legitimate constitutional end under the powers of the Federal Government, not imposed for revenue and not as an incidental consequence of tariff duties imposed. He stood for a tariff for revenue, though protection would incidentally result.

A great deal has been said in this debate about this bill benefiting the farmers. They ask for bread and you have given them a stone. The bill taxes practically every necessity of life, not even those necessities which the farmers of the country, their wives, and children must have, have escaped taxation. Clothing, including underwear, hats, stockings, shirts, and other articles of wearing apparel, is taxed. Household and kitchen furniture, cooking stoves and cooking utensils, tableware, including all crockery and glassware, knives, forks, and spoons, tin plates and other tin vessels, brooms, bedspreads, sheets, pillowcases, tablecloths and napkins, needles, thread and pins, buttons, pens and ink, horseshoes, bolts, locks, cotton ties, sheep shears, carpenter and blacksmith tools, plow lines, chains, hammers, axes, saws, nails, spades, shovels, barbed and baling wire must bear their share of the bounty to the favored few. Even grindstones are not exempt. Sugar, meats, meal, flour, molasses, and rice, the necessary articles of food consumed by every family in this country, must help to enrich the favored few.

If the views of the honorable chairman of the Ways and Means Committee prevail, everybody who wears shoes must pay a like tribute, increasing their already high prices from 30 to 50 cents per pair.

Even one of the essentials to the production of crops in the South has not escaped the system of contribution provided by the bill to the monopolies promoted and fostered by it. A tax of $50 per ton is levied on potash, a necessary ingredient of the fertilizers used by the farmers of Alabama and six other Southern States. This tax alone will add to the cost of fertilizer, where potash is a component part, of at least $10 per ton and an annual contribution to the potash producers of this country of millions of dollars. The farmers of those Southern States who use fertilizers must make the contribution exacted by the Republican Party or suffer a reduction in the productiveness of their lands, resulting in serious loss in the money value of their crops.

I would like to be afforded the opportunity, as an experiment, of voting for a tariff on peanuts and vegetable oils, for the purpose of raising revenue, they being competitive articles of commerce. This would afford incidental protection to our peanut raisers, though, under prevailing conditions, I doubt seriously, that the market price of those products would be enhanced. But I am denied that privilege under the rule reported by the Republicans of the Committee on Rules and adopted by the Republican majority, unless I vote for the bill, which, by the grace of the majority, may be amended as to hides, oils, dyestuffs, cotton, and asphalt, and in such other particulars as the Republican majority of the Ways and Means Committee, in their enlightened wisdom, may deem advisable.

A few months ago an emergency tariff bill, imposing temporary duties upon certain agricultural products, was pressed to a conclusion and became a law. It was contended, with much seriousness, that it was for the benefit of the farmers of the country. It has been in effect long enough to have accomplished the loud proclaimed results, the increase in prices of cotton, wheat, corn, peanuts, and other agricultural products. Instead of an increase, there has been a general decline in prices, supporting in some measure, at least, if not establishing the truth of, the contention of many eminent economists that a protective tariff on agricultural products never increases their market price.

Not even the Federal, State, and other municipal governments have escaped the greed of the favored class that they may be made richer at the expense of the taxpayers. A tax on crude oil and asphalt used by the Federal Government, the States, counties, and cities in the construction and maintenance of public highways is also levied by this bill.

It is unthinkable that the Congress would appropriate large sums of money to assist in highway construction and maintenance in one bill and then penalize that construction in this one, for the benefit of a few oil producers and asphalt manufacturers.

Many of the rates of duty fixed by this bill will prevent the importation into this country of the articles upon which they are levied and give to manufacturers exclusive markets in this country, encouraging monopoly, increasing prices and unemployment.

Lest the high rates may fail in sufficiently crippling importations, a plan of valuation is incorporated in the bill never before adopted. This is another feature strengthening the cordon constructed and another obstacle in the way of Americans exchanging their goods for those of foreign countries.

Every dollar's worth of imports shut out keeps a dollar's worth of exports in.

The result of the restrictions carried by the bill, of the high tariff wall you are erecting, will be to destroy foreign markets for our surplus products of fields, mines, and factories. Those restrictions will incite the adoption of retaliatory measures by other countries, resulting in embargoes against their products being shipped here. Already Spain and one or two South American countries have forbidden the exportation of certain articles to this country.

FIRST TARIFF ACT.

The gentleman [Mr. FORDNEY] who opened the debate on this bill would have the country believe that it would have the approval of that great and patriotic American, George Washington, because while President he signed a tariff bill.

That act levied duties "necessary for the support of Government or the discharge of the debts of the United States," which, of course, afforded incidental protection to the manufacturers of the articles on which the tariff was levied. It did no more than this. It levied specific duties on 36 enumerated articles, viz: Fifteen per cent ad valorem on carriages; 10 per cent on 7 articles, namely, glass; china, stone, and earthen ware; gunpowder; paint; buckles; gold and silver leaf; and lace; 7½ per cent on 16 articles, the most important of which were paper, cabinet ware, buttons, gloves and leather, hats, millinery and ready-made clothing, iron castings, and metal wares; 5 per cent on all other goods except 17 articles, which constituted a free list. The free list included saltpeter, old metal, wool, cotton, dyestuffs, hides, and fur. A drawback was granted of the full duty less 1 per cent upon all imported goods exported within 12 months after the payment of duty and a bounty in lieu of a drawback on the salt used of 5 cents on each quintal of dried fish, barrel of pickled fish, and barrel of salted mackerel exported. All the duties imposed by the act were subject to a discount of 10 per cent if the goods were imported by vessels wholly owned by American citizens. The act by its own terms was to continue in operation only for a period of seven years. It was passed July 4, 1789, and was really in force only until December 1, 1790.

Mr. FOCHT. Mr. Chairman, will the gentleman yield?

Mr. TYSON. Yes.

Mr. FOCHT. Would it not be more accurate, according to history, to state that he issued a message asking that Congress pass a protective tariff bill for the protection of the infant industries of the country?

Mr. TYSON. All right——

Mr. FOCHT. Wait a minute. Also Madison, Jefferson, Jackson, and the greatest bill up to its time, signed by Buchanan, and what would the gentleman say about that? Were they all asses, as the gentleman says MURPHY is?

Mr. TYSON. I would say that if they were for this bill they stood for robbery of the people.

Mr. FOCHT. And the gentleman is a wise man and knows more than they did.

Mr. TYSON. No; I am not a wise man.

Mr. FOCHT. In the light of the history of this country we are to accept his wisdom as against the wisdom of those gentlemen.

Mr. TYSON. I do not ask the gentleman to accept my wisdom. I would not go to him for wisdom.

I belong to the Democratic minority, and, in the opinion of MURPHY, and perhaps, the gentleman, we are a brainless, poverty-stricken set. If George Washington were here to-day would he regard the industries promoted and to be made richer by the provisions of this bill as infant industries? Will the time never come in the history of this country when its industries will arrive at the age of maturity?

I will say to the gentleman that his mind may be enlightened and that perhaps he would not have made the mistake of putting Washington in the protectionist class with himself and his Republican friends, who are supporting this bill, had he known the views expressed by Taussig, professor of economics at Harvard University, that the act approved by Washington was a revenue act. That learned professor says:

> It has often been said that the first tariff act, that of 1789, was a protective measure, and that in the debate on it the tariff controversy appeared full grown. But such considerations had little to do with the act.

Dr. Henry Carter Adams, professor at Johns Hopkins University, is perhaps more pronounced in his views that such was the character of the act. He maintains that the motive of the apparent sentiment in favor of manufacturers was rather political than industrial; that it

> is found in the determination of the American people to be independent of England; that the conscious formation of a protective system except as a subordinate part of a political purpose can only be found in a period much later than 1789; and that the phrase "encouragement and protection of manufacturers" in the preamble (of the act) is the price paid for substantial harmony in presenting this first revenue act to the country—a compromise the more readily acceded to because protection was then regarded by all as but an incident to the securing of revenue, and, contrary to the wishes of the protectionist advocates, the law was declared a temporary measure.

Condy Raguet, an eminent writer, denounces the contention that the act was for protection as "preposterous."

Those gentlemen lived north of the Ohio River, and their testimony should be accepted by the gentleman without question, coming as it does from men of brains.

As confirming those views, we need only to look at the rates of duties fixed by that act and compare them with those fixed by this bill.

Another potential fact, conclusive of the view that the act was never intended to be anything except a revenue measure and not a protective one, is the short period of time it was in effect, namely, about 17 months.

The gentleman would also commit Washington to the support of this bill, because, forsooth, in his first annual address he used this language:

> A free people ought not only to be armed but disciplined; to which end a uniform and well-digested plan is requisite; and their safety and interests require that they should promote such manufactories as tend to render them independent of others for essentials, particularly military supplies.

And in another paragraph of that address he says:

> The advancement of agriculture, commerce, and manufactures by all proper means will not, I trust, need recommendation.

And it is on this language the gentleman predicates his assertion that Washington was a protectionist. No further comment is necessary.

As to Madison being a protectionist, I need only quote a sentence from his speech in this House in the debate on the act approved by Washington:

> I own myself the friend to a free system of commerce, and hold it as a proof that commercial shackles are generally unjust, oppressive, and impolitic.

He stood for direct taxation as against indirect taxation. It was on his motion that the act was limited in its operation as to time.

I am quite sure that the American people will be surprised, if not startled, to learn that Thomas Jefferson, the father of Democracy in this country, was a protectionist and stood for a tariff for the benefit of the classes against the masses. They have always understood that he stood for "equal rights to all and special privileges to none," and I venture the prediction that it will require a greater illumination than the gentleman has ever exhibited to convince the people of this country to the contrary.

As to Jackson's attitude on the tariff, I commend that the gentleman read his fourth annual message to Congress, where he will find this language:

> Those who have invested their capital in manufacturing establishments can not expect that the people will continue permanently to pay high taxes for their benefit.

President Buchanan, in his inaugural address, had this to say:

> It is beyond all question the true principle that no more revenue ought to be collected from the people than the amount necessary to defray the expenses of a wise, economical, and efficient administration of the Government. * * * Any discrimination against a particular branch for the purpose of benefiting favored corporations, individuals, or interests would have been unjust to the rest of the community and inconsistent with that spirit of fairness and equality which ought to govern in the adjustment of a revenue tariff.

The efforts of the gentleman to gain favor for this bill by giving out to the country the illusory statement that those great statesmen and patriots were protectionists of the kind that he is, is either born of stupidity or a preconceived purpose to intentionally deceive the people. He may take his choice. The exhibition of his great knowledge of the history of his country on this occasion does not signify that he is such a brilliant beacon light as to cause the people of this country to blindly follow him as their annointed leader and saviour.

No longer than yesterday there appeared before the special committee of the Senate and House representatives of the agricultural interests of this country. They stated the principal causes of agricultural depression, but did not assign as one of those causes the failure to levy a protective tariff on all farm products. The principal causes assigned by them are: "Restriction of credits, decreased demands from European consumers, and faulty distributive methods."

This bill will not remedy or overcome either of those causes. They will continue to exist and will be accentuated by it. It will militate against the purchase of agricultural products by European manufacturers and consumers. It affords no basis of credit, nor does it broaden credits, but, to the contrary, will have the effect of narrowing their already restricted condition.

Our only international currency is merchandise, and it can not be bought or sold while the rates of exchange are so variant and exorbitant. Besides Europe has no money and can only

barter and exchange her goods for ours. The rates and method of valuation fixed by this bill practically prohibits that mode of trading.

Europe owes this country the enormous sum of ten billion dollars, and more than one billion dollars of unpaid interest, which she can only pay in goods and services, as she has no money. If she does not pay, the American taxpayer must continue to bear the oppressive burden, notwithstanding the enormous decline in the value of his crops and his lands. The effect of this bill is to prevent Europe from paying that debt.

What the farmers of this country must have are markets for their surplus crops and transportation of those crops to markets at rates that do not absorb their value, leaving them fair returns upon the cost of their products.

Mr. FOCHT. Will the gentleman kindly enlighten the House which political party in this country revoked what were known as the Blaine reciprocity treaties and put silent every flour mill in America, when before that they ran from 12 o'clock Sunday night until 12 o'clock Saturday night?

Mr. TYSON. I do not know.

Mr. FOCHT. It was the Democratic Party. The only real reciprocity treaties ever negotiated in America were negotiated by James G. Blaine, and they were all revoked by the Democratic Party.

Mr. TYSON. And the gentleman attributes that to the tariff?

Mr. FOCHT. I am simply asking the gentleman; I am not arguing the tariff. I do not have the floor, though I may a little later.

Mr. TYSON. I want to know what the tariff had to do with it?

Mr. FOCHT. What is the gentleman discussing?

Mr. TYSON. I am discussing conditions.

Mr. FOCHT. The gentleman was discussing what he called the "nigger." The gentleman made the assertion that the Negro has no sovereignty, and yet you represented him before the war, when he was a slave, on the basis of 3 votes for 5 Negroes, according to my recollection of the status at that time; and here you take away that sovereignty.

Mr. TYSON. I represent him now, just as I represent others in my district who have no appreciation of the obligations of the rights of citizenship and the responsibilities of the exercise of the electoral franchise.

Mr. FOCHT. The gentleman should state his history right.

Mr. TYSON. I have my history right.

The CHAIRMAN. The gentleman from Pennsylvania must not interrupt the gentleman from Alabama without his consent.

Mr. TYSON. It is utterly immaterial what your tariff may be; until you afford facilities for the transportation of products of the mills and farms you can not have prosperity.

I have in my hand a compilation prepared by the Alabama Manufacturers' Association showing the percentage of increase in freight rates on manufactured articles from Birmingham, Ala., to various points in this country. This compilation shows the lowest percentage of increase to be 71 per cent and the highest to be 270 per cent. It shows 29 points of delivery, with the rates from Birmingham to those points, prior to 1918 and now, and the percentage of increase in those rates. The average increase is 163.6 per cent. I read this compilation:

	Prior to 1918.	Now.	Per cent of increase.
	Cents.	*Cents.*	
Rocky Mount, N. C.	36	108	200
Rowland, N. C.	34	90½	166
Thomasville, N. C.	33	87½	160
Hamlet, N. C.	33	84½	156
Union, S. C.	28	77	175
Anderson, S. C.	28	77	175
Mullins, S. C.	35	90½	153
Greenville, S. C.	28	70½	150
Malvern, Ark.	50	120	103
Des Arc, Ark.	48	115½	140
Osceola, Ark.	41	98½	140
Forrest, Ark.	39	105	169
Atlanta, Ga.	25	50	100
Augusta, Ga.	34	65½	93
Macon, Ga.	31	61½	98
Athens, Ga.	31	61½	98
Newton, Miss.	25	92½	270
Laurel, Miss.	25	92½	270
Lumberton, Miss.	25	92½	270
Bay St. Louis, Miss.	31	111½	260
Cravens, La.	50	128½	135
Monroe, La.	49	110	142
New Iberia, La.	42	142	238
Patterson, La.	41	145½	255
Avcock, Fla.	33	74	134
Milton, Fla.	28	69	146
Escambia, Fla.	28	69	146
St. Petersburg, Fla.	54	92½	71
Springfield, Mo.	52	122	134

I regard as the most important question of the day the solution of the railroad problem to the end that a substantial reduction in freight rates be achieved. Unless there is a substantial reduction in those rates, we will continue to have paralysis at our farms and our factories, resulting ultimately in bankruptcy to the railroads, the farmers, and the manufacturers. As illustrative of this proposition, I will relate the experience of a business concern in Utah. That concern sold to a business man in Alabama 10 carloads of phosphate to be delivered at point of destination. The purchase price to be paid was a little more than $5,000. The purchaser was instructed to pay the freight, deduct it from the invoice, and remit the balance. Instead of there being a balance to remit, the price of the goods did not pay the freight, and the purchaser drew on the seller for a little over $100. It took the whole shipment to pay the freight, and yet you talk about prosperity being restored by this bill.

Some plan should be devised by which productive credits may be established for the benefit of the farmers. This would not only enable them to make crops but would protect them against the necessity of having to sell their crops on unfavorable markets. It would also enable them to establish a distributive system under which a large per cent of the cost of marketing could be eliminated, securing to them the emoluments that now go into the pockets of brokers and other middlemen before their products are disposed of in the market. A financial system should be worked out by which farm products, cattle, hogs, sheep, and other live stock can be marketed in foreign countries.

This will take money which should be provided at reasonable rates of interest under which a system of credits may be established, resulting in creating and stimulating markets for products of the farm. National banks have been established under laws enacted by Congress, but the limitations imposed are such that those banks can not furnish the credit on remunerative terms to the raisers of farm produce and live stock, nor have they the facilities or the capital for providing the necessary credits to foreign purchasers. I appreciate that an objection may be raised that such legislation would be class legislation. But is it any more class legislation than the legislation under which national banks are organized with limitations compelling them to discount only "commercial paper" maturing within a short time after its negotiation, prohibiting the taking of mortgages on real estate as security for loans? Such legislation is far less condemnatory on that ground than this bill and much other legislation which can be readily recalled.

It would be highly amusing, indeed, if such an objection should emanate from a protectionist Republican. It does not lie in his mouth to urge it.

Another thing would be helpful to the farmers. It is the enactment of a law standardizing containers for flour, corn, fruits, and vegetables.

Permit me to say to you Republicans that the responsibility has been assumed by you to put in force constructive measures under which prosperity will be restored and the high cost of living reduced. I warn you that this bill can not possibly accomplish those results and utterly fails to fulfill the promises you made the people. The obligations are upon you to create conditions under which a stable currency will be reestablished in Europe, a restoration of international trade relations affording markets for American products, a resuscitation of American shipping and of employment for American labor, a reduction of the cost of living to American consumers, and the lightening of the burden of taxation of American taxpayers.

For your failure to discharge those obligations you will have to answer to the American people, and you may rely upon it that they will respond with such vigor and courage in a tone that you will never forget. [Applause on the Democratic side.]

Mr. FORDNEY. I yield 30 minutes to the gentleman from Nebraska [Mr. ANDREWS].

Mr. ANDREWS. Mr. Chairman, as the gentleman from Texas [Mr. HARDY], who just preceded me, made reference to the transportation question, I may be pardoned for alluding to that subject very briefly.

A large portion of our financial troubles and our labor troubles in connection with transportation have grown out of the policy and methods of William G. McAdoo. He reached his hand into the National Treasury and into the treasury of the railroads and enlarged expenditures in every direction, advancing wages for new employees from a normal of $2 a day to $6 and $8 a day, placing crews at little way stations over the country where none had been maintained before, maintaining small shops that cost about $40,000 a year each to operate prior to his management and increasing the expenditures of each of those shops from $4,000 to $5,000 a month. We all know the story so well, and we realize thoroughly that under that management was

laid the foundation of the troubles that we meet to-day in returning to normal conditions in the transportation affairs of the Nation. Had that policy not been adopted and pursued by Mr. McAdoo our National Treasury would have been free from the expenditure of nearly $1,500,000,000 in actual cash, and still more to follow. But I turn from that subject to the question before us—

THE FORDNEY TARIFF BILL.

The passage of this bill will bring increased revenues to the Treasury; stimulate the agricultural and industrial interests of the country; protect labor on the American standard of wages and living and preserve American markets for the citizens of this country.

A brief glance at the present financial condition of our National Treasury will show the necessity for increased revenues from customs. The unfortunate depression of the agricultural interests of the country demonstrate conclusively the necessity of doing everything in our power to restore normal conditions. The millions of unemployed workmen, the silence of our factories in the industrial centers of the Nation, call upon us for the restoration of normal conditions; permanent ways of American living and opportunity. The rights of the citizens of this country demand the reservation of American markets for American citizens first, in advance of all the world.

The passage of this bill will help us to advance in these various directions. Moreover, it will result in the repeal of the Underwood tariff that now stands upon the statute books and encumbers American interests in the lines of agriculture, manufacturing, and all of the business activities of the Nation. It may be said, as it has been in this debate, that some rates proposed in this bill are high; but, mark you, they are not too high if we propose to protect American labor, American capital, and American interests against the cheaper labor of other nations of the world. We must face the issue squarely. Shall we, in this work of reconstruction, lead our people back to normal American conditions with American opportunities, American wages, and American standards of living; or shall we turn them still further downward to the levels of the labor of Japan, Germany, Britain, France, Italy, and the other nations of the world? For myself, I believe in America for Americans, first, last, and all the time, until our home missionary affairs are in good condition, then we may go abroad as foreign missionaries to help fight the battles of the nations of the world.

The repeal of the Underwood tariff is essential. Note, if you please, a few chapters written under that law before the World War began and especially before we entered into that war. Also, ask yourselves this question: Wherein has the present Underwood tariff law revived a single American industry? What has it done to restore business; to open the avenues for American workmen; to stabilize the condition of business for the investment of American capital?

When it was introduced in the House its supporters declared their purpose to cut $100,000,000 out of the customs revenues of the Treasury. The fiscal year 1910 showed receipts under the Payne tariff of $333,683,000, while the Underwood tariff brought into the Treasury $292,000,000 for the year 1914 and $209,000,000 for the year 1915. The Underwood tariff yielded only $182,000,000 for 1918 and $183,000,000 for 1919. For the fiscal year 1920 the receipts were $322,000,000, making an annual average of $233,000,000 for the period of eight years. Thus it appears that the advocates of the Underwood tariff redeemed their promise in that particular with almost mathematical exactness; but where did they expect to secure the $100,000,000 that was cut out of the heart of the tariff revenues? The Treasury needed the money. There was a surplus for the fiscal years 1913, 1912, 1911, and 1910. There was not sufficient in either one or all of those years to warrant a reduction of $100,000,000 in customs revenues. Some new source of supply was necessary.

They announced in that connection that they would secure a hundred million dollars from an income tax. Under that law for the fiscal year 1914 they received only $67,000,000. The Treasury had been receiving prior to that time, however, $30,000,000 a year from a corporation tax. This left an increase of only $37,000,000. The wise financiers that were guiding the Treasury Department in 1914 were struck with consternation when they found such a tremendous shortage. They began to wonder whether there would be funds enough to pay their salaries. Hence they began to study revenue legislation with unusual interest and care. They claimed that many of the millionaires had escaped the first dragnet that they drew over the country and sent out an order that the fishing party should renew its occupation and bring in the wicked millionaires to make up the remainder of the $100,000,000.

The second effort was so far short of any marked increase that they appealed to Congress in their consternation to enlarge the range of the income-tax provisions, and Congress, under the lead of a Democratic administration and a Democratic majority, enacted a war revenue bill in time of peace and then fell short of the required amount, $100,000,000. Another effort at legislation was attempted, and thus they continued to enact piecemeal legislation to make up the $100,000,000. In the meantime the industries of the country were closing down under the low rates of the Underwood tariff. Hundreds of thousands of working people were thrown into idleness. Places of industry were silent once more because the Democrats had returned to power. They recalled again the days of 1893, 1894, 1895, and 1896, when the busy places of industry throughout the Nation were closed, the fires were put out, and factories were used as the roosting places of the owls and bats of a long, Democratic night.

Just at this juncture, when distress was settling down upon the country, the European war broke out and America began to sell war supplies to Europe. This seemed to be an emancipation for the Democratic Party—salvation, if you please, from the ruins of the Underwood tariff. Immediately the doors were opened, fires were rebuilt, and the owls and bats of the Democratic night were driven out for the period of the war. No sooner had the war closed, however, than depression struck the people of the United States with terrific force. Agriculture immediately collapsed, industries closed, working people by the millions were out of employment, business conditions were unsettled, and to-day we look out with anxiety and ask the question, "What next?" With the Underwood tariff upon the books, with all the penalties of industrial disorganization, with all the disturbances of business incident to the war, we are groping our way back toward normal conditions. We could have endured the war, but the war plus eight years of extravagant waste and wretched administration by the Democratic Party are altogether too much, even for the United States of America.

In 1920 the people of this country called, in unmistakable tones, by a vote of 7,000,000 majority, upon the Republican Party to restore the waste places, revive the industries and the agricultural interests of the country, and prepare the way for a new day, an American day, under Warren G. Harding and a Republican Congress.

The gentleman who just preceded me [Mr. HARDY of Texas] referred to the question of the tariff wall. As I recalled my earlier reading on tariff questions and my study of this subject, I remembered distinctly the fact that that argument is as old as the Democratic Party.

It has been using it from time immemorial, saying that a Republican tariff would paralyze the business of the country, while a Democratic tariff would give prosperity. I challenge your attention, gentlemen, to the fact that the reverse has been true; that is, under a Republican protective tariff law our Nation has always prospered and under a Democratic free-trade tariff law our country has always been in disaster.

Turn just for a moment to the operation of a few of these important tariff acts of recent years. You readily recall the McKinley law, the nature of the campaign that was made to elect a Democratic Congress, that afterwards wrote the Wilson tariff. The McKinley law in the last full year of its uninterrupted operation turned into the National Treasury $203,000,000 of revenue. In 1894, still on the books for that entire fiscal year, it yielded only $131,000,000 of revenue. Why? Because a Democratic Congress had come to write a Democratic tariff at lower rates, and the merchants of the country declined to import goods and pay the duties under the McKinley law and waited for the opportunities of the Wilson tariff. That is the explanation as to the revenues of the Treasury.

Now, what did the Wilson tariff do? You all know that it put out the fires in the American furnaces, it closed the doors and dedicated these places of former busy industry to the roosting places of the owls and bats of a long Democratic night. [Laughter and applause on the Republican side.] That is the history, and you can not escape from it. You see the result. You talk about the high tariff wall under the McKinley law and no wall at all under the Wilson law. Note the results upon the business of America. Under which of these laws did our country prosper more satisfactorily? For me the McKinley law was preferable. Note, if you please, in 1896 our country, weary of the results of the Wilson tariff, weary of the results of the Democratic administration, turned to that little Napoleon of protection, William McKinley, and wrote a new tariff law.

Then Mr. Dingley came forth as chairman of the Ways and Means Committee. The Fifty-fifth Congress assembled in special session on the 15th day of March, 1897, and on that day

the Dingley bill was introduced in the House, and it was passed on the last day of that month and sent to the Senate. It passed through the Senate and through the conference and was finally signed by President McKinley on the 24th of July, 1897.

For a time it was my privilege and my duty to examine and settle the customs accounts under the Wilson tariff in the Treasury. Then came the customs accounts for the entire period of the Dingley law, and then came the customs accounts for the entire period of the Payne tariff law, and then came the customs accounts under the Underwood tariff for a period of a little over two years. These tariffs were clearly in view during that period of 18 years. They stood in contrast in the examination. Note, if you please, the result to the National Treasury in the revenues at the close of the period of the Wilson tariff. The Dingley tariff was introduced March 15, signed July 24. Between those dates the volume of revenue under the low duties from admissions under the Wilson law flooded the markets of the United States with foreign products. The Wilson tariff in the first full year of its operation yielded about $150,000,000, largely because importations had been delayed pending the passage of the Dingley law. But, mark you, at the other end of its history importations during the last three months of that law increased so that between the monthly revenue of the Wilson tariff of about twelve and fourteen million dollars it ran up to $32,000,000 in one month. Here is an illustration of what can happen in connection with the problems now before us, and it is very important in the interest of the National Treasury that that question be protected. Just how, I will not presume now to discuss; but the high rates of duty seem to greatly disturb the Democrats.

Let me give you a very simple and very common illustration. Many of you have talked very earnestly, perchance, about the wickedness of a duty on sugar and extolled the glories of free trade. I call your attention to a period when conditions were normal. In 1909–10 the duties on sugar turned into the Treasury of the United States approximately $50,000,000 a year. The import cost, plus the duty, gave the cost price to the importer. What was the selling price to the consumer? There is a margin of difference, there is a place of investigation. What per cent of increase was that? Thirty-three and a third per cent—paying $50,000,000 of revenue into the Treasury carrying a protective duty of only 33⅓ per cent. That was the dutiable article. Now, lay alongside of it the history of the importation of coffee and tea on the free list. If the free list does such wonderful things as our opponents talk about, what do we find in this record in regard to tea and coffee? You may take the import cost of tea and coffee on the free list for these years when conditions were normal, and then take the selling price to the consumer, and you will find in no instance anything less than a margin of 100 per cent between the import cost of the article and the selling price to the consumer.

The ordinary grade of 3 pounds to the dollar paid 300 per cent over the import cost of the coffee. If free admission holds prices down, why in the world should not the price of coffee and tea remain down to a 33⅓ per cent advance, just as dutiable sugar did? There is an illustration, and you may carry it all the way through the entire dutiable and free list, and you will find that on the dutiable list you can not lay your finger on a single imported article where the margin shows as large profit between the import cost and the selling price to the consumer as tea and coffee.

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. Yes.

Mr. BLACK. The gentleman knows very well that coffee has a very wide range of price, according to the different qualities.

Mr. ANDREWS. Oh, yes; and I may say this to the gentleman—and if he has not learned it before I hope that he will remember it now—that the margin of profit for somebody in this country ran from 100 per cent to 400 per cent on tea and coffee and only 33⅓ per cent on sugar that paid $56,000,000 in revenue.

Mr. BLACK. Does the gentleman mean to say to the House that coffee in 1909 and 1910 was selling at the average price of 3 pounds for $1? Is that what the gentleman means to state as a fact?

Mr. ANDREWS. I mean this, that in our section of the country, in the East and the West and in the South and the North, that was true; and I got the information from the customhouses all over the country.

Mr. BLACK. Did I understand the gentleman to say that he now puts into the RECORD a statement that the average price of coffee was 3 pounds for a dollar in 1909 and 1910?

Mr. ANDREWS. I said that the grade that sold at 3 pounds to the dollar paid 300 per cent margin, and the coffee that sold at 40 to 42 cents per pound paid 400 per cent margin. Much has been said concerning the effect of tariff duties on the retail prices of merchandise to American consumers. Many people have erroneously declared that tariff duties are the direct cause of increases. It is also alleged that merchandise on the free list is comparatively if not entirely free from objectionable or excessive retail prices. In response to such criticisms, I invite your attention to three very common articles of merchandise—sugar, coffee, and tea.

The sugar schedule has been bitterly assailed, while silence has prevailed concerning coffee and tea.

What are the facts? During the fiscal year 1909 we imported nearly 4,000,000,000 pounds of unrefined sugar whose foreign value was $92,000,000 and upon which we collected $56,000,000 in revenue.

The average foreign market value of that sugar was 2.3 cents per pound. The average rate of duty per pound was 1.4 cents. Thus 1 pound of unrefined sugar cost the American importer, duty paid, 3.7 cents. As shown by reliable statistics from commercial agencies, the average selling price of all grades of sugar to consumers throughout the United States was 5 cents per pound at that time. In some localities it was less and in others a little more. With 5 cents per pound as the average selling price to the consumer and 3.7 cents per pound as the actual cost to the importer, duty paid, there was left 1.3 cents per pound out of which all transportation charges were to be paid, all expenses of refining, and all profits to importers, trusts, wholesalers, jobbers, and retailers.

These facts show that the consumer paid 33⅓ per cent advance on the import cost of sugar.

During the fiscal year 1909 we imported 1,043,000,000 pounds of coffee whose foreign market value was $79,000,000, the average price per pound being 7.6 cents.

Of course, coffee is on the free list, to which Democratic argument points as the land of destruction for all trusts and combines. They erroneously declare that the transfer of an article of merchandise from the dutiable list to the free list would destroy trusts and prevent their existence and thus furnish commodities to American consumers at comparatively low prices. No doubt you have already recalled the retail price of coffee. You readily observe that coffee at 30 cents per pound sells at an advance of nearly 300 per cent upon the import price, and that coffee selling at 37½ and 40 cents per pound will pay approximately 400 per cent advance.

Note the fact that every time you take a cup of coffee with sugar you pay an advance of 33⅓ per cent upon the import cost for the sugar flavor and from 300 to 400 per cent advance upon the ordinary retail price of coffee.

If you do not like the coffee at that price, try another article on the free list—tea—in order to reveal the Democratic theory in its true light.

The average import cost of tea on the free list for 1909 was 16.2 cents per pound. After searching diligently for some time I have failed to find a single dutiable article of merchandise that sells to the American consumer for an advance equal to that on tea and coffee. Then, what becomes of the Democratic theory that trusts will be destroyed by placing articles of merchandise on the free list? It fades into thin air and becomes supremely ridiculous.

In response to such criticism, we assert in the light of this and other facts that the control of corporate power and wealth is just as important in dealing with business under free importations as it is in dealing with business under dutiable importations.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. Yes.

Mr. BLANTON. Is that the reason the gentleman's party has put hides on the free list, so that the price will increase in this country?

Mr. ANDREWS. Will the gentleman vote for a duty on hides?

Mr. BLANTON. Of course I will.

Mr. ANDREWS. So will I.

Mr. BLANTON. I would be a fool not to.

Mr. ANDREWS. So will I vote for a duty on hides. We will see about that a little later. Stand to the line. Will the gentleman vote for a duty on hides as a separate item and then vote for the bill?

Mr. BLANTON. Yes; I will vote for a duty on hides, but will vote against the bill, because Mr. FREAR says it is fundamentally indefensible.

Mr. ANDREWS. Then the gentleman is going to vote for a bill that is fundamentally indefensible?

Mr. BLANTON. No. I say that I am going to vote against it, because it is fundamentally indefensible.

Mr. ANDREWS. Oh, I understand the gentleman now.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS. Yes.

Mr. COOPER of Ohio. Mr. Chairman, I believe I was present yesterday when the gentleman from Texas [Mr. BLANTON] asked Mr. FREAR that question, and my recollection is that he did not make any such statement.

Mr. BLANTON. It is written in the report. The gentleman from Ohio ought to read Mr. FREAR's separate minority report filed with the committee.

Mr. ANDREWS. I think we will have to wait until the gentleman goes into the RECORD on the passage of the bill to find out. Let me call attention to another item. It has been alleged in this debate frequently that the rates in the Payne tariff law are the highest ever known, and that in order to invite malediction from a tariff viewpoint you have simply to cite the Payne tariff law. Our opponents have told us that the Payne tariff was a revision upward on the Dingley tariff. That statement is absolutely incorrect.

The Payne tariff was a revision downward on the Dingley tariff. I hold here some records made up of the liquidation of concrete imports during that period of time. They were revised and tabulated by the customs clerks in the customhouses of the country and the Treasury Department. What do they show? They show that in the Dingley law there were 2,020 dutiable articles; that 874 of those rates of duty were changed by the Payne tariff. Moreover, 654 of those were reductions of rates and 220 were increases of rates. When you bring importations to a uniform basis of imports, $1,000 per entry, you will have the elimination of all of the uncertain elements in the problem. Here is a part of the liquidations, entry by entry. When I take an entry and submit it to a liquidating clerk, he classifies it under the terms of the tariff and figures out the result, and upon that finding the collection of duty is made. I followed them one by one through all of these changes in the Payne tariff in comparison with the Dingley tariff, 654 reductions and 220 increases. Those reductions related to a volume of domestic business amounting to $4,951,000,000. The increases, 220 of them, related to a volume of business of $878,000,000, $638,000,000 of which were luxuries of the highest degree. There is the story, there is the record on the basis of entries liquidated, not on the basis of questions guessed at on the other side of the House or anywhere else.

When that challenge was made I went to the records and I called into service the best liquidating clerks in the customhouses of the country and the Treasury Department. On that basis liquidations and computations were made. On that ground, I ask you, my friends, how any man facing the facts can assert that the Payne tariff was a revision upward of the Dingley tariff? On the other hand, I assert with absolute certainty from the mathematical computations made here, that it was a revision downward to the extent of $20,000,000 a year.

There is the story, there is the result, and I challenge a contradiction. I challenge any man on that side of the House to lay his finger upon these problems as written into the tariff, take the concrete examples and carry them through by competent liquidating clerks, and assert anything to the contrary.

Mr. BLANTON. Will the gentleman yield?

Mr. ANDREWS. I will.

Mr. BLANTON. I accept the challenge.

Mr. ANDREWS. Very well. Now, when the gentleman gets his figures made up, come around and we will work it out.

Mr. BLANTON. I know one item in the bill——

Mr. ANDREWS. I am speaking about the bill. There is the bill. I did not say one item. There were 220 increases, 654 decreases. Does the gentleman understand that?

Mr. BLANTON. I want to give——

Mr. ANDREWS. Just a moment. Does the gentleman understand that?

Mr. BLANTON. I thought the gentleman challenged me to answer him——

Mr. ANDREWS. If the gentleman can not understand that, he can not understand anything else, and I decline to yield further.

Mr. BLANTON. Will the gentleman yield, so that I may answer him?

Mr. ANDREWS. No; if you do not understand that, there is no use wasting time with you. [Applause on the Republican side.]

Mr. BLACK. Will the gentleman yield for just one question?

Mr. ANDREWS. Certainly.

Mr. BLACK. When the gentleman made those figures did he figure up how the value of the goods imported at the lesser rate compared to the goods imported at the increased rate? Did the gentleman figure that?

Mr. ANDREWS. There was no necessity for that. That is a matter of uncertainty until the figures of each year are tabulated. We took each entry, large or small, and found out what the duty was under the Payne tariff, what it would have been under the Dingley tariff, and then reduced it to a uniform value for each entry and prepared the list on that basis.

Mr. BLACK. Will the gentleman permit an inquiry?

Mr. ANDREWS. Yes.

Mr. BLACK. If $150,000,000 worth of goods, we will say, are imported at the increased rates and only $25,000,000 are imported at the decreased rates, it would be a very immaterial matter as to the number of articles, would it not?

Mr. ANDREWS. I will say to the gentleman that the 654 grades of merchandise on which figures were made were of the ordinary lines of trade and affected $4,951,000,000 of American commerce, while the 220 items of increase were not articles of ordinary importation; they were luxuries at high grade, and they will be less in volume, far less than this reduced class, and that is the reason for citing the volume of domestic merchandise affected.

Mr. O'CONNOR. Will the gentleman yield?

Mr. ANDREWS. I will.

Mr. O'CONNOR. Have importations increased perceptibly by way of anticipation of the passage of this bill?

Mr. ANDREWS. They will, provided we do not do something to stop them. It is invariably so. You know that if you were an importer and you were handling goods on the free list under the Underwood tariff that would go upon the dutiable list under the Fordney tariff you would stock up to the full limit of safety as a business man and then sell your goods at the dutiable rates instead of as free goods. That is the rule, and it is bound to operate in that direction. There is no escape from it.

Mr. O'CONNOR. I am not inclined to be controversial——

Mr. ANDREWS. I understand.

Mr. O'CONNOR. I simply asked if the importations have increased, not what they will do.

Mr. ANDREWS. I have not read the quotations recently, but I do know that invariably they do, and for that reason we ought to have something in this bill to stop that very thing, and if we do not our Treasury will lose millions of revenue. Now, my friends, I want to submit another challenge to friends on that side. I see that only a few of them honor me with their presence, but I want them to carry this message to their brethren out in the wilderness. Here is the challenge: The Republican Party in 1898 fought a foreign war with a smaller loan than the Democratic Party was compelled to make to fight the evil results of its own policies from 1893 to 1897. Do you catch it?

Mr. BLACK. We lost it.

Mr. ANDREWS. Oh, you did not want to get it; you did not want to catch it.

Mr. STEVENSON. Will the gentleman yield?

Mr. ANDREWS. I will.

Mr. STEVENSON. You fought it with embalmed beef, did you not?

Mr. ANDREWS. No, sir; we did not; and the gentleman knows we did not.

Mr. STEVENSON. If the gentleman has read Mr. Roosevelt's round robin in the back of his book, he will see that he said so.

Mr. ANDREWS. I am not talking about round robins; I am talking about the gentleman from South Carolina.

Now, from 1893 to 1894 the Democratic Party sold bonds to the amount of $262,315,400 to pay current bills. Do you deny it? No; you can not. How much did the Republican Party issue in bonds—and I want Brother GARNER to listen to it—to fight the Spanish-American War? One hundred and ninety-eight million dollars. I have been listening for somebody's mouth to fly open over there and say that the Republicans were preparing to issue bonds when the Harrison administration closed. Did you ever say that?

Mr. GARNER. The gentleman should talk about the present and not the past.

Mr. ANDREWS. You do not want to hear about the past. You know the record of the Democratic tariff that produced the condition is not a thing you like to talk about.

I will tell you what your Wilson law did. It produced a deficit of $69,000,000 in the first year, $42,000,000 the next, $25,000,000 the next, $18,000,000 the next, or $154,000,000 in four years.

Mr. GARNER. Those sound very much like Populistic figures.

Mr. ANDREWS. You have been quoting them, have you not? We know you hail from poppy land.

Mr. STEVENSON. The gentleman does not state to us that the reason the Democratic administration under Grover Cleveland had to sell bonds was to replenish the gold reserve which was being drawn out under the Republican Sherman silver purchasing act.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS. May I have five minutes more?

Mr. FORDNEY. I yield to the gentleman two minutes more.

Mr. ANDREWS. I will tell you why they issued them. Here is the fact: The gold reserve never dropped below $125,000,000 from 1879 to election day in 1892. Go study the record and you will find out. Here are the facts with citations to the record:

DEFICITS.

At this point note the fact that from 1866 to 1892, under Republican legislation and administration, there had not been a deficit in the Treasury for a single year. Note the record as it opens before the country in consequence of the election of 1892.

Whenever importations of dutiable goods are cut off the revenues of the National Treasury are inevitably reduced. For 1894 the deficit under the Democratic policy was $69,000,000; for 1895, $42,000,000; for 1896, $25,000,000; and for 1897, $18,000,000, making a total deficit in four years of $154,000,000.

GREENBACKS AND TREASURY NOTES REDEEMED.

Note also that from 1879 to 1892 the Republicans were called upon to redeem only $100,000,000 of greenbacks and Treasury notes, the largest redemption in any one year being $9,000,000. The redemption for December, 1892, the first full month after the election of that year, amounted to $10,000,000; for January, 1893, $11,000,000; for February, 1893, $13,000,000; and for the fiscal year 1893, $102,000,000; for the fiscal year 1894, $84,000,000; 1895, $117,000,000; and 1896, $158,000,000, making a total in four years of $461,000,000.

BONDS ISSUED.

Within those years bonds were issued to the amount of $262,315,400, upon which the total amount of interest will be $244,778,480 at the maturity of the bonds. It should be stated in this connection that those bonds were issued under the resumption act of 1875 for the alleged purpose of replenishing the coin-redemption fund. The proceeds realized from the sale of the bonds, however, were used to pay current bills to the extent of $154,000,000, the amount of the deficiencies mentioned above. The balance remained in the Treasury as an "available cash balance," which was cited by the Democratic Party in the Fifty-third and Fifty-fourth Congresses as positive proof of a "healthy condition of the Treasury," notwithstanding the fact that it was borrowed money. The gold reserve was drawn upon to redeem greenbacks and Treasury notes which were used to pay current bills, and then bonds were issued to replenish the gold reserve. Thus the "endless chain" was kept in motion.

The lack of business confidence in the policies of the Democracy is shown by the fact that the Treasury Department collected only $53,000,000 in gold from customs, internal revenue, and miscellaneous sources from 1893 to 1897, the Democratic period of the Dark Ages. From July 1, 1897, to June 30, 1900, three years under McKinley, the Treasury Department collected from the same sources gold amounting to $352,764,555. These figures demonstrate conclusively the lack of public confidence in the business methods of the Democratic Party, while on the other hand these figures prove conclusively implicit confidence in the business policies of the Republican Party. Without the change of a letter in the law, gold came out of its hiding places between 1897 and 1900 and flowed freely into the National Treasury in such volumes as to meet all public demands and enable the Treasury Department to pay salaries and current bills in gold.

SPANISH-AMERICAN WAR.

The McKinley administration issued $198,000,000 of 3 per cent bonds to feed, clothe, and equip our Army and Navy in the Spanish-American War. This record placed in comparison with the Democratic record from 1893 to 1897 shows that the Republican Party fought a foreign war with a smaller loan than the Democratic Party was compelled to make to fight the evil results of its own policies during four years of peace. This commentary speaks forcibly for itself and warns the people of the country against the misfortunes that would follow the restoration of the Democratic Party to power in the Federal Government. In response to this statement, our opponents frequently assert that the Republicans were preparing to issue bonds at the close of the Harrison administration and that they are therefore responsible for them. They even go so far as to allege that the Republicans voted for those bonds. The Republicans had nothing whatever to do with the issuance of the Cleveland bonds.

Both of these statements are incorrect, but have come into existence through deliberate misrepresentations of the efforts which were made to reduce the expenses of the Government whenever the issuance of bonds should become a necessity to maintain the redemption fund. In this connection, let us note some facts which are matters of record.

The sundry civil act which passed the Senate February 22, 1893, contained the following amendment to the original House bill No. 10238, Fifty-second Congress (amendment 75, p. 48):

To enable the Secretary of the Treasury to provide for and to maintain the redemption of United States notes according to the provisions of the act approved January 14, 1875, entitled "An act to provide for the resumption of specie payments," $50,000, and, at the discretion of the Secretary, he is authorized to issue, sell, and dispose of, at not less than par in coin, either of the description of bonds authorized in said act or bonds of the United States bearing not to exceed 3 per centum interest, payable semiannually and redeemable at the pleasure of the United States after five years from their date with like qualities, privileges, and exemptions provided in said act for the bonds therein authorized, to the extent necessary to carry said resumption act into full effect and to use the proceeds thereof for the purposes provided in said act and none other.

On pages 2330 and 2331 of volume 24, part 3, of the CONGRESSIONAL RECORD—Fifty-second Congress, second session—will be found a statement that said amendment was fully considered by the Senate Finance Committee and secured the concurrence of practically the entire committee.

It appears as a matter of record that Mr. Carlisle, who had formerly been a member of said committee but was soon to become the Secretary of the Treasury, appeared before the committee and urged the adoption of this amendment. Said amendment was adopted by the Senate February 18, 1893.

On February 20, 1893, the Hon. Charles Foster, then Secretary of the Treasury, issued instructions to the Chief of the Bureau of Engraving and Printing, as follows:

You are hereby authorized and directed to prepare designs for the 3 per cent bonds provided in a Senate amendment to the sundry civil bill now pending. The denominations which should first receive attention are $100 and $1,000 of the coupon bonds and $100, $1,000, and $10,000 of the registered bonds.

The purpose of this amendment was to authorize the Secretary of the Treasury to use a low-rate, short-time bond instead of a high-rate, long-time bond if it should become necessary to use bonds to replenish the redemption fund under the law of 1875.

Who had authority to decide as to the existence of such a necessity? This question was answered in part by the proviso contained in section 12 of the act of July 12, 1882 (22 Stat., 165), which reads as follows:

That the Secretary of the Treasury is authorized and directed to receive deposits of gold coin with the Treasurer or Assistant Treasurers of the United States in sums not less than $20, and to issue certificates therefor in denominations of not less than $20 each, corresponding with the denominations of United States notes. The coin deposited for or representing the certificates of deposits shall be retained in the Treasury for the payment of the same on demand. Said certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued; and such certificates, as also silver certificates, when held by a national banking association, shall be counted as part of its lawful reserve; and no national banking association shall be a member of any clearing house in which such certificates shall not be receivable in the settlement of clearing house balances: *Provided*, That the Secretary of the Treasury shall suspend the issue of such gold certificates whenever the amount of gold coin and gold bullion in the Treasury reserved for the redemption of United States notes falls below $100,000,000; and the provisions of section 5207 of the Revised Statutes shall be applicable to the certificates herein authorized and directed to be issued.

Under this provision of law the Treasury Department for years considered it advisable to replenish the redemption fund when it fell below $100,000,000. But what were the evidences that such a necessity was likely to arise?

On November 7, 1892, the net gold in the Treasury was $124,871,571.85. The resumption law of 1875 went into effect January 1, 1879, and on the last day of that month the net gold in the Treasury was $116,674,227. Between those two dates the net gold in the Treasury was sufficient to meet the demands for the redemption of legal-tender notes, the largest amount redeemed in any one year within said period being $9,125,843 and the smallest amount $40,000.

The redemption of legal-tender notes for December, 1892, January and February, 1893, were as follows: December, $10,237,812; January, $11,496,617; February, $13,828,664.

You will observe that the redemptions for each of those months exceeded the total redemptions made in any preceding year. The commercial and financial conditions of the country plainly disclosed the fact that these unusually large redemptions for these months clearly indicated a strong tendency for an excessive demand upon the redemption fund of the Government. Such tendencies and conditions did not exist between January, 1879, and November, 1892.

As the amendment quoted above from the sundry civil act of 1893 did not become a law, Secretary Foster revoked the order

which he issued to the Chief of the Bureau of Engraving and Printing on February 20, 1893. The terms of the amendment and the order will readily suggest to you the necessity of such revocation.

The urgent demand for the redemption of legal-tender notes, however, did not cease, as will be shown by the fact that the redemptions for the fiscal year ending June 30, 1893, aggregated $102,100,345; for the fiscal year ending June 30, 1894, $84,842,150; for the fiscal year ending June 30, 1895, $117,354,198; for the fiscal year ending June 30, 1896, $158,655,956.

These excessive redemptions demanded unusual receipts of gold, which was secured between 1893 and 1897 by the issuance of bonds amounting to $262,315,400. A part of this issue, $162,315,400, runs 30 years at 4 per cent interest, payable quarterly, and the remainder, $100,000,000, runs 10 years at 5 per cent interest, payable quarterly.

The total amount of interest at 4 and 5 per cent will be $244,778,480, while the total amount at 3 per cent would be $176,083,860, being a reduction of $68,694,620 on interest charge during the life of the bonds.

If we assume that the proposed 3 per cent bonds would have sold at par and then deduct from the $68,694,620 the amount—$31,138,886.74—of the premiums realized on the sale of the 4 and 5 per cent bonds, we still have a net loss to the Government of $37,552,733.26.

Mr. STEVENSON. Will the gentleman yield?

Mr. ANDREWS. Yes.

Mr. STEVENSON. If the Republicans were doing so well and had enacted such a good tariff law, known as the McKinley bill, how did it happen that in 1892, in the election to which you refer, the result was so disastrous to the Republican Party?

Mr. ANDREWS. Because tin-pan Democratic peddlers went over the country and misrepresented the law. What was the result in 1896? McKinley for President supported by a Republican Congress. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield 50 minutes to the gentleman from Kansas [Mr. WHITE].

Mr. WHITE of Kansas. Mr. Chairman, I wish to reassure this large attendance that I do not expect to use more than 25 minutes.

Mr. BLANTON. Would the gentleman like to have an audience? I will help to get one if he wishes it.

Mr. WHITE of Kansas. Mr. Chairman and gentlemen, when I have the gentleman from Texas I have a host. [Laughter.]

Mr. Chairman, I have always believed in the doctrine of protection for the United States. I have always believed the logical effect of its application should be to stimulate and increase the output of the article protected until it should equal or exceed the domestic demand, and also to stabilize the supply and price until the price should be lower in the end than it would have been without protection.

I am most thoroughly convinced, through many years of observation and experience in buying, that the results as I have stated them have followed in the wake of protection. But my support of the policy of protection is not based absolutely and exclusively upon the reasons stated. For there is the additional and important reason—industrial and political security which can only result from the conscious power of industrial and commercial independence of other nations, and which we can not have unless we are producing the larger per cent of the necessities of civilized life. I believe this policy may be wisely and consistently followed out in every case where it is well established that we have the resources which, when developed, will supply our domestic requirements.

The leather industry and the steel industry are two great examples of the beneficent effects of the application of the policy of a protective tariff or what is known as the American policy.

The iron, steel, and fabric industries employ hundreds of thousands of men, with millions dependent upon them. All other manufacturers in the country employ other millions, as do the great transportation companies and all public-service corporations.

Almost all these industries and organizations are asking protection, and almost all of them are being accorded it in this bill. They are asking for a measure of protection which, under ordinary circumstances, in my judgment, will be ample to guarantee to the American manufacturer the American market for his goods, which all agree is the best market in the world.

Now, when I trace my memory back along its 50 years of track I remember that always I have heard the proponent of protection, when asked "Where does the farmer come in on this?" say "Why, sir, he comes in on a market for his product at home which is rendered stable, constant, and continuous on account of the great demand created for his surplus by the millions and millions engaged in other gainful occupations and who must of necessity be fed from the products of the farm."

Well, we have been going along and have felt as a rule that we were, metaphorically, "the under dog" most of the time. But we never strike, and now we are approaching a situation where consumption is overtaking production, and will doubtless overtake it within the next quarter of a century. The agricultural products of other countries are invading our market in enormous volume. In the year ending June 30, 1920, we imported $3,011,000,000 in value of agricultural products. This fact furnishes in a great measure the explanation for the condition of American agriculture to-day.

Gentlemen, I am in favor of a stiff duty on all the products of the soil of America, where that soil is adapted to their cultivation and production in quantities to supply the demand fully or even approximately. And why? First, the American markets are as essential to the prosperity of agriculture as that prosperity is essential to the prosperity of other industries. For a hundred years the manufacturer has been insistent that he have protection, and with the exception of a few brief periods it has been given him without stint; and as a result manufacturing has prospered. Its investments are measured in billions. It is firmly established, and its products find a market with 110,000,000 of the most prosperous people in the world; and 40,000,000 of those customers are on the farms of the United States. You have had no better customers in normal times for a hundred years than the rural population. They are free spenders in all prosperous periods.

But I warn you, you men of the East, when these 40,000,000 dwellers on the farms of America shall be sunk in adversity, their business depressed and ruined, their ability to freely purchase and pay for the products of your industries gone—I warn you, I say, the fire in your furnaces will go out and the hum of your spindles will relapse into silence. Gentlemen, the manufacturers tell us they can not compete with Germany, England, France, Holland, Belgium, and Japan even in our own country. Well, then, if that is true, it follows as the day the night you can not compete with them in their own country. That much you admit deductively; and also that this is your best market. And if so, does it not behoove you to keep it so?

Do gentlemen ask me how may the strength of agriculture be preserved? How may its prosperity be assured? I answer unequivocally that in a large degree it may be done, it can be done, by placing a duty on importations of agricultural products in order to stabilize the products of the American farm. That we should do this is highly desirable from the viewpoint of the interest the public has in a constant, unfluctuating supply of food and clothing for all the people of this country.

A gentleman asks me, "Will the placing of a duty of 25 cents per bushel on wheat raise the price of wheat at once in the amount of 25 cents per bushel?" I have not said so; I do not say so; but I do say that if you place on foreign wheat a duty of 25 or 35 cents per bushel—I think it should be 35 cents—you thereby say to the American farmer, "We to that extent guarantee to you the American market, and your competitors in Canada, Argentina, or any other country, however cheap may be their land, their labor, or their transportation, shall not be allowed to come here and despoil you of your market." And we also thereby say to the American people, "We will stabilize the supply of bread by encouraging the American farmer to raise wheat." He will by this guaranty know that he may proceed confidently. He may by rotation of crops, by fertilization of his land, by careful selection of seed, increase production, with the assurance that he will be allowed to sell in a protected market.

Gentlemen have insisted in stentorian tones, with pathetic conjury, and with lugubrious look that we can not sell to other nations unless we buy. Well, this is not the only market in the world, but it is the best, undoubtedly so, and the world knows it and wants to get in. We are also mournfully informed that if we do not take their goods they can not pay the interest on the money they owe us, and so we should let them in so that they may be able to pay. And finally we are told that somehow, some way, by some kind of legerdemain that the $11,000,000,000 debt, principal and interest, is to be remitted to the countries indebted to the Government of the United States. Well, what a dream is that! Where do gentlemen get this surprising information?

'Tis said in all the ages past,
Half buried still in Afric's sands,
Swept by the hot sirocco's blast,
The statue of great Memnon stands.

I never saw it. But it is no more mythical than this story that the eleven billions owed the Government by foreign countries is to be remitted. I say not a dollar ever should, nor do I believe ever will be, remitted, principal or interest. And, further, let me say that while the political complexion of this Congress shall remain Republican the doors of the United States customhouse will not be thrown open to the hungry, indiscriminate, economic hordes of the world, to plunder and destroy our markets. When did gentlemen awaken to such conceptions of international magnanimity? Some one has said with great propriety that in the trade relations between nations there is but one law, and that is that "the greatest profit is the most exact justice."

Mr. McKENZIE. Mr. Chairman, will the gentleman yield there for a question?

Mr. WHITE of Kansas. Yes; I will yield.

Mr. McKENZIE. Of course, the gentleman from Kansas is one of the great and prominent farmers of the West——

Mr. WHITE of Kansas. Oh, not so prominent, or so great——

Mr. McKENZIE. One of those who believe in the general principle of protection and who feel that it ought to be applied to agricultural products just the same as to manufactured products in industrial centers?

Mr. WHITE of Kansas. Absolutely and imperatively.

Mr. McKENZIE. I agree with the gentleman absolutely; but I want to ask him this question: In view of the fact that the tendency seems to be from the farm to the city, and that consumption is overtaking production, does not the gentleman from Kansas feel that the future of the American farmer is more hopeful and secure than that of any other class of people in the country?

Mr. WHITE of Kansas. I will indulge the hope conveyed in the gentleman's suggestion, and as I proceed I will touch upon the point upon which the gentleman interrogated me.

Mr. GARNER. Mr. Chairman, may I ask the gentleman a question in that connection?

Mr. WHITE of Kansas. I shall be glad to yield to the gentleman.

Mr. GARNER. If the gentleman from Illinois is so much concerned about it, I was wondering why hides were not put on the tax list in this bill.

Mr. WHITE of Kansas. I am going to offer an amendment to do it if he does not do it. And then I hope the gentleman from Texas will vote for this bill, because there is no man who is more interested in saving the hides that are on his cattle and in saving his own political hide than the gentleman from Texas. [Laughter.]

Mr. McKENZIE. I want to say to the gentleman from Texas that I am going to vote with the gentleman from Kansas on that proposition.

Mr. GARNER. There seemed to be a great many who did not agree with him, however, in the Republican caucus.

Mr. WHITE of Kansas. But before leaving this subject I would further call your attention to the propriety, aye, the wisdom, even what seems to me the imperative necessity, that we should, by every lawful and proper means, safeguard the interest of agriculture. I feel that it is my peculiar and proper province to do this, for I have been all my life a farmer and stockman. I believe that it is entirely appropriate to say that agriculture is essentially vital to the strength of the Nation more than any other, if not all other industries.

Do not misunderstand me. It is not my purpose in any sense to minimize the importance of other industries. One can not long continue prosperous if the other is decadent. But it is important to the prosperity of the country to have a prosperous agriculture. Aye, more than that, it is imperative to the very life of all the people, and therefore I feel that I can not too strongly urge upon you in considering this legislation that you give fair consideration to the interests of the 40,000,000 people directly dependent upon and engaged in this great industry, and by so doing give equal consideration to the other 65,000,000 who are indirectly dependent for their daily bread upon this industry.

And right here, in passing, let me say that in the past years there have been famines. I doubt if all the wars that ever drenched the earth with human blood have yet destroyed as many lives as the gaunt specter hunger. Gentlemen, do you know that in the history of the peoples of the world it is recorded that there have fallen upon the race of men 350 distinct periods of famine—dire, destructive, remorseless, immitigable famine—and the last one in China within a year? There is no emergency short of a possible war at all comparable to a shortage of a nation's food supply. There is no calamity so terrible in its consequences. There is no word that holds such terror for the soul as the word "hunger." No autocrat inspires such fear, no despot accomplishes such desolation. No feast is ever forward in the halls of death such as this grim caterer, famine, has set a thousand times, when humanity has furnished the victims that "lured her lank jaws."

Gentlemen opposing this bill are still employing the ancient simile of the Chinese wall. Well, that was not much of a wall. There were many weak spots in it where the Tartars broke through. I would make the walls thicker, stronger, and higher than ever before. I would protect the producer of wheat, corn, oats, rye and barley, sugar beets, and cane until this country should produce every bushel and pound of those products we consume and a surplus for exportation, and in doing that I should eliminate the possibility of a shortage.

They are, all of them, primary necessities in American life. We are now producing all those things in large volume. We look with pleasure at their growth and expansion. I should be very proud to believe that within a few years we will be producing within our own domain all of the 90 pounds per capita per annum of sugar consumed in the United States. The more we produce of all these things we use and consume the greater our economic security in time of peace and the stronger our military position in time of war. Then why not build that wall and maintain its strength and open its gates only upon our own terms?

We build the house in which our loved ones are sheltered good and strong, and we keep our castle secure. No one may enter at his will, but only with the master's consent. "When a strong man armed keepeth his palace, his goods are in peace: but when a stronger than he shall come, then shall he despoil him of his goods."

Gentlemen, I am not willing that the industries of America, building through all the period of our national life, shall be the victims of a capricious theory of international exchange, to which we look in vain through the history of 137 years for a single evidence of wisdom or practicability.

Now, gentlemen, I feel that it is entirely proper to call attention to a phase of our industrial and economic life upon which I shall place an interpretation which to some Members may sound a bit unusual, but which I believe is entirely appropriate, and which I believe you will so admit. It is not at all unusual to hear of the products of the farm spoken of as raw material. But the farmer does not so regard them. I will interpolate to say that the farmer does not look at anything as being quite as raw as the deal he is getting in the present readjustment process. The farmer is a manufacturer. There are about 6,000,000 agricultural factories in the United States engaged in producing wheat, corn, oats, rye, barley, sugar beets, and a thousand other agricultural products—finished products; also cattle for slaughter, hides for sale, and for the convenience of the buyer and seller the hides are sold on the steer, the steer being mostly inside the hide, the hide being a very necessary part of the steer; also swine, horses, sheep, goats, mules, poultry, eggs, and so forth. The money invested in these agricultural factories aggregates about $79,000,000,000. The value of the output is about $20,000,000,000 per annum. The equipment of these 6,000,000 factories is little understood by many persons who are not in close touch with them. Of the $79,000,000,000 permanent investment, $67,000,000,000 is represented by land and improvements owned or leased; $12,000,000,000 is represented by live stock and other property. The gross value of such products in 1920 is given at $19,856,000,000.

Now, gentlemen, I know from experience, as you may know through observation, that the production of grain and live stock is most precarious and uncertain as to results. Indeed, I doubt if there is anything like the element of risk and uncertainty in any other well-established industry that obtains in production of grain and live stock. As I have stated, the 6,000,000 factories turning out these products are scattered throughout every State in the Union, but each operating individually and independently on its own or borrowed capital. A plant may represent a small investment of a few thousand dollars or it may represent $100,000, and in some cases even more.

I can only briefly state that there are many accidents to which his investment is exposed. The producer of grain, for instance, can not estimate even with approximate accuracy the cost of a bushel of wheat. He knows the risks that beset his venture, but he can not anticipate the losses that may befall it. He obeys the scriptural admonition, "In the morning sow thy seed and in the evening withhold not thy hand, for thou knowest not which shall prosper." He knows the risk—the Hessian fly, the ubiquitous chinch bug, the hail, the flood, the drought, when the sky above is as brass and the earth beneath is as iron. And if any of these befall it means failure.

And all this is true in almost every line of agricultural activity. Is it any wonder that men have left the farm by thousands to engage in occupations where profits are greater and more certainly assured?

And after his product is raised it at once becomes the shuttlecock, the football of trade manipulation. His product is the Ishmaelite of commerce and trade. It may be said of the farmer, not so metaphorically as literally, that his hand is against every man and that every man's hand is against him. This is so clearly evidenced in the readjustment of the past 18 months as to need no spoken emphasis. He has no organization by or through which he is able to control or even stabilize the prices of his product. His disadvantage is so strongly accentuated that it has stirred the minds of the usually patient, good-natured, uncomplaining group of 40,000,000 industrious, patriotic American producers to the deepest resentment.

The price of the farmer's live stock has been cut in three, and two-thirds of that value is swept away in the deflation of value. The same is true of almost all his products. His losses can be stated in figures that stagger the comprehension. On cattle alone they are conservatively estimated at $4,000,000,000. And with freight rates so high as to be in many instances prohibitive, he has little encouragement to continue what seems a hopeless struggle with adverse conditions. The sheep industry is, if anything, more hopelessly involved.

Gentlemen, this bill is not a cure-all for the farmer nor for anyone. One great incubus that weighs and will weight down for years to come the heavy steps of progress is the national debt of twenty-three billions, which will not be paid in your day nor mine. The consumer, the producer, and the public are hoping against despair that substantial rate reductions will be effected, which should afford much relief.

I have heard many gentlemen on the majority side say they are not satisfied with all the provisions of this bill, that it will not please anyone in all respects. Well, I agree. And I go further than most have gone and impart to you in confidence I am not satisfied with the woolen schedule. I want a duty on hides. I want a duty of 20 cents per bushel on corn. I want a duty on long-staple cotton that will permit the production in this country of every pound of long-staple cotton required for manufacturing in this country. With the adoption of some such amendments the bill will please me better.

Representatives from the East whose interests are more especially manufacturing, I want your industries to have adequate protection. I want you to prosper. I want to see the efficient American laborer well paid and constantly employed; so well paid that he may have every essential necessity possessed by his employer. I want him to eat white biscuit baked from Kansas wheat flour. We must have a market for our wheat, and we want the privilege of selling it to him, for he is our best customer. For I know well that the more goods with the words "made in Germany" sold from the shelves of the American dealer, by so much the less is the American factory laborer's ability to purchase my products curtailed. I hope to see a more efficient, equitable, economical system of distribution worked out in time. But how and when this shall be, God and HATTON SUMNERS of Texas only know. [Laughter.] Certain it is the present system is fatally defective and outrageously expensive.

Some one has said that the great World War was a trade war. I would not so state. But no one single thing loomed larger before English statesmen and English diplomats than the great trade development of the Germans for a number of years just before the war. I remember to have read some years ago in a magazine article—I do not remember the publication nor the authority—this statement, that on account of the rapid increase of German manufacturers finding a market in England—whether by order in council or act of Parliament I do not remember—the words "made in Germany" were required to be placed upon the article offered for sale. The purpose was doubtless that English patriotism and pride would influence the English purchaser to take the domestic goods in preference. But such did not prove to be the case. The English purchaser, true to human instinct, bought the thing he could buy cheapest.

In words more terse, vigorous, and persuasive than I am competent to employ, the President in his message of April 12 has presented the important subject of the tariff as related to agriculture. I quote:

> One who values American prosperity and maintained American standards of wage and living can have no sympathy with the proposal that easy entry and the flood of imports will cheapen our costs of living. It is more likely to destroy our capacity to buy. To-day American agriculture is menaced and its products are down to prewar normals, yet we are endangering our fundamental industry through the high cost of transportation from farm to market and through the influx of foreign farm products, because we offer, essentially unprotected, the best market in the world. It would be better to err in protecting our basic food industry than paralyze our farm activities in the world struggle for restored exchanges.
>
> The maturer revision of our tariff laws should be based on the policy of protection, resisting that selfishness which turns to greed, but ever concerned with that productivity at home which is the source of all abiding good fortune. It is agreed that we can not sell unless we buy, but ability to sell is based on home development and the fostering of home markets. There is little sentiment in the trade of the world. Trade can and ought to be honorable, but it knows no sympathy. While the delegates of the nations at war were debating peace terms at Paris, and while we later debated our part in completing the peace, commercial agents of other nations were opening their lines and establishing their outposts, with a forward look to the morrow's trade. It was wholly proper, and has been advantageous to them. Tardy as we are, it will be safer to hold our own markets secure and build thereon for our trade with the world.

[Applause.]

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, had come to no resolution thereon.

LEAVE OF ABSENCE.

By unanimous consent, Mr. FLOOD was granted leave of absence indefinitely on account of sickness in his family.

STATEMENT OF THE WORK OF CONGRESS.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to extend my remarks by placing in the RECORD a statement that I made a few days ago in regard to the work of Congress at this session.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to place in the RECORD a statement in regard to the work of Congress at this session. Is there objection?

There was no objection.

RECESS.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent that the House stand in recess until 8 o'clock.

The SPEAKER. The gentleman from Michigan asks unanimous consent that the House stand in recess until 8 o'clock. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Thereupon (at 5 o'clock and 20 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION.

The recess having expired, the House (at 8 o'clock p. m.) resumed its session.

The SPEAKER. The House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill (H. R. 7456), with Mr. CAMPBELL of Kansas in the chair.

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the 105,000,000 people of the United States are confiding and credulous. They believe that tariff schedules, however initiated, vitally affecting as they do the pockets of all the people, are finally framed by the House of Representatives, with each of the 435 Members having an equal voice, thus affording equal representation. But, alas, they know not the situation.

The Fordney tariff bill was not written and will not be finally framed by the House of Representatives. It was framed by certain leaders of the 17 Republican members of the Ways and Means Committee. And so framed it will be passed. Not a single Democrat was permitted to be present or to offer even a suggestion. The great horde of ordinary Republican Members with which the House is now infested were given to understand that they should deem themselves fortunate in having such incomparable masters to do this work for them and must obey orders in silence.

Through the Associated Press on the first of this year the dominant power of the Republican steering committee, the gentleman from Illinois [Mr. MADDEN], put the country upon

notice of what it could expect when he then asserted that the tariff and revenue legislation would be written by the section east of the Mississippi and north of the Ohio Rivers. And this tariff bill was so written by such section.

The Ways and Means Committee is now composed of one Republican Congressman from Massachusetts, one from Connecticut, two from New York, one from New Jersey, one from Pennsylvania, one from Michigan, one from Ohio, and one from Illinois, added to which are eight more Republican members having the privilege of attending meetings and voting and eight common-stock Democratic members, having no privileges whatever, designated as the minority. In secrecy these 17 Republican Congressmen have spent weeks and months in framing this "measure of protection," and no Democrat was permitted to see any paragraph of any schedule until the other day, when this mandate was printed and ordered to be passed.

Its unprecedented provisions and resultant unconscionable rates so shocked even the life-long orthodox Republican from Wisconsin [Mr. FREAR] that, conscience prompted and impelled, from the Ways and Means Committee he filed a minority report against the bill condemning some of its vicious provisions as "fundamentally indefensible." Mr. MADDEN's Republican steering committee from east of the Mississippi and north of the Ohio River became alarmed at such freedom of thought and uncensored expression of individual opinion and immediately called a Republican caucus, at which the party whip was lashed so furiously that its resounding powerful influence reached even those apprehensive patronage drawers who were unable to attend, for ever since such caucus adjourned as Ruth entreated Naomi so are all united Republicans now beseeching "Uncle JOE FORDNEY":

Intreat me not to leave thee, or to return from following after thee; for whither thou goest, I will go, and where thou lodgest, I will lodge; thy people shall be my people, and thy God my God.

Where thou diest, will I die, and there will I be buried; the Lord do so to me, and more also, if aught but death part thee and me.

Mr. FOSTER. Amen!

Mr. BLANTON. It will take death to part this horde of patronage drawers from Brother FORDNEY since that caucus action.

The gentleman from Michigan [Mr. FORDNEY] is not against free trade more strongly than I am. As I have said before, let me repeat, that in Mexico, South America, Australia, Europe, Asia, and Africa there exists an entirely different state of conditions, a different standard of living, a different standard of working hours, a different standard of wages, a different standard of necessities, morals, intelligence, hopes, ambitions, and aspirations. Mexican peons are content to work for a miserable existence. Chinese and Japanese laborers are perfectly satisfied to work from 10 to 14 hours each day for less than 20 cents pay, to live on rice, to go almost naked, and to let the future take care of itself. As a loyal Democratic American, I am not willing to force our intelligent, ambitious, deserving laborers, in the city factories and upon the farm and ranches, to freely compete in their American markets directly with the peons and slaves of the universe.

I stand for upholding American standards. I deny that the Democrats of this Nation stand for free trade. I deny that free trade has ever been in any Democratic platform. I deny that the few Democratic leaders who have advocated free trade have truly represented the majority of the Democrats of this country. I am in hearty accord with and am willing to follow the policy outlined by such statesmen as Washington, Jefferson, Madison, Monroe, and Jackson on this subject, and while it is necessary for the United States to collect $500,000,000 annually through the customhouses, I am in favor of so distributing such duties as to equalize the cost of production in this as against that of all competing foreign countries, on every product of the American farms and ranches, as well as the industries of our Nation. This is incidental protection to the extent of maintaining American standards and ideals.

So far, Mr. Chairman, I will go, but no further. By going only so far you distribute the small tax to benefit all the people, for all the people are interested in maintaining American standards and ideals. But when you go further—when you go beyond merely equalizing the cost of production, as this bill does on several hundred trust-made articles of common household necessity, you wrongfully rob and burden the masses to enrich the favored few. Thus the distinguished Republican from Wisconsin [Mr. FREAR] has well said that this bill as written is "fundamentally indefensible."

But the Du Pont Dye Trust is not the only monopoly for which this bill has established an embargo. What about the great Steel Trust, the Surgical and Dental Instrument Trust, the Tungsten Ore Trust, the Magnesite Trust, and the many others too numerous to mention, which are to be further enriched by this bill at the expense of the masses? The gentleman from Wisconsin [Mr. FREAR] had more in his mind than the Du Ponts when he denominated this bill as "fundamentally indefensible."

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I have not very much time. I wish the gentleman would let me get what I have off my system.

Mr. TINCHER. Oh, I think I can arrange to get the gentleman more time if he will answer this.

Mr. BLANTON. Very well; I will answer it.

Mr. TINCHER. Does the gentleman not believe the people in west Texas are somewhat interested in the fact that this bill carries a higher protective tariff on their products, their meat, than any tariff bill ever suggested to the American Congress, and does the gentleman think he can fool them by talking about dyestuffs, when they are interested in their own products and not interested in dyestuffs?

Mr. BLANTON. Now, will the gentleman from Michigan give me five extra minutes, so that I can answer the gentleman from Kansas, so that he will not misunderstand the answer. He said he could get it from the gentleman.

Mr. FORDNEY. Oh, I have gone away ahead of my schedule now.

Mr. BLANTON. I think the gentleman ought to give me five minutes to answer the question.

Mr. FORDNEY. Let the gentleman get it from my beloved friend, his colleague.

Mr. BLANTON. Very well, I shall answer it, and I shall take a chance on getting a little extra time from JOHN GARNER. You know you can get almost anything you want from JOHN GARNER except committee assignments, and let me tell you that if you do not like the assignments that he gives you and you begin to filibuster about it you do not get them anyway. [Laughter.] Brother TINCHER, you are fooling the farmers of America by this bill almost as much as you attempted to fool them by that antigambling grain bill that you passed here in this House. [Laughter and applause on the Democratic side.] That stopped gambling in grain after people went to bed at night. Gamblers sleep just like other people. It did stop gambling in grain on puts and calls, which are made after people go to sleep, but it never will stop a single gambling transaction during the regular hours of the exchange.

It is not surprising, Mr. Chairman, that when first presenting this "fundamentally indefensible" measure before the House, the distinguished gentleman from Michigan [Mr. FORDNEY] sought to justify its provisions by a quotation from the Holy Bible, as both men and parties love to entrench their wrongdoings behind misconstrued passages of Scripture. But he should have studied the deep underlying meaning of the great apostle, before quoting him, as the gentleman did not go far enough in merely reciting the eighth verse of the fifth chapter of I Timothy. He should have read a little farther in this same chapter and found out what St. Paul said to young Timothy in the twenty-first verse. For the gentleman's benefit, I give both verses:

I Timothy, fifth chapter:

Verse 8. *But if any provide not for his own, and specially for those of his own house, he hath denied the faith, and is worse than an infidel.*

Verse 21. *I charge thee before God, and the Lord Jesus Christ, and the elect angels, that thou observe these things without preferring one before another, doing nothing by partiality.*

That Biblical injunction, Mr. Chairman, is worth repeating: *that thou observe these things without preferring one before another, doing nothing by partiality.*

Mr. FORDNEY. That is exactly what we did in this bill. [Applause on the Republican side.]

Mr. BLANTON. You have not placed one person before another? Let us see about it. I do not have to testify, I am going to let one of your very own do the testifying.

Mr. FOSTER. Will the gentleman yield? Would the gentleman place the American laborer before the European?

Mr. BLANTON. Did the gentleman hear the first part of my speech?

Mr. FOSTER. I heard all of it.

Mr. BLANTON. If the gentleman has the understanding of the ordinary schoolboy of America, he would know where I stand.

Mr. FOSTER. I have the ordinary understanding outside of western Texas.

Mr. BLANTON. Let me tell the gentleman something. The great apostle St. Paul was not speaking merely to this young man Timothy; he was addressing his words of wisdom to all men who came thereafter, even unto our Brother FORDNEY and unto his Ways and Means Committee and unto his Republican Party. You and your Ways and Means Committee and this

Congress, Brother FORDNEY, are now providing for the whole United States. All of the 105,000,000 people are your "own," and as against the balance of the world constitute those of your "own house," and in your recited verse 8, St. Paul told you that if you did not provide equitably and justly for all the people of the United States you and your party would be untrue to the faith and worse than an infidel. And then almost in the same breath, in verse 21, Brother FORDNEY, notice again his solemn injunction:

I charge thee before God, and the Lord Jesus Christ, and the elect angels that thou observe these things without preferring one before another, doing nothing by partiality.

You Republicans had better watch out. You had better be careful. You had better send this bill back to the committee for proper revision and obey this injunction, for you have preferred certain business interests before others, and you have been doing things by partiality. To convict you of doing these things all that is necessary is for me to quote the indisputable testimony of your own witness, one of your own faith and from your own fold, the lifelong orthodox Republican from Wisconsin, Mr. FREAR, who in his speech from this floor yesterday said:

That Du Pont and his interests control a monopoly upon all dyes in the United States; that during the war his Chemical Foundation secured from the Government 4,500 German dye patents, easily worth $10,000,000, for $250,000; that just one of those 4,500 patents, the salvarsan, was alone worth $5,000,000; that the Du Pont interests embrace $562,000,000 assets; that Du Pont has arranged with Levenstein, the European monopolist, that Du Pont will operate North America, Central America, and South America, and that Levenstein may have all of Europe; that the dye-monopoly lawyers prepared the existing dye laws, and that he feels reasonably certain that the dye schedule in the present bill was submitted to their scrutiny; that the duty provided in this bill upon dyes is 280 per cent greater even than the duty fixed in the Hill bill passed in 1916; that just before the war synthetic indigo sold here at 15 cents per pound, while under this bill the duty on same will be 28 cents per pound; and he alleges that hundreds of thousands of dollars for lobby fees have been paid in connection with the passage of these laws.

No wonder, Mr. Chairman, this honest unsubjugated Republican from Wisconsin [Mr. FREAR] exclaimed from his inner heart outward that certain provisions of this bill are "fundamentally indefensible." Who is this Mr. du Pont, whom the committee has so preferred above all others, and in violation of St. Paul's solemn injunction has shown such favored partiality? He is the past grand master of all war profiteers, the one who garnered millions from the Government each month that our gallant heroes were sacrificing their lives in the horrible blood-drenched trenches of France. It was just this kind of a man St. Paul had in mind when he said:

I charge thee before God, and the Lord Jesus Christ, and the elect angels, that thou observe these things without preferring one before another, doing nothing by partiality.

When, Mr. Chairman, opposing nations are grappling at the throats of each other in deadly warfare there is some excuse for resorting to camouflage, smoke screens, barrages, hidden batteries, and purposed deceit; but there is no excuse whatever, Mr. Chairman, for any party in control of Congress attempting to deceive the people of the Nation.

The evidence demonstrates that this bill was conceived and born in secret intrigue, that it reached this Committee of the Whole House behind a purposed smoke screen of deceit, and that in camouflaging it the Ways and Means Committee was aided and abetted by the Committee on Rules, whose august chairman, now presiding over this body, the gentleman from Kansas [Mr. CAMPBELL], whom we all dearly love, and I will not even stop to put a question mark after that, has personally aided with a few barrages himself.

Do you want some evidence of what I have just said? Well, I will give you some. This is my fifth year in Congress. I have been a constant and studious attendant upon the business of this House. During these five years every single bill of any legislative importance has been read for amendment under the 5-minute rule. This 346-page bill, with all of its technical terms and expressions, and which burdens the people of the United States with $500,000,000 indirect taxes, is to be the first exception. It is not to be read under the 5-minute rule for amendment. Such was foreordained before it reached us. Our masters on the steering committee caused our submasters on the Rules Committee to so rule. But in contemplating such program these intriguers were confronted with an important ironclad rule of the House that every bill must be read in full at least once before it can be passed. So, to prevent a reading of the bill under the 5-minute rule for amendment, it was ordained that six hours should be wasted in a useless, silly first reading of the bill, and that, too, with a knowledge on the part of the conspirators that not more than a handful of Members would remain in the Hall, and that none of them would pay any attention to its reading. We have the finest reading clerks in the world, and yet our main expert can not read this 346-page bill understandingly in less than six hours. Six hours is more than one legislative day, because we usually convene at 12 and adjourn at 5. Thus, with purposed understanding our Republican leaders agreed to waste six hours, or more than one whole legislative day, in the futile, wasteful, silly first reading of this bill. So in order to try to save this useless waste of six hours in the perfunctory reading of a 346-page bill with only a handful of Members present, and they not listening, when neither Chairman FORDNEY nor any other Republican leader moved to dispense with its first reading, as is universally done by the chairman having in charge any important piece of legislation, I made the following motion:

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that the further reading of the bill be dispensed with.
Mr. LONGWORTH and Mr. KING. Mr. Chairman, I object.
Mr. BLANTON. Then the Clerk will read it, every word.

I feel sure, Mr. Chairman, that the energetic, industrious, intelligent Republican farmers, laborers, and business men in Kansas will unanimously agree with me that if a little bunch of political conspirators are willing to unnecessarily waste six hours, or more than one whole legislative day, in the useless reading of a 346-page bill, that they should be forced to remain on the floor and listen to its reading.

Our rules of the House provide that in the Committee of the Whole 100 Members constitute a quorum, and that a quorum must be present at all times to transact business, and that when less than a quorum is present any Member has the right to rise in his seat and make the point of order that no quorum is present, and thereupon it becomes the duty of the Chairman to secure a quorum.

So, Mr. Chairman, shortly after the Clerk began the perfunctory reading of this 346-page bill I carefully counted the number of Members on the floor, and there were less than 40. I therefore exercised my rights as follows:

Mr. BLANTON. Mr. Chairman, I make the point of order that we have no quorum present. If we are going to read the 346 pages of this bill, we ought to have somebody here to hear it.
The CHAIRMAN. If the gentleman from Texas makes the point of no quorum, he may state that fact. There his duties cease; he need not add comment. The Chair will count. [After counting.] One hundred and thirty-nine Members are present, a quorum. The Clerk will read.

The above would indicate that there were 139 Members in the House when I made the point. As a matter of fact, this is what happened: The alarm was sounded, the Republican whip got busy, lounging Members everywhere in the Capitol were notified, and they came streaming into the Chamber from the cloakrooms, from the Speaker's lobby, from the corridors, from the gallery, and from the various other places to which Members go to escape being bored with the business of the House, and finally the Chair reported that he had counted 139 Members. But, Mr. Chairman, just as soon as the Clerk resumed reading all of these loiterers again left the Chamber, and I will here copy one page from the bill to show just exactly what kind of reading they were escaping from, and which was being forced at a waste of six hours of time:

PAR. 25. Coal-tar products: Acetanilide not suitable for medicinal use, alpha-naphthol, aminobenzoic acid, aminonaphthol, aminophenetole, aminophenol, aminosalicylic acid, aminoanthraquinone, aniline oil, aniline salt, anthraquinone, arsanilic acid, benzaldehyde not suitable for medicinal use, benzal chloride, benzanthrone, benzidine, benzidine sulfate, benzoic acid not suitable for medicinal use, benzoquinone, benzoyl chloride, benzyl chloride, benzylethylaniline, beta-naphthol not suitable for medicinal use, bromobenzene, chlorobenzene, chlorophthalic acid, cinnamic acid, cumidine, dehydrothiotoluidine, diaminostilbene, dianisidine, dichlorophthalic acid, dimethylaniline, dimethylaminophenol, dimethylphenylbenzylammonium hydroxide, dimethylphenylenediamine, dinitrobenzene, dinitrochlorobenzene, dinitronaphthalene, dinitrophenol, dinitrotoluene, dihydroxynaphthalene, diphenylamine, hydroxyphenylarsinic acid, metanilic acid, methylanthraquinone, naphthylamine, naphthylenediamine, nitroaniline, nitroanthraquinone, nitrobenzaldehyde, nitrobenzene, nitronaphthalene, nitrophenol, nitrophenylenediamine, nitrosodimethylaniline, nitrotoluene, nitrotoluylenediamine, phenol, phenylenediamine, phenylhydrazine, phenylnaphthylamine, phenylglycine, phenylglycineortho-carboxylic acid, phthalic acid, phthalic anhydride, phthalimide, quinaldine, quinoline, resorcinol not suitable for medicinal use, salicylic acid and its salts not suitable for medicinal use, sulfanilic acid, thiocarbanilide, thiosalicylic acid, tetrachlorophthalic acid, tetramethyldiaminobenzophenone, tetramethyldiaminodiphenylmethane, toluene sulfochloride, toluene sulfonamide, tribromophenol, toluidine, tolidine, toluylenediamine, xylidine, anthracene.

And, Mr. Chairman, this occurred repeatedly. I would count the Members on the floor and ascertain that less than 50 were present, and would then make the point of order, and they would be rounded up and counted and then again depart.

But finally, Mr. Chairman, I counted only 26 Members present, and acting under the rules of the House in the performance of my duty I again made the point:

Mr. BLANTON. Mr. Chairman, I make the point of order that there is no quorum present. I do it in all sincerity.
The CHAIRMAN. The gentleman need not apologize or explain.
Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that it is dilatory. Of course, the whole question of whether or not a motion or point of order is dilatory is not debatable, ordinarily, but in the discretion of the Chair it may be.
Mr. BLANTON. We have read a hundred pages, Mr. Chairman.

Mr. KING. The gentleman from Texas [Mr. BLANTON] at the time he made the point of order was not in the Chamber of the House. He was sitting at the telegraph desk. I desire a ruling upon the question as to whether the gentleman was physically upon the floor at that time.

Mr. KNUTSON. May I suggest to the gentleman that the little desk there to which he refers can be seen from the galleries better than any other part of the House.

Mr. BLANTON. And that is the reason the gentleman from Minnesota [Mr. KNUTSON] stays there so much. Will the Chair kindly hear me?

The CHAIRMAN. The Chair will hear the gentleman briefly.

Mr. BLANTON. Mr. Chairman, each time I have made the point of no quorum I have been standing up in the well of the House. Each time before I have made the point of no quorum I have counted, and there were less than 50 Members present on the floor. Of course, they came in later from the cloakrooms, corridors, galleries, and from here and there, and finally, when the count was completed, there were probably 100 Members present, but each time I have followed the rule of the House which says that there must be 100 men here in Committee of the Whole at all times to make a quorum, and we have now read over 100 pages of this bill.

The CHAIRMAN. The Chair is ready to rule. The Chair must take into account the number of times the gentleman from Texas has made the point of order during the consideration of the bill within the last two hours and a half that no quorum was present. The Chair thinks that twelve times the gentleman from Texas has made the point of no quorum, and twelve times a quorum has been present. It is clear to the Chair that the gentleman from Texas must know that there is a quorum of the committee present within the radius of the voice of the Clerk who is reading the bill and within easy access of the floor of the House, and who are as constructively upon the floor of the House as the gentleman from Texas, who has not been in his seat since the second or third point of order that he made until just now.

Mr. BLANTON. I have been on the House floor every moment. At no single moment since we convened have I been absent.

The CHAIRMAN. The Chair is of opinion that the gentleman from Texas is indulging in a filibuster of his own and that he is raising the point of no quorum for the purpose of delaying the consideration of this measure, and the Chair sustains the point of order made by the gentleman from Illinois [Mr. KING]. The Clerk will continue the reading of the bill.

Thus, Mr. Chairman, the distinguished gentleman who was presiding not only made it appear in the RECORD that a quorum was present in the House when I made the point of order, but he also made it appear that I was wasting time in a purposeless filibuster, when just the opposite was true, as I was endeavoring to save the waste of six hours in the useless reading of a 346-page bill and to force the Members who caused this waste to remain in the Hall and hear it read. But, in violation of the House rules and precedents, the Chair, who is the distinguished gentleman from Kansas—and, by the way, the chairman of the great Committee on Rules—[Mr. CAMPBELL], censured me, in violation of the rule which provides that—

The Chairman may call a Member to order, but has no authority to censure him.

Mr. TINCHER. Mr. Chairman, I make the point the gentleman is not in order. It is not permitted a Member of this House in committee to question the truth of the Chairman in counting a quorum.

Mr. BLANTON. I have not questioned the truth of anybody. I refuse to yield.

Mr. TINCHER. I make the point of order that the gentleman is not discussing the subject presented for discussion under the rule and that he is out of order.

The CHAIRMAN. The gentleman will proceed in order to discuss the bill under the rule.

Mr. BLANTON. Does the Chair hold that I am not discussing in order? I have not impugned anybody's motives.

The CHAIRMAN. The Chair is inclined to think that the gentleman was not discussing any provision of the bill. The gentleman will proceed in order.

Mr. BLANTON. Well, Mr. Chairman, I thought——

The CHAIRMAN. The gentleman will proceed in order.

Mr. BLANTON. Will the Chair permit a parliamentary inquiry, not to be taken out of my time?

The CHAIRMAN. The gentleman will proceed in order.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry. Has not the gentleman a perfect right to discuss this bill and the method in which it is being passed in the House of Representatives? It occurs to me he has. I think the gentleman is entitled to the floor for the purpose of discussing the method in which this bill is being passed.

The CHAIRMAN. The gentleman from Kansas [Mr. TINCHER] made the point of order that the gentleman from Texas was not discussing the bill when the gentleman from Texas was discussing the manner in which he had made points of order that no quorum was present and the manner in which the Chair had procured the attendance of a quorum. The Chair is of the opinion that that is not a discussion of the bill under the rule. The gentleman from Texas will proceed in order.

Mr. BLANTON. Well, I will get down to the bill. And, Mr. Chairman, so that hereafter there would be no ground whatever in charging that I wasted any time, even upon a good endeavor, I finally let the reading clerks skip the reading of more than half of the remaining 186 pages of the bill, which permitted the bill to be read within six hours, so no time was wasted by me after all.

And, Mr. Chairman, to prove conclusively who it was that was frivolously wasting the time, I quote the following from the RECORD as to what occurred when the reading of the bill was concluded:

The Clerk resumed (p. 160, line 24, par. 1411) and concluded the reading of the bill.

Mr. FORDNEY. Mr. Chairman——

Mr. COPLEY. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Illinois makes the point of order that there is no quorum present. The Chair will count.

Mr. BLANTON. Mr. Chairman, I make the point of order that that motion is dilatory. [Laughter.] We ought to proceed with the consideration of this bill, as it is now only 1.50 o'clock p. m.

Mr. COPLEY. I make the point of order that the gentleman is in error; it was not a motion.

The CHAIRMAN. The Chair will count. [After counting.] Fifty-seven gentlemen are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to respond to their names.

The roll was called to get the Members in to hear Mr. FORDNEY. But note, Mr. Chairman, when the masters wanted the roll called, only 57 Members were present, and this was at the conclusion of the reading of the bill, when all interested Members were coming in to take up the real work.

And after Mr. FORDNEY had yielded the floor to the minority, when Mr. GARNER started to open our side of the debate, a point of order had to be made to get a quorum to hear him.

Mr. FIELDS. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The Chair will count. [After counting.] A quorum is not present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names.

During my five years here the first reading has been required on only one supply bill, and then it was done through pique. Let me quote from the RECORD to show the universal rule of chairmen in charge of important bills, dispensing with their first reading:

DISTRICT OF COLUMBIA BILL NOT READ THE FIRST TIME.

The RECORD for December 16, 1920, page 428, shows that when the District of Columbia appropriation bill, H. R. 15130, was first called up in the Committee of the Whole, the following occurred:

Mr. DAVIS of Minnesota. I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

PENSION APPROPRIATION BILL NOT READ THE FIRST TIME.

The RECORD for December 23, 1920, page 704, shows that when the pension appropriation bill, H. R. 15344, was first called up in the Committee of the Whole, the following occurred:

Mr. CANNON. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection There was no objection.

SUNDRY CIVIL APPROPRIATION BILL NOT READ THE FIRST TIME.

The RECORD for December 30, 1920, page 814, shows that when the sundry civil appropriation bill, H. R. 15422, was first called up in the Committee of the Whole, the following occurred:

Mr. GOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

POST OFFICE APPROPRIATION BILL NOT READ THE FIRST TIME.

The RECORD for January 7, 1921, page 1120, shows that when the Post Office appropriation bill (H. R. 15441) was first called up in the Committee of the Whole, the following occurred:

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

LEGISLATIVE, EXECUTIVE, AND JUDICIAL APPROPRIATION BILL NOT READ THE FIRST TIME.

The RECORD for January 10, 1921, page 1219, shows that when the legislative, executive, and judicial appropriation bill (H. R. 15543) was first called up in the Committee of the Whole, the following occurred:

Mr. WOOD of Indiana. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The motion was agreed to.

INDIAN APPROPRIATION BILL NOT READ THE FIRST TIME.

The RECORD for January 14, 1921, page 1430, shows that when the Indian appropriation bill (H. R. 15682) was first called up in the Committee of the Whole, the following occurred:

Mr. ELSTON. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from California asks unanimous consent that the first reading of the bill be dispensed with. Is there objection? [After a pause.] The Chair hears none.

AGRICULTURAL APPROPRIATION BILL NOT READ THE FIRST TIME.

The RECORD for January 21, 1921, page 1829, shows that when the Agricultural appropriation bill (H. R. 15812) was first called up in the Committee of the Whole, the following occurred:

Mr. ANDERSON. Mr. Chairman, I ask that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

DIPLOMATIC AND CONSULAR APPROPRIATION BILL WAS NOT READ THE FIRST TIME.

The RECORD for January 27, 1921, page 2130, shows that when the Diplomatic and Consular appropriation bill, H. R. 15872, was first called up in the Committee of the Whole the following occurred:

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

GENERAL DEFICIENCY BILL WAS NOT READ THE FIRST TIME.

The RECORD for February 8, 1921, page 2819, shows that when the general deficiency bill, H. R. 15962, was first called up in the Committee of the Whole the following occurred:

Mr. GOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

NAVAL APPROPRIATION BILL WAS NOT READ THE FIRST TIME.

The RECORD for February 10, 1921, page 2939, shows that when the naval appropriation bill, H. R. 15975, was first called up in the Committee of the Whole the following occurred:

Mr. KELLEY of Michigan. I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

And, Mr. Chairman, it is interesting to note that when it became necessary this morning to raise the point of no quorum in order to call enough Members over to hear the gentleman from Kansas [Mr. CAMPBELL] present his special rule that will prevent this bill from being regularly read under the 5-minute rule for amendment, as the Underwood tariff bill was read, and as all other legislative bills are read, no objection whatever was made by the gentleman from Kansas to the point of no quorum or to the call of the House. And immediately after the roll was called the second time on the final passage of the rule, the gentleman from Ohio [Mr. LONGWORTH] was recognized for one hour and a half, and when he arose, there being less than 50 Members on the floor, the gentleman from Illinois [Mr. MADDEN] suggested the absence of a quorum in order to call in from the corridors sufficient Members to hear his speech.

If you will examine the commodities placed on the free list, asserted by some to have been placed there in behalf of our farmers, you will find either that they use on the farm no such article manufactured abroad or that such article does not compete with like articles in this country.

But let me quote you just a few of the many very ordinary farm necessities, manufactured in this country by various monopolies, that are placed upon the dutiable list, to the injury of our farmers:

Baling wire and galvanized wire fencing, one-half of 1 cent per pound.
Screen wire, 20, 30, and 40 per cent, according to mesh.
Cast-iron pipe, andirons, stove plates, etc., 10 per cent.
Horse shoes, six-tenths of 1 cent per pound.
Saddlery and harness hardware, 35 per cent.
Snap fasteners and clasps, 40 per cent; if mounted, 45 per cent.
Needles, sewing, knitting, crocheting, $1.15 per thousand plus 25 per cent ad valorem.
Table, household, and kitchen utensils, 5 cents per pound plus 30 per cent ad valorem.
Tin plates, 1.1 cents per pound.
Grindstones, $2 per ton.
Fans, 40 per cent ad valorem.
Matches, 6 cents per gross to 30 per cent ad valorem.
Dolls, 40 per cent ad valorem.
Dominoes, 40 per cent ad valorem.
Buttons, 1½ per line per gross to 38 per cent ad valorem.
Brooms, 15 per cent ad valorem.
Toothbrushes, 35 per cent ad valorem.
Nails, staples, brads, etc., four-tenths to 2 cents per pound.
Rivets, 25 per cent ad valorem.
Iron anvils, 1¾ cents per pound.
Blacksmith's hammers, tongs, etc., 1¾ cents per pound.
Watch crystals, 40 per cent ad valorem.
Bolts, 1 cent per pound.
Nuts and washers, six-tenths of 1 cent per pound.
Screws, 3 to 10 cents per gross.
Crosscut saws, 15 per cent ad valorem.
Corset clasps and steels, 25 per cent ad valorem.
Hooks and eyes, 15 per cent ad valorem.
Umbrella ribs, 35 per cent ad valorem.
Fishhooks, 35 per cent ad valorem.
Pins, all kinds, including hairpins, hat pins, bonnet and shawl pins—

And look out for the babies, they even added safety pins, 28 per cent ad valorem. [Applause on the Democratic side.]

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BLANTON. In a moment.

Metal trouser buttons, one-half to three-fourths of 1 cent per line gross, plus 10 per cent ad valorem.
Scissors, 10 cents each, plus 30 per cent ad valorem.
Pliers, pincers, and nippers, from 8 to 12 cents each, plus 25 per cent ad valorem.
Files and rasps, from 25 to 77½ cents per dozen.
Razors, from 10 to 20 cents each, plus 30 per cent ad valorem.
Pocket knives, valued at more than $3 per dozen and not more than $8 per dozen, 20 cents each, plus 30 per cent ad valorem. When value is more than $8 per dozen, 30 cents each, plus 30 per cent ad valorem.
Table knives and forks, butcher knives, cooks' knives and forks, carving knives and forks, and kitchen knives and forks, all 16 cents each.
Guns, from 20 per cent ad valorem to $10 each, plus 35 per cent ad valorem.

And I could mention several hundred other articles which our farmers and laborers use daily, that they are forced to purchase, and which are manufactured here by various monopolies, upon which our Republican brothers have placed an unconscionable rate of duty, but time forbids.

Are our Republican brothers really and truly interested in the farm and ranch producers? Let us see: When the emergency tariff bill was before the House, and by the way, the gentleman from Ohio [Mr. LONGWORTH] asked that the first reading of even that little bill be dispensed with, I offered from the floor an amendment to place a duty of 1½ cents per pound upon cotton-seed oil cake, and though all southern farmers were interested in this item, the gentleman from Ohio [Mr. LONGWORTH] opposed and kept it out—page 669, RECORD for December 22, 1920—and oil cake is placed on the free list in this bill.

I likewise offered from the floor an amendment placing a duty on all foreign frozen beef, veal, mutton, and lamb, which was defeated and knocked out by the opposition of the gentleman from Ohio [Mr. LONGWORTH]. (P. 671, RECORD for Dec. 22, 1920.)

I also offered from the floor an amendment placing a duty of 3 cents on hides, and it was defeated through the opposition of the gentleman from Ohio [Mr. LONGWORTH]. (P. 671, RECORD for Dec. 22, 1920.) And hides are now on the free list in this bill. And I want the country to know that before this bill was reported my colleague [Mr. WURZBACH] presented to the Ways and Means Committee a petition signed by over 180 Congressmen, exclusive of members of the steering committee and of the Ways and Means Committee, urging and beseeching that a duty be placed on hides in this bill, yet our masters on said committee, who live east of the Mississippi and north of the Ohio Rivers, turned our petition down and placed hides on the free list.

And from the floor our colleague [Mr. HAYDEN] offered an amendment to place a duty upon short-staple cotton, but it was defeated by the opposition of the gentleman from Ohio [Mr. LONGWORTH]. (P. 672, RECORD for Dec. 22, 1920.) And, Mr. Chairman, cotton is now on the free list in this bill.

As certified to me by Hon. Thomas W. Page, chairman of the United States Tariff Commission, there was imported into the United States from foreign countries during the fiscal year ending June 30, 1920, the following farm and ranch products absolutely free of any duty, to wit:

	Pounds.
Cotton	345,314,126
Oil cake	145,026,652
Cottonseed oil	24,164,821
Beef and veal	42,436,333
Mutton and lamb	16,358,299
Cowhides	439,461,092
Calf hides	68,359,825
Other hides	275,964,213
Coconut oil	269,226,966
Soya bean oil	195,773,594

And, Mr. Chairman, the Tariff Commission further certified that during the four months of July, August, September, and October, 1920, there was imported into the United States from foreign countries absolutely free of duty the following products:

	Pounds.
Cotton	42,961,691
Cotton oil cake	128,615,571
Cottonseed oil	579,172
Wool	44,435,246
Beef and veal	19,456,961
Mutton and lamb	64,623,776
Cowhides	80,023,347
Calf hides	10,782,491
Other hides	53,013,186
Coconut oil	62,402,486
Soya-bean oil	26,923,725

And, Mr. Chairman, before all of said amendments were offered on December 22, 1920, and defeated by the gentleman from Ohio [Mr. LONGWORTH] I called his attention, and the attention of the House, to the above free imports, which were causing our farms to become depopulated, and yet such amendments were rejected, and the items covered therein left on the free list. Does that indicate that our Republican brothers have at heart the interests of the American producers? I would not think so.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Please give me a little more time.

Mr. GARNER. I will yield the gentleman five minutes more, and I can not go any further.

Mr. BLANTON. All right. I am glad to have a chance to get all my speech in the RECORD, because there is some good reading for our Republican brothers who will take the time to read it.

We have in the United States about 75,000,000 to 80,000,000 head of cattle, and we annually raise here less than 30,000,000 head of calves, while South American countries, with only a little more than a third of our population, have from 80,000,000 to 85,000,000 head of cattle and annually raise approximately 35,000,000 head of calves.

Due to their tropical climate, cheap and luxuriant grass, cheap labor, ample water, and little feeding, our cost of production is about five times as great as theirs per pound.

Mr. Chairman, I challenge our Republican brothers, under the above facts, to justify their act in placing hides on the free list. I challenge them to justify and square their act in this respect with their platform and their speeches.

AD VALOREM DUTIES.

Every honest man, Mr. Chairman, will admit that, wherever possible, the duties prescribed should be specific. They will admit that wherever ad valorem duties are prescribed they are indefinite in their very nature, require expense to ascertain and collect them, and cause disagreements, fraud, and swindles.

Let our Republican brothers, if they can, explain to the country why they have prescribed so few specific duties in this bill, and why, in most instances, they have prescribed uncertain ad valorem duties. In order that they may not successfully deny that they did this, I will call the attention of the country to the fact that in schedules 1, 2, and 3 the following are the only paragraphs that prescribe specific duties only, to wit: Paragraphs 4, 7, 11, 13, 15, 23, 29, 35, 41, 43, 46, 60, 64, 65, 71, 73, 74, 76, 80, 81, 83, 87, 88, 89, 204, 205, 207, 220, 221, 222, 223, 236, 301, 303, 310, 314, 315, 317, 322, 323, 324, 325, 326, 333, 335, 338, 351, 362, 374, 376, 378, 379, 380, 381, 383, 386, 388, 389, 390, and 391.

Now, in connection with the above compare the numerous paragraphs in these three schedules that prescribe uncertain ad valorem duties.

But, Mr. Chairman, our Republican brothers have trebly increased the burdens upon the masses by adopting the American valuation system, as it places a premium upon the creation of unlimited new monopolies. Trust magnates will realize that as they corner and control any market they will at the same time increase in like proportion the duty that shall be collected upon all competitive articles from foreign countries, and that by creating monopolies they can stop all foreign competition.

Mr. Chairman, I can not vote for this bill. I can not support a bill that places in one pocket of our American laborers and producers 10 cents, while at the same time it takes out of his other pocket $10. I agree with my Republican colleague from Wisconsin [Mr. FREAR] that this bill is "fundamentally indefensible." I take this action voluntarily, for under my platform pledges and my preelection promises to my people my party has not bound me by any party caucus, but permits me to vote as my conscience dictates. And my conscience tells me that this bill is against the best interests of the masses.

Mr. FORDNEY. Mr. Chairman, I yield 25 minutes to the gentleman from Illinois [Mr. GRAHAM]. [Applause.]

Mr. GRAHAM of Illinois. The two great parties meet in battle to-day, a battle that is part of a conflict that has continued since the adoption of the Constitution. Always there have been two schools of political thought among us—one teaching that it was fully within our Federal powers to impose duties on imports from foreign countries, not only for revenue for governmental purposes but also for the creation, maintenance, and upbuilding of American industries. The other teaching was that the Federal Government had no constitutional power to do anything but raise revenue and that any special protection given any class of industry or business was unconstitutional and vicious. Those who favored the latter theory were usually those who were adherents to the doctrine that the Union was only a league of sovereign States for purposes of mutual protection, while the followers of the first doctrine usually favored also the idea of a strong centralized Federal Government. Thus, from the adoption of the Constitution, the ideas of free trade and State rights were closely affiliated.

The Republican Party and its predecessor, the Whig Party, and even before that, those who followed the theories advocated by Henry Clay, have believed in, and practiced whenever in power, the theory of protection of American industries. This has been, more than any other one thing, the keystone of the arch of the Republican doctrine.

During the same period the Democratic Party and its predecessors universally adopted, followed, and practiced, whenever in power, the theories of a low tariff, for revenue only. There have been times when other subjects have temporarily obscured the fundamental difference of which I have spoken, such as the issue of slavery, and in later days the question of free coinage of silver. However, always underlying the political faith of the Republican and Democratic Parties, has been this one difference in view as to the conduct of the economic affairs of our country.

I am a protectionist. In what study I have given to schedules and tariffs I have found tariffs framed along Republican lines to be, in my judgment, best for the interests of the country. However, I believe my inherent faith in the efficacy of a system of protective tariffs is based largely on my reading of the history of my country. I have observed that when my country was conducting its affairs with a protective-tariff system, properly protecting the industries, labor, and agriculture of the country, the country prospered, and when it departed from this course the country was in distress. This is a protective-tariff country. We thrive best under that system. If there were nothing else upon which to base my faith, I would be content with the example of 130 years of national life. There have been 37 general tariff acts passed since the adoption of the Constitution, some of which were only of temporary significance, but several of which were of vast importance to us as a people and had an effect upon our national life almost beyond imagination.

The first tariff act went into effect July 4, 1789, and was framed along protective lines, as has been heretofore stated in this debate. Under this act the country prospered. Afterwards, from 1812 to 1816, additional acts were adopted, framed along the same general lines, and as a result of which wise legislation the new States were enabled to defray the entire expenses of the war with England, and in the end remain with a full Treasury and undiminished credit. In 1816 the Congress, against the advice of some of its best leaders, enacted a low-tariff measure. The effects of this act were almost immediate and produced the utmost misery and financial disorder.

From 1816 until the time of the passage of the Clay Tariff Act of 1824 the condition of the country was extremely bad. In 1824, under the leadership of Mr. Clay, the greatest protectionist in the history of the country, a tariff act was enacted, an act which was so badly needed that it had the support of most of the prominent Democrats, such as James Buchanan, Martin Van Buren, and others who at that time were Members of the House. Immediately after the passage of the Clay high tariff of 1824 the country began to prosper. This condition is nowhere better described than in the remarks of Mr. Clay in the Senate on February 2, 1832, in which he says:

> If I were to select any term of seven years since the adoption of our present Constitution which exhibited a scene of the most undisputed dismay and desolation it would be exactly that term of seven years which immediately preceded the establishment of the tariff of 1824. * * * If the term of seven years were to be selected of the greatest prosperity which the people have enjoyed it would be exactly that period of seven years which immediately followed the passage of the tariff of 1824.

Prosperous conditions continued in the country until 1833, when, yielding to the insistence of the low-tariff element in Congress, an act was passed, commonly designated as the "Clay compromise tariff of 1833," and which provided for a gradual reduction of the duties theretofore imposed on imports. The conditions produced by this tariff are aptly described by William McKinley in his essay on "The tariff":

> Within five years a panic swept over the country that almost beggars description for its severity and distress. Not only were manufacturers prostrated, but commerce, navigation, mining, and especially agriculture, shared in the general ruin. The scenes Clay and Benton had so vividly portrayed in 1824 were repeated, only as development had increased the losses now appeared still more frightful. Mortgages were foreclosed and forced sales made in every direction; thousands of able-bodied men were out of work or toiling at not more than 25 cents per day, while other thousands, unable to obtain employment at any price, with their wives and children were obliged to appeal for charity and rely upon the free soup houses, which were established in every city, for the only food they could procure.

From that time until 1842 the political complexion of the country was such that it was impossible to change this tariff system, but President Tyler was, in the latter year, induced to sign an act providing for protective duties on imports. This law

acted satisfactorily and immediately produced an alleviation of conditions in the country. However, in 1846 the House, being Democratic in both branches, under the Presidency of Mr. Polk, repealed what was called "The odious Whig law" and enacted a law called the "Walker tariff," which was in force, unamended, for 11 years.

During the time this act was in force the Mexican War occurred; a terrible famine occurred in Ireland; gold was discovered in California; and the Crimean War took place. These kept the country immune from the effects usually consequent upon a free-trade or low-tariff policy. However, after the conclusion of the Crimean War and before the passage of the Republican tariff act of 1861, the greatest financial depression existed in the country, and the great panic of 1857 occurred.

The Morrill Act of 1861 and other Civil War tariff acts were in force until the passage of the McKinley Act in 1890. It is unnecessary to recount the prosperity of the country during that one of the greatest periods in American history. This prosperous condition continued until, in 1894, both Houses being Democatic and a Democrat, Mr. Cleveland, in the Chief Executive office, the so-called Wilson Act of 1894 was enacted. The memory of the years from 1894 to 1897 is fresh in the mind. The number of soup houses and Coxey's armies and misery and depression of our country constitute one of the sorriest chapters in our history, and a picture that we would quickly forget if we could. The low-tariff policy of the Democratic Party was again having its accustomed effects, as it has every time it has had an opportunity for use in this country.

The situation was relieved by the passage of the Dingley bill in 1897, an act which brought great prosperity to the country and which was continued by the Payne Act of 1909, an act which has been much maligned and misunderstood but which was, nevertheless, one of the best tariff acts ever passed by the Congress.

When the Underwood tariff act of 1913 was passed it was framed along genuine tariff-for-revenue-only lines, and reduced the import duties on practically everything we produced in the country, either in the way of agricultural products or manufactured articles. If a full and complete opportunity for the presentation of its effects had been presented, the same conditions would have existed that existed in the country from 1894 to 1897. Everyone who has considered the matter and who stops to think concedes that after the passage of the Underwood Act and up until August, 1914, when the great European war broke out, the prosperity of the country was rapidly declining and we were drifting toward the rocks. Unemployment was general and distress was rife in the country.

In my own district I saw thousands of men out of employment and walking the streets who had been theretofore employed at remunerative wages in manufacturing institutions. The same condition was prevalent throughout the country. Imports were flooding in to us from across the seas, taking the place of the manufactured articles which heretofore our higher salaried American workmen had been making. We had exchanged our prosperity for a prosperity which existed in the manufacturing towns of England, France, and Germany, a result that has always followed any departure from a protective-tariff system in this country.

The outbreak of the European war created a practical embargo on the manufacturing industries of Europe. War orders began to flow in, and as a result industries began to open their doors, men obtained employment, and the effects which would otherwise have resulted from the vicious Underwood tariff act were neutralized for the time, and from that time until the end of the European war and thereafter until the increased demand for American products occasioned by the after-the-war period had elapsed the people of the United States had liberal employment at liberal wages and the industries were all in motion.

Now, the war is over, and we are faced with the old, old problems—workingmen are unemployed, business is stagnant, manufacturing is at an end, the country suffers. We say it is an after-the-war effect. It is in my judgment simply the inevitable and necessary result of two things: First, the natural relapse after the abnormal activity of the war period; and, second, the fact that we are at present exposed to the influence of products from other countries without adequate protection to our industries and labor, and without such protection business can not and will not be resumed.

I have oftentimes noted the Democratic attitude about the tariff question with wonder. I do not believe the average Democrat believes in free trade, or, to put it in a Democratic way, tariff for revenue only. I am satisfied they are continually hopeful that Republican protection may exist, and yet such is the influence of heredity and indoctrinated theories that I have seen my Democratic brethren go to the polls time after time advocating the low-tariff policy, knowing all the time what misery will happen to the country if it is adopted, and yet vote for it. I am irresistibly reminded of the instance of the village drunkard who was seen on the road one day by one of his acquaintances. His acquaintance said, "John, where are you going?" He said, "I am going to town to get drunk, and God, how I dread it." There are some things that pass my comprehension. I do not understand what method of reasoning my friends of the minority follow. Some distinguished individual recently, who did not like the noted Chautauquan and lecturer on the "Prince of Peace," suggested that one of the questions that ought to be put to the prospective postmasters in the civil-service examinations under the present régime ought to be, "When was William Jennings Bryan born, and why?" Let me add another equally pertinent question, "What is a tariff for revenue only, and why?" I have heard it talked of for years and discussed on a thousand platforms and never yet have I heard anybody tell just what it is. Our Democratic friends deny that they are free traders, but insist that they favor a tariff for revenue only.

There is no difference, in effect, between a state of free trade and a condition of insufficient tariff to protect the industries of the country. It has been stated, and will be stated in the next campaign, that we have had prosperity to a marked degree under the Wilson administration. Our prosperity during this period was a plant whose seed was germinated in the atmosphere of envy and malice and greed and ambition of the nations of Europe and burst its covering at the crime of Sarajevo. It sprang into luxuriant life as millions of men were called by King and Emperor into the thousand miles of battle lines of Europe and Asia. The winds that swept across the earth and seas and carried the cries of drowning innocents, the stench of rotting battle fields, the roar of guns unnumbered, brought it vigor and strength. It was fertilized by billions of our treasure. It was watered by the blood of hundreds of thousands of our noble sons, and now it stands withered and dead, bearing thick upon it the thorny seeds of greed and rapacity and shattered morale and debt and discontent. Pray God we may have no more of such prosperity! [Applause on the Republican side.]

But the contention is made that these are things of the past and that present conditions are such that we can not properly apply the rules and experience of the past. In what respect have they changed? It is said that as a result of the World War we are not exposed to the imminence of foreign competition, and that therefore inasmuch as other countries must build up their own countries and occupy themselves with rehabilitation we are in no danger from them. This is a pure fallacy. Never were we in greater danger than now. It must be remembered that the factories of France and Germany and Great Britain and Belgium are ready for the most intense activity. We pride ourselves and lay the flattering unction to our souls that our workmen are more efficient than those in other countries. I have observed some of the workmen in the shops in other countries. I have talked with others who have an intimate knowledge of the subject, and I am ready to state to the House that in my judgment we should at once disabuse our minds of the theory that because of the superior efficiency of the American workmen we can thereby compete with the foreign workmen even at the superior American wage. There are, in my judgment, no more efficient workmen or artisans in the world than there are in the countries of Europe. It must also be remembered that as a result of the war activities in those countries production was brought to the highest efficiency and that the shops and factories of those countries are crowded to the doors with the best of textile and other manufacturing machinery, ready and anxious to pour out to the world their output in vast quantities. Especially is this true of Germany, absolutely untouched by the war in a manufacturing sense. What folly it is for us to hide our heads in the sand and imagine we are hid. There never was a time when the nations of Europe had a greater incentive to manufacture and produce than now.

They must produce to rebuild their countries. The more debt they have the greater is their need for production, and if we comfort ourselves with the idea that a moderate tariff will keep their productions out let me call to your attention that the necessity exists for them to sell. It matters not what the tariff is, and the higher the tariff the cheaper they must work and produce. The debts of these countries must be paid, and there is but one way to do it, and that is by production and immense production. The nations of Europe know this; they are ready to take advantage of every situation in this or any other market, and unless we look well to our markets they will be speedily absorbed by the competing nations. Is it imagined they will be careful of our interests in an economic way? There is

not a nation in Europe but will take advantage of our economic weakness in any way it can, and when it does so it will be entirely justified in so doing and we can find no just cause for complaint at it so doing. But this is a privilege also which we have ourselves and which, if we are wise, we will utilize.

The same argument was made at the close of the Crimean War, a war between England, France, and Russia, three of the leading powers of Europe and the world. The utmost confusion existed in the industrial circles of Europe during the period of the Crimean War, about two and a half years, and during that period the greatest prosperity was enjoyed by American industries of all kinds. Mr. McKinley, in describing this situation in his Essay on the Tariff, heretofore mentioned, makes the following statement:

But when peace came to Europe manufacturing was resumed in England and France with greater energy and with more alluring prospects for trade in America than had ever before been known.

Then, naturally and inevitably, with our vastly increased importations and consequent dependence upon foreign factories, our whole business situation was swiftly changed from apparent prosperity to actual distress. The tariff for revenue only policy rested at length solely upon its own merits. We were as a nation pursuing the hazardous experiment of spending abroad the money we should have kept at home. The gold of California, the largest product of that precious metal so far discovered in any country, was speedily drained by Europe. Within a year after the close of the Crimean War this country was distressed and humiliated by the only financial panic it had experienced for 20 years, since the adoption of a somewhat similar tariff policy to that it was then pursuing.

I can not help but allude in these remarks to the present deplorable condition of American agriculture. The farmers of the country to-day are operating their business at a constant loss. I do not suppose there is a carload of cattle or hogs being sold to-day that produces a profit to its owner. Farm crops are selling at low prices, and the agricultural industry of the country is hard hit. This is generally appreciated by all of us. We have heretofore, by the enactment of a temporary protective tariff, attempted to stay the depression in farm prices, and have, in my judgment, accomplished a great deal in that way. However, some permanent protection on a scientific basis must be given the agricultural industry of the country. It is our basic industry, without which we can not exist. I trust the time will not soon come when agriculture will become a secondary interest in our country. What is the present condition of the farming industry so far as our foreign-trade policy is concerned? The answer is obvious—the bars are down. The Underwood Tariff Act practically free listed every product of the northern and western farmers. I have here a rough chart showing the tariff rates as fixed by the Payne, Underwood, and Fordney tariffs, and which I shall extend in my remarks. It demonstrates very fully that the markets of our country are open to the inflow of agricultural products from every part of the world, and that unless protection is speedily given farm prices will not improve. Any man who knows anything about the farming industry in this country knows that if present prices continue it will have the immediate effect of greatly decreasing the production of the farms of the country. Already the herds of the country are being greatly decreased in numbers. The immediate effect of this is increased prices for the meats and manufactured products because of the scarcity. Instead of benefiting all the country, we find inevitably we have fastened upon ourselves more fully and completely high prices for every food product that we buy. Common prudence and the most casual thought on the subject would indicate that in order to encourage production of agricultural products, to lead to healthy competition and to reasonable prices in the production, we must enact suitable tariff legislation and protect the agricultural industry of the country. This our Democratic friends will not do; this they refuse to do when they vote against this bill.

The Fordney tariff schedule gives somewhat equivalent rates to the Payne Act—in some cases lower, in a few isolated instances higher, but averaging about the same. The wisdom of this course is obvious to any thinking person.

	Payne (Republican).	Underwood (Democrat).	Fordney (Republican).
Wheat	25 per cent	Free	25 per cent.
Corn	15 cents per bushel.	do	15 cents per bushel.
Swine	$1.50 per head	do	½ cent per pound.
Cattle	$2 per head to 27½ per cent.	do	1 cent to 1½ cents per pound.
Sheep	75 cents per head to $1.50 per head.	do	1 cent per pound.
Wools	3 cents to 36 cents per pound.	do	6 cents to 26 cents per pound.
Meats	1½ cents per pound to 25 per cent.	do	15 per cent.
Milk	2 cents per gallon	do	1 cent per gallon.
Cream	5 cents per gallon	Free	5 cents to 10 cents per gallon.
Eggs	5 cents per dozen	do	6 cents per dozen.
Broom corn	$3 per ton	do	$2 per ton.
Buckwheat	15 cents per bushel.	do	30 cents per 100 pounds.
Flax	$5 to $67.20 per ton.	do	$2 to $40 per ton.
Hemp	$22.50 to $45 per ton.	do	$17.50 to $30 per ton.
Lard	1½ cents per pound.	do	1 cent per pound.
Potatoes	25 cents per bushel.	do	42 cents per 100 pounds.
Potatoes, dried	40 per cent	do	3½ cents per pound.
Rye	10 cents per bushel.	do	10 cents per bushel.
Reduced duties by Democratic act of 1913:			
Horses	$30 to 25 per cent	10 per cent	$30 to 20 per cent.
Mules	do	do	Do.
Barley	20 cents per bushel.	15 cents per bushel.	15 cents per bushel.
Oats	15 cents per bushel.	6 cents per bushel.	10 cents per bushel
Butter	6 cents per pound.	2½ cents per pound.	8 cents per pound.
Beans	45 cents per bushel.	25 cents per bushel.	½ cent to 2 cents per pound.
Beets	10 per cent to 25 per cent.	5 per cent	80 cents per ton.
Hay	$4 per ton	$2 per ton	$4 per ton.
Poultry	3 cents to 5 cents per pound.	1 cent per pound	2 cents per pound.

How are you, in view of this treatment of the agricultural interests of the country, going to go to your people and defend yourselves?

Mr. BLANTON. Will the gentleman yield right there?

Mr. GRAHAM of Illinois. Yes.

Mr. BLANTON. I will tell you how. By telling them that you fellows fooled them by not putting hides, and cottonseed cake, and various other items in which they are interested in this bill.

Mr. GRAHAM of Illinois. Is the gentleman going to vote for a tariff on those?

Mr. BLANTON. I am, but I am not going to vote for the balance of the bill, because it is fundamentally indefensible.

Mr. GRAHAM of Illinois. Here are 28 articles mentioned that are raised on the farm that the Fordney tariff has put back where the Payne tariff put them. This bill provides protection on them, so that the farmers of the country can have what they ought to have, some protection from the influx of these things from other countries. They will be ruined if something is not done for them.

No man with any conscience or any regard for the agricultural interests of this country can oppose this bill in view of the present condition of affairs in agriculture alone.

Now, I just want to call your attention to one thing more. I have a lot of material here, but I am afraid I have not the time in which to deliver it. But I do want to call your particular attention to just one thing or two.

Although we have, only within a month's time, declared peace with Germany, the reports of the Department of Commerce show that during the first four months of this calendar year the imports of wheat, flour, automobiles, cement, coal-tar products, dyes, medicinal preparations, cotton cloth, tapestries, wearing apparel, earthenware, crockery, linen, embroideries, glassware, optical glass, cutlery, textile machinery, gloves, prepared meats, butter, cheese, musical instruments, perfumeries, moving-picture films, reeds, baskets, wool, tops and toys were greatly increased from the amounts imported in 1920.

But it has been said with great vigor by the gentleman from Texas [Mr. GARNER] that unless we buy from the people of Europe we can not sell them our goods. The same argument has been made in this House on repeated occasions. I recommend to the House to read again the address of Henry Clay delivered in the House of Representatives on the 30th and 31st days of March, 1824, and especially that portion of his remarks in which he calls attention to this same argument made at that time:

The argument is that Europe will not buy of us if we do not buy of her. The first objection to it is that it calls upon us to look to the question and to take care of European ability in legislating for American interests. Now, if in legislating for their interests they would consider and provide for our ability, the principle of reciprocity would enjoin us so to regulate our intercourse with them as to leave their ability unimpaired. But I have shown that in the adoption of their own policy their inquiry is strictly limited to a consideration of their peculiar interests, without any regard to that of ours. The next remark I would make is that the bill only operates upon certain articles of European industry which it is supposed our interest requires us to manufacture within ourselves; and although its effect will be to diminish the amount of our imports of those articles, it leaves them free to supply us with any other produce of their industry. And since the circle of human comforts, refinements, and luxuries is

of great extent, Europe will still find herself able to purchase from us what she has hitherto done and to discharge the debt in some of those objects. * * *

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GRAHAM of Illinois. May I have a little more time to finish this?

Mr. FORDNEY. I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Illinois is recognized for five minutes more.

Mr. GRAHAM of Illinois. Says Mr. Clay:

There can be but little doubt but that she now resorts to us, because we can supply her cheaper and better than any other country. And it would be unreasonable to suppose that she would cease, from any pique toward us, to pursue her own interests. Suppose she was to decline purchasing from us: The consequence would be that she would lose the market for the £20,000,000, which she now sells other foreign powers, or enter it under a disadvantageous competition with us or with other nations, who should obtain their supplies of the raw material from us.

The argument of Mr. Clay is unanswerable and expresses in concise language the views which I think we all must adopt, namely, that the European nations will trade with us only to the limited extent they are obliged to trade; that everything will be done by them to their own advantage, and that it is certain that, however much the proposed tariff may affect certain articles, the nations of Europe can readily find a market with us for such supplies as we may need and which are not among those we find ourselves required to protect.

Mr. GARNER. Mr. Chairman, will the gentleman yield there?

Mr. GRAHAM of Illinois. Yes.

Mr. GARNER. It is not a question of what she desires to purchase, but what she is able to purchase. Can she buy unless she sells?

Mr. GRAHAM of Illinois. Will you give me time to answer that?

Mr. GARNER. Time can be yielded through the gentleman from Michigan [Mr. FORDNEY].

Mr. GRAHAM of Illinois. Will you yield to me sufficient time to answer that? If you will, I will answer it. But before you do that I want to call your attention now, in view of the fact that I may not get to it otherwise, to what Samuel J. Randall, a good Democrat, whose picture hangs out here in the Hall, said in this House in the last debate on the tariff in which he appeared, and I commend it to you, my Democratic brethren:

"If the farmer ceases to buy the product of the manufacturers, he will certainly cease to sell to them, but must sell his products in the market where he buys what he consumes himself. Suppose last year we had manufactured a thousand millions' worth less than we did and had gone abroad for these products, expecting to pay for them with agricultural products, could a thousand millions more of agricultural products have been sold abroad at the price which products brought here? We sold all the wheat and corn and meat products that Europe could take at the price that prevailed. Who can tell at what prices Europe would have taken five hundred millions or even one hundred millions more of our agricultural products than she did take? The mere statement of the proposition is enough to disclose the error on which it is founded and shows the importance of uniting manufactures with agriculture, or, as Jefferson states it, 'putting the manufacturer by the side of the farmer.' In fact, both must in our country depend almost exclusively on the home market. It is folly, if not a crime, to attempt to change it in these respects. It would bring ruin and bankruptcy without the possibility of having such a result accomplished. The greater the diversity of industries in any country the greater the wealth-producing power of the people and the more there is for labor and capital to divide and the more independent the country becomes."

It must be obvious to any person that our first care should be to preserve our home market. It is the best market in the world, and for us to give it up to others and then go seeking about the world, hawking our merchandise, would be the height of folly and a course that would inevitably bring ruin and disaster upon us.

It is said the nations of the world have no money to buy with, and that therefore they must give us their produce in exchange or they can not buy from us. This also is a fallacy and an absurdity. Do gentlemen contend that all the wealth in the world is contained within the United States? Is it contended seriously that the great Empire of Great Britain is absolutely dependent upon us for every cent it may have? What of the commerce and wealth of the rest of the world? Gentlemen who argue along this line have not sufficiently informed themselves. The entire commerce of the world in 1919, according to the reports of the Department of Commerce, was estimated $75,311,000,000, and of this commerce the total imports of the United States were a little over $5,000,000,000 and its exports something over $8,000,000,000. The rest of the commerce was between other nations. By the same authority the wealth of the world in 1919 was $603,421,471,000, while the wealth of the United States was estimated at $204,390,000,000, about one-third of the whole. Have gentlemen also overlooked the produce of gold by the various countries? In 1917, the year when the last statistics were available, there were about $425,000,000 worth of gold produced in the world, of which the United States produced only $85,000,000. During the same period about $212,000,000 worth of silver was produced, of which we produced about one-third. It will therefore be immediately seen that however excessive the proportion our share of the gold of the world may be, there are vast and diversified ways and means by which the other nations of the world can exist, carry on their commerce, and provide themselves with financial means.

We must not live with the fond idea that here, embraced within our domain, is all there is of this mighty world. While we are rich and a creditor nation, we must not forget that such things are transitory and that in the whole circle of human activities we occupy but a small arc.

It is said we must either buy from the nations of the world or lose our debt. If I were confronted with the choice of either of these propositions, I would think it advisable to forego our debt. It would be vastly better to relinquish the $10,000,000,000 which the nations of Europe owe us than to give away and impoverish our own balance.

If a man with his family of children, living upon a farm, finds he can raise his own products, give employment to his children and those about him, so that they may purchase the necessities and luxuries which they require, and if during a time of need he loans from his surplus to his neighbor who is in distress a portion of his funds, would it be said by any thoughtful person that thereafter, in order that his debt might be paid, he should permit his neighbor to raise and supply to him the products which he formerly had produced, letting his land lie fallow and his children unemployed? What advantage would this be to him? It would be better that his children and those dependent upon him had useful employment and were able to purchase the things they needed, rather than to suffer for the necessities of life in order that he might replenish his funds.

But I do not believe this will result in a failure to pay the debt. The debt will be paid. The resources, ingenuity, and efficiency of the European nations are amply sufficient in times of peace to repay us fully for our expenditures, and this will be done, I have no doubt. We will be put to it, in my judgment, to hold our own in the competitive struggle that will be waged in this world in the next few years for trade and commerce.

Objection is made to this act on the ground that it provides for an American valuation. Those who favor a low-tariff system have uniformly contended for ad valorem duties, while we who favor a protective-tariff system have insisted that the duties should be specific so far as is possible to make them. Ad valorem duties fixed by the importer are almost universally lower than the rate was intended to be, because the Government must depend to a considerable degree upon the word of the importer. By the American valuation this value is fixed according to our own standards, and hence will be easy of ascertainment and in all cases approximate the rate Congress is attempting to fix.

The same question was up in the Congress in 1842, and in this debate, Mr. Clay, referring to ad valorem duties, said: "Let me fix the value of foreign merchandise and I do not care what your duty is."

Recently the attempt has been made to fasten upon us a so-called League of Nations, or a kind of supergovernment. The natural coefficient of such a League of Nations was absolute free trade. The League of Nations conceived by Woodrow Wilson would have been ineffectual and unworkable without free trade, in a commercial way, between the nations. I am convinced, in my own mind, this was the concept of Mr. Wilson, and that had the people of the country and the Senate of the United States been willing to adopt and ratify the League of Nations, free trade would have inevitably followed. The people, at the polls, by an enormous plurality, rejected the League of Nations; and so now should we, the Representatives of the people, reject the idea of free trade and see to it that it is our first duty to preserve to the American people our American markets.

An attempt is made to frighten us by a scarecrow, a straw man, that is set up here. It is no argument at all, because it is not based upon the facts.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. GRAHAM of Illinois. Yes.

Mr. WINGO. Will the gentleman name any other nation than the United States, with possibly one exception, that is able to maintain a gold reserve at all? Is England able to maintain a gold reserve?

Mr. GRAHAM of Illinois. Oh, the gentleman is asking about a proposition that in my judgment does not affect the proposition I am discussing at all. The gentleman is not taking into account the latent wealth of the nations, the commerce of the nations, the fact that not all the gold is here. We are a creditor nation, it is true, and we have more than our proportion, but that does not alter the situation.

Mr. WINGO. What proportion of free gold have we confined in our Federal reserve banks?

Mr. GRAHAM of Illinois. I have not informed myself as to that, but that is immaterial in this discussion.

Mr. WINGO. I thought that you had just informed the House that we had a very small supply.

Mr. GRAHAM of Illinois. I did not say anything of the kind. If the gentleman from Arkansas can not understand the English language, I can not supply understanding for him.

Mr. WINGO. Possibly I can not understand the English language, but at all events I confess I can not understand the English in which the gentleman attempts to discuss the question of the gold supply.

Mr. GRAHAM of Illinois. The gentleman from Arkansas is like he usually is. He indulges in considerable sophistry at times, and this is one of the times. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FORDNEY. I yield three minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and members of the committee, during the course of the debate of the last three days considerable has been said by minority Members that might cause some who are new Members of the House to question the advantage that might come to our country in the matter of imports and exports under the Fordney bill. To clear up this matter I have looked up the record of the first 10 months of experience under the Underwood law for the purpose of comparison with the emergency tariff law, as to the effects of these respective measures on the matter of imports and exports. Of course, I am forced to admit that the first 10 months of the Underwood law did not give it a chance to reach its full measure of perfection (?) but taking this fact into consideration, I present the record, conscious of the fact that it would have been much more disadvantageous to the Underwood law had not the war intervened to set aside its normal operations. I trust the Members will consider these comparative figures:

From October 4, 1913, to August 4, 1914, the imports under the Underwood law increased $101,977,779 or $10,197,777 per month, while during the same period our exports decreased $158,888,363 or $15,888,836 per month.

Consider now the emergency tariff bill. I read in to-day's Washington Post the effect of that law upon imports and exports for the month of June, the first full month the emergency tariff has been in operation. I commend this statement to the attention of my friend from Texas [Mr. GARNER], who argued so eloquently for a foreign market. He will get such a market under the proposed bill.

Our exports in June, 1921, totaled $340,000,000 as against $329,000,000 in May. Our imports for June amounted to $198,000,000 as against $204,000,000 in May. Contrasting we find that under the one month's experience under the emergency tariff law our exports increased $11,000,000, while our imports decreased $6,000,000.

I submit that this is a pretty fair answer to the suggestion that a Republican tariff policy is dangerous to the development of our foreign trade. The reverse is clearly shown by the figures, while at the same time our home market, by far the more important, is secured and safeguarded.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD. Mr. Chairman, I am anxious for this Congress to pass some laws of a constructive nature. I am anxious for this Congress to pass some laws that will really be beneficial to the Nation and to the people of the United States. Much has been said about preparedness. I know of no better preparedness than to give to the boys who came back from France good, wholesome laws.

A good revision of the tax system, a good tariff law, and good laws to make those boys feel like they fought for a great Nation and for a great people would really be preparedness in the true sense of the word. I believe that real preparedness is that kind of preparedness which is not only good in time of war but is good in time of peace. I believe that preparedness does not necessarily mean the building of a great Navy, even though finally we have the largest Navy on earth. If we were to build the largest Navy in the world and be the mistress of the seas, after the United States had paid the expenses of such program she would be weaker than when she first began. By preparedness I do not mean universal military training, neither do I mean the building and maintaining of a large Army. I believe that real preparedness is to reduce the Army to the minimum, so that the money ordinarily spent for the maintenance of the large Army will be saved so that the Nation will become stronger. We need a disarmament program and the reduction of expenses in every way possible.

If we build a large Army we weaken our Nation. Wars are not won by a large standing army. The last war was not won by the soldiers already in the Army, neither was it won by Army officers, but the last war was won by the boys who to-day are out on the farm tilling the soil and trying to make a living for themselves and for their loved ones.

A few months ago the call went out that the United States was being drawn into the mighty conflict, the World War, and in a little while the boys joined the colors. They came from the farm, from the shop, and from the stores. They came from the prairies of the West, the cities of the North, and from among the pine trees of the South, and almost overnight it could be truly said, "Tramp, tramp, tramp, the boys are marching." They went, they fought, they conquered, but they never all came back, for some made the supreme sacrifice. Some came back halt and lame and blind and crippled for life. Millions of these boys came back, thank God, only slightly injured or with their full faculties and their full strength. These boys came back and went to the farm without a murmur after having won the greatest war the world ever saw. These boys are to-day on the farm tilling the soil, trying to make a living for their loved ones.

There could be no greater preparedness to-day than to give those boys on the farm a fair deal and a fair chance. What are they to get by this legislation which we are about to pass? The boys in my district and the South who went and fought and who came back and who are tilling the soil to-day have received practically nothing for the victory which they won, and by this tariff bill there is to be placed a penalty on their efforts to earn a living in the nature of a tariff on the potash in the fertilizer that they have to use. I submit that this is not a fair deal to the soldiers who went across and fought and came back. Neither is it fair to the fathers, mothers, brothers, and sisters of these boys.

Shall that farmer who gave his sons to die for yonder flag pay that penalty to the potash magnates? Shall the returned soldier who owns a little farm pay it? Shall that widow, whose only son sleeps where the poppies grow in Flanders fields, pay that cash assessment? Tell me, shall that wife, trying to support those little children with her little farm, pay money to appease the greed for gold of the immensely rich?

Mr. CLARKE of New York. Will the gentleman yield for a question?

Mr. LANKFORD. Certainly.

Mr. CLARKE of New York. Did the gentleman vote for the emergency tariff bill, which was in the interest of the farmers?

Mr. LANKFORD. Gentlemen, I voted for the emergency tariff bill. I voted for every phase of it. I voted for it every time it came up, and I will tell you why I voted for it. It was because I wanted the time to come when the Congress of the United States would give more recognition to the men who till the soil. I voted for it because I wanted to commit the Republican Party, which is in power to-day, to a policy of legislation for the man who plows. I voted for it because it gave some protection to some of the articles grown and raised on the farm. Some one says, "Oh, well, the Republicans were trying to get you committed." They never committed me any more than I committed them. That reminds me of the story of the southern soldier, whom the lamented Henry W. Grady told about, who came back from the Civil War. Some one asked him how he got along in the war. He replied: "Well, I killed as many of them as they did of me." [Laughter.] I wanted the Republicans committed to a policy of voting for a tariff on articles grown by the farmers of my section and by the farmers of Georgia. For years and years the farmers of my section have not had a fair deal under the protective tariff law. You have passed your protective laws and you have protected everything that the farmer down there bought and you have given no protection whatever to the things which they sold. Some one says, "Oh, well, you can not favor a protec-

tive policy on farm products unless you favor a protective tariff on everything." Let us see about that. I am opposed to the protective tariff. I believe the policy of the protective tariff is wrong, but I believe this, that whenever you put a protective tariff on everything that the farmer buys, when you put a tariff on the cooking utensils of his wife, and a protective tariff on even his fishhooks, then I tell you that that protective tariff on everything he buys is less hurtful to him if you put a protective tariff on something that he sells. When you run up the price of the things my farmers buy, I will be found trying to run up the price of the things they sell. [Applause on the Democratic side.]

Mr. CLARKE of New York. Will the gentleman permit an additional inquiry?

Mr. LANKFORD. Yes.

Mr. CLARKE of New York. I ask the gentleman to specifically point out a thing raised on the farm in his district that has not had a fair chance, that has not been protected.

Mr. LANKFORD. There has not been heretofore a protective tariff on long-staple cotton; that is grown in my district. The emergency tariff is the first bill to put a protective tariff on many things grown in my district, among them long-staple cotton. The cultivation of this cotton was a great industry there, but it is practically impossible now to grow the staple at a profit.

Mr. BARBOUR. Mr. Chairman, will the gentleman yield?

Mr. LANKFORD. Yes.

Mr. BARBOUR. If we put a tariff on long-staple cotton in this bill, will the gentleman vote for it?

Mr. LANKFORD. I can not vote for the bill as it is drawn, but I shall vote for a tariff on long-staple cotton and on farm products, every one, and I will go still further. If you will make this tariff bill as fair to the farmers of my district as it is to the people of other sections, I shall vote for the bill. [Applause on the Democratic side.]

Mr. GENSMAN. If the amendment contains the word "cotton," will the gentleman vote for the amendment?

Mr. LANKFORD. I will if it is a tariff on cotton. I would like to have a tariff on long-staple cotton and on short-staple cotton. There is very little short-staple cotton shipped in, but there is much sea-island or long-staple cotton shipped in.

Mr. FORDNEY. What have we got to do in the way of an amendment to this bill to make it as fair to the people of the South as it is to the people of the North?

Mr. LANKFORD. This is true of the tariff proposition. There are more things that my people buy on which you can put a protective tariff that will injure my people than there are things that my people sell on which you can put a protective tariff. It is impossible for you to draw a protective tariff bill which will give the people of my district the same fair deal that other people get under a protective tariff. If you protect only a few manufactured things which my people buy and put a tariff on everything they sell, it might be made fair to them. But you never do this. For these reasons you can not give a fair deal by this bill. I believe, Mr. FORDNEY, you are willing to do it. I believe you are honest in your ideas on the tariff.

Mr. FORDNEY. I am willing to give you a protective tariff when proper on articles grown in your State.

Mr. LANKFORD. I believe you have done in this bill for the people of the eleventh congressional district more than ever was done before in a Republican protective tariff bill. I say that and I mean it. [Applause on the Republican side.] I wish to thank you for it. Inasmuch as you have done that you have reduced the injury to us. If I could write and pass a protective tariff bill I would write one so that for every dollar I took away I would give one back. Every time I took a dollar from the farmer I would give one back. Every time I took a dollar from the laboring man I would let one go back. Every time I took one from any man, woman, or child in the United States, under a protective tariff bill, I would let a dollar go back. Then it would not be a protective tariff. You can not protect one fellow without injuring the other man. I saw in the paper the other day where some one said that the Fordney tariff bill would protect the United States. Against whom will it protect the United States? You can not protect some citizens of the United States without injuring other citizens of the United States. You can not protect one without hurting the other fellow.

I know, gentlemen, this is true. Yet you say that the tariff is so light that it does not hurt; you say that it is so slight it amounts to nothing. Did you ever pay 6 per cent interest? It is very slight—only 6 cents on the dollar, or $6 on the hundred, or $60 on the thousand per year. So small you never notice it, but it mounts up. Did you ever see water trickling through a dam, drop after drop? There seems to be nothing to it; it does not appear to amount to anything; but directly the dam is gone and the water floods the valley below.

Mr. BACHARACH. Will the gentleman yield?

Mr. LANKFORD. Not just now. Let me complete this line of thought, then I will yield. Did you ever see a man losing a penny here and a penny there, and a few cents here and a dollar there? It is so small it is not noticed, but directly he can not pay his taxes. The mortgage on his property is foreclosed and his home is gone. Thus it is with your protective tariff.

Mr. BACHARACH. Will the gentleman yield?

Mr. LANKFORD. With pleasure.

Mr. BACHARACH. Did the Underwood bill give the farmers a fair deal?

Mr. LANKFORD. It was not a protective tariff bill and was not designed to protect anybody, and therefore did not hurt the farmer or help him. It was good for raising revenue, but it was not a high protective tariff bill.

Mr. BACHARACH. The gentleman stated we should vote for certain things to protect the farmer, and he stated that he would vote for certain items in the bill.

Mr. LANKFORD. Yes, sir.

Mr. BACHARACH. He knows very well that he can not vote for certain items in the bill without voting for the whole bill, according to the rules adopted to-day?

Mr. LANKFORD. When items favorable to the farmer come up in the Committee of the Whole House we will have a chance to vote for them. If I have an opportunity to put those things in, I will do so. I can not vote for the bill as a whole. I will say further, in answer to the gentleman's question, that I have discussed with many Members the proposition of a tariff on long-staple cotton and on cowhides, and have been assured that while these items are not now in the bill, that an opportunity will be given to vote to put them on the protected list. I certainly hope they are finally included.

I have not hesitated to appear before the committee and to see individual members of the committee and urge a tariff on peanuts and peanut products, on cottonseed products, on long-staple cotton, on hides, and on every product of my people. I want this to offset, in part, the tariff on the things they buy. Many farm products are now included. I have been promised that more will be included.

A tariff on short-staple cotton would not help, as no short-staple cotton comes in. We ship short-staple cotton across the seas. What we need is a market in other lands for our short-staple cotton.

There is more reason for a protective tariff on farm products than for a protective tariff on manufactured articles, and I will tell you why. When you put a protective tariff on manufactured articles you put a tariff which goes to some big corporation, made up probably of millionaires, and when you put a protective tariff on farm products you help little boys and girls and their fathers and mothers. You help the millions of people who are engaged in that great enterprise.

When you put a protective tariff on wool or a protective tariff on articles grown on the farm you do not protect a great corporation; you do not protect a few millionaires who do not need it, but you protect the great army of people that earn their bread by the sweat of their brow by earnest work and by earnest toil.

Mr. Chairman, if we truly believe in preparedness, why not legislate for the farmer instead of against him? Why not legislate for the returned soldier, not against him? We should help them carry their present burdens and not make it heavier. The farmers of the South did their part in the Great War. Like Abraham of old, they put their sons, a living sacrifice, on the altar of their country. Are those farmers and those sons now to receive in return for their loyalty a tax on the potash in the fertilizer they use? Is this preparedness? Is this a fair deal? It means an extra burden of over $10,000,000 per year is to be saddled on the farmers of the South. There has been no tariff on potash for over 30 years. I beg of you not to put it on now.

The farmers of the South are suffering severely from the present financial depression. They are passing through the Gethsemane of their existence. I beg of you, now in power, to not press the cup of gall to their lips. Help them instead of hurting them. They have done their part at all times. They deserve a pension instead of a penalty. [Applause.]

Is legislation like this measure what we have to offer the returned soldier? Instead of helping him we are putting unbearable burdens on him.

I heard a voice proclaiming
Down the solemn aisles of space,
He who strikes a starving brother,
Smites his Maker in the face.

No one in this House would willfully go out and steal from the poor and give it to the rich. Yet ofttimes we do indirectly what we are not willing to do directly.

If we could always see the effect of our votes we would be more careful when we act for or against a measure.

By this bill you will take hundreds of millions from the common people and give it to the rich. You would not do this if you could but see the awful effects of your acts.

Mr. Chairman, my time will soon expire. I must say a few more words relative to tariff as it affects the people of my section. The people of the South for more than 50 years have been ground, as it were, between two millstones. The Republican tariff has forced them to buy practically all their necessities at an exorbitant price, while these same people were forced to sell all their products in a free-trade market without protection. I beg of you not to continue this policy. I beg of you not to make the burden of my people too heavy. But if hurt them you will, by this bill, then I shall do everything within my power to make that injury as slight as possible.

I want to offset the harm you do them in this bill by something of value for them.

Gentlemen of the Republican side, you are in power. You can put over anything you please. The people of my district and of the South for decades past have produced farm products and sold them at less than the cost of production. They have done this by working their wives and children and themselves on the farm without pay. Much has been said about peonage in the South. The greatest peonage in Georgia and in the Southland is the enforced servitude of white men, women, and children brought about by discriminatory tariff laws and by the failure to pass for them wholesome laws. [Applause.]

Abraham Lincoln signed the emancipation proclamation and thereby freed the Negro race and became known as the great emancipator. And yet the tariff policy of protecting the manufacturers of the North to the injury and ruin of the people of the South reenslaved the Negroes just freed and enslaved with them the white men, women, and children of the South.

Oh, that President Harding or some other President would issue a new emancipation proclamation declaring the freedom of all the people of the South and of all the farming sections, thus guaranteeing to the farmers and laboring men of the South and everywhere their full rights under a new freedom. [Applause on the Democratic side.]

Let us give the American people a fair deal. Over 100,000,000 men, women, and children took part in the great conflict, either by going across the Atlantic and fighting on the fields of Flanders or by staying at home and sending their children to build a bulwark to hold back the hordes of Germany; and these 100,000,000 men, women, and children are holding up their hands and begging and pleading with the American Congress to give them a fair deal and to give them a fair chance. Will you do it? I do not believe that you are doing it in this bill. [Applause.]

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. LANKFORD. I thank you, gentlemen.

Mr. FORDNEY. Mr. Chairman, I yield 20 minutes to the gentleman from Missouri [Mr. MCPHERSON].

The CHAIRMAN. The gentleman from Missouri is recognized for 20 minutes.

Mr. MCPHERSON. Mr. Chairman and gentlemen of the committee, I shall spend none of the 20 minutes allotted me in talking about the theories of free trade or protection that have been made familiar to the people of the United States. I am going to talk about this bill, the method by which it was made, and what is in it.

In a great measure the majority and the minority are in agreement about the method by which this bill was made. It is agreed that early in January, 1921, the full Committee on Ways and Means began to gather the evidence and the facts upon which to base this bill. They brought before the committee a thousand witnesses, from all over the country, who were supposed by the committee to be most familiar with the facts necessary to be known to make a tariff bill. They were not satisfied with that, but this great committee searched the departments of the Government for further facts. They went to the Department of Agriculture and the Department of Labor and the Department of Commerce, and to the Tariff Commission, to gather the facts upon which these schedules are made. The schedules are each and all based upon evidence. The object of gathering these facts was to levy the duties upon each of these 10,000 items such as would be sufficient to cover the differences between the cost of producing these same articles in this country and in some foreign land.

This bill was presented. Each of these 10,000 items was based upon that evidence and measures the difference between the cost of production at home and abroad.

I listened to several minority members of the committee; hours of our time have been spent in listening to the gentleman from Texas [Mr. GARNER] and to the gentleman from Arkansas [Mr. OLDFIELD], minority members of the committee. Neither of these men, nor a single member on the minority side, in this report that has been filed has been bold enough to assert that one single item in all these 10,000 imposes duties upon these goods that exceeds in the estimation of a hair the difference in the cost of production here and abroad.

The minority of the committee, as well as the majority, heard these thousand witnesses. They had six months' time in which to weigh and balance these documents, procured from the departments while those departments were under the control of the party of the minority, because these facts were gathered while President Wilson was still President of the United States. They are not Republican facts, secured from Republican sources. They were secured from the Tariff Commission and from the Department of Agriculture and the Department of Labor and the Department of Commerce of the last administration.

I ask now, any of you, which one of these 10,000 items, if any, do you claim has provided for it in this bill a degree of protection greater than the difference between the cost of production here and abroad?

Mr. BLANTON. Mr. Chairman, will the gentleman let me answer?

Mr. MCPHERSON. Yes.

Mr. BLANTON. Synthetic dyes, in numerous instances, of 280 per cent.

Mr. MCPHERSON. What others? We are going to have a separate vote on dyes.

Mr. BLANTON. Every single derivative of steel.

Mr. MCPHERSON. Upon what evidence is that statement based? Which one of these witnesses, which of these documents, which member of the Tariff Commission says that is an excessive protection? None; the statements are without support and based upon no evidence. Now, instead of the members of the minority using epithets and indulging in unsupported and irresponsible statements and denunciation, by which the members of the majority of the committee are called conspirators and their work the result of chicanery and conspiracy, you owe a duty to the American people to point out the excessive items in this bill. I promise you I would not for a minute give my vote, and there is not a Republican on this side of the House willing to vote, for a single sum to protect any industry that creates a monopoly or levy duties that exceed the difference between the cost in production at home and abroad.

Now, we are all agreed about the facts. There were six months of consideration, the fullest and freest investigation that was ever had, and the country ought to know that no member of the minority who launches these tirades of abuse and epithets against the members of the majority and against the bill is capable of pointing out one single instance in which that principle was violated.

Is there any necessity for the passage of this bill? Is there any distress in the country? We are all agreed about that. I turn here to the views of the minority on this bill to find the conditions existing in our country. We find this statement in the report filed by the minority:

> Our fast-disappearing foreign trade, our collapsing internal commerce, our unprecedented idleness and unemployment, and distress, doubt, and anxiety which are depressing all of us are equaled and surpassed all over the world.

So that there is depression, there is unemployment, there is distress, there is idleness unprecedented. Yet the minority say this is not the time to write a tariff bill, that this is not the time to levy duties upon imports to equalize the differences in the cost of production, so that unemployment may disappear and hunger and misery in the homes and families of the unemployed may be removed. Who is it the minority finds is suffering from these perplexities? Who is it that is idle? Who that is distressed?

Why, it is the splendid American people who, when our liberties were in danger, subscribed $30,000,000,000 in the form of Liberty bonds to rescue us from peril. They are the same wonderful people who gave 4,500,000 of their sons to serve in the Army. They are the same splendid people who gave 500,000 more for the decks of our battleships in the World War. Among these millions making up the number of the unemployed that the minority says are unexampled, are hundreds of thousands of returned soldiers. As the result of the wretched conditions that prevail in America and that are so eloquently described

in the minority report there are tears in the eyes of the mothers and widows of the men who died for you and me—misery and wretchedness all about us, distress and unemployment everywhere. What is the remedy proposed by the minority? Is it a charge that in this bill excessive duties are proposed? Do they point out any fact to show such is the case? No; they are unable to name one single instance after six months of examination of the evidence it took two months to gather.

In their report the minority say to the returned soldier living in enforced idleness, they say to the widows and orphans of the same, to the distressed and to the poverty-stricken workingmen of this country, when this bill for their relief is being considered, "Hush, be still. Your misery is overwhelming; your hunger and poverty is unexampled in the history of America, but your condition, bad as it is, is no worse than is that of the people living in the Old World, and if this Congress shall relieve your condition, if it shall pass this bill by which the products of Europe are made to pay into the Treasury when they are brought over here a sum that shall make up the difference in the costs of production here and abroad, our foreign creditors can not pay us the debts they owe us." They say this bill is a conspiracy because it does make up those differences in production cost. Will this answer be sufficient to those we represent here? I am again reading from the minority report:

The depression came over the country in November.

Well, in my judgment, based upon my own experience, and from what I have heard, I think there was a considerable amount of depression in the country before last November. It might be admitted that the depression surrounding the activities of the firm of Cox & Co. and of members of the Democratic Party was greatly magnified about the month of November. A decided depression among the members of the party to which the minority belong began on the 2d of November, and that the gloom perhaps became deeper then. What do the minority Members say when this measure is presented which is designed to equalize the difference in the cost of production at home and abroad and no more? They say—reading from their report—

This conspiracy has required since last December, or six months, to hatch.

In their opinion a law which will merely equalize the differences existing on account of differences in wages in production cost in America and elsewhere is a conspiracy.

The bill, whose every schedule is based upon evidence and arrived at after thorough study and examination, is the product of cunning.

I have not counted the number of times when the minority in their report refer to this bill as a conspiracy.

Denunciation is indulged in lavishly, but every minority Member is careful to avoid any mention of the evidence to sustain him in his charges. Instead of presenting arguments, instead of pointing out the defects of the bill or evidence from which they may appear so that they might be corrected, instead of pointing out places in which the evidence has not been followed, the minority Members denounce the authors of the bill, the witnesses, and reject and ignore the evidence altogether.

In fact, considering the epithets and intemperate language employed and the extravagant charges made and the number of times the word "conspiracy" is employed and the utter lack of evidence adduced in support, one might easily conclude that the minority report on the pending bill was written by the late candidate of the Democratic Party for the Presidency, Mr. Cox. Everyone will remember that last fall Gov. Cox saw a conspiracy in every assembly of the American people gathered to rid themselves of the distressing situation that existed, and which the minority so aptly described as being unprecedented. Every time an American farmer or business man or laboring man contributed $40, $50, $100, or $1,000 to the Republican campaign fund Gov. Cox saw him bidding to purchase a stranglehold upon the Government.

What the people want from us is relief against unemployment. They desire an opportunity to work and to be able to support and educate their children. They have the right to demand an equal opportunity with any man living anywhere to work and produce under such conditions that their products may find a sale in their own market.

In my judgment, they will not understand or appreciate the excuse for refusing them any relief within our power to give that their distress is equaled or excelled in other lands.

This minority of the committee makes the fight here that was made in the campaign of 1920, and their attack on the bill consist in groundless charges of unnecessary rates when no evidence has been heard or is cited to justify their claims against this bill, designed to equalize the opportunities of the American workman to deal with his own market. They say, quoting again from the minority report:

The whole world is upside down. Partisan politics strangled the one opportunity the world had to settle down into the harness and repair the unprecedented destruction and loss of the greatest disaster that ever cursed the whole of mankind. We won the war, but we lost the peace, and we not only lost it for ourselves but we lost it for the world; lost it for ourselves, for our allies, for our associates, and lost it for our enemies, for even they have not been able to reap any benefits from the cessation of the war except the mere saving of life and the increase of misery.

By this statement the minority contend that an opportunity to work is useless after the defeat of the League of Nations.

The gentleman from Texas [Mr. GARNER] stated in his argument, as I understood him, that in not a single instance had the committee been able to have any evidence to show the cost of production in competitive countries. Now, there are many items with which I am familiar that are dealt with in this bill, and he must have overlooked them when he made that statement.

For instance, down in the district where I live, prior to the war in 1914, 50 per cent of the zinc ore produced in the United States was mined. The Joplin district mined 350,000 tons of ore annually, which was equal to one-quarter of the product of the entire world. For the first time, in the year 1909 in the Payne-Aldrich tariff act, zinc ore was protected. In the zinc-ore industry are employed American citizens only. The mining of zinc ore is strictly an American industry; an industry essential to the United States, to the prosperity of numerous other industries during times of peace, and absolutely essential to the Nation as a weapon of defense in time of war.

In 1909 by the Payne-Aldrich Act the duty on zinc ore the metallic contents of which was more than 25 per cent was fixed at 1 cent a pound. By the Underwood Act this protection was denied and a nominal duty of 10 per cent ad valorem was imposed. We did not even have the benefit in the Underwood law which we would have in this bill of an American valuation. The ad valorem duty was levied upon the value of the ores in the country from which they were imported. This nominal duty of 10 per cent based upon the foreign valuation afforded absolutely no protection, and the only benefit of the Underwood Act was to give us the statistics as to foreign valuation and the places from which the importation came, which was not theretofore known. It has given us absolutely an accurate sworn testimony as to the cost of production of zinc ores in the principal countries that compete with the United States.

The Treasury regulations under the Underwood Act provided that every importer should file with the Treasury a sworn statement of the value of the ore in the country from which it came. Those statements have been filed, and this industry, which was prosperous so long as it had protection, to-day is prostrate and practically abandoned. These Treasury figures show the amount of ores imported under its provisions and they show the production costs in the various countries from which the ores came, and they also show the value in Mexico, from which country most of them came, was less than $10 a ton. The testimony taken before this committee shows—not by way of speculation or conjecture but it shows from the books of mining companies located in the Joplin district of Missouri and by the books of the mining company located in Mexico—the differences in wages, the differences in the cost of production in the United States and in Mexico, and they also show how those differences arise.

In this bill the way the committee determines differences in production cost is by beginning at the bedrock, which is by determining differences in wages and other items that constitute the cost of production. It gathers up the wages—the wage statistics—in every industry affected by the bill in every country that competes with us. The principal country that competes in the production of zinc ore is the Republic of Mexico. In a general way we know the character of the citizenship of Mexico, as we know that of our own country. No nearer opposites exist in all the world. The American is the best paid, as the Mexican is the lowest and poorest paid worker in all the world. The American educated, intelligent, and free. The Mexican peon, a very slave.

These wages that are paid to labor in the zinc-mining industry in the Joplin district will compare favorably with the highest wages paid American workingmen in any industry anywhere. The wages paid the peons who mine the zinc ores of Mexico, as appears by the evidence taken, are so low its recipients can barely exist. Under the Underwood Act, with its 10 per cent duty on the importation of zinc ore, in three years, chiefly from the Republic of Mexico, nearly 800,000 tons of zinc ore were imported into the United States. Mind you, the industry produced annually 350,000 tons in that zinc region

of Missouri, Oklahoma, and Kansas prior to the war and had to meet a competition of foreign ores, chiefly from Mexico, some from Canada, China, Australia, and practically every country in the world—nearly three years' annual output.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. McPHERSON. Yes.

Mr. FESS. The gentleman comes from the famous Joplin district of Missouri?

Mr. McPHERSON. Yes.

Mr. FESS. The great zinc-producing country?

Mr. McPHERSON. Yes.

Mr. FESS. After the Underwood Act had operated upon those mines to the extent of closing them and our laborers were thrown out of employment as foreign zinc came into the country, what assurance have we that we will have cheaper zinc after our industry is destroyed by the cheaper labor even than goes into the zinc that is imported?

Mr. McPHERSON. We have none. It is just like other industries. When our own is gone we have no assurance that we will have cheaper products. That very thing will result. The American industry can not exist unless we remove this menace of Mexican competition, and if we allow it to be destroyed we will have no cheaper zinc products. Four hundred zinc properties that were formerly operated prosperously and successfully are closed. Those mines are closed down and are filled with water and threatened with this competition from Mexico. They can never and will never be opened. With the revolution on in that country, with all of the disorder which accompanied it, and the disorganization of transportation naturally caused by the revolution, Mexican competition furnished most of the nearly 800,000 tons sent here during a period of three years. Four hundred mills and properties, representing in each instance an investment of from $100,000 to $500,000, closed down. Men will not come forward and reinvest money to restore them, in the face of a competition in which labor, which forms so great a part of the cost of producing the ore, is practically free.

Mr. FESS. Then not only the capital is destroyed and the labor thrown out of employment, but we have not any cheaper product otherwise.

Mr. McPHERSON. That is true. The industry is destroyed, and the consumers of zinc products buy them no cheaper than before. The revolution in Mexico, which interrupted to a great extent our competitor, gives many evidences of being pacified, and what can you then expect for this industry with the free labor of the Mexican peon?

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. McPHERSON. We desire to have the revolution pacified. We desire that those people shall have again the blessings of peace.

Reference has been made to the wonderful prosperity we enjoyed under the last administration. We want no more of that, because that prosperity was bought by the tears and misery and blood of a world at war. We want the prosperity of peace. With this revolution pacified, unless we have protection for this industry, Mexico will absolutely take possession of it all. Men will not come forward and invest money necessary to unwater these mines, to restore these properties—open them up—unless they can be assured that the industry can not be taken away from them by the importation of zinc from Mexico. The rates levied in this bill are specific. They are 50 per cent in excess of the rates given us by the Payne-Aldrich Act for two years, after which time the rates automatically become the rates of the Payne-Aldrich Act. Whether those rates will be sufficient or not is a question. Men disagree about it. However, we realize that the great American people are alive to their interest, and nothing is more certain than that they will have a Republican Congress here two years hence which can and, in my judgment, will continue the rates and make the rates for the first two years the permanent rates of the bill.

The committee recognizes that wages make up the principal cost of production of every article. The committee knows and we all know that for a few hundred dollars we can buy an acre of iron ore. For a few dollars you can buy a sufficient amount of iron ore from which to manufacture a locomotive which will cost when completed from $50,000 to $75,000. The iron ore in the ground is of very little value, but after the wages are expended to mine the ore, after the wages have been expended for the men whose cunning hand fashions the parts and puts them together and makes a locomotive, and after the machine has been completed which will pull a train, the cost of producing a locomotive has been from fifty to seventy-five thousand dollars. So it is with every industry, whether it be beef, pork, wheat, automobiles, pins, or what not. The chief element in production is wages. The committee in determining the rates of this bill were therefore bound to find the amount of wages that was represented in the various items in this and in other countries. I shall therefore ask you of the minority whether or not the wages in the various industries of the United States and of the countries of the world as stated in the table of wages is accurate. If it is not, then I want some member of the minority who heard the evidence, who examined these documents, to rise in his place and deny that these figures are accurate, so that the country may know that the accuracy of the tables has been disputed.

These wages are here shown to be much higher in the United States than anywhere else in the world. Here we have a bill proposing to levy on the products of foreign labor duties that will equalize those differences, because thus and thus alone can the American producer be employed. The minority denounces that effort as a conspiracy. The minority insists if differences in the costs of American products with foreign products are thus equalized our foreign creditors can not pay us the debts they owe. Why can they not? The foreign producer, after he pays the rates levied by this act, will have here ready for sale an article that if made here by American hands would have cost the same as it has now cost him with the tariff added.

The foreign producer may still exchange his products here on an equality with our American people. It is true he can not make so great a profit.

The object we have in passing this bill is not to build a wall so high that commodities can not be exchanged.

The object is not to deny the foreign producer the right to deal; the object is to make it possible for the American producer to meet the foreign producer on an equality in the American market.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from Utah [Mr. COLTON].

Mr. COLTON. Mr. Chairman and gentlemen, as a new Member of Congress I have listened with a great deal of interest to the debate on the tariff question, and I have been surprised to hear that it is the so-called "interests" that are demanding this tariff bill. What is meant by the "interests" I do not altogether know, but there has been a statement by nearly every speaker on the other side that the interests are demanding this bill, and it has been fashioned for those interests. I have the honor to represent a district where the percentage of home owners is perhaps as large as any district in the United States. I represent men who have gone out and have literally in that far western country "made the desert blossom as a rose"; hard-working people, thinking people, people who read, people who keep themselves well informed, people who are Americans to the core, and I want to say to you as I hear their voices they are the kind of interests that are saying to me, "We want a tariff bill." [Applause on the Republican side.] And why do they want it? They are sugar producers, and yet the farmers, having their contracts in most cases so arranged on a sliding scale that they receive the pay for their beets in proportion to the amount received for and in accordance with the selling price of sugar, are wondering to-day whether it will pay them to reap their crops or not. We find from the Government statistics that there was imported into the United States from abroad last year 36,953,915 pounds of beet sugar and over 7,710,000,000 pounds of cane sugar. We find that in one month—in April, 1920—there were over 735,000,000 pounds of sugar imported, and in April of this year there were over 862,000,000 pounds of sugar imported. For the 10 months ending April 30, 1921, there were 5,979,851,346 pounds of sugar imported into the United States. And yet the farmers of this country are unable to get a price for their sugar beets that will much more than justify them in properly caring for their crops. Now, these people have an interest naturally in humanity at large, but they feel that their own interests should be looked after first, and they are asking to be protected by this tariff and are asking for the enactment of a law that will protect them. May I digress a moment to say a word also in regard to the subject of potash, inasmuch as it has been mentioned here to-night so frequently. I want to say, gentlemen, that this bill allows a duty on potash for five years for the actual potash content at the rate of 2½ cents per pound for the first two years, 2 cents per pound for the third year, 1½ cents

per pound for the fourth year, and 1 cent per pound for the fifth year, and thereafter potash shall be on the free list. Now, what is the terrible wrong of having such a tariff as that on potash? How will that affect the American farmer? Let us say that even with the tariff of the first two years it would be 2½ cents per pound or $25 a ton. Do you know the average potash content in fertilizers during last year was 1.8 per cent?

Mr. STEVENSON. If the gentleman will yield, at 2½ it would be $50 a ton.

Mr. COLTON. Well, even so, and I believe the gentleman is correct, let us go right on a little further. If that were true, the potash content of the average fertilizer being 1.8 per cent, you will find that it would mean on the average ton of fertilizer an additional cost of, say, 90 cents.

Mr. STEVENSON. Will the gentleman yield again?

Mr. COLTON. Yes, sir.

Mr. STEVENSON. I use a good deal of that stuff myself, for which we paid $18 a ton on a guaranteed basis of 15 per cent potash.

Mr. COLTON. Authentic reports show that the average per cent of potash contained in fertilizer is 3 per cent—not over 4 per cent.

Mr. STEVENSON. That is fertilizer compounded with potash. When you buy the German kainit, it is not mixed with anything and has a much higher content.

Mr. COLTON. I am taking the figures from authentic reports, some of which are Government reports; but even if that were true, the price per ton to the average farmer, so far as the tariff is concerned, would be about 90 cents per ton, not to exceed $1.25, and when you figure that a ton of fertilizer will usually take care of from 2 to 5 acres of ground, you will find the American farmer has not been so terribly hurt by having a tariff of 2½ cents a pound put upon it, which is only to continue for two years. But there is another side to this question which the gentlemen on the other side seem to overlook.

Prior to the breaking out of the Great War there was no such thing as a potash industry in America. Practically all of the potash was shipped in from Germany. In response to a patriotic request men went out and found potash beds and invested upward of $50,000,000 in equipment to produce potash, and already in the remarkably short time of two years were producing about 60,000 tons. Prior to the war we were shipping into this country about 240,000 tons, and in less than two years we were able to produce one-fourth of the potash used in this country. I want to say to you that the value of that 240,000 tons shipped in here was between $10,000,000 and $12,000,000. We were absolutely dependent upon Germany. Men have now—and it was done largely in response to a patriotic request—invested $50,000,000 in machinery and equipment to produce potash, and all they are asking you for is a tariff to enable them to get their business started and to demonstrate whether or not they can produce potash. And these amounts do not include the value of hundreds of the undeveloped potash claims owned by honest men throughout the West. And I am here to say to you that if you will give them a chance, America, if another great war ever comes, which I hope never will, will be able to take care of her own potash industry. [Applause on the Republican side.]

Mr. STEVENSON. Has it come to your attention that there has been a great deal of destruction of crops because of potash that has come from these mines? I hope to see it developed properly, but it has resulted in the destruction of various crops, and suits have been instituted.

Mr. COLTON. That is the point about it. We ask you to give us a little tariff until we get this thing on its feet, and then we will be able to supply you with plenty of good potash, and there will be no more destruction of crops. And potash is used for many other purposes. It is used in explosives, soap, matches, metallurgy, glass, medicines, dyes, and many other things.

Mr. RANKIN. Will the gentleman yield?

Mr. COLTON. I yield.

Mr. RANKIN. Along the line the gentleman is arguing—I do not believe the gentleman was a Member of the last Congress—but the Muscle Shoals Dam was contemplated to carry out the very theory that he is arguing on—to enable them to extract these properties from the air, out of which fertilizer is made, and which is used in the manufacture of powder and other explosives. I wondered if the gentleman would be willing when that question comes up to carry his theory into practice and vote for Muscle Shoals for the benefit of the farmers of the United States?

Mr. COLTON. Are you willing, if I do that, to help us to carry into effect this splendid tariff bill? [Applause on the Republican side.]

Mr. RANKIN. Certainly not. If it were a splendid tariff bill and in the interests of the American people I would vote for it, but I will never vote for a bill which is a hold up on the part of a few interests at the expense of the American people.

Mr. FORDNEY. There is more merit in one paragraph in this bill than in the whole Muscle Shoals proposition. [Applause on the Republican side.]

Mr. COLTON. My people are asking for a tariff bill because they read in the crop reports that in 1920 there were shipped into this country over 59,150,000 pounds of dry hides and 246,174,099 pounds of green or pickled hides. I am referring to beef hides. There were shipped in 29,382,904 pounds of dry sheepskins and 52,916,027 pounds of green or pickled sheepskins. They are asking for a tariff because there was a total, including calfskins, cattle hides, goatskins, horse, colt, and sheep hides, of 308,119,830 pounds of hides shipped into the United States for the 11 months ending May 21 of this year. These hides had a value of $97,846,440, and yet our stock raisers can scarcely get enough to pay them for removing the hides from the animals after they have died. This is one more reason why these people are asking for help. They are the interests to which I am responding when I give my vote to this bill.

I want to turn briefly to the wool producers. I want to say to you that that is one of the great industries that unless it is helped will be ruined in this country. The sheep of America have decreased at the rate of more than a million per year during the last 10 or 15 years, and to-day the sheep growers—and I happen to know in this particular case whereof I speak—are saying that unless they have help they can not possibly survive much longer. There was imported into the United States during 1920 more than 254,905,000 pounds of foreign wool, having a value of more than $127,208,000. At the same time we could not sell our own wool. We saw wool fall from the price of 58 cents in May, 1920, to 17 cents or less at the beginning of this year. Again, we shipped into this country during last year more than 50,182,000 pounds of beef and veal. During the same period we shipped in more than 101,168,000 pounds of mutton and lamb.

Mr. Chairman, while I do not wholly approve of the proposed wool schedule of this bill, and I hope to see this Congress yet make it much more liberal for the woolgrowers, it is nevertheless a long step in the right direction. The limiting 35 per cent ad valorem clause should be entirely eliminated. Even then the growers will not receive adequate protection, but it will be on the right basis and infinitely better than under the present law. For the reason that our markets are flooded by the products of countries where wages are cheap and where the standard of living are far below ours, we are asking now for the enactment of this tariff, and unless some relief is given we must sink to the level of these other countries.

The CHAIRMAN. The time of the gentleman from Utah has expired.

Mr. COLTON. Mr. Chairman, may I have just four minutes more?

Mr. FORDNEY. Mr. Chairman, I yield the gentleman four minutes more.

The CHAIRMAN. The gentleman from Utah is recognized for four minutes more.

Mr. COLTON. I want to say in conclusion, Mr. Chairman, that I appreciate the fact that it is late, and I, therefore, shall not overrun my time. I heard it said here yesterday on the floor that last fall during the campaign unpatriotic influences were brought to bear upon the American people to influence the great election. I do not know where the gentleman who made that statement got his information. It was not so in my State. I understood, and I believe it to be true, that the mandate of the people last November meant that from now on America should be free—free and independent in her thoughts and actions and free and independent in her resources. This law will help to make her independent in her resources, that she may develop them to their fullest extent. I understood more than that, gentlemen. I understand that from the people last November, not because of sinister or other bad influences, but from the patriotic hearts of the people of this country, there came the mandate that never, as has been so happily said, should a supergovernment be imposed upon America; that for us the highest and greatest instrument, under God, is the Constitution of the United States; that its principles looking to the welfare of all the people shall be forever sacredly guarded. I understand that to have been the mandate of the people last November. [Applause on the Republican side.]

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having under consideration the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, had come to no resolution thereon.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 28 minutes p. m.) the House adjourned, under the previous order, until to-morrow, Wednesday, July 13, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

192. Under clause 2 of Rule XXIV, a letter from the Secretary of War transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Quinby Creek, Va., was taken from the Speaker's table and referred to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. BOIES, from the Committee on the Judiciary, to which was referred the bill (S. 2089) authorizing the appointment of an additional judge for the district of Minnesota, reported the same without amendment, accompanied by a report (No. 261), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 3837) granting an increase of pension to Anna O. D. Mickley, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SWANK: A bill (H. R. 7733) to provide for the purchase of a site for a public building at Cushing, in the State of Oklahoma; to the Committee on Public Buildings and Grounds.

By Mr. HULL: A bill (H. R. 7734) to provide for the payment for contracts entered into by the Navy Department with Government-owned establishments; to the Committee on Naval Affairs.

By Mr. CHRISTOPHERSON: A bill (H. R. 7735) to create the American stabilizing commission and to provide for stabilizing the prices of certain farm products; to the Committee on Agriculture.

By Mr. ARENTZ: A bill (H. R. 7736) to revise, amend, and codify the laws of the United States relating to the location of mining claims on the public domain, and for other purposes; to the Committee on Mines and Mining.

By Mr. SUTHERLAND. A bill (H. R. 7737) to increase the limit of cost for the construction of the United States public building authorized at Juneau, Alaska; to the Committee on Public Buildings and Grounds.

By Mr. VOLSTEAD: A bill (H. R. 7738) to pay or reimburse for expenditures incurred by officers, enlisted men, and members of the Nurse Corps of the Army for civilian medical services and hospital care while away from their commands; to the Committee on Military Affairs.

By Mr. RYAN: Joint resolution (H. J. Res. 175) calling for the discontinuance of the editorial office of the Columbia Sentinel in the Senate Office Building; also the forwarding of an expression of disapproval to the President of the United States and United States Senator Thomas E. Watson; to the Committee on the Judiciary.

By Mr. FREAR: Resolution (H. Res. 148) requesting the Attorney General to begin legal proceedings to set aside the sale of 4,000 alien chemical dye patents sold during the year 1919 by the Alien Property Custodian to the Chemical Foundation Co., and for other purposes; to the Committee on the Judiciary.

By Mr. KOPP: Resolution (H. Res. 149) directing that a select committee be appointed by the Speaker to investigate war profiteers, to secure their names, to have said names published in the CONGRESSIONAL RECORD, to devise a plan whereby a bonus or adjusted compensation can be paid to the ex-service men by a levy of a special tax for that purpose upon said profiteers, and that the Secretary of the Treasury furnish to said committee the names of all individuals, firms, and corporations called for by said committee, together with the reported incomes of said individuals, firms, and corporations since the late war began; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROWNE of Wisconsin: A bill (H. R. 7739) granting a pension to Carrie C. Fry; to the Committee on Pensions.

By Mr. JACOWAY: A bill (H. R. 7740) granting a pension to A. M. Crouch; to the Committee on Invalid Pensions.

By Mr. MILLSPAUGH: A bill (H. R. 7741) granting an increase of pension to Margaret Price; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7742) for the relief of Virgie Young; to the Committee on Claims.

By Mr. VESTAL: A bill (H. R. 7743) granting an increase of pension to Merle Hoopengardner; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 7744) granting a pension to Henry Coffee; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1935. By Mr. CHRISTOPHERSON: Resolution of the board of directors of the Mitchell Chamber of Commerce, praying for relief from the present condition of high prices of coal and low prices of farm products; to the Committee on Interstate and Foreign Commerce.

1936. By Mr. CULLEN: Petition of the Merchants Association of New York, opposing law No. 2972, enacted by the Philippine Legislature, providing that no person, firm, company, or corporation can keep their books in any language other than English, Spanish, or a native dialect after November 1, 1921; to the Committee on Insular Affairs.

1937. Also, petition of board of aldermen of the city of New York, favoring the passage of the joint resolution introduced by Senator LA FOLLETTE on April 21, favoring the recognition of the republic of Ireland; to the Committee on Foreign Affairs.

1938. Also, petition of New York State Association of Real Estate Boards, favoring repeal of the excess-profits tax, elimination of the surtaxes, and other purposes; to the Committee on Ways and Means.

1939. Also, petition of the Olive Oil Association of America, New York City, relative to tariff duty on olive oil; to the Committee on Ways and Means.

1940. By Mr. DRANE: Memorial of Legislature of Florida relative to grant by Government to State of a certain obsolete military property at St. Augustine; to the Committee on Military Affairs.

1941. Also, resolution from Baptist Church at Dunedin, Fla., relative to change in the Constitution of the United States; to the Committee on the Judiciary.

1942. By Mr. EVANS: Petition of members and constituents of the Methodist Episcopal Church of Osmond, Nebr., indorsing the proposed constitutional amendment to prohibit sectarian appropriations (H. J. Res. 159) and urging its immediate passage; to the Committee on the Judiciary.

1943. By Mr. FENN: Petition of St. John the Baptist Society, Glastonbury, Conn., in behalf of the population of Galicia; to the Committee on Foreign Affairs.

1944. By Mr. KENNEDY: Memorial of Americans of Ukrainian ancestry of Woonsocket, R. I., on the atrocities and persecutions in East Galicia; to the Committee on Foreign Affairs.

1945. By Mr. KISSEL: Petition of Quentin Roosevelt Post, No. 85, American Legion, South Carolina, relative to disabled service men; to the Committee on Interstate and Foreign Commerce.

1946. By Mr. LINEBERGER: Petition from William Leffert and others, of Los Angeles, Calif., favoring the Smith-Towner bill; to the Committee on Education.

1947. By Mr. LINTHICUM: Petition of the Enoch Pratt Free Library of Baltimore, urging restoration to the tariff bill of the clause in which books printed in foreign languages shall be admitted into United States free of duty; also petition of

Rennous Kleinle Division, Pittsburgh Plate Glass, of Baltimore, Md., urging protection on brushes; to the Committee on Ways and Means.

1948. By Mr. OSBORNE: Memorial of C. H. Marshall and 56 other residents of Los Angeles, Calif., and vicinity, advocating the passage of the Sterling-Towner bill, known as H. R. 7; to the Committee on Education.

1949. By Mr. VARE: Petition of Tioga Post, No. 319, American Legion, Philadelphia, Pa., relative to congressional legislation commending the Sweet bill (H. R. 6611), the Langley bill (H. R. 6263), House joint resolution 30, Senate bill 1565, the Kenyon bill (S. 1439), and House bill 1; to the Committee on Interstate and Foreign Commerce.

1950. By Mr. YATES: Petition of J. R. Matthews, of Corno Mills & National Oats Co., protesting against tariff duty on molasses; to the Committee on Ways and Means.

1951. Also, petition of C. J. Howell, of Orange Crush Co., requesting removal of tax of 10 per cent on gross sales of soft drinks in this country; to the Committee on Ways and Means.

1952. Also, petition of the Mid-Continent Oil & Gas Association, of Tulsa, Okla., expressing opposition to tariff on oil; to the Committee on Ways and Means.

1953. Also, petition of August W. Thode, Edward K. Blewett, Henry Engels, and F. J. Ortscheid, urging that the United States Government recognize the republic of Ireland; to the Committee on Foreign Affairs.

1954. Also, petition of the Johnson Bros. Coal Co., of Chicago, Ill., protesting against Senate bill 1807 and House bill 7106; to the Committee on Interstate and Foreign Commerce.

1955. Also, petition of H. F. Reck, of Streeter-Amet Weighing & Recording Co., requesting repeal of the Adamson law; to the Committee on Interstate and Foreign Commerce.

1956. Also, petition of Edwin J. Prindle, requesting immediate passage of the Lampert patent bill (H. R. 7077); to the Committee on Patents.

1957. Also, petition of John Dill Robertson, commissioner of health, Chicago, Ill., requesting that aid to State departments of health be reinstated in deficiency bill (H. R. 6300); to the Committee on Appropriations.

SENATE.

WEDNESDAY, *July 13, 1921.*

(Legislative day of Tuesday, July 12, 1921.)

The Senate reassembled on the expiration of the recess, at 12 o'clock meridian.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	La Follette	Sheppard
Ball	Gerry	Lodge	Shortridge
Borah	Glass	McCormick	Simmons
Brandegee	Hale	McCumber	Smoot
Broussard	Harreld	McKellar	Stanfield
Bursum	Harris	McNary	Sterling
Cameron	Harrison	Moses	Sutherland
Capper	Heflin	Myers	Trammell
Caraway	Johnson	Nelson	Underwood
Culberson	Jones, N. Mex.	New	Wadsworth
Cummins	Jones, Wash.	Nicholson	Walsh, Mass.
Curtis	Kellogg	Norris	Walsh, Mont.
Dial	Kendrick	Oddie	Warren
Dillingham	Kenyon	Pittman	Watson, Ga.
Edge	Keyes	Poindexter	Weller
Ernst	King	Pomerene	Williams
Fernald	Knox	Reed	Willis
Fletcher	Ladd	Robinson	

Mr. CURTIS. I wish to announce that the senior Senator from Pennsylvania [Mr. PENROSE] and the senior Senator from Indiana [Mr. WATSON] are absent on official business attending a meeting of the Committee on Finance.

Mr. SIMMONS. I desire to announce the absence of my colleague [Mr. OVERMAN] on account of illness in his family.

The VICE PRESIDENT. Seventy-one Senators having answered to their names, a quorum is present.

THE MEAT-PACKING INDUSTRY.

Mr. NORRIS. Mr. President, I have a copy of a communication addressed to Members of the House of Representatives and Members of the Senate signed, so far as I know, by all the representatives of the various farm organizations assembled in Washington, the Consumers' League, the League of Women Voters, and also representatives of organized labor. The communication is in respect to legislation pertaining to the packers. I ask unanimous consent to have the communication printed in the RECORD.

Mr. HARRISON. Will not the Senator have it read? It is a very important document.

Mr. NORRIS. I shall be glad to have it read.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The reading clerk read the communication, as follows:

JOINT LETTER FROM FARM, LABOR, AND WOMEN'S ORGANIZATIONS CONCERNING PACKER-CONTROL LEGISLATION.

WASHINGTON, D. C., *July 8, 1921.*

To the Members of the House and Senate:

The organizations we represent have been trying earnestly for nearly three years to secure packer-control legislation. The object of this letter is to protest against the kind of legislation that Congress appears to be about to enact. The bill, both as it passed the House and as it was amended by the Senate, is unsatisfactory.

We wish to advise the Members of both Houses that we are unalterably opposed to any legislation that curtails or interferes with the powers of the Federal Trade Commission. Particularly we oppose any legislation taking the packers out from under the jurisdiction of the Federal Trade Commission, as this bill does.

When the packers found that their long fight to prevent legislation could not succeed, they sought to control the form the legislation should take. Though beaten, they yielded in such a way as to secure important compromises from the House committee, especially in releasing them from the Federal Trade Commission act. Our organizations are not disposed to compromise; certainly not on such a vital issue as the Federal Trade Commission.

It seems clear that the packers want to abolish the commission so far as its jurisdiction over any of their companies is concerned. The organizations which we represent are firm, on the contrary, in the conviction that the commission's jurisdiction over the packers should not be impaired. If the commission is not made the agent to administer the act, it ought at least to be left with unimpaired powers. This would enable it to continue many of its proper functions without conflicting in any way with the activities of the Secretary of Agriculture under this act; and in case any Secretary of Agriculture at any time failed to function properly the commission would have undoubted power to act under its own law at the request of either House of Congress, at the request of the President or the Attorney General, or on its own initiative, as at present.

A few instances of the work of the Federal Trade Commission are found in its investigations and reports on the coal industry, the petroleum industry, the leather and shoe industries. We also cite its investigations of the causes of the high price of farm implements, showing restraints of trade in that industry; its investigations of lumber showing combinations there to fix prices and curtail production in order to maintain prices; its investigations of the wholesale marketing of foods, showing the waste in our systems of distribution of perishable food, its report on wheat flour milling, and its exhaustive report on the grain trade.

The commission's investigation of the packers was one of the most thoroughgoing and fearless investigations ever carried through by the Federal Government. That is why we are for the commission and why the packers and the large monopolistic interests of this country are against it.

This is not an eleventh-hour presentation of the matter. Again and again our respective organizations have made clear to the committees of Congress our position on these bills, and particularly our attitude toward the Federal Trade Commission.

The packers and other interests are trying to get rid of the commission and destroy it piecemeal. We call upon every Member of Congress who has the interest of the public at heart to support the commission in this crisis, to refuse his vote to any such project of its enemies, and to insist on effective packer control.

We, therefore, most earnestly request that a concurrent resolution be passed by both Houses instructing the conferees to restore to the Federal Trade Commission its jurisdiction over the meat-packing industry.

To accomplish the above it appears necessary to strike out of the bill H. R. 6320 as amended all of section 405, paragraph (b) of section 408, and Senate amendment 18 in section 408,

and to insert at the end of the bill in lieu of the above provisions a section preserving unqualifiedly the Federal Trade Commission act.

Respectfully submitted.

Mrs. Edward P. Costigan, National League of Women Voters; Mrs. Dorothy Kirchwey Brown, National Consumers' League; T. C. Atkeson, representative of National Grange; Herbert F. Baker, the Farmers' National Council; Benjamin C. Marsh, executive secretary, the Peoples' Reconstruction League; Noyes Matteson, president American Society of Equity; C. S. Barrett, chairman National Board of Farm Organizations and president National Farmers' Union; Maurice McAuliffe, president Kansas Farmers' Union; John A. McSparran, master Pennsylvania State Grange; Chas. W. Holman, acting secretary, the National Milk Producers' Federation; J. H. Kimble, legislative agent, Farmers' National Congress; Chas. A. Lyman, secretary, National Board of Farm Organizations; E. C. Pommerening, president Wisconsin Society of Equity; H. E. Wills, A. C. C. E. and national legislative representative, Brotherhood of Locomotive Engineers; C. J. McNamara, vice president and national legislative representative, Brotherhood of Locomotive Firemen and Engineers; W. M. Clark, vice president and national legislative representative, Order of Railroad Conductors; W. M. Doak, vice president and national legislative representative, Brotherhood of Railroad Trainmen.

The VICE PRESIDENT. The communication will lie on the table.

PETITIONS.

Mr. LADD presented a telegram in the nature of a petition from Jack Williams, department adjutant, the American Legion of North Dakota, praying for the enactment of the so-called American Legion bonus bill, which was ordered to lie on the table.

He also presented seven petitions of sundry citizens of Aneta, Northwood, Sherbrooke, Pickert, Finley, Hope, Mapes, Tolna, Pekin, Colgate, Hamar, Glenburn, Minot, Fargo, Burlington, Foxholm, Carpio, Cogswell, and Straubville, all in the State of North Dakota, and sundry citizens of the States of Minnesota, Wisconsin, and Ohio, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

Mr. SHEPPARD presented a petition of W. H. Griffin, Matt Dunn, John B. Dunn, Alvino G. Falcon, Juan Moran, and Marcelino Moran, praying for the enactment of legislation to increase the pensions to survivors of Indian and frontier wars from $20 to $40 per month, which was referred to the Committee on Pensions.

BUILDING CLAIMS IN THE DISTRICT OF COLUMBIA.

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (S. 5) to amend an act approved February 28, 1899, entitled "An act relative to the payment of claims for material and labor furnished for District of Columbia buildings," reported it without amendment and submitted a report (No. 225) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McNARY:

A bill (S. 2254) granting an increase of pension to Casper Hepp; to the Committee on Pensions.

A bill (S. 2255) for the relief of certain settlers in Oregon for losses sustained during the Rogue River Indian outbreak in southern Oregon in 1855; to the Committee on Indian Affairs.

By Mr. BURSUM:

A bill (S. 2256) referring to the Court of Claims the claim of the heirs and legal representatives of John P. Maxwell and Hugh H. Maxwell, deceased; to the Committee on Claims.

By Mr. BALL:

A bill (S. 2257) to regulate within the District of Columbia the sale of milk, cream, and certain milk products, and for other purposes; to the Committee on the District of Columbia.

By Mr. SHEPPARD:

A bill (S. 2258) for the relief of Jesse L. Clay; and

A bill (S. 2259) for the relief of the United Dredging Co.; to the Committee on Claims.

By Mr. BALL (by request):

A bill (S. 2260) to regulate pawnbrokers and their business in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WELLER:

A bill (S. 2261) for the relief of the widow of Rear Admiral W. A. Gill; to the Committee on Pensions.

By Mr. KING:

A bill (S. 2262) for the relief of Franklin A. Swenson; to the Committee on Claims.

AMENDMENT OF FEDERAL RESERVE ACT.

Mr. KELLOGG. Mr. President, I introduce a bill proposing to amend the Federal reserve act. The amendment has been offered in the Senate heretofore. It is to add the Secretary of Agriculture, and I introduce it now as the committee will consider it and some other bills on Monday. Some objection has been made to the Secretary of the Treasury being a member of the Federal Reserve Board. The bill will add another member to represent the agricultural interests.

The bill (S. 2263) to amend the Federal reserve act, approved December 23, 1913, was read twice by its title and referred to the Committee on Banking and Currency.

AUGUSTUS S. PEABODY.

Mr. SHEPPARD submitted an amendment intended to be proposed by him to the bill (H. R. 3250) to authorize the Secretary of Commerce to convey to Augustus S. Peabody certain land in Galveston County, Tex., which was referred to the Committee on Public Lands and Surveys and ordered to be printed.

ADJUSTMENT OF FOREIGN LOANS.

Mr. BORAH. I ask unanimous consent to insert in the RECORD a couple of paragraphs from a dispatch which is found in the London Times of Thursday, June 16, 1921. It is headed "United States debt interest agreement." I desire to read a single paragraph from the dispatch. After commenting upon the improved condition of exchange, it says:

It was attributed in part to the announcement cabled from New York that an agreement had been reached for postponing for 15 years the payment of the interest on the Allies' debt to the United States Government.

I do not see the chairman of the Committee on Finance here, but I see other members of the committee, and I should like to ask if there is any information which has yet been given to the Committee on Finance to the effect that any agreement has been reached by anyone for postponing for 15 years the payment of the interest on the Allies' debt to the United States Government

Mr. SMOOT. Mr. President, I can only answer the Senator from Idaho by saying that the Secretary of the Treasury when he appeared before the Committee on Finance and the question was asked him as to whether there had been any agreement made with any foreign countries as to the extension of the time for the payment of the loans answered that there had been no such agreement made.

Mr. BORAH. Of course, Mr. President, there has been no agreement made; but what I want to know is whether or not there is a tentative understanding to that effect.

Mr. SMOOT. I can not say; but I doubt whether there is any such tentative understanding.

Mr. McKELLAR. Will the Senator from Idaho permit me to interrupt him?

Mr. BORAH. I yield.

Mr. McKELLAR. I merely desire to make the observation that, of course, under the law, the Secretary of the Treasury could have no right to make such an agreement as that referred to; but if there were an understanding it might be just as binding upon us as if an agreement had been made according to law.

Mr. SMOOT. I desire to say, however, in view of the manner in which the refunding bill is drawn, that there is no question that if it passes in that shape there will be an extension of the obligations. As to the extension being for 15 years, however, I can not say, nor could I say as to what time it might be, nor do I think the Secretary of the Treasury could say without a conference with representatives of foreign countries.

Mr. WATSON of Georgia. Will the Senator from Idaho allow me a moment?

Mr. BORAH. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. The Senator from Utah [Mr. SMOOT] said here a day or two ago that it would have a ruinous effect on this country to collect the foreign debt.

Mr. SMOOT. And I say so now, and I can prove it.

Mr. WATSON of Georgia. Then, the Senator from Utah is in favor of not collecting it?

Mr. SMOOT. I am in favor of not collecting it now, because if we undertook to collect it in any large quantities or the whole amount of the interest we should lose a great deal more in connection with our commerce with foreign countries than we should collect.

Mr. McKELLAR. Will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. McKELLAR. The Senator from Utah [Mr. SMOOT] is, of course, high in the circles of the administration, and I have no doubt he is cognizant of what is proposed to be done. He says he is opposed to collecting the debt now. I have no doubt the Senator has talked with the Secretary of the Treasury about the matter. Could the Senator tell us when, in his judgment, it would be proper for us to collect the interest on the debt?

Mr. SMOOT. I have not discussed with the Secretary of the Treasury the question as to when it would be wise and expedient to collect the interest on our foreign debt, but I will say to the Senator from Tennessee that my idea would be—I do not say it would be the idea of the Secretary of the Treasury, for I do not know as to that—that we can not collect that debt with safety to our foreign commerce until conditions are different in the world than they are to-day.

Mr. WATSON of Georgia. Again, apologizing to the Senator from Idaho [Mr. BORAH], I should like to ask the Senator from Utah [Mr. SMOOT] whether we loaned that money or whether J. P. Morgan loaned it, or whether J. Ogden Armour loaned it, or whether John Wanamaker loaned it, or whether it came out of the pockets of the people of this country, and whether it ought to be returned to them?

Mr. SMOOT. It came out of the pockets of the people of the country, and I have no doubt will be returned to the Treasury of the United States with interest.

Mr. WATSON of Georgia. After the people are all dead.

Mr. SMOOT. I have no idea that the debt will be forgiven; but, Mr. President, there are certain laws of trade and commerce and there are certain conditions existing in the world to-day which never before existed and which prevent the collection of the money without great detriment to our foreign commerce.

Mr. McKELLAR. If the Senator from Idaho [Mr. BORAH] will yield further, I desire to ask the Senator from Utah [Mr. SMOOT] a question. I recur to the illustration of Great Britain, which has already signified her willingness and ability to pay. If Great Britain were willing to begin paying the interest on her debt to us on the 1st of October, and said that she was amply able to do so and willing to do so, would the Senator from Utah be willing, on the part of the United States Government, to accept such payment?

Mr. SMOOT. Yes; and so would the Secretary of the Treasury. England can pay all her debt any day if she desires to do so, and is able, or she can pay any part of the interest she desires to do. That is a matter which is in the hands of England, if she is able to pay her debts. The question, however, is not whether England shall pay the money now or not, but the question is what effect such payment would have upon the exchange of the world and what effect collecting a billion dollars from Europe to-day would have upon our foreign commerce.

Mr. McKELLAR. If the Senator from Idaho will indulge me one moment more, I desire to call the attention of the Senator from Utah to a statement which he made in this Chamber on July 11. The Senator now says that he believes under the circumstances he has indicated it would be proper to collect this debt——

Mr. SMOOT. The Senator from Utah has not made any such statement.

Mr. McKELLAR. I will first read what the Senator from Utah previously said.

Mr. SMOOT. That is all right; but I do not desire that the Senator from Tennessee shall say that I have made the statement which he just indicated.

Mr. McKELLAR. I understood the Senator from Utah to say that if England were ready to pay her debt and were able to pay it he believed the United States ought to accept it, and that the Secretary of the Treasury would accept it.

Mr. SMOOT. I said if England wanted to pay any part of the interest or any part of the principal of her debt the Secretary of the Treasury would accept it.

Mr. McKELLAR. That he would accept all of it, as I understood the Senator, whereas on Monday the Senator said:

> I say to the Senator without a moment's hesitation that it would be the very worst thing in the world for the United States to take that position.

That is, to accept the money.

Mr. SMOOT. To accept a billion dollars from Europe to-day. I say so now, and I can prove it; there can be no doubt about it.

Mr. McKELLAR. I dislike to take the time of the Senator from Idaho, but I should certainly be glad to hear the Senator's proof as to the proposition that it would be the most hurtful thing in the world for the United States to receive payment for the loans which she has made. I am compelled to admit that it would take proof to overcome the views which I hold.

Mr. SMOOT. I am perfectly aware of that.

Mr. McKELLAR. I should like to hear the Senator's proof.

Mr. SMOOT. That question is not now before the Senate. There is a question pending before the Senate, and we might proceed to dispose of it. However, the time is coming when the proof desired by the Senator from Tennessee can be stated, and we are going to state it and set forth the facts.

Mr. McKELLAR. That very question is before the Senate now; the Senator never had a better time to submit his proof than right now.

Mr. SMOOT. The question now before the Senate is quite a different matter from the refunding of the foreign debt due the United States.

Mr. McKELLAR. The Senator from Nebraska [Mr. NORRIS] has offered an amendment to the pending bill providing for the use of the money collected on account of the foreign debt to the United States.

Mr. SMOOT. The question now before the Senate is as to the recommittal of the bill to the Committee on Finance.

Mr. BORAH. Mr. President, I have asked that the article to which I have referred may be printed in the RECORD.

The VICE PRESIDENT. Without objection, that order will be made.

The article referred to is as follows:

[From The (London) Times, Thursday, June 16, 1921.]

UNITED STATES DEBT-INTEREST AGREEMENT.

There was a further improvement yesterday in the currencies of the principal allied countries. The American rate for the pound sterling rose 1¾ cents to $3.78¾; the Paris exchange improved from 47 francs 15 centimes to 46 francs 87½ centimes, while the Belgian exchange was a shade better at 47 francs 55 centimes. The gradually widening difference between the French and Belgian exchanges is rather difficult to account for, but in some quarters yesterday it was suggested that Belgian investors may be preparing to subscribe to the big city of Paris loan of 1,800,000,000 francs. Although there was an absence of German buying of dollars on account of reparation yesterday, the improvement in sterling was not due to it. It was attributed in part to the announcement cabled from New York that an agreement had been reached for postponing for 15 years payment of interest on the Allies' debt to the United States Government.

This preliminary agreement, which is regarded as purely tentative, would add about $7,500,000,000 (£1,500,000,000 at par of exchange) to the amount already loaned to the Allies, which amounted on November 15, 1920, to $9,710,525,000 (£1,942,105,000), which would make the total indebtedness at the end of 15 years $17,210,525,000 (£3,442,105,000). In the period from May, 1919 (when it was arranged to defer payment of interest), down to November 15 last, interest accrued and unpaid by the allied Governments amounted to $700,495,000 (£140,099,000). In his last annual report on State finance, the Secretary of the United States Treasury stated that the reasonable and proper course to pursue in regard to allied indebtedness was to fund under the existing law the short-term debts of the Allies into long-term obligations carrying interest equal to that paid by the United States Government itself, and to defer, for the time being, interest payments. The preliminary agreement now arrived at carries out the last part of this suggestion, but not the first part—perhaps because some arrangement for deferment of interest is absolutely necessary, in view of the fact that the existing arrangement expires next May. There is not the same urgency in regard to the question of funding.

Mr. BORAH. I will simply content myself with saying, Mr. President, that it will be necessary for those who are interested in any refunding bill to inform the Senate what they propose to do under such a bill. It is not a suggestion of want of confidence either in the integrity or ability of anyone which leads me to say this. But upon a matter of this nature I do not wish to be called upon to vote unlimited power until I know something of the purpose and the policy of those who are to use it.

ADJUSTED COMPENSATION FOR VETERANS OF THE WORLD WAR.

The Senate, as in Committee of the Whole, resumed consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

The VICE PRESIDENT. The question is on the motion to recommit the bill to the Committee on Finance.

Mr. WATSON of Georgia obtained the floor.

Mr. PITTMAN. Mr. President, will the Senator yield to me for a moment, in order that I may have read some telegrams bearing on the subject concerning which he is about to speak?

Mr. WATSON of Georgia. I yield.

Mr. PITTMAN. I ask that the telegrams which I send to the desk may be read.

Mr. JONES of New Mexico. Mr. President, if the Senator from Georgia will yield to me for just a moment, I have a number of telegrams in opposition to the recommittal of the so-called soldiers' bonus bill. I ask to have those telegrams printed in the RECORD.

Mr. HARRISON. Let us have them read.

The VICE PRESIDENT. Is there objection?

Mr. KING. I do not object, but I merely wish to state that I have received quite a large number of telegrams both pro

and con. I have not thought that it was proper to incumber the RECORD with such letters and telegrams, some for and some against. If Senators should ask to have printed in the RECORD all the communications they have received on the subject a great deal of space would be taken.

Mr. JONES of New Mexico. I have not received any in favor of the pending motion, but I have received from a number of posts in my State telegrams not only in opposition to it, but demanding to know how I stand upon the question of recommitting the bill. I hope that by this time, from what happened yesterday, they understand my position.

Mr. WATSON of Georgia. I hope the Senator will have the telegrams read.

The VICE PRESIDENT. Is there objection to printing the telegrams presented by the Senator from New Mexico in the RECORD?

Mr. JONES of New Mexico. There seems to be a desire that the telegrams be read, and I ask that they may be read, if the Senator from Georgia will yield for that purpose.

Mr. CURTIS. Mr. President, I make the point of order, under the second clause of paragraph 2 of Rule VII, that it is not in order "to interrupt a Senator having the floor for the purpose of introducing any memorial, petition, report of a committee, resolution, or bill."

The VICE PRESIDENT. The point of order is well taken.

Mr. PITTMAN. I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. PITTMAN. I made a request for unanimous consent that the telegrams which I sent to the desk might be read. I did not understand there was any objection to that request.

The VICE PRESIDENT. The Chair has not had a chance to inquire whether there is objection or not.

Mr. WADSWORTH. I object.

The VICE PRESIDENT. There is objection.

Mr. PITTMAN. I ask that the telegrams be returned to me.

Mr. WATSON of Georgia. I will read them during the course of my remarks if the Senator will give them to me.

The VICE PRESIDENT. The Senator from Georgia is recognized.

Mr. WATSON of Georgia. Mr. President, if I may be allowed to refer to the obsolete instrument under which this Government was formed and under which it is now supposed to be operating and to support and defend which we all took a solemn oath upon being inaugurated into office, I will read the following:

He—

The President—

shall from time to time give to the Congress information on the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient.

Yesterday we had staged here a very dramatic performance, in which the President of the United States did not give us any information, and he did not recommend the passage of any measures. He recommended that a measure which had been duly reported from one of the committees of the Senate, and which had been debated here for several days, should not pass. As a constitutional lawyer, knowing something about the Constitution and having often argued every point in it in courts of law, I say the President of the United States had no right to say what he said here yesterday.

He has a right to give us information which we are not supposed to learn from the daily papers or from other sources open to the public. He has a right to recommend certain legislation, as President Washington did; but when it comes to negation, when it comes to saying "Congress shall not do this, that, or the other," his power is confined to his veto. That is his constitutional power and obligation, and he has no other.

The Senate, respecting itself, will always listen respectfully to the President of the United States. It respects his office; it respects the man; but he is the Executive, and we have just as much right to go to the White House, Senate and House of Representatives, and tell him not to make an appointment or not to recommend a measure as he has to come here and tell us not to pass it. The President of the United States should lift himself above debate. It is for us to debate. It is also for the House of Representatives to debate. It is not for the President of the United States to come here and take part in the debate, and that is what he virtually did yesterday; and I am sure that every constitutional lawyer in this body must realize that the veto power, not absolute, is given to him to state his reasons why a measure should not become a law; and after he has stated his reasons why a measure should not become a law this Chamber is not bound by his reasons, but can act upon its own. Otherwise your veto power is superfluous, if not ridiculous.

In listening to the Chief Executive yesterday I heard expressed in rhetorical form the very reasons that had been given us by Secretary Mellon, as introduced here by the uplift Senator from New Jersey [Mr. FRELINGHUYSEN]. Nothing new was heard. Nothing conclusive was heard. The question was left where it was, except that the highest official in the Government by his personal interposition evidently sought to overawe the Senators in the discharge of their duties.

Once upon a time a King of England tried that on the House of Commons in Parliament. He came in person and asked that a certain royal decree of his be executed, and immediately there rose throughout the chamber the cry of "Privilege!" "Privilege!" "Privilege!" and the House refused to act at all or to say a word until the King had retired. The time has been, Senators, when a King of France, booted and spurred for the hunt, with a whip in his hand, could come before the Parliament of Paris and order a certain edict registered, and have it registered, and go on to his hunt. It was not long before his great grandson died in the Powder House, as Carlyle described, which exploded the whole Bourbon dynasty. That kind of personal rule is absolutely antagonistic to our democratic form of government.

Whenever the President objects to anything we do here let him say it by his veto. I hope he will never come here again and ask that any measure that has been debated pro and con be retired to a chloroform committee, presided over by a chloroform Senator, and put into a state of permanently suspended animation, while soldiers, wounded or not, are begging their bread, almost, on nearly every street in America.

The other day I promised the Senator from Montana—a State of copper mines, I believe——

Mr. MYERS. A State of copper mines and many other industries.

Mr. WATSON of Georgia. I thought I would bring the Senator to his feet.

Mr. MYERS. I am always ready to stand up for Montana anywhere at any time and at any place.

Mr. WATSON of Georgia. And at any length.

Mr. MYERS. The Senator from Georgia refers to any length. I think he is capable of that.

Mr. WATSON of Georgia. The Senator from Montana, which has copper mines, and which, as we learn, kills wild horses and packs the meat and sells it to the effete East and West to eat as beef——

Mr. MYERS. Perhaps the effete State of Georiga, too.

Mr. WATSON of Georgia. Of course; of all the effete States the effetest is the State of Georgia, of course. The State of Georgia, however, has never kidnapped a hundred or any number of white miners and deported them from the State without trial and sent them into the wilds of New Mexico.

Mr. MYERS. The Senator has his geography mixed. Montana has never done anything of that kind, either.

Mr. WATSON of Georgia. We can not always depend on newspaper prints, Mr. President, and I am glad that the State of Montana is innocent in that respect.

Mr. MYERS rose.

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Montana?

Mr. WATSON of Georgia. I do.

Mr. MYERS. If the Senator will permit me, I am glad he acknowledges that we can not always depend upon newspaper prints. I believe he is an editor himself.

Mr. WATSON of Georgia. I am an editor myself, and I am proud of it. I am also a lawyer, and not ashamed of that. I am also a landowner, and not ashamed of that; and I am also a citizen of Georgia and the son of a rebel soldier, and I am not ashamed of that, either.

Mr. MYERS. If the Senator will permit me, I have no reflection whatever to cast upon him for any of those things. If he brings any reflection upon himself in those connections, it will be from himself and not from me.

Mr. WATSON of Georgia. The Senator used the word "rebellion" in his speech the other day.

Mr. MYERS. If the Senator will permit me, I think it was correctly used. I think George Washington was a rebel. I think many great and honorable and noble men have rebelled.

Mr. WATSON of Georgia. I must congratulate the Senator from Montana in having gotten out of his scrape so handsomely.

In his introductory remarks on the adjusted compensation bill, the Senator from Montana said he would support everything except the cash plan. Throughout his speech he showed a most unaccountable acrimony against the word "cash." Never in my life have I heard the word "cash" lowered to such degrees of depravity, such degrees of degradation, of disgrace,

of ignominy, of shame, of hopeless unmanliness. The word "cash" was rung in as often as the Senator from Montana repeated every half hour the speech that he had made the 30 minutes before.

Mr. MYERS. Mr. President, if the Senator will permit me, it may be that I do not think as much of cash as he does. I admit that.

Mr. WATSON of Georgia. Mr. President, I was always glad to get my fees in cash; and since the Senator has alluded to the fact that I am an editor, I am glad to see the subscriptions coming in in cash. I do not take subscriptions in cords of wood, nor in the wild horses of Montana, nor in "canned beef" which comes from Montana, and is not canned beef but canned horses.

Mr. MYERS. Mr. President, if the Senator will yield to me again, I do not know where he gets his information that we can horses in Montana. It may be that he has been eating some of our canned meat and that he can not tell canned horse from canned beef.

Mr. WATSON of Georgia. I think that is quite likely. I am almost sure it is. You never can tell what you eat in some of these restaurants. You go by the bill of fare, and when the words are French you do not know what you are eating until after you have eaten it. But the other Senator from Montana wanted to amend the packers' bill so as to give further entrance into our meat market to what he called the wild horses of the West. Of course, that does not include the present Senator from Montana.

Mr. MYERS. Mr. President, I observe that the Senator is not charging up to me any legislation about wild horses. I am very glad to have him correct the RECORD, but I am glad to say that, with regard to Montana, I am willing to stand for anything which is a fact and anything which either of the Senators from Montana champions in regard to the great resources of that great State.

Mr. WATSON of Georgia. I do not doubt that a minute. I do not by any means claim the pending bill to be perfect, but it is before us, subject to amendment; some amendments have already been offered, and I mean to offer one or two, if this clique of new Senators alluded to in my friend's speech the other day may be allowed to offer an amendment. How old do you have to get before you can offer an amendment in the Senate?

Mr. MYERS. Mr. President, judging by the demonstrations of the Senator from Georgia, I do not think there is any backwardness about new Senators making themselves known or heard here and telling the Senate what it should do.

Mr. WATSON of Georgia. I should hope not. I do not know how long it took the Senator from Montana [Mr. MYERS] to make himself known, but he is well known now, and he will be well known hereafter.

Mr. MYERS. Mr. President, I am very glad to acknowledge that compliment, and I can return it by saying that the Senator from Georgia was well known before he came to the Senate perhaps better known than he will be when he leaves it; but I will not make any assertion as to that.

Mr. WATSON of Georgia. Of course, the Senator will not, because he does not know. I listened to most of the speech of the Senator, who took great exception to my being out with a couple of colleagues at lunch while he was making some of his speech, because a man can not live by bread alone, much less by senatorial oratory alone; he must have a little refreshment during a four hours' speech.

Mr. MYERS. Mr. President, if the Senator will permit, he is mistaken in regard to his facts. I took no exception whatever to his being out to get refreshments. I only wished that I could have felt honored by having him here all of the time during the time I was making my speech, but I took no exception whatever to his absence.

SEVERAL SENATORS. Will the Senator speak louder?

Mr. MYERS. If the Senator from Georgia will yield, I am very glad to know that other Senators here, besides the Senator from Georgia, are interested in what I have to say. That is giving me a fame and renown that I had not before aspired to. Of course, my remarks are directed more particularly to the Senator from Georgia, but I am glad to know that others are interested.

Mr. WATSON of Georgia. The Senator from Montana, Mr. MYERS—because I notice that his colleague has some desire to be considered separately on some of these big public questions—not only found fault with the Senator from Georgia for being absent at lunch, but he found fault with the Senator from Arkansas [Mr. CARAWAY], and if the Senator from Alabama had gotten into the debate—and it is a wonder that he did not—he would have found fault with the Senator from Alabama, because I was lunching with both of them.

Mr. MYERS. Mr. President, if the Senator will permit, he is mistaken. I found fault with none of these distinguished gentlemen. I attributed to them no fault whatever. What I did complain of in a mild way was that after they were out to lunch they came in, and at least the Senator from Georgia appeared to attribute to me statements which were inconsistent with some statements I had made in his absence. He did not seem to have a correct understanding of just what I had said. That is all the complaint I had to make about the Senator from Georgia.

Mr. WATSON of Georgia. Mr. President, whatever the Senator from Georgia lost by not hearing the first half or third of the Senator's speech, was recompensed by hearing the second half, which was a repetition of the first.

Mr. MYERS. Mr. President, I am very much pleased to know that the Senator from Georgia derived some benefit and improvement from the second half of my speech, and if he will listen to both halves of my speeches hereafter I am satisfied that he will derive a great deal more benefit, and will be a much better citizen than he is now.

Mr. WATSON of Georgia. Mr. President, if the Senator from Montana would confine his request to something within the bounds of reason, the Senator from Georgia would endeavor to oblige him.

Mr. MYERS. Mr. President, if the Senator will yield again, as far as length of speeches and being within the bounds of reason are concerned, I am quite content to compare my record with that of the Senator from Georgia and to let the Senate and the public judge.

Mr. WATSON of Georgia. That is a very fair proposition. Up to now I have not had any chance to speak at all.

Mr. MYERS. Mr. President, if the Senator will yield, I do not think that I have interrupted him quite so much as he interrupted me the other day. But, as he has given me a gentle hint that my interruptions disturb him, I will not interrupt him any more.

Mr. WATSON of Georgia. Mr. President, I did not mean it that way at all. Here is the RECORD. It shows that I did not interrupt at the utmost more than a very few minutes, and the Senator is welcome to interrupt me just as long as I speak.

Mr. MYERS. The Senator heard only half of my speech. If he had heard it all there is no telling how many times he would have interrupted me.

Mr. WATSON of Georgia. Mr. President, I would have simply been repeating the interruption which I made when I did interrupt him.

Mr. MYERS. If the Senator may please again, I think that all of his interruptions were repetitions.

Mr. WATSON of Georgia. We will let it go at that. I assure the Senator from Montana that nothing I have said has been said with intent at all to complain of the interruptions or to wound his feelings. I have the utmost respect for his character and his ability. His speech was a very fine one, but owing to the interruptions of myself and the Senator from Arkansas he did, as the RECORD shows, repeat it three times before he sat down.

Mr. MYERS. If the Senator will yield again, I take him at his exact words when he says that owing to his interruptions and the interruptions of the Senator from Arkansas I repeated the speech three times. I am delighted to know that the Senator from Georgia and the Senator from Arkansas thought my speech was such a fine speech that they made sufficient interruptions to have it repeated three times.

Mr. WATSON of Georgia. Mr. President, we did think it a very fine speech, and, having devoted the whole morning to reading it, my opinion is confirmed that it was indeed a very fine speech. I notice that the Senator does not interrupt me any more.

Mr. MYERS. Mr. President, if the Senator will yield, so long as the Senator confines himself to the truth and facts, as when he says my speech was a fine one, I shall not interrupt him.

Mr. WATSON of Georgia. To gain that very much desired object, Mr. President, I will endeavor to tell the truth. If I should make a mistake I will value a correction, and make the correction on the spot.

The Senator from Montana [Mr. MYERS] seemed to get the word "tip" into his mind, along with the American soldier. The phrase "a mere tip" occurred five or six times in his speech, seeming to convey the idea that the American soldier was here in the attitude of asking a "mere tip."

I must confess, Mr. President, that that thought was new to me, and not altogether pleasant. I do not know of any American soldier who wants a mere tip. The word "tip" implies menial service, not necessarily degrading, always useful, but menial service. Surely the soldier who takes his rifle and con-

fronts the enemy is not doing menial service, and when he is given a bounty, or a pension, or a bonus, or a farm, or a vocational training, he is not taking a mere tip. Why did the Senator from Montana conceive the idea that the American soldier wanted a tip, like a waiter at the hotel, like a servitor in the café, like a coachman on the box, like a servant in the hall? Why insult the American soldier by saying that he wanted a mere tip? That phrase is repeated five times in the speech of the Senator from Montana [Mr. MYERS].

I know some of those soldiers. Some of them have my own blood in their veins. Some of them have my own pride in their make up, and I hope I have some of the patriotism which they displayed on battle fronts, and those words "a mere tip," a tip that you hand to the man who gives you your umbrella, or your hat, or your overcoat, seem to me peculiarly inappropriate when you apply them to the men who went 3,000 miles from their homes, at the behest of their Government, to fight battles whose causes they did not understand.

I can not comprehend this abomination of the word "cash." Does the Senator from Montana draw land warrants for his pay as Senator, which really ought to be doubled. He had come in here the morning of his speech and asked unanimous consent for a bounty, a governmental favor, to the farmers of his own State, and nobody here objected to it, and he got it. Did the Senator think he was asking a tip when he asked that they be relieved of forfeiture, or that they be given a year's time on their payments? Unanimous consent was given, and under the same circumstances would be given again, and it is no disgrace to the Senator who asked for it; it is a merit. It is no disgrace to the farmers who will get it; they deserve it. Every time any such measure is proposed for the East or the North or the West I stand ready, as one of the representatives from the South, to grant it without hesitation.

The Senator from Montana in the early part of his speech stated that long after the Revolutionary War the soldiers of that war who volunteered were paid in land warrants or were given land warrants. The loose Confederation of the Colonies had no money, had no gold reserve, had no power to tax the States or the individuals in the States, but they had public domain. It was all they had to give, and they gave it bounteously to the soldiers who volunteered, from Lexington Bridge to Kings Mountain and Kettle Creek, in my own State, on whose battle field, I am proud to say, one of my great-granduncles lies entombed.

Wanted a tip? Many of those soldiers could not go to the Ohio and settle on their land. They sold their land warrants and converted them into cash, the despised cash which takes the place of everything in commerce, the cash which you can use when you can not use the land, the cash which you can use when you can not use the bank stock or the bond or the promissory note or the horses or the herds of cattle. They took the cash, much of which they got from the Father of his Country, George Washington, who, being a land surveyor experienced in the surveying of wild lands for Lord Fairfax and others, knew exactly what he was doing when he bought those land warrants. If the Senator from Montana has not read the classic life of George Washington by HENRY CABOT LODGE, now the senior Senator from Massachusetts, whom we all love and honor as a Member of this body, he should do so. He will learn that a thriftier business man than George Washington never drew breath. With the possible exception of Stephen Girard, he was the first American millionaire, and much of his wealth consisted of the lands he had bought from his comrades in arms.

Some mention has been made here of conscripts during the Revolutionary War. There were no conscripts at Lexington Bridge, there were no conscripts at Bunker Hill, where they burned the powder which the Georgians had sent them from Savannah. There were no conscripts at Valley Forge, where Washington's shivering army was partly clothed and fed by clothing and provisions sent from Georgia. Not until the very last were conscripts added, and they came in too late to render effective service. Every battle field of the Revolutionary War is a tribute and an honor and a monument to the volunteer soldier, the men who rode from the South, some under Col. Elijah Clarke, of Georgia, Col. Jim Williams, Gen. John Sevier, Col. Shelby, and some under Col. Cleveland. Those men were volunteers. Washington knew nothing of their movements. They financed themselves. They furnished their own arms, they furnished their own ammunition, they planned their own campaign, and when the silver whistle of Ferguson ceased to sound the commands on the summit of Kings Mountain those men knew the battle had been won, that the opposition was wiped out, and that the flank of George Washington was secure for the victory of Yorktown. That was the turning-point battle of the Revolutionary War, fought by volunteers of the South.

The Mexican War was fought by volunteers. There was not a conscript in that Army, not a single conscript fought at Cerro Gorda or at Buena Vista, or in seizing the heights at Mexico City. They were volunteers, every one of them.

In the Civil War, who won the victories, the victories of Gens. Grant, of Meade, of Sherman, of Sheridan, of Thomas, of Lee, of Jackson, of Johnson, of Beauregard? Who won them? The volunteers won them. The moment the South had to resort to conscripts the bottom fell out. I was a boy then and I know. The moment it ceased to be a volunteer movement the bottom fell out and the conscripts filled the swamps with deserters and shot down the enrolling officers who tried to carry them back against their will.

Who won the victories of Great Britain and of France? Volunteers did it. For a thousand years Great Britain never had a conscript law. There was not a single conscript who followed the flag of Wellington, not a single one who followed the standard of Marlborough, not a single one who followed Wolfe at the heights of Quebec. They were volunteers. They did have "crimping" in the navy, seizing men and carrying them off to ships; and we all remember the pathetic incident where a gang seized a bridegroom as he was leaving the church in which he had taken the vows with his bride, and she never saw him again in all her life, and never knew whether he died under the lash of one of Nelson's ships, whether he died under the bullets of a Spanish or a French gun, whether he was swept overboard and drowned, or whether he died in some pestilential hospital.

Talk about the victories of France! The great victories that carried that Republic up the heights, where the soldiers said they felt like they were marching into the sunrise, were fought and won by volunteers. The Great Committee would have the bells ring, the tocsin sounded, and the lion voice of Danton would go out, and all Frenchmen who loved their country came to the colors, as they would come from every hamlet and village and every town and city, from farm and shop, and no army which England could hire Europe to send against them could beat them down.

The Senator from Montana said that he believed the conscript system is the very best system—selective draft, he chooses to call it. I saw the workings of that draft. I was in the midst of it, and I was opposed to it and I am opposed to it now. Why? Because I believe that as long as this country is able to tell her people what her cause of war is and convince her people that that cause of war is just, we will never need to conscript a soldier. They will come by the volunteer instinct of patriotism. The conscript is necessarily an unwilling soldier, forced into service without regard to his circumstances, his wishes, or his knowledge of what the cause of war is.

The Senator from Montana would have us believe that nearly every one of these conscripts came back home greatly improved by his training, his physical exercise, by the landscape he witnessed, by the scenery he viewed. That is his opinion, and he is entitled to it. Mine is different. There were some soldiers whose parents had influence with the powers that were doing the selecting and the powers that controlled the soldiers when they got abroad, but most of our conscripts were carried across the seas in cattle ships. I have had them tell me about it themselves. We paid Great Britain an enormous sum of money, if the newspaper reports are correct, for carrying over there in cattle ships the very soldiers who saved her Empire.

They were all well treated, we are told. I deny it. I can prove by a thousand private soldiers that that statement is not correct, although the Senator from Montana doubtless believes it to be so. Does the Senator from Montana know what those soldiers had for breakfast? I could tell him. Does he know what they had for dinner? I could tell him. Does he know what they had for supper? I could tell him.

Does he know that some of them were saved from starvation by the Chinese coolies who dug their sewerage trenches around the camps? I can produce the soldiers who would swear to it and who were saved from starvation by those Chinese coolies. We repaid the Chinese coolies by taking away Shantung and 38,000,000 Chinese and giving them to the merciful keeping of the Japs, who did not turn a finger during the war except to feather their own nest by seizing the German possessions in the Orient when the Germans were so busy that they could not lift a hand to prevent it. "Jap me no Japs"—not yet.

Has the Senator from Montana ever had a private soldier describe to him the conditions in which the soldiers camped at Brest? There was a Senator and a Senator's wife who saw those conditions and testified as to them. There they allowed those soldier boys, who had been reared in the same comforts in which you and I were reared, to lie in mud puddles, leaving the imprint of their bodies on the marsh, and with the

frozen ice making a perfect mold where they had lain the night before. Did the Senator ever have one of those soldiers tell him about it?

Of course some of them came home well. Out of 4,000,000 the Senator would not expect that we should lose the whole 4,000,000, would he? Why are the Zulus such a superb race of men, physically? It is because the weaklings are not allowed to live. In Flanders and in France the weaklings did not live; they did not have a chance to live; they died; and, in my judgment, no accurate report has ever yet been made of the number of men who either died in the cantonments of this country or in the camps and on the battle fields of Europe.

The Senator from Montana, to do him justice, wants to compensate the man who lost his eyes. What does the Senator think would compensate him if he lost his eyes? He talks about land. What can a blind man do with a piece of land? He talks about life insurance. What can a blind man do with life insurance? He can not eat it; he can not drink it; he can not pay his board with it. He does not make himself welcome anywhere on earth; he is a burden to himself; and if he has some faithful dog or some affectionate child to lead him around by a string he is fortunate. Compensate a blind man whose sight was destroyed by gas or the exploding bomb! There is not money enough on earth to do it.

Take the man whose features were gassed out of all human recognition, made hideous to himself as he sees reflected in the mirror a countenance which, to him at least, was once not repulsive; take that man, against the sight of whose face tender-hearted people will instinctively try to screen their eyes—what compensation can you give that man? What hope can you give him? When hope is gone out of this life, what is there left in it? When you lose the feeling that you are welcome to your friends as you visit their houses, and when you sit in their circles talking with them as in the old time friendly way—when you lose that, do you want to live? I do not.

Take the man whose arm was torn from his body by a bursting shell or one of whose limbs was or both of whose limbs were torn away, how are you going to compensate him?

But we will come to the well men; the men who did not get hurt; the men who got enough to eat and who managed to get back. What about them? If they had farms, they left the plow in April, 1917, as did the farmers of New England in our Revolutionary War more than 100 years ago. The crop was lost; the land was lost; everything they had was lost; and they came back to start life over. How is a man going to start life over without cash? If the Senator from Montana should so far forget himself as to take lunch to-day, he had better take some cash with him.

Take the crossroads merchant with his little store of goods, bought partly on credit, perhaps, and partly with cash; a little stock of $500 or $600 or $1,000 on which he was trying to do business and to lift himself in the world. Where was that business and where was that stock when he got home from the war? They were gone. How is he going to replace them? He can not do it.

Take the young lawyer who was building up a clientele; his clients went to other lawyers and they are permanently lost to him. He has got to start all over again. Take the young doctor; the same statement applies to him. His patients who were trying him, giving him a chance, had to go to other doctors; now they are attached to those other doctors, and the returning ex-service man, if he be a doctor, has to choose a new location and start his practice over again. Is it not so?

Mr. President, I am not exaggerating anything. I lived in the midst of such circumstances, I lived in the midst of the Civil War, and I know that I am not overdrawing the picture.

We are told that the ranks of the unemployed are swelling. Some estimates put the number as high as 5,000,000 or 6,000,000, which may be too many; I think it quite likely that that estimate is too high; but the lowest estimate puts them at 2,000,000, and I think possibly that estimate is within the bounds of reason. When we give these ex-service men vocational training, what are they going to do after they get it? Where is the job to be found for them, when there are 2,000,000 people hunting for jobs?

There is another point of view in which the conscripted soldier sent to Europe to fight 3,000 miles away from home may be distinguished from the soldier who fought near at home. "The embattl'd farmers" of New England, whose glories I hope will never be dimmed, fought within sight of their homes, and oftentimes were supplied with arms and ammunition by the loved hands of wives and daughters, a second loaded gun being furnished as soon as the first had been emptied against the enemy.

They were supplied with good provisions from their own homes; their neighbors vied with one another in supplying those soldiers. They were proud to do it, and they did do it; and when the Army was in its extremity at Valley Forge every colony of the original 13 that had a surplus pound of bacon or a surplus garment of clothing sent them to the American soldiers under George Washington. Always, Mr. President, there was the sight of home and firesides for which they were fighting. They only had to look, and there was the anxious face of wife or mother or sister or sweetheart looking from a window or a door cheering them on to battle. No wonder, amid those encouragements and inspirations, they fought as they did.

Every housekeeper in America said to her son, as the Spartan mother of old said in handing her son his shield, "Return with it, or on it"; alive with it, or dead upon it.

In the war of 1812, who won the victory that made Henry Clay say, "Now I can go to Paris and London without a blush upon my cheek"? It was the volunteer soldiers from Alabama, Kentucky, Mississippi, Georgia, Tennessee. No conscripts fought under Andrew Jackson; they were volunteers. When a man volunteers he does not have to be disciplined by any "Hard Boiled" Smiths and does not have to be fed by any Chinese coolies. When you send him 3,000 miles from home there is no telling what may happen to him. He can tell you about it afterwards in words that make your blood leap and which are hardly fit to print.

The Senator alluded to the Civil War as "the Rebellion." There was a Senator from Tennessee here a few years ago by the name of Carmack, and he had Congress pass a law that made it illegal for the word "Rebellion" to be used in any public document; and, of course, when a Senator speaks here, Mr. President, he necessarily puts his speech into a public document. When a dozen States go out of a Union into which they have voluntarily gone under certain conditions, and they retire when they say those conditions have been broken, that is not any more of a rebellion than the War of the Roses was in England. No rebellion ever had a Robert E. Lee at the head of an army of Northern Virginians. No rebellion ever had a Joseph E. Johnston, or a Longstreet, or a Wheeler, or a Jackson, or a Forrest—never.

As I say, Mr. President, these men in Europe were not volunteers. The administration refused to accept the services of ex-President Roosevelt and his volunteers when they were tendered. He claimed to have a quarter of a million men enrolled and ready to go, just as they went into the Spanish-American War. How many conscripts were in the Spanish-American War when a southern general put backbone into the command, as Gen. Wheeler did, and gave victory instead of defeat? Not a single conscript was there. Three thousand miles away from home! Any motherly faces looking upon them with encouragement and inspiration as they marched? No. Any face of sweetheart looking upon them, pinning favors to their uniforms, and saying, "Fight in my name and conquer for me. I want to embrace you and marry you when you come home"? Not a bit of it. There were no letters from home that were censored by officers. There were no letters from camp to home except the stereotyped letters that were approved by officers—not one. No soldier, unless he was able to slip a letter through, could freely write to his mother or his wife or his sweetheart; and the mountains of food that Herbert Hoover piled up with his absurd meatless days, and his absurd wheatless days, and his absurd regulations of smokehouses and larders, and his absurd regulations of wheat mills and private stores—those mountains of food did not go to our soldiers. They were virtually given away to the French Government; and we now learn that the Red Cross speculated—speculated!—in those charitable gifts, coming from the loving hearts of the American people who wanted to feed their boys at the sacrifice of themselves during those terrible years of the war. They were speculated upon by the very agencies of charity that were going to feed them and see that they lacked for no necessary or comfort of life!

I think there is some difference. The Senator says that it would be degrading to give these men $600 apiece. If it is a degradation, Mr. President, it is because the amount is so small. I would give them a thousand dollars apiece to-day, if I could. Yes; write it down, and get up and make a speech about it when I get through, and maybe I will make one about yours when you get through.

Mr. MYERS. I will, in due time, and the Senator is entirely welcome to reply to me.

Mr. WATSON of Georgia. Yes; and you need not doubt that I will reply to you, too. I would give them a thousand dollars apiece.

Something was said here yesterday by the Senator from New York [Mr. WADSWORTH] about the $60 given to soldiers to buy them a new suit of clothes. That was a fine bonus, was it not—$60 to buy a new suit of clothes! Why, I do not know how it is in other States, but down in Georgia after a criminal serves out his term of penal servitude we make him a gift of a good suit of clothes to start civil life again and to make himself a better man if it is in his power to do it. Talk about putting the soldier, at the end of his service, on the same footing with a criminal convicted of arson or of murder or of larceny after trust, or of forgery or some other felony! That kind of thing is shocking to me, with my sense of honor, when applied to the man who takes his rifle and faces a man who has a rifle.

We hear of fellows who can snuff out a candle at 20 paces. They are not the fellows who face men who have pistols who are practicing on them. Our men took their rifles and faced the best riflemen in the world, and did it after a few months' practice, and did it successfully, and while they were shooting they were being shot at; and that makes a world of difference in your shooting.

If I might be allowed to suggest one or two practical amendments to this bill I would say this:

The laws now on the statute books passed during the Civil War allow the Secretary of the Treasury to issue right now $102,000,000 of greenbacks. I would issue that money, and I would distribute it among the soldiers upon the miller's rulé of "First come, first served"; and next I would give them the billion dollars of free gold in the Treasury. I would put an end to this insane policy of heaping up mountains of gold in the United States vaults that do no good to any human being but harm to all the world.

I would have the Federal Reserve Board within 30 days, under pain of going to the penitentiary for life, put back in circulation the $2,000,000,000 which they have retired, to the utter ruin of the common people of our country. That would put money in circulation. Your land is not going to put money in circulation. Your life insurance policies are not going to put money in circulation. What this country needs is money, and I would put that money in circulation.

Now, a word about this "tip" business, and I am done.

Was it a tip when the British Government granted to the Duke of Marlborough an enormous sum of cash and built for him the great palace of Blenheim, which has been restored once by the money of Consuelo Vanderbilt and is to be restored again by the money of Gladys Deacon? Was it a tip when the British Government voted the Duke of Wellington a stupendous sum of money in cash and gave him the princely estate of Strathfieldsaye, which is still in his family? Was it a tip when the State of Georgia gave to Gen. Nathanael Greene a splendid plantation on the Georgia seacoast, where the New England hero lived and died, an honored citizen among Georgians, whom he had helped to save by his campaigns in the South? Was it a tip when we, the other day, by unanimous consent gave to the family of Chief Justice White a whole year's salary, he being dead and not able to earn a cent of it? Was it a tip? Nobody objected. Nobody would again object.

The Senator says that after his departure—which we hope will be long, long deferred—no bonus will be voted to him. I dare say he is mistaken about that. I have not the slightest doubt that this body will vote at least the remainder of the salary of his term, and it will not be a tip. It will be an adjusted compensation for splendid services which the Senator has rendered to Montana and all the other States in the Union. The same thing will be done for every other Senator.

It is said that this legislation, or something like it, is not desired by the soldiers. Not only have I received telegrams from thousands of soldiers saying that they do desire it, but I have a stack of them here on my desk, which I will not now read.

Mr. President, there is not a man in this world who feels dishonored when his country, through its highest lawmaking body, says, "We owe you a debt of gratitude for your service to the Republic, when all the balance of us were here at home, safe from the perils of the battle field and the cares and sufferings of the camp"—not one.

In the city of Washington I wonder how anybody can ride around for an hour and fail to take in the lessons which are taught by every monument in every circle and square of this great city. There is your monument to the founder of this Republic, towering into the skies, a wonder of the world, the glory of America.

You can yet see, as far as you can see the monument, where it was left unfinished for so many years that it became a jest, a byword, a reproach, which was sounded not only in America but throughout Europe; and then the Americans girded up their loins, raised the money, and finished that monument.

There is another one, a Grecian temple, reared in memory of Abraham Lincoln, and the people of the South are just as glad to see it as they are to see the monument to George Washington. They only regret that Mr. Lincoln did not live longer. They execrate the memory of the man who cut his life short and deprived us of the saving grace of his clemency and mercy.

There are your monuments to the soldiers of the Revolutionary War—Pulaski, who died at Savannah; Jackson, who won New Orleans; the soldiers of the Civil War, the Mexican War, and the War of 1812.

You go out to Arlington, once the home of Robert E. Lee, who, as Theodore Roosevelt said, was the flower of Anglo-Saxon chivalry, the greatest soldier that our race ever produced, asleep in marble at Lexington, beside him the most splendid of human swords—sleeping in marble at Lexington but living yet. Go to Arlington, and from the very time you enter the gates you are reminded, not of civilians, but of heroes who fought battles on land and sea, which they thought were righteous, on the one side and on the other. Years ago it had been the custom there, Mr. President, to strew flowers only upon the Union graves. The men who had worn the gray slept beneath the sod with no roses and no lilies and no garlands upon their graves.

It thus happened on one Memorial Day that all the graves of Union soldiers were elaborately decorated with flowers, as was so natural to our friends of the North; and the southern graves of the "Rebels," if you please, had no flowers. During the night there came up out of the west the voice of the storm, the thunder rolled and the wind blew, and when the morning sun rose Providence had lifted those flowers and part of them rested impartially upon the graves of the Confederate dead.

As I have said, I would like to offer amendments to this bill to make it immediately effective to men who need immediate relief; but as to the principle of this bill, I am for it, without regard to what the American Legion says, without regard to what the railroads say, without regard to what Mr. Mellon says, without regard to what President Harding says, without regard to what J. Ogden Armour, J. Pierpont Morgan, or John Wanamaker says; but with regard to the men who gave their blood while 30,000 profiteers were gathering up countless millions, which they are now enjoying, without ever having risked their lives or served a day.

Mr. MYERS. Mr. President, I heartily congratulate the eloquent Senator from Georgia on the brilliant oration which he has delivered here. It was well worth hearing, and as a piece of eloquence is a classical gem. And its brilliancy is only one of its characteristics; it was so very brief and so utterly devoid of repetition that I think it may set a mark in the Senate for brevity and clarity!

I think the Senator referred to some statements of mine and some phases of my speech probably not over fifteen or twenty times in the course of his brilliant remarks, and I suppose that is avoiding repetition for the Senator from Georgia. I am sorry that more of the Senators did not hear that brilliant oration. When the Senator started to speak the Senate Chamber was quite well filled, but before he had progressed very far nearly all of the Senators seemed to go out to lunch, and nearly all of them are still there.

Mr. WATSON of Georgia. I believe I will go.

Mr. MYERS. I do not blame the Senator for leaving just at this particular time, when I am about to dissect his speech. I assure him I want to pay him a few more compliments. It is strange to me that the large majority of the Senators are taking so long to eat their lunches to-day. They generally get back in about 10 or 15 minutes, and eat very light lunches. But the most of them seem to have been out an hour or more now, and they show no signs of returning.

Mr. HARRISON. If the Senator will permit, it may be that Senators are staying out because they dislike very much to commit themselves on this motion to recommit this bill.

Mr. MYERS. I do not know what is the reason. I suppose the large majority of them will be here when the vote is taken. If there should not be a quorum here, at any rate, a vote could not be properly taken.

I have been expecting the brilliant and fire-eating Senator from Georgia, whose reputation has preceded him here, to precipitate an intellectual slaughter in this august body. I have been expecting him ever since his arrival to signal his entrance into this body by oratorical annihilation of somebody who differed from him in opinion; but I am surprised that he should begin his slaughter by starting on one of the humblest and most unassuming Members of this body. For one of his titanic and gigantic intellectual qualities, I would have thought that he

would have selected an abler and a more renowned Member of this body. It is generally conceded that if a man who is proud of his physical prowess enters an assemblage and in a physical way jumps on the smallest and most unpretentious member of the assemblage he is physically a bully.

I will not say that the Senator from Georgia is an intellectual bully, or prides himself as such; but I will say that in order to begin his intellectual slugging I would have thought he would have selected some one probably more on a plane with him, as far as reputation is concerned. If he takes occasion to make a display of his power of argument in opposition to one of the humblest and most unpretending Members of this body in order to exhibit his intellectual strength and prowess, he must have very little confidence in the strength of his arguments.

The Senator from Georgia evidently has given the humble remarks which I made in this body on the 7th instant, in regard to the proposed cash-bonus legislation, very close and careful study. He told you how many times I used the word "tip," how many times I used the word "cash," and how many times I said a number of other things. I will not undertake to keep tab on the Senator from Georgia in that way. I do not know how many times he mentioned, in the course of his remarks just ended, "the Senator from Montana," referring to me. It may have been a hundred times; I think possibly not over a thousand times.

He told you at great length of many things that I said, but he did not tell you of some things I did not say, and among the things which I did not say I beg leave to call attention to the fact that I did not charge that that great, patriotic, and glorious organization, the American Legion, had arrogated to itself the privilege of being the judge of free speech in this country. I made no such grave charge against the American Legion. I cast no such aspersion upon the honor and law-abiding disposition of its members, whom I regard as peaceable, law-abiding citizens of this great country of ours. But the Senator from Georgia did charge that the American Legion had arrogated to itself the sole right of being the judge of free speech in this country, and I quote from our colloquy on that subject:

Mr. WATSON of Georgia. As an honorary member of the Sailors and Soldiers' Union, I should like to ask the Senator from Montana why he assumes, as apparently he does, that the American Legion is the judge of free speech and of legislation in this country?

Mr. MYERS. Oh, the Senator is mistaken. I have not assumed that, and I do not think anything I have said would warrant that conclusion. I do not know that the American Legion has assumed any such attitude. The Senator probably has reference to some remarks I made a few minutes ago in regard to the American Legion standing as a bulwark against disloyalty in this country.

Mr. WATSON of Georgia. Yes; standing as the guardians of free speech and American liberty. Who made them the guardians of free speech and of American liberty?

Mr. MYERS. The members of the American Legion, I think, have very properly constituted themselves guardians and defenders of loyalty to this country, as I think every other good citizen should do.

Mr. WATSON of Georgia. In place of whom? In place of us?

Mr. MYERS. As a part of the people of the United States.

Mr. WATSON of Georgia. Who authorized them to usurp to themselves and to arrogate to themselves the right to say who shall speak or who shall write?

Mr. MYERS. I do not think they have arrogated to themselves that right.

Mr. WATSON of Georgia. They have done it.

Mr. President, I do not wonder that after the Senator from Georgia made that groundless and, I think, undeserved reflection upon the great American Legion he endeavors in a measure to recoup himself by delivering a brilliant oration upon the great services which those men rendered to our country in time of war and in advocating that each of them be given a cash bonus out of the United States Treasury in the sum of five or six hundred dollars. If I had made that charge against the American Legion, if I had cast that reflection upon the noble men who compose the American Legion, I think that I would feel it incumbent upon me to undertake to make some amend by rising in this Chamber and describing in the most eulogistic terms possible the great services which we all know they rendered their country. It is possible I might endeavor to make amends for the offense I committed against them by urging some special concession to them at the hands of the Government.

I am at a loss to understand, however, why the Senator from Georgia is so particularly concerned and disturbed about the right of free speech. Has he any more interest in the right of free speech than the other Members of the Senate? Has he had any experience that would lead him to be more particularly or peculiarly interested in the right of free speech than other Members of this body? What has caused him to undertake to be the especial champion in this body of the right of free speech, I am wondering. I think we should all be champions of the right of free speech, within legitimate and proper bounds, and I fail to see what has particularly drawn the withering fire of the Senator from Georgia against the great American Legion in regard to matters of free speech.

So far as the American Legion is concerned, I think it is one of the greatest institutions in this country and one of the greatest institutions that the country in all of its glorious history has ever known. The resplendent deeds of the men who compose the American Legion and their compatriots and fellow soldiers in arms during the World War will shine upon the pages of the history of the world with a splendid luster that, in my opinion, will never be surpassed as long as time lasts and history is recorded. There can be nothing said in behalf of those who compose the American Legion and their compatriots and fellows in bearing arms during the great World War which can be too complimentary or too great praise to equal my opinion of those gallant defenders of our country and all its institutions, including the right of free speech.

The Senator from Georgia referred to many things that I said, and I shall not take the time of the Senate to correct what I think are all of the erroneous impressions of his with reference to what I have said or what I feel or believe, though I shall refer to some of them. While the Senator delivered a brilliant oration, I think that about 99 per cent of it had about as much bearing upon the question before the Senate and the question which I was debating the other day, the voting of a cash bonus to our returned soldiers, as it has to do with the much-mooted question whether or not Mars is inhabited. Some of the statements made by the Senator from Georgia and some of the references that he made to my humble remarks have no reference in the remotest degree to the question of whether or not, in right and justice, our returned soldiers should be given a cash bonus out of the Treasury of the United States. But I shall refer to some of the principal remarks during his brilliant but erroneous speech which occur to me.

He seemed rather to complain that I was making some notes of his speech. I simply wish to inform him that I was so swept away by the perfect flood of brilliancy and eloquence, utterly devoid though of argument, that I was made dizzy and could not remember one-tenth of what he said in his flights of oratory unless I did jot them down and make notes of them. I made notes of his oratory, I would have it understood, and not of his argument, because, while the Senator may be able to deliver a great argument, as I am sure he is, because he has been a great and successful lawyer and I know has delivered some great arguments, yet I must say with all due deference to his oratory that to-day is evidently not one of his argument days, if we are to judge his remarks by the standards of argument.

The Senator from Georgia commented on what I said as to whether or not it is appropriate for us to undertake to hand out to our returned soldiers a sum of money which would be comparatively a mere tip in proportion to what they earned, if we are going to measure their services by a money standard. What I said, and I think any reasonable construction will bear me out, and what I intended was that if we are going to undertake to compensate our returned soldiers by an adequate money standard, an adequate value as compared to the glorious services they rendered, there is not money enough in all the world for that purpose. If we are going to compensate them in that way and measure their services by that standard, there is not money enough in the world.

The further statement was made by me and commented on by the Senator that the cash bonus which some propose to pay out to them would be, relatively speaking, simply like handing them a tip, as compared to their inestimable services, for which all the money of the world could not pay them if measured by a money standard of value. If we are going to undertake to pay them the value of their services in money there simply is not money enough to do it, and any sum that we might vote to them out of the United States Treasury would be, relatively speaking, somewhat in the nature of a tip, as compared to that to which they are really entitled. For that reason I object to it and I object to the principle involved of undertaking to dole out a small sum of money to each one of the soldiers, which would be relatively merely a tip. I am opposed to giving them anything like a tip. It is obnoxious to me.

The Senator from Georgia cited me to the life of Washington and the biography of George Washington written by that distinguished Senator and eminent historian, the Senator from Massachusetts [Mr. LODGE]. I have not had the pleasure of reading that history of the life of George Washington, but I have read other biographies of George Washington, and I do not think I need the Senator from Georgia to come into this Chamber and instruct me upon the life of Washington. I think every patriotic American citizen of a fair degree of intelli-

gence is fairly well informed upon the life of George Washington. I think I am quite fully informed upon his life; at least the Senator from Georgia did not tell me anything new about him. For that matter he did not tell us anything new about anything, as a matter of fact. He indulged in some pyrotechnical, skyrocket oratory, of which he is a past master, but as far as argument or facts is concerned his speech is in about the same class as his characterization of the able address delivered yesterday by the President of the United States, when the Senator from Georgia said the President had told us nothing new. In that I differ from the Senator. I think the President gave us much valuable and interesting information, some of which was new to me.

So far as concerns the Senator's flight of oratory upon volunteer soldiers and his condemnation of conscript soldiers, I can not see that that had anything on earth to do with the question of whether or not Congress should vote a cash bonus, amounting to billions of dollars, out of the Treasury of the United States to our unharmed and unhurt returned soldiers of the World War, but it probably had about as much to do with it as any other remark or attempted argument offered by the Senator from Georgia.

I think that some of the remarks of the Senator from Georgia were unjust to our noble soldiers who went to Europe in behalf of the rights of their country and the civilization of the world and offered to give up their lives in defense of their country and to lay their all at the foot of the pedestal of liberty; unjust to those who did go to Europe and shed their life blood in defense of their country, and who are now buried on foreign soil. The Senator's remarks about conscripted soldiers were very severe, and I think entirely uncalled for by history, and some very recent history, too.

The Senator referred to the fact that during the early stages of the Civil War all of the Confederate soldiers were volunteers, and he said it was during that period that all of the Confederate victories of the Civil War were won. He said that during the latter part of the war, when the Confederate armies were filled with conscripted soldiers, they did not do such good fighting and that the woods were filled with deserters. I say that that aspersion upon the noble, true-hearted, and ragged veterans who followed Robert E. Lee in the declining days of the Confederacy, from ill-starred Gettysburg to the end at Appomattox, is unjust and undeserved. There never was done more able, more brilliant, more valiant fighting than was done against overwhelming odds and against foes that outnumbered them by far in resources, money, and men than was done by the starved, ragged, bedraggled, and wearied Confederate soldiers between Gettysburg and Appomattox. When the Senator from Georgia undertakes to reflect upon those ragged veterans who followed Robert E. Lee to the last ditch, I think he does them an injustice.

The Confederacy was not defeated because in its last days or the latter half of the war it had to resort to conscription to fill its ranks. We all know that the Confederacy was defeated simply because it was outnumbered and overwhelmed, because it was fighting against vastly superior odds in money, resources, men, and everything that goes to wage war.

Mr. WILLIAMS. Mr. President, will the Senator pardon an interruption which is intended only for the purpose of historical accuracy and not for the purpose of participating in debate?

The PRESIDING OFFICER (Mr. ROBINSON in the chair). Does the Senator from Montana yield to the Senator from Mississippi?

Mr. MYERS. With pleasure. I welcome any interruption by the Senator from Mississippi.

Mr. WILLIAMS. The way in which the Confederacy conscripted its soldiers was through a law which very naturally leads to some confusion between volunteer forces and conscripted forces. The first armies of the Confederacy, that fought at Bull Run and filled the Confederate armies with more troops than there were guns, were volunteers to a man. They volunteered some for three months, some for six months, and various terms. The Confederate Congress passed a law which extended their terms without their consent, and that was the so-called Confederate conscript law, the first one that was passed. So that a great many of the so-called Confederate conscripts were really volunteers who were kept in the service by an act of the Confederate Congress beyond the period of their enlistment.

Mr. MYERS. Mr. President, I know that is true, and yet their services were drafted to keep them from quitting the Army, if they were so disposed. Other conscript laws were enacted by the Confederate Government and other drafts were made. The Confederacy was compelled to resort to drastic draft laws in order to keep its forces recruited and be able to continue the war. The fact, nevertheless, remains that the Confederate Government resorted to the draft and that the United States Government during the Civil War resorted to the draft.

I think the remarks of the Senator from Georgia [Mr. WATSON] constitute an unjust reflection upon those Confederate soldiers who were drafted when he said they were unwilling soldiers. He said a drafted soldier is an unwilling soldier. That means that every soldier who was drafted by the Confederacy was an unwilling soldier; it means that every soldier who was drafted by the United States for the Union Armies was an unwilling soldier; it means, if it means anything at all, that every soldier who was drafted for the United States service during the World War was an unwilling soldier. I deny that charge against the gallant men who fought our battles on European soil during the World War; I deny that they were all unwilling soldiers. I say it is an unjust charge and a reflection upon them which they do not deserve.

I believe the great majority of our soldiers who were drafted and who went to the European war were willing to go, were glad to go, and that they entered fully into the noble spirit of that contest on behalf of the United States to uphold the civilization of the world and the rights of our country. I believe that our soldiers who were drafted went into the service of their country with the spirit of true patriots, loyal citizens, and good Americans, and that they rendered such service on the plains and the wooded hills and dales of France as unwilling soldiers could not have rendered. I do not believe that any unwilling soldiers could have rendered the glorious service or could have done the magnificent fighting which our soldiers did in France under John J. Pershing, Robert Lee Bullard, and our other great generals who commanded them during that Great War. I think that the Senator from Georgia really needs to make another apology to the American Legion when, in addition to saying that they had usurped the privilege of being the defenders of free speech in this country, he says they were unwilling soldiers and went to war unwillingly. I resent that charge against our noble soldiers who held aloft the glorious banner of America in a manner and spirit to which none superior was ever manifested upon any battle field in the world's history; who fought and achieved victories that have carved their way to deathless fame and written their names, to the eternal glory of American citizenhood, upon the pages of history and the scroll of time. I think that is another respect in which the Senator from Georgia is mistaken and in which his oratory exceeded his judgment.

I think it also unjust to the Union veterans who fought in the Civil War and who were drafted to say that they were unwilling soldiers. I think any reflection upon the spirit with which they entered the Civil War and preserved this Union from destruction is undeserved, out of place, and uncalled for. I honor them for their magnificent services to their country. In my mind and affections they hold just as high a place of regard and esteem as did the men who fought for what they believed to be right when they were fighting for the Confederacy. I give to each, as American citizens and as true Americans and believers in the right and champions of the right as they saw it, equal meed of praise and honor and glory, and I do not believe on either side they should have any reflection cast upon them as being unwilling soldiers because they were drafted.

So far as the draft is concerned, I do not claim that the draft produced any better soldiers than are volunteers. Practically all the Senator from Georgia said about that in his brilliant way was entirely beside the question; it has nothing to do with the question of whether or not we shall vote a cash bonus to our unhurt and unharmed returned soldiers. It was a discussion of something that was settled here in the early stages of the World War. Early in 1917 the Congress and the President of the United States decided that the draft was the fairest, the best, and the most equitable manner in which to raise an Army, and that it was just to all alike. That question was settled and has nothing whatever to do with the question now before the Senate. All of the eloquence of the Senator from Georgia can not change the result of that decision.

I have no reflection to cast upon volunteer soldiers. I join with the Senator from Georgia in his eulogy upon the glorious services rendered by our volunteer soldiers in the Revolutionary War, in the War of 1812–1814, in the Mexican War, and in the Civil War. He can pronounce no eulogium upon those gallant volunteer soldiers too high or complimentary to suit me. He can say nothing about their valiant and glorious deeds and undying accomplishments to which I will not subscribe. I subscribe to everything in praise and glory that may be said of

American soldiers in any war and upon any battle field, whether they be volunteers or drafted men. Whether they were volunteers or whether they were drafted, they have carried our flag, that noble emblem which adorns this Chamber—the glorious Stars and Stripes—to victory in every war this country has ever waged. They have mounted it high upon the ramparts of victory and freedom in many countries and upon many battle fields.

They have been the protectors and defenders of the flag; it has never yet trailed in defeat; and the work has been done by both volunteers and by men who were drafted. I yield to no one in praise of either. I simply claim that the draft was a fairer, a more equitable, method of forming a large army, and that it treated all alike with equal and exact justice and without any discrimination. I have no reflection to cast upon either kind of soldier—the drafted or the volunteer.

Amongst the other weighty arguments which the Senator from Georgia advanced in behalf of the payment of a cash bonus of five or six billion dollars to returned unhurt soldiers, he referred to the fact that I spoke of the Civil War as the "War of the Rebellion." That is one of his principal arguments in favor of the bill—the fact that I referred to that war as a war of rebellion. I do not know whether or not in my remarks on last Thursday I referred to it as the "War of the Rebellion"; I generally refer to it as the Civil War; but with me the terms are synonymous; I think they mean the same thing; and there is no discredit or dishonor in either.

If the Senator wants to know, and will pardon me for being personal to some extent, as he was personal about his family, I will say to him that in 1861 every able-bodied man in my family connections who took any part in the fratricidal strife of the Civil War shouldered a musket and entered the Confederate Army and fought for the Confederacy, and there were quite a number of them. It is said on good authority—and I make bold to mention it, inasmuch as the Senator referred to his distinguished father—that the youngest colonel in Gen. Lee's army was a Myers, Col. James H. Myers, now of Denver, Colo., who was made a colonel, it is said, at 22 years of age. So I can see no argument in the fact that I referred to the Civil War as the "War of the Rebellion." That is no argument in favor of voting five or six billion dollars to our returned and unhurt soldiers of the World War.

Yet, while the facts which I have stated about relatives—which I beg pardon for having mentioned at all—are true, I am glad and grateful that the Union forces won the "War of the Rebellion" or the Civil War, as it may be termed, and it may be termed either without any reflection or criticism. I am glad the Union forces were successful and preserved this country and made it what, in my opinion, it ought to be—an indissoluble Union of indestructible States.

Neither can I see now or at any other time any reflection upon those who followed the Confederacy in calling them "rebels" or saying that they engaged in a "war of rebellion." If George Washington was a rebel, certainly Robert E. Lee, whose name I have the honor of bearing for my middle name, was also one. The Senator from Georgia having made some personal allusions, I seem to be following in his track, but I hope that is the only trail marked out in his flight of oratory before the Senate which I will follow.

I am glad that the Union was preserved and there was no dishonor to those who fought on either side. All were American citizens; all fought for what they believed to be right; all are entitled to credit for their high motives and no reflection or censure should be cast upon either side. I believe that the people of this entire country—North, South, East, and West—should as a body be proud of the glorious achievements upon American battle fields of Ulysses S. Grant, William T. Sherman, Robert E. Lee, and Stonewall Jackson. They all reflected great splendor and undying fame upon the heritage of all American citizens. If George Washington was a rebel without dishonor, I claim that Robert E. Lee and Stonewall Jackson also were. I can see neither dishonor nor argument in the Senator's remarks upon that topic.

The Senator from Georgia spoke with some ridicule and implied condemnation of my allusion of last Thursday to the fact that I believed that our soldiers of the World War returned from that conflict improved men and better citizens; and I do believe it. I am willing to champion that statement anywhere and at any time. I believe that the men who left their homes and their families and firesides and went to Europe and fought in that monstrous struggle over the rights of America and the civilization of the world; who endured privation and suffering; who put their patriotism, their loyalty, and their devotion to country to the supreme test; who came back to this country unharmed and unhurt, came back better men. I believe it makes any man a better man to shoulder arms when the very life of his country is at stake, when his country is in the most deadly of peril, and go to the battle front and there face death and destruction, grape and canister, machine gun, and all the awful instruments of death of latter-day war, and there say, "I offer up my life and my all, if necessary, in defense of my country." He who fights loyally and bravely and patriotically in defense of his country and through the providence of God returns to his country, his family, home, and loved ones unhurt and unharmed, I believe is a better man for having done so—a better patriot, a better American citizen—and I am sorry that the Senator from Georgia can not join me in that sentiment. I feel sorry for any American citizen who can not subscribe to that sentiment. I believe that our men who came back from Europe came back improved in different ways, and I believe that with their improvement, with their patriotism developed by the highest test to which patriotism can be put, with their proven loyalty and devotion, they will be a bulwark to this country in future time, as long as they may live, in defense of its rights and of constitutional government.

I think the Senator's argument is entirely unsound and fallacious, and an undeserved reflection upon those men, when he says they did not come back in any wise improved or better American citizens.

Another thing about which the Senator from Georgia had very much to say, and which has nothing whatever to do with the question before the Senate, is the question of how, in what manner, the war was conducted by the United States, the treatment of its soldiers, the provision that was made for them, the care that was taken of them. I can see in that no argument whatever in favor of a cash bonus in behalf of our returned unscratched and unscathed soldiers; but as long as the Senator referred to it I will make a few remarks upon it.

Of course, there were abuses in the conduct of that war on behalf of the United States. Mistakes were made. Errors occurred. There never was a war waged in which some mistakes were not made. There never was a war waged, successful or unsuccessful, into which some abuses did not creep. No human agency is perfect. Nothing administered by human hands can attain perfection; but I say that upon the whole, from start to finish, taking into consideration the stupendous undertaking of that great conflict, the speed with which we had to prepare for it, the speed with which we had to get our soldiers to Europe, the lack of time adequately to provide them with comforts and facilities, I believe that no Government that ever existed under God's sun made more or better provision for its soldiers than did this Government for our soldiers who were defending it upon the battle fields of Europe. It is a fine record of glorious achievement. It is a record of which I am proud. I am proud of my country in that respect, and if the Senator from Georgia is not, I am sorry for it.

I think everything that was humanly possible to be done for the comfort, care, and protection of our soldiers who were fighting our battles in France was done. I think the record a superb one; and the only conclusion I can draw from the criticism upon it of the Senator from Georgia is the implication that if he had been Commander in Chief of our Army and Navy in place of Woodrow Wilson the war would have been conducted a great deal better than it was, and in a great deal more successful manner, and that if he had been Food Administrator instead of Herbert Hoover, a great deal better and more valuable service would have been rendered than was rendered by Mr. Hoover. The only trouble about that is that the American people differed from the Senator from Georgia. The American people did not agree with his estimate of his own capacity in that respect. It may be sad to say, but nevertheless they did not agree.

Mr. WATSON of Georgia. That was one of their mistakes.

Mr. MYERS. I observe that the Senator from Georgia still adheres to his contention that that was one of their mistakes; but, unfortunately, about 105,999,999 other people, I believe, differ from the distinguished Senator from Georgia. But however much he may be more able and more capable of having conducted that war than was our great Commander in Chief, Woodrow Wilson; however much better he might have cared, if he had the opportunity, for our soldiers in Europe; and however much better he might have provided for them, great as he may be as soldier, executive, legislator, orator, rhetorician, historian, and last, but not least, editor, there is one position to which I think he could not be safely called—that is, with safety to the people of the United States—and that is to be Treasurer of the United States, with full and complete authority to disburse the money in the Treasury as he might see fit. He has said that if he had it in his power he would issue $100,000,000 of greenbacks, without any specie reserve back of

it—I take it, fiat money, without any reserve on which to base it—and that he would pay out the billion dollars of cash reserve now in the Treasury of the United States, and that he would give this $100,000,000 of greenbacks, the value of which I very much doubt, and this $1,000,000,000 of gold reserve, to our returned soldiers.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Georgia?

Mr. MYERS. I yield, with pleasure.

Mr. WATSON of Georgia. Did not the Senator say that he did not know how to manage his own money?

Mr. MYERS. I said something pretty nearly like that. I said that I was not one of those men who had been successful in acquiring and keeping wealth. I admit that, but I do not claim to be capable of running the Treasury of the United States better than it has been run by any Treasurer who ever filled that position, and no Treasurer who ever filled that position ever did the things that the Senator from Georgia says he would do if he had the power to do them. I think, however, that when the Senator would issue his $100,000,000 of greenbacks, fiat money, and give that to our returned soldiers, he would innocently, doubtless, be guilty of handing a gold brick to our returned soldiers, because I do not think the money would be worth anything, and I am not out to gold-brick our returned soldiers. I want to do very much for them, but that is one thing that I do not want to do. I do not want to gold-brick them; and if there were no restraint on the headstrong Senator from Georgia—who, it appears, would go to as great lengths with the Treasury as he does in his criticisms and his flights of oratory—I do not know what he would do with the United States Treasury.

I apprehend that there would be no money left in the Treasury and that this country would be a country without a Treasury, and that when he issued all of this money and took out of the Treasury all that there is in it and paid it to the returned soldiers this country would be in a very bad business way, and that the money would not be worth very much to the soldier; but I do not see why he wants to stop there. The Government has some printing presses down here in the Government Printing Office. I do not see why he does not want to man every printing press in the Government Printing Office and have the printing presses turn out billions more of paper money and give it to our returned soldiers. Why does he want to stint them at all? Why draw any limit? Why does he want to be parsimonious about his unlimited rewards to our returned soldiers?

As great a statesman and orator and critic as the Senator from Georgia may be, I, for one, am glad that he is not in charge of the Treasury of the United States, and I believe it is a good thing for our returned soldiers that he is not in charge of the United States Treasury.

The Senator spoke of so many of our returned soldiers being out of jobs, and of so much unemployment existing amongst them. In my opinion the only way to provide legitimate employment for those men is to bring this country back to normal times and conditions, to sane and safe financial and governmental and commercial conditions; and we are not going to do that by saddling this country with five or six billion dollars more of indebtedness than already hangs over it, by adding heavily to the $24,000,000,000 of indebtedness that already hangs over it like a dead weight. We are not going to bring this country back to safe and sound business conditions and start up business and stop unemployment by voting out hundreds of millions and billions of dollars recklessly from the United States Treasury without knowing where it is going to come from. In my opinion it would be a suicidal and unwise course to pursue.

Some remarks of the Senator from Georgia would lead me to infer that he doubts the justice and the wisdom of this country having gone to war with Germany. He did not exactly say so, but he said so as strongly as an adroit user of words, such as the Senator from Georgia is, could without saying it in so many precise and exact words.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Georgia?

Mr. MYERS. I yield with pleasure.

Mr. WATSON of Georgia. When the Senator makes a serious statement like that, I must set the RECORD correct. The moment the Germans torpedoed the *Lusitania* I took the position, as an editor, and therefore publicly, that we should sever relations with Germany, send the German ambassador home, punish Capts. Boy-Ed and Von Papen as common criminals, put our Navy to chasing the German fleet and torpedo boats off the sea, and send to France every volunteer who was willing to go.

Mr. MYERS. I am glad to have that statement from the Senator. I doubtless, then, acquired a somewhat incorrect impression from some of his remarks, as he acquired some very incorrect impressions from some remarks I made on Thursday.

So far as the war with Germany is concerned, I think it was fought in one of the most just and noble causes in which war was ever waged. I think it was absolutely necessary for the United States to go into that war, not only to defend and protect our own rights and avenge our own deadly wrongs and insults but to assist in preserving the civilization of the world.

The Senator referred to some bonuses, as he may call them, paid by Congress to United States Senators. But the only bonus paid by Congress to a United States Senator is paid when he is dead, and I do not want to get that kind of a bonus. I prefer life to that kind of a bonus. It is true that Congress makes a practice, when a Senator dies in service, of voting to his widow or his heirs a year's salary. It also makes a practice of doing the same thing in regard to employees of Congress, faithful employees and servants who work around this building. But those are death benefits, and every soldier who entered our forces and went to Europe to fight our battles had the privilege of an arrangement whereby his widow or heirs would be paid, not one year's salary, as in the case of Members and employees of Congress, but an arrangement by which his heirs would be paid the sum of $10,000. But those are death benefits. Those are not comparable with or analogous to a cash bonus voted during lifetime, and after one quits the service of his country, which is purely a retroactive gratuity or gift. However, I thank the Senator for expressing the wish that I would be paid that kind of a bonus; that is one which is purely a death benefit and is paid only upon death. I sincerely hope he does not want me to receive that kind of a bonus soon.

Mr. WATSON of Georgia. At a very late date.

Mr. MYERS. Yes; I certainly hope he does not want to see it paid to me very soon.

Mr. WATSON of Georgia. I distinctly said I hoped it would not be soon.

Mr. MYERS. The Senator now says he wants it paid at a late date. I do not think he said that a while ago, but it was probably only an oversight.

Mr. WATSON of Georgia. No; the Senator is mistaken. I said at the time that I hoped it would be long deferred.

Mr. MYERS. All right; then I yield to the Senator on that. I thank the Senator for his compliment, to the effect that my services here are so valuable to my State and the country that he thinks I will die in the service of our country.

Mr. WATSON of Georgia. I hope the Senator will.

Mr. MYERS. I doubt very much indeed, though, if I shall.

The Senator's entrance into this body and his intellectual assaults upon those who differ in opinion from him, his intellectual storming of the fortresses of those who hold different opinions, his evident undertaking to make an intellectual slaughterhouse of this Chamber, remind me very much of a story I once heard told about an old colonel who, when he was an old, old man, claimed that he had served on the staff of George Washington during the Revolutionary War. Some of his neighbors and friends really had some secret doubts about his having served on the staff of Gen. Washington, but, nevertheless, he told it so often that they accepted it as being true.

This old colonel used to delight to sit around the corner grocery store and tell of a personal episode that he claimed occurred between him and George Washington. He said that during the Revolutionary War he was holding an outpost with a few detached soldiers, and it was attacked by a large force, a vastly superior force, of British soldiers in the nighttime. He was taken at a great disadvantage. He immediately aroused his men and called them to arms; they mounted their horses and plunged into a terrific onslaught upon those impudent Britishers who had dared to attack him and differ from his opinion that he had a right to sleep at that time of night. They outnumbered him and his men about 10 or 20 to 1, but he pursued them until every last one of the Britishers, officers and men, were killed; there was not one left to tell the story, and therefore people had to take the old colonel's word for it, as there was nobody to deny it.

He made due report of this to Gen. Washington, thinking that he would receive from the general high encomium and great praise; but he said Gen. Washington sternly rebuked him. Someone would say, "What did Gen. Washington say to you, Colonel?" He would reply, "Gen. Washington said to me, 'Why, Colonel, you ought to be ashamed of yourself; I supposed you were a soldier, and that you were engaged in legitimate warfare; that was not warfare; that was not battle; that was a mere shambles; that was a veritable slaughterhouse, and unworthy of a soldier; you should not convert the Revolutionary

War into a mere shambles, a slaughterhouse, and put it on the level of an animal slaughterhouse, where helpless animals are slaughtered by the score.'"

I think the Senator from Georgia should be somewhat ashamed of himself, upon his entrance into this body, to undertake to convert it in an intellectual shambles, an intellectual slaughterhouse, and not only to combat with the sword and the rapier of keen wit, and thrust of argument, all who may have the temerity to differ from him, but absolutely to undertake to wipe them out of existence and mop up the Senate floor with their blood. I am rather surprised at the temerity of even the Senator from Georgia. He talks about free speech, which seems to be so dear to his heart. I am afraid if the Senator continues his tactics he will throttle free speech in the Senate, and that none will dare to speak out against him.

So far I have been talking about that portion of the Senator's oration which did not touch upon the facts at issue. I will now refer very briefly to that small portion of it which touched somewhat remotely upon the question before the Senate.

It is a fact which all the denial in the world, all of the eloquence and oratory and historical knowledge that the Senator from Georgia may possess, can not wipe out, that this is the first time in the history of this country that there has been a proposal to pay out of the Federal Treasury a cash bonus to returned United States soldiers who were not hurt during their service. All the specious argument and all the oratory and all the quibbling and all of the assertions in the world, whether they touch upon the subject or not, can not wipe out that fact; that this is the first time there has ever been a proposal made to invade the United States Treasury and take money out of it, to take money of the taxpayers out of it, and vote it as a gratuity to those who served us in a war and came out unhurt.

It was not done during the Revolutionary War, the War of 1812–1814, the Mexican War, the Civil War, or the Spanish-American War. It is the first time it has ever been undertaken, and as highly as I esteem our glorious veterans of the World War, is there any Senator here who will say that our soldiers of the World War did better fighting or achieved more glorious accomplishments or reflected more credit and glory and honor upon the American flag than did the noble soldiers in the Continental Army, who followed George Washington from Bunker Hill, through the blood-stained tracks of the snow-clad dales of Valley Forge, to Yorktown, where Lord Cornwallis surrendered; or that the veterans of the World War did any better fighting or are entitled to more consideration than the veterans of the War of 1812–1814, or the Union veterans of the Civil War, or the veterans of the Spanish-American War? We have made every provision for our veterans of the World War that was made for the veterans of any of those wars, or are undertaking to do so. We gave them insurance of life and limb, which was never given to any of the soldiers of other wars. We granted compensation to their dependents; we paid the soldiers themselves more for their services while they were fighting than we have ever paid soldiers of any other war. We have undertaken, and I hope I will see it come to fruition, to grant them home-acquiring and land-settlement legislation. We have given the veterans of the World War hospitalization facilities and vocational educational training such as was never given to veterans of any other war. We provided for them a generous insurance plan. We have provided for them and their dependents in a more generous measure than the veterans of any other war who fought in behalf of the United States ever had lavished upon them.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Massachusetts?

Mr. MYERS. I yield with pleasure.

Mr. WALSH of Massachusetts. So much has been said about the generosity of the Government in hospitalizing our soldiers and in compensating them, one might think that every other man has received compensation or hospitalization.

Mr. MYERS. Only those who were disabled, of course.

Mr. WALSH of Massachusetts. The Senator will be interested—and that is the reason why I interrupted him—to have me state to him that there are a smaller percentage of men receiving hospitalization treatment as a result of the World War, at the expense of the Government, than there are to-day receiving hospitalization treatment in the Army and in the Navy of the United States. Less than 1 per cent of the 4,000,000 ex-service men eligible for hospital treatment are actually being hospitalized. In fact, I might go further and state that the percentage receiving hospital treatment is less than in almost any other avocation in life. That is the medical testimony before a committee of the Senate. Only 1 man in 200 is in hospitals. In the Navy 2 per cent are always in hospitals. In France when the armistice was signed 1 in 10 of the American Expeditionary Forces was in hospitals.

I was surprised also to find, from some statistics which I have upon my desk, and which I will present later, that in my district, the New England district, which is a fair criterion of the other districts of the country, only 4 per cent of the men who served their country in the World War are drawing compensation, and only 3 per cent are drawing the benefits provided by the insurance law. I cite these figures simply to show that while the amount appropriated appears to be large and generous, yet the facts are that a very, very small percentage of the total number of men who served their country in the World War are being hospitalized; a very, very small percentage are receiving compensation; and a very small percentage are receiving benefits from the insurance law. I thought the Senator would be interested in having the statistics relating to these matters presented to him at this time.

Mr. MYERS. I may say that I do not see that that is any reason why we should vote compensation to all of the 4,000,000 men who were enlisted in our forces during the war, regardless of whether they need it or not.

Mr. WALSH of Massachusetts. The Senator will understand that my interruption was only to dissipate the impression which seems to be broadcast that everybody is getting compensation, that everybody is being hospitalized, that the door is wide open, and that all these 4,000,000 boys are trying to put their hands into the Treasury; I was myself surprised and pleasantly surprised, to find that the percentage is amazingly small. It has not, of course, any bearing upon the argument that the Senator is making against the adjusted compensation bill, but it tends to show that, though the appropriations are large, the percentage of men benefiting at present from the existing welfare soldier laws is abnormally small.

Mr. MYERS. I do not think all of the 4,000,000 men are trying to put their hands in the Treasury, but the proposed legislation would certainly invite them all to put their hands in the United States Treasury whether they wished to do so or not. The invitation would be extended by us.

So far as hospitalization provision is concerned, I recall some of the figures given yesterday by the President of the United States in his able address, in which he said there were 6,000 beds unoccupied in hospitals and ready for any soldiers who wished to apply or who needed them.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield further to me?

Mr. MYERS. I yield with pleasure.

Mr. WALSH of Massachusetts. I was very much impressed with the statement of the President, as I am sure the Senator from Montana was. I was very much impressed, because if it is true we are wasting $18,000,000 that we just appropriated for more hospitals. If it is true, the men who are now planning to build new hospitals and the extensions of old hospitals out of that $18,000,000 are not only wasting their time but the Government's money as well.

I feel that the President was misled as to the hospitalization facilities, and though I know very well that he did not intentionally mean to mislead the country, yet his statement appears to be unfounded in fact and damaging to go out to the country at this time. I am in possession of the statements made by his own committee, the White committee, as well as other committees and public officials, which I am going to read to the Senate to-morrow, in which the committee reveals an entirely different story about the number of beds now available.

It is true that on a given date—to-day, let us say—in canvassing all the hospitals in the country we may find that two men in each of the 165 Government and contract hospitals in New England and 3 of each of the hospitals in the New York district went out, and in that way be able to show 6,000 unoccupied hospital beds. But the fact of the matter is that there is not a sufficient number of beds for the men who now want to get hospital treatment. At a later time I shall quote from the White committee, from the physicians named by the President himself, who will certify to the fact that there are not sufficient beds, and that, more important still, the beds which are now being used are totally unfit and totally inadequate.

I wish to say, in justice to the President, that I think those figures, which startled me—in view of what we have been hearing before the committee investigating this question—were given to him by some branch of the Government that was making out a case on paper of efficiency for itself.

If there is any way, I wish to clear away an erroneous impression which some men may have in consequence of figures indicating very large expenditure and showing that there are at a given time a certain number of vacant beds. The fact of the matter is that we have already appropriated and are proceed-

ing now to spend $18,600,000 to provide 6,800 more beds. If there are 6,000 beds available, why, in heaven's name, are we spending $18,600,000 more? We are spending it because the beds now are unfit and because those 6,000 beds on a given day appear to be vacant when, as a matter of fact, they are not vacant. Furthermore, the figures which I have show that some of the beds are in hospitals which are confined to the treatment of a certain particular disease and are not fit places for those afflicted with tuberculosis or with mental or nervous diseases. One hospital in Massachusetts has 86 vacant beds, but it is an epilepsy hospital, and, of course, useless for the care of incapacitated soldiers.

Mr. ROBINSON. Mr. President, will the Senator yield?

Mr. MYERS. I yield with pleasure to the Senator from Arkansas.

Mr. ROBINSON. As a matter of fact, requirements for hospital facilities would not be measured or determined in that way—by the total number of beds which at a given hour or on a given day may not be actually occupied—for the reason that in the practical administration of the law it is impossible in many instances as soon as one patient retires to have another patient ready at hand to take his place; so that while there may be at a given time beds actually unoccupied, that is not due to the fact that there are not a great number of former service men who require hospitalization and who desire it and deserve it. It is due to the difficulties that inhere in the administration of hospitalization.

Mr. WALSH of Massachusetts. Mr. President, will the Senator pardon me for a further interruption?

Mr. MYERS. I yield, with pleasure.

Mr. WALSH of Massachusetts. I do not wonder the Senator quoted the statement of the President yesterday, because I confess there was nothing in what the President said that impressed me as more misleading—not intentionally misleading, I repeat—in the impression that it must have made upon the country, than his statement, or the inference to be drawn from his statement, that there are plenty of hospital facilities, and that we have 6,000 vacant beds. May I read to the Senator the testimony of Dr. White, who was chairman of the special committee of physicians appointed by the President to distribute and provide for the expenditure of the $18,600,000 for further hospital equipment by the Government.

Senator WELLER asked this question——

Mr. WATSON of Indiana. Mr. President, will the Senator state the date of the appointment of the committee and the date of the hearing from which he is about to read?

Mr. WALSH of Massachusetts. I am quoting from testimony given on July 7 of this year by Dr. White before the committee investigating soldier welfare agencies, of which the Senator from West Virginia [Mr. SUTHERLAND] is chairman, and of which I have the honor to be a member. The White committee, so called, was still in service, and still attending very efficiently and very capably to its duties of providing further hospital accommodations for incapacitated soldiers.

Mr. McKELLAR. The witness whose testimony the Senator is about to read is the same Dr. White who is in entire charge of the disbursement of the $18,600,000 in the way of building hospitals, is he not?

Mr. WALSH of Massachusetts. He is chairman of the committee. Senator WELLER asked this question:

Did I understand you to say that 6,800 beds will meet the needs for the next few years?

This follows a statement made by Dr. White that the $18,600,000 will provide 6,800 additional beds. He referred with pride to the fact that Congress only expected 5,000 beds to be provided, but that they were able so to distribute the money as to provide 6,800 beds.

Did I understand you to say that 6,800 will meet the needs for the next few years?

Dr. WHITE. No; that I do not know. We have only tried to make the best use of the $18,600,000. That is what was allowed. We hope with that to make an estimate of the number enlarged and to leave a hospital building program which can be added to by specific appropriations at a later period.

If the Senator from Montana will further indulge me, I should like to quote further from Dr. White.

Mr. MYERS. I yield further with pleasure.

Mr. WALSH of Massachusetts. I read further from questions by the chairman, Senator SUTHERLAND:

The CHAIRMAN. I would like to ask you about these hospitals you have provided for, Dr. White, which you said included 6,800 beds. How many beds are now provided for that are available for these two classes of patients; what will be the total capacity of the combined hospitals?

Dr. WHITE. In providing these beds a number of now totally unfit beds will be given up. I am not prepared to say, and we are not as a committee prepared to say, what will be the actual final number of beds needed, but we have divided those beds that are now used—27,000 or more—in contract hospitals into proper beds, partially proper beds, and totally unfit beds. I think those are not the words that we used, but they will express what I mean. As rapidly as these fireproof proper beds are provided, naturally a large number of the men who are now cared for in totally unfit contract hospitals will be given up and these will take their place.

The CHAIRMAN. How many of them do you class as totally unfit?

Dr. WHITE. I have not those figures here.

The CHAIRMAN. Approximately?

Dr. WHITE. I could not approximate it, but there are a great many thousands.

The CHAIRMAN. And in what time do you figure that these hospitals will be completed and in operation?

Dr. WHITE. Many of them before the 1st of next January, I believe, half of them before the 1st of January of next year, 1922. Where new hospitals have to be erected from the ground up it will probably take a year before they are ready.

The CHAIRMAN. How long do you think that the beds that are now usable and the beds which you provide for by this scheme will supply enough beds for men who are suffering from these two types of disease?

Dr. WHITE. We are wholly unable to say as to that. The economic conditions surrounding the present situation, with no industry in the country at all, the very rapid application of men because of idleness and forecare, have created one of the most perplexing questions which we have had to deal with. There has been an increase of 20, 30, and 40 per cent. It is our past experience in dealing with the civilian population that the minute industry picks up and the men can get their jobs back and go to work again the hospitals will empty out very rapidly. I do not know anyone who can tell. I think we should do just the best we can with the provision that we have and wait until we have more accurate data.

The CHAIRMAN. You have made no figures or estimates of the maximum number progressively from year to year that will require hospital treatment?

Dr. WHITE. Yes; we have made an estimate of that and we have certain rather definite figures. The figures of the Old Soldiers' Bureau after the Civil War are fairly accurate figures. The figures of any given population between 18 and 45 years, which was the final draft age, would have been carefully worked over from the civilian population. This being a selective draft the number will be rather less than you would expect from the whole population, but we have those figures, gathered from the various insurance companies and from statistical departments of the Government, and it is therefore probable that somewhere between 30,000 and 40,000 beds will be demanded at the peak of the load. There was a report, called 81, I think, put in by the Bureau of War Risk Insurance a couple of years ago, on a purely theoretical estimate, asking for $85,000,000 for, I think, 60,000 beds. I am not sure of those numbers, but they were obviously very much too high. Our examination would lead us to believe that about half that number would be the maximum load that the Government would have to carry.

I thought the Senator would be interested to have that explanation of the statement the President made, and which evidently made quite an impression upon the Senator, as it did upon me. In the light of the information quoted, I think the President's statement about the number of beds available most misleading. I do not believe he wants the country to understand that the hospitalization of our soldiers has been or is adequate, efficient, or by any means approaches the standards we are striving for in order to make our incapacitated veterans most comfortable and under treatment and care that will, as speedily as possible, restore them to health and home life. I ask the Senator's pardon for taking so much of his time, but I thought it was the appropriate time to put the other phase of the situation before the Senate.

Mr. MYERS. Mr. President, I am always glad to yield to the Senator from Massachusetts, and I shall yield the floor in a few minutes.

If there is anything wrong with the hospitalization provisions and facilities afforded by the Government to our wounded, sick, and disabled returned soldiers, I want it made right. I desire to have the facts brought out and I desire to do everything that is humanly possible for our disabled soldiers. No one is more anxious to serve them than I.

While the able statement of the President made yesterday to the Senate may possibly have had some unintentional inaccuracies in it, yet upon the whole I think it was a splendid showing, and I am proud of it. It did not show too much done, and we may have to do more. I think we should do more. We should do everything humanly possible in the way of hospitalization and compensation for the disabled and incapacitated returned soldier. But I do not believe that is any argument for doing something we have never before done—paying out a huge cash bonus to soldiers who are not in any need of hospitalization or who are not disabled or incapacitated in any way whatever.

Why this undertaking to pay out billions of dollars to our soldiers who returned unhurt from Europe, where they fought so nobly, when it was not done for the Union veterans of the Civil War or the veterans of any other war that the United States has yet waged? Why are we asked to do so much more and to go so much further in generosity for the veterans of the World War than we did for the Union veterans of the Civil War, who saved this country from destruction and made it possible for it to be what it is to-day? Is it because the veterans of the World War are so much more numerous and because there are more votes amongst them? If not that, what is the reason? I do not believe in such rank discrimination. Our

veterans of the World War rendered splendid service, and I would not detract one particle from their credit or from anything which is due them, but I think the Union veterans of the Civil War also rendered splendid service, and I see no reason for any such extreme and rank discrimination. In my opinion, giving a cash bonus would simply be legislating money out of one man's pocket into another man's pocket, and that is virtual confiscation. While it might be sustained by the courts, I do not think it would be morally right.

So far as profiteers and millionaires are concerned, much has been said about them in this connection. It has been indicated that they should be required to pay most of the cost of a cash bonus. It is right that those who are most able should always be required to pay the major portion of all taxation; but no taxation can be imposed which would fall exclusively upon the rich, much less upon the profiteers and the newly made millionaires who acquired their millions during the World War. It does not hurt the rich to pay their taxes. If a man has an income of $500,000 a year, it does not hurt him to pay $400,000 a year in taxes. It is not the rich whom it hurts to tax, but it is the great mass of the people, the middle classes of the people; the farmers, the artisans, the craftsmen, the tradesmen, the small business men, the people who have difficulty in living on their incomes upon whom taxation falls the heaviest. If this measure be enacted as proposed, the increased taxation would fall in part upon some of the returned soldiers and sailors and upon their families, neighbors, friends, and relatives. It seems to me it would be much like the case of a fire breaking out in a man's house when his neighbors rush in to help him extinguish it and offer their services as a matter of neighborly duty and good will and loyalty, and after the fire is extinguished by them some one offers to pay the neighbors who did this voluntary act, or for the neighbors who extinguished the fire to ask to be compensated for doing so. There are some acts between neighbors and some acts between a nation and its citizens which can not be compensated in money and as to which there should be no thought of money compensation. I have heard no argument which is convincing to me or which appears sound to prove that we should do something for the veterans of the World War that we have never done for the veterans of any other war in the history of this country, not even for the Union veterans of the Civil War or the War of the Rebellion, as I call it synonymously, without any discredit or dishonor being attached to either term. I can see no reason for this proposed departure.

Before I close I wish to refer to one thing which the Senator from Georgia said, of which I made a note at the time. He referred to the fact that last Thursday this body passed a joint resolution extending the time for the struggling and poverty-stricken homesteaders on the Fort Peck Indian Reservation, in Montana, to make to the United States Government payments of principal and interest which are now past due and unpaid. With all due respect to the Senator, I desire to say that I can see no analogy or argument in that suggestion.

The joint resolution did not provide a bonus. Those settlers are not to be given one dollar; not one cent. They have, unfortunately, suffered from four years of successive drought, during which time they have scarcely raised anything at all. They have to pay interest on their deferred payments. The lands involved are not homestead lands in the sense of being available for free homesteads. They are Indian lands, of which the Government is the guardian and trustee. The land was appraised, the reservation was thrown open, and the land was sold at the appraised price, ranging, I think, from $2.50 to $10 an acre. The entrymen are not only required to pay the appraised price for the land but they are also required to comply with all requirements of the homestead act; to reside upon the land for a specified length of time, to cultivate it, to comply with all other homestead requirements, and in addition to pay for the land. Owing to four years of most unfortunate drought, these entrymen have been unable to make their payments. They are now in great distress. The law requires them to pay interest on the payments which are deferred. The joint resolution, to which the Senator referred in a kindly way—and I think his reference was devoid of analogy or argument, although I am glad that he, along with other Senators here, permitted it to be passed by this body—simply grants to these unfortunate citizens an extension of time of one year in which to make their past-due payments, their matured payments, and relieves them of forfeiture for the period of one year. It does not give them anything; it is not a donation of anything; it does not wipe out the debt; it does not give them the land; it does not give them any money; but simply extends their time of payment for one year. I repeat, they must pay the interest on their deferred payments; and, according to the terms of the joint resolution, if at the end of the year their payments are not paid their land will then be subject to forfeiture. The reference to that joint resolution is, I think, about on a par with many of the arguments which the Senator from Georgia attempted to make in favor of the cash bonus. There is no analogy whatever.

My idea of this cash-bonus proposal—a proposal which has never been suggested in this country before—is that it is putting a price on patriotism; that it is undertaking to commercialize patriotism and loyalty to country. Patriotism should be without price; there is no adequate price for it; and I think it is morally wrong to undertake to put a price upon it whether that price approach anything like an adequate compensation or not, whether it be great or small. I think it will be a sad day for this Government when it undertakes to put a price on patriotism. I think it will undermine the foundations of the Government; destroy the morale and freedom of the Government; it will disastrously tend, I think, to affect the loyalty to the Government of its citizens. I think the departure is radically wrong. It would instill a wrong principle into the breasts of the mistaken beneficiaries of such legislation; it would encourage them to come back to the Government at other times and ask for other gratuities and bonuses of the Government; it would encourage other classes of citizens to come to the United States Government and ask for favors, concessions, bonuses, and appropriations.

Patriotism is a virtue which should be beyond price. In my opinion, it would be rank desecration and a dishonor to the loyalty of our citzenship and the principles of our Government to undertake to put a price on patriotism. It will be a sad day for this Government when it undertakes to commercialize patriotism and to pay men money compensation as the price of doing their supreme duty to their country and offering to go "over the top" and lay down their lives in defense of their country when its life is at stake.

The principle of it is wrong; for one reason because it has never been invoked before in the more than 130 years of the life of this Government. I think it is wrong because it is a total departure from all the principles on which this Government has been administered. Surely we have not been wrong in all the years of the past.

As I have said, I believe in doing everything possible for the disabled, the incapacitated, and the suffering veterans of the World War, just as we did in generous measure for the Union veterans of the Civil War. I believe in taking care of them to the utmost extent; but the proposition now to give something that we did not accord to the Revolutionary soldiers, who achieved our independence from Great Britain, or to those soldiers who saved the Union from destruction in the dark days from 1861 to 1865, I think would be a sad departure from the principles of our Government. I think it would establish an unwise precedent, and would bestow an injudicious and mistaken favor upon men not all of whom, I am sure, are asking the Government for the favor.

As to those of our soldiers, whether volunteers or drafted men, who went to Europe and fought our battles upon the battle fields of that sanguinary war, representing the greatest upheaval in the world's history, and who achieved the supreme accomplishment of saving the civilization of the world and defending our Nation from the most aggressive insults and attacks that had ever been heaped upon it, I think they have a reward that is far beyond the power of money to bestow. I am speaking now only of those who were unhurt and unharmed, who returned sound and well. They have a reward for duty done that no man in this Chamber has or probably ever will have owing to our ages. They have a reward that can come to no other class of citizens than those who did the very thing that they did upon the battle fields of Europe. They have a priceless heritage which, in my opinion, it is sacrilege to attempt to gauge by a money value; they have a priceless heritage that will last for all time to come, as long as this Government may last and as long as history records the deeds of brave men. They have a reward that can not be spent in a day or a month or a year; they have a reward that can not be dissipated or frittered away; they have a reward that will inure to them and to their descendants and to the people of this country long after they shall have passed away. It is a priceless reward, impossible of measurement in money value; a priceless heritage which I am sure any Senator in this Chamber would be proud to possess and proud to pass down to his descendants. It is a crown of glory, a reward beside which mere paltry dollars pale into utter insignificance. It is a reward not all can have, only the select few who earned it. It so outshines all appropriations and bonuses that might be given that its resplendent glory has cast oblivion over every other

consideration in connection with their services. That is the reward that I gladly award to our noble defenders, whether volunteers or drafted men, who with equal bravery, courage, loyalty, patriotism, and devotion to country conferred the greatest benefits upon humanity and rendered the greatest service to their country that can be imagined. With that I leave the matter.

I have referred to some of the statements made by the Senator from Georgia which I think were made by him in a mistaken impression of my attitude, and some things which I thought needed correction. I have endeavored to correct what I believe to be some of his erroneous statements and some of his erroneous impressions of my attitude and utterances. As to his attempted argument in favor of a cash bonus I will not undertake to reply, because, in my opinion, he made no argument, and in that line there is nothing to which to reply.

I will say this, in addition, to the Senator from Georgia: The Senator from Georgia very kindly notified me the other day that when he started his intellectual fireworks in this Chamber he was going to make me the victim, and start them on my devoted head. He very kindly gave me that notice. I am glad he did. I was present and appreciated his eloquence, even though entirely devoid of argument. He has said that he may in future give me some more attention; and I will simply say in regard to that as said the man when another man met him and said, "I am going to kill you." The man to whom the remark was addressed said, "Well, I will be there when the killing takes place."

If the Senator will kindly notify me in advance whenever he again may undertake to make an intellectual shambles of the United States Senate and make me the victim thereof, I shall try to be present when the shambling takes place; and I think his address on this occasion, while brilliant and eloquent, so far as argument is concerned was one of the most shambling and rambling that I ever heard.

Mr. HEFLIN. Mr. President, this is a very serious hour with us and with the American people. We are considering one of the greatest questions that will ever come before Congress—the question as to whether the Congress of the American people will do the proper, the just, and fair thing by its national defenders.

There is no use in getting excited about this question. A grave responsibility rests upon us. We owe a duty to those who defended and saved the life of the Nation in the most perilous hour in its history.

I recall, Mr. President, when thousands of these brave boys marched through this Capital City on their way to the battle front in France.

I looked with a feeling of mingled pride and anxiety upon their manly forms as they marched away to do and to die for our country. Many of those brave boys never came back.

Those who died made the supreme sacrifice. They laid down their lives for their country. Those who returned had placed their lives upon the altar of their country. They were willing to die if necessary to win the victory. They stood between us and the overthrow of our Government. But for them there would be no free Government in America.

When that war was raging in Europe the German Kaiser announced his purpose to assess against this Government, if they triumphed in Europe, $40,000,000,000 of indemnity, and if these boys had failed this Government would now be devoting itself to the task of paying to Germany an indemnity of $40,000,000,000. They did not fail us then, God bless them! Are we going to fail them now?

Those who returned are asking and expecting that the Government they fought to save will grant them the settlement that the American House of Representatives has said that they are entitled to. Hundreds and thousands of these men are out of employment, and just now they are having a hard time to live.

I do not consider that I put a price upon patriotism when I offer a morsel of bread and the wherewith upon which to live to a soldier in distress, the soldier who saved the life of my country.

I want to read for the benefit of some of you who oppose this measure the story of one of these returned soldiers. Here it is:

BODY AND SOUL OF LOCAL WAR VETERAN OFFERED FOR A JOB.

LOUISVILLE, KY., *June 2.*

Fred C. Rayner, of Birmingham, who has been seeking employment in this city for five weeks, to-night declared that he was willing to sell himself, body and soul, for a reasonable opportunity to work.

Rayner was a deputy sheriff in Birmingham. He is an experienced mechanic and electrician. While in Bordeaux, France, with the Rainbow Division, he was wounded twice, once in the head and again in the leg. He is a member of the American Legion of Montgomery, Ala.

Is this treatment to be accorded to the distressed and embarrassed defenders of the Nation when we are the richest Government on earth, when we possess more than half the wealth of the world? Three hundred billion dollars in national wealth; and here you are talking about embarrassing the Treasury while the men who defended the Nation in the hour of its peril are unable to obtain a livelihood in their own country in the aftermath of the war.

Senators, have we discharged our duty to these boys until we change that situation? Hundreds, thousands of them, I repeat, are out of employment. What are we going to do for them, and what are we going to do about this unemployment of the American soldier, who is now hard pressed for the necessities of life. Mr. President, it may sound well to Senators to stand here and talk about not putting a price upon patriotism, and refuse to go to the rescue of starving men, because they are afraid they will lower the standard of American service and American valor on the field of battle. You would not for a moment tarnish the flag that he carried by giving him something to live upon in the land that he defended and preserved. How ridiculous the argument. You might just as well say that the army of Christian ministers of this Nation who carry the banner of the lowly Nazarene, and whose congregations provide them with subsistence, put a price upon Christianity.

They have to live, and we gladly contribute something to their living expenses. God bless that army of Christian ministers! They stand up and preach a gospel which says: "Whosoever will, let him come and partake of the water of life freely." But how long could a preacher exist, standing up and saying that to a perishing world, unless the community contributed to his support? Why, I suppose you would say, "I would not dare offer him a dollar. I would not contribute to the preacher, because I would offend him. He is preaching the unsearchable riches of the Christ of God, the Son of Man, and the Savior of the world. You will offend him if you give him bread. You will offend him if you give him meat; and if you want to insult him, make him up a purse."

How ridiculous—talking about putting a price on patriotism! That has been the cry of the money sharks ever since the profiteers found that they were going to be taxed to square the account with the American soldier. They tell you it is wrong; that you are going to put a price upon patriotism if you dare do such a thing. But, Mr. President, when it comes to taxing the American people in the aftermath of this great World War, when all the nations are prone and prostrate, when there is no danger of a war from any source, you propose to tax the American people to increase the naval appropriation a hundred million dollars, and but for the fight made by myself and other Democrats and a few faithful Republicans on the other side, you would have kept that hundred million on the bill. Our fight against it here enabled the House to succeed in striking it out in the conference; and when that $100,000,000 was sought not one word of warning came then from the defenders of the Treasury. When you were running your arms up to the pit in the Treasury, raking out the yellow coin to go into the coffers of those who make their millions out of building big battleships where were these defenders of the Treasury then? They did not appear here then and we heard not a word from them.

Now, Mr. President, we come and ask for a fair settlement with the boys. Let us imagine that we have one of them present here now. We will stand him right here in this Chamber:

"Young man, how old are you?"

"I am 26 years old."

"What were you doing when we drafted you?"

"I was practicing law."

"How much were you making?"

"I was making $2,500 a year."

"You had a fairly good practice for a young lawyer?"

"Yes, sir; I was just starting out, building up a practice."

"How long were you gone?"

"Two and a half years."

"How much did you get from the Government for your services while you were gone?"

"Thirty dollars a month."

"What did you do with the $30?"

"I sent $15 of it back home to my people and I spent $7 of it for insurance. I spent the rest for laundry and other things."

"How much did you have left at the end of the month?"

"Nothing."

"What did you find upon your return?"

"Well, I found my law practice gone."

"Have you been able to get hold and get in and make a living?"

"No, sir; I have not."

There is the picture, Mr. President, and it represents the situation as to thousands of other boys. What are we going to

do for this boy and those like him? Remember that they are in no way responsible for the conditions that now afflict the country.

What did this Government do for the contractor who laid out work to be done to help supply material for that boy at the front. "When the war was in progress," he contended, "you contracted to pay me for this work. Now the war is ended, and I want my pay." And Congress voted to pay all contracts of that character. Congress made all of it good, and they never lost a dollar. Now, what are you going to do for the fellow who was deprived of the opportunity to follow his regular vocation for two years and a half? We took him away from his work, and he came back home without a dollar, and his occupation was gone. Thousands of them are roaming around the country to-day without employment, and they have no money upon which to live. What are we going to do for them? They are not asking that they be paid for time lost from their business or employment. Not at all.

Senators, we heard yesterday of the condition of the Treasury. It is all right for the President to point out those things. He is the Commander in Chief of the Army and Navy, and he, as President, owes a great deal to these men, and so do we as Members of the American Congress. He gave us statements that were furnished to him. I submit to this body and to the country that the speech of the Senator from New Mexico [Mr. JONES] answers the President's argument and does away with the scarecrow suggestions that the Treasury is about to break.

Let me say to the Senate to-day, if the President will require the Federal Reserve Board to function as it did function under William Gibbs McAdoo, there will not be the slightest danger of a panic in any quarter of the country. But whenever you shut up the money supply of the country, and prevent it from going out to serve the legitimate needs of the people, and let it flow for lavish use, as is the case to-day, in Wall Street, of course, we are going to have very hard and distressing times.

If the President would put on that board John Skelton Williams, who used to be the faithful Comptroller of the Currency, the greatest one who ever occupied that place in my day, who did more to disclose to the American people the rottenness of certain big banks, the high interest rates they were charging the people, and the tyranny that they were practicing, than all the Comptrollers of the Currency that I can now recall—if the President of the United States would make a place for him on the Federal Reserve Board, this wizard of American finance would lead the way out of the wilderness, and we could pay these soldier boys every dollar we owe them, without in any way endangering the solvency of the Treasury.

Mr. President, on yesterday while the able and unanswerable speech of the Senator from New Mexico [Mr. JONES] was being made, I injected a remark into his speech. I want to recall the figures that I used then and place them in the body of my own speech to the Senate and the country. I remind Senators, first, of what I heard when the war was on, raging in all its fury. Each day we took up the papers and glanced at the headlines, that read like this: "Germany driving back the allied armies," and we shuddered when we read it, and we said in our hearts, "God grant that the Allies may hold the line until the American soldiers can arrive."

What did we hear then? We heard men say, you heard them say, "I would give half I have to have that war ended now in victory for the Allies." On every hand anxious fathers and mothers were saying, "Let me see that paper. Have you read the casualty list?" "Yes." "Did you see my boy's name on it?" "No." "Thank God for that," they said; "but on to-morrow his name may be there."

Thousands appeared on the casualty list. The Allies held the line until our boys arrived, and there was no longer any doubt as to the outcome when those boys in khaki appeared on that far-flung battle line.

What were the men of great wealth saying then? Their patriotism was stirred at that time. Their real existence was at stake, and what were they saying? They were saying, "I would be willing to give half I possess to end this war in victory."

Now, what are these pusillanimous profiteers doing? They are sneaking around and threatening to produce a panic if you pay these boys the debt justly due them. They are threatening to close in on the money supply and corner it and force the curtailment of credit to such an extent that they can make the Nation bow to their whim and caprice and say, "I will postpone indefinitely the day of settlement with our soldiers if you desire it."

They are brave boys, Mr. President, but they are outside, hungry, some of them are half clad, and they are asking for nothing but simple justice. They are asking that the sum due them be paid to them so that they can use it to provide them with subsistence in these trying times. They want something to live on, these brave men who made the German Army tremble before their onslaught on the battle line. Upstanding, brave American soldiers, have we forgotten you so soon? God forbid. In asking for a just settlement they do not discredit their record. They do not put a price upon patriotism, but they are thinking that the Government whose life they saved should certainly be just to its defenders in enabling them to live. They have a right to live, and here is one of them I read you about walking the streets of Louisville, Ky., a mechanic, a skilled electrician, begging for work under a Republican administration, and he can not get it. He is offering to sell his body. Look upon that picture, purse-proud plutocrats of Wall Street. Behold that picture as you sit in your marble palaces, clip your coupons, and listen to the clink of your ill-gotten gold.

A returned soldier, one who stained the soil of France with his blood, is walking about, in a free country, asking for something to do, disappointed and disheartened. He says, "I am ready to sell my body for work." Starving in the land that his courage and heroism saved.

I heard a voice proclaiming,
Down the solemn aisles of space,
He who strikes a starving brother
Smites his Maker in the face.

Are we going to strike down the defenders of the Nation? Who are they? They are those who were plucked out of the various walks of life in America, taken from their peaceful pursuits, taken out of employment remunerative to them, deprived of it, and compelled to leave it behind, gone from it for two and a half years. They sailed across the sea, filled with deadly submarines. They went to the battle front and bared their breasts to the enemy. They offered to give their lives, all they had, in defense of the American people. This great Government was expending, when the last blow was struck, $1,000,000 an hour, $24,000,000 a day, $8,760,000,000 a year. That is what we were expending. But by closing up the gaps and rushing to the line and pouring out their blood and filling up the trenches with their bodies they ended it three years earlier than the allied leaders said it could be ended, and in doing so they saved this Government $23,320,000,000. That is what they did, and yet Republican Senators are here to-day quibbling about the proposition of voting them a cash settlement of a billion and a half dollars, when they saved $23,000,000,000 to the Government by ending the war three years earlier than anybody said it could be done. What are you going to do about it, Senators? One billion and a half dollars will square the whole account with these boys, and you will not let them have it.

Mr. President, there is nothing that will make bolsheviks in the United States so fast as the treatment that you are now about to impose upon the men who saved the life of the Nation.

Mr. President, there are test stations in the life of nations. We have them as individuals. We have them as citizens. The Nation has them in its national life. This Nation stands at one of its test stations to-day. What will you do for those who defended our national life when it was imperiled on the battle field, when you were pouring out blood and treasure to save it, and they saved it? What are you going to do now, when times are hard, when men who were prosperous a year and a half ago can not now borrow money on Liberty bonds that were sold in the name of the Government in the hour of its peril? What are you going to do for these boys now? They have no Liberty bonds. They have no employment. They have no money, and here they stand, this long battle line of our boys, in the time of peace, asking for an honest settlement at the hands of this Government. Who has adjudicated this question? This bill has been passed upon favorably by the American House of Representatives. It has given its solemn sanction to the proposition that this Government owes the American soldier a certain sum for services rendered to the Government of the United States. A committee of the Senate, composed of both Republicans and Democrats, brought this bill out and, as I understand it, there was not a dissenting voice to the report calling upon this body to do as the House had done.

Is this a new hatched-out arrangement to which nobody has given careful attention? Oh, no. Has it been discussed? Oh, yes. Who has talked about it and discussed it? The Legion, the American soldiers in their organizations the country over. Who else? The newspapers, many of them. People in the various States have discussed it and approved a fair settlement with our soldier boys, and Members of both branches of Congress have approved it. Why this sudden change of front?

These boys were gone two and a half years. They are not asking pay for that time. What they claim is due them is a small amount. Three hundred and fifty dollars. That is all. There is no man in this Chamber who would permit his son, except from a sense of patriotic duty, to go out on the battle line and spend two seconds for $350—not one. Yet when we bring up the proposition of paying these boys a $350 cash bonus, which would take $1,500,000,000, you oppose it.

I lay down the proposition to-day that this Government can pay it without batting its eye. I deny that we are in such a condition as some of the officers have tried to make the President believe we are. Read that speech of the Senator from New Mexico [Mr. JONES]. I wish to call your attention to it again. Read what he said about the resources of the Government. You must remember that this $1,500,000,000 will do much to relieve another situation. It would be a God's blessing in many respects.

If Wall Street is going to continue to borrow money at the expense of the West and the South, the great agricultural regions of the country, it would be the best thing that could happen to pay the boys $1,500,000,000 and put that money in circulation in the cotton-growing States and the wheat-growing States and the cattle-growing States of the West. It would put into circulation $800,000,000 amongst the soldiers in the South and West. Instead of permitting the Federal Reserve Board to carry out the murderous, short-sighted policy of deflating the currency and curtailing credits to the extent of choking to death the business of agriculture we could infuse new life into the South and the West and permit the farmers of both regions and the merchants and bankers of those sections to stand up and breathe the breath of life again.

You are afraid that if you take this $1,500,000,000 out and pay it to these boys, they will put it in their pockets and the $1,500,000,000 will disappear. Do not believe that. The first thing the boy in Kentucky would do with his money would be to buy about $2.50 worth of beefsteak, and the butcher would be helped. He could eat three or four loaves of bread, I judge, and the baker would be helped, the flour-mill man would be helped, and the wheat grower would be helped. He would want to buy some clothes, and the cotton spinner and the cotton producer and woolgrower and manufacturer would be helped. One billion five hundred million dollars would be poured out into the streams that have been milked dry by the shortsighted policy of the Federal Reserve Board's deflation policy.

Mr. President, I do not wish anyone to get the impression that I am opposed to the Federal reserve banking system. I voted for it. I advocated the passage of the bill. I helped to secure its passage. I am for the system. It is the greatest banking system ever devised by the genius of man, but it is like a ship that has made many a voyage back and forth across the sea, when the pilot is strangely affected and becomes dazed for some reason and the captain forgets his bearings and runs the ship into the rocks and wrecks it. No complaint can be made against the ship. It was a good old ship, and when properly steered it rendered a great service; but when it ran into the rocks instead of plying the course mapped out for it by Congress, then the captain and the pilot were to blame.

We must charge to the President of the United States—a good man, whom I like personally, and I say again on this floor that I think he wants to make a good President—and to his Federal Reserve Board the responsibility for the panicky situation that exists to-day, because in November, 1920, they indorsed the statement that "It is the duty of the Federal reserve banking system to bring about deflation as rapidly as possible." The way to bring an eagle down out of the air as rapidly as possible is to shoot him with a rifle. Then you bring him down very rapidly. That is what the Federal Reserve Board did when they ordered deflation to be brought about as rapidly as possible. They struck business a body blow in the South and West.

The President is responsible for the conduct of that board. He is responsible for its conduct to-day, and unless that conduct is improved I tremble for the future financial welfare of my country. Oh, that John Skelton Williams's business genius and Americanism could be felt on that board, or some one else who would steer that ship out into the waters of the legitimate business of America and not into the stagnant pools of the gambling interests of Wall Street. I gave you some of the facts about that the other day. Those facts have not been challenged. There was one instance where they loaned to four banks in New York City as much money as they loaned to five regional banks in 21 States in the agricultural section in the crop-moving season. Think of that!

Then when we ask that something be done in the interest of the American soldiers in distress certain eager advisers of the President appear before him, bowing and fawning, hoping to gain favor in his sight and retain their hold on the job they have. I heard of one of them who is so anxious to hold fast to what he has that he has made desperate efforts to prove that he is related to the President. Whenever you hear of a milk-and-cider Democrat trying to rake up kinship with the appointing power of another party you may know that he is trying hard to stay with his job.

It is not hard for a fellow like that to adjust himself to a situation where he would cheerfully tell the President what he thought the President would like to hear. So if the President should ask him, "Will our financial condition warrant us in having a fair and honest settlement with the defenders of the Nation"? I imagine I can hear some of them say:

"Well, Mr. President, the situation is very much strained just now. We have to supply Wall Street with large amounts of money, because there is a very powerful and determined bunch up there. They threaten to produce a panic if we do not keep pouring gold into their coffers. We have to keep them satisfied."

What about the South, the cotton-growing States, with the farmer borrowing money on his cotton at $100 a bale, and then have that Wall Street gang beat the prices down to $40 a bale? All that it is necessary to do is to lend him aid until the price goes back up and he can pay his note for what he borrowed on it, and there is no doubt on earth that it will go up if he is aided in holding it, because we are making the shortest crop we have made in 20 years, and our cotton will be consumed and the situation cleared up. But no; they want to bring the farmer up to the slaughterhouse and slay him. Forty dollars a bale! At $110 a bale below the cost of production. If forced to sell at the present price, the farmer can pay only $40 a bale on the $100 borrowed on that same bale of cotton, leaving $60 of the old debt hanging over him. The grain grower of the West is treated the same way. Is that your policy?

What about the soldier, then? If you are going to crucify upon the cross of greed the agricultural industry of America, will you not do something for the distressed soldier who saved the life of the Nation? No; not now; but some sweet day; not in the happy now and now, but in the sweet bye and bye. Is not that a miserable song that you Republicans have planned to sing to the soldier who stands outside your door telling you of his destitute circumstances, begging for work, and asking for fair treatment at the hands of his Government?

But you are going to say to him, "We will take this matter up some sweet day when the legislative demands of special interests have all been satisfied," and, Mr. President, the Nation's defenders must wait until the bosses of special privilege have been served and satisfied. But some of you say, "We will help him to acquire a home." If the Republican program is carried out, instead of helping the soldier to acquire a home you are going to do for him what a certain Negro said to another of his race once upon a time. The other Negro slapped Rastus, and Rastus said, "Who is you?" And he replied, "I is so bad I ain't got no name." He slapped Rastus again, and Rastus said, "Where is you from?" And he said, "I is so bad I ain't got no home." Rastus pulled out a .44 and said, as he shot his assailant, "We is going to dig you a home." [Laughter.] Is that what you are going to do for American soldiers in distress?

Senators, I protest against the plan that seeks to stifle and smother an honest effort to do justice by the American soldier. During the war, while our boys were in Europe, they not only defended your home and mine, they not only saved the altar places of America, but they prevented the overthrow of our Government; and while they were on the battle line fighting and dying the profiteers here at home were taking advantage of their country's distress and speculating upon their country's war needs. They were flourishing in rank luxuriance and accumulating tremendous fortunes—and when the war clouds were gone 23,000 millionaires stood out against the American sky.

These pompous profiteers are here now fighting a fair and just settlement with the boys who were serving and saving the country while they were pillaging and plundering it. What were the soldiers doing? They were fighting to save my country from the dangers that threatened it. What were the profiteers doing here at home? Taking advantage of their country's misfortune and producing millionaires by the thousands and tens of thousands. Why not tax them now to raise the money necessary to pay the Nation's defenders what the Nation owes them?

But what are these profiteers doing? They are down here buzzing around like a swarm of bees opposing fair treatment to the American soldier.

What do they say? "We have made our campaign contributions to the election of a President and a Congress, and now we ask that the goods be delivered. Slaughter agriculture in the

West; murder agriculture in the South; destroy the cattlemen of the country; leave your soldiers without employment and without anything to live upon, but do not touch our swollen fortunes. We demand the right to remain millionaires and to bequeath millions to our children, a pampered set, growing up about us, but keep bread and meat from the soldier in the street who is begging that he be aided in his efforts to live."

Senators, this is a sad but true picture. I know that some of you can not understand and appreciate it; some of you are exceedingly rich. It may be that this body is going to get back its old name of "Millionaires' Club"; I do not know. Some of you who never want for anything and represent big special interests do not know how to sympathize with the common man, who is without a dollar and out of employment. I wish I could touch your hearts and soften them, so that you would have some pity toward these boys who saved the country. I want again to remind you of the soldier who offered to sell his body for a time into slavery in order that he might get work to do and earn something upon which to live. Think of it, an American soldier offering to sell himself for something to live upon. The Republicans in their party platform and the Senator from Massachusetts [Mr. LODGE] who delivered their keynote speech pledged immediate support to a measure that would give the soldiers a quick and fair settlement. The only way they have got to get out of that pledge is to take the position, which some of them are going to take, that they do not owe the soldier anything; that they are not under any obligations to him. What an awful indictment that would be against them if that is to be written upon the records of the United States Senate.

If you are going to pay him anything, what are you going to pay him? One Senator says, "I am going to give him a little piece of land somewhere three or four hundred miles away from his home.

But the soldier says, "I do not wish to move away from my people. I had much rather have the money, which is only $350." But you say, "No; we will not let you have the money; we are going to buy land and let you have land." He says, "I do not want land; I very much need the money; money would be a blessing to me just now. I could use it to help my father and the family as well as myself." But you say, "We will not give you the money; we are willing to help you at some time, maybe, to acquire a home." "But," he says, "I want the money; I would rather have $350 now, in this time of stress and strain, when, strange to say, in this great country there is very little to do and so many people out of employment." And then he says, "Will you not try to please me just this one time? You took me and sent me away from my home 3,000 miles across the sea. You sent me out on the battle line where shot and shell and deadly gases were mowing men down like wheat at the harvest time. I did not complain. I went where you told me to go. Now will you not let me have a say in what sort of settlement I shall take when you are amply able to give me either one of them—money or land?" Are you going to say—"No; we are not going to let you have what you want; we are going to let you have what the profiteers say you shall have"?

Senators, you are not going to dispose of this question in that way. Mark that prediction. Some of you Republicans, a few of you, are not going to vote for the motion to recommit; I believe that I could name every one of you who will not vote for it, but I am not going to do it. I have certain men in mind on that side that I believe will vote against shutting the door of fair treatment and hope in the face of the defenders of the Nation. Senators, be not deceived.

Do not think that your unfair treatment of the American soldier is no more than a butterfly parade—that it will pass and be forgotten. The soldier boy will know and remember that you sent the bill back to the committee over which the distinguished Senator from Pennsylvania [Mr. PENROSE] presides; and whenever he sits on the lid, when he gets an understanding under circumstances like these as to what is wanted to be done with a measure, it goes to sleep and the places that knew it once soon know it no more forever. That is precisely what you are doing; you are putting this bill to sleep.

Senators, are you willing to take the responsibility of trying to create bolsheviks out of American soldiers, the noblest and bravest boys that ever battled? Are you willing to shut the Treasury against these boys whose voices are heard in the streets as they walk and plead for employment, for something to do to help them get a living? Will you refuse them a just settlement? Do Senators know that there are soldiers in the streets of Washington right now who are in dire distress? Do they know that some of them are committing suicide because they claim they are not able to meet the duties and responsibilities of life in these hard times?

Senators, this is no fairy tale matter and there is no politics in this and there should be none. I have voted for measures that I thought would help the West; I have followed the leadership of the able and brave Republican from Iowa [Mr. KENYON] and the Senator from Nebraska [Mr. NORRIS] and the Senator from Oregon [Mr. MCNARY] and Senators like them who have at heart the interest of the agricultural people of their sections. I have voted with them for measures which they have proposed, and they have voted with me for certain measures that looked to the relief of our farmers in the cotton-growing States.

I ask again what are we Democrats and Republicans, Members of the Senate of the United States, going to do at this particular time for the American soldier, whose claim remains unsettled? Republican boys and Democratic boys fought side by side on the fields of France. They were brothers in the blood, citizens of the same country, one heart, one country, one flag. They were there to save our liberties and to achieve victory in their country's cause. There was no politics in France when the Iowa boys and the Alabama boys side by side charged over the ramparts of the German Army. They never thought of politics. My God, are we in this historic Chamber going to think of politics now when it comes to squaring the account with the American soldier? Will there be politics now? Will a President of one faith be able to manipulate his party so that under the party lash party expediency shall be put above patriotism and the welfare of the Nation's defenders? I put that proposition to you.

You talk to me about the effort here being made to defeat a program of retrenchment and reform, and I talk to you of a time when these boys defeated a program to make you pay $40,000,000,000 of indemnity to Germany. Put that in your pipe and smoke it. Forty billion dollars was the amount that the German Kaiser had decided on. He stood on the soil of France garbed in his imperial robe, looked through his field glasses, and said, "On to Paris and world dominion." But he never got to Paris, and our boys kept him back. He would have gotten there, as the able Senator from Florida [Mr. TRAMMELL] said, if it had not been for these brave American soldiers.

Senators, I do not intend that you shall charge the so-called strained condition of the Treasury to an economic situation that has grown out of natural conditions in the business of the people or the orderly conduct of the Government. You can not do that. The demoralized condition that this Nation suffers from to-day is due to the shortsighted policy of Republican leaders in failing to get this country connected up with the other nations in peace understandings and trade relations.

I do not care whether you call it a League of Nations, an association of nations, or an international tribunal. But for your failure to give us a voice at the council table which would have enabled us and our bankers to extend credits to Germany and restore peace and establish stable government in Russia, we would not have felt any of the depressing and trying conditions that are now upon us. Do not, for God's sake, lay the blame for your short-sighted and disastrous policies at the door of the American soldier. Do not make these boys who were willing to die for the country pay so severe a penalty as such an unjust course would impose upon them. I ask you not to do that.

Mr. President, I want to repeat what I said yesterday during the speech of the Senator from New Mexico [Mr. JONES]. While the war was on we expended $10,000,000,000 in less than 18 months' time; we loaned to the Allies about $10,000,000,000; we expended in other ways many hundreds of millions of dollars; and what did the financiers of America say? They said that we could expend seventy-five billions before we reached an embarrassing point in the output of the Treasury. That is what they said, and we did not get even a third of the way on the $75,000,000,000. Now, when those who made it possible to save the balance between the twenty-four billions expended and loaned and the seventy-five billions come to us, are we going to say to them: "We are not able, with the Government in the hands of the Republican Party, with a Senate majority of twenty-odd and a House majority of more than a hundred, to take from all the Government's income one billion and a half dollars and square the account with the boys, when a Republican House has declared it is due them? You can let Wall Street have all she wants and never murmur or make it known except as I and a few other Democrats and Republicans find it out in a way that you do not understand.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER (Mr. MCNARY in the chair). Does the Senator from Alabama yield to the Senator from Kentucky?

Mr. HEFLIN. I am glad to yield to my friend from Kentucky.

Mr. STANLEY. The five hundred millions loaned to the railroads is more than five hundred millions. It is a revolving fund which is loaned over and over again.

Mr. HEFLIN. I thank the able Senator from Kentucky for his suggestion. He always makes a valuable contribution to any debate in which he participates in this Chamber. Speculative interests in New York can get all the money they want.

Mr. President, I am not fighting a proposition to aid the railroads. They are essential to the welfare and life of the country. It is the duty of the banking instrumentalities of the Government at a time like this to see to it that the great productive agencies and transportation facilities of the country are kept going, and whether it takes one billion dollars or more our banks with proper assurances can raise and furnish every dollar needed to save from destruction the business of agriculture and transportation in America. If the life-giving and life-preserving agencies of the country's business can not be aided and saved from ruin in the hour of sore need, free goverment is a failure in America.

I have long since discovered that whenever a measure in the interest of the American masses is up for consideration in Congress, predatory interests oppose it. They approach it from various angles. One says, "It is unconstitutional," and another says, "Personally I would be glad to vote for it, but the condition of the Treasury will not permit it."

Some of you are more interested in pleasing the big profiteers than you are in giving a fair settlement to our soldiers. You want to repeal the excessive profits tax first. That tax law as it stands does work a hardship and an injustice upon many honest dealers and it should be changed so as to relieve them, but why repeal it?

There are thousands of big concerns that should pay this tax. Christ Himself demanded more of the man with five talents than He did of the man with two, and the excess-profits tax and the income tax follow that very principle. Here is a fellow doing a big business. He is making money hand over fist, and the Government says: "You ought to help pay this war debt." He submitted to it while his patriotism was stirred, but just as soon as the curtain went down on the war and the spirit of selfishness and greed asserted itself he left his business and went around to Republican headquarters. He took out his checkbook and said: "Of course I have not decided what ticket I will vote."

They all bowed graciously, and, gazing with admiration and expectancy upon his check book, invited him a have a seat. Once seated, the big profiteer proceeded to say, "I am weary of the Wilson administration and I am here to contribute to the Republican campaign fund provided you will do as I want you to do." Several Republicans spoke at one and the same time, saying, "We will do anything that you and your kind say if you will help us get control of the Government." The big profiteer smiled, wrote a big fat check, and departed with the understanding that the big millionaire taxpayers would be relieved and a sales tax imposed upon the American masses. God pity them. Under your sales tax you take the tax burden from the shoulders of those most able to bear it and place it upon the shoulders of those least able to bear it.

Even the soldier would be taxed at every turn under your miserable sales tax law. Senators, I told you once before that Mr. Taft went in by a million majority and went out by unanimous consent. [Laughter.]

Be not deceived. You can not continue to do the bidding of profiteers and special interests and escape punishment at the hands of the American people.

You decline to give the aid necessary to save the agricultural industry. You force those of small means who bought Liberty bonds in time of war to sell them way below par, and now you refuse the American soldier a fair settlement in the country that he fought to save.

Mr. President, I protest against this conduct of the Republican leaders. I plead in the name of 4,000,000 of men who wore the uniform of my country, who registered a vow that they would go out in defense of American liberty and would not return until they could bring back our flag in victory. They fulfilled their vow and brought it back covered all over with the glory of their valor. We hailed with delight the home-coming defenders of our country and I saw fathers and mothers and other loved ones weep for joy when they returned from the battle front in France. And here they are, asking for a simple settlement at the hands of the American Congress. Let us imagine that one of them is present on the floor of this Chamber. "Young man, you have given to your country the best that was in you." He says: "I did all that I could." "You faced shot and shell and deadly gases—you offered your life for your country. You offered to die that liberty might live in America."

You saved the Republic. But for your heroism and faithful service all would have been lost. All honor to you, brave soldier of my country. Now you are at home again, and here on a matter that concerns you personally. What is it that you want?

"Well," he says, "the American House of Representatives last year agreed with my contention that the Government is due me a small amount, and being in need just now I am here asking, simply asking, for a settlement."

Again he says: "Certain contractors came and demanded of the Government money for materials that the Government did not use. These men were not exposed to danger and death. They remained at home. Congress appropriated the money, and the contractors got every dollar that they demanded. In my case the Senate Committee on Finance has agreed with the House that a small sum is due me. Times are hard. I have no funds and no employment, and the little due me by the Government would help me a great deal at this time."

Mr. President, the picture here presented should appeal to the heart of every honest patriot in the country. I am told that there are 500,000 of these boys out of employment.

Senators, what is this great Nation going to do—settle with these boys or invite them to do as 700 men and women did in the State of Delaware the other day, go out to the garbage pile and pick out crusts of bread and little scraps of meat upon which to eke out a miserable existence? God save them from such a fate. Senators, the situation is indeed serious when these boys, destitute of funds upon which to live, ask for employment and are unable to obtain it.

Mr. President, as a Member of the other branch of Congress I voted to summon these boys to the firing line. I voted to put the upiform upon them. I voted to put the flag in their hands, and to send them to the battle fields of France.

Now, here they are asking me, the same man who ordered them to battle, to favor a proposition which gives to them a fair and just settlement with the Government that they defended. What am I going to do? So help me, God, I am going to vote to give them such a settlement. I am ready to vote to tax the 23,000 millionaires that came into being during the war, in order to square the account with these soldiers.

I am ready to vote for an order requiring the Secretary of the Treasury to proceed to collect one and one-half billion dollars on the amount due us by foreign countries and use that money in perfecting a settlement now with the American soldier.

Mr. President, on the night before the Battle of Chateau Thierry our boys were there making ready for the great battle of the following day. The German Army had been sent down armed with new guns and wearing new uniforms. It was composed of the Prussian Guards, the pick and flower of the German Army. They were pitted against the American soldiers, with instructions to break the line and go to Paris.

Our boys are moving very quietly, in the dead of night, getting ready for the morrow. Our officers go up and down the line whispering to our soldiers, "Boys, this is a very important point that you were sent here to hold. Over yonder is the Prussian Guard, the seasoned warriors of three years of victorious fighting. They say they are going to break this line to-morrow. I call upon you, in the name of the American Republic, to hold this line." Our boys whispered back over their shoulders, "We will hold it."

Just before day the officers came back again and said, "Boys, we don't want to alarm you or cause you to think that we doubt you in the least, but we want you to know just what is at stake in the battle here to-morrow. If they break this line they are going to Paris. If they go to Paris they will go to America, and God, and God only, knows what the end will be. I ask you, in the name of your fathers and mothers and all that you hold dear, to hold this line. They must not pass." Our brave boys whispered back in unison, "We will hold it. They shall not pass."

Day dawns. The terrible drive was on. German airplanes were dropping bombs from the sky. The pell-mell charge of the Prussian Guard, four deep, was on, and our boys, God bless them, with unerring aim fired volley after volley, and every time they fired down came some of the Prussian Guard.

Bulletins were going in from the rear to Paris. The first one read:

Germans advancing. French slowly retreating. Americans holding.

The second bulletin read:

Germans still advancing. French losses heavy. Americans still holding.

The third bulletin read:

Americans advancing.

The fourth bulletin read:

Americans in full advance. German losses tremendous.

The fifth bulletin read:

There are no Germans south of the Marne save the wounded and the dead.

Mr. President, they not only held their line, but they broke the German line, and when the armistice was signed were marching toward Berlin through the gates of Sedan. On that all-important day they held the line for me and my country; and now, when they are here asking you and me to give them a fair and just settlement, by the help of God I will hold the line for them.

Mr. LODGE. Mr. President, I have no desire to cut off debate unduly, or to hurry the debate, but I think the single motion which is pending ought to be determined. This debate is standing in the way of measures which ought to be disposed of. The amendment to the Volstead Act, although I am against it myself, I think ought to be disposed of. I think also the maternity bill ought to be disposed of, and there are other measures pressing. This bill has taken its place as the unfinished business. I dislike to make an effort to keep the Senate here to unusual hours, or anything of that kind, and as Senators on the other side have suggested to me, I venture to make the suggestion now to the Senate that we try to reach a unanimous-consent agreement to vote on the pending motion on Friday.

Mr. HARRISON. May I ask the Senator at what time on Friday it is proposed that we shall take the vote?

Mr. LODGE. I would be very glad to accept any time. We do not want to stay into the evening, but any reasonable time that is agreeable to Senators on the other side will be agreeable to me.

Mr. HARRISON. Would 3 o'clock be satisfactory?

Mr. LODGE. Three o'clock would be entirely satisfactory to me.

Mr. HARRISON. Three o'clock on Friday?

Mr. LODGE. Yes; 3 o'clock on Friday.

Mr. HARRISON. Then, of course, the Senator would move a recess this afternoon in order that throughout to-morrow we might take advantage of the time.

Mr. LODGE. Certainly; to-night and to-morrow.

Mr. McKELLAR. And if some one desires to speak, the Senator will move a recess to-morrow evening also?

Mr. LODGE. Certainly; we will recess both days. That will be understood.

Mr. HARRISON. We would probably know to-morrow afternoon whether there would be much further demand for time.

Mr. LODGE. We could meet an hour earlier, if necessary. I make that suggestion, Mr. President, and ask unanimous consent that it be agreed to.

Mr. McKELLAR. Is this one of the requests which requires the presence of a quorum?

Mr. LODGE. No; that applies only to a request to fix a time for a vote on a bill or joint resolution. I ask unanimous consent that at 3 o'clock on Friday next a vote shall be taken on the pending motion to recommit.

Mr. HARRISON. Of course, there may be an amendment offered to that motion, and the agreement would carry the right to vote on any amendment that might be made to the motion to recommit.

Mr. LODGE. I do not think that any such motion is amendable.

Mr. HARRISON. That question may come up later.

Mr. LODGE. Oh, with instructions; certainly.

Mr. HARRISON. There may be a question as to amending the motion so that the bill would be recommitted with instructions.

Mr. LODGE. Certainly; that could be done.

Mr. McKELLAR. That question will come up.

Mr. LODGE. Of course, the Senate may recommit the bill with instructions. It is understood that the Senate will recess this evening and to-morrow evening.

The VICE PRESIDENT. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and the unanimous-consent agreement is entered into.

Mr. BRANDEGEE. Now, will the Secretary report the unanimous-consent agreement as he has it, so that we may be advised of its terms?

The VICE PRESIDENT. The Secretary will read the agreement.

The Assistant Secretary read as follows:

It is agreed by unanimous consent that at 3 o'clock p. m. on the calendar day of Friday, July 15, 1921, the Senate will vote, without further debate, upon the motion to recommit the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes, to the Committee on Finance.

Mr. BRANDEGEE. And upon any amendments to that motion.

The ASSISTANT SECRETARY. And on any amendment that may be offered thereto.

Mr. McKELLAR. Amendment or instructions.

Mr. LODGE. The unanimous-consent request has been agreed to, I understand.

The VICE PRESIDENT. It has.

Mr. FLETCHER. Mr. President, with reference to the agreement entered into, I do not understand that a motion to recommit is subject to amendment.

Mr. LODGE. I do not think it is.

Mr. FLETCHER. Then why put in the agreement the words "to vote on the motion or any amendment thereto"?

Mr. LODGE. Because some Senators seemed to desire to use the word "amendment," but I said "instructions."

Mr. HARRISON. Amendment or instructions. I ask that the Secretary may state the agreement again.

The VICE PRESIDENT. The Secretary will read the agreement.

The Assistant Secretary read as follows:

It is agreed by unanimous consent that at 3 o'clock p. m. on the calendar day of Friday, July 15, 1921, the Senate will proceed to vote, without further debate, upon the motion to recommit the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes, to the Committee on Finance, and on any amendment thereto that may be made under the rules of the Senate.

Mr. BRANDEGEE. Mr. President, I have not immediately before me the list of motions which may be made when another motion is pending, and, of course, there is a motion pending to recommit the bill. I understand from certain Senators they have already given notice that they intend to move to recommit with instructions, and the unanimous-consent agreement ought to apply to such a motion if it is made.

Mr. LODGE. Certainly; that is what I stated.

Mr. BRANDEGEE. If the Senator stated it, I did not hear it.

Mr. LODGE. I stated it two or three times, and asked that the word "instructions" be used.

Mr. McKELLAR. I understand that the unanimous-consent agreement covers that proposition.

Mr. BRANDEGEE. The point I make is that it would probably be a question as to which motion would take precedence of the other if that motion is made.

Mr. LODGE. What motion?

Mr. BRANDEGEE. A motion to recommit with instructions.

Mr. LODGE. The agreement was, as I understood it, that instructions could be offered. The phrase "under the rules of the Senate" I think covers it.

The VICE PRESIDENT. The Secretary will read the first paragraph of Rule XXVI.

The Assistant Secretary read as follows:

When motions are made for reference of a subject to a select committee, or to a standing committee, the question of reference to a standing committee shall be put first; and a motion simply to refer shall not be open to amendment, except to add instructions.

Mr. BROUSSARD. I understood the Senator from Massachusetts to make reference to recessing this afternoon and to-morrow.

Mr. LODGE. I stated that, and I suppose the Secretary did not put it in because he thought I could be relied on to make the motion after I promised to do so. If it is thought necessary by the Senator from Louisiana, it can be added; but I assure the Senator that I will make the motion, and if I am not voted down it will carry.

Mr. BROUSSARD. I withdraw the suggestion. It was merely an inquiry.

Mr. LODGE. I shall make the motion to-night and to-morrow night.

Mr BROUSSARD. I thought it was intended that that should be included in the unanimous-consent agreement.

Mr. LODGE. It was included in the understanding.

PROPOSED NATIONAL SUNDAY LAW.

Mr. McKELLAR. Mr. President, I ask unanimous consent to have printed in the RECORD a statement of a committee composed of certain Tennessee gentlemen, one of whom was former Senator Webb, in regard to Sabbath observance. In making this request I want to say that I do not give my assent to the proposal in the article, but it is short, and as these gentlemen desire that it shall be printed in the RECORD, I ask unanimous consent that it may be so printed.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

APPEAL TO OUR PRESIDENT AND CONGRESS FOR NATIONAL SUNDAY LAW—BY SOUTHERN METHODIST ANNUAL CONFERENCES.

To our President, Senators, and Representatives in Congress:

The annual conferences of the Methodist Episcopal Church South, of Tennessee, Louisville, Holston, Memphis, Louisiana, Upper South Carolina, North Alabama, North Georgia, Central Texas, Little Rock, North Carolina, South Georgia, Texas, South Carolina, North Arkansas, Mississippi, Alabama, Florida, and

Baltimore have each adopted resolutions urging the enactment of a national Sunday law to secure a Sabbath day's rest for every person engaged in interstate commerce and for all within Federal jurisdiction. Each of these great conferences (with a reservation by North Arkansas) has indorsed and urged the enactment by Congress of the national Sunday law first proposed by the Tennessee conference at Nashville, Tenn., November 3, 1919, which is in words as follows:

Our proposed law, as it appears in the CONGRESSIONAL RECORD of February 20, 1920, page 3377, is as follows:

Be it enacted, etc., That—

1. Hereafter it shall be unlawful for any person in the employment of the United States to work or carry on his ordinary vocation on Sunday.

2. It shall be unlawful for any person or corporation to operate on Sunday any freight or passenger train, or mail train, or any other train, or part of a train in the carrying on of interstate commerce, trade, or traffic of any kind.

3. It shall be unlawful for any post office to be open on Sunday or to deliver mail on Sunday; it shall be unlawful for any mail to be carried or delivered on Sunday by any employee of the United States, whether in city or country.

4. It shall be unlawful for any newspaper or other paper or publication published or purporting to be published on Sunday to be received, carried, or delivered as mail by any agency of the United States, in any post office, or over any route under the jurisdiction of the United States.

5. It shall be unlawful for any person or corporation engaged in interstate commerce or carrying on any business or vocation under the laws of or with the permission or license from the United States, or any of its agencies, to do or carry on any ordinary vocation or business on Sunday, the purpose of this act being to express our national determination to honor the Sabbath day and keep it holy as God commands, thereby securing for all that opportunity for spiritual and bodily refreshments decreed by our Lord for the happiness of all men and the safety of all nations.

6. Any person who does any of the things above declared unlawful, or who procures or aids another in doing any of the things above declared unlawful, shall be guilty of a misdemeanor and punished upon conviction by due process of law by a fine of not under $100 nor over $10,000 for each offense and by imprisonment for not over six months, in the discretion of the court.

7. And any corporation that does or aids in doing these forbidden things shall, upon conviction, be fined not less than $1,000 nor over $100,000 for each offense, and, upon conviction a second time for like offense, shall forfeit its charter and franchise and be enjoined from operating in interstate commerce: *Provided, however*, That emergency instances of charity and necessity are not included nor punishable under the provisions of this act.

Now, in behalf of these conferences we come pleading with you to enact this bill into law. These annual conferences now thus pleading with you—stated, with number of members, in the chronological order of their action—with their committeemen, appointed by them to urge this law upon you, and the secretaries of the other pleading conferences are as follows:

1. Tennessee, November 3, 1919; 83,448; committeemen, Noah W. Cooper, ex-Senator W. R. Webb, and Rev. Bruce Lyle.
2. Louisville, September 25, 1920; 60,058; committeemen, Rev. J. S. Thompson, Rev. E. F. Goodson, and Mr. Ed Hines.
3. Holston, October 9, 1920; 82,228; committeemen, Rev. J. S. French, Rev. E. E. Wiley, and Mr. W. E. Brock.
4. Memphis, November 5, 1920; 79,534; committeemen, Rev. J. L. Weber, Rev. L. D. Hamilton, and Rev. W. C. Waters.
5. Louisiana, November 5, 1920; 43,982; committeemen, Rev. S. H. Werlein, Mr. T. W. Halloman, Rev. S. J. Davies.
6. Upper South Carolina, November 6, 1920; 60,784; committeemen, Rev. R. S. Truesdale, Rev. B. R. Turnipseed, Mr. W. Smith Martin.
7. North Alabama, November 13, 1920; 109,951; committeemen, Rev. R. S. Lester, Rev. E. M. Glenn, Rev. W. E. Morris.
8. North Georgia, November 15, 1920; 131,533; committeemen, Col. E. W. Bingham, Col. E. W. Martin, and Rev. C. A. Hall.
9. Central Texas, November 15, 1920; 81,245; committeemen, Rev. R. C. Armstrong, A. D. Porter, Mr. John R. Nelson, and Mr. J. W. Fort.
10. Little Rock, November 19, 1920; 55,017; committeemen, Col. George Thonburgh, Rev. Stonewall Anderson, and Rev. R. P. Wilson.
11. North Carolina, November 20, 1920; 101,138; committeemen, W. W. Peele, Mr. W. B. Cocper, and Rev. R. L. Davis.
12. South Georgia, November 20, 1920; 104,719; committeemen, Rev. C. M. Ledbetter, Mr. L. H. Robinson, and Mr. O. B. Chester.
13. Texas, November 21, 1920; 82,924; Rev. D. H. Hotchkiss, Rev. John E. Green, and Rev. G. W. Riley.
14. South Carolina, November 28, 1920; 57,921; committeemen, Mr. W. D. Jenerette, Rev. J. H. Noland, and Rev. R. E. Stackhouse.
15. North Arkansas, November 29, 1920; 60,405; Rev. E. H. Wheeler, secretary.
16. Mississippi, December 5, 1920; 60,868; committeemen, Rev. C. W. Crisler, Rev. H. F. Folk, and Rev. J. L. Neill.
17. Alabama, December 13, 1920; 79,835; committeemen, Rev. A. J. Lamar, Rev. J. M. Dannelly, and Rev. H. H. McNeill.
18. Florida, December 13, 1920; 44,648; committeemen, Rev. C. W. Mathison, Rev. T. W. Tomkins, and Rev. I. W. Longacre.
19. Baltimore, April 11, 1921; 77,066; Rev. H. M. Canter, secretary.

OUR LAW IN BRIEF.

In brief this law would exclude Sunday newspapers from the mails and interstate commerce, and would prohibit all ordinary secular work on Sunday by persons engaged in interstate commerce or in Federal service, excepting always emergency instances of charity and necessity. It would stop all interstate Sunday trains, mails, newspapers, and like business for profit. Of course, it does not apply to purely intrastate business, as that power is reserved to the States, being beyond congressional jurisdiction.

SOUTHERN BAPTISTS FAVOR A NATIONAL SUNDAY LAW.

Our brethren the Southern Baptists—over 3,000,000 in number—in their recent great convention at Chattanooga, Tenn., May 16, 1921, declared it the duty of our Government "to safeguard the civil Sabbath so as to guarantee one day in seven as a day of rest for every citizen. No labor should be allowed on that day except works of necessity and charity, and all excessive and commercialized popular amusement and recreation should be prohibited. We also urge upon our legislatures, both State and National, their duty to prohibit all trade, traffic, and travel not necessary to the public good."

Many other great organizations of God-fearing citizens in all parts of our great Nation are asking and praying that public sentiment be built and laws enacted to save our civil Sabbath from destruction.

OUR REASON—GOD'S COMMANDMENT.

We ask this law because God commanded it. "Remember the Sabbath day to keep it holy; six days shalt thou labor and do all thy work, but the seventh day is the Sabbath of the Lord thy God; in it thou shalt not do any work, thou, nor thy son, nor thy daughter, thy manservant nor thy maidservant, nor thy cattle, nor thy stranger that is within thy gates." This is the fourth of the Ten Commandments. We believe God wrote them. They are the basis of all our civil and moral laws. God has never repealed any of the Ten Commandments. Christ proclaimed Himself Lord of the Sabbath and said He did not come to destroy, but to fulfill the law.

Those who have faith in God and in the wisdom of His commandments and in the Bible as His book do not want any of His commandments broken or repealed. We believe in the Bible as His book. Our Nation recognizes the Bible as God's book. We rejoice that our Nation has so recognized the Bible and that all our Presidents, judges, and chief officers have kissed its sacred pages as they took the oath of office.

We must not only put the Bible to our lips but God's commandments into our hearts and habits if we would save our Nation and help save others.

As a Nation we have put God's commandments against stealing, lying, adultery, and murder into our laws.

Now we must go further and put into our national laws God's command against working on the Sabbath.

NATIONAL LAWS TO SAVE PROPERTY, BUT NOT THE SABBATH.

We have hundreds of national laws to prevent the stealing, perversion, and destruction of property and life, but almost no national law to prevent the destruction of the Sabbath. Our Nation licenses our interstate commerce, the biggest in the world, to run its Sunday trains, newspapers, and other business for profit, in open violation of God's commandment.

Our Nation permits and requires many postal and other employees to work on Sunday.

Many millions are being constrained or led through our Sabbath-breaking interstate commerce into the terrible habit of Sabbath breaking.

STATE SABBATH LAWS BEING DESTROYED BY SABBATHLESS INTERSTATE COMMERCE.

Most of the States have Sabbath laws forbidding ordinary secular work on Sunday, but these good State laws are being ruthlessly trampled down by our Sabbathless interstate commerce. Practically every part of our Nation is invaded every Sunday by our interstate armies of Sabbath-breaking trains, newspapers, mails, and allied business for profit.

It is cursing and destroying our people.

CURSING OUR NATION, ENSLAVING MILLIONS.

It is enslaving millions to Satan's tyranny.

It is corrupting the childhood of our Nation.

It is turning our youth away from God.

It is teaching a great army of our brightest boys to buy and sell, trade and traffic on the Sabbath.

It is tearing down the high ideals of our forefathers. It is teaching disobedience, irreverence, and wickedness. It is seducing our children away from God and church and Sunday school.

It is spreading godlessness through our homes, insidiously displacing our Bibles and religious literature with Sunday news sensations, trade, sports, and scandals.

CATACLYSM THREATENS US.

For over half a century this national Sabbath-breaking tide has risen higher and higher till now it threatens us with a cataclysm of destruction.

We have sowed the wind and we have reaped some of the whirlwind, and worse is soon to follow if we don't turn from this great evil.

SOWING THE WIND, REAPING THE WHIRLWIND.

No wonder our Nation is spotted with youthful criminals! No wonder our railroads and other interests are in great distress! No wonder our churchmen are crying that moral bankruptcy menaces our Nation! No wonder our national debt has jumped from $50 per family in 1913 to $1,200 per family in 1921! No wonder we spent $32,000,000,000 on the war, or four times all our previous war expenses for 140 years! No wonder crimes and profiteering are rampant! No wonder taxes and troubles are piling up on us! No wonder the military spirit is brazen among us!

"THERE IS NO PEACE—TO THE WICKED." THE WAR—GOD'S PENALTY.

God's penalties for our national Sabbath breaking and other sins partly fell on us in the death and debt and evils of the World War. "There is no peace, saith the Lord, to the wicked." If we don't stop this national wickedness of Sabbath breaking, our Nation will soon be a mass of anarchy, selfishness, tyranny, and bankruptcy.

TO BABYLON IN 25 YEARS.

Our present pace kept up will in 25 years put us, like Israel, into Babylon; like Sabbath-breaking Europe into ruin.

SOLOMON'S GLORIOUS NATION FELL FROM PARADISE TO PERDITION IN 25 YEARS. WE ARE IN LIKE DANGER.

In the year 1000 B. C. Solomon was ruler of the richest, happiest, and most-loved nation in all the earth, because he was a partner with God and kept His commandments. Then Solomon turned from God. Twenty years later Solomon died. His nation broke in two the night he died and went into fratricidal war. And five years after Solomon's death his degenerate nation, under Rehoboam, was captured by Shisak, King of Egypt, robbed of their treasures, and put under bondage.

If Solomon's nation, with all its wisdom and wealth and glory, could fall from paradise to perdition in 25 years, surely it is no idle prophecy that if we don't turn back to God 25 more years of sinning will put us in bondage to a worse tyrant than Shisak.

"REMEMBER THE DAYS OF OLD." ISAIAH—WASHINGTON.

Let us "remember the days of old." Let us "look unto the rock whence ye are hewn and * * * the pit whence ye are digged." "For the nation that will not serve Thee (God) shall perish; yea, those nations shall be utterly wasted."

George Washington truly said that "religion and morality are indispensable supports" to our peace and prosperity. Without the Sabbath our religion will be a mockery.

God is no respecter of persons. What He said to Israel, through Isaiah, is true for us to-day: "If thou turn away thy foot from the Sabbath, from doing thy pleasure on my holy day, and call the Sabbath a delight, the holy of the Lord, honorable, and shalt honor Him, not doing thine own ways, nor finding thine own pleasure, nor speaking thine own words, then shalt thou delight thyself in the Lord, and I will cause thee to ride upon the high places of the earth and feed thee with the heritage of Jacob thy father." Isaiah, 58:13, 14.

GOD'S FURY ON SABBATH BREAKERS.

God says He will pour out His fury upon those that pollute His Sabbaths. Continental Europe polluted His Sabbaths for many years, running Sunday trains, newspapers, mails, breweries, distilleries, factories. Then came God's fury in ruinous war. Let us take warning from Israel and Europe and turn before 'tis too late.

EVERYONE HAS GOD-GIVEN TITLE TO A SABBATH REST.

We say God made the Sabbath for every engineer, fireman, brakeman, porter, clerk, ticket agent, conductor, telephone operator, editor, typesetter, telegraph operator, newspaper reporter, newsboy, hackman, mail clerk, aeronaut, and worker just as much as for Presidents, capitalists, Congressmen, judges, public officials, legislators, professors, school boys, cadets, soldiers, bankers, carpenters, and farmers. Working seven days in the week for profit will ruin any man or nation. God says so and history proves it. God assures us that six days' work in seven will produce all we need. Our Sabbath work for profit will only curse us. Every workingman has a God-given title to one day's rest in seven—for the physical rest and moral and mental refreshment of himself and wife and children. It is just as much our Nation's duty to help preserve for every man his Sabbath day's rest as it is to help preserve his property and his home and the life and virtue of his family. We have woefully neglected this high duty.

PROSTITUTION OF SABBATH AND PROSTITUTION OF WOMANHOOD EQUALLY FATAL TO ANY NATION.

Prostituting the Sabbath to mammon will ruin a nation just as quickly as prostituting womanhood to mammon. Woman and the Sabbath were both made for man, but not for him to abuse and prostitute. They were made to help man be like God.

SABBATH BREAKING IS STEALING FROM GOD.

Sabbath breaking is stealing from God—far worse than larceny. Murdering the Sabbath is worse than murdering men.

Sabbath keeping leads to all perfection and peace; Sabbath breaking leads to all imperfection and war. For our Nation to say on its coin "In God we trust" and then to license interstate commerce to wreck God's Sabbath is like kissing God with our lips and stabbing him with our right hand.

SABBATH BREAKERS SHOOTING BOOMERANGS—LIKE HAMAN'S GALLOWS FOR MORDECAI—LIKE BLIND SAMSON PULLING THE TEMPLE DOWN ON HIMSELF AND OTHERS.

Sabbath breakers are imperiling all their liberties and treasures. The Sabbath breaker shoots a boomerang that will return to pierce and curse him.

Sabbath breakers don't want to be slandered, robbed, nor killed, yet if they rob God and butcher His holy Sabbath, and turn it into a day of fun making and money making, the resulting moral degradation will breed anarchy that robs, rapes, lies, and kills without right or reason. Will a man rob God? Will a nation rob God? The Sabbath breaker is digging the grave of his fortune, his peace, and his nation. Let no Sabbath breaker delude himself. When the fourth (Sabbath) commandment is trampled down, the sixth and seventh and eighth and ninth commandments will not then avail to save the Sabbath breaker's ill-gotten gains and dearest treasures. As David told young King Solomon, we must "Keep all the commandments of God" or our treasures will be lost. (I Chron., 28:8.) For the Sabbath breakers to stand on the sixth, seventh, eighth, ninth, and tenth commandments to protect their lives, liberties, and homes, and at the same time harpoon the Sabbath of the fourth commandment, is like a man in one end of a boat shooting off the other end of the boat. They are in the same bad business as Haman building a gallows for Mordecai.

The Sabbath breaker is like blind old Samson pulling down the pillars of the temple to gain a temporary pleasure but losing his life and his all in the falling wreck and ruin.

France found that Sabbath destruction was suicide.

NOT RADICAL—HALF OUR TRAINS AND NEWSPAPERS DON'T RUN ON SUNDAY.

It may to some seem radical to stop Sunday newspapers and trains and mails, but let us remember that half our trains and newspapers and mails don't run on Sunday now. We simply ask that the other half get back into the good habit of running every day except Sunday.

Our 16,000,000 Sunday newspapers are, like so many misguided Pied Pipers of Hamelin, seducing our children into the perdition of Sabbath breaking. They are helping to destroy our Sabbath and with it our children and themselves. They could run every day except Sunday and make more character and money.

John Wanamaker and Marshall Field & Co. and many other merchants and business men and farmers don't do Sunday business nor patronize Sunday newspapers. Every business for profit should stop on Sunday. The men, the women, the homes, the children, the beasts, the very wires and iron and wheels and coaches need the rest day.

OUR LAW IS CONSTITUTIONAL—SUNDAY IS OUR CONSTITUTION.

Ours is no blue law. It simply seeks to secure Sunday as a rest day for every interstate and Federal workingman, just as our Federal Constitution (Art. I, sec. 7) expressly secures as a rest day for our President. When our Constitution was formed Sunday was generally observed as a rest day from all business. That's why it is mentioned in our Constitution.

SABBATH-KEEPING HABITS DOUBLE JOYS.

The good Sabbath-keeping habit of our forefathers still shows itself in the habit of Congress and of our legislatures and of our courts and banks and farmers and mechanics and officials not to do business on Sunday. If all these stop on Sunday, why should trains and newspapers run on Sunday? Are Sunday trains and newspapers more necessary than our courts and Congress and banks and farmers?

If our Nation can get along without Sunday work by courts and Congress and banks and farmers, it can get along much better without Sunday trains, newspapers, and other business.

We would force no lip worship of God. What we ask will take no righteous joy from anyone. Stopping work on Sunday does not embitter and ruin our President, nor Congressmen, nor judges, nor bankers, nor farmers, nor carpenters, nor professors, nor postmen, nor schoolboys. Likewise it will not sour but sweeten and brighten all persons in our interstate commerce and Federal service to stop work on Sunday. What we ask will not lessen but double our Sunday joys.

CONGRESS HAS PASSED SOME SUNDAY LAWS; WHY NOT PASS A GENERAL LAW FOR ALL?

Congress enacted a law to close the World's Fair and the St. Louis Fair and the Norfolk Fair on Sunday. That was

right. But why stop there? Congress has passed a law securing a Sunday rest to every city postman who delivers mail the other six days. Why shouldn't that law be extended to every mail clerk and to every Federal and interstate workingman? Our public schools and colleges stop on Sunday. Congress has a law that the students in the Military Academy at West Point and in the Naval Academy at Annapolis shall not have recitations on Sunday.

NO REASON AGAINST SUNDAY LAW BUT VAMPIRE OF EVIL.

Our Army and Navy now have orders and rules that all ordinary work be stopped on Sunday. Why not, then, extend these good rules and laws to our interstate commerce? There is absolutely no reason for not doing so except the vampire of evil that deadens us to duty while sapping our Nation's life blood.

UNITED STATES SUPREME COURT SUSTAINS LAWS AGAINST SUNDAY TRAINS.

In Hennington *v.* State of Georgia, in 1896, our United States Supreme Court (163 U. S., 304) held that every State had a perfect constitutional right to stop all Sunday freight trains, and in referring to a State Sunday observance law the court said:

> Its requirement is a cessation of labor. In its enactment the legislature has given sanction of law to a rule of conduct which the entire civilized world recognizes as essential to the physical and moral welfare of society. Upon no subject is there such a concurrence of opinion among philosophers, moralists, and statesmen of all nations as on the necessity of periodical cessation of labor. One day in seven is the rule founded on experience and sustained by science. * * * The prohibition of secular business on Sunday is advocated on the ground that by it the general welfare is advanced, labor protected, and the moral and physical well-being of society is promoted.

In this same decision Blackstone, the great compiler of our English common law, was quoted as saying that the keeping of one day in seven as a rest day was "of admirable service to a State, considered merely as a civil institution."

Great old Judge Thurman, in Ohio (2 Ohio State, 387), said in a memorable Sunday decision that—

> The advantage of having the day of rest so fixed as to happen at regularly recurring intervals is too obvious to be overlooked.

We should have a uniform rest day for all.

NEW YORK SUPREME COURT ADJUDGED SUNDAY NEWSPAPERS WRONG.

In 1862, in the case of Smith *v.* Wilcox, reported in Twenty-fourth New York Reports, page 353, the Supreme Court of New York held that the printing and selling of newspapers on Sunday violated the New York Sunday observance law, and said of it:

> It disturbs the public peace and quiet, interferes with the proper religious observance of the day, is opposed to good morals, and tends to draw men away from the duties of piety and religion, and can not be distinguished from traffic in any other article.

That decision should help light us now into the path of safety. Making, selling, and transporting Sunday newspapers is just as bad as making and selling mules and stoves on Sunday.

Stopping Sunday trains and papers and mails will not shock or hurt us any more than stopping lotteries, dueling, polygamy, trusts, and combines, saloons, and anarchy. We seek to harm none, but to save all. What we ask will immeasurably bless our Nation and all our people. All history and science confirm the wisdom of God's commandment.

"LET US RISE AND BUILD."

In the language of Nehemiah, who stopped Sabbath breaking and saved Israel, "Let us rise and build." Build godly habits into our national commerce. Build Sabbath observance and all its pleasures and securities into the fabric of our national life. It is just as much the duty of every Congressman to build public sentiment and law for national Sabbath observance as it is for preachers. Every Congressman should cry aloud against this great evil and not wait for others to do all the building. Otherwise it might be sadly said of them as Nehemiah said of the Israelitish nobles, that they "put not their necks to the work of the Lord"—in rebuilding Jerusalem.

CONGRESSMEN SHOULD PUT THEIR NECKS TO THE WORK OF THE LORD.

We believe the overwhelming majority of the people of our country love God and want to obey His commandments. They want to rear their boys to be Josephs and their girls to be Marys. They are being hindered and harassed by this many-headed hydra of Sabbath breaking and its allied evils. They will rejoice if you enact this bill. It will make it easier to rear our children right.

PASSAGE OF THIS BILL LIKE EMANCIPATION DAY.

Millions of mothers and homes will welcome the passage of this bill as an emancipation day from a horrid slavery. We can do it. Surely we are as wise as Ezra and Israel were in 450 B. C. At that time the Israelites were imperiled because they had violated God's command by marrying strange wives of heathen nations.

WONDERFUL REFORMS BY JEWS.

When fully aware of their sin and danger they did a wonderful thing. They came up man by man and put away their heathen wives and children whom they had learned to love. And since then the Jews have not much intermarried with other peoples. Now if the Jews 2,500 years ago could put away their strange unlawful wives and children, can we not far more easily put away this ungodly, nation-destroying habit of Sabbath breaking? Surely we can, and with the help of God we will. If we haven't religion enough to save our Sabbath from destruction by mammon, then we haven't enough wisdom to save our property or liberties.

We understand that Senator MYERS introduced a bill June 2, 1921, to stop Sunday picture shows and baseball in Washington. But there is no bill pending for the same purpose as ours to cover our whole Nation. Our bill was first prepared and indorsed November 3, 1919, read into the CONGRESSIONAL RECORD by Senator MCKELLAR February 20, 1920, at page 3377.

SUNDAY IN PEACE TREATY OF JUNE 28, 1919.

The treaty of Versailles, closing the World War, in article 127, section 5, urged all nations to provide for the adoption "of a weekly day of rest of at least 24 hours, which should include Sunday whenever practicable."

They realized that if all nations had been keeping God's Sabbath, most likely they would not have had the war cataclysm.

The citizens of our great churches and conferences plead with you to enact this law to help secure a Sabbath day's rest for all our people. If our Nation does not lead the way, what nation will?

GOD'S CALL TO AMERICA.

God calls our Nation as he called Israel to be a light to all the world, to carry His salvation to the ends of the earth. If we fail to save the Sabbath we lose all. If our Nation fails to honor it and teach it to all people, soon our boasted treasures and liberties will be torn away like Solomon's temple. And in the Babylon of ruin our enslaved posterity will weep over the folly of their God-defying, Sabbath-breaking forefathers.

Oh, we beg you to help us turn back! Now is the accepted time; now is the day of salvation. A little later 'twill be too late.

Like our forefathers who signed the Declaration of Independence, we put our trust in God and appeal to Him to guide and help you and all our citizens to set our beloved country free from this deathly tyrant of evil and to establish and perpetuate our Nation in righteousness.

Speaking the sentiment of these great conferences, we beg your prayerful consideration and early passage of this law, since it will greatly help "to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity."

Very respectfully,

NOAH W. COOPER, *Nashville, Tenn.*
W. R. WEBB, *Bell Buckle, Tenn.*
BRUCE LYLE, *Nashville, Tenn.*
Central Committee.

JULY 14, 1921.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. LODGE. I move that the Senate take a recess until to-morrow at 12 o'clock.

The motion was agreed to, and (at 5 o'clock and 5 minutes p. m.) the Senate took a recess until to-morrow, Thursday, July 14, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 13 (legislative day of July 12), 1921.

TREASURY DEPARTMENT.

COLLECTOR OF CUSTOMS.

William B. Hanes, of Des Moines, Iowa, to be collector of customs for customs collection district No. 44, with headquarters at Des Moines, Iowa, in place of Christian A. Niemeyer.

DEPARTMENT OF JUSTICE.

UNITED STATES MARSHAL.

Stillman E. Woodman, of Maine, to be United States marshal, district of Maine, vice John S. P. H. Wilson, resigned, to be effective August 1, 1921.

DEPARTMENT OF THE INTERIOR.

RECEIVER OF PUBLIC MONEYS.

Nelson D. McGinley, of Guthrie, Okla., to be receiver of public moneys at Guthrie, Okla., vice William K. Patterson, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 13 (legislative day of July 12), 1921.

TREASURY DEPARTMENT.

ASSAYER IN CHARGE OF MINT.

Annie H. Martin to be assayer in charge of mint at Carson City, Nev.

COLLECTORS OF INTERNAL REVENUE.

George C. Hopkins to be collector of internal revenue, second district of Texas.

James W. Bass to be collector of internal revenue, first district of Texas.

DEPARTMENT OF JUSTICE.

UNITED STATES MARSHAL.

Alva McDonald to be United States marshal, western district of Oklahoma.

PROMOTIONS IN THE NAVY.

To be commanders:

Frederick V. McNair, jr.	Nathaniel H. Wright.
Daniel T. Ghent.	Paul P. Blackburn.

To be lieutenant commanders:

Francis T. Chew.	Selah M. LaBounty.
Dallas C. Laizure.	Henry B. Le Bourgeois.
Howard B. Mecleary.	John L. Schaffer.
Victor D. Herbster.	

To be lieutenants:

Robin B. Daughtry.	Andrew C. McFall.
Leverett S. Lewis.	Robert N. Kennedy.
William S. Hactor.	James H. Conyne.
Edward L. Ericsson.	Thomas R. Cooley.
Harvey V. Baugh.	Chester M. Holton.
Humbert W. Ziroli.	Francis A. Smith.
Roy K. Jones.	William M. Reifel.
Heman J. Redfield.	Arthur B. Craig.
Staley S. Gambrill.	Ross P. Whitmarsh.
Henry Y. McCown.	Proctor M. Thornton.
George W. Johnson.	Roger F. Armstrong.
Elbert C. Rogers.	Frank C. Fechteler.
Lloyd G. Scheck.	John J. Bartholdi.

To be lieutenants (junior grade):

Chester M. Holton.	William M. Callaghan
Francis A. Smith.	Charles E. Olsen.
Staley S. Gambrill.	Cuthbert A. Griffiths.
Henry Y. McCown.	Harry M. Jones.
George W. Johnson.	Harry Goodstein.
Charles K. Post.	Elbert C. Rogers.
David S. Crawford.	Lloyd G. Scheck.
Walther G. Maser.	Arthur B. Craig.
Elmer R. Rundquist.	Ross P. Whitmarsh.
Robert M. Smith, jr.	Proctor M. Thornton.
Giles E. Short.	Roger F. Armstrong.
Spencer H. Warner.	Frank C. Fechteler.
Grayson B. Carter.	John J. Bartholdi.
Willment P. Martin.	

To be chaplains, with rank of lieutenant (junior grade):

Joseph T. Casey.	James M. Hester.
Francis L. Albert.	Perry L. Mitchell.
Thomas J. Burke.	Walter L. Thompson.
Edgar W. Davis.	Razzie W. Truitt.
Joseph B. Earnest, jr.	William W. Edel.

To be chaplains, with rank of lieutenant:

Ernest L. Ackiss.	Francis L. McFadden.
John H. Finn.	Robert E. Miller.
Wilford R. Hall.	John W. Moore.
Thomas L. Kirkpatrick.	Garrett F. Murphy.
Morris M. Leonard.	Joseph F. Underwood.
Haines H. Lippincott.	Frank E. Moyer.
William A. Maguire.	

To be passed assistant dental surgeons, with rank of lieutenant:

Charles S. Weigester.	Ernest M. Kenyon.
Claude A. Augonnet.	

To be assistant surgeons with rank of lieutenant (junior grade):

Charles E. Clark.	Hubert J. Lehman.
Navy F. X. Banvard.	David L. Cohen.
Rex F. Swartz.	Howard R. McCleery.
Louis F. Snyder.	James F. McGrath.
Guy E. Nicholas.	Eugene LeR. Walter.
Deane L. Chamberlain.	Frederick D. Clancy.
Errol W. Willett.	Clemens V. Rault.
Joseph A. Tartre.	John J. Haas.
Alvin B. Ward.	Edward B. Howell.
Harold A. Daniels.	Daniel A. Doherty.
Paul W. Yeisley.	Hugh R. Alexander.
Hyman Mann.	John W. Grassl.

To be passed assistant paymasters:

Russell L. Kittrelle.	Walter H. Bicknell.
Chester W. Edge.	Ernest M. Cronin.
Sidney P. Vaughn.	George W. Clement.
Robert O'Hagan.	Walton Dismukes.
Harry Atwood.	

To be passed assistant surgeons with rank of lieutenant:

Francis E. Tierney.	Dunnleigh Corey.
Benjamin H. Adams.	William S. Leavenworth.
Charles M. Atchison.	Jacob W. Troxell.
Henry G. Cannon.	James R. Thomas.
Thomas L. Carter.	Francis C. Evers.
Horace S. Cragin.	Harry B. Lehmberg.
Hormidas H. LeClair.	Berton V. D. Scott.
Ernest Ward.	Hugh R. Phinney.
James R. Whiting.	Warren C. Ives.
William H. Michael.	James E. Fetherston.

To be chief pharmacists:

Harvey H. Hogue.	William E. G. Bartle.
Chauncey R. Holmes.	Thomas F. Meagher.
John J. Lergenmiller.	Albert B. Montgomery.
Hubert E. Randolph.	Harry L. Rogers.
Joseph O. E. Hummel.	Edward A. Rozea.
Chester O. Kimball.	LeRoy M. McCallum.
Leland Rowe.	John A. McCormack.
Edward F. Aron.	Frank A. Northrup.

To be chief machinist:

John H. Chase.

POSTMASTERS.

CALIFORNIA.

Flora E. McPherson, Orosi.

ILLINOIS.

Charles W. Meier, Freeport.
Ruth M. Reilly, Highwood.
William H. Conkling, Springfield.

WEST VIRGINIA.

John J. Denham, Clarksburg.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *July 13, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our heavenly Father, human weakness is greater than human strength. In the morning it groweth up and flourisheth. In the evening it is cut down and withereth. We would be awake with God. Thou alone art able to match this mortal condition. We lift our eyes unto the hills, from whence cometh our strength. Our help cometh from the Lord. Give us courage to stand in the radiance of the white light where moral earnestness is the resistless force of our being. The Lord hath clothed it with a mantle of infinite honor. He will be our guide even unto death, and our refuge forever and ever. Through Christ Amen.

The Journal of the proceedings of yesterday was read and approved.

THE TARIFF.

The SPEAKER. The House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will resume the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill H. R. 7456, with Mr. CAMPBELL of Kansas in the chair.

Mr. BYRNES of South Carolina. Will the gentleman from Michigan [Mr. FORDNEY] yield to me so that I can ask him a question?

Mr. FORDNEY. I yield to the gentleman from South Carolina.

Mr. BYRNES of South Carolina. I want to know whether or not the letter which has been published in the newspapers, purporting to have been addressed to the gentleman from Michigan by the President with reference to the oil schedule, has been received by him, and if so whether he will not have it read to the House, so that the House can have the benefit of it?

Mr. FORDNEY. I will at the proper time, when we take up the oil schedule. I have a letter from the President, and somehow it has been placed in the hands of somebody who has caused its publication. I did not give it out and do not know how it came to be published. The oil schedule is one of the special items provided for in the rule, and if it is agreeable to the gentleman, before that is voted upon I will have the letter read. I would rather not have it read now.

Mr. BYRNES of South Carolina. What purports to be a letter addressed to the chairman of the committee has been published.

Mr. FORDNEY. So I have heard, but I have not seen the publication.

Mr. BYRNES of South Carolina. I think if the gentleman from Michigan has the letter, and has no objection, he might have it read, so that the House can know whether or not the published letter is an accurate copy.

Mr. FORDNEY. I will see about that. It was a personal letter, and not for purposes of publication; but somehow somebody has given out a copy of it, so it is claimed. I have not seen the publication.

Mr. BYRNES of South Carolina. The letter was published in the New York Times.

Mr. FORDNEY. It is my opinion that the New York Times sometimes says more than its prayers.

Mr. BYRNES of South Carolina. This was more than its prayers. It is the President's answer to the prayers of the people for relief from the proposed oil tax.

Mr. FORDNEY. I yield an hour and a half to the gentleman from Oregon [Mr. HAWLEY].

Mr. COPLEY. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. BLANTON. I make the point of order that that is dilatory.

Mr. GARNER. I hope the gentleman from Illinois will not delay the business of the House by making that point.

Mr. COPLEY. If it is desired, I will withdraw the point.

The CHAIRMAN. The point of order is withdrawn, and the gentleman from Oregon is recognized for one hour.

Mr. HAWLEY. An hour and a half.

The CHAIRMAN. The gentleman can not be recognized for more than an hour at one time.

Mr. HAWLEY. Mr. Chairman and gentlemen of the House, gentlemen who have preceded me on the Republican side have very ably and generally discussed the question of a protective tariff and its effect upon the growth of our industries and the prosperity of our people. It is my intention to speak particularly upon the schedules in the preparation of which I took an active part. I have a few brief preliminary observations to offer.

The best service we can render to the world, to our country, and to our people is to make and keep our own country prosperous.

By maintaining ourselves in a position to be large purchasers we provide a good home market and offer to the world a place in which it can dispose of its goods, wares, and merchandise.

It is of no advantage to the foreigner to have free access to our markets if we do not have the wherewithal to buy.

It has been said in the course of the debate as to the effect of our proposed tariff upon foreign nations that it will prevent them from securing the means to pay their debts; that it will close to them the finest market in the world and be a handicap to them; but I maintain, and I think it is a sound contention, that the best service we can render even to the foreigner, irrespective of any service to our own people, is to maintain conditions of permanent prosperity in this country. Then at all times we can buy the things we desire which are manufactured abroad and offered to us in trade. I can see no reason for the arguments advanced that opening our country to a flood of foreign imports—which for a time might make a beneficial opportunity to the foreigner—would be of permanent advantage to him, because when our industries closed and our people were no longer employed, when they walked the streets and our general prosperity vanished, we would no longer be a profitable market to anyone.

We can not legislate for other countries or correct their industrial or economic mistakes, but we can hold up to them the example of a great Nation prudently administered according to its circumstances and needs, which, by reason of the policies of the Republican Party, has established a standard of living, a general prosperity, and an economic and industrial efficiency that has made it the land to which the misgoverned people of the world have turned their eyes for decades, as is shown by the millions that have sought homes and place in this desirable land.

This is not a sectional bill. It provides for all productive and industrial enterprises wherever located where a protective duty will benefit them and promote the general welfare. To a certain section of the country, which so far has not seen the economic light sufficiently to induce its Representatives to support the great American principle, we have offered and do offer the equal protection of the law in this tariff bill. This is an all-American tariff on a normal basis.

The act of 1913 practically placed the products of agriculture on the free list. That act had for its purpose no intent to aid American industry or to preserve to Americans what their industry, judgment, and civilization had effected. It said to the foreigners, "Come, plunder the pockets of the American producer and workingman of the rich accumulations of their intelligence, labor, and thrift."

Now, before commenting on the schedules, I wish to say that it has been frequently stated by gentlemen on the Democratic side of the House that this is not a proper time in which to revise the tariff; that the world conditions are so unsettled that information can not be obtained; that the condition of the various industries is so chaotic that their costs, their labor charges, the prices of their materials, and the prices at which they could dispose of their products are so uncertain that no certainty could be attained in the framing of a tariff.

In answer to that I say that there never was a tariff bill framed in this country where there was available to the committee so abundant statistical matter prepared by the Tariff Commission, by the Treasury Department, by the Department of Commerce and Department of Agriculture, and from various other sources, so abundant information upon which to base conclusions as to the rates the tariff bill should contain. It has been alleged that the hearings were not of a character sufficiently extensive, or did not contain sufficient information, to enable us to frame a tariff act. We were by no means confined to the hearings.

Here are the hearings to which they refer so far as the agricultural schedule is concerned. This volume of 700 pages contains the hearings on three schedules prepared by the subcommittee, of which I as a member had charge. The greater proportion of it, however, is devoted to agriculture. For a moment I call to your attention, and to the attention of the country, the material used by the subcommittee that framed the agricultural schedule, and comment upon its character and its use. Here is a volume of more than a thousand pages entitled "Statistics of Imports and Duties from 1906 to 1918," compiled by the United States Tariff Commission for the use of the Committee on Ways and Means, containing by items the imports in quantity and in value, the import duties paid, the import price per item, the rates of duty ad valorem, and the rates of duty provided in the tariff acts. So when our opponents inquire where the committee obtains the information as to the effect of previous acts, we reply it is from this book and from numerous other official publications. This volume in a large measure states the case on the side of importations. It contains the extent of the imports for 11 years and in addition thereto there were supplementary publications by the Department of Commerce bringing the information down to date. So we had the imports for 13 years and the experience under two tariff bills and in part under a third. These statistics show not only the quantities imported and their value, but the price per item at which the foreigner could afford to do business in this country. If he could not afford to sell at these import prices he would not have shipped here, and the very fact that imports continued to come in in large quantities shows that the prices he received for his goods were satisfactory and adequate.

But there was not deemed sufficient information by the committee. We asked the Department of Commerce to have its ex-

perts prepare for our use the exports and imports from 22 principal countries of the world for all the items in the agricultural schedule. For instance, here are the sheets of imports from and exports to Canada. On these two sheets are given all the imports from 1910 to 1920, and on these two sheets all the exports to Canada from 1910 to 1920. This, I think, is the most valuable conspectus of our trade relations with the rest of the world so far as it concerns agricultural products that has ever been compiled. It has not yet been printed, but it seems to me that it should be printed as a public document.

Our Democratic friends have been very much concerned lest we should establish against the rest of the world tariff relations that would provoke retaliation. The Department of Commerce has an expert on tariff matters considered by men competent to judge to be the most capable man in this field in this country. He spent about three weeks compiling for us tables showing the rates of duty charged on our agricultural products when imported into foreign countries. They have not waited for us to begin the tariff legislation. They have preceded us in this matter. We have not started any war on tariff matters. We are only taking into consideration the fact that other countries considering the value of their own home markets to their own people, the aggrandizement of their own country, development of its resources, enrichment of its people, the enlargement of the comforts of life, have levied duties against all the world and against us, providing that our products should not come into them on terms unfavorable to their own people. We announced our policy many years ago, and are only continuing the announced policy which has been copied in practically all the civilized industrial and manufacturing nations of the world.

We have not built up in this country a tariff wall to keep out products. That is not the intent, as I understand, of the Republican policy. But we have built up in this country a civilization on an entirely different basis from that of every other country.

We pay our people who manufacture goods, who produce the raw product, who operate the machines, who toil with their hands and with their brains, a greater remuneration for the services they render than is paid anywhere else under the shining sun. We have done that, and at the same time have given to thrift and enterprise, to judgment and business acumen, and to the use of the accumulations men have acquired, a reasonable return upon the things that they produce. We have built up a great agricultural country, so that from the raw material to the finished product we are practically a self-sufficient Nation. Now, we say to the rest of the world, "You are not entitled to any selfish return or remuneration to your people beyond that which they receive at home. You are not entitled to profiteer in our markets at the expense of our people. You are not entitled to come into this country to deprive our people by any unfair advantage of things we have conjointly made." We intend to maintain our civilization, and to require other nations to meet us on that plane.

When foreign products come into this country—and we are not proposing to keep them out—they must not come in on a basis which will disrupt our American markets. We, in effect, say to them, "You must not disturb the orderly and rightful relations between capital and labor, between the producer of the raw products and the purchaser of the finished products; you ought not to come in here and sell to the disadvantage of the people who made the market."

Why should we have expended so much labor and capital, undergone such long and toilsome hours, devoted so great intelligence and energy to inventions and the improvement and development of industry, exercised thrift and experienced privations, and then not keep our own and enable our own people to enjoy what they have accomplished?

On the table before me here are charts prepared by the Department of Agriculture showing the quantities of various agricultural products produced in this country, fluctuations in price, and incidentally the development and retardation of the industry under the influence of foreign competition; here is a large volume entitled "The Summary of Tariff Information," prepared by the Tariff Commission for the use of the committee; here are various agricultural yearbooks and publications of the Department of Agriculture, containing in detail an immense volume of information concerning production in this country, its increase or diminution, farm prices and market prices, exports and imports, and the prices at which exported and imported; also numerous publications of the Tariff Commission covering all the subjects dealt with; and here are various bulletins and publications issued by the Bureau of the Census. We also consulted publications of authorities not printed by the Government. For instance, this book, entitled "Agricultural Prices," was written by the Hon. Henry C. Wallace, now Secretary of Agriculture. If anyone seriously, either in the House or elsewhere, desired to obtain information upon which to frame a tariff act he could obtain an enormous amount of statistical and other information, to digest which would require untiring industry and patience. We also had expert assistance and guidance in the matter of the collection and interpretation of the material available. Here is a copy of the Statistical Abstract, and without further commenting upon the volume of material upon this table I will summarize by saying that it is only a small portion of that which we had at our disposal.

This material was supplemented by an immense correspondence, including scores of carefully prepared briefs by persons interested, on all sides of the tariff question, by information submitted by hundreds of witnesses, by Members of Congress, and by other representative people who appeared before us.

What is true of our subcommittee is true of the other subcommittees. I observed day by day their patriotic devotion to their duties, the unflagging zeal with which they investigated the matters committed to them, their vigorous search for information and the fearless and impartial judgment they exercised in determining its value, the meticulous care with which they prepared their schedules, and their faithful devotion to duty. We endeavored to emulate their example.

As I stated a moment ago, the act of 1913 practically placed the farmer on the free list. In the reorganization and rehabilitation of our industries there is no question, I think, of the right of the farmer to protection comparable to that which others receive under similar conditions, and we have endeavored to provide for the farmer and the agricultural interests generally the same rate of protection, the same right to sell in his own market under the same favorable conditions that any other industry in the country enjoys.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. STAFFORD. The gentleman has given very thorough consideration to the cost of production of agricultural products. Will he kindly inform the committee in respect to the difference in the cost of labor in the production of wheat in Canada and in the United States?

Mr. HAWLEY. The labor cost of producing commodities in Canada varies somewhat with the commodity. In some instances their costs are not very much lower than ours. In other instances they are considerably lower. The difference between the United States and Canada, taking wheat or hay or potatoes, lies in the greater productivity of the soil of Canada, the greater crop per acre. For instance, durum wheat raised in the old Northwest Territory. A volume entitled "Agricultural Staples and the Tariff," by the Tariff Commission, shows that in 1910 and 1914, which it says are typical years in both countries, the cost of production of wheat per bushel in Manitoba, Saskatchewan, and Alberta, as compared with Wisconsin, North and South Dakota, and Minnesota, was 20 cents less per bushel, and the Canadians obtained about 7 bushels more per acre. These are among the factors in determining the duty on wheat.

Mr. MADDEN. Does that include the difference in the cost of the land as between the United States and Canada, or just the labor?

Mr. HAWLEY. It includes the production costs.

Mr. MADDEN. Of course, there would be a great deal of difference in the cost of the land, which is worth less in Canada than here.

Mr. FESS. In the great wheat countries of Manitoba and Alberta, where they have only recently been opening it up, is not the land considerably cheaper than it is in our own country?

Mr. HAWLEY. Very much cheaper, and more productive.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. BLANTON. The farmers of the country are absolutely dependent upon good roads to market their products. The gentleman's party is proposing a duty of $1.50 a ton on crude asphalt and $3 a ton on the dried, reduced. The gentleman surely knows that foreign asphalt which comes into this country does not compete in any manner whatever with any asphalt that is produced in this country, because it is a different kind entirely. Why then put this duty on foreign asphalt, to the injury of the farmer?

Mr. FORDNEY. Let me say to the gentleman from Texas that he [Mr. BLANTON] is wholly in error in the statement which he has made, and I shall prove it to him a little later, when I shall take the floor.

Mr. BLANTON. Oh, it is just a difference in statistics—mine and the gentleman's.

Mr. HAWLEY. From the farm come two principal necessities of life—food and clothing—and one other great product, men and women, sound in body and sane in mind, who have gone, to the great profit of the other industries, into their

employ. [Applause.] The products of agriculture, unlike those of manufacturing enterprises, can not be quickly increased to supply the demand or diminished when consumption declines. The best service then that a protective tariff can render the farmer is to effect a stabilization of conditions under which he works, a stabilization of prices, and a stabilization of the relation between imports and exports. Under all the circumstances—which I shall not have time now further to discuss—we should give the farmer an opportunity in his home market and prevent imports from breaking prices.

Mr. BLACK. Mr. Chairman, will the gentleman yield for a question?

Mr. HAWLEY. Yes.

Mr. BLACK. The gentleman spoke of the cost of producing wheat in this country and in Canada. If we did not meet the 35,000,000 bushels that entered into this country in competition here, would we not have to meet them in the European market, and so, therefore, is there any difference in the long run in its effect upon the price of wheat? Does the gentleman think there is any real difference?

Mr. HAWLEY. There is a real difference, and if I had the time and had the charts showing the railroad and transportation charges and the conditions of shipment I think I could show to the gentleman and to the House that there is a very material difference between bringing the wheat into the mills or warehouses or cities where our own wheat must be marketed and there actively competing bushel for bushel, side by side, and meeting some remote competition abroad.

The greater proportion of farm products are consumed in the counties where grown, generally speaking. Only the surplus over, or marketable surplus, enters into the markets. This marketable surplus will be increased under favorable market conditions. The producers of this country compete with each other as well as with foreign producers in our own markets. Prices for their output are usually fixed at places far distant from where the products are grown and by persons other than the producers themselves.

Mr. MADDEN. Any competition at the lower price in the local market, no matter how small the product is, will lower the price, although that is right on the ground, of course?

Mr. HAWLEY. Yes.

Mr. MADDEN. And having to compete in the world's market does not make any difference. We have to compete there now on equal terms.

Mr. HAWLEY. A just and effective basis for maintaining a proper relation between our rural and urban population is to make the returns for the intelligence, thrift, and labor employed in agricultural industry as remunerative, so far as legislation can effect it, as that received by other people for a similar amount of labor, intelligence, and thrift. And the household budget of the consumers of agricultural products will benefit by the stabilization of agriculture, because it has the effect of stabilizing the prices at which the consumer buys. It is to no advantage to the ordinary consumer to get things occasionally in the market at a very low price and then at other times at a very high price. It disturbs the orderly family budget and the relation between income and expenditure and possibly at a time when that disturbance of that arrangement will be most inconvenient to the people affected.

The agricultural schedules affect over 30,000,000 of our people. The census shows that agriculture needs as much attention as any other industry in this country, for the mortgages on farms have increased in the last 10 years from about $1,700,000,000 to over $4,000,000,000. We must not become dependent on outside countries for food and clothing. We must depend upon our own country for these essentials of human life. We observed during the recent war a serious situation in which our country found itself, increased production being vigorously urged and economic use insisted upon. Fortunately we had a loyal, industrious, and intelligent agricultural population to which to appeal, and an agriculture fostered and developed under Republican policies.

Mr. FESS. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. FESS. The gentleman has just made a statement which is very startling to me, that mortgages upon farms have increased from a little beyond a billion to nearly four billions of dollars. Does that mean that the owners of the farms are borrowing or does it mean that more people without farms are buying?

Mr. HAWLEY. That own farms——

Mr. FESS. What I am trying to get at is whether there is a drift for the landless to buy farms, therefore going in debt for them, or is the farm owner forced to borrow money by mortgaging his farm?

Mr. HAWLEY. The number of farms in the United States in the last decade increased, as I remember, about 87,000 in the 10 years. The amount of the mortgage debt in 1910 was $1,726,172,851, and in 1920 it was $4,012,711,215.

Mr. FESS. Then we can say the farmer is now in a worse condition than 10 years ago. Is that true?

Mr. SMITH. Is not that condition due to the fact that there has been a great deal of transfer of farm lands during the last two years by people who bought the property for half down and took a mortgage for the balance?

Mr. FESS. Is it true the farming interest now is in a worse condition as expressed by these heavy mortgages than 10 years ago?

Mr. MONDELL. Will the gentleman yield to me before he answers?

Mr. HAWLEY. Yes.

Mr. MONDELL. Just for a statement which was made to me on this particular point within 24 hours. A gentleman from one of the rich agricultural counties of the trans-Mississippi country told me that farm mortgages in his county prior to the war amounted to $3,000,000, and they now amounted to $19,000,000. I said, "Why the difference?" He said, "Almost wholly due to the fact that the farm lands increased in value from 100 to 150 per cent, and a great many sales were made at the very high figures of the war, but in a majority of cases the large part of the increase is represented by the mortgage." I do not know how general that is, but that is the testimony in reference to one county.

Mr. LONDON. I think the answer can be given by giving the proportion of farms mortgaged and proportion of farms clear of mortgage. What is the relative proportion now between farms mortgaged and farms clear of mortgage? That would answer the question asked by the gentleman from Ohio. It is probably in the abstract.

Mr. HAWLEY. I have only the mortgage statement. In the arrangement of this schedule the duties determined upon are moderate, it being the judgment of the committee that moderate rates of duty for a long period of years are more profitable to any producer or manufacturer than higher rates for a very short time. The Payne bill went into effect in 1909. If the entire Government—President, Senate, and House—had been subject to the succeeding election, it would have lasted only two years, so the theory we are proceeding upon, without comment upon or comparing the rates with former bills, is to make a tariff on a normal basis.

Now, in the determination of the basis upon which to make these rates we proceeded in this way: We had the imports from 1908 to 1920, and the prices at which the articles were imported. We had the course of industry abroad stated in the documents. We had the production, the consumption, and the exports of this country, and the farm price and the market price and the export price.

Each duty is based upon its own facts.

A new disturbing factor has arisen in recent years, and that is the competition on a large scale by the oriental nations, whose whole-family production of many staples places them on nearly a no-cost production basis. The quantities produced are very large.

We determined, in our judgment, that the new normal would not be as low as the prices before the war nor nearly so high as the prices since the war or during the war. But, taking the average of all these prices—and there were hundreds of them averaged before we reached our conclusions—we determined that in all probability the new normal would be a little lower than the average of these prices. There is no better basis, in my judgment, for the determination of what prices will be in the future than to take the history of the industry competing with us abroad—the prices at which they send their products to this country; our production, our farm prices, our market prices, our export prices, our consumption, and the effect that that competition abroad had upon our own industry; and then, further, the effect that the production from abroad had upon any particular item in this country as shown by the tariff placed upon that article.

For instance, let me illustrate by taking the case of beef. Under the act of 1897 the rate was 2 cents per pound. During the life of the bill we were on a strong net export basis. The act of 1909 reduced the duty to 1½ cents per pound, with the result that our exports steadily declined until in 1912 they were only about 7,000,000 pounds. The reduction of the rate was followed by the reduction in exports, and would have placed us upon a net importing basis had it not been superseded by the act of 1913.

When you go out on the farms and inquire why that was so, you find a diminution of the live stock raised by the farmer. There are less meat animals in this country per hundred of population than there were in 1880. We consume less meat in

this country by reason of the falling off in production than we consumed at that time, by about 40 per cent, although that seems to me to be too high and I will verify it directly. The act of 1913 placed meats on the free list. We went in the first year to a net import basis of about 108,000,000 pounds. That was in 1913, and the act was only in force a part of the year. In 1914 we went to a net import basis of 461,000,000 pounds. In 1915 the war had begun to change the situation. The demand for meat abroad had increased. The net imports were reduced to 147,000,000 pounds. During the war we were on an export basis again. But in 1920, when the present act of 1913 again became operative, we were again on a net import basis of over 42,000,000 pounds. In order to maintain the live-stock industry of this country, it is evident that a protective duty is necessary, taking all the conditions on the farm into consideration, the costs of production, the necessity in this country for that product, and its necessity in the maintenance of the fertility of the soil. We raise live stock in order to consume the corn crop, the cereal products, the hay, and various other farm products.

There is an important relation between all farm commodities, one dependent upon another to a very large extent. Taking into consideration all these facts and that there has grown up in South America, as well as in other parts of the world, an extremely important cattle, sheep, and other live-stock industry, we decided that in view of all the facts and for the public good the duty on fresh beef should be 2 cents a pound.

Mr. LONDON. Will the gentleman yield for a moment?

Mr. HAWLEY. Yes.

Mr. LONDON. Did I understand the gentleman to say that the consumption of meat had decreased 40 per cent in the United States?

Mr. HAWLEY. I had these papers all well arranged once upon a time, but I do not see the particular table——

Mr. LONDON. May I call the attention of the gentleman to page 760 of the Statistical Abstract of 1919, showing the extraordinary increase of exports of meat and meat products? Now, if it is true that the consumption of meat and meat products has diminished by 40 per cent in the United States, it would simply indicate that the people of the United States are being underfed so far as meat and meat products are concerned, or that they have adopted substitutes for them.

Mr. HAWLEY. What year did the gentleman quote?

Mr. LONDON. Nineteen hundred and nineteen, from the Statistical Abstract. That is the very last we have.

Mr. HAWLEY. We were on a net export basis in 1916. Imports increased in 1917, and in 1918 they were materially larger than for the preceding year, and in 1919 we were still on the export basis on account of the war of nearly 270,000,000 pounds. The statement I made was from memory. I believe the percentage was too large, and will give the figures exactly a little later in my remarks.

Mr. LONDON. That meat production in the United States has decreased to the extent of 40 per cent? Is that the statement? The number of meat animals per hundred of population has declined?

Mr. HAWLEY. Here is a statement of our net imports and exports of beef since 1900.

United States foreign trade in beef, in pounds, 1900–1920.

Fiscal years.	Net exports.	Net imports.
1900	606,579,000	
1901	681,652,000	
1902	615,482,000	
1903	601,148,000	
1904	764,714,000	
1905	689,415,000	
1906	753,492,000	
1907	602,733,000	
1908	447,098,000	
1909	254,414,000	
1910	136,774,000	
1911	114,681,000	
1912	7,380,000	
1913		108,770,000
1914		461,271,000
1915		147,205,000
1916	57,601,000	
1917	145,411,000	
1918	371,947,000	
1919	269,800,000	
1920		42,355,000

NOTE.—Imports of live cattle are converted into terms of beef as follows:
1900–1914, 375 pounds per head.
1915–1920, 450 pounds per head.
Exports of live cattle are converted into terms of beef as follows:
1900–1914, 600 pounds per head.
1915–1920, 450 pounds per head.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. HAWLEY. Yes.

Mr. BLANTON. The gentleman from Ohio [Mr. FESS] and the speaker could not understand why farm loans should have increased from 1910 at $1,000,000,000 to $4,000,000,000 now. That is very easily understood when you remember that the farm loan act permits them to shift their loans, and instead of paying 10 and 15 per cent interest to the banks, as they formerly did, they now have to pay only 6 per cent, and naturally they have been borrowing more money. There has been a shifting from banks to bonds under the farm loan act.

Mr. HAWLEY. That does not account for the tremendous increase, because the loans under the Federal farm loan act do not approach anything like that sum. Has the gentleman from New York [Mr. LONDON] retired from the room?

Mr. LONDON. I was consulting the Statistical Abstract.

Mr. HAWLEY. In looking over my papers I have found the tables showing meat consumption I was seeking, and I will put the statement in the RECORD. I think my figure on the percentage was too high.

Mr. LONDON. I thought so.

Mr. HAWLEY. There has been a steady decline, and I will put the exact figures from the Government report in the RECORD.

Mr. LONDON. Thank you.

Mr. HAWLEY. The following is the statement:

ALL MEATS.

Estimated annual production, exports, imports, and consumption of all meats[1] (excluding lard) in the United States.

Calendar year.	Slaughter. Total.	Slaughter. Federally inspected.	Slaughter. Other.	Exports.	Imports (less re-exports).	Consumption. Total.	Consumption. Per capita.
	Million pounds.	*Million pounds.*	*Million pounds.*	*Million pounds.*	*Million pounds.*	*Million pounds.*	*Pounds.*
1907	16,003	9,399	6,604	1,397	.....	14,636	167.4
1908	16,057	9,441	6,626	848	.....	15,219	170.9
1909	15,060	8,835	6,225	637	.....	14,423	159.0
1910	14,502	8,412	6,090	412	.....	14,090	152.5
1911	15,946	9,368	6,578	534	.....	15,412	163.9
1912	15,162	9,030	6,132	486	.....	14,676	153.5
1913	14,640	8,763	5,877	507	41	14,174	145.9
1914	14,039	8,585	5,454	475	323	13,887	140.9
1915	14,967	9,384	5,553	1,309	129	13,787	138.5
1916	15,922	10,248	5,674	1,304	38	14,656	145.5
1917	14,740	9,906	4,834	1,322	44	13,462	131.8
1918	18,041	12,006	6,035	2,454	210	15,797	152.5
1919	17,326	11,320	6,006	2,215	62	15,173	144.5
1920	16,051	10,259	5,792	1,003	160	15,118	142.1

[1] Includes small quantity of goat meat not given separately.

The figures in the table above are merely the addition of the various meats in the previous tables plus a small quantity of goat meat. The latter, however, furnishes only about one-tenth of a pound per capita of the total meat consumption in the country.

It may be seen from the last table that the banner year in meat production was 1918, when a little over 18,000,000,000 pounds were produced. Two-thirds of this meat was examined and certified as fit for human food by Federal inspectors. One-third, or 6,000,000,000 pounds, was subject to State or local inspection, or no inspection at all, and practically all of this was slaughtered and consumed within State boundaries. During the last two years the production has fallen off at the rate of about 1,000,000,000 pounds a year, but because of the decrease in exports there was little change in the consumption totals of 1919 and 1920.

In the determination of the rates we found various problems. For instance, the wheat problem is not generally a national problem, although under certain market conditions it may affect temporarily the entire country. It is confined to the border States with Canada, especially in the spring wheat, hard wheat, and durum wheat growing sections. Any duty that will take care of those sections will take care of all the rest of the country. We did not at all times nor generally give the high rate of duty that was requested, but we made what appeared to be a fair average rate of duty, the idea being to prevent the imports of grain into that section at an unfair price. If it enters practically on a level, with possibly a slight advantage to the American grower or on terms that stabilize the market, that is all that the American grower is entitled to, because we deal in this bill with two great classes, the consumer as well as the producer, and the welfare of the consumer is equally as important to the farmer as is his own welfare. The market for his products, a steady and continuous market, and a strong demand for his products, are better for him over a period of years than varying fluctuations of prices that may give him a great return at one time and practically leave him in debt at another.

The fluctuations are seasonable. At times there is no competition in this country between our own agricultural products

and those of foreign countries. The quantities coming in are small. They have no effect on the market, and for that reason the duty on the agricultural products does not universally apply. It is not intended universally to apply. It applies only in case of need. But when the farmer needs protection his need is very great. It must always be remembered that the price received by the farmer for his products is one price and that paid by the consumer a very much higher price. For long periods a particular duty may have no application, no relation to the price. It may not affect the price at all.

In the case of imports of corn from the Argentine, not long since the people of certain counties in Pennsylvania offered their corn in the local market. They had a very good quality of corn and a goodly quantity. The local buyers to whom they expected to sell it did not bid. Inquiry was made, and it was found that the local buyers had imported several carloads of corn from the Argentine at a price, under the act of 1913 duty free, greatly below the price at which the farmers in Pennsylvania could produce the corn.

Now the duty on corn is 15 cents a bushel. Some think it should be increased. But we decided on that amount, not because it was the duty in any other bill or because it was the duty asked by any group of people, but because the history of the industry and the history of the imports into this country and our exports and our markets, farm and export prices, indicated that in a generality of cases in competition arising from imports from abroad this amount would offset the disadvantage to the American producer as against the low cost in a foreign country.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for a question?

Mr. HAWLEY. Yes.

Mr. BANKHEAD. Can the gentleman give us the quantity of corn that was imported into the United States in the last year?

Mr. HAWLEY. The quantity of corn imported last year?

Mr. BANKHEAD. The amount.

Mr. HAWLEY. I can; but it will take some little time to find the figures among my papers here.

Mr. BANKHEAD. Then it is immaterial.

Mr. HAWLEY. I regret I do not have that particular reference in my notes here, but all the figures and all the statistics are available. I had somewhat indulged the hope that in the preparation of this great bill, in the passage of which men vote for the life and welfare of America and the glory of our flag, that Members had acquainted themselves with the facts and figures so liberally furnished by our Government. [Applause.]

Mr. BANKHEAD. Is the gentleman making that observation in connection with my inquiry? [Laughter.]

Mr. HAWLEY. That was a general observation.

Mr. BANKHEAD. I can say to the gentleman that the average Member of the House has had very little opportunity to examine the facts and figures that were available to the members of the committee.

Mr. HAWLEY. To that observation I think I could answer with this, that there is not a book here that can not be had for the asking, except one that I obtained from the Congressional Library.

Mr. FREAR. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. FREAR. My suggestion as a member of the committee is—and the gentleman may put that in the RECORD—it is practically impossible that one having the floor should be able offhand to refer to the papers affecting the innumerable items that enter into the bill. I think that explanation would be acceptable.

Mr. HAWLEY. I have a good working document for use in debate under the 5-minute rule, where the facts and figures are worked out in great detail.

Not very many commodities coming into this country from abroad compete generally throughout the country, and all of them do not compete at the same time. I am speaking, of course, of the agricultural schedule. That is to say, of the vast number of agricultural imports only a few will be actively competitive at any particular time. The rest will be quiescent, and only parts of the country will be affected.

Now, it might be asked by some, that that being the case, why should we levy a duty and apply it universally when it would affect only a locality at times? For these two reasons: First, that it is impossible to levy duties in any other way; and, second, the duties will apply in any locality when the need arises for such application. The duties, being universally applicable, will accomplish that which we said was the great purpose of this particular schedule, the stabilization of industry. At times Maine needs a duty on potatoes; in fact, most of the time. Part of the time New York needs a duty on potatoes, at times Florida needs a duty on potatoes; all depending upon market conditions and trade relations. Consequently a duty of universal application by its terms applies only locally, according to the needs of a community in the stabilization of the industry.

I wish to emphasize that particular statement. It may be said that the duties in the agricultural schedule will raise the prices of the commodities consumed by the people. If anybody will go into these various statistics, of which only a part are represented here, and will examine them, he will find that the duties on the agricultural products are in the majority of instances inoperative. In the case of some of the products near the marginal line, they are effective nearly all the time. While comparative costs of production are an essential factor, favorable or unfavorable seasons, ravages of pests, unusual yields, and other incidents of production have an effect on competition that must be carefully considered.

The competitive conditions do not exist. They are operative only when the competitive conditions exist. Consequently they will not have any effect on prices during a great portion of the time. But when the time comes when the farmer needs protection on his corn or on his meat against the Argentine, or on his butter against Denmark, or on eggs against China and Japan, or on his other commodities against various parts of the world, the duty is there and will give him that protection and that stabilization of his industry which it was intended to give. [Applause.]

Mr. FESS. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. FESS. It is not a question of the amount of importations, even taking the year through, but it is the ability to get the product from Argentina that will determine what the price will be here, so that the question as to the amount of importations we have already made is not significant as bearing on the price we get for our own products.

Mr. HAWLEY. That is a very just observation. Let me comment on it just a moment. A small amount of any commodity coming in steadily through the entire year may after a time have comparatively little effect on the price of the American product, because the American industry may adjust itself to that, unless the amount coming in is considerable. In a moment you will see the reason why I say a small amount. The industry will adjust itself to a small amount coming in regularly; but if that same amount all came in in one month or one week—even though when scattered over the whole year it might be a very small percentage of the total consumption—or if it all were combined into one importation it might absolutely break prices not only at the time the shipment or shipments were received but for a considerable period thereafter. No one would know what the price was going to be, and such shipments come in very frequently at the time when the farmer is compelled to sell, reducing the price at the time when he must sell his crop in order to get the money to pay his operating expenses, his harvesting costs, and to pay for his labor. And the importation of an insignificant amount in proportion to the total of our production, if it all came in at one time when the market would not bear the strain, might cause the loss of millions to the farmers of this country.

Mr. BLACK. Will the gentleman yield?

Mr. HAWLEY. I yield to the gentleman from Texas.

Mr. BLACK. Is it not the history of the importation of these agricultural products into this country that they are imported in large quantities only during the period of high prices when the consumer is in need of some relief? And is it not true that immediately when the prices went down in this country—on wool, for example, and on wheat and corn—the importations of those articles ceased or greatly diminished in quantity?

Mr. HAWLEY. And the farmers decreased in their profits, and live stock decreased in numbers, and everything decreased under the act of 1913.

The CHAIRMAN (Mr. TINCHER). The gentleman from Oregon has consumed one hour.

Mr. GREEN of Iowa. The gentleman was yielded an hour and a half, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa yields to the gentleman from Oregon an additional 30 minutes, and he is recognized for 30 minutes.

Mr. HAWLEY. Questions have been asked several times relative to the reclassification, and I will speak of that before I proceed with some further comments upon the schedule. There has been prepared by the Tariff Commission for the use of our subcommittee—it ought to have been published some time ago, but was held up in the Printing Office, apparently—the act of 1909, the act of 1913, the present proposed act, and

an accompanying statement of the reasons for the reclassification, the Tariff Commission not dealing with rates.

There will also be published with it statistics, and their availability elsewhere is the reason why I do not quote these statistics at large in my remarks as showing by paragraphs the items, the production in this country, the imports and exports, quantities and values, since the year 1908, so that anyone of an industrious habit and an inquiring turn of mind can take this document, and with all this mass of material can find out anything he desires to know about the agricultural schedule—and the more he studies it the better he will like it. [Applause and laughter.]

Mr. LONDON. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. LONDON. This information will not become available until we are through with the debate, and it will be scattered in a number of documents. In order to get it in compact form I would suggest that the gentleman print it as part of his remarks. I have sent to the folding room for a copy of the index to the tariff bill and can not get it.

Mr. HAWLEY. The gentleman would not suggest that all this mass of material go into the RECORD?

Mr. LONDON. Why not? We need it during the discussion of the tariff.

Mr. HAWLEY. I would like to see it published, but really I have not the audacity to ask to print such a large mass of material as an extension of my remarks.

Mr. LONDON. The index to the tariff is not available in the folding room, nor is the comparative schedule of wages available.

Mr. FORDNEY. It is available here at the desk and has been for two or three days.

Mr. LONDON. One copy?

Mr. HAWLEY. No; it is printed in quantity.

Mr. LONDON. I tried to get it at the folding room and could not.

Mr. HAWLEY. I would like to comment briefly upon the arrangement of the paragraphs and the reasons for some of the reclassifications. In the former law there was no apparent orderly arrangement of the items. For instance, cattle were in the early part of the agricultural schedule. Beef was further on and prepared meats were in another place, extracts of meat in still another place, and tallow in yet another, so that in looking at the schedule you could not determine any relation between the rates of duty on the several items. Animals and their products are included in the present bill from paragraph 701 to paragraph 706, inclusive. To show you the plan on which we proceeded, we will take the case of cattle. Beef cattle are raised for their meat. We determined, then, that the basic duty for this paragraph would be the duty on the meat.

Having determined that duty in the manner I have already explained, at 2 cents a pound, the question then was, What shall be the rate on the live animal and on the products of the animal? Fifty-eight per cent of the live animal goes into edible products, and the manufacturer who transforms the live animal into the finished products gets about 65 per cent out of the live weight of the animal in some form of value or other. We therefore found by the strict conversion rate that the relation of the live animal to 2 cents a pound on fresh beef was 1¼ cents for the mature animal, and a little less for the immature animal. Then we fixed the price on preserved meat, canned and otherwise, on the conversion basis of 2 cents a pound on the fresh beef. This arrangement shows a scientific relation between the several items and duties in the paragraph.

We changed from a duty in the numerical count of live animals to the pound basis. For instance, a man going into Canada buys 500 steers for feeding purposes. Under the former law he paid a fixed amount per head on each animal. Suppose they weighed 800 pounds each. Another feeder buying beef cattle in Canada might buy 500 head weighing 600 pounds apiece. One man would pay the same amount of duty as the other, but the man who bought the 600-pound animals would feed them up to 1,000 pounds each for the market, and the other man who bought the 800-pound animals would feed them up to 1,000 pounds. The one would add 400 pounds and the other would add 200 pounds to each steer. Under the old arrangement of levying the tariff per head, one man would pay a duty on 200 pounds of meat that he himself put on in this country that his competitor did not pay. To place all on an equal basis we put the duty on the pound basis, and the man pays when he imports the cattle only the duty on the amount of meat he imports.

Now, we desire that cattle come into this country for feeding purposes, to consume the corn and other cereal products, the hay and feedstuffs that we manufacture. But if the cattle come in from Mexico, averaging about 500 pounds each, and pay the same rate of duty as cattle coming from Canada, averaging 750 pounds each, the man buying the Mexican cattle to feed would be at a disadvantage over the man buying and feeding the Canadian cattle.

The arrangement of schedule by paragraphs is as follows:

Meat animals and products	701–706
Dairy products	707–710
Birds, poultry, and poultry products	711–713
Other animals and animal products	714–717
Fish and fish products	718–722
Cereals and cereal products	723–734
Fruits and fruit products	735–750
Nursery and greenhouse stock	751–753
Nuts	754–759
Seeds	760–762
Vegetables and vegetable products	763–773
Miscellaneous	774–781

These subtitles were given in the copy furnished for printing but omitted by some oversight in printing the copy that is now before you. In every instance the arrangement of the paragraphs has followed the plan above described.

For instance, take the dairy products; milk and cream under the old arrangement were in one place, cheese in another, canned and condensed milk and various products of milk in still another part of the schedule. Our investigation disclosed that as applied to present conditions there was no scientific relation between the former rates of duty on the several dairy products, but there may have been at the time the act was passed. We have placed the dairy products together and fixed the duties on a scientific basis.

Mr. RAKER. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. RAKER. Do I understand the gentleman that the schedules they have there were furnished the subcommittee by the Tariff Commission; that is, were the data as to all these items furnished by the Tariff Commission?

Mr. HAWLEY. The committee studied the conditions affecting each product thoroughly, obtained a good understanding of the facts, and decided what they desired to do. Then they asked the Tariff Commission to draft the language of the schedules to carry out their intention. The Tariff Commission had nothing to do with the rates of duty.

Mr. RAKER. Did the Tariff Commission furnish the committee or the subcommittee with the data from which they fixed the rates of duty?

Mr. HAWLEY. Only a part of it came from them. We derived a great deal of information from the Agricultural Department, from the Department of Commerce, from the Treasury Department, from the experts of several departments, and from numerous other sources. The experts of the Tariff Commission sat with us every day for the purpose of answering questions and giving information. In some instances where we were in doubt the Tariff Commission had the experts go into the field and make further inquiries.

Mr. RAKER. Will the gentleman yield for a further question?

Mr. HAWLEY. Yes.

Mr. RAKER. Do the rates as fixed by the committee in the bill represent the difference between the cost of production at home and abroad? For instance, if an article cost $1 abroad and $1.50 here to produce, did the committee fix the rate so as to equalize the difference in cost of production?

Mr. HAWLEY. We endeavored to equalize the competitive conditions, so that the foreigner could not come into the market to the disadvantage of the American who made the market.

Mr. RAKER. Does the tariff rate as fixed bring the foreign article when landed at the port to approximately the same price as it cost to produce it here, irrespective of what you call it?

Mr. HAWLEY. If the gentleman will stop to consider——

Mr. RAKER. I am only asking for information.

Mr. HAWLEY (continuing). That when the foreign costs of competitive products are different in different countries, he will see that to equalize competitive conditions in every instance it would have been necessary to have provided duties upon the imports from each country separately from which such commodities were received. The duties provided will afford the needed protection generally.

Mr. FREAR. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. FREAR. Let me say that the chairman of the subcommittee who is discussing this question has given a great amount of study to the question. I want to give one illustration in reply to the question just propounded by the gentleman from California. In the case of Canada, as the chairman will recollect, we took the cost of the fertilizer, the value of the land, the amount of production per acre, and made a comparison with this country of ours. We did that with every country as far as we

could; that is to say, the chairman of the subcommittee entered into the details and made as complete an investigation as it was humanly possible with the data we had before us. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman pardon one more question?

Mr. HAWLEY. Yes.

Mr. BLANTON. The gentleman from California [Mr. RAKER] asked if the committee did not get much of its information from the Tariff Commission?

Mr. HAWLEY. They did.

Mr. BLANTON. Is it not a fact that most of the information which the committee really accepted and upon which it acted in framing these duties was given to it by the beneficiaries of the bill?

Mr. HAWLEY. So far as the schedules of which the gentleman from Wisconsin [Mr. FREAR] has just spoken, and in which he and I were interested, with Mr. YOUNG——

Mr. BLANTON. I mean all of the schedules in the bill.

Mr. HAWLEY. Let me first answer in respect to this. The so-called beneficiaries who were interested in the matter appeared before the whole committee. We heard practically none but Members of Congress before our subcommittee. Individually, we heard everybody who came to see us. We sought information from every source, no matter whether the man was interested in favor of a duty or interested in opposition to a duty, whether he was an importer or an exporter. We welcomed information from every source. Then we put the information to the acid test of comparison with the other information which he had, and if we were not satisfied then, we requested disinterested public authority to investigate the question further. I suppose all of the other subcommittees acted on the same principle.

And I wish to say that all the other subcommittees labored with untiring industry long hours each day and gave to the public service the intelligent and informed judgment of patriotic men well qualified for the work they had to do.

Mr. BLANTON. Let me give an example of what I mean. Take, for instance, tungsten ore, magnesite ore. The parties who were interested in those particular commodities and who wanted a duty would, of course, appear before the gentleman's committee, but the whole mass of the American people, who were to be taxed in their behalf, never appeared in opposition. Therefore, it is the information of the beneficiaries upon which the committee acts.

Mr. HAWLEY. We are the representatives of the American people. We are charged in the execution of our trust with the solemn responsibility of passing judgment on questions of tremendous import to the American people, and upon a great variety of questions. We must do this upon our own responsibility and at our own peril. We must assume the responsibility. We must trust our judgment. We must exhaust every source of information possible, but when the time comes the American people, great and intelligent as they are, are not specifically informed as we ought to be informed upon the questions at issue, and we must decide, no matter whether they can appear or not, because we appear and act in their behalf. We are attorneys in fact of all the people. [Applause.]

Mr. BLANTON. Yet here is one of our distinguished friends, the gentleman from Wisconsin [Mr. FREAR], who says that in behalf of the Du Ponts you have seen fit to raise duties 280 per cent, which will enrich the Du Pont organization millions of dollars at the expense of the people.

Mr. FREAR. Mr. Chairman, may I be permitted to answer that suggestion?

Mr. HAWLEY. Certainly.

Mr. FREAR. I wish to say that the answer just offered is the answer that was offered to the gentleman from Ohio. That particular industry—the dye industry—does need protection at the present time. It needs a larger amount of protection, it is conceded by many of us on our side, than ordinarily is the case. The objection I made was to a complete embargo, which is indefensible. Let me suggest in regard to tungsten and magnesite, and the other proposition, the objection urged was that it was for national defense and that did not seem to some of us to be a fair objection. So far as the other questions are concerned, I think we endeavored to arrive at a correct conclusion.

Mr. HAWLEY. Honest men have always differed, do differ, and will continue to differ until the end of time. The gentleman from Texas [Mr. BLANTON] yesterday talked about a duty on hides, and I think he went so far as to say that he would vote for a duty on hides and on final passage vote against a bill containing such duties. But there are persons who appear to be well informed who say that if you put a duty on hides the only beneficiary will be the tanner packers, to the extent of many millions of dollars. Some dispute that, but others believe it means a bonus to them.

Mr. BLANTON. No representatives of the cattle-raising districts believe that.

Mr. HAWLEY. Oh, yes, they do.

Mr. RAKER. Mr Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. RAKER. I understand there is to be no duty on hides.

Mr. HAWLEY. I do not know. A separate vote is to be taken on that question.

Mr. RAKER. How can the gentleman explain that in 1919 in the gentleman's country and in mine hides were selling for from $10 to $15 each, taken from a 3 or 4 year old steer, while last year they brought only $2.50 to $3, with no sale for them. What is the cause of that?

Mr. HAWLEY. If the gentleman has read the newspapers, as he undoubtedly has, he knows that this is a no-market situation in every industry. Commodities are being sold at sacrifice prices. Everyone is trying to get from under the obligation he has at the least expense to himself. Everything is on a sacrifice basis. You can not tell anything about the future price of hides or anything else on the basis of to-day's prices. For that reason this tariff bill was not made on the price of to-day or upon last year's prices, for they will vanish away, and, like the Arabs, fold their tents and be gone. The facts and prices for a long period of years, as far back as 1908 or further, were used as the basis for the duties in this bill.

Mr. RAKER. In riding through the gentleman's district last year, and in Nevada and California, we were paying from 10 to 15 per cent more for meat, when the cattle were bringing one-half as much only as they did the year before. How can the gentleman answer that?

Mr. HAWLEY. The gentleman must have been riding on a Pullman train. [Laughter.]

Mr. RAKER. This is a serious question. The gentleman has gone into that. Why is it?

Mr. HAWLEY. I can go into a restaurant in Portland, Oreg., and buy a steak and go into a Pullman diner and pay for the same steak three times the amount that I paid for it in the restaurant in Portland.

Mr. GREEN of Iowa. Oh, that is too cheap for Pullman rates entirely.

Mr. HAWLEY. I wanted to keep my feet on the ground. The time allotted to me is approaching its close. I have only outlined in a general way the purpose of the committee in the framing of this bill, its general operations, the nature of the duties, and the plan of reorganizations. I have called attention to the data and the material and to our serious endeavor to do the right thing as between the consumer and the producer, and the bill will show that we have not forgotten to provide even for goats. [Laughter.]

We are prepared to fully defend every duty proposed upon the ground of its necessity, and that it is justified by the facts. Time will not permit detailed explanations of the paragraphs, but I hope in the extension of remarks already authorized to present some statistics.

Mr. GARNER. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. GARNER. I was very much interested in the statement of the gentleman as to the basis on which this bill is made, and I hope he will let that statement stand in the RECORD because it shows conclusively the Republican majority has not taken into consideration new conditions in this country but has based its rates entirely upon conditions that existed from 1908 until 1913.

Mr. HAWLEY. If the gentleman from Texas was in the room and awake——

Mr. GARNER. If the gentleman will yield, I was awake, and I hope the gentleman will let that statement stand in the RECORD.

Mr. HAWLEY. I never made any statement of that kind. The statement was made that the period considered was from 1908 to 1920 and in some instances a longer period was taken. [Applause on the Republican side.] We did take into consideration present conditions of industry, every industry, every item, and, as I said a while ago, if any doubt arose we had the experts of the Tariff Commission go to places where the question was acute and obtain the information we needed.

Mr. LONDON. Will the gentleman yield?

Mr. HAWLEY. I will.

Mr. LONDON. The gentleman from Michigan stated that he made no comparison of the Underwood tariff, no comparison whatever.

Mr. HAWLEY. Now, what is the conclusion?

Mr. LONDON. The conclusion is that while the gentleman from Oregon may have made a comparison between the Payne bill, the Underwood bill, and the present bill, the gentleman from Michigan, speaking for the entire committee, insisted he made no comparison of the rates provided in this bill with the rates provided in the Underwood bill.

Mr. HAWLEY. I think the gentleman from New York misunderstood the chairman's purpose or intention in making the answer. He was asked, as I understood, that there be printed a document showing in parallel columns the Payne rates, the Underwood rates, and the rates in this bill for every item. Now, such a comparison without the collected information used by the committee, showing the industrial conditions and the needs of the country, without the reasons for reclassification and without items and details too numerous to mention, would afford little information. Such a document is customarily printed after the tariff bills have become laws. I have called the attention of the House, however, to that fact that such a pamphlet has been prepared by the Tariff Commission for the agricultural schedule, presenting in parallel columns the acts of 1909, of 1913, and the proposed language for this act with reasons for the reclassifications made, and containing also statistics of production and of imports and exports, giving quantities and values for a period of years. Pamphlets have been prepared by the commission on other schedules. Without question the Tariff Commission is the proper authority to prepare this information. It will require a great deal of time and the labor of many experts. The committee could not have prepared this information without greatly delaying the introduction and passage of the bill, and the country is insisting upon prompt action.

Mr. LONDON. I know; but will the gentleman permit?

Mr. HAWLEY. I have only a few minutes, and I must close.

Mr. LONDON. The gentleman from Michigan made the statement that, to tell the truth, they were too busy to bother about the Underwood tariff bill. I think that is his statement in substance.

Mr. FORDNEY. I did not hear the gentleman's statement.

Mr. HAWLEY. How much time have I remaining, Mr. Chairman?

The CHAIRMAN. Four minutes.

Mr. LONDON. I understood the gentleman from Michigan to say—this is the substance—"that to be frank we did not bother about the rates in the Underwood bill."

Mr. FORDNEY. We are not free traders; the Underwood bill is a free-trade bill.

Mr. LONDON. The gentleman did not bother and did not make any comparison.

Mr. FORDNEY. We put in protective rates, my friend.

Mr. HAWLEY. In the old days before the Volsteadian period of history the temperance lecturer took along with him a horrible example. Whatever reference was made during our consideration of the act of 1913 was as to a horrible example which should be avoided. [Applause on the Republican side.]

Now, gentlemen of the committee, the agricultural interests of the country come before you as the jury to determine not only their welfare but the welfare of the whole country. They commit their cause to your determination. No section of the country has been omitted. From the Atlantic to the Pacific and from the Canadian border to the Gulf and to the Mexican line no agricultural interest, no agricultural product deserving a tariff where a duty would be beneficial to the producer and beneficial to the country at large has been omitted from the list. We wish to establish the agriculture of this country on a firm basis. Our people are leaving the farms and going to the cities, where the emoluments are greater and conditions of life more pleasant, and if we follow this to its logical conclusion and make the conditions for the farmer more adverse by placing other industries on the protected list and agriculture on the free list we accentuate the movement from the farm.

No free country ever long exists unless its feet are firmly placed upon the soil [applause], unless the tree of its national prosperity, bearing fruit for the nourishment of its people and the nations, is deeply rooted in its soil. No country can long flourish or long maintain the confidence of its people if under the protection of its flag there are some who can justly complain that they have not received justice with an equal hand. And so the humble peanut and all the products of the South, the plebian potato of New England, the sheep and cattle on a thousand hills, the grain fields that wave living gold in the fall, the corn that adorns the rolling plains—all these and the products necessary to the welfare of our people are in the list. We propose to maintain a contented and prosperous agriculture, that there shall continue to be produced on the farms the virile men and women we need, who in times of stress in our history have come to the front and have made the country glorious in the persons of George Washington, Abraham Lincoln, and thousands of others of lesser fame.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWLEY. Will the gentleman give me an additional minute?

Mr. FORDNEY. I will yield one minute to the gentleman from Oregon.

Mr. HAWLEY. This country has established its own civilization; this country has established its own standard of living; this country has established its own rate of wages for the compensation of those who toil, above those received elsewhere.

The question before this country, one of the greatest of all the questions—although some of our Democratic friends apparently have not read the papers and found that the tariff was an issue in the last election—the question before the American people and before this Congress, one of the greatest and most important of all public questions, is, Shall we continue a republican America, a republican form of government, a republican condition of industry, or shall we say to the world outside that we have become rich, we have become strong, we have become powerful, we have great industries, we have high wages, we have a great market here, but we have become lacking in wisdom, so come and plunder us at your will?

To paraphrase from Webster, when my eyes turn for the last time to behold the sun in the heavens, may they not see him shining on a Europeanized and orientalized America, but rather may they behold him shining in full strength upon a rich and glorious self-contained and self-sustained country and on a people rich and free, maintaining its own high and advancing civilization. [Loud applause.]

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. CAREW].

Mr. CAREW. Mr. Chairman and gentlemen of the committee, as I listened to the story which my friend from Oregon [Mr. HAWLEY] has just delivered as to the way in which this tariff was drawn, and as I looked at this prodigious pile of information which he has accumulated here upon the table—books, papers, documents, statistics, charts, maps, reports, studies, testimony, exhibits, samples, specimens, some of which, I believe, has already been carted out—as I listened to the story of the industry with which he and his colleagues studied the condition of the country and of the world in this mountain of paper and print, I was struck with surprise when I recalled that yesterday a very distinguished member of the Ways and Means Committee from the State of Ohio said that one thing they had not informed themselves at all about was what European prices were as compared with American prices, and I think he said that they had not very much informed themselves as to what American prices were. Now, I am quoting him from memory, because his speech did not appear in the RECORD this morning. But when my friend from Ohio [Mr. LONGWORTH] was discussing the American valuation system, and when he was reminded of the promises which were made, when it was first suggested to us, that reduction would be made in ad valorem rates to correspond with the unquestioned raise which would be made when the base upon which those rates were to be calculated was raised to the level of American values, I think my friend from Ohio, replying, said that they had not bothered themselves with prices.

Mr. LONGWORTH. Will the gentleman submit to a correction?

Mr. CAREW. Well, the gentleman's speech is still in his own custody, and I looked with a great deal of interest this morning in the RECORD to see if it was there in order that I might use it.

Mr. LONGWORTH. The gentleman will have abundant opportunity to-morrow, but the "gentleman from Ohio" never used the word "prices" at all. He referred to the cost of production in Europe, which he admitted he did not know very fully about. The "gentleman" did not say that the committee did not make a full investigation as to prices both at home and abroad.

Mr. CAREW. My very good friend will not contend for one moment that the reduction in ad valorem rates, which is required by the raising of the base upon which they are calculated, is dependent upon or has anything whatever to do with costs of production. Our questions and my questions from this side of the aisle were directed specifically to the point: Did you make a corresponding reduction in your ad valorem rates to compensate for the immense increase that you made when you raised the base by American valuation from prices abroad to prices here, and what did you find to be the difference between American values and foreign values? You said you did not know. In other words, the one important thing to know in order to intelligently change from foreign valuation to American valuation you refused and neglected to find out. You seem to have avoided the one thing you ought to know. I have listened to the story which each of these gentlemen on

the Republican side have told us to the methods that they have used in formulating this tariff bill and to the inconsistencies which are so glaring in their stories and which were specifically called to their attention by my friend from New York [Mr. LONDON] when he called the attention of the chairman of the Ways and Means Committee to his speech of a few days ago and the speech of the gentleman from Oregon [Mr. HAWLEY], just concluded. I think it would be an advantage to the country if we could get these gentlemen who drew this bill in separate rooms and subject them to a close cross-examination as to their methods; we might ascertain the origin of some of the things that we have criticized in this bill.

Now, Mr. Chairman, this is a very hot day. The thermometer is soaring somewhere up in the nineties. The humidity has reached the point of saturation. This is a wet House at the present moment. [Laughter.]

About 100 men are sitting here listlessly about this Chamber. I do not believe many of them are paying a great deal of attention to what is going on or what is being said, and I am very sure that nothing that is being said or has been said or will be said here will have any effect whatever on the vote that will be cast on this bill on the 21st of this month. However pleasant membership and attendance in this body might be at other seasons of the year, it certainly is not pleasant now. If a stranger were to come into this Hall and see us sweltering here, he would undoubtedly say that nothing but a very stern, compelling sense of duty could have assembled us here, or that there was some great emergency under discussion. Now, it must be a sense of duty, because, my friends, that which we are debating is not emergent. This tariff at least is certainly not an emergency tariff. I do not believe that anyone wants it except its immediate beneficiaries. I know a great many Republicans who would like to lose it. Some of them hope to lose it in the Senate. If its keepers ever relax their vigilance and it should wander out into the outer darkness, a great many Republicans would give a sigh of relief and bid it good riddance.

I hold in my hand two of the great metropolitan newspapers—the New York Times and the New York World. These are yesterday's papers. That which we are discussing here does not receive a mention—a bill which its authors confess is going to raise $600,000,000 of revenue and put it into the Treasury of the United States, and which is inevitably going to saddle on the people of the United States, in higher prices reflecting that revenue, another $600,000,000, not to go into the Treasury, but into the pockets of the protected profiteers of industry and commerce.

A bill of that tremendous importance does not get a mention. On the first page of the New York Times four columns are given up to the proposed world peace program; two columns are given up to the discussion as to whether Mr. de Valera is going to succeed in winning the independence of Ireland; one column is given up to the deadly blow that our President gave the soldiers' bonus the other day in the Senate; one column is given up to the Stillman divorce case. [Laughter.] In the New York World yesterday four columns are given up to the peace program; one column and a half to Mr. de Valera; one column to the Shipping Board; another column to a story of 20,000 men thrown out of employment in the city of New York yesterday; and three columns are given up to retail the debate that took place the day before in the Christian Endeavor Convention in the city of New York upon the question of whether or not in the future decent women would use rouge and powder their faces. The people do not pay an awful lot of attention to the House of Representatives.

They are not interested in what you are doing here to-day. There was a way by which you could have obtained their attention. If you had taken up the problems of internal taxation, and if you had relieved the people from the burdens and especially from the irritations of internal taxation, you would have their attention, and according to the result you worked out their approval or disapproval. But as for this tariff the people are not now interested in it. Not until hereafter they find in rising prices, in increased unemployment, in the bad times coming and sure to stay, the results of to-day's work, not till then will they scrutinize with attention what is being done here to-day, and when they appreciate it I have no doubt they will wreak a terrific vengeance upon the party and the influences that have wasted an opportunity to give them relief, so far as government could give them any relief, from the evils that they are suffering under and the evils that are to come. [Applause on the Democratic side.]

When the people of the United States learn that this bill to strangle imports was passed at a time when the foreign commerce of the United States, the safety valve and balance wheel of all our production, the outlet for at least 20 per cent of the products of our manufacture and of at least 40 per cent of our agriculture, the outlet for 20 per cent of our wheat, of 40 per cent of our cotton, of 70 per cent of our copper, had steadily dropped month by month till to-day it is less than half of what it was one year ago, and is still to drop lower and lower, causing idleness, distress, poverty, and hunger over the land, paralyzing industry and agriculture alike, they may see in this bill the fine fruit of the wisdom of a Republican Congress, the further and more complete destruction of our internal industry and internal commerce as well as our foreign trade, and it may be they will then repeat the terrific punishment they inflicted upon you in the year 1912, for you are following in the footsteps of the men who in 1909 passed the Payne-Aldrich law, which was repudiated by three-fourths of the country.

Mr. FORDNEY and Mr. FOSTER rose.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. CAREW. I will not.

One of the great commercial newspapers of the country, a paper not in the slightest degree political, in discussing your complete, abject, and absolute failure, since you took control of Congress over two years ago, said the other day that unless better leading is soon furnished by the Federal Government and in the near future on such subjects as foreign trade, taxation, public economy, and the development of domestic commercial relations, it will be essential that it be supplied by great national associations of business men or other volunteer associations created for the purpose of providing an immediate remedy. In other words, my friends, it is predicted by the Journal of Commerce of the city of New York that your failure is so abject and utter that the business men of the country will have to form a vigilance committee to protect themselves. [Laughter.]

Mr. KING. To overthrow the country.

Mr. CAREW. As they did in the early days in the West, when they did not have established forms of government, energetic men will have to form vigilance associations to bring public opinion to bear upon incompetent men in control of our national affairs. [Applause on the Democratic side.]

When, a little more than a year ago, this matter of American valuation was first presented to the Committee on Ways and Means, I am going to confess that I was not at all prejudiced against it. Indeed, I was a little bit inclined to favor it. Somebody has said that a good appearance is a great asset in an introduction, and when this system of valuation was first introduced to us it certainly came in with a very good appearance and in the custody of gentlemen who professed at least a great sense of fairness and equity. In the first place, they labeled it a system of "American" valuation, and of course the word "American" appealed to me. It appealed to me just as it appeals to a great many men here to-day who do not know a great deal about the new system and will not bother their heads a great deal about it, and who intend to vote upon it without much inquiry into its real merits. But there is nothing American about this new proposal. The Tariff Commission's report on the subject says it has never, except for a few months, been in force in America. To call it American is a deception and a camouflage.

In the second place, it seemed to me that by this system of valuation values could be ascertained with much more convenience and apparently with much more accuracy for the Government. But this, too, is only an appearance, as I think I will be able to demonstrate before I conclude my remarks.

In the third place, the gentlemen who proposed this new system gave it a further appearance of justice and equity and a very strong recommendation to favor, because they very frankly admitted that by valuing imports at the prices of American markets it would mean a tremendous increase of duty unless a corresponding decrease was made in the ad valorem rates, and they assured us time and time again that it was their intention to reduce the ad valorem rates accordingly. For instance, on December 10, 1920, at a hearing on exchange fluctuations and tariff duties, on page 93 of the testimony, Chairman FORDNEY said to a witness as follows:

> The CHAIRMAN. It has been suggested, and considerable thought has been given to the suggestion, that we so change our import laws as to base our duties upon the American instead of the foreign value, the home value instead of the foreign value. By doing that we could greatly reduce our ad valorem rates, and the duty arrived at could be collected on a higher valuation.

Now, of course, after we have just heard from the gentleman from Ohio [Mr. LONGWORTH] as to the methods by which this tariff was framed it is impossible for us to say and just as impossible for them to say whether or not they have reduced the ad valorem rates. As my friend from Ohio [Mr. LONGWORTH] said a moment ago, they did not bother their heads about prices; they studied costs of production, on this question

of American valuation an entirely irrelevant thing. We must therefore conclude that the promised reduction in rates has not been given.

Now, with all these good appearances—and they are only appearances—reflection and analysis have convinced me that this proposal is a preposterous and unworkable innovation, and I am convinced that in its direct and indirect results it will embarrass, and it is intended to embarrass, the business of importation into the United States; that its real essence is protectionism gone insane, but at the same time more cunning than heretofore, now seeking its objects in covert, subtle, indirect, and concealed ways, interposing not duties but hurdles, ditches, traps, tricks, and hidden impediments to imports; thus they often reduce the ton weight to 2,000 pounds from 2,240 pounds, which it has always been, and in that way raise duties 10 per cent without raising the rate (on Mr. FORDNEY's amendment in the CONGRESSIONAL RECORD, for July 20, 1921).

I have read the speeches, so far as they have been available, that have been made in favor of this new valuation proposal in order that I might not overlook any argument that may be advanced in its favor. This system proposes to substitute in the calculation of ad valorem duties prices not fixed in the open markets of the world by competition, for that is the present system, even though the law says that it shall be the foreign market price for export. This innovation proposes to substitute for the actual price in open competition in the markets of the world an ex post facto opinion or estimate furnished by an appraiser and by him determined to be the wholesale value for sale of comparable competitive or identical articles in the principal markets of the United States at a date long past before the entry of the goods into the United States, sometimes six months before the entry.

At the present time an American who goes abroad to make a purchase in a foreign market as a matter of fact buys at the market price. Whatever exception there may be to this rule is trivial, and in the long run, for the purpose of drawing a general law, it can be disregarded. At the very moment of his purchase this merchant abroad can tell precisely what duty he will be obliged to pay when he enters his goods in the customhouse of the United States. There is no uncertainty about it to embarrass him or to make him hesitate in his purchase. This certainty is the very lifeblood and vital force of trade. If the merchant can not make certain calculations in this regard he is not going to venture.

This, to my mind, is the great objection to this proposition. [Applause on the Democratic side.] It has not been overcome by the majority, and in its nature it is inherent in this new proposal. It can not be obviated and it outweighs any consideration that has so far been offered in favor of the innovation.

This uncertainty will destroy all desire to engage in the business of importation. [Applause.] That is its object. That object is not apparent at first sight. It is covert and subtle, but it is nevertheless there and to the extent that it is concealed it is, as we said in our minority report, venomous and villianous.

Now, a further objection to this new system, particularly when applied to goods that are not in competition with the products of the United States, is that it will result in pyramiding of duties and a raising of prices to the point where you will have absolute prohibition. For instance, let us take a foreign article noncompetitive and noncomparable, that has a wholesale value in the American market of $1, on which an ad valorem duty of 50 per cent is levied. These figures are taken for convenience and are assumed and hypothetical, but such articles are common in the commerce of the United States. One example that comes readily to mind is the China grass chair, which is mentioned in the report of the minority on this bill. The first time that this noncompetitive article comes into the United States it will pay a duty of 50 cents. That duty will be added to the price and the article will be sold in the commerce of the United States for $1.50, for all duties are reflected in prices. We will soon hear Republican orators proclaiming that income taxes and profits taxes are reflected in prices. Strange they can recognize it there but not in customs or consumption taxes. The next importation coming in will find an American market price of $1.50 instead of $1, and the duty on $1.50 will be 75 cents. That will go into the price of that article; and the third importation coming in will meet a duty of 50 per cent on $1.75, or 87½ cents.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. CAREW. No; I can not yield. Now, that process can keep up ad infinitum, but, of course, it will finally end when the duty will become so high that it will not pay to bring the articles into the market at all. These two objections to this new system are inherent in it and can not be obviated. They are sufficient to condemn it even if any good reason could be urged for it. But not a single good reason has been found for it.

It has been urged in support of this proposition that it will prevent a great deal of fraudulent undervaluation. The report of the majority which accompanies this bill in presenting this view of the subject is absolutely barren of evidence tending to show that there is any undervaluation, fraudulent or otherwise, going on.

To support the claim that there is such fraudulent undervaluation the majority quote from reports of Secretaries of the Treasury of 90 years ago. They quote recommendations made by the Secretary of the Treasury in 1830, in 1849, and in 1850, and by President Fillmore, who has been dead a long time, in 1850. This is really dead evidence that they are bringing in to support this proposition. Then they skip from 1850 to 1882. That is about 40 years ago, and the last they have upon the subject is a report made in 1912 that has no facts to substantiate it or bear it out at all. If there were any undervaluation going on, do you not suppose that the committee would have held a well-advertised hearing to get publicity for the evil and sympathy for its proposal? It did not do so, because it could not get any evidence to show it.

Now, it should be observed that all of this testimony which they do produce, ancient as it is and worthless at the present time, comes from Treasury officials who naturally, like district attorneys, would be suspicious and supervigilant on the subject.

The second reason put forward by the majority for the introduction of this proposal is—see their report—to counteract the depreciation which exists in all the currencies of the world except our own.

Now, I really would have thought that the gentlemen who have presented this argument in favor of the American valuation system would have soft-pedaled upon this exchange proposition. We had it up here when the emergency tariff was before this House. At that time it had not been thoroughly investigated by the House. The emergency tariff bill contained a provison that no matter how great the depreciation of foreign currencies might be they should never be calculated at a greater depreciation than 66⅔ per cent. The Democratic side of the House opposed that provision. We had that battle fought out right here. The gentleman from Ohio [Mr. LONGWORTH] and the gentleman from Connecticut [Mr. TILSON] both undertook to defend that proposition in the emergency tariff bill. They both told preposterous stories to the effect that, although the currency of Germany had depreciated, nevertheless in Germany it had not depreciated, and that while the German mark was worth only 1.6 cents in the exchange of the world, it was worth in Germany as much as 8, 10, 12, and 16 cents. In other words, that German magic was still at work. Now, we had at that time some evidence which rebutted that proposition.

We had some evidence to the effect that notwithstanding the fall in the mark in Germany from 23.8 cents down to 1.6, the Government of the United States was receiving all of the duty, and more duty than it had received prior to the war. We had evidence at that time that just to the extent that the mark depreciated in the exchange of the world prices had risen in Germany, so that while the mark was worth a great deal less in purchases in Germany, you had to pay many, many more marks than you had to pay before the war.

To the evidence we had then we since have added more. Now, the Republican members of the Ways and Means Committee have issued a pamphlet entitled "Tariff Information, 1921; Wages in the United States and Foreign Countries." On page 88 of that pamphlet are given the present and prewar prices of common articles of food in Germany. It says that 9,500 grams of bread which before the war cost in Berlin 2.38 marks cost there in the month of September, 1920, 22.5 marks; that 600 grams of cereal, which before the war cost in Berlin three-tenths of a mark, cost there in the month of September, 1920, 4.87 marks.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARNER. I yield to the gentleman 10 minutes more.

The CHAIRMAN. The gentleman from New York is recognized for 10 additional minutes.

Mr. CAREW. It states that 9,500 grams of potatoes cost in Berlin before the war less than one-half a mark, and that in September, 1920, the same quantity of potatoes cost nearly 7 marks. That 750 grams of lard cost in September, 1913, 1.14 marks, and in September, 1920, cost 25.50 marks. That 100 grams of butter cost in September, 1913, 0.27 mark, and in September, 1920, cost 3.75 marks. Now, my friends, this exchange question has been injected into this proposition simply for the purpose of befogging and beclouding the issue. Foreign exchange till you study it is as abstruse as the calculus, the fourth dimension, or the Einstein theory, but if you will, as I know

you will not, study it, it will become marvelously simple. Just to the extent that the paper mark depreciated and that the paper crown depreciated, and that the paper lira depreciated, and that the paper franc and the paper pound depreciated, prices in Great Britain and Italy and France and Austria and Germany have gone up. Not, however, in their gold coin, but only in their paper currency. Gold marks have never depreciated in Germany.

Mr. MILLS. Will the gentleman yield? Does the gentleman make that statement as the result of an actual investigation?

Mr. CAREW. I give it with the indorsement of the Republican members of the Ways and Means Committee, issued by them, and I assume that the statements therein contained are made after investigation. [Applause.] I will agree with the gentleman that there is not a great deal of reliable information that comes from that side of the Chamber. [Laughter.]

Mr. GREEN of Iowa. It is information which we admit is news to gentlemen on the Democratic side.

Mr. MILLS. I have been unable to find in the majority report any such statement as the gentleman suggests, and I will say to him that the most recent report which I have seen, and which has been published within the last two weeks, indicates that whereas the mark has depreciated to almost one-twentieth of its former value, average prices in Germany have increased only nine times in value for all commodities under the index number recently worked out by the German authorities.

Mr. CAREW. Mr. Chairman, in return for the little speech which the gentleman has injected into my remarks I invite him to come into the middle of the floor and read aloud here so that everybody can hear just what the Republican members of the Ways and Means Committee report on that question. [Laughter and applause on the Democratic side.]

Mr. MILLS. The gentleman has handed me a report on the food products, page 88.

Mr. CAREW. Read it.

Mr. MILLS. Bread, cereals, potatoes, oil, lard, sugar, and honey sugar. The index number I have given him is the index number for all commodities.

Mr. CAREW. It is very apparent that my friend does not care to read this aloud. I know he is industrious and he may yet read my speech to find the jewel he inserted in it, and I ask unanimous consent to insert this extract in my speech, so that the gentleman may preserve it for future reference. The cover page and extract from this pamphlet are as follows:

TARIFF INFORMATION, 1921—WAGES IN THE UNITED STATES AND FOREIGN COUNTRIES.

(Prepared for the use of the Committee on Ways and Means, House of Representatives, under the direction of the clerk of the committee.)

Following are the prices and quantities of rationed foodstuffs distributed per head to the population of Berlin in the five weeks August 30 to October 3 (meat and potatoes are now not rationed). The 1913 price is given for purposes of comparison:

Foodstuffs.	Quantity.	Price September, 1920.	Price September, 1913.
	Grams.	*Marks.*	*Marks.*
Bread	9,500	22.50	2.38
Cereals	600	4.87	.30
Potatoes	9,500	6.65	.48
Meat	1,250	23.15	2.37
Butter	100	3.75	.27
Lard	750	25.50	1.14
Sugar	875	3.50	.41
Honey sugar	250	3.65	.15
Total		93.57	7.50
In dollars		$1.87	$1.785

Now, we have some further evidence from a reliable nonpartisan and purely financial source as to the fall of the mark and the corresponding rise of prices in Germany. I insert here in the RECORD a clipping from the New York Journal of Commerce for June 16, 1921, which contains a report made to the Federal Reserve Board by the American commissioner in Germany. The very last item on this tabular report states that in the beginning of June, 1921, the unweighted price of 77 different foods, textiles, leathers, minerals, and sundries was 14.07 times higher in Germany than in June, 1913. On June 2, 1921, in New York exchange checks on Berlin were quoted at $0.015375 per mark. If you will multiply 14.07 by $0.015375, the value of the paper mark in New York on that day, you will get as a product $0.22632625, which is almost the 1913 value of the mark at par, to wit, $0.2382. In fact, it is the 1913 value of the mark in New York City, showing that the depreciation in the mark and the appreciation in prices in June, 1921, in Germany is registered with absolute accuracy by the rate of exchange on Berlin in the New York market. When natural processes reflect these fluctuations so accurately and so sensitively is it not blundering, ignorant folly for legislators, who know nothing of the subject, to attempt by legislation to interfere with natural laws?

I insert herein the report I have referred to:

PRICES IN GERMANY DECLINE STILL FURTHER DURING MONTH OF MAY.

[From the Journal of Commerce and Commercial Bulletin, Thursday, June 16, 1921.]

The New York office of the Federal Reserve Board has received a wireless from the American commissioner in Germany giving the wholesale price index of the Frankfurter Zeitung for June 4, 1921. According to this index there has been a drop of 1.5 per cent in the general level of wholesale prices in Germany during May. The "All Commodities Index," compiled by this journal, stands at 1407, as compared with 100 in the middle of 1914. The Frankfurter Zeitung index is unweighted and is based upon the prices of 77 commodities. The latest figures in the following table are subject to revision:

Wholesale price index number for Germany.

	Foods, etc.	Textiles and leather.	Minerals.	Sundries.	All commodities.
Middle of 1914	11.38	3.67	7.15	12.0	9.10
1920.					
Beginning of—					
June	128	98	110	179	134
July	146	94	111	195	136
August	149	97	112	194	141
September	150	103	118	193	144
October	153	108	124	191	146
November	165	111	120	199	152
December	177	99	117	195	153
1921.					
Beginning of[1]—					
January	154	97	120	189	148
February	144	92	113	183	136
March	137	87	111	182	131
April	136	79	115	180	130
May	134	79	112	196	130
June	127	70	109	193	128
RECOMPUTED WITH MIDDLE OF 1914 PRICES=100.					
Middle of 1914	100	100	100	100	100
1920.					
Beginning of—					
June	1125	2670	1538	1642	1473
July	1283	2561	1552	1625	1495
August	1309	2643	1566	1617	1549
September	1318	2807	1650	1608	1582
October	1344	2943	1734	1592	1604
November	1450	3025	1678	1658	1670
December	1555	2698	1636	1625	1681
1921.					
Beginning of[1]—					
January	1353	2643	1678	1575	1626
February	1265	2507	1580	1525	1495
March	1204	2371	1552	1517	1440
April	1195	2153	1608	1500	1429
May	1178	2153	1566	1633	1429
June	1116	1907	1524	1633	1407

[1] Not always the first day of the month.

It must also be remembered that the prices used in the foregoing tables are prices for home consumption in Germany. Prices for purchases for export in Germany are very much higher, running up even to 150 per cent higher, the excess being turned in to the Government as an export tax.

Now, my friend, we also have some other evidence on this subject of exchange, and we have some evidence here that likewise has a Republican indorsement, and it has the indorsement of the most lovable old gentleman in the House, my chairman. I want to say that if at any time he finds rebellion on his hands on his side of his committee, if he will let us know, we will come in and help him lick the rebels. After this subject was up before, my good friend—I was going to say my fatherly friend—brought down from New York a very old friend of his, a man with a very good character, a gentleman named Thomas J. Doherty, and Mr. Doherty was asked what he thought about the American valuation system. I am going to read a few words of what he said. This is from Mr. Thomas J. Doherty, of New York:

STATEMENT OF MR. THOMAS J. DOHERTY, ATTORNEY AT LAW, NEW YORK CITY.

Mr. DOHERTY. I am here at the invitation of the committee in an individual capacity, as I understand it. I am identified with a large mercantile house in New York which does both an importing and exporting business, dealing largely in domestic goods, and is also a domestic manufacturer. I am also affiliated with the National Council of American Importers and Traders, but I do not speak for either the business house or the organization this morning. The name of the house is George Borgfeld & Co., of New York. I would not be here

except at the invitation of the committee. To be strictly accurate, the business of the Borgfeld Co. is about 60 per cent domestic.

The CHAIRMAN. Mr. Doherty, all the gentlemen present to-day are here at the invitation of the committee.

Mr. DOHERTY. Well, I just wanted to make it clear that I am not representing either the business organization or the organization of importers and traders. I do not want anything that I say to commit them, either one of them.

First, on the general proposition of basing duties on American valuation, I am not opposed to it in principle. It seems to me that it is a matter of little importance to importers upon what basis the duties are levied, providing the basis is fair and equitable and the system provided is workable. This is an old story to me. As long ago as 1908, when I was assigned to the Ways and Means Committee to assist Mr. Payne in re-forming the phraseology of the law, and I reported for duty at Albany, N. Y., the first man that greeted me was the representative of some American interests whose idea was to try, if possible, to incorporate an American valuation in that law, and I have been in touch with it more or less ever since, both in the Government service and out of it. The idea does not shock me; it does not frighten me at all. If it can be made workable, if you can devise a practical scheme, there is no difference in principle, it seems to me, whether you base the duties on the foreign value or on the domestic value, so I can announce my position that in a sort of anomalous way I am in favor of the American valuation, but I strongly urge you not to enact it at the present time, and principally for two reasons: First, there is no sufficient reason, and certainly there is no pressing reason, for precipitating such a revolution as this at the present time—and this would be a revolution; it would be a complete change in all the machinery of the Government.

Mr. LONGWORTH. Why do you say there is no reason, no pressing reason? You realize the situation now in foreign exchange. At the time of the Payne law foreign exchange was entirely stable. Now, how can we deal with the exchange question without American valuation?

Mr. DOHERTY. It is quite simple.

Mr. LONGWORTH. That is what I want to know.

Mr. DOHERTY. We are dealing with it right now. The Government is getting its full duties right now.

Mr. LONGWORTH. You mean to say that the Government is getting its full duty on the valuation in Europe?

Mr. DOHERTY. Yes, sir; it is.

Mr. LONGWORTH. That is the most surprising statement I ever heard.

Mr. GARNER. It is absolutely true, and the testimony before this committee in all the hearings will demonstrate it.

Mr. GREEN. Yes; all the appraisers testified the same way.

This is Mr. GREEN of Iowa, next in rank to Mr. FORDNEY on the Republican side of the Ways and Means Committee, who sits here now by Mr. FORDNEY's side, and who knows now, as he knew then, that prices rose as currencies fell; that natural processes had corrected or rather had prevented any disproportion in values; and that we are getting higher duties to-day than we got before the war.

We will proceed with Mr. Doherty's testimony:

Mr. DOHERTY. If you will just let me for a moment—my very dear friend the chairman, and also Mr. LONGWORTH, I think are laboring under a decided misapprehension in that respect. I had the honor of appearing before the Senate Finance Committee on Friday, April 22, in connection with that currency proviso that you incorporated in the emergency tariff bill as it passed the House, and I produced before that committee exhibits in the form of examples and also the actual transactions which proved conclusively that the Government is now getting duty on as high or higher a valuation in dollars than it did in 1914. It is an actual fact and it is just as susceptible of truth as any other mathematical demonstration that the prices have risen to such an extent as to more than counterbalance the fall in exchange, very considerably. That is not merely an assertion or an argument; that is an actual fact, and it was proven, as I say, conclusively; so much so that I think the Senate eventually reported the bill without that proviso in it.

There seems to be a belief that an article that before the war came into this country at, say, 10 marks, or $2.40, is now coming in at the same old 10 marks, and the mark is only worth a cent and a half, or 15 cents duty. On such a theory you are convicting the whole Government service of being lunatics or idiots. Do you think it is possible for a Government officer, a customs officer, to allow goods to come in at a fraction of a cent, whereas the right duty would be, say, 50 cents?

Mr. LONGWORTH. Your statement before this committee now is that American industries are receiving a higher protection than they ever have since the Underwood law was enacted? Do you say that to this committee?

Mr. DOHERTY. To the extent that the higher duty is being collected, that is true; yes.

Mr. LONGWORTH. That they are receiving higher protection than they ever have since the Underwood law was enacted, owing to the depreciated rate of exchange?

Mr. DOHERTY. Not owing to it, but in spite of it. Because the currency is being converted into United States money at the exchange rate, which, of course, is the way in which all the transactions of the world are done. There is no reason why the Government transactions should be any different. If you buy an article in a foreign country you have got to pay a sufficient number of units of that currency in order to reach its world value, the value in which it is appraised in the world, and the world appraisement of goods is in gold, so that a fellow exporting from France or Belgium, or Germany, when he ships the goods outside of his own border, his goods have got to be valued in gold, because what he has got to buy he has got to pay for in gold.

There are many reasons why the American valuation plan is inexpedient just now. The fact that such a condition exists as I have portrayed would seem to remove one of the reasons for changing the age-long system. You have a sufficient protection and the machinery for collecting the duties is ample to collect all the duties to which the Government is entitled, and it is collecting all the duties, too.

In selecting the illustrations presented to the Senate Finance Committee I did not use any method at all. I instructed, or asked, all these people within the length of time that we had to get ready, which was about two days, to gather together all the samples that they could from their books, actual transactions that they have had within the last year, to say whether those articles happened to be those on which special prices represent the general average run of imports into this country from abroad, a general average, figured out at random.

I know that because I know the men that furnished them, and I know the goods themselves. I have a pretty fair knowledge of merchandise generally. I have been in touch with it for a good many years. Those samples included all sorts of things. There was, for example, cotton hosiery. It is an actual fact that even at the reduced rates of the Underwood tariff law, but based upon the present-day valuation, the Government is getting a higher amount of duty now on a dozen hose than it did under the Payne-Aldrich law.

The returns of the customhouse are more accurate and must be than the returns of any other department, because naturally the customhouse knows what goods are coming in and knows the value of them, and the testimony of those who were called from among the Government men confirm precisely what I have said—in fact, one of the witnesses had a report there from the New York appraiser, made just a few days before the hearing, in which all that he said confirms exactly what my own observations have led me to.

Now this is an actual fact, Congressman; I am not trying to deceive you, you know that, and I am talking only in actual fact now, and I was able to put before that Senate committee only actual facts. In fact, I opened my statement with a declaration that all that was before the committee was an issue of fact. If what had been said, namely, that the Government was getting duty only on a fraction of the real value of the articles, was true, then it was high time that some such legislation as the currency legislation or this legislation should be enacted; but if that were not true, if there was no basis in fact for that contention, then there was no need of that legislation and there is no need of this.

Just one more word, especially for Mr. LONGWORTH. Of course, I was directing myself strictly to countries having a depreciated currency, and I cited illustrations only from countries affected by it; that is, countries like Czechoslovakia, Italy, Poland, Germany, and central Europe generally. That was all that was pertinent to the issue, and I confined myself to that. That was all that was covered in the 66⅔ per cent.

But there is absolutely no reason to think that the conditions are any different in any other countries, because naturally prices have gone up there. I know prices have gone up in France and in England, much higher than they were before the war.

Now, if I may say just one word, Mr. FORDNEY, on what I started to talk about at the beginning.

The CHAIRMAN. We will ask the gentlemen of the committee not to interrupt while you make a brief statement; then we will have to ask you to make way for some other gentlemen.

Mr. DOHERTY. I hope you don't dislike what I am saying.

The CHAIRMAN. No; you are all right.

Mr. DOHERTY. The reason I think it would be inexpedient just now to use this entirely new method of valuation of imports would be, first, because American business is now in a very critical condition, and this is no time to upset it any further than it is upset. To inject this new issue would mean—well, it would not be merely confusion, it would be chaos for a time, because there are others unprepared besides the importers. The Government officials are not prepared for this. They have not been accustomed to think in terms of American values; they don't know anything about American market values; they haven't learned them. They do know and have a knowledge which would be to you surprisingly accurate of the conditions and values in foreign countries. They are very well versed in them, and they have always been accustomed to them. Now, this scheme would—well, it would scrap all the accumulated knowledge and wisdom and experience of a hundred years. For a time, at any rate, there would be most deplorable confusion, which would not affect merely importers as such but would affect a large number of the American manufacturers who are obliged to use imported material in a more or less degree of finish.

If this thing goes into effect overnight it would mean that to-morrow morning the customs examiners would have to forget all they ever learned, and when they were confronted with a case of goods they would have to determine what those goods were sold for in this country, although they haven't the slightest idea what the markets are in this country. Those things are very intricate and very difficult to determine.

Mr. GARNER. Just one question—you are down here at the invitation of the committee, and you are very friendly with the chairman, and you have given him a very grievous blow this morning. I want to suggest to you that if you can find any way by which you can enact a tariff law that on its face will show that it is not in excess of the Payne law and at the same time will be 50 per cent greater, you will have accomplished just what the chairman wants to do in this proposition and you will favor him greatly.

The CHAIRMAN. Mr. Doherty, the blow you dealt me rebounded to the gentleman from Texas, evidently.

Mr. DOHERTY. I did not deal Mr. FORDNEY a blow. I never would. Mr. FORDNEY has been a dear friend of mine for many years. He is the most lovable chairman this committee has had since Henry Clay, and far be it from me to deliver any blow to him.

Mr. FORDNEY. Will the gentleman yield?

Mr. CAREW. Yes.

Mr. FORDNEY. I know Mr. Doherty very well; he is a fine fellow.

Mr. CAREW. The gentleman from Michigan brought him down and vouched for him as a witness before us.

Mr. FORDNEY. He came down here as a representative of George Borgfeldt, of New York, to oppose the American valuation. [Applause on the Republican side.]

Mr. CAREW. It appears in the very first statement in the hearings, where he said, "I am here at the invitation of the committee, in an individual capacity," and the very last statement he made——

Mr. FORDNEY. Brother——

Mr. CAREW. Son. [Laughter.]

Mr. FORDNEY. Oh, no, you old rascal; you are too old to be a son of mine. [Laughter.] I will say that the committee did request Mr. Doherty and a great many other people to come and express themselves whether they were for or against the matter. Mr. Doherty is a paid attorney for George Borgfeld

& Co., but in this case he came in an individual capacity. He is in their employ yet. He was here yesterday and is still protesting against the American valuation and says it will be an absolute failure and will absolutely destroy this bill. I can not agree with him.

[The time of Mr. CAREW having expired, he was yielded 10 minutes more.]

Mr. CAREW. Now, I want to read a little more of what Mr. Doherty said. Mr. GARNER said to him: "Just one question: You are down here at the invitation of the committee, and you are very friendly with the chairman." Why, this man Doherty was a clerk or assistant clerk in the Ways and Means Committee in the good old days of Payne and Aldrich, helping all these ancient and honorable Republican Members to draw up a protective tariff bill. He is a protectionist and a Republican, but he knows elementary arithmetic, and he knows that if you violate its laws you will ruin your bill and discredit your system and reveal its villainy.

Mr. GARNER said:

You have given our chairman a very grievous blow.

To which the chairman replied:

Mr. Doherty, the blow you gave me rebounded on the gentleman from Texas.

Then Mr. Doherty paid our chairman this tribute. He said:

I did not deal Mr. FORDNEY a blow. I never would deal Mr. FORDNEY a blow. He has been a very dear friend of mine for many years. He is the most lovable chairman this committee has had since Henry Clay.

Which I may say is quite true. [Applause.] But does it not show that it is from the mouths of your friends that we convict you of error?

Mr. Chairman, Mr. Doherty came before us with a hundred score of specific, particular detailed items of purchased importations to prove that the exchange system had cured itself and that prices rose in Germany sky-high as the mark depreciated.

Over in the Senate when this absurd proposition to freeze the exchange in the currency of the world was under consideration by the Finance Committee of your own party they ripped it out of the bill. They regarded it as a mistake in multiplication. They cut it right out, and the gentlemen who were on the conference came back here into this House and they never told you how they had been whipped over there and taught a lesson in multiplication. They came in here with their conference report and never explained to this House or to you who had trusted them and voted as they directed you to vote how some elementary mathematicians at the other end of the Capitol had corrected their little sum in addition.

Now, are you going to trust them again? Are you going to let them repeat the same blunder and again lead you into it? If they know better they are giving you false reasons for this bill: If they do not know better, then it is a case of the blind leading the blind, and do you not suppose that if this question comes up again in the Senate they will once more reject this argument, and unless you get a better reason reject your bill?

Over in the Senate Finance hearing this same Mr. Doherty testified. He said there:

I recall there were some appeals made to the sympathies of the Democratic members, and they were urged to get the duty that Mr. UNDERWOOD wanted to get. These statements are against the actual facts.

Some Senator there mentioned Mr. LONGWORTH's remarks on the floor of the House. Mr. Doherty said:

I read them, and I can only say of Congressman LONGWORTH that, like all other human beings, he only knows what he has been told.

Of course, he does not know what he has been told. He can believe what he has been told, and I have no bit of doubt but that he believes that this exchange proposition is hooked up with the American valuation system, but the American valuation system has no more to do with the exchange proposition and will no more be a remedy for it or a cure for it than would Einstein's theory. Indeed, there is no exchange problem. Natural processes raised prices as marks and crowns and francs and pounds and lires went down, and raised them proportionately in the drop and even higher.

The majority of the Ways and Means Committee have called to their aid the Secretary of Commerce, Mr. Hoover, as an advocate of this new proposal. But he brings them small comfort. He came before the Ways and Means Committee on May 3, 1921, and his testimony can be put in concise form, as follows:

Mr. CRISP. Mr. Secretary, I would like to ask you a question. Of course, I do not care to have you answer unless you see fit to do so. I do not think there is any man in the country that is more familiar with world-wide conditions than you. I would like to know your opinion as to whether it would be advisable for the United States to change its policy of levying duties to American valuations, as proposed in the bill which the committee is considering?

Secretary HOOVER. I have given that some thought. My impression is that with the unstable currency and exchange situation that we have in a large part of Europe to-day there is practically no other alternative. I do not think it would be at all advisable under any other circumstances. There is a very great difficulty in meeting the economic effect of the tremendous currency depreciation and the fiscal policies of many States. I would be glad, indeed, if some one could suggest a device that would be less troublesome to trade and to the Government. Its administration will be very difficult. So far as I have seen no inspiration of a better method or a workable alternative that would meet this wide variation between economic levels and exchange values; that is, quoted exchange does not represent equivalent purchasing value in services, etc.

He condemns it utterly except for the cure he thinks it might effect for the supposed exchange evil. But there is no exchange evil. Prices have risen as currencies have dropped. The only evil Secretary Hoover offers it to cure is nonexistent. On every other point Secretary Hoover condemns it.

A third reason given to support this American valuation scheme is that by means of it you have an equal amount of duty imposed on an article coming from any country whatever. In other words, you will have the same cash duty paid upon a product brought in from Canada that you will have on the same product brought in from Japan. I have no doubt whatever but what that is true if you get the same appraiser on the same day at the same port of entry, but I want to ask you whether you really want to establish any system, even as protectionists, that will put the same cash burden on commerce with Canada that you want to put on commerce with Japan. We all know that the Japanese are going into manufacturing.

Labor is cheaper in Japan than here. Their costs will undoubtedly be cheaper, and they will be cheaper than the cost in Canada. Are you going to put the same burden on an article coming in from Canada that you do on an article coming in from Japan? In other words, you are going to give the benefit of this American market to the Jap as against the Canadian. Are you going to give the American market to the yellow races of the world rather than to the races and nations that approximate our own standards? If you want to do that, go ahead and do it. For my part I utterly protest against it.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. CAREW. Yes.

Mr. FORDNEY. I am not trying to bother the gentleman, but I think the gentleman does not understand this as I do.

Mr. CAREW. I do not think I do.

Mr. FORDNEY. I think I can make the gentleman understand it as I do.

Mr. CAREW. I do not believe the gentleman can.

Mr. FORDNEY. There is no man so blind as him who will not see. The gentleman has stated that we are giving the trade to the Jap as against the Canadian.

Mr. CAREW. That is what I said.

Mr. FORDNEY. The American valuation is right the reverse, if I understand it correctly, and here is my understanding. Under existing law the ad valorem rate of duty against the whole world discriminates against the country of the highest cost of production, and Canada is the country of the highest cost of production with whom we deal.

Mr. CAREW. That is true, probably.

Mr. FORDNEY. Under American valuation that will not change Canada's status at all, but it will double up the duty now paid by the country of lowest cost of production, and make Japan pay twice as much duty as Canada, whereas under existing law Canada pays twice the duty that Japan does.

Mr. CAREW. I have in my hand a book. Let us suppose that same book is made in Canada and in Japan.

Mr. FORDNEY. Yes.

Mr. CAREW. That it is made in Canada for $1 and in Japan for 50 cents.

Mr. FORDNEY. That is it, exactly.

Mr. CAREW. That it is sold in the American market for $2.

Mr. FORDNEY. Yes.

Mr. CAREW. And that there is a duty of 50 per cent ad valorem imposed on it.

Mr. FORDNEY. No, brother—or son. [Laughter.]

Mr. CAREW. Oh, yes. Let me give the gentleman my example.

Mr. FORDNEY. Yes.

Mr. CAREW. The Jap is going to bring in this book for his cost price of 50 cents and a duty of 50 per cent of $2, or $1. In other words, the Jap is going to land his book and sell it in the American market for $1.50.

Mr. FORDNEY. Yes.

Mr. CAREW. How much is the Canadian going to sell it for?

Mr. FORDNEY. I will tell you.

Mr. CAREW. But let me tell the gentleman.

Mr. FORDNEY. That is the point.

Mr. CAREW. In the first place, he is going to pay his cost, which is $1, and he is going to pay 50 per cent of the American

valuation, which is another dollar. In other words, the Canadian is going to sell that book in the American market for $2, and the Jap is going to sell it for $1.50. [Applause on the Democratic side.]

Mr. FORDNEY. Let us suppose the gentleman is correct in that for the sake of argument, and I rather think he is, but suppose the article costs $1 in Canada and it costs 50 cents in Japan. Under existing law——

Mr. CAREW. Oh, the existing law is bad, I admit, but the new scheme is worse.

Mr. FORDNEY. Wait; let us see whether it is or not.

Mr. CAREW. Yes; it is worse.

Mr. FORDNEY. I am going to convince the gentleman that he is in error.

Mr. CAREW. The gentleman can not convince me that I am in error, because I have admitted to him that the present system is bad.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. FORDNEY. Mr. Chairman, I will yield the gentleman enough time to amount to the interruption that I have made. Suppose the book costs a dollar in Canada and 50 cents to produce in Japan. Let us suppose the duty is 50 per cent ad valorem. When the Canadian lands that book here he pays 50 cents under existing law.

Mr. CAREW. He pays 50 per cent of 50 cents, which is 25 cents.

Mr. FORDNEY. He pays 50 per cent on the dollar. The cost in Canada is a dollar. Now he pays 50 cents. The Japanese foreign cost is 50 cents, and he pays 50 per cent of 50.

Mr. CAREW. Which is a quarter.

Mr. FORDNEY. A quarter, and thereby he is paying half the duty the Canadian does.

Mr. CAREW. I have admitted it is bad, but yours is worse.

Mr. FORDNEY. Let us see if it is.

Mr. CAREW. What you ought to do—and I do not want to reflect upon anybody—would be to try to devise a system, and I think it can be done, whereby the Jap and the Canadian would come in on equal terms.

Mr. FORDNEY. Now, the gentleman is getting around to my position exactly. I have tried——

Mr. CAREW. No; I am getting around to my own view of it, and the gentleman is coming to me.

Mr. FORDNEY. If the gentleman will permit, I will yield time; let us settle this thing as I understand it. Under existing law the Jap pays one-half of the amount of money into our Treasury the Canadian does, and under our plan he will pay exactly the same.

Mr. CAREW. He will not.

Mr. FORDNEY. He will absolutely.

Mr. CAREW. I have just demonstrated——

Mr. FORDNEY. He will pay on American valuation exactly——

Mr. CAREW. The gentleman is correct.

Mr. FORDNEY. Exactly the same amount of money into our Treasury. [Applause on the Republican side.]

Mr. CAREW. But you are going to boost the Canadian so high that it will be impossible for him to come at all. He will not be able to compete with the American and much less in competition with the Jap.

Mr. FORDNEY. No, no, no; we have not.

Mr. CAREW. You put the Canadian and the Jap on equal terms and every man on this side of the House will be with you.

Mr. FORDNEY. We have done that by the American valuation, making both pay the same amount.

Mr. CAREW. You make them pay the same amount of duty, but you make the duty so high that the Canadian can not come in at all.

Mr. FORDNEY. No; the gentleman is in error there, sir. We have not changed that at all, except we make the Jap pay double the duty which you make him pay. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CAREW. Mr. Chairman, I ask leave to extend and revise my remarks.

The CHAIRMAN. The gentleman has that privilege.

Mr. CAREW. Pursuant to that privilege, I here insert table used before the Senate Finance Committee showing rise of prices in Germany due to fall of value of mark from 1914 value to 1920 value.

[The table referred to, submitted by Mr. Doherty, is here printed in full, as follows:]

List of 20 items representing surgical instruments of popular patterns, picked at random from our catalogue, showing the relative cost in marks and dollars in 1914 and 1921.

No.	Item.	F. o. b. German factory.				Rate of duty.	Cost and duty, 1914 (4.20 marks per dollar).	Cost and duty, 1921 (62 marks per dollar).	Cost, including proposed duty under the currency valuation clause (marks at approximately 8 cents).
		1914		1921					
		Marks each.	Dollars each.	Dollars each.	Marks each.				
						Per cent.			
B/499	Carmalt's artery forceps, box lock, 6½-inch	1.40	0.33	0.85	52.70	20	$0.396	$1.02	$1.70
B/598	Kocher's artery forceps, 6-inch	.85	.20	.40	24.80	20	.24	.48	.80
B/2000	M. O. knife, U. S. Army pattern	.95	.23	.35	21.70	20	.276	.42	.70
B/5640	Mathieu's needle holder, 5-inch	1.70	.40	.85	52.70	20	.48	1.02	1.70
B/5603	Hegar's needle holder, Rochester pattern	1.45	.45	.85	52.70	20	.54	1.02	1.70
B/7624	Straight scissors, 5-inch	.55	.13	.25	15.50	30	.169	.325	.622
B/7645	Curved scissors, 5½-inch	.75	.18	.35	21.70	30	.234	.455	.87
B/8103	Lister's bandage scissors, 7-inch	1.05	.25	.55	34.10	30	.325	.715	1.378
E/6532	Reverdin's perineum needle	1.90	.45	1.00	62.00	20	.54	1.20	2.00
C/1425	Graefe's cataract knife	.85	.20	.45	27.90	20	.24	.54	.90
C/15904	Tooth forceps, box lock	1.90	.45	1.06	65.72	20	.54	1.272	2.12
C/4551	Buck's ear curette	1.00	.24	.50	31.00	20	.288	.60	1.00
C/4917	Jansen's mastoid rongeur	2.75	.66	1.50	93.00	20	.792	1.80	3.00
E/413	Tarnier's forceps, obstetrical	12.00	2.86	6.00	372.00	20	3.43	7.20	12.00
B/4252	Volkmann retractor, hollow handle	1.05	.25	.50	31.00	20	.30	.60	1.00
B/4547	Langenbeck's metacarpal saw	1.70	.40	.75	46.50	12	4.48	.81	1.196
B/7163	Thumb forceps, 5-inch	.40	.09	.20	12.40	20	.108	.24	.40
B/7453	Feilchenfeld's splinter forceps	.55	.13	.30	18.60	20	.156	.36	.60
D/2701	Van Buren's sound of one piece	.31	.07	.20	12.40	20	.084	.24	.40
E/2513	Foerster's sponge forceps, 9½-inch	1.30	.31	.55	34.10	20	.372	.66	1.10

Senator SIMMONS. I would like to put into the record a letter which I received, supplementary to a letter that I put into the record yesterday, from Wimelbacher & Rice. The letter is dated New York, April 18, 1921. The letter which I put in the record yesterday related to gloves. From this letter it appears that the Government under present conditions is collecting $2.80 per dozen duty on the same articles. That is the same kind of gloves on which it collected 74.97 cents duty in prewar times.

Senator MCLEAN. From France or Germany?

Senator SIMMONS. It starts out by saying: "Supplementing our letter of the 16th instant." I put that letter in the record yesterday, and this letter simply supplements it.

The CHAIRMAN. Does the Senator desire to put that whole letter in the record?

Senator SIMMONS. Yes, sir. I only gave an extract from it.

(The letter referred to is as follows:)

NEW YORK, *April 18, 1921.*

Hon. J. F. CAREW,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: Supplementing our letter of the 16th instant and in regard to the subject matter contained therein concerning the dutiable value of cotton gloves at the present market value and at the current rate of exchange, we desire to call your attention to the very important fact that the Government is receiving a far greater duty revenue under present conditions than it did in prewar times on the identical glove, when the duty value of the mark was figured on the standard basis of 23.8 cents.

For example—the glove quoted in our previous letter, the present market value of which abroad is 500 marks, pays, at the current rate

of exchange, 160, 35 per cent duty on $8, which duty amounts to $2.80 per dozen.

In prewar times the market value of this same glove was 9 marks per dozen and at the standard rate of exchange, 24.8 cents per mark, the duty value amounted to $2.142 per dozen and the amount of duty collectible at 35 per cent amounted to 74.97 cents per dozen.

Therefore the Government is, under present conditions, collecting $2.80 per dozen duty on the same article on which it collected 74.97 cents duty in prewar times.

The revenue to the Government on this article under prevailing conditions is consequently nearly four times as great as it was in prewar times.

We feel that these important facts should receive the very serious consideration of the United States Senate, in view of the probability of the entire abandonment of importations of goods of the character in question under the arbitrarily fixed rate of exchange, and the consequent loss to the Government of considerable revenue from this source.

Respectfully, yours,

WIMELBACHER & RICE.

The CHAIRMAN. Have you anything further to state, Mr. Doherty?

Mr. DOHERTY. In conclusion, I would ask that if by any chance this legislation be enacted, the amendment proposed be inserted so that it would not disturb importations that have already arrived in the country and have been appraised by the appraiser and their value fixed. In other words, that it will apply only to goods arriving in this country from and after the date of its effectiveness.

The CHAIRMAN. You will revise your statement as early as you can?

Mr. DOHERTY. Yes, sir; I will.

The CHAIRMAN. Have you anyone else that you desire to be heard?

Mr. DOHERTY. No, sir; and I thank you very much.

(The following tables and statements were filed by Mr. Doherty and were ordered by the chairman to be printed immediately after Mr. Doherty's address:)

FILET LACE, HANDMADE, IMPORTED FROM CHINA.

Comparable merchandise not quite so good is also imported from Italy. The landed cost in United States currency of the Chinese article is just half the landed cost in United States currency of the Italian article.

Example.

Foreign cost reduced to United States currency.	Present duty.	Duty as proposed by new law limiting depreciation to 66⅔ per cent.
Italian lace, $1	$0.60	$0.84
Chinese lace, $0.50	.30	.30

Embroidered and lace-trimmed table covers, bedspreads, doilies, and similar articles are also imported from both Italy and China. Landed costs in United States currency of comparable goods from both countries are practically the same at the present time.

Example.

Foreign cost reduced to United States currency.	Present duty.	Duty as proposed by new law limiting depreciation to 66⅔ per cent.
Italian goods, $1	$0.60	$0.84
Chinese goods, $1	.60	.60

Submitted by Geo. Borgfeldt & Co.

Article.	Prewar.				Present.			Proposed.		To bring to New York.	
	Sample No.	Cost.	Duty.	Total.	Cost.	Duty.	Total.	Duty.	Total.	Prewar.	Now.
Dressed doll	1	$2.15	$0.75	$2.90	$3.63	$1.27	$4.90	$6.31	$9.94	$0.49	85 cents per dozen.
Jointed doll	2	2.41	.84	3.25	3.19	1.12	4.31	5.55	8.74	.49	Do.
Kid doll	3	11.08	3.88	14.06	20.99	7.35	28.34	36.45	57.44	1.07	$1.15 per gross.
Alarm clock	4	.236	.71	.307	.505	.141	.646	.692	1.197	.015	4.1 cents pc.
Watch	5	.33	.10	.42	.48	.114	.594	.56	1.04	.015	2½ cents pc.
Scissors	6	1.09	.33	1.42	1.49	.45	1.94	2.22	3.71	.03	5 cents per dozen.
Pocketknives	7	.309	.108	.417	.432	.151	.583	1.183	1.615	.05	13 cents per dozen.
Do	8	.88	.31	1.19	1.16	.64	1.80	3.15	4.31	.05	Do.
Do	9	1.65	.91	2.56	3.41	1.88	5.29	9.30	12.71	.05	Do.
Toothbrush	10	7.91	2.77	10.68	10.98	3.85	14.83	19.06	30.04	.235	50 cents per gross.
Bath thermometer	11	5.65	.85	6.50	6.51	.98	7.49	4.84	11.35	.86	$1.69 per gross.
Pocket mirror	12	1.54	.46	2.00	2.46	.74	3.20	3.67	6.13	.20	24 cents per gross.
Horse	13	1.28	.45	1.73	2.58	.90	3.48	4.49	7.07	.19	95 cents per dozen.
Glass ball	14	.91	.31	1.22	1.02	.46	1.48	2.29	3.31	.29	35 cents per gross.
Ark	15	6.52	2.28	8.80	10.14	3.54	13.68	17.61	27.75	2.90	$3.75 per gross.
Beadle	16	10.36	3.63	13.99	11.77	4.12	15.89	20.62	32.39	.93	$1.35 per gross.
Rabbit	17	2.00	.70	2.70	3.87	1.35	5.22	6.72	10.59	.49	70 cents per gross.
Train set	18	3.26	1.14	4.40	5.24	1.83	7.07	9.10	14.34	.64	90 cents per dozen.
Glass marbles	19	5.26	1.84	7.10	11.38	3.98	15.36	19.78	31.16	.70	$1.58 per M.
Fabric gloves	21	2.26	.79	2.97	9.25	3.24	12.49	16.04	25.29	.05	40 cents per dozen.
Enamel pitcher, 15 cm.[1]		2.64	.66	3.30	4.75	.96	5.71	4.76	9.51	.31	$1.05 per dozen.
Aluminum omelette pan[1]		3.65	.91	4.56	7.12	1.36	8.48	6.75	13.87	.32	78 cents per dozen.
Willow baskets (2)[1]		2.35	.59	2.94	3.09	.77	3.86	3.74	6.83	.77	$1.50 per dozen.

	Prewar.			Present.			Proposed.		To bring to New York.	
	Cost.	Duty.	Total.	Cost.	Duty.	Total.	Duty.	Total.	Prewar.	Now.
Lamb Finlay & Co.: Huck towel	$142.00	$49.70	$191.70	$666.00	$175.70	$841.70	$870.80	$1,536.80	$2.30	100 dozen.
Julius Kayser & Co.: Cotton gloves	3.68	1.30	4.98	6.01	2.10	8.11	10.44	16.45	.10	25 cents per dozen.
Wimelbacher & Rice: Cotton gloves	1.10	.38	1.48	2.56	.90	3.46	4.48	7.04	.....	Dozen.
Do	2.14	.75	2.89	8.00	2.80	10.80	14.00	22.00	.....	Do.
Do	2.19	.77	2.96	6.43	2.25	8.68	11.25	17.68	.....	Do.
L. Straus & Sons: Glassware	20.26	9.12	29.38	42.00	18.90	60.90	90.72	132.72	.....	Unit.
Louis Wolf & Co.:										
Imitation-kid dolls	2.88	1.00	3.88	7.42	2.60	10.02	12.88	20.30	.....	Dozen.
Jointed dolls	5.11	1.77	6.88	9.58	3.35	12.93	16.63	26.21	.....	Do.
Dressed dolls	1.14	.40	1.54	2.08	.72	2.80	3.61	5.69	.....	Do.
Fine jointed dolls	18.58	6.45	25.03	28.61	10.01	38.62	49.64	78.25	.....	Do.

[1] Not stamped.

No. 60—Jointed dolls:		
Cost 1914	dozen	$8.24
Cost 1921	do	14.69
Lay-down cost, Young emergency bill	do	28.29
Duty 1914	do	1.85
Duty 1921	do	3.40
Proposed duty, Young emergency bill	do	17.00
No. 732/3—Violin:		
Cost 1914	gross	15.36
Cost 1921	do	28.83
Lay-down cost, Young emergency bill	do	55.71
Duty 1914	do	3.65
Duty 1921	do	6.72
Proposed duty, Young emergency bill	do	33.00
No. 2/0—Horse:		
Cost 1914	do	29.52
Cost 1921	do	50.76
Lay-down cost, Young emergency bill	do	93.00
No. 2/0—Horse—Continued.		
Duty 1914	dozen	$6.84
Duty 1921	do	10.56
Proposed duty, Young emergency bill	do	52.80
No. 34—Dressed dolls:		
Cost 1914	do	26.01
Cost 1921	do	47.64
Lay-down cost, Young emergency bill	do	90.84
Duty 1914	do	5.94
Duty 1921	do	10.80
Proposed duty, Young emergency bill	do	54.00
No. 1500—Harmonicas:		
Cost 1914		312.50
Cost 1921		900.00
Lay-down cost, Young emergency bill		1,351.60
Duty 1914		75.27
Duty 1921		112.90
Proposed duty, Young emergency bill		564.50

Exchange equalization measure—Comparative cost plus duty.

	Per gross.	
Harmonica No. 1500, cost before the war at factory in 1914	marks	17.40
Plus case and packing	do	.52
Total	do	17.92
Which equaled at published standard rate of 24 cents		$4.30
35 per cent duty thereon		1.51
Total		5.81
Same article costs now for export from factory		$14.40
Plus case and packing		.30
Which equals at prevailing exchange rate		14.70
This article is sold for home consumption	marks	403.20
Plus case and packing	do	8.10
Total	do	411.30
Which equals at prevailing exchange rate of 1.6 cents		$6.58
35 per cent duty thereon		2.30
		17.00
Cost		$14.70
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 411.30 marks, at 8 cents (33⅓ per cent of 23.80) would be		$32.90
35 per cent duty thereon would be		11.52
Total		26.22

Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war 44 cents per gross and are now $1 per gross.

	Per dozen.	
Jointed dolls, No. 60 c/m, cost before the war at factory in 1914	marks	20.50
Plus case and packing	do	1.45
Total	do	21.95
Which equaled at published standard rate		5.28
35 per cent duty thereon		1.85
Total		7.13
Same article costs now for export from factory	marks	579.00
Plus case and packing	do	28.95
Total	do	607.95
Which equals at prevailing exchange rate of 1.60 cents		9.72
35 per cent duty thereon		3.40
Total		13.12
Cost		9.72
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 607.95 marks, at 8 cents (33⅓ per cent of 23.80) would be $48.63.		
35 per cent duty thereon would be		17.01
Total		26.73

Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war $1.11 per dozen and are now $1.57 per dozen.

	Dozens.	
Horse No. 2/0 cost before the war at factory in 1914	marks	6.30
Plus case and packing	do	.50
Total	do	6.80
Which equaled at published standard rate of 24 cents		1.64
35 per cent duty thereon		.57
Total		2.21
Same article costs now for export from factory	marks	150.00
Plus case and packing	do	6.75
Total	do	156.75
Which equals at prevailing exchange rate of 1.60 cents		$2.50
35 per cent duty thereon		.88
Total		3.38
Cost		2.50
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 156.75 marks, at 8 cents (33⅓ per cent of 23.80), would be		$12.54
35 per cent duty thereon would be		4.38
Total		6.88

Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war $0.25 per dozen, and are now $0.85 per dozen.

	Per gross.	
Violins, No. 732/3, cost before the war at factory in 1914	marks	45.00
Less 10 per cent	do	4.50
Total	do	40.50
Plus case and packing	do	3.00
Total	do	43.50
Which equaled at published standard rate of 24 cents		$10.45
35 per cent duty thereon		3.65
Total		14.10
	Per dozen.	
Same article costs now for export from factory	kronen	99.00
Plus case and packing	do	7.00
Total	do	106.00
	Gross.	
Which equals at prevailing exchange rate of 1⅛ cents		19.20
35 per cent duty thereon		6.72
Total		25.92
Cost		19.20

Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 106 kronen per dozen, at 0.068 cent (⅛—per cent of 0.203) would be $7.20.

35 per cent duty thereon would be	dozen	2.52
Total	gross	49.44

Other expenses (such as inland—foreign—and ocean freight, marine insurance and petties) to bring this article from factory to New York were before the war $1.26 per gross, and are now $2.91 per gross.

	Per gross.	
Dressed dolls, No. 34 c/m, cost before the war at factory in 1914	marks	66.00
Plus case and packing	do	4.62
Total	do	70.62
Which equaled at published standard rate of 24 cents		16.95
35 per cent duty thereon		5.94
Total		22.89
Same article costs now for export from factory	marks	1,800
Plus case and packing	do	126
Total	do	1,926
Which equals at prevailing exchange rate of 1.60 cents		30.82
35 per cent duty thereon		10.79
Total		41.61
Cost		30.82

Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 1,926 marks, at 8 cents (33⅓ per cent of 23.80) would be $154.08.

35 per cent duty thereon would be		53.93
Total		84.75

Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war $3.12 per gross, and are now $6 per gross.

[A. Field & Co., New York.]

German door locks, No. 6543 (per dozen):		
Prewar cost, in marks		9.80
Equivalent in dollars at 23.80		$2.33
Duty at 20 per cent ad valorem		.47
Cost of landing goods in New York		.35
Total cost		3.15
Present cost, in marks		375.00
Equivalent in dollars at 1.60		$6.00
Duty at 20 per cent ad valorem		1.20
Cost of landing goods in New York		.90
Total cost		8.10
Duty at proposed mark valuation of not less than 8 cents		6.00
Cost of goods plus landing cost		6.90
Total cost		12.90
Duty under this valuation	per cent	100
German pliers, No. 1195, 6-inch (per dozen):		
Prewar cost, in marks		3.00
Equivalent in dollars at 23.80		$0.71
Duty at 30 per cent ad valorem		.21
Cost of landing goods in New York		.10
Total cost		1.02
Present cost, in marks		108.50
Equivalent in dollars at 1.60		$1.74
Duty at 30 per cent ad valorem		.52
Cost of landing goods in New York		.26
Total cost		2.52
Duty at proposed mark valuation of not less than 8 cents		2.60
Cost of goods plus landing cost		2.00
Total cost		4.60
Duty under this valuation	per cent	150

German pliers, No. 1133 (per dozen):

	6-inch.	7-inch.	8-inch.
Prewar cost, in marks	6.50	7.20	8.40
Equivalent in dollars, at 23.80	$1.55	$1.72	$2.00
Duty at 30 per cent ad valorem	.47	.52	.60
Cost of landing goods in New York	.23	.26	.30
Total cost	2.25	2.50	2.90
Present cost, in marks	150.50	192.25	217.00
Equivalent in dollars, at 1.60	$2.41	$3.08	$3.47
Duty at 30 per cent ad valorem	.72	.92	1.04
Cost of landing goods in New York	.36	.46	.52
Total cost	3.49	4.46	5.03
Duty at proposed mark valuation of not less than 8 cents	3.61	4.61	5.21
Cost of goods plus landing cost	2.77	3.54	3.99
Total cost	6.38	8.15	9.20

Duty under this valuation, 150 per cent.

German pliers, No. 1740 (per dozen):

	6-inch.	8-inch.
Prewar cost, in marks	5.50	7.50
Equivalent in dollars, at 23.80	$1.32	$1.79
Duty at 30 per cent ad valorem	.40	.54
Cost of landing goods in New York	.20	.27
Total cost	1.92	2.60
Present cost, in marks	164.25	211.25
Equivalent in dollars, at 1.60	$2.63	$3.38
Duty at 30 per cent ad valorem	.79	1.01
Cost of landing goods in New York	.40	.51
Total cost	3.82	4.90
Duty at proposed mark valuation of not less than 8 cents	3.95	5.07
Cost of goods plus landing cost	3.03	3.89
Total cost	6.98	8.96

Duty under this valuation, 150 per cent.

German magnets, No. 2005 (per gross):

	4½-inch.	5-inch.	6-inch.	7-inch.	8-inch.
Prewar cost, in marks	15.60	19.80	32.40	57.60	79.40
Equivalent in dollars at 23.80	$3.71	$4.71	$7.71	$13.71	$18.90
Duty at 20 per cent ad valorem	.74	.94	1.54	2.74	3.78
Cost of landing goods in New York	.56	.71	1.16	2.06	2.84
Total cost	5.01	6.36	10.41	18.51	25.52
Present cost in marks	467.65	640.00	907.25	1,209.25	1,693.00
Equivalent in dollars at 1.60	$7.48	$10.24	$14.52	$19.35	$27.09
Duty at 20 per cent ad valorem	1.50	2.05	2.90	3.87	8.13
Cost of landing goods in New York	1.12	1.54	2.18	2.90	4.06
Total cost	10.10	13.83	19.60	26.12	39.28
Duty at proposed mark valuation of not less than 8 cents	7.48	10.24	14.52	19.35	27.09
Cost of goods plus landing cost	8.60	11.78	16.70	22.25	31.15
Total cost	16.06	22.02	31.22	41.60	58.24

Duty under this valuation, 100 per cent.

German scissors, No. 118 (per dozen):

	4-inch.	5½-inch.	6-inch.
Prewar cost, in marks	4.80	5.97	6.45
Equivalent in dollars at 23.80	$1.14	$1.42	$1.54
Duty at 30 per cent ad valorem	.34	.43	.46
Cost of landing goods in New York	.17	.21	.23
Total cost	1.65	2.06	2.23
Present cost, in marks	131.50	169.65	176.60
Equivalent in dollars at 1.60	$2.10	$2.71	$2.83
Duty at 30 per cent ad valorem	.63	.81	.85
Cost of landing goods in New York	.32	.41	.42
Total cost	3.05	3.93	4.10
Duty at proposed mark valuation of not less than 8 cents	3.15	4.07	4.24
Cost of goods plus landing cost	2.42	3.12	3.25
Total cost	5.57	7.19	7.49

Duty under this valuation, 150 per cent.

German scissors, No. 137 (per dozen):

	4-inch.	5½-inch.	6-inch.
Prewar cost, in marks	5.27	6.83	7.46
Equivalent in dollars, at 23.80	$1.25	$1.63	$1.78
Duty at 30 per cent ad valorem	.38	.49	.53
Cost of landing goods in New York	.19	.24	.27
Total cost	1.82	2.36	2.58
Present cost, in marks	111.50	158.25	169.30
Equivalent in dollars, at 1.60	$1.78	$2.53	$2.71
Duty at 30 per cent ad valorem	.53	.76	.81
Cost of landing goods in New York	.27	.38	.41
Total cost	2.58	3.67	3.93
Duty at proposed mark valuation of not less than 8 cents	2.68	3.80	4.06
Cost of goods plus landing cost	2.05	2.91	3.12
Total cost	4.73	6.71	7.18

Duty under this valuation, 150 per cent.

German pocket knives, No. 25158, pearl (per dozen):

Prewar cost, in marks	2.40
Equivalent in dollars, at 23.80	$0.57
Duty at 35 cents ad valorem (value under $1 per dozen)	.20
Cost of landing goods in New York	.09
Total cost	.86
Present cost, in marks	82.75
Equivalent in dollars, at 1.60	$1.32
Duty at 55 per cent ad valorem (value over $1 per dozen)	.73
Cost of landing goods in New York	.20
Total cost	2.25
Duty at proposed mark valuation of not less than 8 cents	3.64
Cost of landing goods plus landing cost	1.52
Total cost	5.16
Duty under this valuation (per cent)	275

German pocket knives, No. 28010, ox (per dozen):

Prewar cost, in marks	5.00
Equivalent in dollars at 23.80	$1.19
Duty at 55 per cent ad valorem	.65
Cost of landing goods in New York	.18
Total cost	2.02
Present cost, in marks	126.50
Equivalent in dollars at 1.60	$2.02
Duty at 55 per cent ad valorem	1.11
Cost of landing goods in New York	.30
Total cost	3.43
Duty at proposed valuation of not less than 8 cents	5.57
Cost of goods plus landing cost	2.32
Total cost	7.89
Duty under this valuation per cent	275

German pocket knives, No. 35132, pearl (per dozen):

Prewar cost, in marks	10.50
Equivalent in dollars at 23.80	$2.50
Duty at 55 per cent ad valorem	1.38
Cost of landing goods in New York	.38
Total cost	4.26
Present cost in marks	317.75
Equivalent in dollars at 1.60	$5.08
Duty at 55 per cent ad valorem	2.79
Cost of landing goods in New York	.76
Total cost	8.63
Duty at proposed valuation of mark of not less than 8 cents	13.98
Cost of goods plus landing cost	5.84
Total cost	19.82
Duty under this valuation per cent	275

[J. A. Henckels, New York City.]

German razors, No. 16, five-eighths inch (per dozen):

Prewar cost, in marks	19.45
Equivalent in dollars at 23.80	$4.63
Actual duty at 55 per cent ad valorem	$2.54
Present cost, in marks	429.50
Equivalent in dollars at 1.60	$6.87
Actual duty at 55 per cent ad valorem	$3.78
Actual duty at proposed mark valuation of not less than 8 cents	$18.90
Duty under this valuation per cent	275

German pocketknives, No. 959, pearl (per dozen):

Prewar cost, in marks	29.75
Equivalent in dollars at 23.80	$7.10

Actual duty at 55 per cent ad valorem	$3.91
Present cost, in marks	618.80
Equivalent in dollars at 1.60	$9.90
Actual duty at 55 per cent ad valorem	$5.45
Actual duty at proposed mark valuation of not less than 8 cents	$27.23
Duty under this valuation—per cent	275
German razors, No. 28, five-eighths inch (per dozen):	
Prewar cost, in marks	19.85
Equivalent in dollars at 23.80	$4.72
Actual duty at 55 per cent ad valorem	$2.60
Present cost, in marks	625.04
Equivalent in dollars at 1.60	$10.00
Actual duty at 55 per cent ad valorem	$5.50
Actual duty at proposed mark valuation of not less than 8 cents	$27.50
Duty under this valuation—per cent	275
German eraser, No. 50 (per dozen):	
Prewar cost, in marks	6.15
Equivalent in dollars at 23.80	$1.46
Actual duty at 55 per cent ad valorem	$0.80
Present cost, in marks	207.87
Equivalent in dollars at 1.60	$3.33
Actual duty at 55 per cent ad valorem	$1.84
Actual duty at proposed mark valuation of not less than 8 cents	$9.16
Duty under this valuation—per cent	275

Taking the present value of the mark at 1.60, taking the emergency bill fixing depreciated currency at not less than one-third of its gold value—meaning 8 cents, round figures—this would produce the following result:

Foreign cost, in marks.	Foreign cost, in dollars.	Present prevailing duty.	Duty paid under present tariff.	Landing cost, not including expenses.	Emergency bill on German goods at 8 cents to the mark, would assess duty on—	Duty exacted under emergency bill.	Emergency landing cost.	Emergency bill duty would be—
Marks.		*Per cent.*						*Per cent.*
60	$1.00	10	$0.10	$1.10	$4.80	$0.48	$1.48	48
60	1.00	15	.15	1.15	4.80	.72	1.72	72
60	1.00	20	.20	1.20	4.80	.96	1.96	96
60	1.00	25	.25	1.25	4.80	1.20	2.20	120
60	1.00	30	.30	1.30	4.80	1.44	2.44	144
60	1.00	35	.35	1.35	4.80	1.68	2.68	168
60	1.00	40	.40	1.40	4.80	1.92	2.92	192
60	1.00	45	.45	1.45	4.80	2.16	3.16	216
60	1.00	50	.50	1.50	4.80	2.40	3.40	240
60	1.00	55	.55	1.55	4.80	2.64	3.64	264
60	1.00	60	.60	1.60	4.80	2.88	3.88	288
100	1.60	10	.16	1.76	8.00	.80	2.40	50
100	1.60	15	.24	1.84	8.00	1.20	2.80	75
100	1.60	20	.32	1.92	8.00	1.60	3.20	100
100	1.60	25	.40	2.00	8.00	2.00	3.60	125
100	1.60	30	.48	2.08	8.00	2.40	4.00	150
100	1.60	35	.56	2.16	8.00	2.80	4.40	175
100	1.60	40	.64	2.24	8.00	3.20	4.80	200
100	1.60	45	.72	2.32	8.00	3.60	5.20	225
100	1.60	50	.80	2.40	8.00	4.00	5.60	250
100	1.60	55	.88	2.48	8.00	4.40	6.00	275
100	1.60	60	.96	2.56	8.00	4.80	6.40	300

Cotton warp artificial silk filling necktie silk.

[I. S. Wolf & Co., 130 East Twenty-fifth Street.]

Laid-down prewar price, per yard	$0.33
Duty, 30 per cent	.10
	.43
Goods imported from Crefeld, Sept. 9, 1920:	
Laid-down price, per yard	1.00
Duty, 30 per cent, cotton chief value	.30
	1.30
If imported under the contemplated rate of exchange:	
Foreign price—marks, 60 per yard, at 8 cents	4.80
Duty, 30 per cent	1.44
	6.24

($1.44 duty against 30 cents as above.)

Silk warp artificial silk filling necktie silk.

Laid-down prewar price, per yard	$0.45
Duty, 45 per cent	.20
	.65
Goods imported from Crefeld, Sept. 9, 1920:	
Laid-down price, per yard	1.00
Duty, 45 per cent	.45
	1.45
If imported under the contemplated rate of exchange:	
Foreign price, marks 60 per yard, at 8 cents	4.80
Duty 45 per cent	2.16
	6.96

($2.16 duty, against 45 cents, as above.)

[Wecker & Co., importers, 260 Fourth Avenue, New York.]

No. 290. Colored chiffon velvet.

Cost before the war, 4.70 marks per meter, which equaled, at published standard rate of $0.238	$1.1186
50 per cent duty thereon	.5593
Same article costs now 106.83 marks per meter, which equals, at prevailing exchange of $0.016	1.7092
50 per cent duty thereon	.8546
Same article under proposed plan limiting depreciation of currency to 66⅔ per cent dutiable value of 106.83 marks, at about $0.08 per mark, equals	8.5464
50 per cent duty thereon	4.2732

No. 290. Black chiffon velvet.

Cost before the war 3.98 marks per meter, which equaled, at published standard rate of $0.238	$0.9472
50 per cent duty thereon	.4736
Same article costs now 100.09 marks per meter, which equals, at prevailing exchange rate of $0.016	1.60
50 per cent duty thereon	.80
Same article under proposed plan limiting depreciation of currency to 66⅔ per cent dutiable value of 100.09 marks per meter, at about $0.08 per mark, dutiable value of	8.00
50 per cent duty thereon	4.00

No. 295. Black chiffon velvet.

Cost before the war, 5.14 marks per meter, which equaled, at published standard rate of $0.238	$1.2233
50 per cent duty thereon	.6117
Same article costs now 108.35 marks per meter, which equals, at prevailing exchange rate of $0.016	1.7336
50 per cent duty thereon	.8668
Same article under proposed plan limiting depreciation of currency to 66⅔ per cent dutiable value of 108.35 marks per meter, at about $0.08 per mark, dutiable value of	8.6680
50 per cent duty thereon	4.3340

No. 1090. Black chiffon velvet.

Cost before the war, 1.64 marks per meter, which equaled, at published standard rate of $0.238	$0.3900
50 per cent duty thereon	.1950
Same article costs now 44.26 marks per meter, which equals, at prevailing exchange rate of $0.016	.7081
50 per cent duty thereon	.3541
Same article under proposed plan limiting depreciation of currency to 66⅔ per cent dutiable value, 44.26 marks per meter, at about $0.08 per mark, dutiable value	3.5408
50 per cent duty thereon	1.7704

Exchange equalization measure—Comparative cost plus duty.

	Marks.	
Razors, No. 582/88, cost per dozen before the war at factory in Germany	3.90	
Plus case and packing	.03	
Total	3.93	
Which equaled at published standard rate of 23.82		$0.93⅓
35 per cent duty thereon		.32⅓
Total		1.26
Same article costs now per dozen for export from factory	101.00	
Plus case and packing	5.00	
Total	106.00	
Which equals, at prevailing exchange rate of 1.60		1.70
55 per cent duty thereon		.93⅓
Total		2.63⅓
		1.70
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 106 marks, at 7.94 (33⅓ per cent of 23.82) would be $8.42, and 55 per cent duty thereon would be		4.63
Total		6.33
Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war 5 cents per dozen, and are now 30 cents per dozen.		

	Marks.	
Razors, No. 582/10, cost per dozen before the war at factory in Germany	16.50	
Plus case and packing	.20	
Total	16.70	
Which equaled at published standard rate of 23.82		$3.98
55 per cent duty thereon		2.19
Total		6.17
Same article costs now per dozen for export from factory	300	
Plus case and packing	5	
Total	305	
Which equals at prevailing exchange rate of 1.60		4.88
55 per cent duty thereon		2.68
Total		7.56
		4.88
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 305 marks, at 7.94 (33⅓ per cent of 23.82) would be $24.22, and 55 per cent duty thereon would be		13.32
Total		18.20
Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war 5 cents per dozen and are now 30 cents per dozen.		

	Marks.	
Scissors, No. 234/55, cost per gross before the war at factory in Germany	21.05	
Plus case and packing	.15	
Total	21.20	
Which equaled at published standard rate of 23.82		$5.05
30 per cent duty thereon		1.52
Total		6.57
Same article costs now per gross for export from factory	420.00	
Plus cast and packing	3.40	
Total	423.40	
Which equals at prevailing exchange rate of 1.60		6.77
30 per cent duty thereon		2.03
Total		8.80
		6.77
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 423.40 marks, at 7.94 (33⅓ per cent of 23.82) would be $33.62, and 30 per cent duty thereon would be		10.09
Total		16.86
Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war 12 cents per gross and are now 44 cents per gross.		
Kid gloves, No. 1914, cost per dozen before the war at factory in Germany	21.50	
Plus case and packing	.05	
Total	21.55	
Which equaled at published standard rate of 23.82		5.13
Duty thereon		2.00
Total		7.13
Same article costs now per dozen for export from factory	1,150.00	
Plus case and packing	1.24	
Total	1,151.24	
Which equals at prevailing exchange rate of 1.60		18.42
Duty thereon		2.00
Total		20.42
		18.42
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 1,151.24 marks, at 7.94 (33⅓ per cent of 23.82) would be $91.41, and specific duty thereon would be		2.00
Total		20.42
Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York before the war, 5 cents per dozen, and are now 22 cents per dozen.		
Ladies' cotton gloves, No. 12106, cost per dozen before the war at factory in Germany		10.00
Which equaled at published standard rate of $23.82		2.38
35 per cent duty thereon		.83
Total		3.21
Same article costs now per dozen for export from factory (case and packing included)		11.30
35 per cent duty thereon		6.33
Total		17.63
		11.30
Same article under proposed plan, limiting depreciation of currency to 66⅔ per cent dutiable value of 1,130 marks, at $7.94 (33⅓ per cent of $23.82), would be $89.72, and 35 per cent duty thereon would be		31.40
Total		42.70
Other expenses (such as inland—foreign—and ocean freight, marine insurance, and petties) to bring this article from factory to New York were before the war 10½ cents per dozen and are now 55 cents per dozen.		

Basket brooch.

June 30, 1914—Cost of E7790, 6 crowns per dozen + duty, 60 per cent (crown value 0.203) American cost	$1.95
Mar. 30, 1920—Cost of B1046, 100 crowns per dozen + duty, 60 per cent (crown value 0.0133) American cost	2.13
Proposed tariff:	
Cost of B1046, 100 crowns per dozen + duty, 60 per cent (crown at 0.0676) American cost	5.39

Twenty-one stone bar pin.

June 30, 1914—Cost of No. E7664, 5 crowns per dozen + duty, 60 per cent (crown value 0.203) American cost—per dozen	$1.61
June 4, 1920—Cost of No. B2152, 118 crowns per dozen + duty, 60 per cent (crown at 0.0133) American cost—per dozen	2.51
Proposed tariff:	
Cost of No. B2152, 118 crowns per dozen + duty, 60 per cent (crown at 0.0676) American cost—per dozen	6.35

Facette jet beads.

[Per package of 100 bunches.]

1914—3.80 kronen at $0.203	$0.77	
35 per cent duty	.27	
		$1.04
1921—Cz. kronen 2.80 at $1.33	3.73	
35 per cent duty	1.31	
		5.04
Proposed tariff:		
Cz. kronen 2.80 at $1.33		2.80
Cz. kronen 2.80 at $6.76—$18.39 (35 per cent)		6.62
		9.42

NEW YORK, *April 21, 1921.*

Prewar cost of loose white chatons from Gablonz, Czechoslovakia:	
Cost, 8 Austrian kronen per mass at 20.2 cents per kronen	$1.62
20 per cent ad valorem duty	.32
Total prewar cost per mass or 100 dozen	1.94
Present cost of loose white chatons from Gablonz, Czechoslovakia:	
Cost, 180 Czechoslovakia kronen per mass at 1⅓ cents per Czechoslovakia kronen	2.40
20 per cent ad valorem duty	.48
Total present cost per mass or 100 dozen	2.88
(This is a reduced price in effect Jan. 1, 1921.)	
Proposed emergency tariff cost of white chatons from Gablonz, Czechoslovakia:	
Cost, 180 Czechoslovakia kronen per mass at 1⅓ cents per Czechoslovakia kronen	$2.40
180 Czechoslovakia kronen at 6⅔ cents, proposed rate, $12.15;	
20 per cent ad valorem on proposed rate	2.43
New total cost under proposed rate	4.83

MORRIS GOLDBERG'S SONS,
By JOHN L. GOLDBERG.

[Wimelbacher & Rice, New York.]

EXHIBIT A.

Duty payable on cotton gloves at the present market price abroad, duty based on current rate of exchange and duty payable on same gloves at prewar prices, duty based on Government prewar standard for exchange.

No. 1458:		
Present market price	marks	500.00
Dutiable value at current rate of exchange, $0.0160		$8.00
Duty collectable at 35 per cent		$2.80
Prewar market price	marks	9.00
Dutiable value at prewar standard for exchange, $0.238		$2.142
Duty collectible at 35 per cent		$0.7497
Proposed dutiable value, approximately		$40.00
Proposed duty collectible at 35 per cent		$14.00

EXHIBIT B.

No. 8073:		
Present market price	marks	402.00
Dutiable value at current rate of exchange, $0.0160		$6.432
Duty collectible at 35 per cent		$2.2512
Prewar market price	marks	9.20
Dutiable value at prewar standard for exchange, $0.238		$2.1896
Duty collectible at 35 per cent		$0.76636
Proposed dutiable value, approximately		$32.16
Proposed duty collectible at 35 per cent		$11.256

EXHIBIT C.

No. 396:		
Present market price	marks	160.00
Dutiable value at current rate of exchange, $0.0160		$2.56
Duty collectible at 35 per cent		$0.896
Prewar market price	marks	4.60
Dutiable value at prewar standard for exchange, $0.238		$1.0948
Duty collectible at 35 per cent		$0.38318
Proposed dutiable value, approximately		$12.80
Proposed duty collectible at 35 per cent		$4.48

It has also been suggested that this change, together with the right given to American manufacturers by section 529 to intervene in any appraisal, will provide the Government a great deal of valuable information as to values, as the chairman of the Ways and Means Committee says on page 3477 of the RECORD.

Instead of having to deal with foreign manufacturers and agents, whose interest is to mislead and deceive and who usually refuse to give information of any value, the American manufacturer and wholesale dealer, in whose interest the Government desires the information, would be not only willing but anxious to furnish such information as the Government would require as to wholesale prices.

We think this is so; we think that competing American manufacturers would be very glad of an opportunity to raise valuations and exclude imports. We have a very high regard for American manufacturers and American wholesalers, but when their selfish interests are concerned we do not think that they are any better or more honest than any other kind of American citizen, or any other kind of manufacturer or wholesaler.

We do not know of a fresher or more recent instance of the influence which the American manufacturer or the American wholesaler, when interested, will attempt to exert upon the Government than that which is given on page 3492 of the CONGRESSIONAL RECORD of July 9, by the distinguished gentleman from New Jersey, Mr. BACHARACH, who tells what some of these

American business men did after they appeared before the subcommittee of the Ways and Means Committee engaged in drafting their schedule, and there met the agents, investigators, and representatives of the Tariff Commission. In the words of Mr. BACHARACH:

The commission's men and these business men debated the question at considerable length, and the subcommittee drew from their discussion its conclusions on which rates were actually based. Then came the information that these very same business men had gone to the commission and complained of what the latter's experts had told us, using various methods in an effort to have the testimony changed that higher rates might be afforded the industry. It so happened that these men remained steadfast, but there is no assurance that where appointive positions are involved the occasion may not sometimes arise where attachés of the commission may not fall victims to intimidation to retain their jobs.

In my judgment the action of these business men was extremely reprehensible. Their complaints should have been lodged with the Ways and Means Committee. We found them endeavoring to influence the promulgation of rates that would have resulted virtually in embargoing the foreign competing products. The Ways and Means Committee had no desire to take any such action.

This is a fresh and recent instance of what men seeking the favor of the Government and the help of the Government to further their private interests will do. It is this kind of thing which runs all through the system of protection and makes it the foul thing it is. The moment the Government takes a hand in business to help one set or class of citizens against the other, that moment enters corruption and fraud. This incident alone indicates the value of the Tariff Commission.

I add hereto a few protests from men who are qualified to criticize "American valuation" iniquities:

CHICAGO, *July 9*.

Considering the proposed Fordney tariff bill in its application to the general dry goods lines, a large proportion of the goods hitherto imported will be so far advanced in cost as to preclude their sales and their importation will cease, with the consequent decline in revenue to the Government. The domestic manufacturer's competition will thus be removed, his prices will inevitably advance, and the general public will have to be satisfied with inferior goods at higher prices.

The most iniquitous feature of the bill is the proposed American valuation plan, which, if put into effect, will make it impossible for distributors to know the cost of their goods until they have been actually received in the United States and duty imposed by a Government officer. Hitherto one has been able to buy abroad and sell against such purchases for delivery some time in the future, knowing exactly what the goods would cost at the time of their purchase. This operation under the proposed plan would be impossible.

On such foreign goods as are not competitive with any products of the United States the assessment of duty upon a wholesale selling price in the United States means the imposition of duty upon duty, transportation charges and other expenses necessitating an advance in prices, which must be borne by the ultimate consumer.

Congress in departing from the principle of levying duties to equalize the cost of production here and abroad and substituting therefor the principle of protecting the prices and profits of the American manufacturer will, if the proposed bill becomes a law, have created a condition which will paralyze our foreign business, greatly reduce import revenues, and so increase the cost of the ultimate consumer as to turn popular sentiment against the administration and the Republican Party.

We hear much said these days about "more business in government and less government in business." The proposed American valuation plan certainly contemplates increasing governmental domination over business, not to its advantage but its detriment, and it is also a violent departure into the field of theoretical business from old-established, sound methods of operation.

JOHN G. SHEDD,
President Marshall Field & Co.

All through this debate, through the speeches of the Republican Members on this bill just as much as through the speeches of the Democratic Members, runs the note that we are in very uncertain times. No man can with any degree of assurance predict what the future will be. The whole world is disorganized to-day; industry and commerce are in very uncertain condition. Many of us fear the worst. As a distinguished Senator on the Republican side, and a protectionist of positive, forceful belief, said not more than two weeks ago:

The best tariff bill will in many instances, due to existing world conditions, be obsolete inside of six months.

With such uncertainty, such doubt, such timidity and fear, what an unappropriate time it is to introduce this innovation of which the Tariff Commission which has studied it well finds it necessary to say:

In conclusion, it may be said that the commission is conscious that there are substantial difficulties of large significance to the business interests of the country involved in so fundamental a change in American customs administrative practice. The use of foreign market value as the primary basis of appraisement has been adhered to by this country, practically without change in principle, for approximately 100 years. There is almost no foreign experience by which this country may be guided in adopting the proposed plan (Appendix 11). Our customs administration machinery is adjusted to present standards in the assessment of values. If adopted, the proposed change will precipitate administrative difficulties—some seen, some unforeseen. It will result in confusion, litigation, and dissatisfaction in many directions, particularly during the period of transition to the different practice. This naturally would be true of any substantial change in the appraisal system. It will also necessitate the amendment of our existing customs administrative laws and many modifications of the revision of those laws submitted by the Tariff Commission for the consideration of the Congress on August 26, 1918.

I have inserted above the tables of purchases in Germany and elsewhere in countries of depreciated currencies which were used before the Senate Finance Committee on April 22, 1921, to show the increase in prices abroad had more than compensated for depreciation in currencies.

This tariff if it ever becomes law will soon and forever be known as the "tariff of abominations." It is a thing of tricks, devices, jokers, subtleties, traps, all for one purpose, as its author has declared on the floor, "to check imports," and therefore exports when both are dying.

Mr. GARNER. Mr. Chairman, I do not know whether the time clerk made a note of it or not, but the gentleman from Michigan [Mr. FORDNEY] yielded the gentleman three minutes. I now desire to yield 20 minutes to the gentleman from Texas [Mr. BLACK]. [Applause on the Democratic side.]

Mr. BLACK. Mr. Chairman, my opposition to this Fordney tariff bill is not based upon the mere fact that I am a Democrat; it is based upon much broader grounds than that. I believe in political parties; I believe they are a necessity in a republican form of government in order that the voice of the people may have a definite means of expression. But while conceding the necessity for political parties I do not concede that narrow, selfish partisanship is at any time necessary. Therefore, taking the view that I do of legislative matters, if I believed that the enactment of this bill into law would benefit the people—taking them as a whole—I would not hesitate to vote for it. [Applause on the Democratic side.] I would go home and explain to my people why I voted for it, as I have explained my votes on other important questions. But I do not believe for a moment that the enactment of this high tariff law will benefit the American people, taking them as a whole. On the contrary, I believe that the results which will follow such an enactment will be decidedly harmful. Therefore, when I come to cast my vote against this measure I will do so not as a Democrat merely but as an American Representative feeling a keen sense of responsibility to all the people—North, South, East, and West. Not infrequently during debate we hear it said that Democrats of the South vote against protective tariff laws because of sectionalism. I shall attempt no defense of Democratic Representatives from the South, because they need none; but, speaking for myself, I believe that I can truthfully say that since I have been a Member of Congress I have allowed no vote of mine to be influenced by sectional bias or prejudice. I pride myself that I entertain no such feeling.

I am anxious to see the wheat farmers of the West prosperous, happy, and contented just as well as the cotton growers of the South. I am anxious to see the fruit growers of California and the lumbermen of the Northwest busy and active. I like to see the mills and factories of the North and East busy and prosperous; in fact, I want to hear the hum of industry and see the evidences of prosperity in every nook and corner of the United States. I do not believe that the man in public life who makes himself the apostle of sectional prejudice is representative of the best thought and opinion of his people. I do not believe, for example, that the western farmers envy the small measure of prosperity which came to the South during the time that we were selling our products at high prices, and I am very certain that we have not been envious of the good fortune of the western farmer. Yes; we of the South admire that progressive western spirit which has made an empire where but a few generations ago was the wilderness and the desert. Wonderful, progressive people. So progressive that when they begin to realize the full effects of this reactionary tariff bill there will be such a home-coming into Democratic ranks as has not been witnessed for a generation. At the present time it must be admitted that the leaders of the Republican Party are under the impression, and perhaps correctly so, that the western farmers have embraced the doctrine of high protection more strongly than ever before. It must be confessed that they seem to have forgotten for the moment at least the iniquities of the Payne-Aldrich tariff bill, and therefore some Representatives from the Western States, such as our amiable and genial friend from Kansas [Mr. TINCHER], appear to be willing to stand for almost any rate of high protection on manufactured goods provided they can get certain farm products protected. During the speech of Mr. TINCHER last Saturday the following colloquy occurred between him and the gentleman from Massachusetts [Mr. TREADWAY]:

Mr. TREADWAY. Will the gentleman yield?

Mr. TINCHER. I will be glad to yield, because I think you are one of the gentlemen I want to yield to.

Mr. TREADWAY. In view of the gentleman's information as to the need of a duty on hides, does he go to the extent of a compensatory duty on manufactures?

Mr. TINCHER. Absolutely; and I will say the gentleman has gone to the extent of a duty on manufactured products, and that is the reason I am a protectionist. But you can not go too far with a westerner.

Well, the West was pretty well united in 1912 in its opinion that the Payne-Aldrich bill went entirely too far, and I am of the opinion that when they begin to realize fully the iniquities of this bill, its monopoly-fostering features, its solicitude for big corporations, we will see whether a westerner can go too far in burdening the backs of his people with high protection. [Applause on the Democratic side.]

And then the colloquy continued further:

Mr. TREADWAY. I want to interrupt the gentleman in order to congratulate him on his fairness.

Mr. TINCHER. And I will say to the gentleman that I want, if he votes for a duty on hides, to congratulate him on his fairness.

There we have it, a regular Gaston-Alphonse performance, a complete agreement between New England and Kansas. And I imagine when we take up the hide amendment Mr. TINCHER will arise and say, "You go first, my dear Mr. TREADWAY, with your duty on shoes, and be sure you make it high enough." And then Mr. TREADWAY will say, "Oh, no, my dear Mr. TINCHER, I wait your distinguished consideration; you go first with your duty on hides."

But, gentlemen of the House, I do not believe that this honeymoon between the big manufacturing interests of the East and the farmers of the West will long continue. I do not believe this welding of the wooden handle to the silver spoon will work. The western farmer is bound to find out, and that before very many months have passed, that he is not benefited by high and unreasonable tariff duties. And it must also be admitted that it seems the Republican leaders have got some of the laboring men fooled upon this important question, because last Saturday during the able speech of my colleague from Texas [Mr. GARNER] the gentleman from California [Mr. NOLAN] rose in his seat and made the announcement that, although he had voted for the Underwood tariff law in 1913, he expected to cast his vote for this Fordney bill.

Well, it is no wonder, when you see representatives of the great West like Mr. TINCHER, and when you hear representatives of labor like Mr. NOLAN, coming in here and embracing with apparent warm affection these high and unheard-of duties, that the big corporations like the United States Steel Corporation, and the Du Pont dye industry, and the Union Carbide Co., and the aluminum interests have been rushing down here to Washington during the hearings on this bill and saying, "Give us high protection, because we need it to save the farmers and the laboring men from ruin." Why, when I hear that kind of an argument I think of the fellow who rushed out of a forward coach into a Pullman sleeper and excitedly exclaimed, "Somebody give me a bottle of whisky. A lady has fainted in the front car." And a kind-hearted old fellow reached down and got out a bottle and handed it to him, when he turned it up to his mouth and took a big drink, saying as he did so, "It always did prostrate me to see a lady faint." [Laughter.]

I see some of these big concerns like the Du Pont Powder Co., or the Allied Chemical Co., or the Union Carbide Co., or some of these other big corporations which are so amply and carefully taken care of in this bill, rushing down to Washington and saying, "Give us high protection quick or the farmers and the laborers will perish." Then I can see our kind and amiable friends, Mr. TINCHER and Mr. NOLAN, reach down and get out the bottle labeled "Fordney Protection. Keep the bottle tightly corked," and hand it over to these big interests and say, "Take it and do the very best you can by us." And as I see them drink the bottle dry I hear them say, "It always did prostrate us to see the farmers and the laboring men in distress." [Applause on the Democratic side.]

Now, there are plenty of men on the Republican side of the House who know that the duties provided in this bill on farm products will not add anything to the price of farm products, for the simple reason that the domestic price is controlled almost exclusively by the price which we are able to get for our exportable surplus. This is especially true of our two great crops—cotton and wheat.

The emergency tariff bill carried a duty of 7 cents a pound on cotton of a length of an inch and three-eighths staple, and 35 cents a bushel on wheat. Has it increased the price of cotton? Has it increased the price of wheat? No. The price of cotton since the bill was passed, May 27, 1921, has reached the lowest level that it has reached since 1914. Recently there has been some advance in the price of cotton, but will anyone contend, will even Mr. FORDNEY contend, that it is due to the emergency tariff law? No. Everybody admits that it is due to the recent report of the Secretary of Agriculture to the effect that the acreage has been reduced more than 10,000,000 acres and that the crop in present prospect promises to be the smallest for many years—only 8,500,000 bales. The farmers of the South have taken those 10,000,000 acres and have planted them in corn and oats and fruits and vegetables and other agricultural products, and it is due to their own good sense and judgment that cotton promises to be a better price rather than any makeshift arrangement like a protective-tariff bill.

Now, suppose we adopt the proposed amendment, which Mr. FORDNEY said would be offered to put a duty on cotton, and suppose we should make the duty so high that it would absolutely prohibit the importation of the comparatively small amount of cotton which comes into this country. Does anybody believe that it would affect the price of cotton one fractional part of a cent? No. We have got to meet whatever cotton is raised in the world in the export markets of the world. We would have to meet it in Liverpool, England; Bremen, Germany; Havre, France; and Tokyo, Japan. That is inevitable, if we remain an exporting country, and without an export market our cotton would go down to 5 cents per pound, as it did for a while in 1914. Anything which injures our exports will lower the price of our farm products.

Mr. GOODYKOONTZ. Will the gentleman yield?

Mr. BLACK. I yield.

Mr. GOODYKOONTZ. I was just thinking I would ask you what the attitude of the cotton planter is in respect to the tariff. Do your planters want the tariff or not? We have to vote on the question, and I would like to know.

Mr. BLACK. I always try to look after the interests of my constituents, not from a sectional or selfish standpoint but from the broad standpoint of the public good. If I thought high protective rates would be a good thing for the cotton growers and a good thing for the country, I would vote for them. But knowing, as I do, that such rates could not possibly affect the market one fractional part of a cent because of the fact that our domestic market is controlled by the price for which we are able to sell our exportable surplus, I would not act the foolish thing and vote for a rate which I knew could have no beneficial effect either to the farmers or to the country. It would only serve to give the manufacturers of cotton goods an excuse for keeping up the costs of his manufactured product by reason of the compensatory duties which Mr. FORDNEY says will be given him in the event a duty is placed on raw cotton.

Mr. GOODYKOONTZ. I thought that that was the gentleman's position, but what I was anxious to know was the feeling of these cotton planters, if they feel that they want a tariff or not.

Mr. BLACK. Oh, I do not think that you Republicans have got them fooled at all.

Mr. BLANTON. Mr. Chairman, will my colleague yield?

Mr. BLACK. Yes.

Mr. BLANTON. I will state to my friend from West Virginia that, although differing from my colleague, the cotton farmers of my section of the State of Texas, so far as equalizing the cost of production is concerned, want such a duty.

Mr. BLACK. I do not think they want such a duty. I do not think they will be benefited by it in the least, and the only purpose that a law of that kind would have would be to try to line up the southern farmers in behalf of these outrageous duties that are carried generally throughout the Fordney bill.

If gentlemen want to know what will help the farmer I think I can tell them. Lower the price on the things which he has to buy to at least some comparable proportion to the things which he has to sell. That will be some real, sure-enough help. Will this bill aid in doing that? It will not. Its purpose is just to the contrary.

Take railroad transportation, for example. The price of that service remains at the peak of the high war level, and every thoughtful man knows that these rates can not be lowered without reducing materially the revenues of the railroads, and yet the very object of this bill is to keep up the high level of these operating costs by putting a duty on such items as steel rails, crude oil used for fuel, and many other items which figure heavily in making up the total of railroad expenses. Will this bill contribute to bringing about lower freight rates? No. It should be a bill denominated to "hinder and delay readjustment" rather than a bill to "foster and promote trade." [Applause.]

Mr. GARNER. Mr. Chairman, may I let the gentleman from South Carolina [Mr. BYRNES] have two minutes?

Mr. FORDNEY. Yes.

The CHAIRMAN. The gentleman from South Carolina is recognized for two minutes.

Mr. BYRNES of South Carolina. Mr. Speaker, I asked the gentleman from Michigan [Mr. FORDNEY] this morning whether or not he had received a letter from the President with reference to the oil schedule. He said he had, and that he would have it read later. I ask unanimous consent in my time to have the Clerk read it.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to have the Clerk read the letter to which he refers. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the letter referred to.

The Clerk read as follows:

THE PRESIDENT'S LETTER TO MR. FORDNEY.

"I can not refrain from expressing the hope that your committee will take note of the foreign policy to which we are already committed under which the Government is doing every consistent thing to encourage the participation of American citizens in the development of oil resources in many foreign lands.

"This course has been inspired by the growing concern of our country over the supply of crude oil to which we may turn for our future needs, not alone for our domestic commerce, but in meeting the needs of our Navy and our merchant marine.

"To levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interest. I can readily recognize the claim of some of the oil producers for a protective tariff on their product, but such a course of temporary relief would be so thoroughly out of harmony with the larger policy which I have in mind that I should be more than disappointed if Congress decides to levy a tariff on import oil.

"The oil industry is so important to our country and our future is so utterly dependent upon an abundance of petroleum that I think it is vastly more important that we develop an abundance of resources rather than temporary profit to a few producers who feel the pinch of Mexican competition."

[Applause.]

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Iowa [Mr. GREEN] one hour.

The CHAIRMAN. The gentleman from Iowa is recognized for one hour.

Mr. GREEN of Iowa. Mr. Chairman, the Democratic minority report on the bill under consideration, which states the position of the minority members, presents a profusion of epithets and a paucity of argument and fact, and seems to have been taken as a model by all of the gentlemen on that side who have seen fit to discuss the bill thus far.

If epithets were argument, if denunciation were logic, if unsupported charges were facts, if the bill which we present to the House were something which it is not, then they would have made up a case. As it is they have utterly failed.

Some rather uncharitable and somewhat critical gentlemen upon this side have at times intimated that so far as matters of tariff are concerned the Democratic mind is either willfully or constitutionally obtuse. I would not go so far as to say that myself, but if gentlemen on the other side practically make that charge against themselves, I shall not dispute it, in view of the discussion that has been going on. When they say that they can not understand the duties in this bill, three-quarters of which are specific and so much per pound, per yard, per bushel, or other element that is fixed, then I say that they have not only made the charge against themselves but they have also offered proof in support of it; and they have offered further proof when they assert, as gentleman after gentleman on the other side has asserted, that the duties in this bill average higher than those of the Payne bill. They are no nearer correct than are some of the gentlemen who represent manufacturing interests, and who are not satisfied with the duties on this bill, when they say that the duties in the bill are but very little higher than those of the Underwood bill.

But gentlemen on the other side, and among them my friend from Texas [Mr. GARNER], say that this bill was made up by Republicans alone. Of course it was. Tariff bills are political measures, depending for their form upon the principles of the parties introducing them. When did the Democrats ever make up a tariff bill except by themselves? And what advantage would it be to have gentlemen on the other side assist in making up a protective tariff bill when those gentlemen believe, if they believe in anything, in a tariff for revenue only? I have been at a loss as this discussion proceeded to determine what they do believe in, but I suppose that some of them still adhere to the platform of their party.

The gentleman from Texas [Mr. GARNER], who now sits smiling before me, says there was great secrecy prevailing when this bill was made up. It must have been wonderful, because the newspapers every day carried a full account of what we were doing in the committee. They gave the exact rates, telling all about who voted for this duty and who voted for that. Now, I would recommend, under the circumstances, seeing that gentlemen on the minority side appear yet to be very ignorant about what is actually in the bill, that occasionally, when a tariff bill is before the House and under consideration by the Committee on Ways and Means, our Democratic friends should buy a newspaper and read it. [Laughter.]

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GARNER. Did the committee give out this information each evening to the newspapers? Were not the proceedings of the committee held in executive session?

Mr. GREEN of Iowa. We had a notice on the door that it was to be executive, but that is about all that it amounted to. The reporters got everything some way. [Laughter.]

Gentlemen on the minority side also complain of this American valuation, and say that they can not figure that out. That is a very simple problem of mathematics. If some of them would take the matter to their sons at school and ask them to transfer the 50 per cent rate on the foreign valuation into a corresponding rate on the American valuation, their boys would sit down with their pencils and in a short time give the answer, 33⅓ per cent.

Mr. GARNER. Would he not need to know the foreign valuation before he could give the American valuation?

Mr. GREEN of Iowa. No. The rate being in percentages, it would be just the same equivalent, no matter what the original value was. It would not make a particle of difference as to that. I will illustrate. The foreign base is 100 per cent. If it took a 50 per cent duty on the foreign valuation to equalize it with the American value, then it would be 150 per cent. Divide 50 by 150 and you have 33⅓ per cent, the duty on the American valuation.

Now, I want to congratulate the Democratic minority on having one correct statement in their report. They say that idleness and unemployment were never more prevalent in this country than now. It is true; and it is also true that the great cause of this idleness and unemployment is that we are operating under a Democratic tariff bill to-day. [Applause on the Republican side.] That is the reason for it; and what do they propose to do about it? Nothing. With the usual Democratic incapacity, they propose nothing. They intend to stand here idle and let the rising tide of foreign importations continue to overwhelm our manufactures, put our laborers out of employment, lower the values of the crops of our farmers, and make the conditions of business and of labor even worse than they are at present, as described in their report.

In short, they are willing simply to let things drift. But the Republican Party is a party of principle and action. It believes in preserving American markets for Americans and it proposes to take action accordingly. This bill merely carries out its policies.

The Republican Party took charge of the affairs of the Government March 4 under circumstances of unparalleled difficulty. As the Democratic report properly states, all business was in the depths of depression. Farmers and stockmen were on the verge of ruin. Labor was out of employment and industry was nearly paralyzed everywhere. We did partially remedy that state of affairs by the farmers' emergency tariff. We wish now to complete the job by the bill which is before the House.

Mr. CONNALLY of Texas. Will the gentleman yield there?

Mr. GREEN of Iowa. Yes.

Mr. CONNALLY of Texas. How much has wheat risen since you put on that farmers' emergency tariff?

Mr. GREEN of Iowa. It went up considerably right after its passage, as the gentleman would know if he had followed the market.

Mr. CONNALLY of Texas. What is the price now?

Mr. GREEN of Iowa. I can not give the price.

Mr. COPLEY. It is $1.24.

Mr. CONNALLY of Texas. Is it not lower to-day than it was when you passed the farmers' emergency tariff bill?

Mr. GREEN of Iowa. I think the gentleman is wrong about that; but, even conceding that to be so, it would have been lower yet had that bill not gone into force.

Now, under the circumstances, the first duty of the Republican Party was to relieve this depression and to provide some way of raising revenues for the Government that would bear less hard on the people of this country. Obviously the first thing from a financial standpoint was to determine how much we could obtain by a tariff and at the same time revive our drooping industries. The revision of the tariff was our first duty, and in this duty, as gentlemen on the other side have told us, we can expect no help or assistance whatever from them, and we find that not even constructive criticism.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. GREEN of Iowa. Yes; I yield to my friend from Tennessee.

Mr. GARRETT of Tennessee. Are we to interpret the remark of the gentleman just now to mean that this bill will pass before the revenue bill?

Mr. GREEN of Iowa. It will if I have my way about it, and it certainly will pass the House before any revenue bill. I can assure the gentleman there is no question about that.

Mr. GARRETT of Tennessee. I would assume that the gentleman was pretty accurate about that. The rule so provides. But the gentleman is one of the men on the inside, and I should like to inquire, Does the gentleman expect this bill to become a law with all the amendments that the Senate will put on it before the revenue bill passes?

Mr. GREEN of Iowa. That is my expectation, yes; but I have sometimes been disappointed in my expectations on account of the opposition and delays we have experienced from the other side.

Mr. GARRETT of Tennessee. Which side does the gentleman mean—the executive side?

Mr. GREEN of Iowa. No; I mean the side on which the gentleman is now standing. I must decline to yield further on that subject to my friend.

Mr. GARRETT of Tennessee. Will the gentleman tell us just how less than one-third of the House have been able to delay and prevent the consummation of his wishes? The gentleman does not mean that, does he?

Mr. GREEN of Iowa. The gentleman's question answers itself and I do not believe I need to answer it. An active and energetic minority can cause delays.

Now, let me go on to the subject that is before the House, and not something that is not before the House. As I have said, we can expect no help whatever from gentlemen upon the other side. No one knows what the position of their party is with reference to the tariff. Their leaders in the past have been but blind leaders of the blind, who, whenever they were in control, have inevitably led that party into the ditch. The rank and file of the Democratic Party, however, are fast opening their eyes to these conditions. In the hearings before the Ways and Means Committee no one has been more clamorous for protection than gentlemen from the strongholds of Democracy in the South, and Democratic business men and Democratic governors in the South have been holding meetings and conventions galore, clamoring for the protection which this bill gives them, but which their Representatives in this House are unwilling to grant.

Mr. HARDY of Texas. Will the gentleman yield there for one question? Does the gentleman think it would be fair in his district, which I think is largely Republican, to talk about it being converted to the Democracy because it had a few Democrats in it?

Mr. GREEN of Iowa. The gentleman's question has nothing to do with this matter before us.

Mr. HARDY of Texas. It has to do with the gentleman's statement about men coming from the South who are Republicans and asking for protection.

Mr. GREEN of Iowa. If a large number of Republicans in my district should meet in convention and pass resolutions stating that they favored a tariff for revenue only, I should say that they had gone over to the Democracy.

Mr. HARDY of Texas. So should I. The gentleman's illustration does not fit the case, because very few Democrats have asked for a protective tariff.

Mr. GREEN of Iowa. A large number are doing it to-day.

Now, let us see what we are working under, in fact, at this time. The Underwood tariff went into force October 3, 1913. Only a few short months were sufficient to show its damaging effect upon the business of the country. In the first six months of 1914 more than 4,000,000 men went out of employment who had been comfortably employed under the Payne law, which preceded the Underwood bill. Business failures reached a peak that had never before been known. Our imports increased and our exports decreased, until during some of those months the balance of trade was actually against us. Our gold went abroad, our factories closed down, and in July, 1914, wheat sold in Iowa for 64 cents a bushel. The war, and the war alone, saved the Democratic Party from the destructive effect of its own legislation. Now we are experiencing the same conditions as we come back to normal times under the Democratic tariff. Still our Democratic friends say the best thing we can do under the circumstances is to admit more foreign goods in order that certain foreign nations can pay their debts to us. But what is their position with reference to the levying of a tariff? I have listened here for three days, and I have heard no gentleman on the other side say whether he was in favor of a protective tariff or a tariff for revenue. They have been fierce in their denunciation of men who they say gave campaign contributions—but they have presented no evidence—and of manufacturers who they say had something to do with the writing of this bill, although they specify no facts. But when it came to stating what their position was with reference to writing a tariff bill, they were like so many extinct volcanoes, which had at one time spouted forth immense quantities of smoke and gas and steam but were now merely empty nothingness. [Applause on the Republican side.]

Mr. KETCHAM. Will the gentleman yield for just a moment?

Mr. GREEN of Iowa. Yes.

Mr. KETCHAM. Touching the matter of campaign contributions to the Republican national committee, I am very much interested. I looked up our own contributions in Michigan, and for the information of gentlemen on the other side I should like to have them listen to see how heavy our Michigan individual contributions were. We had a total of 6,792 contributors, who gave $259,454, or the tremendous(?) average of $38.19 apiece.

Mr. GARRETT of Tennessee. That was after the Newberry election.

Mr. STEAGALL. Have the courts investigated that?

Mr. GREEN of Iowa. I ought to make one correction; there was one gentleman who addressed himself to the bill and said that he was opposed to protection but favored putting a duty on every product created by the farmer, and that he voted for the emergency tariff bill. With that kind of consistency, with that kind of logic, I am unable to contend. How many gentlemen on the other side are ready to come out squarely and support this bill I can not say, but there are some more consistent than those ready to vote for duty on products of the farmer and refuse it to the manufacturer.

Now, the gentleman from Texas complains very much because we did not get out, he said, a comparison of the rate in this bill with the rates in the Underwood and Payne bills. He said that on the occasion when the Underwood bill was passed such a comparison was printed for information of Members. I thought until the gentleman made that statement that his health was excellent, that his memory was good, that his condition was fine, but I have commenced to be worried about him since he declared that this comparison of rates to which he referred was made at the time when the Underwood tariff bill was passed. It is dated in 1915, more than a year after the Underwood bill passed. It was prepared by John E. Walker, clerk of the Committee on Ways and Means at that time, now employed in the Senate, and he will tell anyone who makes the inquiry that these comparisons were not made up until after the bill had become a law and tried out in order that the value could be computed accurately under it.

The gentleman from Texas talks about the rates being higher under the American valuation, and he proves it to his satisfaction by saying that if the Underwood rates were applied on the American valuation it would produce a greater rate of duty than those of the Payne bill. He might as well have said that if the duties levied by the French Government were applied to the American valuation they would produce a higher duty than under the Payne bill; one has just as much to do with the question as the other, and one is just as fair a comparison as the other. The duties levied by the Underwood bill if applied to an American valuation in some cases would produce higher rates than the Payne bill and in other cases they would not. The real trouble with the gentleman from Texas is that he has forgotten that the rates in this bill are largely specific; that the change to American valuation affects no specific rates of the bill. If there is a duty of 50 cents per bushel on wheat and 2 cents a pound on steel, the valuation, foreign or domestic, has nothing to do with it, and all through this bill we applied specific duties wherever it was practicable. In some cases we were compelled to fix a minimum ad valorem rate and in some cases have been compelled to use the ad valorem rates entirely. Now, let us see what there is in this bill, what it actually contains, instead of what it does not contain, and see what its rates are instead of what they are not, as represented by gentlemen on the other side.

The first schedule under consideration is the chemical schedule. An attack has been made on that with reference to the provision which some gentleman says puts an embargo on dyes. Before the war we manufactured a few dyes in this country, but our product of dyes was almost negligible compared to what might have been expected of a great country like this. The dye industry is a key industry. If I were to pour out on this table some coal tar you would see a sticky, disagreeable smelling liquid which no one would want to touch or smell. But in that dark substance the wizards of chemistry have found

a perfume surpassing that of Araby; they have found colors compared to those of the rainbow; they have found explosives of such power that a small quantity, which anyone can carry around with him, would raise the Dome of this Capitol and scatter it in dust on the pavement; they have found in it a fertilizer which advances plant life rapidly; they have found medicines which counteract the most fatal diseases which destroy human life. Here, gentlemen, is one of the great keys that will unlock the door of opportunity in the future, and upon the success of the dye industry the future prosperity of this Nation depends, for without it the development of the coal-tar products in this country can not proceed.

Are we to turn that over to the monopolistic control of Germany which existed before the war, a nation which has in its business been the most unfair of any we have had anything to do with? I say no. I am aware that it is somewhat a matter of theory whether this industry can be protected by ordinary duties in the same way as other articles in this bill can. Gentlemen who are best acquainted with it assert that it can not. We know that it could not before the war. I do not believe that it can now.

Mr. REED of New York. Will the gentleman yield?

Mr. GREEN of Iowa. Yes; I yield to my friend from New York.

Mr. REED of New York. Is it not a fact that when Germany found that it could not overcome the tariff wall any other way it subsidized its industries until they destroyed the other industries?

Mr. GREEN of Iowa. That has been the common practice. Now, the table read by the gentleman from New York [Mr. CAREW], as to the prices of Germany, afford no guide to the committee. Germany subsidizes food, subsidizes its factories, and its railroads, and has started out to gain control of the world in a mercantile way, having failed to do it by war.

The gentlemen have said on the other side that there was some secrecy about the bill, and one gentleman on this side complained because the dye provision did not get before the committee until almost the last day before the bill was reported.

I want to let you gentlemen into some of the secrets in relation to that. The dye provision was reported first about three weeks before the bill was finally reported. There were some objections made to it. I suggested, and the gentleman from New York [Mr. HOUGHTON] also suggested at the time that the provisions might be liberalized in some respects and made more acceptable, and you should have seen the enthusiasm with which the other members of the committee seized upon the opportunity, in that hot weather, to put work upon myself and Mr. HOUGHTON. Modesty forbids my repeating all they said, and truth compels me to say that I fear their desire to see some one else work may have considerably influenced their remarks.

Mr. GARRETT of Tennessee. Did the Democrats contribute to putting that work on the gentlemen?

Mr. GREEN of Iowa. Unfortunately they were not there. I suppose they would have been more kind, but the Republican Members with great unanimity insisted that Mr. HOUGHTON and myself should work in season and out of season and overtime. They said there was no one so well prepared to fix this matter up as myself and the gentleman from New York. They patted us on the back, metaphorically speaking, and said, "Go to it," and we went to it. In other words, we fell for it and had to do the work. Finally, through working overtime and outside of the regular sessions of the committee, we completed the revision, with the help of experts, and we took out all of the provisions that exist now with reference to licensing; we took out the general restrictions with reference to general importation of dyes; we took out everything except the one provision that embodies the foundation of the whole bill, viz, that dyes that are produced of a certain quality and composition and at a reasonable price must be bought in this country. The Tariff Commission is to fix the price upon them, and the Tariff Commission has authority to go to the books of the producers of dyes and ascertain whether they are fixing a fair and reasonable price.

Mr. TREADWAY. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. TREADWAY. Is it not a fact that under the provisions as now established in the dye schedule dyes as needed by manufacturers can either be obtained by direct importation, through themselves or through importers, or they can be obtained from a list as prepared by the Tariff Commission locally of manufacturers of dyes in this country?

Mr. GREEN of Iowa. The gentleman is correct. We inserted that provision in the bill.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. McKENZIE. Is not this the first time in the history of our country that an embargo has been injected into a tariff bill?

Mr. GREEN of Iowa. I am inclined to think it is; but it is the first time that it has been found necessary.

Mr. McKENZIE. As a matter of national policy, does not the gentleman believe it is an unwise departure from the practices heretofore followed in our country in matters of legislation, and does he not think it would be infinitely better if these men must be cared for—and I am for building up the great industry, do not misunderstand me—to give them a subsidy, or do it in some other way than through establishing a precedent which will perhaps continue to curse us for years and years to come?

Mr. GREEN of Iowa. Mr. Chairman, usually I agree with my friend from Illinois, but on this occasion I am unable to do so. The method that he suggests would put the prices of dyes far higher than they are now. If they are unreasonable at present, the Tariff Commission will bring them down, while under his plan they will be raised higher than they are now, and as I believe to an entirely unnecessary height. Moreover, I do not believe from the testimony before the Committee on Ways and Means that it will be possible to protect the industry in that manner.

Mr. OLDFIELD. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. OLDFIELD. Of course, the Democratic members were not present when these schedules were prepared. Was any representative of the various industries—in this instance the chemical industry—present to help prepare the rates and argue for certain rates in that schedule?

Mr. GREEN of Iowa. I was not a member of the subcommittee on the chemical schedule. I was appointed by the committee as a sort of sub-subcommittee, along with Mr. HOUGHTON, to revise the dye provision. When we revised it the only people we talked with were the consumers of dyes, and we put in all that we could think of to relieve the consumer of dyes from any burden that he might be compelled to carry under this arrangement.

Mr. OLDFIELD. Then the representatives of the Chemical Foundation were not present?

Mr. GREEN of Iowa. No; they were not nor were they interested. We have heard something here on this floor with reference to the sale of certain German patents to the Chemical Foundation. They were sold by the former Democratic administration to the Chemical Foundation. If there was anything wrong about it—and I have always been very suspicious about the transaction myself—the Republican administration does not have the burden to explain it, because these patents were sold with the sanction of the Democratic President, with the sanction of the Democratic Alien Property Custodian, whom that President appointed, and with the sanction of other officers under his control. But in any event there are few dyes made under these patents. The talk about the Chemical Foundation is merely a smoke screen.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. DEMPSEY. Mr. Chairman, I am listening with great interest, as I always do, to what the gentleman from Iowa says, but I can not understand the answer the gentleman made to the question propounded by the gentleman from Illinois [Mr. McKENZIE]. He suggested that a subsidy might be substituted for an embargo and, as I understand the gentleman from Iowa, he said that the granting of a subsidy would increase the price. It seems to me it would have just exactly the opposite effect.

Mr. GREEN of Iowa. My friend from New York corrects me. I did not answer the last part of the gentleman's interrogatory. The gentleman from Illinois had two questions combined in one. The first plan suggested was by high tariff. I understood that part of the question and answered it, the other part I did not answer. I do not believe it is advisable or necessary to tax the people of this country to subsidize the dye interests.

Mr. DEMPSEY. I was not advocating at all what he said, but I thought the gentleman might be misunderstood.

Mr. GREEN of Iowa. I am obliged to the gentleman from New York for calling attention to the situation.

Mr. TREADWAY. Was any local interest ever subsidized by the Government?

Mr. GREEN of Iowa. The production of sugar was at one time subsidized in this country, but it did not meet with general approval, and was abandoned by the Republican Party.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. NORTON. Does the gentleman believe that any person should have the right to demand from another person prior to sale the names of the parties to whom the sale is to be made? Is not that doing exactly what the Sherman and every other law has tried to prevent, viz, the hiring of somebody in another factory to give these facts away in advance. The language of the bill reads:

> The price at which and to whom such products have been and are sold or offered for sale.

It is even before the sale. Does the gentleman think that is right—that anybody should have the right to find out to whom I am going to sell my goods?

Mr. GREEN of Iowa. This provision applies only to the importer for sale. It has no application to the consumer of dyes. It is simply for the information of the Tariff Commission, to enable them to determine whether these regulations are being carried out.

Mr. NORTON. Is it not true in every Tariff Commission and every other commission there have been clerks in there who give the facts away?

Mr. GREEN of Iowa. No. I would like to find some information on record down there if I could.

Mr. NORTON. The gentleman has not got the price.

Mr. GREEN of Iowa. On the returns some gentlemen are making on their incomes, and I can not find it.

Mr. NORTON. Does the gentleman think that that should be in the law?

Mr. GREEN of Iowa. Certainly. The gentleman does not understand the provision at all. It is simply a provision to enable the Tariff Commission to enforce its regulation as to imports. It does not even provide for the publication of that. In fact, that information would be the sole property of the Tariff Commission, but it could do no harm if it did.

Mr. NORTON. Prior to the sale?

Mr. GREEN of Iowa. Yes; what objection is there to that?

Mr. NORTON. What objection to it? The same objection that is carried on to-day in every manufacturing establishment in the United States, that one concern hires a clerk in the other concern to give away their customers.

Mr. GREEN of Iowa. The gentleman utterly misapprehends the terms of the bill. That part does not apply to manufacturing concerns. It is so plain that if the gentleman does not understand I can not explain it to him. Let us proceed further with the consideration of the schedules in this bill. On earthenware and glassware mostly there has been some complaint as to the rate on cement, but it is less than the rate in the Payne bill. The rate on plaster rock and gypsum has been reduced. The rate on common window glass has been reduced, as many other items of this list. In the metal schedule there has been a wholesale reduction in the heavier articles all down the list below the rates in the Payne bill. The rate on pig iron is cut in half. The rates on bar iron, muck iron, round iron, and so on through all the heavy irons, have been reduced, and, above all, it puts barbed wire on the free list entirely for the benefit of the farmer, and that carried a duty under the Payne bill. In the wood schedule lumber is placed on the free list, while under the Payne bill sawed lumber, lumber planed on one side or otherwise planed and finished, was dutiable.

Let us now take a glance at the agricultural schedule. Look at this chart to see the situation of the farmer under the Underwood bill. Nearly all farm products were on the free list. Under this bill the farmer, on all important items, gets as much as in the Payne bill, and in some instances we give higher duties than in the Payne bill.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. GREEN of Iowa. In one moment. Hides are on the free list, but we have given the farmer free leather, free boots and shoes, free harness, free lumber, free barbed wire, dutiable under the Payne bill, and free agricultural implements, a large part of which were dutiable under the Payne bill. There never has been a protective tariff bill brought before the American Congress in which the farmer fared so well. I now yield to the gentleman from Alabama.

Mr. BANKHEAD. The gentleman from Iowa seems to have made a rather exhaustive study of the schedules of the Payne bill and the proposed bill. I will ask him to state whether or not the proposed bill on the whole carries a higher rate of import duty than the Payne bill did?

Mr. GREEN of Iowa. I was just going to come to that. You can find places in this bill where the rates are higher than the Payne bill, but for any one rate you find that is higher than in the Payne bill I will find you five that are lower. The average rate of this bill is lower than the Payne bill, and whenever you compare, where the duties are specific, you will see for yourself at a glance. The free list is larger than that of the Payne bill.

Mr. BANKHEAD. The gentleman would not be able to give an approximate estimate of the percentage of reduction from the Payne rate, would he, on the whole schedules?

Mr. GREEN of Iowa. No gentleman would want to do that at this stage of the proceedings. I have undertaken that to some extent and have worked it out with reference to the cotton schedule. It is an involved process, and I shall refer to that later and speak of the cotton schedule more in detail as I proceed.

The wool schedule is written on an altogether different basis from any that has heretofore been written. The protection given to the woolgrower is greater than that of any other Republican bill presented, but the compensating duties allowed by the Payne bill to the manufacturer were out of proportion to the duty which was actually paid, and as a consequence we have lowered those compensating duties until under this bill the amount which is paid by the consumer of cloth when it comes to him is considerably less than in the Payne bill; that is, on the ultimate product that is used by the consumer.

Mr. DEMPSEY. Will the gentleman yield for a short question?

Mr. GREEN of Iowa. Yes.

Mr. DEMPSEY. To illustrate the question of the gentleman from Alabama, it depends upon how you figure on the importation or figure on the naked rate, does it not? In other words, here might be a duty that would be high while the importation was small and a case where the duty might be small and the importation would be large.

Mr. GREEN of Iowa. Yes. If you take it as a whole, the latter case would bring up the average, and I am talking about the average of all the rates when I say that the average rates of this bill are lower than the Payne bill. Now, in reference to the wool schedule, while the protection to the woolgrower is more, the duty that is finally imposed on the cloth, we have worked out, to the final consumer is less.

The paper schedule also provides for a reduction from the Payne bill, but it will be discussed more at length by another member of the committee.

When we come to the sundry schedule we find that coal has been taken from it and put on the free list. Straw hats, of which the gentleman from Texas has so much to say, are at practically the same rate under this bill as under the Payne bill, but simply translated from one valuation to another.

The duty on laces, which are a luxury and always will be, and will be bought no matter what the price, is raised in this bill.

The free list has been greatly increased, although some articles have been taken from that and put on the dutiable list. But on the whole the free list has been greatly increased from what it was under the Payne bill.

The effect of the application of Republican principles to American interests can be no better illustrated than by its effect upon the manufactures of cotton. From an almost insignificant beginning in this country the manufactures of cotton have grown until they employ over 400,000 operatives and produce goods in value of over $2,000,000,000. If this industry is deprived of the American market it must fail, and with it will fall the purchasing power of nearly half a million of people connected with the production of cotton goods who now contribute to make the best market for our farmers. And when we have built up the cotton industry we have also built up the market for our farmers. What is the difficulty and trouble which our farmers face to-day? The unprecedented fall in prices. Why have prices fallen? Because they lacked a foreign market? No. The foreign market is greater than it was before the war, and our exports—in quantity of agricultural products at least—are greater than before the war.

The trouble which the American farmer faces is lack of a home market, and he lacks a home market because at present probably 2,000,000 men are out of employment that at one time bought his meat, bought his butter, and bought his cheese, but who are now lucky to simply obtain bread and water. When we build up the industries of our own land we build up the markets for the farmer, his main market, for only a small proportion of the total that he raises is ever exported. Consequently, we are helping the farmer when we build up industries like the cotton industry, the wool industry, and the iron industry, and others which have come into existence simply because of the application of the Republican principle that the American market belongs to Americans.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. GREEN of Iowa. Yes.

Mr. BANKHEAD. The gentleman says in discussing the cotton schedule that what the southern cotton planters need is a domestic market for their cotton. As a matter of fact, it takes only about 40 per cent of the cotton of the South to supply the requirements of the domestic spinner. What are we going to do for a market for the 60 per cent of the cotton we raise?

Mr. GREEN of Iowa. I do not know just exactly what my friend is coming to, but on that point I will say that I agree with the gentleman from Texas that spoke a short time ago when he said that he did not believe a duty on cotton would be of any benefit to the American cotton producer. It is true, as the gentleman suggests, that some 40 or 50 per cent, depending upon the amount of the crop, is all that is used in this country by American spinners. Our crop amounts, I think, somewhere from 10,000,000 to 12,000,000 bales annually. The greater part of this, or at least half of it, must go abroad and must meet with competition from other cotton, and I think the argument of the gentleman from Texas is perfectly sound when he says that if that cotton was excluded from our market we would have to meet the same competition abroad, and therefore it would not help the cotton grower to put a duty on cotton at all. And I entirely agree with him on that, as to over 90 per cent of our production. It would probably increase the price of cotton having a staple of 1⅛ inches and above. But I would not agree that it would not help the cotton grower to build up the cotton industry in this country.

Does the gentleman realize that over in Japan and China American cotton costs 5 cents a pound more than it does here? If our cotton had to go abroad and be sold abroad, it would have to pay ocean freights, ocean insurance, a commission on the deal, which altogether probably would lessen the price of cotton somewhere from 3 to 5 cents a pound. Consequently I want to build up and maintain the American market for it.

Mr. BANKHEAD. The gentleman has not yet answered my question. He was discussing the necessity of the agriculturists of this country having a domestic market for their products. When we produce more stuff, not only of cotton but other agricultural products, and have a surplus, how are we going to dispose of that surplus profitably and continue those operations unless we have a foreign market to which we can sell it?

Mr. GREEN of Iowa. That is what I was coming to last of all, because it seems to be a favorite argument on this bill that unless we buy of some particular country we can not sell to that country. I hope to be able before I get through to dispose of that.

Mr. BANKHEAD. I hope the gentleman will not forget that, because I have been waiting a long time to get an answer.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. GARRETT of Tennessee. May I ask the gentleman if a duty is put upon raw cotton, say 10 per cent ad valorem—I do not know what amendment is going to be offered; that is one of the schedules that is left open—can the gentleman inform the House how much it would be necessary to raise the duties in the bill as it now stands?

Mr. GREEN of Iowa. Well, there is a waste in spinning, depending upon the method of spinning, and whether the yarn is carded or whether it is combed. If the duty was assessed by the pound I would say that a compensating duty would have to be somewhat larger than the duty on the raw cotton on account of the waste that occurs in manufacturing.

Mr. GARRETT of Tennessee. Undoubtedly. When the emergency bill was up the gentleman and I had a colloquy at the time, and the gentleman pointed out at that time that the duty that was fixed in the emergency bill was not sufficient—I mean the compensatory duty. As a matter of fact that provision of the bill has never been administered. It could not be. Is not that true?

Mr. GREEN of Iowa. No; the gentleman is not entirely correct. It is true there has been considerable difficulty in administering it; but if I was to redraft it, I could improve it. I say this because I wrote the provision to which the gentleman refers. I would say, however, that it is very difficult to write a compensatory duty on cotton; in fact, almost impossible if the duty is an ad valorem one.

Mr. GARRETT of Tennessee. They could not determine whether a piece of cloth was made out of one and one-eighth staple cotton or one and three-eighths or 1 inch cotton. Of course, it was administratively impossible.

Mr. GREEN of Iowa. The gentleman says "Of course." But he should remember that they can tell what numbers of yarn are used, and certain numbers of yarn are only made of long-staple cotton, so that the matter is not of so much difficulty as the gentleman thinks.

Mr. GARRETT of Tennessee. I know the gentleman is sincere about this matter. We are coming, day after to-morrow, to the real consideration of this bill. Can the gentleman tell us, or would the gentleman be able to tell us by the time we come to consider the amendment putting a duty upon raw cotton, what compensatory duty it would be necessary to lay on the manufactured product? I know it will be necessary to lay a compensatory duty. That is perfectly plain.

Mr. GREEN of Iowa. The gentleman realizes, of course, that it will be dependent upon the rate of the duty on the raw cotton and whether it applies to all raw cotton. I do not believe I quite understand the gentleman's question.

Mr. GARRETT of Tennessee. If a duty is laid upon raw cotton, it will be necessary to lay a compensatory duty upon the products made from that cotton?

Mr. GREEN of Iowa. Probably; but I hope the gentleman is not going to ask me to determine that until I know what the duty is going to be on the raw cotton.

Mr. GARRETT of Tennessee. That is precisely what I hoped the gentleman would tell us. We are going to have to vote on the question of a duty on cotton, raw cotton, before we can have an opportunity to vote on the committee amendment, which will be the compensatory duty. If there should be a duty of 10 per cent laid on raw cotton, can the gentleman tell us what the compensatory duty would have to be?

Mr. GREEN of Iowa. If the duty is an ad valorem duty, I would have to say that there is no way of putting on a compensatory duty in such a way that it will work in perfect fairness to the manufacturer.

Mr. GARRETT of Tennessee. Would that be true as to wool?

Mr. GREEN of Iowa. The duty on wool is a specific duty. I can go into that if the gentleman desires.

Mr. GARRETT of Tennessee. No. I am confining this discussion to the cotton schedule. As a matter of fact, the duties fixed in this bill on cotton manufactures are predicated upon duty-free raw cotton?

Mr. GREEN of Iowa. Yes; cotton free.

Mr. GARRETT of Tennessee. Then, speaking from the protective standpoint, they are regarded as sufficiently and fairly protective?

Mr. GREEN of Iowa. I thought so, but a great many gentlemen protested to me that they were not.

Mr. GARRETT of Tennessee. But that is the position of the committee?

Mr. GREEN of Iowa. Yes.

Mr. GARRETT of Tennessee. There is no offer to amend that unless raw cotton is made dutiable?

Mr. GREEN of Iowa. No; so far as I know, no effort will be made to change them.

Mr. GARRETT of Tennessee. But if a duty is placed on raw cotton, then it will be necessary for the committee to revise the manufactures schedule and put on a compensatory duty?

Mr. GREEN of Iowa. Probably.

Mr. OLDFIELD. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. OLDFIELD. The gentleman stated a moment ago, in reply to the gentleman from Alabama [Mr. BANKHEAD], that he agreed with the gentleman from Alabama, that putting a duty of 10 per cent, for example, on cotton would not increase the price of cotton in this country.

Mr. GREEN of Iowa. Yes; so far as the greater part of it is concerned.

Mr. OLDFIELD. I agree with him thoroughly, and I am going to vote against any duty on cotton. But if it does not increase the price of cotton in this country, why is it necessary to have compensatory duties? Why is it necessary to put it on?

Mr. GREEN of Iowa. It will be put on because, in the judgment of the House, to which I shall have to yield, it will increase the price of cotton, although we do not import any.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. STAFFORD. Is not the gentleman taking an inconsistent position from his own belief, that placing a duty on cotton does not increase the price of cotton, and therefore no compensatory duty is needed?

Mr. OLDFIELD. That is my position.

Mr. GREEN of Iowa. Unfortunately, in case a duty is placed on cotton, the majority of the House will not agree with me, if they did the amendment would not carry.

Mr. OLDFIELD. I wanted to make another statement, but I will not take the gentleman's time.

Mr. GREEN of Iowa. It has been asserted, without any foundation in fact, with reference to the cotton and other schedules, that there are jokers and concealed duties in this

bill. The cotton schedule has been made up on a very simple plan, presented by the Tariff Commission and accepted by the committee and the manufacturers, by which it is impossible that there can be any concealed duties or jokers. The basic duties are divided between duties on yarn and duties on cloth. In each case the rate is fixed by a definite amount per pound. The rate advances in each case in accordance with the fineness of the yarn, or in accordance with the fineness of the cloth, as the case may be. They advance a little faster on certain grades of cloth than on certain grades of yarn. When they get up to——

Mr. TREADWAY. Mr. Chairman, will the gentleman yield there?

Mr. GREEN of Iowa. With pleasure to my colleague on the committee.

Mr. TREADWAY. Would it not be an advantage to the membership of the House for the gentleman to explain what he means by the numbers, and so forth, in connection with the chart that the gentleman has there? I think the House would like that explanation before he goes into the discussion.

Mr. GREEN of Iowa. Yes. The advance in duty on the yarn is expressed by the number taken. The lower the number the coarser the yarn. The number means the number of hanks of the length of 840 yards of that particular kind of yarn which it will take to weigh a pound. All you need to know in relation to it is that the number is an arbitrary term, and the lower the number the coarser the yarn, and the coarser the cloth; and the rate advances, as I said, in each case in accordance with the fineness of the yarn or the cloth, as the case may be.

Now, in the Payne bill, and to some lesser extent——

Mr. MADDEN. Right here, will the gentleman explain what those two systems of lines mean in the upper part of the chart?

Mr. GREEN of Iowa. The gentleman at the distance he now is, of course, is not able to read the letters there. These two lower lines refer to the yarns, divided into what we call gray yarns; that is, yarn in the natural color; and the advanced yarns, which are the plied, combed, and dyed yarns, which take a higher rate. The other lines represent the various varieties of cloth, gray, the natural color, and cloth bleached, which takes a higher rate; and cloth advanced, which include the cloth, which is dyed woven figured or colored. On the lower part of the chart you see the numbers of the yarn, which apply both to the yarn itself and the cloth made of it. On the left hand you see the rates per pound of the specific duty. If you know the number of the yarn, a glance at the chart will show the duty which is to be paid upon it, or cloth which is made of it.

Mr. MADDEN. I am much obliged to the gentleman.

Mr. GREEN of Iowa. In the Payne bill and in the Underwood bill there were certain jumps in the rates, as we called them for the want of a better name. Usually these jumps sent the rates upward, but in going over the Payne bill we actually found that the importer could in some cases get a lower rate by advancing the foreign price, there was such a jump downward in the next rate following. As I said, this prevailed to a certain extent under the Underwood bill, although not to the same extent as under the Payne bill. In this bill the specific duties, which are so much per pound on both the yarn and the cloth, advance by regular gradations, so that on articles that are substantially the same there can be no great difference. Under the Payne bill certain kinds of cloth that were almost identical took different rates.

Mr. BACHARACH. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. BACHARACH. The criticism has been made on the other side that the rates in this bill are a great deal higher than the rates under the Payne bill. I should like to know whether the cotton rates are higher or lower than under the Payne bill.

Mr. GREEN of Iowa. I will go into that more particularly when I come to the question of the minimum ad valorem rate. No specific rates can adjust a schedule to fit all cases, so we have provided, as did the Payne bill also, to some extent a minimum ad valorem rate to apply to cloths that for some reason or other take a greater amount of labor and a higher degree of skill, and therefore advance the price. These lines on the lower division of this chart represent the minimum ad valorem rates, which run up to No. 100 and reach 33 per cent as the highest rate on what is called the advanced cloth, or cloth which is of the finest quality and is the most difficult to manufacture. There has been some claim here that the rates in this bill were higher than the Payne rates. I hold in my hand——

Mr. GENSMAN. Is the gentleman going to leave the cotton schedule now?

Mr. GREEN of Iowa. I will yield to the gentleman before I leave it.

I hold in my hand a comparison of the basic rates on cloth, of 100 typical samples taken from the New York customhouse, made out by the Tariff Commission. The only way, of course, that they could make a comparison was on the ad valorem rate. That is the percentage basis, and in order to do that they had to take some price, compute the specific duties, and then ascertain the percentage of the duties. They took the 1913 price as about what would be normal, the price of 1920 being almost twice what it is now and present prices being likely to decline further. They made a computation and an average of those rates, and the result of it on these cloths was that the average of the rates in this bill, the basic rates on cloth, were somewhat lower than the Payne rates. They were, of course, considerably higher than the Underwood rates, but the rates on cloth are somewhat lower than the Payne rates. The rates on yarn are also lower. I want to call attention particularly to the fact that the reductions in the cloth duties are nearly all on the cheaper goods used by poor people and people of moderate means, while the increases are all on the more expensive goods which run into the luxury class.

Mr. WALSH. Has the gentleman that information in printed form, or will it be a part of his remarks?

Mr. GREEN of Iowa. I have not that information in printed form. I will be glad to furnish the gentleman with a copy of it.

Mr. ROGERS. I wonder if the gentleman would not find it practicable to include in his remarks a reproduction of the table from which he has been giving his illustrations.

Mr. GREEN of Iowa. Does the gentleman mean the chart?

Mr. ROGERS. The chart on the rack.

Mr. GREEN of Iowa. Of the basic rates?

Mr. ROGERS. Yes. Much of what the gentleman has been saying would be very difficult to follow without the chart as a basis for the gentleman's remarks.

Mr. GREEN of Iowa. I shall be glad to put that chart in the RECORD.

Mr. WALSH. Is it the intention of the committee to have this table that the gentleman has just referred to put in some printed pamphlet or document?

Mr. GREEN of Iowa. If there is a general desire for it. I thought it would hardly be necessary until the bill was completed.

Mr. WALSH. Then the gentleman does not intend to include it in his remarks?

Mr. GREEN of Iowa. It is so extensive, as the gentleman will see, that I could hardly put it in my remarks.

Mr. BYRNES of South Carolina. The gentleman says that the rates are lower than the rates of the Payne bill. Is it or is it not a fact that a considerable percentage of the rates are higher than the Payne bill rates? Is the gentleman speaking of the average rates?

The CHAIRMAN (Mr. DOWELL). The time of the gentleman from Iowa has expired.

Mr. TREADWAY. The chairman of the committee is out temporarily, but I heard him when he left yield to the gentleman from Iowa an hour and a half.

The CHAIRMAN. The gentleman from Iowa is recognized for 30 minutes additional.

Mr. GREEN of Iowa. My friend from South Carolina is in error. I will proceed to state a little more in detail with reference to the cotton schedule what I think is true with reference to the other schedules, though I am not quite familiar with them. The average of the rates is lower than the Payne bill. The rates on hosiery, for example, have been greatly reduced from what they were in the Payne bill. The rates on underwear have been greatly reduced. In fact, most of the rates, passing on from the basic duties, have been reduced, except that there was an advance on chamoisette and suede gloves, a new industry in this country, which is meeting with competition from Germany. The rates on venetians, a sateen woven with eight harness and given a special finish when dyed, have also been increased, for the reason that venetians constitute a great portion of the importations. We hope under the new rates our manufacturers will be able to compete.

Mr. BYRNES of South Carolina. I have been told this, and I want to ask the gentleman, who is probably better informed on this schedule than anyone else, as he participated in framing it, that there are certain specialties as to which the rate is higher than the Payne bill rate. I wondered whether that was true; and if so, what those specialties are.

Mr. GREEN of Iowa. The rates——

Mr. TREADWAY. If I may interrupt the gentleman, has he not named the specialities other than the extra consideration given to certain forms of velveteens?

Mr. GREEN of Iowa. I believe the rate was also advanced slightly on velveteens.

Mr. TREADWAY. But the gentleman has named the specialties, has he not, in answer to the gentleman from South Carolina?

Mr. GREEN of Iowa. Yes; and this table I have in my hand includes everything.

Mr. BYRNES of South Carolina. The table would show the increases above the Payne bill in the schedule?

Mr. GREEN of Iowa. Yes; it gives the figures for the special kinds of cloth on the basis of the value in 1913 and what the duty would be.

Mr. BACHARACH. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. BACHARACH. Is it not a fact that in the cotton schedule all the rates are considerably lower than the Payne rates, except in a few industries which were created recently by reason of the war?

Mr. GREEN of Iowa. Yes; they are somewhat lower on cloth and substantially lower for the remainder of the schedule.

Mr. McKENZIE. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. McKENZIE. The gentleman has referred several times to the fact that the rates were lower than the rates in the Payne bill. The gentleman is doing that for a historical purpose rather than indicating it as a virtue that the rates are lower than the Payne bill. The gentleman does not want us to understand that it is his position that the Payne bill was not a good bill. Am I right?

Mr. GREEN of Iowa. The gentleman is right about that. Another reason I made the statement was that gentlemen on the other side have repeatedly contended that they did not know what the rates were, and it was asserted that they were higher than they were in the Payne bill.

Mr. GARRETT of Tennessee. I do not think the gentleman from Illinois ought to embarrass the gentleman from Iowa by asking him if he indorses the Payne bill at this time. [Laughter on the Democratic side.] In that connection I would like to ask the gentleman from Iowa if he means that the rates are lower on the American valuation or on the valuation in the Payne bill?

Mr. GREEN of Iowa. I mean actually in dollars and cents that will be paid in duty on the same kind of an article in the Payne bill will be less in this bill.

Mr. GARRETT of Tennessee. That is, on the American valuation?

Mr. GREEN of Iowa. Yes; reduced to dollars and cents. That is what is worked out in these tables. It is a very easy matter to work out when the rates are only specific.

Mr. BANKHEAD. Will the gentleman from Iowa submit to an interruption, and then I will not interrupt him again?

Mr. GREEN of Iowa. Certainly.

Mr. BANKHEAD. What the American people are now interested in is not a comparison between the rates of the Payne bill and the proposed bill, but the existing law and the proposed bill. Will the gentleman state whether or not the proposed rates are largely increased over those in the Underwood law on manufactured fabrics; and if so, what percentage?

Mr. GREEN of Iowa. I will be glad to answer that, but I am rather surprised to hear the gentleman criticize the Democratic speakers, because they have all been laying a great deal of stress on the comparison of the rates in this bill with those in the Payne bill. I will say that the rates are very much higher in this bill than in the Underwood bill, but that is necessary in order to protect the American manufacturers.

Mr. TREADWAY. Will the gentleman further yield?

Mr. GREEN of Iowa. Yes.

Mr. TREADWAY. With reference to the table of the 100 cloths the gentleman has referred to, those are staple manufactures. Would it not be advisable, for the information of the House, if certain columns of those tables should be published by the gentleman in his remarks? Of course, there are many percentages worked out that need not encumber the RECORD, but it seems to me that the comparison would be of much value to Members, and I suggest that he incorporate those parts in his remarks.

Mr. GREEN of Iowa. I will do so. Now, I promised to yield to the gentleman from Oklahoma for a question.

Mr. GENSMAN. The gentleman has answered the question that I wanted to ask.

Mr. GREEN of Iowa. Right at this point I want to say a word with reference to the American valuation. It is complained that the American valuation is going to enormously increase the duties and that sufficient allowances have not been made for that. Now, the committee had the statement of Mr. McCoy, the Treasury expert, that in some cases a mathematical computation which the committee made would not always bring a duty as high as the committee intended, that prices might be nearly alike in America and abroad on a particular article under consideration, that possibly was imported simply on account of the style, and when compared with the American article of equal quality the appraisers would have to take the price of the American goods. Mr. McCoy thought in that case the duty would be smaller than the committee intended. Mr. Clark, a textile expert of the Tariff Commission, who made out the table to which I referred, said that for the same reason his figures on the duties in this bill might be too high. In other words, that he may not have got the duties quite as low as they would in practice work out under the bill for the reason that the importation of cotton goods was brought in simply on account of the style.

Mr. GARNER. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GARNER. Does the gentleman have any information as to when we will get Mr. McCoy's figures as to the probable revenue which is to be derived from the bill?

Mr. GREEN of Iowa. I do not know.

Mr. GARNER. I understood from Mr. McCoy that he would have it ready within two or three days, and I was wondering whether he had delivered it to the committee, and whether the gentleman intended to publish it as soon as delivered to the committee.

Mr. GREEN of Iowa. All I can say is that I have not seen the figures as yet. Now, I promised the gentleman on the other side that I would come to this question of our foreign trade and how it would be affected by this bill.

Mr. MANN of Illinois. Will the gentleman permit me to ask him one question about the matter he has just been discussing?

Mr. GREEN of Iowa. Certainly.

Mr. MANN of Illinois. How would it be possible for fancy goods of the character the gentleman has just mentioned to be imported into this country and pay a reasonably high ad valorem rate and then find that the American valuation was less than the original invoice from the country from which they came.

Mr. GREEN of Iowa. I think my friend suggests one possibility under this system. We used a mathematical formula in changing the rate on the foreign valuation to the proper one for the American valuation.

Mr. MANN. The gentleman made the statement that Mr. McCoy said the rate of duty might be less under the American valuation plan than it would be on the invoice price. I would like to have some gentleman explain to me how it is possible for a man to import a dress from France under an ad valorem duty and then find that it is worth less in the United States than it originally cost him before he paid his duty.

Mr. GREEN of Iowa. Of course that would not be possible. If I left my statement just as the gentleman words it, it is entirely incorrect.

Mr. MANN. The same statement was made by the gentleman from Ohio [Mr. LONGWORTH] yesterday. I do not know much about this, but if anybody can explain that to me I would be very glad to have the explanation.

Mr. GREEN of Iowa. What I meant to say was that Mr. McCoy told us that he thought in all cases that the mathematical rule would not work out to bring as much revenue as we thought; that it would not in practice be as high a rate as we figured, and consequently that the change to American valuation would in some instances result in a lowering of the rates.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. NORTON. In pricing goods we often find this to be the case: That the markets at San Francisco are entirely different from the markets in New York. The same is true of New Orleans. The market price of goods would be a good deal different, maybe several hundred dollars on a big shipment.

Mr. GREEN of Iowa. If my friend will pardon me, the American valuation was not my speciality. I did not draft that provision.

Mr. NORTON. I happen to have appraised a good many values in New York. It would seem to me better to provide specifically to the point instead of the mere market value. The bill reads—

in the principal market or markets of the United States.

The gentleman can readily see there will be different prices in two different markets.

Mr. GREEN of Iowa. There might be, but I do not wish to discuss that feature.

Mr. NORTON. That being so, they would not pay the same duty.

Mr. GREEN of Iowa. In conclusion, Mr. Chairman, it has been objected that this is a difficult time to revise the tariff for the reason that costs of production are constantly changing. This is true, but it will be true also for the next five years in all probability. It will be several years before we will reach normal conditions, and in the meantime production costs will continue to change. Even in normal times any evidence that could be obtained as to production costs has been far from satisfactory and always a subject of dispute. Under present conditions we are not left without a guide as to tariff rates. The figures with reference to imports and the foreign costs of the articles imported under present conditions and under normal conditions which prevailed before the war, furnish a satisfactory means of determining the amount of tariff needed and the committee has been largely guided by them.

Another objection to the revision of the tariff at this time, especially a revision which increases the duties, is that certain nations of Europe owe us enormous sums, and it is claimed that they can only pay us in goods. Gentlemen ask how it is possible for these nations to buy of us if we do not buy of them. It is undoubtedly true that they can only pay off the debts by means of the products which they export, for they have no gold, but it does not follow that the increase of the tariff rates will greatly affect their exports to this country, nor is it necessary that we should make a special effort to import their goods. The United States as a rule consumes but a small portion of the goods which they export, and the increase of the tariff rates is slight as compared with the drop in values during the last year.

It should be borne in mind that the rates of the pending bill, taken as a whole, are considerably less than those of the tariff of 1909, and none of these countries had any difficulty in maintaining large exports to the United States while that law was in force. The tariff bill which we present is not a prohibitory one, but rather is based on competitive principles, and our importations under it will still be enormous. A survey of the conditions with reference to particular countries will show that we have not treated any of them unfairly nor placed any of them in a position which will render them unable to pay us what they owe us by work and thrift.

Great Britain is our best customer and has always imported far more from us than we have bought in return. But Great Britain practically controls, by means of preferential duties and trade regulations, the great markets of her dependencies, such as Australia, India, and others, and Canada favors the mother country in her duties. England's superior shipping facilities have always given it an advantage in the South American trade. It can and will obtain credits in other parts of the world where, on the other hand, the balance of trade is against us. As a rule we import far more from Asia than we export to her; with England the reverse is true. Our great consumption of coffee causes our balance of trade with Brazil to be against us. With England the reverse is generally true. England can therefore obtain credits with nations which we owe, and thereby settle her debt to us if the people of that country settle down to work, cut out strikes, and exercise thrift so that her exports exceed her imports. A low tariff on the part of this country would not so much benefit those nations which owe us as it would nations like Germany and Japan which owe us nothing and from which now we are experiencing serious competition. In fact, these two nations are the only ones whose trade is likely to be seriously affected by the new tariff, and neither will have any rightful cause of complaint.

We have an enormous trade with Canada which, in proportion to its population, is, next to Cuba, our best customer. Our largest imports from Canada, except in gold, silver, and other metals, are in the lines of wood pulp, paper, and lumber. All of these are free under the new tariff. In fact, Canada has throughout the bill received very favorable consideration, and there is no reason to expect any marked change in our trade with that country. Cuba is the best customer of ours in proportion to population, but while the rates on sugar have been somewhat increased, Cuba still has a preferential tariff in our markets and in turn gives us certain preferences which have been mutually advantageous, and the course of trade will be uninterrupted. Our imports from Cuba are larger in proportion to its population than from any other country, and we will continue to be her best customer under the bill. The increase of duty on sugar is insignificant compared to the drop in price within the last year, which is the cause of Cuba's financial difficulties.

It is continually asserted that we can not expect our debtor nations to buy goods from us if we do not buy an equal amount from them. There never was a greater fallacy, as has always been shown by the figures of our foreign trade. For example, we have for a great many years sold to England millions of dollars worth more than we have bought from that nation, but England has made this up by selling to other countries to whom we in turn were debtor. The fact is that the European nations which owe us buy comparatively little from us except raw materials and food products. These they must have, and these they will continue to buy even though their sales to us are somewhat reduced. England must continue to buy from us the greater portion of her food supply and the raw cotton which she needs for her mills. The same is true of Italy and to a lesser extent of France. We have no desire to take advantage of their necessities, but self-preservation is the first law of nature, and we know that they are restricting their importations from us by every means possible.

There has been some talk that Congress should determine the questions of taxation before it determines the new customs duties. Yet it is a fundamental Republican policy that a large portion of our revenues should be raised through the tariff and the remainder by other taxation. Unless we determine how much we shall obtain through the tariff we have no means of knowing how much is necessary to raise otherwise. To reverse the order of legislation, as has been proposed, is like trying to commence building at the top instead of with the foundation. By this bill we confidently hope and expect that the wheels of industry will once more be set in motion, unemployment will be greatly lessened, that business will be revived, and we know that a great sum will be added to our revenues, most of which will be paid by the foreigner. [Applause on the Republican side.]

Under leave to extend my remarks I append the following:

SCHEDULE 9.

REASONS FOR SUGGESTED RECLASSIFICATION—GENERAL.

In revising the wording and the paragraph arrangement of schedule 9 we have had in mind three main points.

First, to make the phraseology as concise as consistent with clearness, omitting archaic and unnecessary words. For instance, the term "roving" has been retained and the more archaic "roping," used as a synonym therefor, has been dropped; "cotton waste" being an inclusive term and "flocks" only one of many types of cotton waste, separate mention of "flocks" has been omitted. Since manufactures containing lace or embroidery are specifically provided for in the sundries schedule it is unnecessary verbiage to state anywhere in schedule 9 that they are not here included, neither is it necessary in connection with the cotton yarn paragraph to state that sewing thread and certain special yarns are not included therewith but provided for separately in the succeeding paragraph. The committee has had the advice of expert advisers, both technical and legal, and reasons for the suggested reclassifications are here stated in order that the intent of each paragraph may be made so definite as to avoid future litigation in regard thereto.

Second, in so far as other considerations permit, to confine schedule 9 to manufactures of cotton. For this reason the wording has been changed in several paragraphs so that manufactures of vegetable fiber other than cotton may fall in schedule 10, where they logically belong. In a few instances, notably in regard to knit goods, manufactures of vegetable fiber other than cotton have, however, been retained with manufactures of cotton, because imports of such goods falling under Schedule J would be too small to justify separate mention.

Third, to rearrange the paragraphs in a more logical order of sequence. Such arrangement will facilitate contrast as well as the correct coordination of rates of duty on related goods. The alignment here used is as follows: Two paragraphs covering all cotton yarn and thread, several contiguous paragraphs on various types of cotton cloth, one on quilts and other special articles made of cotton cloth, one on narrow wares, four on knit goods, two on wearing apparel, one on Nottingham lace-curtain products, and a final basket clause for all manufactures of cotton not specially provided for.

PAR. 901. This paragraph is intended to cover all types and varieties of cotton yarn except the special yarns which are put up in short lengths for use in handwork. It does not include any sewing thread. Since sewing thread and yarns put up for handwork are more specifically provided for in paragraph 902, there is no need of noting this exception in paragraph 901, and the clause "except spool thread of cotton, crochet, darning, and embroidery cottons, hereinafter provided for" can be omitted.

Since paragraph 901 relates solely to cotton yarn, it is appropriately headed "cotton yarn, including warps, in any form." In most foreign tariffs "cotton yarn" is considered inclusive and exclusive, but in view of the fact that the courts might possibly construe cotton yarn in the form of warps—a number of ends gathered together, sized or not sized, on beams or in ball or other form—as further advanced than cotton yarn, there has been added the words "including warps." The words "in any form" have been substituted for the former phrasing of "whether on beams or in bundles, skeins, cops, or in any other form" as being simpler and fully as inclusive.

It may be noted that the earliest specific mention of the articles included under paragraphs 901 and 902 was in the act of 1816, where they were lumped together as "cotton twist, yarn, or thread." In the United Kingdom yarns used in making cloth are sometimes referred to as "warp and weft," and sometimes as "twist and yarn." The warp is the harder twisted, so the British trade usually quotes warp yarn under the heading of "twist," whereas the softer-twisted weft is often referred to in contradistinction simply as "yarn," meaning yarn other than the hard-twisted warp. "Thread" in the act of 1816 meant ply yarn of any character, including sewing thread, as distinguished from "twist" and "yarn," which were ordinarily in the single. It was not until the Civil War that legislators came to realize that the term "twist" was a Lancashire provincialism and not used in the United States. In 1870 the term "warp yarn" was substituted as the equivalent of the old term "twist" and the basic wording became "cotton thread and carded yarn, warps, or warp yarn."

The 1870 wording has been retained in all succeeding acts, apparently through apprehension that any change in the wording might involve some change in the articles included thereunder. The term "cotton thread" was misleading in a paragraph devoted exclusively to cotton yarn, particularly as "thread" in common parlance means sewing thread. As sewing thread is specifically provided for in paragraph 902, there is no necessity for mention of "thread" in paragraph 901, and it was very unfortunately placed when it was used to start the cotton-yarn paragraph in preceding acts. In statistical tables, where subjects are referred to under abbreviated headings, it often occurs that American imports of cotton yarn are listed as imports of cotton thread, to the mystification of the student. The term "cotton yarn" to-day includes ply yarn as well as single yarns, and occasional references to certain classes of yarn as thread—for instance, references to lace threads, lisle threads, voile threads—can not in any way remove them from the classification of yarn or necessitate the addition of the word "thread."

The basic wording as suggested is therefore less involved, clearer, and more definite than any previously used.

Following the procedure of previous acts, cotton yarns have been divided into two classes, the basic and the advanced, each having its own progressive rates of duty. The basic classification, listed as "not bleached, dyed, colored, combed, or plied," refers solely to gray carded single yarns. The advanced classification includes bleached, dyed, colored, combed, or plied yarns. The term "colored" is used in addition to the term "dyed" in order to cover printed yarns and also yarns which are made of two or more rovings or two or more yarns, of which only one may be dyed. The term "plied" means that two or more yarns have been twisted together to form ply yarn. Ply yarn is sometimes known as folded yarn, doubled yarn, or twisted yarn. In the act of 1913 there was no differential provided for ply yarn, and ply yarn in the gray was dutiable under the basic rates; under the revised wording a differential is provided for ply yarns, as was the case in the act of 1909. The proposed differential, however, applies only to ply yarns, and does not include any differential on grouped yarns. Imports of grouped yarns are entirely of electrical yarns put up by winding or spooling several ends together without twisting. There is no apparent object in including "grouped yarns" with ply yarn, since the cost per pound of multiple winding is not more, but usually less, than the cost of single-end winding; the more ends wound together side by side the greater the weight obtained in a given time, and hence the less the cost per pound. Because of the greater waste in manufacture cumulative differentials have been provided for all cotton yarns when combed, if exceeding No. 9.

The term "plied" includes not only two or more single yarns twisted together, but also cabled yarns made by twisting together two or more ply yarns. In the act of 1909 a further differential was provided for cabled yarns over ordinary ply yarns, but this has been omitted for the reason that practically the only imports consist of fine cabled yarns, particularly 130/9 and 140/9, known as harness twine or heald yarn, which are needed by the silk industry and which have to be made with such care and are required in amounts so small that domestic manufacturers do not find it profitable to attempt their manufacture.

The progressive rates are levied, as in preceding acts, on the yarn count—that is, the number of 840-yard hanks that weigh 1 pound. The higher the count, the finer the yarn, and, other things being equal, the higher the percentage of labor costs, so the rate of duty is increased for each increase in yarn number. The progressive rates on advanced yarns are higher than those on the basic gray single yarns and increase at a faster rate of progression. Group progression was used in the act of 1913, but this involved a jump in the rates of duty between each group, so it seems more logical to use individual-count progression as it was used in the act of 1909. In the case of both basic and advanced yarns, the revised wording uses one rate of progression up to and including No. 40, and another and steeper rate of progression on yarns above No. 40. The change in the rate of progression on both basic and advanced yarns at No. 40 is considered logical, because that number marks the normal ring-spinning limit of yarns spun from short-staple cotton not over 1 1/16 inches in length; it is also logical because yarns below 40 are rarely combed, whereas the bulk of the yarns finer than 40 are usually combed.

It may be noted that over 90 per cent of the domestic yarns are not above No. 40 in fineness. Imports of such yarns are only indirectly competitive, being mainly specialties. The competitive section is from No. 41 to No. 100. Above No. 100 the domestic manufacture is small, and there is rarely any domestic quotations to be found on counts finer than No. 80.

In the act of 1909 there was a minimum ad valorem rate of 15 per cent provided for all single gray yarns and a minimum ad valorem rate of 20 per cent for advanced yarns not exceeding No. 140, above which there was no minimum provided. In the revised wording, progressive ad valorem minimums have been provided for both basic and advanced yarns up to No. 100, above which the rate remains stationary.

In the act of 1909 there was a cumulative differential provided for yarns subjected to mercerization, and in the act of 1913 mercerized yarns were included in the advanced classification. Testimony secured by the United States Tariff Commission shows that skein mercerization is as cheap in this country as abroad and that warp mercerization is considerably cheaper here; also that this was the normal condition prior to the war. Such being the case, it has been deemed advisable to omit any differential for mercerizing, particularly as no differential has been used for other finishing processes, such as preparing, polishing, or gassing.

Imports of cotton yarns are mainly fine counts or specialties. They are most largely gray ply yarns, combed and mulespun in England of Egyptian cotton. Much of this is gassed but very little is imported in the bleached, dyed, or colored states. The main consumers of imported cotton yarns are the Levers lace and Nottingham lace-curtain industries, with smaller amounts used by the knitting, weaving, braiding, and other industries. The lace and lace-curtain industries are entirely dependent on English manufacturers for their "brass-bobbin" yarns (without which such goods can not be made), as it has been found impossible to make satisfactory prepared (flattened) yarns in this country except at a prohibitive cost.

In addition to yarn this paragraph covers cotton partially manufactured and cotton waste in the advanced state. In manufacturing cotton the material is first made into a lap, then into sliver, then into roving, and then into yarn. The word "roping" has been omitted because it is a more or less archaic synonym for roving. The words "or flocks" have been omitted because flocks constitute only a minor type of cotton waste and separate mention thereof is unnecessary.

PAR. 902. This paragraph covers cotton sewing thread for either hand or machine work, and special yarns which are put in short lengths for handwork. These two diverse classes of goods are lumped together for the reason that they are usually numbered or lettered arbitrarily without reference to the true yarn count. Instead of the progressive rates based on the yarn count, as used in the preceding paragraph for cotton yarns intended for machine work, there has been substituted a system of progressive rates based on the length. The flat rate provided per hundred yards results in the duty per pound advancing in proportion to increases in the fineness of the yarns for handwork and likewise in proportion to the fineness of the sewing thread.

"Cotton sewing thread" is the first class of articles here covered, and both manufacturers and importers are agreed that this is the term that should be used. "Spool thread of cotton," as used in preceding tariffs, was a misnomer in that imports under this head are, when intended for use by garment makers, put up on tubes, cones, or large bobbins, instead of on spools.

"Crochet, darning, embroidery, and knitting cottons, put up for handwork," clearly defines the particular class of cotton yarns which is excepted from the provisions of the preceding paragraph on cotton yarn, and here specifically provided for because of the arbitrary numbering ordinarily employed. The provisions of the acts of 1897, 1909, and 1913 are extended or at least clarified by the addition of the word "knitting." "Knitting cottons" are similar to the other "cottons" or soft-spun yarns here provided for, so much so that the labeling is often "Cotton for crocheting, embroidering, or knitting," yet at the present time a different rate might be levied on the same yarn if invoiced as knitting cotton from that which will apply if invoiced as crochet cotton.

This anomaly is avoided by the use of the above wording. The term "cottons" originated from the fact that most of the short lengths of yarn used for handwork are of a soft and loosely twisted or "cottony" character, and although some are fully as hard twisted as ordinary yarns for machine work, the use of the term "cottons," instead of "yarns," implies that this provision applies only to yarns for handwork. This is here strengthened by the use of the term "put up for handwork." This latter phrase prevents short lengths of yarn put up for machine work coming in under this paragraph. Practically the only short lengths of yarn used in machine work are the minute bobbins, known as schiffli or bobbin yarns, which are wound on a bare spindle and used on embroidery machines to fasten in place the embroidery yarns proper. These schiffli yarns, whatever their length, are similar to yarns used in knitting and other industries, and are numbered according to the true yarn count, so they should be dutiable at the progressive rates provided in paragraph 901. It is not intended that any yarns used for machine work should be imported under the provisions of paragraph 902.

It is ordinarily not economically feasible to use as short lengths for machine work as are preferred for handwork, and a clear line of demarcation between ordinary yarns for machine work and special yarns for handwork is afforded by the phrasing "in lengths not exceeding 840 yards." If yarn for handwork should be imported in lengths longer than 840 yards, it would be dutiable, under the revised wording, as ordinary cotton yarn. The appraiser at New York, however, states that such would rarely be the case and that 840 yards, which is the length of one hank as used in cotton-yarn numbering, is the most logical point of demarcation between cotton yarns for machine work and cotton yarns for handwork.

The act of 1909 lumped together sewing thread and yarns for handwork, and then stated the rate on either class put up on spools, reels, or balls as 6 cents per dozen spools of not over 100 yards each, and the rate on either class put up in skeins, cones, or tubes at one-half cent per 100 yards. The two rates came to the same thing, one-half cent per 100 yards, but the arrangement was illogical in that no distinction was drawn between the two diverse articles of sewing thread and yarns for handwork, whereas a distinction was drawn as to the manner in which put up for sale, although this latter point is entirely immaterial. The revised wording is an improvement and should result in import statistics being kept so as to record sewing thread separately from imports of yarns for handwork, irrespective of how they may be put up. There are substantial imports of cotton yarns for handwork whereas imports of cotton sewing thread are small.

Both minimum and maximum rates of duty have been provided for articles in this paragraph. The provision, also used in the act of 1909, which provides that the duty shall not be levied on a less number of yards than is marked on the goods as imported, is again inserted because this tends to prevent any fraudulent marking of lengths.

PAR. 903. This is the countable cotton cloth paragraph and covers all cotton cloth, in the piece, not otherwise provided for. The fabrics here included are known as "countable cotton cloths" because the threads have to be counted in ascertaining the average yarn count on which the progressive rates are based; this term distinguishes them, on the one hand, from the eo nomine cloths where the threads do not have to be counted in ascertaining the rate of duty, and on the other, from articles made of cotton cloth.

Countable cotton cloths have been divided into the three classes—of basic, of bleached, and of printed, dyed, colored, or woven-figured. The basic cloth classification includes only unbleached plain (i. e., plain-woven, twilled, and sateen) cloths, listed as "not bleached, printed, dyed, colored, or woven-figured." The term "colored" is used, in addition to the terms "printed" and "dyed," in order to cover cloths made with printed, dyed, or partly-dyed yarns.

The term "stained" has been omitted as tautological. A stained cloth must necessarily be dyed either in the yarn or in the piece and would undoubtedly be covered by the term "dyed" or "colored." The appraiser at New York has no record of any cloth listed as stained.

The term "painted" has been omitted as of no effect, because such cloth is more specifically provided for in paragraph 906 as "coated" cloth. The appraiser at New York states that in his opinion no administrative difficulty would ensue if the two terms mentioned were omitted. The differential on mercerized cloth has been omitted because of Tariff Commission testimony to the effect that cloths are mercerized more cheaply in this country than abroad.

In levying progressive rates of duty on cotton cloth it is necessary to set up some standard on which to base the progression. Experimentation in preceding acts with double standards, such as the thread count and weight, and triple standards, such as the thread count, weight, and value, have tended to show the advisability of using the single standard of the official average yarn count derived by simple arithmetic from the thread count and the weight. Any standard that is adopted must be more or less arbitrary, since there are so many

types of cotton cloth, but cloth production costs vary more in conformity to the variation in average yarn count than to any other factor or group of factors. The average yarn count as a standard on which to base progressive rates of duty is therefore the most scientific and equitable that can be devised, and it has the further merit of being easy of administration. It was used in the act of 1913, but with group progression, entailing a jump in rates of duty between each successive group of cloths, and with ad valorem rates. There has been here substituted individual count progression and specific rates.

Using different standards, the duties have usually been stated in terms of cents per square yard. For this there has been substituted cents per pound as being easy of application and as facilitating the correct adjustment of duties to values. In whatever terms stated, prices on cotton cloth are primarily based on the pound, since both cotton and cotton yarn are sold by the pound. Yarns and cloths are so closely related that progressive rates of duty on the two should be adjusted with relation to each other, and this is difficult unless there is used a common base, and the only one possible is the pound.

Over 90 per cent of the domestic cotton yarns, and of cloths made therefrom, do not exceed No. 40. This marks the ordinary ring-spinning limit of short-staple cotton of not over 1 1/2 inches in length. For cotton cloth, as for cotton yarn, it has therefore been deemed advisable to have one rate of progression apply up to No. 40 yarn count and to use another and somewhat steeper rate of progression on cloths made of finer yarns.

For each of the three cloth divisions there are provided progressive specific rates of duty and in addition thereto minimum ad valorem rates. The main competition from abroad is on cloths with average yarn counts between 40 and 100, so the minimum ad valorem rates of duty are made progressive up to No. 100 and thereafter remain stationary.

PAR. 904. Paragraph 253 of the act of 1913 is here used as suitable phrasing in connection with the use of the official average yarn count as the basic standard of progression. The only change is the omission of the words "in the paragraphs of" as unnecessary.

The first sentence defines cotton cloth and states that it does not include any articles made from cotton cloth. The second sentence states that in ascertaining the condition of the cloth for dutiable purposes the entire fabric and all parts thereof shall be included. This wording is clear and there has been no litigation as to the meaning thereof.

The average number of the yarn is next stated to mean the number as ascertained by the "straight-line" method, which considers all yarn in the cloth as lying in a straight line without consideration of contraction. This official average yarn count is easily ascertainable, by simple arithmetic, from the number of single threads per square inch and the weight, and the Treasury has not only stated rules to be used in calculating the same but has published tables wherein it can be found direct for any cloth without the necessity of any calculation.

Since the above considers the yarn length and the cloth length, in any given weight of cloth, as being the same, whereas the yarn length is, by reason of the threads having to bend around each other, actually greater than the cloth length, it is obvious that the official average yarn count will, except in the case of clipped fabrics, be less than the actual yarn count. This, however, does not affect its value as a standard as between different cloths.

It is to be noted that the expression, "Except that all clipped threads shall be counted as if continuous," raises the average yarn count (by reason of the fact that there is used the actual weight of the fabric after it is clipped, together with a longer length of yarn than is actually contained therein) of all fabrics with clipped threads. This serves to raise the rate of duty above that which would apply on a cloth of the same construction which was not clipped, and thus automatically to provide a differential for any extra cost involved in making clip spot fabrics.

PAR. 905. This paragraph provides special rates of duty, higher than would apply under paragraph 903, on four special types of cotton cloth, viz, lappets, swivels, sateens woven with 8 or more harness, and tire fabric.

Lappets and swivels are given a differential over other cloths of the same construction and weight in order to compensate for any extra cost involved in their manufacture. This was also done in the act of 1909, which, in paragraph 323, provided for such differential "on all cotton cloths in which other than the ordinary warp and filling threads are used to form a figure or fancy effect." This provision applied to three, and only three, types of cloth—that is (1) cloths in which extra warp threads are introduced by means of the lappet, (2) cloths in which extra filling threads are introduced by means of the swivel, and (3) cloths in which certain threads are allowed to float, to be afterwards removed by shearing or clipping. The third class is, as previously noted, given a differential by means of the provision in paragraph 904 that all clipped threads shall be counted as if continuous. This leaves only two cloths of the 1909 grouping, viz, lappets and swivels, and these are here provided for by name, being given a differential rate of duty that is cumulative on the basic cloth. In applying this cumulative it will be necessary to ascertain the number of threads per square inch and the weight of the basic cloth, with the extra figuring threads removed, in order to calculate the official average yarn count and the regular duty applicable thereto under paragraph 903, and then to add thereto the cumulative additional rate here provided.

Paragraph 905 also provides a special differential on cotton sateens woven with eight or more harness. This cumulative provision will apply particularly to venetians. Venetians are dyed and mercerized cotton cloths of close texture, used for various purposes, but most largely for linings. In the years prior to the war cotton venetians constituted the leading article of cotton cloth imported. The domestic production of these fabrics has been developed as a result of war conditions.

Paragraph 905 also provides a special flat rate of duty on "tire fabric or fabric for use in pneumatic tires, including cord fabric." Several types of cotton cloth, including some duck, sheeting, and printcloth, are used in making tires, so the phrasing previously used—"tire fabric or fabric suitable for use in pneumatic tires"—was entirely too broad.

The phrasing substituted will cover special types of cloth, such as the "tire cord" and the "tire-builder" fabrics, which are used only in tires. These cloths are specially woven of long-staple cotton, which is combed, spun into coarse counts, and doubled with a large number of ends or else cabled. The yarns in such cloths have to be made with great care, and the labor cost in the resultant cloth is much greater than in the case of ordinary cloths made of the same average yarn counts. A special rate on tire fabrics is therefore justified, although there are rarely any imports of such goods. These fabrics have heretofore been provided for in the same paragraph with cotton small wares, but they are wide cloths, usually 48 to 60 inches or more in width, and therefore are more logically listed here with special cloths.

PAR. 906. This paragraph covers special cloths (filled, coated, or waterproof) which were provided for in preceding acts with very similar wording. Since tracing cloth, window hollands, and oilcloths are all filled, coated, or filled and coated, the wording covering those not specifically mentioned should be "and filled or coated cloths not specially provided for."

The provision for waterproof cloth has been revised to secure better phrasing and to insure that only fabrics composed wholly or in chief value of cotton or other vegetable fiber shall be included thereunder. It is not necessary to add "of cotton or other vegetable fiber and india rubber," as the material of chief value would either be of vegetable fibers or else of india rubber, and in the latter instance the duty on articles of rubber should apply.

PAR. 907. This paragraph covers "cloths in chief value of cotton, containing silk or artificial silk." This cloth was included in paragraph 254 of the act of 1913, but the wording has been shortened to omit mention of specific cloths, such as "silk-striped sleeve linings" and "silk stripes," as these are fully covered by the suggested wording without the necessity of specific mention.

Two changes have been made in the wording from that previously in use. The phrase "or other vegetable fiber" has been omitted, in order to confine this clause only to those in chief value of cotton; this is done in line with the desire to restrict so far as feasible each schedule to the material to which it relates and also because there are few imports of goods in chief value of any vegetable fiber other than cotton which contain silk, and if imported such goods should fall under the basket clause of schedule 10. The second change is to include herewith cloths in chief value of cotton which contain some artificial silk. At present such cloths fall under the basket clause of schedule 9. One reason for their inclusion herewith is to avoid any administrative necessity in determining whether the stripes or other ornamental effects in a cloth chiefly of cotton are silk or artificial silk.

PAR. 908. This paragraph is intended to cover upholstery goods, whether in the form of piece goods, curtains, or other articles, composed wholly or in chief value of cotton. It includes not only heavy fabrics, such as tapestries, brocatelles, and "pocket cloths," such as were dutiable under paragraph 326 of the act of 1909, but also madras muslin and other lightweight loom-woven curtain goods and curtains made therefrom.

This paragraph covers only cloths and articles made therefrom when Jacquard woven and when intended for upholstery purposes.

The United Upholstery Manufacturers' Association, of Philadelphia, which place is the chief domestic center of manufacture of upholstery goods, states: "The restoration of the 1909 weight limitation of 6 ounces to the square yard would not be advisable. It would be harmful to the domestic upholstery industry, as it would throw into the countable cotton cloth paragraph a variety of lightweight Jacquard figured upholstery goods that are largely used. Under the tariff law of 1909 lightweight upholstery fabrics came almost entirely from Europe."

Under the act of 1913, with the weight proviso eliminated, there has been a large importation of Jacquard figured nets and other articles admitted under the provision for "Jacquard figured upholstery goods." To prevent such goods continuing to be so classed the wording has been changed to read "cloth" instead of "goods," and instead of using "Jacquard figured" there has been substituted "Jacquard woven." The Jacquard is an attachment that is used on looms, braiding machines, lace machines, etc., and fabrics made therewith are all "Jacquard figured." Technically, however, only cloth is woven (net and lace are "made," not woven, and the operator of a lace machine is known as a "lace maker" and never as a weaver), so further strength is added by using the words "Jacquard woven" in place of "Jacquard figured."

Paragraph 258 of the act of 1913 included not only Jacquard figured upholstery goods but also cotton chenille goods and articles made of Jacquard woven cloth. The imports of cotton chenille goods are so small that they hardly deserve separate mention, and they may well be lumped under the basket clause for schedule 9. Separate mention of articles made of Jacquard woven cotton cloth is also omitted, with the intent that such goods shall also fall under the basket paragraph of schedule 9.

PAR. 909. Cotton pile fabrics may be divided into two broad classes: (1) Velveteen, corduroy, velvet, and plush, and (2) Turkish toweling and other terry woven fabrics. The latter is the cheaper form of manufacture and a lower rate of duty has therefore been provided for terry woven goods than for other pile fabrics. This paragraph includes not only goods in the piece but articles made therefrom, except wearing apparel, which latter is more specifically provided for in paragraph 918. The first class will, for instance, include such goods as polishing cloths made of velveteen, and it will include "bias dress facings and skirt bindings" without the necessity of specific mention thereof. Terry woven goods will include Turkish towels, without the necessity of specific mention thereof.

The term "pile fabrics" has been substituted for the longer term "plushes, velvets, velveteens, corduroys, and all pile fabrics" and is fully as inclusive besides having the merit of brevity.

PAR. 910. This paragraph is intended to cover the same goods as provided for in paragraph 263 of the act of 1913; that is, cotton table damask in the piece and manufactures of cotton table damask. The wording has been rephrased, without changing the meaning, for the sake of clarity and brevity.

PAR. 911. In the act of 1913 a number of articles were removed from the basket clause and provided for eo nomine in paragraph 262. Paragraph 911 herewith is a revision of this paragraph. It is divided into three sections. Section (1) covers quilts and bedspreads of all kinds. It is the intention to have one rate of duty apply to Marseilles and satin quilts, and another and lower rate to apply to all other quilts, such as crochet and dimity, composed wholly or in chief value of cotton. Section (2) covers towels, blankets, pillowcases, polishing cloths, dust cloths, and mop cloths, which are not Jacquard figured nor pile fabrics. Turkish towels will fall in paragraph 909. Mention of bath mats and of wash rags or cloths is omitted, as imports are mainly pile fabrics, which will be dutiable under the revised wording of paragraph 909. Polishing cloth, such as selvyt, made of velveteen, will likewise fall under paragraph 909. Towels which are not pile fabrics but which are Jacquard woven will revert to the higher rates of the basket clause. Mention of batting has been omitted because this article does not properly belong with the other articles here included. Dust cloths are mentioned here, thereby taking them out from the basket clause.

Section (3) is a new provision, and has been worded to secure statistical enumeration of the main class of goods now lumped under the basket clause; that is, those known as "Japanese blue prints" and

articles similar thereto. These "blue prints," such as covers, centerpieces, etc., are cut from plain-woven cloth, mainly from coarse sheeting, and stencil dyed with reproductions of Mount Fuji, rural scenes, flowers, foliage, birds, etc. Separate enumeration is not for the purpose of securing a higher rate but to insure a record of this class of imports.

PAR. 912. This is the small wares paragraph of schedule 9, and, with few exceptions, is confined to products of the narrow ware or ribbon loom and to articles made from such products. It is therefore appropriately begun with the words "Fabrics with fast edges not exceeding 12 inches in width, and articles made therefrom." In both manufacture and trade, woven fabrics wider than 12 inches are known as cloth.

Fabrics with fast edges not exceeding 12 inches in width necessarily include all narrow-woven wares and it is not necessary to mention bandings, beltings, bindings, webbings, tapes, ribbons, or other specific articles. Narrow strips cut from cloth can not be so included because they are not made with fast edges, and they would be dutiable as the cloth of which they are made. Articles made from narrow-woven fabrics necessarily include bands, belts, webs, etc., without the necessity of specific mention.

The term "tubings" has been retained because such narrow woven fabrics are a special form of narrow wares in that they are woven as tubes and therefore have no edges. "Bone casings" has been omitted because it is included under the term tubings. Specific mention of "garters, suspenders, braces" is retained because if not mentioned here they might possibly be construed as belonging under wearing apparel. "Cords, tassels, cords and tassels" are specifically mentioned because they are not woven fabrics and have heretofore been listed with woven small wares. The peculiar wording is due to a decision that a cord with tassel attached is neither a cord nor a tassel.

The revised wording confines the provisions of this paragraph on the above articles to those composed wholly or in chief value of cotton or of cotton and india rubber. Attention is called to the fact that a change has been made in the narrow wares paragraph of Schedule 10 so that similar articles composed wholly or in chief value of vegetable fiber other than cotton are there included.

Narrow wares ornamented by embroidery or lace are more specifically included under paragraph 1429, and it is not necessary to mention this fact in this or other paragraphs.

In addition to the foregoing, this paragraph assigns a special rate of duty to spindle banding and to wicking. This rate applies irrespective of how these goods are made, and it is not necessary to say "woven, braided, or twisted." Separate rates are also provided for boot, shoe, and corset lacings, by whatever process made; for loom harness, healds, and collets; for labels for garments or other articles; and for belting for machinery.

The principal difference between paragraph 262 of the act of 1913 and paragraph 912 of the proposed schedule is not in the class of articles included but in the wording which clarifies the phraseology relating to narrow woven fabrics and articles made therefrom.

One omission will be noted, "Tire fabric or fabric suitable for use in making pneumatic tires" has been omitted because it is a cloth and not a narrow ware. It has been more appropriately provided for in paragraph 905 as "Tire fabric or fabric for use in pneumatic tires, including cord fabric."

PAR. 913. This is an entirely new paragraph, since knit fabric in the piece has heretofore been included in basket clauses without specific mention. Imports are small, but it seems desirable to secure statistical enumeration, so that any development of this import trade can be made known. Ordinary knit fabric, such as usually made on a circular knitting machine, is given a low rate of duty, whereas knit fabric of the type used for making sueded gloves is given a higher rate.

PAR. 914. This is a new paragraph, as gloves have heretofore been included with hosiery in paragraph 328 of the act of 1909 and paragraph 260 of the act of 1913. A separate paragraph is devoted to such gloves because of their increasing importance in domestic manufacture.

Gloves, composed wholly or in chief value of cotton or other vegetable fiber, are here divided into three tariff classes, because each class represents a distinct phase of the industry and presents an entirely different tariff problem. Class I includes those made of fabric knit on a warp-knitting machine. These are the sueded gloves, the manufacture of which has developed in the United States as a result of the World War. The description "made of fabric knit on a warp-knitting machine" has been used in preference to a name for the material which is variously known by trade-marked names. For the same reason "warp-knitting machine" instead of "Tricot" or other special type of machine has been given, because describing a general type which would cover any future patents or inventions of similar machines. Class II includes all gloves made of fabric knit on other than warp-knitting machines and is complementary to the first provision. These are mainly the so-called "lisle" gloves, which are made with gassed yarn, and the cheaper gloves which are used in parades and by policemen and undertakers. Class III covers gloves made of cloth; these are mainly outing flannel and canvas work gloves and gloves used in husking. Few of these gloves are imported, but the classification has been added to make the paragraph comprehensive, as well as definite.

PAR. 915. This paragraph is intended to cover all knit hosiery made of cotton or other vegetable fiber. It lists together all hose made on seamless and on full-fashioned machines or knit by hand, and provides separately at a lower rate for the cheaper cut hosiery. This paragraph is intended to cover the same goods as were included in paragraphs 317 and 318 of the act of 1897, paragraphs 327 and 328 of the act of 1909, and paragraphs 259 and 260 of the act of 1913.

"Hose and half hose" are inclusive, and the word "stocking" has been omitted as superfluous. For the same reason the words "selvedged," "narrowed," and "frames" have been omitted. The full-fashioned hose when it comes from the knitting machine before being seamed is a selvedged piece of material and a stocking could not be selvedged except by being shaped or fashioned in the knitting. Even if designed to apply to the shaped material for hose not sewed into form the term "selvedged" would be unnecessary, because of the provision for unfinished hose. "Narrowed" would also mean fashioned, as the shape of a fashioned hose is given by "narrowing" or decreasing the number of loops in the width at certain places. A "narrowed" hose is not necessarily full-fashioned, but the revised wording does not specify full-fashioned, nor give separate classifications to seamless and to full-fashioned hose, hence hose which is seamless but partly fashioned or narrowed would be covered by the first provision of the paragraph. Knitting "frames" is another term for knitting "machines." It is but little used at the present time and would add nothing to the meaning of the paragraph. The words "mock seamed" has been inserted to cover a type of seamless hosiery that is made to imitate full-fashioned hosiery, although it is hardly necessary, as it would be included in seamless hosiery.

"Clocked" has been omitted from the revised wording. Clocking is ankle ornamentation, but there are three types of hose sold as clocked hose. The first is embroidered by hand or machine, and the omission of the word "clocking" here throws these into the paragraph provided for embroidered articles. The second type is made by plaiting on the knitting machine, whereas the third, sometimes known as imitation clocking, is made by openwork knitting along the ankle. These two latter classes would be included as hosiery anyway, as it is immaterial whether the plaiting and openwork is only along the ankle or all over the hose. The omission of "clocked," thereby throwing hose with embroidery clocks into the paragraph provided for embroidery, is in line with the present procedure in connection with silk hose.

The wording for "cut" hosiery has heretofore been very vague, and the revised wording is better in that it clearly states what type of hose is intended to be covered by the rate given. Imports of this cheap cut hosiery are very small.

PAR. 916. This paragraph is intended to cover the same goods as heretofore covered by paragraphs 319 of the act of 1897, 329 of the act of 1909, and 261 of the act of 1913; that is, all knit wearing apparel of cotton or other vegetable fiber not specially provided for. It covers all such apparel, whether finished or unfinished, whether for outer or under wear, if wholly or in part knitted.

"Underwear and other wearing apparel of every description" is broadly inclusive, and it is not necessary to retain mention of certain articles such as shirts, drawers, pants, vests, etc.; all of these are necessarily and indisputably included under the revised wording. Since hosiery and gloves are more specifically provided for in preceding paragraphs, it is needless to here state "not including hosiery or knit gloves." The phrase heretofore used, "not including such as are trimmed with lace, imitation lace, or crochet or as are embroidered," is likewise omitted as needless verbiage, because such goods are specifically provided for in paragraph 1429.

PAR. 917. This paragraph is intended to cover all handkerchiefs and mufflers of which cotton is the component material of chief value, except such as are ornamented with lace, embroidery, etc., and covered by paragraph 1429 of the act of 1913. As in the act of 1913, one rate of duty is imposed on unhemmed handkerchiefs and another and higher rate on hemmed or hemstitched handkerchiefs. The provision that unhemmed handkerchiefs shall be dutiable at the same rate as the cloth of which they are composed, and that hemmed and hemstitched handkerchiefs shall be dutiable at the cloth rate, plus 10 per cent ad valorem, prevents any possibility of a handkerchief being entered at a lower rate of duty than the basic cloth.

Minimum ad valorem rates of duty are provided for handkerchiefs made of cloth containing yarns averaging less than No. 40, and for handkerchiefs made of finer yarns.

PAR. 918. This paragraph covers all wearing apparel composed wholly or in chief value of cotton, and not specially provided for. Wearing apparel wholly or in chief value of vegetable fiber other than cotton has been placed under schedule 10, where it properly belongs. The word "ready-made" has been omitted as unnecessary, because this paragraph necessarily includes wearing apparel, whether ready-made or custom-made. Mention of india rubber is omitted and, although india rubber may be present in the goods here covered, cotton must be the material of chief value. If india rubber is the material of chief value, such wearing apparel should enter as a rubber article. The words "by the tailor, seamstress, or manufacturer" now used after "manufactured wholly or in part," have been omitted as tautological, since all goods must be so manufactured. "Shirt collars and cuffs of cotton" have been retained in this paragraph with, as heretofore, a separate rate of duty.

PAR. 919. The wording here used for products of the Nottingham lace-curtain machine is the same as that in paragraph 351 of the act of 1909, except that the procedure of the act of 1913 has been followed, so far as relates to placing them in schedule 9, because such articles are mainly of cotton, and of omitting the words "or on the Nottingham warp machine," because this latter is a different machine, really a "warp lace" machine, of which the products properly belong under paragraph 1429. A new departure, made at the suggestion of domestic manufacturers, is the use of a maximum ad valorem rate in addition to the former minimum ad valorem rate.

The Nottingham lace-curtain machine makes goods with 6 to 18 meshes to the inch, using yarns coarser than 100/2 ply; the Levers lace machine makes goods with 14 to 30 meshes to the inch, and although using a wide range of yarns the greater majority are finer than 100/2 ply. In other words, the Nottingham lace-curtain machine works on the coarser end, and the Levers lace machine on the finer end of the lace and net industry. The products of the Nottingham lace-curtain machine are therefore here made dutiable at a lower rate than is levied under paragraph 1429 on the products of the Levers lace machine. The Nottingham lace-curtain industry is firmly established in this country and has comparatively little foreign competition as compared with the Levers lace industry.

In the above wording, as in that of the act of 1909, there are included nets and nettings made on the Nottingham lace-curtain machine, whereas in the 1913 wording all nets and nettings were dutiable at the higher rates of paragraph 358. As over half the output of the Nottingham lace-curtain industry consists of nets and nettings, the classification here used seems most logical.

PAR. 920. This is the basket clause which covers all manufactures of cotton not specially provided for. Where articles are lumped under basket clauses there is no way of keeping track of imports of the individual items, and it would appear best to secure separate enumeration of imports by keeping the basket-clause range as small as possible. The revised wording of this schedule has been made with this object in view.

The largest item now included under the basket clause of schedule 9 is probably the class of goods known as "Japanese blue prints." These are cheap articles, made of coarse sheeting which has been stencil dyed. These and similar articles will hereafter be statistically recorded by virtue of the provision in paragraph 911 for "table and bureau covers, centerpieces, runners, scarfs, napkins, and doilies, made of plain-woven cotton cloth."

Table damask, in chief value of cotton, but containing some flax or other material, will by virtue of the revised wording be recorded under paragraph 910, with table damask wholly of cotton.

Cotton bedspreads will be classed with other quilts under paragraph 911, and dust cloths have also been enumerated in the same paragraph.

Railroad air hose, in chief value of any vegetable fiber, will become dutiable under paragraph 1007 of schedule 10.

With the above articles taken out, the basket clause of schedule 9 will become restricted mainly to miscellaneous articles imported in amounts so small that separate provision therefor is not advisable.

It may be noted that for the reasons stated in the preceding notes on paragraph 908 specific mention has been omitted of chenille goods and also of Jacquard woven manufactures of cotton, and these will hereafter fall under the basket clause.

Mr. FORDNEY. Mr. Chairman, I yield two minutes to the gentleman from Connecticut [Mr. TILSON].

Mr. TILSON. Mr. Chairman, in presenting my remarks a few days ago I had a number of exhibits, including a single chart. I failed to bring before the committee at that time a number of charts that, I think, might prove interesting and helpful in the consideration of this bill. They are sufficient in number and in area to plaster one side of this chamber, and they contain a great deal of information. The subcommittee and the full committee made considerable use of the information in the preparation of the bill.

These charts which I now hold in my hand were prepared by the Tariff Commission. They are a tabulation of imports and domestic prices of metal and metal products contained in schedule 3 of the bill. While they were prepared for the special use of the committee, of course, they are for the use of any and all Members of the House who may wish to use them. They give the imports of goods for the years 1913 and 1920. They give the import value in both those years, and, so far as practicable, the domestic prices of these articles at the time the charts were prepared, or as near that time as possible. I simply wish to call them to the attention of the House so that other Members may have the use of them if they so desire.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. STAFFORD. The gentleman was on the subcommittee that had charge of placing duties on the metal schedule?

Mr. TILSON. Yes.

Mr. STAFFORD. I followed the gentleman's remarks very closely when he spoke the other day. Will he give the reason why the committee recommended a duty of over 100 per cent on ferromanganese, amounting to about $40 a ton, when the Dingley bill carried a duty of only something like $6 a ton?

I am receiving numerous protests from machine manufacturers, foundries of the country, protesting against the outrageous duty of 100 per cent, and under the rule adopted yesterday we will have no opportunity to vote on it.

Mr. TILSON. In view of what took place in the committee and the attitude on this particular matter of the member of the committee now being interrogated by the gentleman from Wisconsin, I prefer that he ask some other member of the committee to explain it. I fear that I could not do so satisfactorily.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STAFFORD. Does the gentleman think anyone can explain the outrageous increase?

Mr. TILSON. Really I do not know. I have here also a number of charts containing the same character of information concerning the sundries schedule. All of these charts will be kept at the Ways and Means Committee rooms.

Mr. GARRETT of Tennessee. Is it the intention of the gentleman from Connecticut to put these charts in the RECORD?

Mr. TILSON. Oh, no; they are entirely too voluminous to put in the RECORD. If this were done, you could not see anything else in the RECORD.

Mr. GARNER. I want to say a word and congratulate the Committee on Ways and Means upon their effort in giving us this modicum of information touching this particular schedule. If they had followed this same process in reference to other schedules and published it in a document, which the Ways and Means Committee had power to do under the rules, we might have had some information in reference to the other schedules. I yield 20 minutes to the gentleman from Texas [Mr. JONES].

Mr. JONES of Texas. Mr. Chairman, in the early part of the eighth century a band of marauders under a leader by the name of Tarif crossed the straits from Africa and landed on the southern shores of Spain. His band was held together by the spoils of conquest. The horde consisted of Moors, Berbers, Syrians, Africans, and a few Arabs, all bent on plunder. They were Mohammedans, and were in a sense the vanguard of the followers of Islam in their westward swing, but cared less for their religion than for booty. Tarif plundered the country and established a little seaport town, Tarifa, which, with its old Moorish walls, to this day perpetuates the name and memory of the leader of this motley aggregation of robbers and conquerors. Tarif, later reinforced by his superior, Tarik, and his chief, Musa, overran a great deal of Spain. This baron lived in a chateau that was feudal in its magnificence, and in plundering fashion levied certain duties on all commerce that came through or approached the town of Tarifa. He made all the people who toiled pay tribute to him as a sort of robber ruler. The gleaming sword was his collecting agency, and he would hold up ship and caravan in piratical fashion and make them pay tribute to sustain his conquest and luxury.

From that town Tarifa, which was named after the princely Tarif, the English word "tariff" is taken. The name arose in heathenism. It meant forced contribution of the many to the few. How fitting that a policy which finds its consummation in this bill should have had such an origin.

A tariff, being a tax, is justifiable when its primary purpose is to raise revenue, but when the policy of protection is the basis of a bill, and the rates are established on that basis, then, in so far as the rates exceed the schedules that are necessary to produce revenue for the Government, toll is taken from the many to enrich the few. I believe in a tariff for revenue only, levied on all the products coming through the customhouse from which an appreciable revenue may be derived. But the rates in this bill far exceed that. The whole theory, the heart, the purpose of this measure is protection. Many of the schedules are prohibitive. Just now, of all times, this is most unfortunate. Our call is for markets. This bill will tend to destroy them. It is a governmental and an economic monstrosity.

Everyone must concede that in the last few years we have become a great exporting Nation. We have ceased to be a debtor and have become a creditor Nation. We have reached that point in the development of our country when we must have an outlet and a market for our great production, otherwise our produce will stagnate on our hands and hard times will inevitably ensue. We produce more than we consume, therefore to keep agriculture and business going and all of our people employed we must have outside markets.

Every high-school child knows that in the present condition of the world there is no money in foreign countries with which to purchase our goods, and yet in order for us to sell our surplus goods they must be sold in foreign markets. Therefore the only way they can be sold is to take the products of other countries in return. If we build a wall around this country as to all the 10,000 articles enumerated in this bill, we practically preclude those countries from trading with us. In other words, we shut out the possibility of their buying our goods, and we foreclose our opportunity for world trade.

Within the four corners of this bill is practically every item that the American citizen eats, wears, and uses in his daily life. It takes toll from every American citizen. Everything I have on—the shirt, the coat, trousers, underwear, collar, tie, cuff buttons, collar buttons—everything is included in this bill. If I sit down to the table, it is the same. The knives, the forks, the spoons, and the table itself are taxed. You may argue as much as you please, but you can not escape that conclusion. Everything on the table, everything in the household and in the kitchen is enumerated—a levy made on each article—and yet when the chairman of the Ways and Means Committee of the House, who is the author of the bill, was asked what the Republicans have done to reduce the high cost of living in this country, he held up this measure of 346 pages as a magic wand and said, "Here is our remedy." If that is all they have to offer as a solution for the high cost of living in America, then God pity the American people. If the tariff has any effect at all it must be in the other direction. It must necessarily widen the spread and increase the price of these articles, otherwise it is of no use whatever as a protective tariff.

When I was a boy, now and then on Saturday afternoon a patent medicine man came to the little town in which I lived. He would get up in a sort of hack or "jigger" wagon and would gather a little crowd around him and begin to expatiate on the thousand and one ills to which the human flesh is heir. He could think of more different things that a man could be diseased with than anyone I have ever known. He would stand and describe symptoms until he would get some symptoms that would apply to practically every one in the audience. He would have them almost in despair when he would reach down in a box and pull out something that he would call King Cole's Liniment, or Blair's Sovereign Remedy, which he said would cure all the ills which afflict the human frame. Thus the people would be rescued from their despair. The people all over this country are suffering from profiteering, the high cost of living, and from the inability of foreign countries to purchase our surplus products. The Chairman of the Ways and Means Committee holds up this tariff bill of 346 pages as a sort of cure-all, and exclaims in dramatic fashion, "this is our remedy."

In taking up the items in this bill we find on all tables, kitchen, household, and hospital utensils a levy of 5 cents per pound, plus 30 per cent ad valorem, plus 10 per cent more in

the event the articles are electrical. Thus every housewife in America must pay a tribute of around 40 per cent on practically every article that she uses in the kitchen, and should she become ill and go to the hospital the utensils in the hospital have a tariff levied on them, and she must pay her pro rata part, which is an additional cost for the use of those instruments.

Here in another place we find fishhooks, rods, reels, and artificial bait with a 35 per cent ad valorem tariff. When the American boy wants to go fishing he must pay for the privilege.

We find that bicycles carry 30 per cent; books, 20 per cent. They tax the privilege of education. Electric-light bulbs and lamps are given a 35 per cent levy, so that those who use electric light for the purpose of reading and working or for amusement must pay for that privilege.

Buttons are taxed from 10 to 38 per cent. If the "one-gallus" man attempts to use nails as a substitute for buttons, they get him again, for there is a tax of 20 per cent ad valorem on nails. What chance has an average man when every time he turns around he finds some article of daily use upon which the high protective tariff has been levied?

Here is the furniture schedule, which levies from 25 to 50 per cent on furniture, so that the American home will again be penalized when an effort is made to secure the necessary furniture for the operation of the home. Carpets are given a levy of from 1 to 5 cents, plus 20 to 30 per cent ad valorem. It seems that on some of these articles they were ashamed to state all the levy in one form, so they doubled up in the form and thus get them from two different angles.

Pocketknives, which are essential to the happiness of every American boy, are given a levy of 40 per cent. That is enough to break the heart of a boy who has been saving his money for the purpose of buying a pocketknife. Table knives are given a penalty of 16 cents each, so that when the housewife buys a dozen table knives she must pay $1.92 for the privilege of furnishing her table with a set of knives. An additional amount is levied upon forks, spoons, table wares, etc. If she buys a pair of scissors, she must pay 3 cents each, plus 35 per cent ad valorem. If a poor man tries to economize and tries to shave himself, he must pay 10 to 20 cents for each razor, plus 30 per cent ad valorem. He will be certain to cut himself with that kind of a razor, at least if he stops long enough to figure what these items that he is paying on will cost him, and if he tries to devise a way to get by the high cost of living he would come out from the privilege of shaving with a half a dozen cuts on his face. After he has read the items in this bill he will probably conclude he might as well be butchered up after all.

If he buys a watch, he must pay 75 cents to $10.75 ad valorem for the privilege of knowing what time of day it happens to be. My good friend from Connecticut [Mr. TILSON] spoke of watches the other day. Do you know that it is shown by the statistics furnished by the customhouse that under the Dingley bill the American manufacturers sold watches in foreign countries cheaper than they sold them wholesale in America? They sold them at such a high figure that certain dealers in New York City reimported American watches and sold them in America at less than the wholesale price to the dealer.

The same is true with reference to steel rails, which sold in foreign countries at $28 per ton at a time when they were selling in this country at $32 to $36 per ton. In this country Americans are making an effort among other things to reduce the cost of transportation—and all these things go into the cost—but here is a measure which instead of putting out the fire will add fuel to the flames. The American producer and consumer are paying higher freight rates than ever before. Those rates must come down if business is to continue and agriculture is to survive. Such bills as this will tend to increase rather than diminish these costs.

Mr. BLACK. Will the gentleman yield for a question?

Mr. JONES of Texas. I will.

Mr. BLACK. The last quotation I saw on steel rails was $47 a ton, and I suppose the object of this bill is to keep them up on that high level?

Mr. JONES of Texas. Yes; and I dare say after this bill passes they will be selling again in foreign countries at a lower price than in this country. Of course the claim is made that this is done to dispose of the surplus, but as a matter of fact the reshipment of watches shows that it is frequently a scheme to get a higher price out of the people of this country.

Mr. BLANTON. And every young medical student will pay a tribute of $25 to the surgical instrument monopoly under this bill.

Mr. JONES of Texas. Undoubtedly. While the Dingley bill was in force the Elgin and Waltham and one or two other watch companies, that had control in large measure of that business in the United States, ran the price of watches to the American wholesaler up to $144 per dozen on a certain type of watch, which was $12 apiece. They sold them abroad for about $8 apiece. Charles A. Keen and others bought those same watches in Europe, reshipped them to this country, and sold them in New York for less than the price to the wholesale merchant in America. How could that be a good thing for the average American?

The housewife must pay for her clock 35 per cent ad valorem, and if she secures a clock with jewels an additional amount of $1 to $3 for each clock is added. When the average American comes to clothe himself he finds he is met with a 30 to 35 per cent levy on all the clothes he buys, some of which take an additional charge of 8 per cent ad valorem. If he buys a handkerchief on which to blow his nose he must pay 33½ per cent ad valorem.

There is a levy of one-fourth of a cent per pound plus 10 per cent ad valorem on print paper, and under certain circumstances an additional amount. There has been a continuous complaint among the country newspapers of America that the print paper supply was being controlled by a trust and that outrageous prices were being charged. If this bill is passed an additional opportunity will be given for increased prices on this commodity.

After the American has equipped himself with all these articles of constant need and has sat down and eaten his meal, he finds that when he reaches for a toothpick he must pay 25 per cent ad valorem for that privilege. If he goes to brush his teeth he has an additional charge, and so on through the entire list of schedules of the 10,000 articles used by the American people. This bill instead of being labeled "A bill to protect American industries" should be dubbed "A bill to destroy American trade."

I believe the measure which is before us will do more to destroy American industries, agriculture, and trade than any other measure that has been passed in a generation. America is a great country. She has vast resources. Restoration of trade is of vital importance to this and all other countries. It is of special importance to America because of the peculiar and difficult times through which we are passing and the still more difficult time that we are approaching.

Agriculture has always been and will continue to be the basic industry of this country. The little sop that is thrown to the farmers will not be sufficient even as an anesthetic to alleviate the pain while the major operation that certain favored industries will perform on him has been completed. All over this country the citizens will rise in righteous wrath to condemn those who had a part in saddling this burden on the American citizens. This is a time of all times when every American citizen should be given an equal opportunity in any tariff law. And tariff should be for revenue only. No tariff having for its primary purpose the protection of any individual should be passed in the present state of world affairs.

I can imagine the American farmer, who is ofttimes spoken of in Republican platforms of unkept promises as the backbone of the Nation, arising early in the morning to find that even the bed on which he has slept is taxed under this bill; that the clothing which he puts on bears a heavy levy; that the knife with which he cuts the kindling is taxed 40 per cent; that the match with which he starts the fire is taxed; that when his wife goes to the kitchen even the utensils which she uses bear a distinct levy. Sitting down at the table he finds that all of the dishes and even the chairs and table have been increased in price by virtue of the Fordney bill; in fact, all that he eats and wears, and all of the things which he uses, have increased in price because of the schedules embodied in the measure. As he goes about his daily work he finds that everything he touches has been affected by the tariff. At every step he is met with a new schedule to plague him and add to his unbearable woes. I then hear him cry out, "Is there no balm in Gilead; is there no physician there?"

I can then imagine him turning in desperation to the free list in the hope that he may find something which is useful to him and which may give him surcease from these interminable tariff levies. As he does so he whispers to himself, "Surely here I will find relief for my overburdened soul." What do you suppose will be the feeling when he finds that moss, seaweeds, and turtles are put on this famous free list? What will he care for the 10,000 articles of daily use that are taxed when he is encouraged by finding that the generous Republican leaders have placed lava and dragon's blood on the free list?

When he remembers the Republican promises of last fall to reduce the high cost of living and finds all these articles of daily use running sky-high by virtue of the tariff measure, it will, of course, be a great relief to find ashes and spunk wood have

been saved for him on the free list. When he finds that his knives and forks and spoons, his dishes, and aluminum kitchen ware are all placed on the protected list it will be a source of exceeding joy to find that he can get Chinese joss sticks and human skeletons without paying tribute to the New England manufacturer.

Alongside the farmers will be the universal American consumer, who will have mingled feelings of awe and relief when he sees these articles on the free list.

Turning in disappointment and despair from the hundreds of items of his daily use he will be overjoyed to find that he can get broken bells, bones, and dried blood without the payment of any tariff whatever.

In reality the Democratic and Republican theories of tariff are radically different. They are clearly defined. The only way in which a Democrat attempts to justify a tariff is as a revenue-producing measure. The whole purpose and province of a tariff from the Democratic viewpoint is that of raising money with which to support the Government. The tariff schedules and rates, therefore, are fixed by a Democrat at the point at which the most revenue will be produced, at that point which will not materially restrict, but which will permit full and free importation. According to the Democratic theory any protection that may result is purely incidental.

According to the Republican theory the tariff does not stop at that point which will produce revenue, but is raised indefinitely higher to the point where protection will result. In other words, the primary purpose of the Republican tariff is protection, and any revenue that may be derived is purely incidental. The necessary effect, therefore, of the Republican tariff is to restrict importation and to destroy competition, and with the present condition of the world's affairs the necessary effect of restricted importation is a great reduction in our foreign trade.

The Democratic principle is that the tariff is an indirect tax and that the revenue derived from such a tax should be covered into the United States Treasury to be used for the benefit of the whole people. When the schedules are placed higher under the Republican scheme than is necessary to produce revenue, then this additional amount is necessarily reflected in increased prices, which inure not to the benefit of the whole American people but go directly into the pockets of the favored few, who will be the beneficiaries of such a tariff.

Robin Hood is pictured in fable, in history, in song, and in story as a robber, but to many people he is idolized as a hero, because he robbed the rich and gave to the poor. But no such basis for justification can be offered here, because in so far as a high protective tariff raises the schedules above the rates which are necessary to produce revenue it takes from the poor and gives to the rich.

The world has just passed through a great crisis. Forty million men were on the firing line in the greatest war of all history. Nearly 10,000,000 lives were lost. Billions of treasure were expended. The treasuries of the nations of the earth were depleted. In fact, many of the great nations of the world are practically bankrupt. America is the one great creditor nation that is left. She has passed through this trial by fire, and while before the war she was rather a debtor than a creditor nation, she has emerged from the conflict a creditor nation. Foreign trade is essential to her prosperity. It is peculiarly unfortunate, therefore, that at such a time those who are in charge of shaping the policies of this Government should see fit to pass a tariff law which carries the highest schedule in the history of the Government.

Those who attended the hearings of the Ways and Means Committee advise us that the chairman is so ardent a protectionist that when anyone appeared urging a tariff the chairman of the committee, after the witness had finished, would say, "Thank you, brother, we will try to take care of you." It is said that one witness appeared before the committee asking for a tariff of $2 per barrel on mackerel, giving as an excuse that it would be a protection to the trade and that the cost to the consumer would be spread so thinly that he would not realize that he was paying the tax, and in fact urged that because of the form in which it was to be paid he would not know that he was paying it at all and would not feel it. In other words, as the gentleman from Arkansas [Mr. OLDFIELD] stated, he thought that if he could pick the pockets of the American consumers without their knowing it, it would be perfectly all right. The committee seemed to agree with him, because instead of giving him $2 per barrel as asked, they gave him $5. In other words, "they were going him one better."

There are some features of this bill that are new, and, bad as many of the schedules are, they are made surpassingly worse by virtue of these new features. In the first place, there is practically an embargo placed on all dyestuffs, thus, in effect, creating a monopoly on all coloring material that is to be used by the people of the Nation. In addition to placing a tariff of 35 per cent on all dyestuffs provision is made in the bill for placing an embargo on the importation of many of the most important dyes that are used in America. This provision is something new in the form of a tariff bill and is so bad that one of the Republican members of the committee, the gentleman from Wisconsin [Mr. FREAR], was so outraged that he tells us the provision is fundamentally indefensible. This provision will enable the American dye monopoly to practically set the figure at which they will sell their products.

But the worst feature of the bill is the so-called "American valuation provision." By means of it the already high schedules are made very much higher. On the face of things the schedules in general are slightly lower than those placed in the Payne-Aldrich bill. But when these schedules are taken in connection with the further provision that when the goods arrive in this country the rates shall be collected, not on the foreign but upon the American value of the goods, it will be found that practically all of the schedules are higher than in any bill that has been fashioned by even the most ardent protectionist who ever penned and offered a tariff schedule to the American people. In some instances the rates are thus increased several hundred per cent.

I confidently believe that the American people will be tremendously disappointed in the effect of this tariff measure. Swept into power on the repeated promise that they would reduce the high cost of living, punish profiteers, and restore to the American people normal conditions, the first great measure which the Republican Party passes is one that in its essential effect will raise the cost of living, will increase the prices to be paid by the American consumer, and restrict in a large measure our trade with foreign countries.

America is a great nation. Emerging from the hardships and conflicts of war, she is facing what is hoped to be a new future. Every thinking citizen hopes that an era of peace in the world has been ushered in. Everyone hopes that the contests and conflicts of the future will be upon the ocean in commerce and that the great seas will be the battle grounds for this warfare of peace.

I have every confidence that if America is left unhindered and unobstructed she will prevail in this new character of conflict by virtue of the genius and industry of her people and by virtue of the opportunity to make her own way in the commerce of the future.

I told you in the beginning of the Moorish invasion of Spain. For centuries the Moor remained in charge of the Provinces of Cadiz and Andalusia and the seaport town of Tarifa and levied their toll upon commerce. Much was the wealth and many the trophies they sent to the Caliph. Their chiefs increased in wealth in insolent power. They lived in regal splendor, but they were riding to their fall. In 1292 the Christians, under Gaudemus, reclaimed these Provinces, and although the Moors tried repeatedly to recapture Tarifa and these rich Provinces and to regain their power to live from the fruits of other men's toil, they could not succeed. Two centuries later they were driven out of Spain.

The privileged classes in this country have grown rich behind the tariff wall. They have overrun the country and levied tribute from all to enrich the few. They have built their "castles in Spain" and their winter homes in Florida. Emboldened by their success, they are endeavoring to get behind the highest protective rates in all history. But, like the Moors of the centuries that are gone, they are riding to their fall. The great heart of America is just and the people will again assert their rights and reclaim their land and democratic equality shall again flourish in this great free country. [Applause on the Democratic side.]

The CHAIRMAN (Mr. DOWELL). The time of the gentleman from Texas has expired.

Mr. GARNER. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. STOLL] such time as he may desire.

The CHAIRMAN. The gentleman from South Carolina is recognized.

Mr. STOLL. Mr. Chairman, when this Congress was called to meet in extra session I, in common with the great mass of people of this country, hoped that some remedial legislation would be speedily enacted to relieve the burdens of an overtaxed people; that something would be done to provide ways and means for our people to emerge from the financial chaos that is following the readjustment period incident to the World War. We have now been in session for four months, and nothing has been done. During these four months and for some months previous the gentleman from Michigan [Mr. FORDNEY] has been acting as a wet nurse to old Mother Tariff, and now presents to us a monstrosity which, if he is believed, will prove a Moses that will lead us out of the wilderness of

high cost of living, high taxes, and financial distress into a land of plenty, into a veritable land of milk and honey. Although I am opposed to the theory of protective tariff and think it fundamentally wrong in principle, still if I thought the roseate predictions of better times as promised by some gentlemen would follow the enactment of the pending bill into law I would vote for the bill, believing the present emergency to be so critical as to justify such a vote. But I can not accept what the gentlemen who so ardently sponsor this bill say about it. I do not consider the bill economically sound, and I believe that under it our last state will be worse than the first, that instead of bringing relief it will bring disaster.

The economic principle announced by the gentleman from Texas [Mr. GARNER] I think sound, and am satisfied that the rates under this bill will so effectually shut out foreign goods as to practically destroy our imports and that a paralysis of our exports will result. Believing this, I shall vote against the bill.

There may be many ways to ascertain what the proper vote on any pending legislation is, but for me there is only one, and that is I must be convinced that the proposed legislation is just and equitable. Legislation that makes provision for any particular interest to the detriment of the general public is wrong and should not be enacted. This is a Government of the people, and to legislate for the benefit of a few against the interest of the great mass of people that make up the Nation is fundamentally wrong. And yet this is what is being done in the bill now under consideration. The title of the bill is—

To provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

To provide revenue is, of course, necessary, and it is all right to do so by customhouse duties, provided the duties are just and equitable, being an equal burden on all the people and providing no special privilege to any person or interest. To regulate commerce with foreign countries and encourage our own industries is also all right, provided it is done on a just and equitable basis. But the big thing in this proposed legislation is the last clause of the bill, namely, "and for other purposes." This is a bill not only to provide revenue and regulate commerce and encourage industries but it has other purposes, and those purposes are to give to the special interests a chance to make a clean-up at the expense of the people. If there is a golden harvest after this bill becomes a law, it will be a harvest for a special few and not for the masses. I am thoroughly convinced that the purpose of this bill is to exploit the great mass of the people for the benefit of a few.

But in their mad desire to hog everything in sight I believe they are overstepping the mark and that in sowing the wind they will reap the whirlwind. An effort is being made in this bill to make the tariff rates higher than was ever before attempted. To make it appear otherwise, the ad valorem tax is based upon American valuation. When the provisions of this bill are put into operation the American people will not remain fooled very long.

The greatest mistake that the distinguished chairman of the Ways and Means Committee and his high-tariff followers made is that of drafting a bill without knowing all the facts that should be known in order to intelligently frame it. A tariff bill, of all bills, should be based upon facts. To undertake to fix a tax to provide revenue without knowing all the facts bearing upon the matter is legislation on guesswork or assumed statement of facts. To undertake to regulate our commerce with foreign countries on facts that are nothing more than guesswork is downright criminal. And yet this is what has been done. The commercial condition of the world to-day is such that no one knows what to-morrow will bring forth. The times are really out of joint, with no assurances that the conditions that confront the commercial world to-day will be the same to-morrow.

Partial information will not do and partial regulation will not do. To legislate properly there should be full and definite information and the tariff law enacted should be to safeguard all of our commerce. To properly regulate our commerce we should enact a law that would give a strong and healthy tone to both our import and export trade. Is this done in the pending bill? To the contrary, if all economic principles hold true. If our tariff wall is built so high as to keep out entirely foreign competition and give the American market to Americans only, just to the extent that we cut off imports to the same extent will we cut off our exports. We are compelled to have a basis of some kind for trading. We can not expect Europe to buy our surplus commodities with money, for she has not the money with which to pay. We are now a creditor Nation and not a debtor Nation. Things have been reversed and America now occupies the position that European nations formerly occupied. The only way for us to do business with Europe is to exchange our goods for other goods. In other words, if we expect to export our goods we must import Europe's goods. This can not be done if the duties imposed by this bill are so high as to make it impossible for foreign goods to come upon our markets. The conclusion, therefore, can only be that in our greed to monopolize the markets of the world we will force a condition that will stagnate our own markets and bring about conditions even worse than what we now have.

While I am opposed to a protective tariff on theory, I think this bill doubly vicious, because it undertakes to fool the people, especially the farmers. If there ever was a time when the farmers of this country needed assistance from the Federal Government it is now. His story has often been told from the floor of this House. Every Member here who has farmers among his constituency has received letters and telegrams from individuals and farmer organizations urging that something be done to help those who toil on the farm. The cry for help from the farmer is from every section and his plaintive voice has been calling now for a year or more. During the last session of the Sixty-sixth Congress the Republicans tried to appease the clamoring of the farmer and the so-called emergency tariff was offered as the panacea for all ills. During the summer and fall of 1920 widespread discontent was evidenced throughout the country. Republican politicians, although this party had been in control of the Senate and House for two years, foretold great changes for the voter if the Republican Party was continued in power in the Congress. The great unrest in the country was such as to make it susceptible to any promises that bespoke better conditions.

The result was a Republican in the White House and large majorities in both branches of Congress. The conspirators' archconspiracy succeeded and the Republican Party got complete control of the Government. We were called into extraordinary session on April 11. Four months have passed. Conditions are no better, assurances to the contrary notwithstanding. What has become of the great intellects, far-seeing statesmanship, relief at home, and enlarging influences abroad, that were to be the gift to the Nation by the new administration? Four months and nothing done. And now comes the gentleman from Michigan [Mr. FORDNEY] and names the tariff bill the Magna Charta of American commercial life, or words to that effect. "Here is the medicine that we have needed so long and which will cure all the ills that the Nation is heir to." Again they seek to fool the people. Our people are burdened with the high cost of living and no market for their products. And now comes the pending tariff bill, which unquestionably means higher cost of living and fewer markets for our products. The South to-day has her cotton crop that she can not sell; the South produces the bulk of the cotton raised in the world. A tariff to keep foreign-grown cotton out of America will not help us sell our crop abroad. A tariff that keeps foreign goods out of our markets will not help us to sell our cotton abroad because they can only buy our cotton through the medium of exchanging their products for ours.

This bill, in my opinion, can not and will not help us. It is designed to help only a few. If I understand the Republican attitude, it is to legislate for the special interests—for a few favored ones—and let the masses get the crumbs that fall from the rich man's table. My theory of legislation is to legislate for the masses; and if they are prosperous, then the big interests will also prosper, and the whole Nation will be benefited.

The Fordney tariff bill if enacted into law will foster the big interests and will prove another link in the chain that binds the American people as vassals.

Mr. GARNER. Mr. Chairman, I yield 20 minutes to the gentleman from Texas [Mr. LANHAM].

The CHAIRMAN. The gentleman from Texas is recognized for 20 minutes.

Mr. LANHAM. Mr. Chairman, we are now considering a measure which seems to be offered by its advocates as a panacea for our many and varied economic ills. Despite the facts that those who stand sponsor for it can not estimate with any degree of confidence the amount of revenue it will yield, and that no one of the hundreds of witnesses who appeared before the Committee on Ways and Means could tell definitely the difference in the cost of production in this country and abroad, we are presented with this voluminous tariff bill and assured that it is the all-sufficient remedy for the troublesome and perplexing conditions in which the American people find themselves. This Republican cure-all is composed of rates taken from lofty pinnacles of protection and then raised higher still by the new plan of American valuation, according to the terms of which, as has been so conclusively shown by the gentleman from Texas [Mr. GARNER], the rates of the present Underwood law would be made even higher than those of the former Payne-Aldrich Act.

One of the ailments for which this measure seems designed more or less primarily, and which affects the whole country

most seriously, is the high cost of living. The desire for relief in this regard has been very generally assigned by the Republicans as one of the determining factors in their victory in the last presidential campaign. The Republican Party now undertakes by this bill to reduce that high cost of living by placing a high protective tariff, in many instances practically prohibitive, upon the importation of most of the things which the people of the United States need and buy. The mere perusal of this bill will disclose the fact that there is hardly a household article of general daily use which does not come within the scope of its policy of toll taking from the consumer. It is an insidious method of taxing away his earnings ere he is aware, and in this manner the Republican Party would restore the commercial equilibrium and stabilize the business world by taking tribute from the people to swell the coffers of privileged interests which may no longer be termed "infant industries" except upon the assumption that they are in their second childhood.

It seems to be proffered, too, as a partial determination of our foreign policy, the tardy settlement of which is arousing the ire and provoking the censure of both people and press. The Republican Party appears to be seeking by this measure to meet an installment on its obligation in this regard, and it now reminds us that it will raise such a tariff wall between us and the Governments abroad that the foreign nations, so greatly in our debt and having only goods with which to pay, will either be very much restricted in or altogether prohibited from sending to our shores those commodities which at present constitute their only medium of exchange. And therefore the question of disarmament, which has been occupying a conspicuous place in the American mind, is a step nearer solution, for the Republican Party says, in effect, that the enactment of this bill will aid very materially in eliminating foreign trade and that in this way a possible casus belli may be removed and international peace accordingly promoted.

Time does not permit the enumeration of all the proposed beneficent effects which it is to have in the healing of the body politic, but let us pause long enough to note the salutary blessing which its proponents will thus afford with reference to our merchant marine. This problem also has been engrossing the thought of the country. The Republican Party seems anxious to clarify the situation somewhat by notifying us that this tariff bill will place such a ban both upon importation and exportation that a merchant marine will be quite unnecessary; that our isolation will be so complete that a lack of cargoes to and from foreign ports will render our vessels useless, and therefore we may proceed to sell without delay the ships which we have built at such great expense and for what we once believed a most laudable purpose.

Mr. HARDY of Texas. Mr. Chairman, will my colleague yield?

Mr. LANHAM. Certainly.

Mr. HARDY of Texas. That being accomplished, we should at least have no ships to be sunk on the ocean in case other nations got into war. [Laughter.]

Mr. LANHAM. I thank my colleague. That may be the theory they have in mind.

And yet, gentlemen, despite the high rates of this bill and their soaring power under the American valuation provision, there is one respect in which this measure is a tariff for revenue. It will seriously disappoint its framers if a political revenue be not forthcoming, the same kind which was so generously donated in the last campaign by the struggling, gray-bearded "infant industries" which then so hopefully contributed in anticipation of some such legislation as this. [Applause on the Democratic side.] And it may not be amiss in passing, while speaking of the tariff barons, some of whom perhaps are Republicans for revenue only, to paraphrase a rhyme of Mother Goose, which is somewhat expressive of the things in contemplation.

Baron Jack Horner
He got a big "corner"
By eating Republican pie.
His subsidized party
Kept Jack hale and hearty
By making the tariff so high.

So Baron Jack Horner
Waxed fat on his "corner"
And said to himself on the sly:
"The cost to the people
Is high as the steeple,
But oh, what a big boy am I!"

[Laughter.]

Then Baron Jack Horner,
To keep up his "corner,"
Dug down in his pocket with glee;
He stuck in his thumb
And he pulled out a plum
For campaigning his pet G. O. P.

[Laughter.]

It is not surprising, in view of the objects sought to be accomplished by this bill, that the Republicans themselves are divided in their judgment concerning it. We have even a minority report from the majority party. In that report the gentleman from Wisconsin [Mr. FREAR] says of this measure that it is "fundamentally wrong in principle," and that it "contains provisions fundamentally indefensible." Even party loyalty and fealty and a desire for political harmony are not sufficient to restrain some members of the majority ranks from expressing their firm convictions with reference to the dangerous and deceptive nature of this proposed legislation. If these observations of the gentleman from Wisconsin be accurate, certainly his statements are sufficient to put the country upon notice that a "rottenness" somewhat akin to that which Shakespeare in his play once ascribed to Denmark may exist also in later times and in lands not so remote.

In the brief compass of a speech in the limited time permitted on the floor of the House, one may not review or discuss many of the numerous provisions contained in the 346 pages of this bill, but such elaboration is really unnecessary. The vicious nature of this measure may be found in certain fundamental principles and certain recognized conditions as well as in the excessive rates of particular schedules. In these times of stress and depression during the period of reconstruction and readjustment following the great World War, some of our people, naturally grieved at the financial reverses which have lately come to them, are prone, like drowning men, to grasp at a straw. And it is a straw which the Republican Party is now tossing to them in this bill. Under such circumstances, I say, some may take with undue haste a proffered remedy whose merits or demerits they do not pause to examine.

In the first place, and in all fairness, it should be brought to the attention of the American people in this connection, that the Republican Party has had control of both Houses of the Congress since the 4th of March, 1919. In so far as legislation or the lack of it may have caused or contributed to the burdens which have been borne since that time by the citizens of our land, the Republican Party must assume its responsibility. The Democrats have been in the minority, and certainly to them may not be attributed the errors of legislative omission or commission which may have brought about since that date the present unfortunate state of the Nation.

The debate on this bill has naturally taken a very wide range, and the subject has been approached from many different angles. It is my purpose to discuss in the time allotted me two phases of our trade relationships as they affect the producers of this country. The first has reference to the markets at home and the second to the marts abroad.

In such a subtle way has the doctrine been preached that the idea seems now to prevail in the minds of some of our people that the lack of a high protective tariff is responsible for the great spread between the prices which the producer receives for his commodities and those which the consumer pays for them. A little reflection should dissipate much of the folly of such an assumption. Certainly it can not be contended seriously that the enactment of this measure will reduce the cost to the consumer. And I believe that upon examination the spread of price referred to will be found to exist also in the case of those commodities which are produced and marketed exclusively in this country, and upon the importation of which, therefore, no tariff is contemplated. In many instances the depression in the prices which the producers have been receiving in the United States has been due in no way to importations. Some of the principal causes have been internal and domestic. It seems to be generally conceded that our marketing machinery is such that the producers are deprived of a proper percentage of the prices which the consumers are paying for their products.

I am glad that both Democrats and Republicans are beginning to join forces in an effort to solve this great American problem. And certainly it is hoped that from the labors of the present joint congressional commission may come some adequate remedy which will prevent the general toll taking from the products of the farmer and which will modify, by reduction, the high rates which now obtain in every feature of the process of movement from the producer to the consumer.

Surely, gentlemen, we can not justly attribute this vast spread in prices solely to the lack of a prohibitive tariff, which will enhance and increase so materially practically every article that the farmer has to buy. It is time for the producer to realize that such things as high taxes, the toll-taking machinery of distribution, and the excessive costs of transportation are standing between the price he receives and the price the consumer pays. I think everyone will admit that the consumer pays enough. There seems to be no dispute about that. The remedy is not to be found in raising the price to him by exorbitant tariff rates, but rather by so correcting and reforming our internal

and domestic system that the producer may receive a proper proportion of the cost of his goods to the consumer. If you believe in protection and really want to protect the producer, here is a fertile field for your reflection and your endeavor. The desired relief is not to be obtained by extending the opportunities of privileged and predatory interests to prey upon him.

I recall a little trip which I made with one of my colleagues from Texas. We went 17 miles from this Capitol at a time when peaches were selling to the consumer on the Washington market for 5 and 10 cents each, depending on the size. We bought from a farmer about a bushel of similar peaches and two baskets of grapes for a total sum of $1.65. I assume, and I think properly, that our purchase would have cost on the Washington market between $15 and $25. Can it be reasonably urged that what this farmer needed to get for him a greater proportion of what his peaches were bringing at the Capital was a high protective tariff on his fruit?

The gentleman from Florida [Mr. DRANE] advised me recently that he shipped 103 boxes of Florida oranges—176 oranges to the box—and that he received for them $122, a fraction more than $1.08 per box, which is just about the cost of production. Such a box of oranges at 5 cents each—and we know that when bought singly they cost 10 cents each—yields from the consumer $8.80, more than eight times what the grower receives. Is the fact that, in this instance, the grower got less than one-eighth of the cost of the oranges to the consumer due to the absence of a high protective tariff? Surely there is something wrong internally, gentlemen, when hungry children in our cities look longingly and wistfully at the high-priced fruit on the stands, while in the fields of production the hogs are turned into the orchards to gorge themselves to prevent a bountiful crop from rotting under the trees.

Examples of this kind could be multiplied indefinitely and with reference to almost every article that finds its way to the American table. Let us not seek to deceive ourselves or the public by overlooking the causes at home which are contributing so constantly and so forcefully to the depression of the producer.

If we may trust to the suggestion of a publication devoted to protection, it is by no means clear that a protective tariff on the farmer's products will always and unfailingly increase his income from them. In the American Economist, published in New York, in the issue of December 31, 1920, just after the first emergency tariff bill had been passed in the House, the editor replied to an editorial in the New York Herald which opposed this legislation on the ground that it would likely tend to increase the high cost of living. Speaking of the proposed tariff on wheat, this is what this high-protection organ, the American Economist, had to say:

> The writer remembers when western farmers received only 40 cents per bushel for wheat at the same time that imported wheat was dutiable at 25 cents per bushel. How much does the Herald think the tariff added to the price of wheat at that time?

Mr. BLACK. Will the gentleman yield?

Mr. LANHAM. I will.

Mr. BLACK. I suppose about the same as it has since it passed.

Mr. LANHAM. I was going to call attention to that directly. Our minds are evidently running somewhat in the same channel, and I thank the gentleman for the suggestion.

This is what this protectionist banner had to say about the farmer then, and it is quite pertinent now. Of course, the statement was not intended to reach the eyes of the farmer. The circulation of this publication is not meant primarily for him. On the contrary, this declaration was intended for and reached the eyes of some of the manufacturers of his products and, in effect, it says to them: "Don't you worry about this duty. It is not going to make the farmer get any more for what he raises. It will not cost you any more to buy his products, but stop and consider what a real boon it will be to you if you so desire as an excuse to increase your prices on manufactured articles made from those products of the farmer which you sell back to him and to the American people and to all the world." [Applause.]

And in this regard the speech of my colleague, Mr. HARDY, on yesterday, with reference to the drawback, was most illuminating.

Perhaps it is not specially surprising, in view of the keen insight of this editor into this kind of false protection, that the price which the farmer receives for his wheat has recently been declining, in spite of the duty on wheat in the emergency tariff law.

Having observed in this discussion of the spread of prices between the producer and the consumer some of the things which affect the producer at home, let us now contemplate his status in dealing with his commodities abroad. What is and has recently been his trouble in the markets of the world? The answer is readily apparent. He has had no place to sell. Bountiful crops have but resulted in a surplus left on his hands because no foreign markets have been available to him.

Many of the things we raise in this country are produced largely for export. One of these is cotton, grown so extensively in the South and Southwest. The legislatures of some of the States have sought to study this problem and to aid in making accessible for our surplus cotton crop a foreign market. Some of our statesmen have journeyed abroad to survey the situation with this end in view. In the Congress we have endeavored through the Edge Act and by the revival and continuance of the War Finance Corporation to provide longer and larger credits in foreign trade, and thus to open up the marts of the world for the products of our farms.

Across the seas our goods have been in demand. Woe and want have cried aloud for them. Famine and pestilence have been raging there and taking their awful toll of human lives. Practically all of our excess production, and especially that adapted for food and clothing, has been greatly desired. Why, then, have they not purchased more of our surplus over there? Again the answer is not difficult to find. They may buy only by means of gold or service or credits or goods. They have no gold. In fact, the economists seem to be agreed that there is too much of it in the United States now for the best interests of our own trade and that of the world. Under the circumstances, there is practically no service we need that they can render. We have an abundance of ships to carry our wares. Their credits are altogether insufficient. Of necessity, therefore, they are left to pay principally with their goods.

The opportunities for such trade may naturally be expected to improve as their production increases. It seems fair to assume that as they recover from the ravages of the war which has devastated their lands they will become more and more able to resort to this exchange of commodities. It is worthy of note that continental Europe last week took 74,258 bales of our surplus cotton, as compared with 18,511 bales for the corresponding week in 1920. This is a most substantial increase, indicative of what we may reasonably hope for if we do not hamper unduly our opportunities for export. And this seems typical also of the progress we are making in other quarters and with reference to other commodities. Is it reasonable to contend that we shall facilitate this trade by placing a high protective tariff on the importation of goods from these foreign lands, which are now without credit or cash?

It has been stated repeatedly, but perhaps not sufficiently realized, that we have become a creditor Nation. These foreign countries owe us billions of dollars. The surplus products which we can not consume in this country we must of necessity sell in large measure to them. It is essential that a creditor nation trade with the world if, as such, it is to retain its international prestige and power. But we can not keep exporting unless we import. We can not wisely continue to increase their indebtedness to us unless we afford them some opportunity to discharge that indebtedness. Can we do this by closing the door to their goods, practically their only available means of payment?

A desire for foreign trade seems general in this country. This is entirely natural, because it is entirely necessary. In my own State we are very much interested in the matter of stimulating trade with the Central and South American countries, and we are seeking in every proper way to promote a mutually satisfactory trade relationship. The city of Fort Worth has but recently been designated as a port of entry. Our Central and South American neighbors seem to have begun the policy of the establishment of consulates in our territory. Surely it will not profit us if we erect a tariff barrier so high that the marketing of our export crops will be seriously hampered, if not prevented. Surely this is no time to court a tariff retaliation that may exclude us from the markets of the world.

We are not specially lacking internally in the material elements which are essential to national wealth and prosperity. We have them in relative abundance. We are not suffering greatly from inadequate supplies of the things which we produce at home. We are not impoverished by a scarcity of our own products. The business depression and paralysis which we have lately experienced seem due, rather, to congested conditions in the world's trade in the exchange of goods. The necessary thing is a freer circulation. The existing congestion is not to be relieved by a greater restriction in the movement of trade. The enactment of this measure, therefore, would aggravate rather than improve the present situation. It would be equivalent to tying a cord tightly around the circulatory body of commerce with the unreasonable expectation that it would then function more perfectly at each end.

The effect of this bill, if written into law, will be to pyramid prices all the way from the customhouse to the consumer. The importer, in the first instance, will pay an excessive duty on the goods. For this outlay he will naturally expect a reasonable return and, therefore, in his sale to the wholesaler he will add a percentage of profit on that duty as well as on the cost of the imported article. The wholesaler, in accordance with the same business principle, will repeat this process in his turn of the goods to the local jobber. His receipts will naturally reflect a profitable return on the increased cost and the increased duty which together will constitute the price he will be required to pay. The same policy, of course, will be pursued in the sale to the retailer. And thus the successive margins of return on the ever-increasing amount invested in the duty will run their natural course through our business structure until, by the time an article reaches the hands of the consumer, the rate will be very greatly in excess of that originally charged at the customhouse. And, unfortunately for the buyer, in many instances this rate will run the same gamut with refere ce to similar goods produced and sold entirely within our own borders. It is inevitable that the excessive rates stipulated in this bill will serve a more profitable purpose as the basis for commercial investment than as a source of revenue for the Government's Treasury.

The vaulting tendency of the prescribed rates will be greatly enhanced also by section 402 of the bill, the American valuation provision. This section requires that "duties ad valorem shall be assessed upon the fair market value of the imported merchandise in the United States." This is the substitute offered for the present system of making the basis of calculation the prices fixed in the open markets of the world by competition. At the very outset this method deprives the American buyer abroad of any certainty as to the duty which will be demanded of him, a fact which will of necessity create a hesitancy and timidity in his purchases. In effect this provision will amount to a sliding scale of rates, controlled by those domestic business interests producing goods of the same kinds and classes in this country. This is a step in the direction of monopoly in that it offers them the tempting opportunity to eliminate foreign competition. Not only will the inauguration of such a system be a serious handicap to foreign trade by placing additional barriers in the way of importations, but in many instances this plan of valuation will also increase the rate of duty several hundred per cent.

For example, if an importer should purchase abroad for $2 an article which sells in this country for $6, the duty to be paid by him and passed on to the consumer in the natural course of trade will not be based upon the purchase price of $2, but upon the American selling price of $6. It is not particularly strange, therefore, that this provision is being received by the people of America with apprehension and alarm. Regardless of the rates specified in the bill, they are immediately raised by this innovation much higher than we have ever had in the whole history of our tariff legislation. And it is only when read in the light of this enlarging section that the duties enumerated in this measure stand forth in all their alarming and gigantic proportions.

With that brevity which my allotment of time has made necessary, I think I have indicated, gentlemen, some of the conditions, both at home and abroad, which have recently militated against the welfare and prosperity of our Nation's producers. Clearly the remedy for them is to be neither sought nor supplied by resorting to the policy of class protection which constitutes the essence and purpose of the pending bill. It will have the dual effect of preventing the movement of the producer's commodities and increasing materially the prices of the articles which he is forced to buy. In my judgment, its enactment will bring from the people of our country the same denunciation which the operation of similar measures has uniformly provoked. The time for American isolation has passed. "Forward-looking men" are in demand, and forward-looking measures should be their aim. Let us not step down from the exalted position we have attained. In good conscience let us maintain that place, that our ships on all the seas may take our trade to every shore and that our traditions, following in its wake, may teach the spirit of our fathers to all the peoples of the earth. [Applause on the Democratic side.]

Mr. GARNER. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. HUDDLESTON].

Mr. HUDDLESTON. Mr. Chairman, protective tariff legislation at this particular time will be a monument to governmental stupidity. If this bill had for its purpose only the raising of revenue it would at least have some sense back of it. A tariff for revenue is, of course, a form of consumption tax. It can work out in no other way than by adding to the price of things men want to buy. Such a measure is never to be adopted except under such circumstances as would justify a sales tax. According to my view it stands upon the extreme verge of justifiable taxation. It should be resorted to only when taxes on incomes, profits, and inheritances will not produce sufficient funds to maintain the Government.

If this measure was intended for no other purpose than as a means of raising revenue it would be objectionable, but would not be merely silly and vicious. We need the money. Our country is staggering under a grievous burden of war debt, and it is practically impossible to make any substantial reduction in the amount now being derived from taxation.

WHO MUST PAY FOR THE WAR?

The terrible dance of war is done, and now the fiddler must be paid. Who must pay the awful price? So far as its features as a tax measure are concerned, the clash over this bill represents the first battle of what must remain the paramount political struggle for the next quarter of a century. Who shall pay for the war? The war debt must be paid. Who is going to pay it? It can not be a matter of substantially reducing taxation. It must be a struggle over attempts to shift the burden of taxes from one class or one interest to another. Inevitably the battles which will be fought in this struggle will decide the question as to what class and what interest shall pay for the war.

The rich are dissatisfied with their income and profits taxes. The profiteers and war contractors are not willing to pay for the war out of the millions they were able to amass out of it; they are no more willing to give up one penny from their ill-gotten gains than if they had won them by honest and legitimate means. The fact that they overcharged the Government for munitions and supplies; that they overcharged the people for the necessaries of life in the time of our Nation's peril is no reason in their eyes why this burden of paying for the war should be put on their shoulders. Profiteers, war contractors, big business, and big finance, all the classes of wealth and privilege will battle with all their resources to place the burden of paying for the Great War on the backs of the poor, of the multitudes who toil, of the plain people of this country. That is to be the great issue for the next quarter of a century.

MILLIONS FOR THE RAILROADS, NOTHING FOR SOLDIERS.

The administration realizes that there can be no substantial reduction of taxes. The administration knows of the heavy burden of taxation which confronts us; they know our Government's serious financial condition. Witness yesterday when the President appeared before the Senate and demanded of the Congress of the United States that the soldiers' bonus bill should not be passed. His plea was one of poverty; that we are not able to pay; that revenues could not be produced to meet the outlay. And so the soldiers will get nothing.

The action of the President in striking down the bonus bill was somewhat surprising to me, because I had read in the papers of Sunday the inspired statement that the Treasury of the United States is just about to be again opened to the railroads of the country. There is no money for the soldiers, but millions for the railroads.

I have not forgotten that only a year ago a Republican Congress passed the iniquitous transportation act of 1920—the Esch-Cummins law—by which it was guaranteed by the Treasury of the United States that the railroads should earn net for the following six months the equivalent to what they had been paid during Government control. Under that guaranty the amount has already reached $631,000,000, and only a few weeks ago the same Republican Congress that had passed the transportation act passed the Winslow bill, which anticipated the due date of payments accruing to the railroads under the guaranty clause of that law, and hastening their entrance into the strong box of the United States, opened up the door and said, "Gentlemen, walk in and get your money now." That Winslow bill as I showed at the time will work out to increase the claims of the railroads under the guaranty and cost the Government two or three hundred additional millions.

RAILROAD RATES HIGHER THAN TRAFFIC WILL BEAR.

In passing the transportation act of 1920 not merely was the Treasury of the United States raided, but the people were raided; the people, the consumers of the United States, were raided. It authorized the railroads to raise their rates so as to yield a 6 per cent return upon their alleged investment. Under that authorization railroad rates have been increased until a condition has been brought about where now the rates are higher than the traffic will bear, and business interests and private consumers alike are being strangled by that iniquitous measure.

I predicted at the time the transportation act was being passed that the increases in rates would be based upon the

so-called "book value" of the railroads, with all the stealing and watered stock of crooked promoters from the very beginning of the railroad business. My prediction proved true. The railroads were permitted to increase their rates upon the basis of their book value of $18,900,000,000. Upon that fraudulent valuation were they permitted to earn the 6 per cent return. Yet to-day you can go upon the stock exchanges of the United States and buy every dollar of stock, of bonds, and other securities of all the railroads of the United States for less than $8,000,000,000. Accepting the market value of their stocks, bonds, and securities as the true value of the railroads, they were given increases in rates so as to raise their net earnings to 14 per cent. Think of it! No wonder business is strangled. No wonder the people are crying out against excessive railroad charges.

The transportation act of 1920 also appropriated from the public money $300,000,000 as a revolving fund for loans to railroads that might be in need. On top of that the further sum of $200,000,000 was appropriated from the people's funds to pay any claims that the railroads might make against the Government on account of Government operation. These appropriations, including the guaranty, have made a charge upon the Treasury of the United States of a total of not less than thirteen hundred millions by the transportation act, all in the last year. No wonder that there is no money for the soldiers.

ANOTHER RAID ON THE TREASURY.

But this is not all. What does the President now propose? He proposes to again open the Treasury and to allow the railroads an additional $500,000,000. Of course, the appropriation has not been made, but the whip will be cracked over the backs of our Republican friends. I ask them now, will you respond? Will you respond to the demands of the White House for unlimited hundreds of millions for the railroads and turn your backs on the men who served America in the Great War? I ask you, can you go home and look into the faces of the boys who served on the fields of France and say to them, "We had millions for the railroads but we did not have a cent for you." I challenge you to do it. I warn you from it as you value your political lives. The injustice of such conduct will shock the conscience of the Nation and its vengeance upon you and your party will be dire.

Mr. GARRETT of Tennessee. I just wanted to ask if there is included in this estimate what has been advertised so largely as the inefficiency of labor during war time.

Mr. HUDDLESTON. I can not imagine upon what theory the President will undertake to justify himself in asking that the Treasury be again opened up to the railroads. It may be possible that he will come forward with some such plea. It may even be that he believes it. But I know, as well as I can know anything, that there is no justice in any such claim, I know that labor was not inefficient. I am in touch with those who are demanding of the Interstate Commerce Commission an opportunity to prove that there was no inefficiency, that to the contrary the railroads got every dollar's worth that has been charged to them.

Mr. GARRETT of Tennessee. I wish my question to be put correctly. I agree entirely with the gentleman about that. Is it included in the estimates that labor was not efficient? In the estimates that the President says they are going to send. I know that labor was not inefficient during the war and there is no ground upon which the railroads can demand compensation upon the ground of inefficiency of labor during the war. I want to make that perfectly clear.

Mr. HUDDLESTON. There is no basis for a claim of inefficiency. I am glad to have such authority as the gentleman from Tennessee to back up the assertion that I have just made. Labor was not inefficient. To say that labor was inefficient is to slander a great body of patriotic American citizens.

Mr. BARKLEY. Mr. Chairman, will the gentleman yield?

Mr. HUDDLESTON. Yes.

Mr. BARKLEY. Information or alleged information came to me a few days ago that a large percentage of the claim of the railroads on account of the so-called inefficiency of labor had been tentatively allowed. Does the gentleman know whether that is correct or not?

Mr. HUDDLESTON. I am reliably informed all claims based on labor inefficiency have been disallowed by the United States Railroad Administration, and that the Interstate Commerce Commission will in a few days make a similar decision.

I do not doubt that certain former railroad officials who were placed in charge during Government control deliberately tried sabotage on the railroads; tried to make Government control a failure; tried to make labor inefficient. Many instances of such nature have been brought to my attention. Every railroad employee can tell you of them. It is a matter of common knowledge that these officials did what they could to provoke waste, extravagence, and loss. Some of them were discharged for it.

SUBTERFUGE UNDER WHICH TREASURY WAS RAIDED.

When the railroads were taken under Government control on January 1, 1918, they were in wretched condition, both as to equipment and roadbed. In fact, they had about reached the end of their rope and, except for Government intervention, many of them would have been in the hands of receivers within a few weeks. They were grossly inefficient, rolling stock was dilapidated, and repairs of every kind imperatively required. To meet this condition the Government proceeded to pour out millions in repairs to roadbed and equipment. The railroads had been systematically milked for years. It was necessary to spend enormous sums to rehabilitate them. In some cases the outlay ran millions above the return that the Government was to pay for the use of the roads. The railroad control act authorized that expenses for repairs be charged against the return due by the Government. The railroads signed contracts agreeing to all this. They were glad enough to get the Government's money spent for their benefit.

The subterfuge under which it is said that the President is to make an additional $500,000,000 available to the railroads is amazing. It is not to be done by act of Congress. It is not to be a frank and open advance of money. It is to be shamefully masked and disguised.

As I have said, the transportation act appropriated $200,000,000 to pay any claims the railroads might have against the Government. The sum appears to have been more than sufficient to cover legitimate claims. Section 202 authorizes the President to adjust with the railroads all questions arising out of Federal control. Under the guise of performing his duties under this section, it is said that the President intends to allow the railroads to execute their bonds to the Government for the amounts expended by the Government for repairs during Government control, thereby postponing payment for 10 years. This refunding will leave as a credit to the railroads the amount due them for the use of the roads under Government control which heretofore has been balanced off as absorbed by the outlay for repairs. By this juggle an apparent debt to the railroads of several hundred millions will be created, for if the railroads' bonds are accepted for what they owe, the Government in return will owe for the use of the roads. This amount it is proposed that the Government shall pay to the railroads out of the Treasury.

It has been freely predicted all along that the Government will never collect one cent of the millions that the railroads owe for repairs in excess of rental during Government control. Such amounts, already large, are to be enormously swelled by the hundreds of millions which will accrue to the railroads out of the proposed refunding.

The President can not carry out his scheme without the consent of Congress. An appropriation must be made. He must come to Congress. He must come first to the House of Representatives and ask that you make available to him the hundreds of millions that he proposes to turn over to the railroads. You will have your chance, my Republican friends, a chance which you can not dodge. The responsibility of what may be done will inevitably fall upon you.

THE PRESIDENT AND THE SECRETARY.

The President has a great financier and banker in his Cabinet, Hon. Andrew W. Mellon, Secretary of the Treasury, who states in his biography in the Congressional Directory that just before taking his oath of office he resigned as executive or director of the financial and industrial corporations with which he was connected. Mr. Mellon was recently director or owner of 57 great corporations, numbers of which are engaged in furnishing coal, steel, and other supplies to railroads. He was also recently a director of the Pennsylvania Railroad and of the American Locomotive Co., and, of course, is fully aware of the railroad situation and of railroad needs. Mr. Mellon is also opposed to the soldiers' bonus. His recent statement on that subject is in full harmony with the President's message. It is natural to suppose that the President has taken Mr. Mellon's advice on both matters. Mr. Mellon has recently been personally interested in the railroads and knows their needs; he was not a soldier, hence perhaps he does not realize their distress. He is one with the President in "millions for the railroads, but nothing for the soldiers."

The railroads' claim that labor was inefficient during the war has this bearing upon the subject: The outlay charged against the railroads for maintenance and repairs was, of course, for materials and labor. Prices were somewhat higher

on both than before Government control began. In addition to the difference in price of labor and materials, the railroads assert that for a given number of hours of labor they did not receive an equal amount of work or benefit as during private control. They have sought to get the Government to agree that, for instance, a mechanic during 10 hours under Government control performed in work only what he was accustomed to do in, say, eight hours during private control. They sought to induce the Government to accept a formula by which, without any facts to support it, the Government's charge for labor in maintenance and repairs would be arbitrarily reduced for alleged inefficiency of labor. They did not want to make proof. They based their claim upon assertion and impudence. Of course, it was rejected by the Railroad Administration. Of course, it will be rejected by the Interstate Commerce Commission. It is false, as can be shown by proof.

TO GIVE ONE CITIZEN AN ADVANTAGE BY LAW OVER ANOTHER CITIZEN.

I have been led away from my discussion of the tariff by my interest in the railroad situation. I am shocked and amazed by what it is said the President intends to do. After all, however, it is in keeping with the state of mind and conscience of those who advocate protective tariffs. The avowed purpose of protective tariff legislation is to enable favored producers to sell their productions for a higher price than they could get in an open market. Its avowed purpose is by law to favor one American over another American, to enable one American to get more for his goods when sold to another American. It is frankly to give by law one American an advantage over another American, to enable, through the operations of law, one citizen to sell his goods to another citizen at a higher price than he would otherwise be able to get, to deprive one citizen of the opportunity to buy what he desires in the open markets of the world so that another citizen may get a greater profit out of him. Such a proposal is, of course, indefensible from any standpoint.

The excuse which they make for giving one citizen an advantage by law over another citizen is that in some indirect way the latter will also be advantaged, that the protected citizen will in some way form a channel through which the advantage extorted from the unprotected citizen will flow back to the latter. Of course, if every calling and occupation should receive an equal benefit from protective tariff laws each citizen would remain in the same relative situation so that the laws would be vain and useless, since equality would be preserved. This disproves the indirect benefit theory, for if all were equally benefited the protected citizen would remain where he was before and there would be no advantage in protection. It is because that theory is not true, that those who seek advantages through protective tariffs are so persistent in their efforts.

THE AGE-OLD EXCUSE OF PRIVILEGE.

The excuse that by protecting the interests of a favored few the great majority will be benefited is always the plea of those who seek special advantages, of those who want exclusive benefits for themselves. "Load down my table," they say, "for as I eat I will drop the crumbs to the poor." Always this has been the argument of selfishness and of privilege. It is the age-old excuse. Autocrats have held their thrones by it. Nobles have marshaled their serfs under it. Down through the ages it has left its scars upon humanity. It was the excuse for slavery. Aristocracy has fattened upon it. Oligarchies of wealth, privilege, and monopoly hold to it for existence. Never was there an oppression, never a graft so mean that it did not hold up this excuse as its justification.

But they say large numbers of the people favor a protective tariff, large numbers are willing that manufacturers and other business men should receive the direct benefit of protection in the expectation that they may derive an indirect benefit. So it has always been. Misguided multitudes have plead, even prayed for, and frequently died to preserve institutions which grievously oppressed them. Always humble subjects have defended their oppressors, slaves have loved their masters and risked their own lives to preserve them and their families. That this is true is a tribute to the heart and conscience of mankind, not to its judgment. The acquiescence of oppressed multitudes can never excuse the oppression.

MONUMENTAL STUPIDITY.

As I have said, protective tariff legislation at this particular time is monumental stupidity. Now, of all times, is such legislation most inopportune. The pressing need of the United States is for foreign trade, an outlet for our surplus. Just think of what it would mean to the South, for instance, if we could sell an additional million bales of cotton to Europe. Our need is for foreign trade, yet the Republican protectionists are building a wall between us and our foreign customers.

Europe owes us over $20,000,000,000, with an annual interest charge of over $1,200,000,000. Payment can not be made in gold. There is not that much gold in the world; besides, Europe needs what little gold she has. Europe's only chance to pay even the interest on what she owes us is by selling us her goods and produce. The stupid protectionists are trying to cut off the only way by which we can hope to collect our debts.

Europe must sell us in goods and produce over $1,200,000,000 annually to pay interest alone. Her only chance to buy our products, our cotton and meat and steel, is by means of exchange—by selling to us sufficient of her products to pay interest on our debt and for what she buys of us. The protectionists are making it impossible for Europe to either buy or sell.

Prosperity for our workers and farmers depends upon a foreign outlet for their products. The foreigners can not pay in money; they have not the money. They can buy from us only if they are permitted to sell to us. A tariff wall such as the protectionists are building will make commercial intercourse with foreign nations impossible.

THE PROTECTIONIST PLUNDERBUND.

In its details the tariff bill under consideration is characteristic of the protectionist plunderbund. Prices are to be raised without rime or reason and without a care as to who may suffer. Monopolies are to be fattened and oppressive trade combinations allowed to work their will upon the public. The bill tells the old story of an aggregation of selfish interests who get together and use their collective strength to secure for themselves unjust advantages over the great voiceless multitude. It is the old story of privilege.

In a time of great distress and hardship greed is in the saddle. The situation calls for enlightenment, it is met by stupidity; it demands patriotism, the answer is selfishness; the urgent need is for regard for the general walfare, but the response is of hoggishness and rapacity.

The present administration is on the rollers. Carried into office upon a false issue and without any real program, it now descends to pure dodging and opportunism. In the meantime agriculture is bankrupt, workers are starving in every industrial community, and the general business interests of the country have gone to thunder. We need courageous statesmanship, we get dunderheaded cowardice.

Mr. GARNER. Mr. Chairman, I yield 20 minutes to the gentleman from Kentucky [Mr. KINCHELOE].

Mr. KINCHELOE. Mr. Chairman and gentlemen of the committee, in the limited time that we have had to study this bill which is now pending before the committee, so far as I am concerned, I have tried my best to learn the contents of it as much as possible in that time. I have read it interestingly, and the more I have read this bill the more I am convinced it will prove to be an economic monstrosity. I think it is the most inopportune time in the history of this Republic to undertake to pass a protective tariff bill of this character. Here we are just from the throes of a great war which threatened the civilization of the world. Business is abnormal in every civilized nation on earth. There is not a business in this country that is normal to-day. There is not a business in this country that any man can foretell what the inevitable outcome of it is going to be. It is true that a high protective tariff is the marking line between the two great political parties and has been during the life of the Republic. The difference when it comes to taxation, gentlemen, between the Democratic Party and the Republican Party is now and always has been that the Democratic Party believes in taxing the man on what he makes and the Republican Party has always believed in taxing him on what he eats and wears by an indirect tax known as a tariff, where you absolutely tax the shirt off of the back of the poor man through the customhouse, and he knows not when and how it happened.

There are three things, in my judgment, that are going to happen by reason of the passage of this bill and one thing that is not going to happen. There is no doubt and everybody knows that the passage of this bill is going to increase the cost of living to every man, woman, and child in this country, whose backs are now burdened by taxation under which they are staggering. If it is not going to increase the price of commodities, we all know that these lobbyists for the manufacturers who have been around the Capitol and around the Committee on Ways and Means room would not be here. If they did not know that the passage of this bill would increase the price of their products, they would not be here for it, and if the passage of this bill does increase the price of their products then the increased prices go to the consumer who uses those products. A Democratic administration has recently built up a great merchant marine, of which every American citizen is proud, at a cost of millions of dollars, in order that we may be able to send our products and our exports to every

port in the world in our own ships over which flies the American flag. And the passage of this high protective tariff bill, like the passage of other high protective tariff bills in this country, will absolutely, in my judgment, in time put this great merchant marine out of business. This is not the first time in the history of this Republic that a Democratic administration has built up a great merchant marine in this country——

Mr. CULLEN. Will the gentleman yield right there for just a half minute?

Mr. KINCHELOE. I have only got a few minutes; I will later. And this is not the first time that a Republican administration has come along with a high-protective tariff and put the American merchant marine out of business. They talk of the farmer, and they talk about this bill helping the farmer. I represent one of the greatest diversified agricultural districts in this Republic. What my farmers want is not a tariff wall around this country to circumscribe their market. They want a market for their surplus commodities and transportation facilities with which to carry it to market, and then they will be satisfied.

Now, our allies in the late war owe us practically $14,000,000,000. There is only one of two ways they can ever pay us, and that is either with gold, which they have not, or with their merchandise. Let them pay us with their merchandise. We need not deceive ourselves and expect to put a tariff wall around this country and say to the other nations, "Gentlemen, we want to sell you our commodities; we have a great merchant marine with which we can carry our commodities to your ports; we want your trade, but when you come to trade with us you have got to endure the penalty of paying this almost prohibitive tariff in order to get an opportunity to trade with us." What is the inevitable thing that those nations are going to do? They are going to pass retaliatory tariff laws, and on the products upon which we have a tariff they are going to say, "If you expect us to buy your products and we have to pay the penalty in the way of a tariff for the privilege, then we will put a tariff wall around our countries against your products and you will have to pay a like penalty to come in." Consequently, with this high protective wall around us how can our allies ever sell us their merchandise, or how are you going to maintain a merchant marine? Gentlemen, this bill is going to seriously curtail our foreign markets, and no one need be deceived about that. How can you maintain the merchant marine when we send our ships across the sea loaded with our products and bring them back empty? You can not do it without a ship subsidy, a thing which, in my judgment, half of the majority side would not favor. Ah, they say, a high protective tariff is for the benefit of the American laborer. The manufacturers in this country of the highest protected articles in this bill pay their labor a less price than any other manufacturers in the country. The highest protected nations in the world pay their labor less than any other nations in the world, and consequently it does not increase the wages to the American laborer, but increases the price of the products which he has to buy. I would not admit the imbecility or the incompetency or the unintelligence of our American manufacturers enough to say that they can not compete with foreign labor and foreign countries. They do compete and have been doing so for years.

The great per cent of their products are surplus products, so far as the demand for them in this country is concerned. What do they do with them? Burn them up? They ship them 3,000 miles across the ocean and sell them in open competition with the world, with all the cheap labor of Europe, and they certainly make a profit or they would not do it. Then, if they can manufacture their products here and ship them 3,000 miles across the ocean and pay the freight on them and sell them in competition with the cheap labor of Europe and make a profit on them, why can not they compete with those same people who ship 3,000 miles to us and pay the freight? Bunk and deception, gentlemen on the Republican side.

The gentleman from Kansas [Mr. TINCHER]—I like him; he is a friend of mine and we are on the same committee—voted for the emergency tariff bill which was going to be a panacea for all the ills of the farmers of the country, and yet when he made a speech the other day he practically admitted by answering a question of the gentleman from Texas [Mr. BLACK] that the emergency tariff bill did not help the wheat farmer. But his feeble defense of that bill was that he believed that if the emergency tariff bill had not passed, with its tariff on wheat, that wheat would have sold 35 cents cheaper than it is selling now.

I remember the campaigns of 1918 and 1920, when the gentleman from Kansas and his other colleagues, and other Republican Members of Congress in the great wheat-growing belt, went before the American wheat growers out there and said, "How badly you have been treated by the Democratic administration, in that they fixed the price of your wheat so that you get only $2.20."

And it looked like, from the result of those elections, that they voted the Republican ticket. And now those same farmers of the wheat belt of Kansas and other wheat belts of the country, living under a Republican administration, living under the "benign influence" of an emergency tariff on wheat, find that wheat is selling for the "monumental" sum of $1.10 to $1.15 per bushel. [Applause on the Democratic side.] And yet I imagine when the farmer in Mr. TINCHER's district, who is now taking his wheat to the elevators and getting his check for $1.10 to $1.15 a bushel, where he got $2.20 under the Democratic administration, goes back to his humble home with his family and thinks of the labor that produced that wheat under the scorching rays of a summer sun, and sees the check is no bigger than that, he will write to Congressman TINCHER to send him a copy of the emergency tariff bill with the wheat section in it and a copy of the speech that told him that he would have gotten 35 cents less a bushel if the emergency tariff bill had not passed, so he can frame them and thank the Lord for the privilege of living under a Republican administration and an emergency tariff law. [Applause on the Democratic side.]

Yet in the November election you went to the country and said the election of Harding and a Republican Congress would stabilize business; that it would restore confidence; that the people should have a change in this country; that the laboring man was not getting enough for his labor and products under the Democratic administration; that they should vote for a Republican administration, and that the stabilization of business and the increase of prices to the farmer would take place instantly. And you talked of the extravagant expenditures under a Democratic administration; how you were going to cut down the expenses of the Government; how you were going to revise the revenue act under which the American people and the taxpayers are stooped with a load of taxes. You did not talk about the tariff. You promised to relieve them from this taxation, and you promised to bring about economy in the expenditures of the Government. You wiped us off of the face of the earth at that election, and you have been in power now for all these months.

One of the first things you did when you got control of the Congress, notwithstanding under a Democratic administration we had fought and won the greatest war since the tide of time began, you began to criticize; you appointed your "smelling committees" to run over the country and investigate the activities of the war, with the gentleman from Illinois [Mr. GRAHAM] as the chairman of it. You spent $2,000,000 of the taxpayers' money in trying to get some thunder to use in that November election. What did you find? You said that when the new Republican Attorney General came in you were going to put so many profiteers in the penitentiary, and you have not been able to point to a tainted dollar spent in that Great War or to put anybody in the penitentiary for profiteering under the Democratic administration. Where is the revenue bill you were going to pass? The American people want to know, and they are going to know or know the reason why. Mr. MONDELL is not only the leader of the majority but he is the press agent for the majority. Every time Congress closes he comes down with his printed speech ready for the Associated Press, telling how much you have saved the taxpayers by reducing estimates of the departments. I remember in the closing days of the last Congress he came down with his affidavit face, as he always does, and said that the expenditures for the last fiscal year would be for all purposes only $4,330,000,000. It turns out now that your Secretary of the Treasury has written to the Ways and Means Committee that the expenditures under the Republican administration the last fiscal year will be between $5,000,000,000 and $6,000,000,000, and it is going to be at least that much this fiscal year, and you know it. If you want to get at something to help the people go to cutting down the expenditures of the Government and lighten the tax burden of the people. Your spineless President should get all of the nations of the world together and reduce the armaments of the world, like the great former President tried to do when you threw a monkey wrench into the activities of all the machinery when you had a chance. You can then stop appropriating $800,000,000 annually for an Army and Navy.

My good friend from Kansas [Mr. TINCHER] seemed to be peeved because there is some criticism of the Republican administration. He and his colleagues will have to account to the wheat growers of Kansas themselves. Let me tell you: I have seen Democratic cyclones hit the State of Kansas, and when

they do they are more deadly to the Republican politicians and near Republican statesmen than grasshoppers are to the crops out there. [Loud applause on the Democratic side.] This bill will be another cyclone to hit ambitious Republicans everywhere in agricultural sections.

The gentleman from Kansas [Mr. TINCHER] said there was no criticism of this bill until a man by the name of White said so. He has got the wrong phrase. It is not a man "named White." It is from hundreds and thousands of men in this country "who are white," and hundreds of those voted with you at the November election, and are dissatisfied because you are doing nothing to lower taxes or restore business in this country.

When was there a time in the history of this Republic when an administration and a Democratic President were criticized more than the Wilson administration and the honored President himself by your party? Why, when he came back from Europe, bringing what, I think, was the greatest document since the Declaration of Independence, the League of Nations and treaty of peace, on his swing to the western coast, after he had been turned down by the Republican Senators in the Senate and had gone forth to inform the people of the true contents of the treaty of peace and the League of Nations, he fell at his post, disabled and prostrated. He came back here to the White House, and for 18 long months not a word of condolence or sympathy ever fell from the lips of a Republican Member of the Senate or of the House.

I remember when President McKinley was shot in Buffalo. The Democratic State convention of Kentucky was then in session at Louisville. When the news came over the wire that that great man was shot, the committee on platform met immediately and drafted a set of resolutions of sympathy, condolence, and prayer that that great man might recover. Yet I say when President Wilson was lying prostrate for 18 months at the Capital here, not a word of condolence ever fell from the lips of a Republican Member of the House or Senate.

I read in our history that the greatest critics Abraham Lincoln ever had were men of his own party. Who to-day can tell the names of those critics? They are sunk in oblivion, while the memory of that great President will live as long as time lasts. Let me tell you: A thousand years from now, when the names of the carping critics of this great President who lay here prostrate for 18 months shall have been forgotten, on the pages of the history of the world will be written in letters of gold the immortal and imperishable name of Woodrow Wilson, one of the greatest Presidents the United States ever had. [Applause on the Democratic side.]

The gentleman from Texas [Mr. WURZBACH] came up here and undertook to speak for the South. You Republicans seem to think that it adds a kind of respectability to your party to elect a Republican to Congress from the South. [Laughter.]

I remember in the eighth Kentucky district, in a special election held about 18 months ago, there was a political fluke, and they elected a Republican down there, my good friend King Swope; and when he came up here and was sworn in, the stage was all set, and if a stranger had been in the gallery he would have thought perhaps that it was the President coming down to visit Congress. [Laughter.] And here the other day when the gentleman from Texas [Mr. WURZBACH] was speaking and when his time was about to expire, Mr. FORDNEY had his hand up ready to give him five minutes more. He was predicting sad results for the Democratic Party in the South if we did not give the farmers their tariff. I say, in this time of daily newspapers and rural delivery routes, the farmers are reading and thinking and voting for themselves; and when the news comes from Texas again, I imagine, I am afraid that this gentleman will meet the same fate that overtook my good friend King Swope at the last election in Kentucky.

So far as I am concerned, I stand on the Democratic doctrine, not for free trade, but for a tariff for revenue only if it is necessary to do it. I never was for free trade. But I do not stand for this bill, and I do not believe this bill will become a law until you revise the revenues of this country, because I think the pressure will be such that it will make your President break another precedent as he did yesterday, although he has said ever since he was nominated that neither branch of the Government should interfere with the other. But I notice that yesterday some of the economists of his administration brought him up to the Capitol to turn some of your Republican Senators upside down and make them take back everything they had said for the soldiers' compensation bill. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. GARNER. Mr. Chairman, I yield one minute to the gentleman from New York [Mr. CULLEN].

Mr. CULLEN. Mr. Chairman, the tariff bill, which has been in the making for the past six months, is before us at last, and I presume it will take six months more to get it to the President, if it ever reaches him in the condition it is in. After the Senate gets through dissecting it, my distinguished colleague, Mr. FORDNEY, will not be able to recognize it.

And why a tariff bill at this time? Who has asked for it? I am sure the people have not. If I judge sentiment of the country rightly, they are not interested in tariff but are anxious, indeed, for a revision and relief of our burdensome tax laws and a building up of our merchant marine and a general revival of trade.

In my opinion, the greatest thing this Congress can do is to restore confidence to the business men of the country, and it seems to me the simple way to start is to reorganize the tax system and leave this hodgepodge tariff bill in the discard. For more than two years—to be more accurate, for two years and four months—the Republican Party has been in control of Congress and yet no effort has been made to reform the income tax laws or to repeal other tax laws which are breaking the backs of our people and of business generally. It is up to us to give the relief the country is so hungry for. This bill will not do it, nor will any other tariff bill, especially at this time.

The mechanics of this bill, although having been in the making for six months, are crude, unsatisfactory, and seem to be hastily drawn. Expert opinion on the so-called valuation plan of this bill is hopelessly divided and the bill so generally misunderstood that the whole business world will be thrown into a state of chaos and unrest as a result of it.

We have been frequently discussing the problem of the upbuilding and the maintaining of our merchant marine, and it is a very important one to the country. I observed in the press the other day that Chairman Lasker of the Shipping Board is enthusiastic in regard to starting our ships on the seven seas. Well, I have had some experience in shipping, and I, for one, will work with him in every direction to help. He is a capable man at the helm in every respect, and he has a man's job. But he knows and I know if we do not have an early revival of foreign trade, cargoes of American products for overseas and cargoes of foreign products for our own market, his work and our work in upbuilding a merchant marine will go for naught. Why, gentlemen, under this bill our merchant marine will become obsolete. Are we to load our ships up with our own products and then bring them back in ballast? How long could shipping stand up under that sort of business? I received the report of the Bureau of Foreign and Domestic Commerce as to the status of the United States merchant marine to-day. It reads as follows:

[From Commerce Reports, issued daily by the Bureau of Foreign and Domestic Commerce, Department of Commerce.]

STATUS OF AMERICAN SHIPPING ON JUNE 30, 1921.

A tonnage increase of more than 131 per cent in documented American merchant shipping since the beginning of the war is shown by an official statement released to-day by the Bureau of Navigation of the Department of Commerce.

The total documented American merchant shipping at the close of the fiscal year on June 30, 1921, was 28,500 vessels of 18,350,000 gross tons, as compared with 28,183 vessels of 16,324,024 gross tons in 1920 and 26,943 vessels of 7,928,688 gross tons in 1914, the statement said, adding that final returns from collectors of customs not due for several weeks probably will not alter the 1921 total more than 35,000 tons, involving only small vessels.

Seagoing vessels of 500 gross tons or over numbered 3,723 of 13,234,401 gross tons, of which 238 of 1,271,079 gross tons are ocean passenger steamers. The United States Shipping Board owns 1,798 ships of 7,993,771 gross tons. The Great Lakes tonnage aggregates 2,850 vessels of 2,625,000 gross tons, and the remainder consists of seagoing vessels under 500 tons, river steamers, and smaller miscellaneous craft.

Vessels of 500 tons or over registered for foreign trade numbered 2,559 of 10,620,717 gross tons, of which 2,272 were steamers aggregating 10,244,746 gross tons.

The total increase in the American merchant marine during the year was a trifle over 2,020,000 gross tons, of which 1,090,643 gross tons were Shipping Board ships.

For comparison the tonnage of ships of 100 gross tons or over of the United Kingdom on June 30, 1920, aggregated 8,561 of 18,330,424 gross tons, according to Lloyd's Register; the totals for June, 1921, are not yet available.

This tariff will destroy the commerce that should fill those ships and keep our flag upon the sea.

My thought in regard to this tariff bill is to drop it and engage ourselves in the revision of the tax laws and to the recovery of active commercial relations with other countries. The business man of the country has been patient. He is now getting tired. He has contributed and done his bit during the stress of war. Now he is anxiously looking to us, as he should, for relief. Pass this bill and you will add greatly to his burdens and troubles.

Tariff was not discussed in the last campaign, but taxation was stressed pretty hard, and so was the solving of our shipping problem. Yet we have done nothing in this direction. It seems to me that this whole tariff question might be very well

set aside until we find out what we are going to do on the tax problem and our commercial relations with other countries. The whole business world has been praying for relief, and so have the people generally. It strikes me that if we can not do better than we have been doing, that the country would rise up in their might and call us blessed if we would pack our bags, close up this shop, and go home.

After all the time that we have wasted here and will waste in the consideration of this bill, I would venture to predict that the President will get the real sentiment of the country and veto it.

The CHAIRMAN. The gentleman has that privilege under the rule.

Mr. GARNER. I yield 15 minutes to the gentleman from Mississippi [Mr. QUIN]. [Applause.]

Mr. QUIN. Mr. Chairman and gentlemen, I am a Democrat; but I never have been narrow and partisan in my views touching great national questions. I do not think I will evince that sort of a spirit on this measure that is now pending. Whenever the Republican majority brings into this House a bill that I believe is for the best interests of this Republic I support it, and when my own party, the Democratic Party, brought forth measures in this House that I did not believe to be for the best interests of my country I opposed them.

I do not see how any man, whether Democrat or Republican, who has the best interests of all the people of the United States at heart can support such an obnoxious measure as the Fordney tariff bill. I will put it in the nomenclature of a partisan Republican paper, the Washington Times, which to-day editorially says:

"A worse economic measure than this Fordney bill it would be hard to imagine. Partly the product of profound ignorance of conditions and of economic causes and effects, and partly an unconcealed payment of political debts to powerful interests, the bill if passed will tend to raise prices and put an additional handicap upon our exporting trade and our merchant marine.

"The Fordney tariff is not a protective tariff. It is an almost prohibitory tariff upon many things. It is not constructive but destructive. It will not diminish taxes but business. It will make it harder for our debtors to pay us and make us poorer and more in need of collecting our debts. The proposed Fordney Tariff Act is a vicious measure because it will tend to restrict trade, to increase prices, to decrease the power to pay taxes, and to breed and foster home monopolies.

"It is such an extreme measure that it is hard to see how any sensible man in the Congress can vote for it unless he is under the influence of the interests which alone will profit from the general harm."

Such a severe arraignment of a great party as that, put forth by the responsible editor of a great Republican paper in the Nation's capital, indeed ought to cause you gentlemen to halt.

To my utter amazement, the election last fall, giving you an enormous majority that put into the House a lot of deadwood and a lot of driftwood [laughter], has caused you again to cross your legs over the horn of the saddle and to ride the horse of special privilege to your own destruction and to the willful and irreparable harm of the great mass of the American people.

Do you believe that the masses of the American people will indorse this measure? You will be repudiated at the polls worse than the Wilson administration was last fall.

The gentleman from Iowa [Mr. GREEN] said this measure was good for the farmer. I had to hold my nose when such an odoriferous statement as that escaped from his lips. [Laughter.] It robs and plunders the farmers. Why, you even put an exorbitant tariff on the soap that the people are compelled to use when they wash to keep themselves clean. [Laughter.] You have gone from the poor baby's clothes clear up to the fanciest toilet articles in America. You have put a tax on the soaps and starch of the poor washerwoman. You have put a curbstone around every laundry in the United States when it comes to your chemical schedule and your outrageous tariff on soaps. Nothing has escaped. You rank and file of Republicans may not understand what this bill means, but the different special interests of the United States which have had their experts and attorneys busy in getting up these schedules know what it means. You have allowed no person to escape the handicraft of the special interests of the United States in the preparation of this monstrous bill. You have reached from the cradle to the grave. You have taken every poor man and woman in the United States, grabbed them by the nape of the neck, and said, "You must pay tribute to the rich and powerful."

This measure is a misnomer. It says, "For the encouragement of industry, the raising of revenue, and other purposes." But this bill should be entitled a measure to make the rich richer and the poor poorer. Is that the doctrine of the Republican Party? That is what this measure proposes, and there is no escape from it. What are the conditions of this country to-day that would warrant such legislation? A great party, an honorable party, swept into power by such an enormous majority, that so forgets itself, that so forgets the masses of the American people as to think it can run roughshod over them by passing legislation of a type that will enhance the fortunes of the rich and powerful at the expense of the many, must come to its Waterloo. Not a single line in this bill can be interpreted in favor of the poor folks of America.

Mr. BLANTON. Will my colleague yield right there?

Mr. QUIN. I yield to the gentleman from Texas.

Mr. BLANTON. Our Republican brethren permit stale bread to come in here free for the poor man.

Mr. QUIN. Ah, indeed! When the price of bread becomes lower it will be through Republican soup houses. They talk about the idle in the United States, and the men out of employment. What have they done to relieve the situation? When you came into power more people in the United States were receiving high salaries and fine prices for their products than ever before in the history of this Nation.

More people in the United States under Democratic administration of eight years made money than ever before in the history of the Republic, and yet since you have been in power, both in the executive branch and both legislative branches of this Government, what have you done to relieve the situation that came about after your election last fall? The President of the United States said in his message to Congress shortly after he had assumed the office that the rates of railroad transportation would be curtailed. Has the President, has the Republican Congress, or any member of the Cabinet done anything to cut down the exorbitant charges of transportation? To-day it takes one-third of the cost of all products to pay the railroad transportation. You have raised the transportation of railways more than $1,000,000,000 yearly, and yet in power all of this time and nothing done to stop it. The gentleman from Kansas [Mr. WHITE] yesterday quoted from the President's message where he said that the rates of transportation would have to come down. It was one of the great evils of the day. To-day in the United States the annual cost to the American people for railway transportation is $4,000,000,000. The annual tax of municipal and county taxes—State and Federal—makes a total of $9,000,000,000; four and a half or five billions of that is out of the Federal taxation power of the United States Government, and through this monstrous bill you propose to put through here you are going to take out of the taxpayers of the United States at least $3,000,000,000 or $4,000,000,000 more money, and less than $500,000 or $600,000 of it will go into the Treasury of the United States. Where does the difference between the amount that goes into the Treasury and that which comes out of the pockets of the people of this Republic go? You are putting it into the coffers of the rich, the corporations, trusts, and partnerships of this Republic.

This is a measure to impede every element of progress, a measure that will prevent our ships from making a profit—and, by the way, the great merchant marine that was built up in this country in the last five years by the work of the Democratic administration. If this bill takes its proper course the American merchant marine will be driven from the seas. This magnificent fleet that will carry the produce from the United States to other countries of the world must bring back the produce from those countries for our people to buy. If they go over with goods from this country can they come back with anything that we can buy profitably? Can the people over there buy our products when we by such a measure as you put forth here make it impossible for them to sell to us? This Republic will be a stagnant pond industrially; instead of the millions of smokestacks with smoke blowing out and millions of employees with full dinner pails you will have the great industrial centers of this country stagnated, you will have thousands of men and women walking the streets in idleness. You can not escape it. The very policy of this measure means the keeping out of any kind of products of other countries of the world. The people across the seas can not send stuff to us unless we buy it. They can not buy it from our great industrial centers, from the farms and the workshops of this country, unless we are willing to take something in barter and exchange. Under this measure you prohibit that. Practically all of our products would remain in the United States. The surplus would force the price down, and our farmers and laborers must suffer. You mean to build a tariff wall which my good friend from Michigan wants to be so high that the greatest flying machine in the world can not fly over it, in order to do

what? To enrich the special interests of the United States, and, as the Washington Times in its editorial says, to do it to pay certain political debts.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. GARNER. I yield to the gentleman five minutes more.

Mr. QUIN. The measure that this committee has brought forth is for the payment of debts to the great moneyed interests of the United States that put all of these millions of dollars into the Republican campaign funds last fall. I do not make that assertion on my own account, but one of your own crowd published it to the world. That is the statement of one of your own brilliant Republican editors, and I am warranted in following that authority vested in me as a Congressman to state that you are endeavoring to make good to the great privileged interests, these commercial burglars and third-story men that have been looting and plundering the people of this Republic. [Laughter and applause on the Democratic side.]

The people got so tired of you and these wealthy trust interests in 1912 that they drove you out of power, and with this monstrous measure that you are endeavoring to hoodwink and fool the American people with, when they see what you have done they will again rise in their might and their majestic tread will be heard at the ballot box and put other men in your places who will stand for the good of the country and the best interests of the people instead of trying to continue this oppression of the poor. [Applause on the Democratic side.] Never has wealth been more arrogant, more greedy, more avaricious than it is to-day. When you were thrust into power with an enormous vote you imagined the United States of America belonged to the corporate element that put you into power and which gave you great contributions; but, my friends, instead of the United States of America belonging to the privileged class you will learn that this country belongs to the great mass of plain people, who constitute the backbone of our Republic. [Applause on the Democratic side.]

Yes; you made all of the pledges last fall. You promised them the earth with a fence around it, and your President over in the Senate yesterday inferentially told the poor soldier boys, "We are going to let the Congress rob the people and give the railroads $500,000,000 more, after they have already plundered you out of $800,000,000 through a Republican bill; we are going to continue to allow the rich and the opulent to oppress you through the Fordney tariff bill; we are going to continue to allow the great Federal reserve banking system to make 150 per cent; but you poor soldiers, who went out to save this country and our civilization, you poor fellows who saved all this wealth and all this greedy crowd, must be put on the back doorstep." [Laughter and applause on the Democratic side.]

That is the policy of the Republican Party, so far as all those rosy promises you made last fall are concerned. After that you propose to take from the people all that they have. It seems to me that instead of endeavoring to help the American people you are endeavoring to oppress them. This very measure and all the measures that you propose must not, of necessity, be put upon the statute books. But how will it be helped? You are going to ram it through this House under the party lash. Perhaps over at the other end of the Capitol there will be statesmen enough in the Republican Party to pigeonhole the bill and allow the American people a chance to look at what predatory wealth, special privilege, thievery, and robbery by the powerful are doing in the name of the people. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. FORDNEY. Mr. Chairman, I yield 20 minutes to the gentleman from Oklahoma [Mr. PRINGEY].

Mr. PRINGEY. Mr. Chairman and gentlemen of the committee, after listening to some of the discourses, particularly that of the gentleman from Mississippi [Mr. QUIN], I am reminded of the man I once knew who had never heard the gospel preached. He had never been inside of a church. There was an evangelist holding a meeting in his town, and he sauntered in one night. The preacher took the text, "The wages of sin is death," and proceeded to prove that a man who violated God's law would surely die. This was all a new thought to the wayfaring man. He approached the preacher and remarked, "You think that if a man sins he'll die, do you?" The minister replied, "Yes, sir; if you violate God's law you will pass out into outer darkness through all eternity;" to which the man asked, "What do you mean by eternity?" The preacher remarked, "I will have to illustrate: If you number the sands of the sea and multiply them by the raindrops that fall into the ocean, you will only have a little conception of what eternity is." To this the man replied, "Hell! The people will never stand for that."

Now, gentlemen of the committee, the American people are never again going to stand for tariff tinkering by the enemies of protection. [Laughter.]

In consideration of this, the Fordney tariff bill, I wish to say that I have implicit confidence in the patriotism of this committee and also the Members of Congress in favor of giving the country an equitable tariff law. I know that their desire is to keep in mind at all times the standard of living in this country, in comparison with the pauper labor of the Old World.

In offering this amendment to the cotton schedule placing lint cotton on the protected list at 20 per cent ad valorem, I do this in view of the fact that the Underwood tariff placed all agricultural products on the free list, and agriculture, as we all know, is the foundation of all wealth. Any country whose agriculture languishes rapidly falls into decay.

What the Agricultural Department says is that for 10 months ending May 31, 1920, there was imported into this country 651,591 bales of cotton. I wish here to introduce in the RECORD a letter from the Department of Agriculture giving the exact figures for 1920 and 1921:

EXHIBIT.

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF MARKETS AND CROP ESTIMATES,
Washington, July 7, 1921.

Hon. J. C. PRINGEY,
House of Representatives.

DEAR MR. PRINGEY: In accordance with your telephonic request of this morning making inquiry as to the length of staple of the different cottons imported into the United States, I understand that the two principal varieties of Egyptian cotton which are now imported into this country are known in the trade as "upper Egyptian" and "Sakellaridis." The length of staple of the upper Egyptian will range from 1 1/16 to 1 1/8 inches, and that of the Sakellaridis variety will measure 1 1/16 to 1 1/8 inches. The Peruvian cotton imported will measure 1 3/16 to 1 1/4 inches. The length of staple of the bulk of the Mexican cotton imported will range from 3/4 to 1 inch, and in a few cases 1 1/16 to 1 1/8 inches. The length of staple of the Chinese cotton will range from 3/4 to 7/8 inch.

Below is a statement showing the number of bales imported into the United States for the 10 months ending May 31:

	500-pound bales.	
	1921	1920
Egyptian	76,512	463,582
Peruvian	21,480	59,177
Chinese	13,785	41,407
Mexican	88,130	64,255
All other countries	12,868	23,169
Total	212,784	651,591

Trusting that this information is what you are seeking, and asking that you do not hesitate to call on me for any further information in this connection that you think will be of value to you, I am,

Very truly, yours,

LEON M. ESTABROOK,
Acting Chief of Bureau.

You men of the East and North with your factories, we do not object to a duty on the manufactured products of cotton, but, in the name of reason, give us a duty on the raw material produced by the agricultural classes. Give us a duty on hides, and do not forget again that it takes 12 calfskins to buy the wife a pair of shoes.

The farmers of America are standing at the door knocking; let us open our hearts and receive them. The farmers of this country justly demand better recognition.

Secretary Houston of the Federal reserve said to the representatives of the cotton growers of the South last fall when they went before him to ask assistance that they might be able to tide over this depressing period in holding their cotton; "these fictitious valuations must come down." At that time the resources of the Federal reserve banks had been loaned to the railroads, gamblers, and pork packers.

At that very day I offered cotton on the Oklahoma market and the best offer that I got was 12 cents, which was only a little more than half the cost of production.

What explanation can our Democratic friends make on this subject of protection? Jefferson, the great father of Democracy, would turn over in his grave if he could hear some of the expressions that are now being made on the floor of this House against the principles of protection. Mr. Jefferson never dreamed when he drafted the principles of protection in our Constitution that it would ever be an issue in American politics.

Madison, Monroe, and Jackson were strong protectionists; Samuel Randall, of Pennsylvania, one of the strongest men that ever sat in Congress, was an uncompromising protectionist.

President Jackson in 1830, when John C. Calhoun, the Vice President, attended the Charleston convention and introduced a resolution nullifying the Constitution by declaring that foreign imports should enter Charleston Harbor free of duty—Jackson, for that offense, regretted to the day of his death that he did not hang him.

Our Democratic friends were in power from 1830 to 1860, which marks the darkest hours of American history.

At that time they adopted the slogan of John C. Calhoun for free trade, and the abolition of national banks. As a result of that dismal free-trade period, from 1830 to 1860, President Buchanan, in 1859, in his last message to Congress, used these words:

> Our factories are smokeless, our labor is pauperized, and our finances are in a deplorable condition.

In 1860 the Republican Party came into power and prosperity came hand in hand with the Republican Party; hand in hand by whirring spindles and turning wheels; hand in hand by open furnace doors and flaming forges, greeted and grasped by the countless sons of toil.

The next misfortune this country met was the election of Mr. Cleveland and the enactment of the Wilson tariff law, which, when presented to President Cleveland for his signature, he declared was a piece of party perfidy and dishonor and he allowed it to become a law without his signature.

The next chill that the American farmer received was when the Sixty-third Congress, under President Wilson, enacted the Underwood law, which placed farm products on the free list.

In 1830 the population of the United States was 31,000,000 people and the national wealth was $16,000,000,000. To-day in 1920, the census shows that we have a population of 110,000,000 people, with a national wealth of $300,000,000,000.

This period since 1860 marks the brightest pages of American history. During this period, though the South clamored for free trade, under the principles of protection the South bloomed and blossomed as the rose; beautiful cities and blooming gardens have been built down the shores of the mighty Mississippi, where before alligators had reveled and held full sway.

Protection has made Birmingham the pride of the South, the steel mistress of the world.

My friends, it takes discord to produce harmony in music; it takes contrast to produce beauty in colors; it takes darkness to give us an appreciation of the dawning; it takes Democratic failures to beautify Republican success.

When we glance over the history of the country we are bound to admit that every time the American people have placed our Democratic friends in power they have inherited from them financial depression and bankruptcy. [Applause.]

Many of the Members on the Democratic side of the Chamber point over to this side and refer to this "beastly Republican majority." Let me say in all kindness, we are not responsible for the Republican majority in Congress; it was your dismal failure in the administration of the affairs of this Government, and when you tell us now that we are in power, "why don't you do something." My God, my friends, when the tornado sweeps over our land, laying waste the forests, nature can not heal it in a day. You pass too great a compliment when you expect us by the touching of a button to heal the wreck and ruin that you have wrought in the last eight years.

This discussion should be free from personal feeling; this is a purely American question, and we should agree.

The adjustment of the tariff has always been a matter of thoughtful consideration. A few of our Democratic friends are trying to create an issue for the coming campaign in this tariff discussion.

You are not destitute of an issue. You might call a convention and indorse Woodrow Wilson and the League of Nations. Mr. Wilson's first election was an accident, due to a split in the Republican Party; his second election was a calamity, brought on by promising to keep the people out of war. Our people, living at peace since the Civil War, aside from a short skirmish with Spain, and being a peace-loving people, bit at the bait.

I had the pleasure of meeting Mr. Gerard in New York last week, who was ambassador to Germany under Mr. Wilson's administration; he went there in 1913, the first year of Wilson's term. He says he found every landscape covered with marching columns of men. The shipyards were working day and night, and the Kaiser told him that England is our natural enemy, and we are going to teach you American people to keep out of the Atlantic Ocean; that the American people would not fight.

All this information was in the possession of the Government. It was in 1914 when they sank our merchant vessels; declared a war zone around the British Isles, and sank the *Lusitania* in May, 1915. This Government should have spoken then in the language of a Washington, a Jackson, a Jefferson, or a Roosevelt.

Then the campaign came on in 1916. Orators went from sea to sea in this country telling the people we were going to be kept out of war. Those statements were printed in the Berlin papers in red headlines, convincing Germany that their Prussian hosts would be able to crush civilization.

You talk about prosperity under the Underwood tariff. During that cruel World War, when our boys were falling, we went about day and night asking our people to buy Liberty bonds; and, God bless them, they responded nobly. In my own observation I have known hundreds, yes, thousands of them to go into the banks, humble farmers, and borrow the money to buy those bonds. We tossed money to the administration by the billions and they spent it like drunken sailors. The most reckless period of profligacy and grafting was inaugurated. Government contracts were let on the cost-plus plan. A large per cent of the money subscribed was absolutely squandered.

There is an overwhelming demand by our opponents on the Democratic side here to-day that we give them the statistics of the cost of production at home and abroad. Let me say to you, my friends on that side of the Chamber, let the American millman, factory man, the mine owners of this country meet with those of the Old World, and just say that we are going to come to a free-trade basis; we are going to sell our goods on one market. What do you think would be the result in this country? Would American wages be maintained, or rather would not they come down to the European wage scale? I will tell you what would take place. Ten million laboring men of America would grab their guns and America would see the worst labor revolution the world has ever known. This, gentlemen, is what would take place in the world-wide free trade. [Applause.]

Now, my friends, I was raised south of the Mason and Dixon line; I love the southern people; I love their hospitality, but let me say in a perfect spirit of kindness, your ideas of political economy have cost this Government more than all the wars combined; and now assist us in giving protection to agriculture; give us a 20 per cent ad valorum rate on cotton, and when you return home, after we have adjourned, your people will call you blessed, and if you ignore the earnest request of cotton growers of the South you will stay at home.

When I speak of the Democratic Party I remember that it is important to have two parties in this country. I am only criticizing some of your leadership, and to you men of the South, the people who sent you here, backed by the Cotton Growers' Association of the South, instructed you to vote for a protective duty on agricultural products, and especially cotton—one of the chief commodities in American commerce.

I know that you men, some of you, are under deep conviction. I believe in the operation of the Holy Spirit, and I trust that the divine finger of love will touch your hearts and enable you to get right on this subject.

Many of you believe in protection and have given this discussion marked attention. This reminds me of Webster's master orations in the United States Senate when he was making his great compromise speeches between the North and the South. Many of the Senators of the South believed in Webster and paid marked attention to his logic; but Webster was a northern Democrat and one of the Senators, deeply convicted, interrupted Senator Webster and said:

> Senator, you are not one of us.

Webster replied:

> Not one of you when I have stood like a stonewall with an avalanche of abolition beating against me.

Then the southern Senator replied:

> Senator Webster, you are not one of us. You are not a southern gentleman.

Webster lost all patience at this juncture and replied:

> Not one of you! Don't I get drunk and raise hell and refuse to pay my debts?

And I wish to say to my Republican colleagues of the North: Stand with us on cotton. We are with you on hides. Let us apply the principle of protection to all agricultural products beneath the flag, and when the Fordney tariff bill goes into effect it will leave the Underwood tariff, which placed all agricultural products on the free list, an unpleasant memory.

Gentlemen, I thank you and may God help you to do the right thing.

Mr. FORDNEY. Mr. Speaker, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. SNELL, having assumed the chair as Speaker pro tempore, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had

under consideration the bill H. R. 7456, and had come to no resolution thereon.

LEAVE OF ABSENCE.

Mr. GALLIVAN, by unanimous consent, was granted leave of absence for five days on account of the death of his brother.

RECESS.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent that the House stand in recess until 8 o'clock to-night.

The SPEAKER pro tempore. The gentleman from Michigan asks unanimous consent that the House stand in recess until 8 o'clock this evening. Is there objection? [After a pause.] The Chair hears none.

Accordingly (at 5 o'clock and 20 minutes p. m.) the House stood in recess until 8 o'clock p. m.

EVENING SESSION.

The recess having expired, the House (at 8 o'clock p. m.) was called to order by Mr. WALSH as Speaker pro tempore.

The SPEAKER pro tempore. The House resolves itself into Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will please take the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the tariff bill (H. R. 7456), with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. GARNER. Mr. Chairman, I do not want to make the point of no quorum, but I would like to know how we can proceed with the discussion of the bill without a quorum. I do not want to embarrass the gentleman from Michigan, but——

Mr. FORDNEY. We can have the bell rung, anyway.

Mr. GARNER. Very well. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. LARSEN].

The CHAIRMAN. The gentleman from Georgia is recognized for 20 minutes.

Mr. LARSEN of Georgia. Mr. Chairman, many provisions of the pending bill greatly affect the interest of the people in my section, but as the general debate of the past several days has so fully covered most of them, I will not reiterate what others have said by attempting a general discussion of the proposed measure. I had not intended to participate in the general debate, but notwithstanding the duration of discussion there yet remains one subject of such vital interest to the people of my section that I would feel derelict should I forego an opportunity of bringing to the attention of the House the great injustice threatened them. I have heard most of the discussion, and I think no one has touched upon the subject I consider of most vital interest to a great section of this country.

I refer to schedule 15, paragraph 1634, which deals with the subject of potash. Of all items in the bill there is not one more vicious or less defensible.

May I call attention to the majority report of the committee? I read:

The crude potash salts used primarily as fertilizer materials have been free of duty since the act of 1890. Prior to the war Germany held an almost complete monopoly of the world's trade in potash, which was made possible by the possession of the only known large deposits of soluble potash salts, located at Stassfurt, Germany, and near Mulhausen, Alsace. During the war the domestic production of potash was developed to a point where it supplied about 20 per cent of our prewar consumption. The two chief producing centers, Searles Lake, Calif., and the Brine Lakes of Nebraska, are located at a great distance from the general consuming districts of the United States, namely, the South Atlantic seaboard States.

Mr. Wilbur La Roe, jr., was the only witness who appeared before the committee and advocated a tariff on potash. On page 3992 of the hearings he says the various representatives of the potash industry to whom the committee allotted time asked him, in the interest of expendition and to avoid repetition, to make a single presentation in their behalf. Hence his statement must be taken as the declaration and admission of all. In order to avoid dispute as to facts I will, for the purpose of this argument, treat his statement as true.

Here is the case for tariff on potash as La Roe makes it (pp. 3993 and 3994 of hearings):

Total amount invested in potash and capitalization in the United States	$28,696,143
Total annual capacity of all American plants——tons——	100,000
Total production of all American plants for 1920——do——	48,684
Average production of all American plants past five years——tons——	35,325
Normal annual consumption for purpose of fertilizer——tons——	250,000

From the above it will be seen that according to La Roe's own statement the average production of potash in America during the past five years has been less than 15 per cent of the normal demand for fertilizer purposes, and that the present annual production is less than 20 per cent of normal demand. Not only this but it discloses that the full capacity of all American plants does not exceed 40 per cent of our normal consumption for agriculture.

Here we have an industry which has been in existence five years. For four years it has enjoyed a complete monopoly and prices have been the highest in the history of our country. Yet it has never produced more than 20 per cent of our normal demand and admits its incapacity to produce more than 40 per cent.

I do not believe the most rabid protectionist will seriously contend that under any circumstances the industry should be granted a protective tariff in excess of the normal or prewar price of the article produced. Yet that is just what this bill proposes to do. I believe I can tell you why. It is because those who fix the rate and the section from which they come are not injuriously affected by it.

Read the evidence, page 4002, and see what La Roe says:

In the territory east of the Mississippi River and north of the Ohio River the farmers use potash to a relatively small extent in the raising of potatoes and garden truck. Over 75 per cent of the potash used for agricultural purposes in this country is consumed in the Southeast. The experts tell us that if potash is not applied to the soil the cotton bolls will not fill out near the tops of the plants and the cotton fiber is much weaker than it is when potash is used. Similarly in truck gardening where the soil lacks potash, as in the Carolinas, the addition of potash to the soil is said to make the vegetable plants stronger, and thus enable the farmer to keep them longer without danger of loss from decay, and to ship them to far distant markets. I desire to state that it is only in a limited section of the South that potash is used in the production of cotton. Texas, which is the leading cotton State, uses no potash in raising its cotton. In Oklahoma, Arkansas, and Louisiana the use of potash for this purpose is almost unknown.

To which States does he refer? Obviously Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, and Mississippi.

On the page of hearings to which I have just referred you will find printed a statement as to consumption of fertilizers by States for the year 1919. The total is given at less than 7,000,000 tons. You will find that the seven Southern States which I have mentioned consume more than 4,000,000 tons of that amount. Bear in mind that it is in these States that more than 75 per cent of the potash is used in fertilizers, and they must necessarily pay the tariff imposed.

Does it make any difference to the farmer? Witness La Roe says, page 4001 of hearings:

We ask a tariff duty of 50 cents a unit.

That is 2½ cents per pound, just what the bill provides. Again, he says:

This duty would yield in the neighborhood of $10,000,000 annually to the Federal Government.

And again:

A duty of 50 cents a unit on 200,000 tons would produce $10,000,000 in revenue.

He admits the farmer must pay the bill, and this is what he says the farmer will get in return. I read from page 4003:

We do not concede and we can not concede that a tariff of 50 cents per unit on potash would increase by any amount whatever the price of cotton in this country. As I previously stated, it is only in a limited section of the South that potash is used in the production of cotton, and we fail to see how a duty on potash would result in an increase in the price. By a similar calculation with reference to tobacco it can be demonstrated that a tariff of 50 cents per unit, conceding that it will increase the price at all, could not possibly increase the price by more than a maximum of three-tenths of 1 cent per pound of tobacco.

No; it will not increase the price of the commodity produced by the farmer who uses the potash, but it will materially increase his cost of production. That is just why no tariff should be imposed.

The farmers of the seven Southern States I have mentioned use more than 75 per cent of the potash, and must necessarily pay more than 75 per cent of whatever tariff is levied. La Roe says it will be $10,000,000 per year, but in addition to this they must also pay the resultant increased price on the 20 per cent which is of American production. This will be $2,500,000 for La Roe and his confederates, and will make a total of $12,500,000 per year, of which amount the southern farmers of the States I have mentioned will pay $9,375,000 per year.

Under present prohibitive freight rates, if the manufacturers of potash in Nebraska and California were to give it to the people of the South Atlantic States, where the report says practically all of it is used for fertilizer purposes, they would probably be unable to pay the present freight rates on it. It would be little worse to pay the prevailing price and have it shipped from Europe.

The committee report says that during the war they were only able to produce 20 per cent of our prewar consumption,

which was about 250,000 tons per year. In 1910 we used 258,000 tons; in 1911, 251,000 tons; in 1912, 233,000 tons; and in 1913, 248,000 tons. I have not the figures for 1914, but until last year we have been unable to procure potash since 1914 on account of the World War. In 1913 the price of potash ranged around $38 per ton. Eighty per cent potash content sold as cheap as $39 per ton. That was muriate of potash. Sulphate of potash went a little higher, about $47 or $48 per ton. During the war it went to about $500 per ton, and I think on one occasion it was quoted perhaps as high as $800 a ton. While the plants out in Nebraska and California were, during and after the war, trying to produce potash at $500 per ton, they were able to produce only 20 per cent of our normal demand.

If at $500 per ton they were able to produce only 20 per cent of our normal demand, how in the name of God are they going to produce potash under present conditions at any price profitable to themselves or to the consumer?

Mr. KINKAID. Mr. Chairman, will the gentleman yield for a question?

Mr. LARSEN of Georgia. I will.

Mr. KINKAID. Do I understand the gentleman from Georgia correctly to say that the producers of potash in the United States, specifically in Nebraska and California, will not be able to compete with German potash for the reason that the freight rates across the continent are so high? As I understand the gentleman the freight rates will be lower from Germany and Alsace-Lorraine, say, to the southeast portion of the United States, where the cotton growers use potash as a fertilizer in the growing of the cotton crop. Even if the gentleman believes that the Nebraska and California producers can not compete on account of those freight rates, what objection is there to giving them a chance?

Mr. LARSEN of Georgia. The objection is this: You are making the farmers pay $50 a ton tariff to buy potash from Europe.

Mr. KINKAID. The duty is not that much.

Mr. LARSEN of Georgia. If my mathematics are correct, it is. If not, my argument of course goes to the bad.

Mr. KINKAID. How could the potash industry be developed previous to the war when the German monopoly controlled all the markets in the United States and would not permit the industry here to get a start.

Mr. LARSEN of Georgia. If the gentleman from Nebraska reflects, he will remember that a meritorious proposition should succeed, but he comes from a section that does not consume potash, and, therefore, may not wish to reflect. The trouble is we have not had any potash since 1914. If they can produce potash in Nebraska, why did they not produce it during and after the war? We were unable to get it during the war and are unable to get it from there yet. We have never produced over 20 per cent of the normal consumption, and if you can not produce more than 20 per cent, why make us pay a tariff of $50 per ton on 80 per cent of our normal consumption, which you can not produce?

Mr. KINKAID. I want the gentleman to know that my constituents sold $2,000,000 worth of potash in 1919; $2,000,000 worth at one time.

Mr. LARSEN of Georgia. Well, that was quite a lot at $500 a ton.

Mr. KINKAID. Oh, no; the price was moderate.

Mr. LARSEN of Georgia. You expect by this bill to put a tariff duty on potash of $10,000,000 a year, and also to permit the American producer to get $2,500,000 extra.

Mr. KINKAID. Yes; and you will pay $500 a ton again if we permit the German monopoly to control the market.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GARNER. I yield to the gentleman five minutes more.

Mr. LARSEN of Georgia. Gentlemen, there is only one way in the world that your party can justify this tariff, and that is on the theory that the Republican Party puts it on the Democratic consumer. That is all. You can not justify it in any other way as a party proposition. The men in the South, all Democrats, are the consumers, and you Republicans levy the tariff. You have enterprises out in California and Nebraska that were built up during the war and you want to protect them. How are you going to do it? By putting a tariff on the poor people of the South that have not been able to get potash since 1914. You have not been able to produce it and know that you can not produce our normal demand.

Mr. KINKAID. Will the gentleman yield again?

Mr. LARSEN of Georgia. For a question.

Mr. KINKAID. The pending bill provides that this tariff shall only exist for five years, and by the expiration of that time America will produce so much potash that the German potash can not compete with us. The consumers of potash will be able to buy at a lower price than they have ever bought of Germany.

Mr. LARSEN of Georgia. As an intelligent man, how do you expect to extract potash from water and compete with the solid bed potash shipped here from France and Germany? Your process is to extract it out of water; you get about 3 per cent. How do you expect to compete with the potash mined from the solid bed? It is six years since 1914 and you have not been able to make potash at $500 a ton. What have you done? You have only made 20 per cent of the annual consumption the best you could do. We can buy muriate of potash to-day from Europe delivered at $45 a ton. You are putting a $50 tariff on it when we can buy muriate delivered at South Atlantic ports at $45 a ton, and sulphate of potash at $62.50 per ton. Can you justify that? Of course not. You can not justify it by giving us a 3-cent tariff on peanuts, for peanut politics will not go down in Georgia. [Laughter.]

Now, gentlemen, the freight rates, as I have said, are prohibitive.

The rate from Trona, Calif., to Savannah, Ga., and other cities of that section is about $22.40 per ton, in carload lots. You do not produce in shipload quantities and hence have no ocean rate. The rate from Hamburg and Bremen, Germany, is about $3 per ton.

There are two reasons why the enterprise will not work. First, you have no freight rate. Nebraska can never have a rate except by rail. Again, you can not produce. You admit in the report that it is an experiment. I read from the report as follows:

> The committee was not convinced of the advisability of putting a permanent tariff on potash salts, but has recommended that a duty be placed on this material for a period of five years, so that domestic manufacturers may have an opportunity to demonstrate whether or not a potash industry can be developed in the United States which will be able to compete with the European deposits.

Why, you admit by your report that it is to protect a few northern and western enterprises with an investment of $28,000,000 while they experiment. To me it looks more like industrial rape and plunder than experiment. It should afford great consolation to the southern farmers for whom you so recently enacted your famous emergency tariff bill, giving them 3 cents per pound on peanuts. It is an outrage, pure and simple. You have not any right to perpetrate it, and the people neither north, south, east, nor west will ever justify it. You can not justify it before God or man. [Applause on the Democratic side.]

Mr. GARNER. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. BLAND].

Mr. BLAND of Virginia. Mr. Chairman, in my opinion this bill will place immeasurable burdens upon the American people. In my limited time I can not discuss the bill in detail, so I am going to discuss one feature of the bill which is very vital to my district, and is the same subject upon which the gentleman from Georgia [Mr. LARSEN] has just spoken. As my time is limited, I must proceed without interruption. I make this statement now so that I may not appear discourteous to any gentleman who may desire to ask a question.

I was impressed this morning with the address made by the distinguished gentleman from Oregon [Mr. HAWLEY]. I never hear his addresses without deriving from them something of profit. The gentleman from Oregon made one statement which, knowing him as I do to be very careful, I believe to be true, and it struck me with absolute consternation. The statement was that farm mortgages had increased in the last 10 years from $1,700,000,000 to over $4,000,000,000. In other words, the farms of this country to-day are resting under a mortgage burden of over $4,000,000,000. This Congress has not been unmindful entirely of the conditions that exist in the agricultural world. It has passed a resolution under which some of the ablest men in this House are sitting from day to day investigating those conditions. Under that resolution a joint committee is seeking to find out the causes for those conditions.

The resolution requires that committee to report recommendations for legislation which, in the opinion of the committee, will relieve the existing conditions. The situation is deplorable. Farm products are selling below cost. Population is becoming congested in the cities. The future is not bright in the agricultural world. And yet, as the gentleman from Georgia [Mr. LARSEN] has amply shown, it is proposed in this bill to impose an additional burden upon our southern and eastern farmers by the collection of a tariff tax on the potash that comes from the German and French mines.

Gentlemen, I represent one of the largest truck-growing sections in these United States. Consider for a minute only a part of it. Between the Atlantic Ocean and the Chesapeake Bay lie

the two counties of Accomac and Northampton. The size and extent of the Irish potato crop in these two counties appear in Bulletin No. 702 of the United States Department of Agriculture, 1916, upon the subject of development and localization of truck crops in the United States. On page 4 it is said:

It remains to consider the two Virginia counties, Accomac and Northampton, forming the southern end of the Maryland and Virginia peninsula, and it is in these two counties that the most remarkable development in the production of potatoes for the early spring market has taken place. In 1890 these counties had 4,262 acres in potatoes; in 1900 the acreage had grown to 11,475; in 1910 the acreage was 30,688; and in 1915 it was estimated by the Department of Agriculture to be 90,000 acres, an increase of over 2,000 per cent as compared with 1890. This remarkable growth in potato production places the eastern shore counties of Virginia far in the lead of all other early potato-growing sections. This district has more than double the acreage of the New Jersey district, the district next in rank, nearly four times the acreage of the Norfolk section, and more than six times the acreage of any other early-potato district.

The figures given will show that the counties referred to constitute one of the largest potato-growing sections in this country. Gentlemen there tell me—and I rely upon their judgment—that their farms have been mined of their potash residuum and that it is necessary for them to have potash in order that they may keep up the productivity of those farms. Ninety per cent of the potash that is coming into this country is going into commercial fertilizers. These people use for their Irish potatoes high-grade commercial fertilizers, containing in the ton 7 per cent of ammonia, 6 per cent phosphoric acid, and 5 per cent of potash. I have figures from reliable gentlemen showing their fertilizers to have been quoted at $74.75 per ton for their spring crops. On that basis, considering only the cost of fertilizer, seed, barrels, and covers, picking up, and material for spraying, with as large a yield as 45 barrels per acre, and excluding labor, team, rent of land, machinery, and return on investment, the actual cost of a barrel of potatoes to these farmers was $2.95. Consider the price at which they are being sold this season, and is there any wonder that farm mortgages are increasing. Farmers' Bulletin No. 1050, United States Department of Agriculture, on the subject of "Handling and loading southern new potatoes," shows, on page 1, that carload shipments of potatoes from the above section were far in excess of any other section. These figures are interesting. They are as follows:

Carload shipments of southern potatoes.

State.	Date.	1918 season.	1917 season.
Alabama	May 1-July 31	574	633
Arkansas	May 25-July 15	277	334
Delaware	June 1-Sept. 30	52	52
Florida	Apr. 1-July 5	4,834	4,284
Georgia	May 1-July 15	267	182
Louisiana	May 1-July 31	3,863	1,042
Maryland (Eastern Shore)	June 1 Sept. 30	706	2,286
Mississippi	May 1-June 30	307	160
North Carolina	May 15-Aug. 31	5,543	4,700
Oklahoma	May 25-July 15	340	625
South Carolina	May 1-July 15	2,512	2,440
Tennessee	June 15-Sept. 15	18	61
Texas	Apr. 25-July 15	2,312	1,671
Virginia (Eastern Shore)	June 1-Sept. 30	8,385	14,123
Virginia (Norfolk)	May 25-Sept. 30	2,485	5,003
Total		32,784	37,590

Statistics in the Eastern Shore of Virginia Produce Exchange office show that that organization alone handled barrels of Irish potatoes as follows:

1914	1,674,321
1915	2,020,962
1916	1,929,812
1917	1,905,666
1918	1,098,357

For practically all of the periods mentioned above the barrels were United States standard barrels, containing 3 bushels net, and the average carload was 200 barrels net.

During the five annual seasons given above the aggregate number of packages sold and shipped by the Eastern Shore of Virginia Produce Exchange alone, grown in the two counties of Accomac and Northampton, comprising Irish potatoes, seed potatoes, strawberries, cabbage, onions, and other miscellaneous farm produce, and in the growth of all of which crops potash is used, was as follows:

1914	2,489,995
1915	2,995,151
1916	3,122,970
1917	2,852,150
1918	1,884,795

According to the seventh edition of the Handbook of Virginia, issued in 1919 by the department of agriculture of Virginia, the packages handled by the exchange represent about 60 per cent of the production on the Eastern Shore of Virginia.

Agriculturists of this section have had an opportunity to make a comparison between the value of potash used by them in the prewar period and the domestic potash used in the latter years of the war. They are of the unanimous opinion that the domestic potash, even when it does not contain a constituent element that is gravely deleterious to their crops, is greatly inferior to the foreign commodity. Users and observers of commercial fertilizers used during the latter years of the war, containing from 3 to 5 per cent of domestic potash, reached the conclusion that this American potash contained an element which was very damaging to the crops under which it was used. This damaging element was believed to be borax, and I am informed by an entirely reliable attorney that in at least one instance known to him personally in the year 1919 potatoes under which this commercial fertilizer with domestic potash was used did not germinate, the crop was a total failure, and the experts from the Agricultural Department, being called in to explain this condition, arrived at the conclusion that it was due to a percentage of borax carried in the domestic potash.

The burdensome effect of this tariff on the counties mentioned must be obvious. But this tariff concerns not alone that portion of my district which I have mentioned. In all of the other portions of my district similar trucks and crops are grown, and in addition wheat is grown in these counties bordering on the Potomac and Rappahannock Rivers. Here, too, the question of commercial fertilizer is a vital one. It is vital to the entire State of Virginia. According to the Department of Agriculture in the State of Virginia there was used in the prewar period of 1913–14—that is, from June 1, 1913, to May 31, 1914—434,000 tons of fertilizer, estimated to contain about the equivalent of 23,000 tons of pure potash, and these 23,000 tons of pure potash would be equal to something over 100,000 tons of potash salts of the average grade produced. In 1919 it was estimated that the consumption of fertilizers in Virginia was around 500,000 tons.

When the so-called potash licensing bill was before the Ways and Means Committee of the Sixty-sixth Congress the needs of the farmers were fully presented, and the bill was not reported. The conditions of the farmers have not improved, but they have grown worse. The burdens of the farmers can not be increased without curtailing their activities and limiting their production.

I come to you, gentlemen, pleading not alone in the name of the farmers of my district, but also in the name of all the farmers of the South and East, who are absolutely dependent upon potash for their yield. These people produce potatoes, cabbages, and onions, the food particularly of the poor. For these foods potash is essential. I am going to ask you gentlemen not to impose upon these people greater burdens, not to look at this question in a political way. I do not believe that you will consider it in such a way. I believe you are trying to reach a fair conclusion; but, gentlemen, you are making a mistake, and I am going to ask you to pause and to reflect upon the effect that such a burdensome tax as this is going to have upon the farmers of this country.

May I refer again to the speech of the distinguished gentleman from Oregon [Mr. HAWLEY]? He said, and he said truly, that we are here as the representatives of the people of this country, that we are here as the attorneys of the people of the whole United States. He said that the evidence and the conclusions of the committee were being submitted to this House that it might render the verdict. I agree with the gentleman from Oregon, and I am going to ask you to consider all of the facts. Gentlemen, when you write your verdict let it be for the farmers of this country, a verdict of hope and not of despair, a verdict of life and not of death. Eliminate this tax. [Applause.]

Mr. GARNER. I yield 15 minutes to the gentleman from Alabama [Mr. BOWLING].

Mr. BOWLING. Mr. Chairman, 52 tariff bills have been enacted by Congress. The Fordney bill is the fifty-third to be considered since the organization of the Government under the Constitution. A little arithmetic will serve to show that the average life of a tariff bill is two and one-half years and that tinkering with the tariff is one of our national diversions.

With so much experience, one would think that ere this the subject would be reduced to an exact science. But so far from this being true, we find the great contending forces engaged in the same kind of contest as has ever heretofore characterized the passing of a tariff bill.

The reason that tariff remains the live political question that it is lies in the fact that the great parties assume irreconcilable positions. Reasoning from totally different premises, they necessarily arrive at different antagonistic conclusions.

The truth is that the tariff should not be made a partisan political question. No question so vitally affecting the general

welfare of the people should be. Human rights are involved in tariff legislation, and, being involved, legislators should refuse to approach their task in a partisan spirit. However, we are confronted with a condition instead of a theory, beautiful though the theory may be.

In this fifty-third attempt to write a tariff law we are confronted with the question inseparably connected with the tariff, Can a people be enriched by their own taxation?

Ordinarily we think of a tax as a burden to be borne; as an undesirable price that everyone must pay for our civilization. We know that if we enjoy the comforts, safety, and peace of civilization we must pay for them, and the purchase price is tax. We do not like to pay taxes. Human nature rises up to protest when the taxgatherer appears; but a long experience has shown that by paying a tax and supporting a government we insure ourselves against evils that would afflict us far worse than those which accompany the payment of a reasonable tax. But though we pay, we protest, and we demand reduction of taxation at every election. Taxes should not be enacted beyond the measure of real and substantial benefits conferred, for oppressive taxation paralyzes industry and impoverishes the citizen. The fathers of the Republic declared that "Taxation without representation is tyranny." We may add that taxation may be made the engine of tyranny even in representative governments.

The Republican Party proclaim that taxation is a burden only in part. When it is raised on incomes or on profits or by internal taxes it is a burden, but when raised by tariff it is not only not a burden but a positive blessing; not a load to be carried, but a well-appointed and comfortable vehicle in which the people, or at least a part of the people, may joy ride into the fields of prosperity.

Pardon me if I fail to see the logic of this distinction.

How pertinent, then, becomes the question, "Can a people be enriched by their own taxation?" At first blush we would answer no. And on second thought we would say no. For how can the burden that breaks our backs be the means of enrichment? To ask the question, it would seem, would answer it.

And yet the party now in charge of the Government boldly proclaims that the way to revive a fainting industrial life, remove the stagnation and depression which now are paralyzing business, is by making the burden heavier and harder to bear.

Tariff taxation is a fetish with the Republican Party. It is a sovereign and universal remedy for all or any of the ills of business and industry. Republicans have but one prescription for a sick nation—more taxes. But one stimulation for a weary tax-ridden world—more taxes. The gentlemen in charge of this bill proclaim this bodily, for they declare that the rates of the Fordney bill are higher than the rates of the Underwood tariff, and for that reason the Underwood tariff must be repealed. They do this in the name of and under the guise of "protection." This is a "protective tariff." Protection is a charming word. It makes a powerful appeal to a want of the human heart. Protection is an ever-present need. Our whole criminal code is designed to "protect" the good from the bad; so when a thing is offered with the label "protection," human nature urges us to grasp it.

There are two systems of thought relative to tariff—protective tariff and revenue tariff. A revenue tariff proceeds on the theory that raising revenue is the sole purpose of a tariff. The protective theory maintains that in addition to raising revenue the tariff should also be levied for the purpose of protecting American industries. These two theories are championed, respectively, by the two great parties, the Democratic Party declaring for a tariff for revenue only, and the Republican Party supporting the system of protective tariff. If we analyze these two theories, we find that as to the tariff the difference primarily is as to the purpose for which the tariff is levied. The Republican theory declares that the purpose in levying a tariff is to raise revenue not only for the Public Treasury, but also to raise revenue for private individuals. The Democracy denies this and asserts that the right to tax begins and ends with the needs of the Government, and that no party, no government, has the right to tax the whole nation for the benefit of any private individual. Democrats would levy a tariff for the maintenance of public enterprises only. The Republican Party would in addition levy a tax for the maintenance of private enterprise. One would tax the people for the purpose of filling the Public Treasury; the other would also tax for the purpose of filling private pockets.

Another fact observable in the operation of a tariff law is that it yields two streams of revenue—one for the Public Treasury, the other for private individuals. Again, the tariff can be so constructed that it will yield revenue for the Public Treasury exclusively; or it may be so framed as to yield revenue for private individuals exclusively. It all depends on the rate. So when a tariff is proclaimed to be "protective," we know that while the Government will get some of the revenue, private individuals will get a great deal more, and this is so intended by its makers.

The Fordney tariff, so its authors declare, will protect American manufacturers and American labor by making the rates sufficiently high to offset the difference between the cost of production in this country and the cost abroad. "And the rates herein provided for," says Mr. FORDNEY, "are as nearly correct along those lines as it was possible for the majority members of the Ways and Means Committee of this House to agree upon."

While there are rates in this bill which will guarantee profits to the manufacturer, I see no provision in it for guaranteeing that the wages of the laborer shall be greater than the foreign wage. The guaranty is to the manufacturer only. He will surely get his added profit, but he will get his labor as cheaply as he can. He will sell much of his product in the closed market of America, but he will go into the open market for labor, in which market the American laborer will compete with the laborers of the earth who are arriving at our ports by the thousands every month. So the laborer is left to shift for himself. He takes what he may be lucky enough to get. It is easy to see why the manufacturer favors this program; it is not so easy to see why labor should favor it. Yet it is claimed that this bill will greatly benefit the American laborer; that it will add enormously to wages each year; and that it is because of a protective tariff that wages are higher here than in foreign countries; and that without a protective tariff he can not secure wages sufficient to maintain American standards of living and will be on the hopeless level of the pauper labor of Europe.

Now, is this true? Let us remember that mere assertion is not argument, and that claiming a thing to be true does not make it true. What are the facts? How can tariff benefit labor when there is no tariff on labor? Which particular protectionist statesman has answered that question during this debate? I know of no evidence to show that protection has ever added one cent to the wages of American labor. Democrats wholly deny this claim. We admit that protection enables protected beneficiaries of tariff legislation to pay more, but we deny that it compels them to do so, and between enabling and compelling there is a vast difference.

Here is my contention: Wages are determined by laborers competing with fellow laborers in a crowded labor market. There is no necessary connection between what the employer receives for his product and what he pays his laborers; between what the laborer produces for his employer and what he gets for himself. Tariff affects only the goods market in which the laborer must buy; he sells his only product, labor, in the labor market; and labor is on the free list.

If the protective tariff insures high wages, why the necessity for labor unions?

Now, there is another angle to this question which may be stated this way: If, for the sake of the argument, we admit that protection adds millions every year to the wage fund of labor—which I deny—where do these millions come from? If protection gives them to labor, does it not take them from some other class? Can it give to one class without taking from another class? The added amount which protection claims that it gives is a compulsory donation, or an enforced contribution collected from the public generally, and the taking of it is a confession that the normal pay of labor will not support life, and that all the rest of the people must be taxed to increase his pay to a living wage. And is not this logically an admission that the American laborer is really unable to make a living for himself, and therefore must be supported in part by public taxation? If it is true that tariff does add materially to the laborer's daily wage, and that he can not live on his earnings without this donation, how does it come about that the producers of all the wealth in a land distinguished by its limitless riches and the number of its millionaires can not make a living?

Can a tariff enrich some without robbing others? Can it give to some without taking from others? Can a tariff law increase the selling price for the producer, without at the same time and to the same extent increasing the cost to the consumer? If a tariff can do none of these things, then it is but a modern form of class legislation. It is the granting of special privilege, and as such should have no place in our economy.

The truth as to tariff and wages, as so clearly pointed out by Prof. Taussig, is, that—

> No economist of standing would maintain that a protective tariff is the one decisive factor in making high a country's rate of wages. There are familiar facts in plenty which run counter to the argument. They are familiar, but as is often the case, people fail to see the significance of that which stares them in the face.

A plain fact universally known is that we regularly export from the United States goods to the value of billions of dollars. How can this be, if low-paid labor can always undersell high-paid labor? Wages in terms of money, and in terms of commodities also, are higher in the United States in all occupations of whatever kind, yet we know that not all employers of every kind are undersold by their foreign competitors. The simple existence of an export trade proves that they are not; nay, that so far as there is any underselling, it is the Americans who undersell the foreigners.

We export an extrordinary quantity and variety of articles. Agricultural products, like cotton and wheat; crude and semimanufactured products like mineral ores, timber and copper; and all sorts of manufactured goods; cotton fabrics, iron and steel in all stages, machinery, and tools. All the laborers who are employed in making these exported articles get higher wages than those employed in making similar articles abroad. Yet the very fact of exportation proves that the articles are sold at least as cheaply as the competing foreign product.

Wages in agriculture are higher here than in Europe; Canadian wages are about the same; but notwithstanding this sustained higher rate of pay in the United States and Canada, American and Canadian farmers meet foreign competition in its own home. The same thing is true of copper. It is sold all over the world, notwithstanding wages in American smelting and refining plants are higher paid here than elsewhere. The same thing is true of agricultural implements, sewing machines, structural steel, rods, rails, and wire. In these the total exports rose to hundreds and hundreds of millions in the years 1912 to 1914, years preceding the war, which were not affected by abnormal war conditions.

The explanation of all such facts is simple. Turn to the most familiar fact of all—the continuing exports from the country of high wages to those of low wages. The workman whose labor is embodied in the exports is paid more, but he also produces more. The labor is more effective, and the employer can therefore afford to pay more for it. Sometimes, as in the case of wheat and iron and copper, the same exertion produces a greater quantity of identically the same article. Sometimes, as with our exported cottons, it produces a greater quantity and also a better quality. Sometimes again, as in the case of our sewing machines and agricultural implements, the greater effectiveness consists in producing an article which is better made and better adapted to its purpose. The greater (or better) product yields a larger gross return to the employer, even though not a larger sum per unit, than the return from similar labor elsewhere, and the employer is able to pay higher money wages. Not only is he able to do so, but he must, for thousands of employers compete with each other for laborers, and the result must be that wages will be high in some proportion to the productiveness of the laborers. Beyond doubt this is the fundamental explanation of the differences that prevail in the various parts of the world. * * *

The general proposition that a high rate of wages is the result of a high productiveness of industry is simple and undeniable.

Here we have the mature conclusions of one who has devoted years of intense study to tariff and related subjects. If there be an expert on tariff questions, he is Prof. Taussig. And far from concluding that a high tariff produces and maintains high wages, this recognized authority declares that "high productiveness" and not high tariff makes wages higher here than in foreign countries.

The inference to be drawn from protectionist arguments is that this tariff tax enriches the Nation by protecting industry, and that without taking anything from anybody. In other words, here we have a tax which nobody pays. This is important, if true; but we know that when a tax is collected some one pays it, and that one is the consumer.

Here we have the ages-old conflict between producer and consumer. Why tax one class for the benefit of the other? No protective rates can be levied which can be just to both producer and consumer, and it matters not what ingenuity of argument is used nor what devious ways are followed in computing and collecting the tax, the bald fact remains that the benefits of protection are enjoyed by the few, while the bills are paid by the many. Prosperity, wealth, revival of business—all are promised as results certain to follow the enactment of this bill; and yet we as reasonable beings are bound to know that a people can not be enriched by their own taxation any more than a plant can be made to grow by shutting it away from light and heat and moisture. The light and life of business, the sure guarantor of prosperity, is trade. This bill is an artificial restriction on trade. It is so nominated in the bond. How, may I ask, does protection protect, and from what does it protect? Protection protects by restricting or destroying competition. It builds a wall around America and says to the trade of the world, "You can not cross the wall." Thus left free, the domestic manufacturer charges his own price to his own fellow citizens, who are not permitted to buy from anyone else. From such unnatural conditions we should pray to be delivered, for from the soil of protection grows the gigantic trusts and monopolies whose greed is insatiable and whose tribute is measured by billions of money which the people pay.

Yet, with all this staring us in the face, we are over and over again assured that we are wrong; that our people can be enriched by their own taxation, and that the quickest road by which to return to "normalcy" is the way of protection, although at every step the people are held up for tribute by the favorites of special privilege.

Trade with foreign nations is criminal in the eyes of beneficiaries of protection. Instead of a thing to be earnestly desired, it is spoken of as a source of direst evil. England grew rich through trade and for centuries was the world's creditor nation. Her ships were on every sea and her traders were in every market. But that means nothing to a protectionist.

The average protectionist seems to think that he must sell always and buy nothing. If there is one thing established beyond even a shadow of a doubt, it is that if we sell to other nations we must also buy from them. Common sense should show us that this is the true road to prosperity and happiness. Protectionists profess to desire the growth and expansion of our foreign commerce. But in order to do business with foreign nations we must consent to have some of our own products undersold in our own markets by foreign competitors. From this fact there is no escape. We must either give this consent or establish an embargo. This bill is a splendid device for such a purpose. It will keep foreign goods out. Not all of them, perhaps, but our foreign trade must necessarily be decreased if this bill is what its authors and finishers say it is. We Democrats admit that your protective tariff will do this thing, but we deny that it ought to be done. We say that our foreign trade ought to be increased rather than diminished. And we are right provided trade is a good thing, but we are wrong if trade is a bad thing.

We have spent millions of the people's money in building a merchant marine. To-day we have thousands of ships lying idle in the harbors. They should be engaged in carrying the commerce of the world, but these ships will never float on the seas if we build a tariff wall against other nations. For the first time in our history we write a tariff bill when we are the creditor nation of the world. Foreign nations owe us in principal and in interest more than $10,000,000,000. If this is ever paid it must be paid in one of three ways—in money, or service, or goods. They can not pay us in money, for they are almost bankrupt; they can not pay us in service, for we propose to transport our own goods in our own ships. There remains but one way, and that is by the exchange of goods. In the face of these undeniable conditions we will have soon enacted the Fordney bill, which will still further reduce our foreign commerce. The protectionist seems now to be confronted with this dilemma: He must either consent to a further extension and increase in our trade with foreign nations or he must abandon the claim for the billions owed us by Europe. He is not yet ready to come out in the open and demand a cancellation of the European indebtedness, but if we may forecast his future conduct by his past performances he is now laying his plans to preserve protection, even if it involves the surrender of our war debts.

A creditor nation can not thrive on a protective tariff. It can have no high protection at all if it demands the payment of debts due it from other nations. The majority of the Ways and Means Committee of this House doubtless are keenly alive to this situation, and it may in some measure account for the long delay in presenting the bill and the evident fear on the part of many that it will not secure the results claimed for it.

I have heretofore referred to the cost-of-production theory, on which this bill is framed. It proposes to levy, and the committee declares it has levied, a tax which equalizes the cost of production of a given article at home and abroad. It assumes that where a rate is fixed it has been found that the article taxed is being produced at a cost higher in the United States than abroad; that the cost in America has been found; that the foreign cost has been ascertained, and then the rate fixed at a point high enough to make the cost in the United States of the foreign article equal to the cost of the American article.

I undertake to say that although this bill assumes that this finding of costs has been accomplished, as a matter of fact it has not been done; or if it has been done, the committee has successfully kept the information from Congress. There has been no attempt in this debate to tell Congress either the home or foreign cost of production of a single article mentioned in the bill. I go further and declare that it is impossible to find the foreign cost of production of the items mentioned in the bill. There are thousands of them, and to find foreign costs would entail years of labor and millions of dollars of expense for the investigation. The majority of the Ways and Means Committee has used no appreciable time in seeking foreign cost of production, and they do not know, and hence can not tell that cost.

It would be difficult and highly expensive, if not impossible, to find with any real accuracy the home cost of production. Too many factors are involved, and the data is subject to such sudden and substantial change that a given cost to-day may be wholly changed to-morrow.

Cost of labor, transportation charges, efficiency of labor, skill in management, weather conditions, strikes, as well as the daily change in the market prices of basic materials, are some of the

determining factors entering into the cost of production, which are sufficient in number and importance to defeat any attempt to find with accuracy a stable cost of production. A given article may cost one amount in a given factory, while in a factory just across the street the same article of the same intrinsic value would show a different production cost.

A shoe factory in Massachusetts would show one set of figures on cost of production, while a shoe factory in St. Louis would show an entirely different set of figures, even though the actual value of the finished product be the same in each case.

How, then, is it possible for the rates in this bill to be what they profess to be?

Even if it were possible to find the differences in cost, the application with consistency of this much talked-of principle would lead to the annihilation of our foreign trade in toto. What does "equalization of cost of production" mean? It means that the higher the expense of the American producer and the greater the excess of expense incurred by him over those expenses incurred by a foreign competitor the higher the duty. If the difference in cost is great, the duty will be great; if the difference is small, the duty will be small. Automatically the tax rises in proportion as the American cost rises.

These tariff taxes, then, are laid for the purpose of equalizing conditions, and this principle is proclaimed as the "true" principle upon which to base a tariff. That it is not a true principle is shown by the fact that it is incapable of universal application to all things alike. For if it were so applied it would lead to the extreme of protection, when all competition would be destroyed by the stimulation of artificial production of all things here, whether natural conditions favor such production or not. Carried to its logical conclusion, it would establish the lemon and grape industry in Maine. These fruits would have to be grown in a hothouse in Maine, and the expense of production would be very great. But what of that when the "true" principle of tariff taxation will equalize by legislative enactment natural conditions in Florida with artificial conditions in Maine? This is, to be sure, an extreme application of the rule, but the example demonstrates its absurdity. This bill was not drawn upon that principle; no bill ever will be, its authors to the contrary notwithstanding.

The plain truth is that taxes levied for any purpose except for revenue produce artificial conditions and restrictions, which in turn build up one industry or individual at the expense of the whole people.

So far I have attempted to demonstrate the fundamental wrong involved in protection. Now, when we come to study the particular rates in the bill, we find them outrageously high and utterly indefensible. With the scheme for American valuation so cunningly inserted the rates in the Payne-Aldrich bill of unhappy memory, will be greatly exceeded. This was conclusively demonstrated by the gentleman from Texas [Mr. GARNER] in opening the debate. I commend a careful study of his speech to those who want to learn of this latest iniquity in tariff legislation—this prize "joker" called American valuations.

In this bill commodities are protected which need no protection—steel, for instance, which in the years past collected billions from the American people, and sugar and aluminum, already gigantic trusts and monoplies, collecting tribute on watered stock by the billions, but, urged by an insatiable greed, are to-day reaching out the hand for further extortions to be wrung from a people who are daily crying aloud for a decrease in taxes.

Not only are taxes levied where protection is unnecessary, but the most outrageous discrimination is practiced. Take graphite, for instance. It is now on the free list, placed there when the amount produced in America was negligible. Under the stress of war needs mines were opened and millions of dollars invested in graphite production. An embargo was laid against foreign importations as a war measure, and while the embargo lasted these companies made money. But with the closing of the war came the lifting of the embargo and the stagnation of business, resulting in a shutting down of practically the whole of this industry. Heretofore Ceylon and Madagascar have been the source of the world's graphite, and until the foreign supply was shut off by the great war we did not know that in America was to be found the largest and most valuable supply of graphite in the world.

If ever an opportunity was given a Republican majority to demonstrate consistency and honesty in fixing tariff duties, it surely was presented in the graphite situation. Here was a real "infant industry" called into being by the Government in the time of war and doing a patriotic service by supplying the graphite. Here was an industry which came fully up to every Republican specification in their boasted principle of "Protection for American industries." The cause of this home industry was freely presented to the Ways and Means Committee by the representatives of the graphite interests. They asked for a duty of 1 cent per pound on crude ore and 6 cents per pound on the finished product. Did they get it? They did not. Why? Because, as shown by the tariff hearings, the rich crucible manufacturers, like the Joseph Dixon Crucible Co., Lava Crucible Co., Vesuvius Crucible Co., and eight others appeared before the Ways and Means Committee, asked that graphite be left on the free list, and the committee responded by fixing a rate of 10 per cent ad valorem, an amount totally inadequate to permit the American mills to resume business.

The real reason for the hostility of the crucible makers to a protective tariff on graphite is that they want their basic material at as low a price as possible in order that their profits may be enhanced.

The graphite industry has only a paltry four millions invested; the crucible manufacturers count their investment by very many millions more. Hence they get what they ask for.

Purely as a revenue measure, the bill might well have provided a tax of 3 cents per pound, which would have brought into the Treasury $1,500,000.

Take potash, an absolute essential as a fertilizer in the cotton belt. California and Nebraska produce about one-fifth of the amount consumed in the United States. Freight rates from California and Nebraska are practically prohibitive to the South. Imported potash is worth to-day about $42.50 per ton. The Nebraska product once was quoted at $500 per ton. Yet the Fordney bill levies a tax of $50 per ton on imported potash, which the Nebraska producer will add to his price. The result means that farmers will pay $50 per ton more for their potash in 1922 than they paid in 1921. What do the farmers who must use fertilizers think of this? The high cost of living is being "revised," along with the tariff, and as is usual when the Republicans are "revising" it is revised upward. Note some more outrageous rates: Flavoring extracts are taxed 25 per cent; glycerin, 3 cents per pound; ink, 20 per cent; camphor, 25 per cent; castor oil, 4½ cents per pound; olive oil, 6½ cents per pound; opium, $3 per pound, if powdered $4 per pound; laudanum, 60 per cent; paints, 25 per cent; castile soap, 15 per cent; toilet soap, 30 per cent; soda, starch, fuel oil, brick, earthenware, crockery ware, clock cases, toys, mugs, cups, lamps, chinaware, bottles, glass, spectacles, electric-light bulbs, marble, burrstones, grindstones, slates, watch crystals, pig iron, steel, bar iron, square iron, round iron, iron bars, sheet iron, sheet steel, structural iron, structural steel, hoop iron, wire rods, steel wire, iron wire, wire screws, ball bearings, trace chains, nuts, washers, nails, horseshoes, screws, crosscut saws, needles, fishhooks, saddles, buckles, hooks and eyes, buttons, pins, pens, penholders, fountain pens, knives of all kinds, scissors, razors, surgical and dental instruments, pliers, nippers, guns, pistols, watches, clocks, bicycles, steam engines, shovels, spades, timber, logs, shingles, hubs, barrels, toothpicks, sugar, sirup, candy, milk, cheese, horses and mules, fish, salmon, biscuits, bananas, grapes, lemons, hay, spices, cotton yarn, cotton thread, cotton cloth, oilcloth, quilts, gloves, hosiery, underwear, handkerchiefs, cotton clothing, collars and cuffs, lace curtains, towels, sheets, jute bags, wool, yarn, blankets, woolen clothes, carpets, rugs, all of these articles so necessary to the daily life of the people, are taxed in this bill; and not only these but many hundred more.

To a people who had been promised reduction of taxes and substantial reduction of the costs of living, this bill with its enormous increase in rates over the existing law must come as a distinct shock. The people were promised bread and have been given a stone; they have been promised lower taxes and have been given higher taxes. But the great god of protection must be enthroned, and when the people hear the sound of the horn blown by protection's high priest they are expected to kneel and worship. They must prostrate themselves and adore the Steel Trust, the Sugar Trust, the Clothing Trust, the Woolen Trust, and all the other trusts, big and little, the pets of special privilege. Meantime, while the beneficiaries of this scandalously indefensible bill collect their billions from the people, that same people, deceived and robbed, must not fail continuously to cry, "Great is protection and Fordney is its prophet." When Solomon died he was succeeded by Rehoboam. And then the people came to Rehoboam and said, "Thy father made our yoke heavy, but make thou it lighter unto us." Rehoboam, forsaking the advice of the elders, spoke to them after the counsel of the young men, saying: "My father made your yoke heavy, but I will add to your yoke; my father chastised you with whips, but I will chastise you with scorpions." The record shows that for this cruel policy, Rehoboam lost the favor of his people, his kingdom was rent asunder, and he was utterly repudiated.

When this bill is enacted into law, it will, like the command of the foolish king, add to the already heavy load of the taxes. Instead of lifting the burden, it will bear down more grievously. There is but one remedy in sight for a deceived nation and that is utterly to repudiate the party responsible for this tariff of abominations.

Mr. GARNER. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Chairman and gentlemen, the Republican majority seem to proceed upon the theory that the hatred for the Democracy in this country is so intense that the Republicans may take all sorts of chances with the people. [Laughter.] A more reckless, a more arrogant, a bolder steal has never been attempted in the history of plunder by legislation than this protective tariff bill. [Applause.] At no time in its history has this country confronted a situation presenting so many difficult and complex problems as we have to-day.

There was an earthquake; the whole world was shaken up. It was torn away from its moorings. All of its ideals went to smash. Ethical concepts built up by thousands of years of painful evolution were swept away. The world was for five years a slaughterhouse, and then it became a madhouse. Its convalescence is slow, and even doubtful. Our stand-pat Republicans have one remedy—a protective tariff. An earthquake—a protective tariff; war and its disastrous effect—a protective tariff; famine and pestilence—a protective tariff. [Laughter.] They will protect everybody and give everything to everybody. The farmer is going to get higher prices for his produce and the worker will get the farm produce cheaper, so that his cost of living may not be high. The manufacturer will make big profits by selling at high prices. The worker will get high wages and will buy at small prices. Everybody will be protected against everybody else.

HIDING BEHIND THE FLAG.

They insist that it is an American policy, an American tariff. The use of the word "American" and the use of the American flag in connection with selfish designs of unclean interests is a profanation of the flag and a desecration of everything sacred in America. I remember when New York State passed for the first time a law against the desecration of the flag. It was in the year following 1896 when the advocates of the gold standard attached political advertisements to the American flag. They are again ready to cover all their schemes by the flag.

There is nothing American about a protective tariff. In Spain they argue for protection, so it is evidently a Spanish idea. In Germany they ask for protection, so it is obviously a German idea. Everywhere the small number representing the vested and ruling interests so employ the agencies of the government that they may enrich themselves at the expense of the many.

What is the net result of this so-called protection? You adopt a tariff against the importation of goods from foreign lands, and they retaliate. As was shown during the discussion, Spain and Canada, in anticipation of a Republican victory, had enacted retaliatory tariffs. The world took it for granted that the Democrats would be defeated and that Debs would not be elected. [Laughter.] The only one left was the Republican candidate. The people had no choice in the matter. [Laughter.] Spain and Canada in advance of the election adopted retaliatory tariffs. Japan has adopted or is about to adopt a prohibitive tariff. What is the result? They have all built walls against one another, and they are where they started.

Who, then, benefits by these tariffs? The protected element of each nation benefits at the expense of the rest of the community.

Take the protective tariffs between France, Germany, Denmark, Sweden, Poland, Russia. Transfer those countries to the map of the United States. Many of our States are as large or larger than some European countries, and all of the European countries taken together do not occupy much more territory than the United States of America.

The peoples of Europe derive just as little benefit from their hostile and protective tariffs as the American people would from tariffs between Ohio, Pennsylvania, Illinois, and New Jersey. The world prospers by the free exchange of products. The world gains by permitting things to be produced wherever it can be done most easily. It should be the statesman's task through reciprocity to bring free trade.

TARIFF OBSTRUCTIONS AND WARS.

Tariff obstructions have always been a prolific source of international conflict. They are particularly dangerous now, and for this reason: Since the war many Governments, including ours, have formed Government agencies to promote exports. Some European countries have established Government buying agencies. It will be apparent that unless Governments approach each other in their capacities of sellers and buyers in a spirit of mutual accommodation, that the clashes of hostile tariffs will lead to the clash of arms. The bill before us is a challenge to the peace of the world.

But the aristocrats of gold are on top, and they have their own plans, their own councils, their own soviets.

We have a soviet of Du Pont, of Gary, of Schwab, instead of a soviet of Trotski, Lenin, and Zenoviev. In agonized Russia they have a soviet of the common people groping and stumbling toward the light, trying to emerge into something better from a nightmare of nearly a thousand years. Here we have a soviet of plutocracy, the socialism of organized cash, the communism of pelf, as a good Democratic President called it on one occasion. [Laughter on the Democratic side.]

The chairman of the committee—I do not want to impugn his motives or to speak of honesty or dishonesty—I take it for granted that every Member of the House of Representatives is an honest man—is undoubtedly honest and sincerely believes in protection.

The chairman admitted on two occasions during the discussion of this bill that its rates of duties are not based upon a study of the shortcomings of the present, the Underwood tariff law. If any comparison has been made at all, it has been made on the basis of the Payne-Aldrich law, a law so emphatically repudiated at the very next election.

It is conceded by the authors of the bill that they have made no study of the comparative costs of production.

No opportunity will be offered to the membership to amend the bill, except on five items, as has been so ably pointed out by the brilliant gentleman from Tennessee [Mr. GARRETT], and the bill includes 2,000 items and affects all industries and all agriculture.

One can not help recalling the bitter words of Theodore Roosevelt in the progressive platform of 1912—the same crowd was then at work:

Behind the ostensible Government sits enthroned an invisible government, owing no allegiance and acknowledging no responsibility to the people.

THE PHILOSOPHY OF PLUTOCRACY.

But progressivism is dead and the standpatter is in full control. The protectionists' theory is this: The great mass of the people are stupid anyhow. They do not know their business. They have no money. The fellow who has money is a clever man. The fellow who amasses money shows his intelligence beyond any doubt. Therefore he should be called upon to rule; he should be called upon to make the law. Now, we are going to make the law. We have the money, we have the Government, let the other fellow keep quiet. That is all there is to it. We are going to give full play to the trusts and by expanding our monopolies we are going to take care of the worker. We will pay him better wages, we will take care of him, and, provided he does not give us too much trouble, we will deal fairly by him. And these men have their own conception of what fairness is.

Sometimes this idea of fairness has rather peculiar manifestations. Thus it is this fairness that has smashed the labor unions in the steel industry, that keeps up the 12-hour day, and defies God's injunction to make of the Sabbath a day of rest.

It is this idea of fairness that has maintained the worker of the Wool Trust in misery. It is this sort of fairness that has made the lumberjack the most wretched worker of all. It is this same sort of fairness that now keeps millions of wage workers out of employment.

The philosophy of the protectionist is rather simple. He says to the Government, "You protect me, I will protect the people."

DEBTS AND THE TARIFF.

Before I take up the bill itself let me dispose of some of the side issues brought up during the discussion. The question of the foreign debts was raised by Democrats, who, in arguing against this prohibitive tariff, claimed that it was necessary to have free and untrammeled commerce in order to enable the European nations to pay their debts to America. I have very grave doubts whether those debts will ever be paid. Lloyd-George has a lot more sense than Trotski, although Trotski may think otherwise. Trotski announced he would repudiate debts. Lloyd-George does not repudiate them, but he does not pay them. [Laughter.]

Some day England may offer to exchange one of the little Caribbean Islands for the billions of dollars which it owes us. They will not pay those debts. I doubt very much whether the European nations, the belligerents in the last war, can pay their national debts to their own peoples. What does a national debt mean? A national debt really means that a portion of a nation collects interest from the rest of the nation. Is not that what a national debt ultimately means? And the national debt being so staggering in most of the Euro-

pean countries that the mere payment of interest on the obligations involves the enslavement of the masses to financial oligarchies, the probabilities are that the former belligerents will repudiate their internal as well as their foreign debts. The flood of worthless paper money which has inundated these countries has destroyed the value of all their paper.

COLLECTION OF DEBTS NOT THE ISSUE.

The issue is a much bigger one. The issue is not, Are we to collect our debts? The real issue is, Are we to do business with the rest of the world? Are we to export and import? Are we to put new life into industry? Is exchange of commodities to be promoted? Is the wealth of the world to be increased? Are we to help Europe to get back to work? Are we to help ourselves by helping Europe?

The proposed tariff is prohibitive. It will not check imports. It will make all imports impossible. It puts a tax on everything from a pin to steel rails. The American valuation scheme will enable the trusts to determine the price here and thus to determine what the rate shall be on imported articles. It is interesting to note that among the things on the import of which prohibitive duties are imposed are drugs, dyes, and chemicals. This is done in the name of national defense, of the flag, and of patriotism.

The Du Ponts produced 90 per cent of the gunpowder of the world. Evidently they had access to enough chemical ingredients and knew formulas well enough to monopolize the gunpowder production of the world.

The high protectionists speak of the necessity of producing poisonous gases. By the way, I thought that one of the acts of barbarism charged against Germany was her use of poisonous gas and that we had risen to a higher state of civilization. But that was all war talk. We are to use poisonous gas in the next war, say our defenders. We will use it gently and not as barbarians. It will be recalled that upon the signing of the armistice our newspapers made public the fact that prior to the armistice American plants turned out a gas more deadly and more destructive than any gas ever employed by Germany, so destructive that a single drop on a piece of furniture would destroy the furniture. The papers reported that the gas was buried in iron containers at the bottom of the sea. Evidently there was enough knowledge of chemistry and enough ingredients to enable us to make all the poisonous gas we wanted, even with all of the German imports of dyes and chemical substances entirely eliminated.

Only the great minds of high tariff advocates can get themselves to believe that the science of chemistry can be promoted by prohibitive tariffs.

EUROPEAN WORKERS WIDE AWAKE.

The protectionist repeats, parrot like, the same old nonsense about the inferiority of wages in European countries. How little he knows about the progress of the labor movement in Europe. Do you not, gentlemen, know that during the last 25 years there has been an almost complete stoppage of German immigration and that the few immigrants we had were agricultural elements and not from the industrial sections of Germany? And do you know why? Because Germany has built up a powerful labor movement. Her workers are all of them literate, all of them men of intelligence. A former saddler and a socialist leader of note is now the President of the German Republic. It is silly to talk of them as if they were slaves.

England, of whom you still speak as a country of paupers, has a wonderful labor movement, with 8,000,000 organized workers, with a splendid cooperative movement, and with about 70 members in Parliament. The British Government has called in the representatives of labor into its national councils in every recent crisis. In Belgium, among the four socialists who are members of the cabinet, there is Vandervelde, the recognized leader of the socialist movement; in Sweden the socialist leader, Branting, is minister of foreign affairs and the representative of his country in the League of Nations. Throughout Europe the labor unions, the socialist parties, and the cooperative societies work in harmony. Throughout Europe we see an unremitting but intelligent struggle between the mass of the common people and the ruling interests, whether those ruling interests be the lords of feudalism or the modern uncrowned kings of plutocracy.

The European worker is wide awake.

INFLATION OF PRICES.

Let me take up their next argument—inflation of prices. When they speak of the worthlessness of the mark they fail to tell us that this worthlessness of the mark is known to the German worker, so that instead of 2 marks, as before, he gets his 40 or 50 marks a day now, or whatever the sum may be which is necessary to maintain his standard of living, and the standards of living are everywhere higher than they were in the past. The high cost of living is really a manifestation of a higher state of civilization. What does it mean when analyzed? It means the degree of disproportion between the wish for a thing and the realization of the wish. The less the realization of the desire the higher is the cost of living. It is foolish to argue that in any civilized country of the world the condition of the workers is inferior to-day, that they are getting less food or fewer facilities for education now than in the past. Everywhere the high cost of living is growing higher, because the demand for more things is growing more intense.

TARIFF CAN NOT HELP FARMERS.

You speak of the farmers that you are going to benefit. What a fraud! Do not the farmers know that this country is the greatest exporter of agricultural products? What are you going to put a tariff on? Do you think you can fool the farmer very long that way?

To the credit of the American farmer it must be said that in him there is a deeper love of liberty and independence than among the rest of the people. [Applause on the Democratic side.]

It is hard for the industrial worker, dulled by excessive work; it is hard for the man who comes to the factory when the bell rings, who eats his lunch when the bell rings, who drops his lunch basket when the order is given and returns home after the sun has set; it is hard for the worker whose very name disappears in the factory and who is known by number, like the convict in prison, to retain the ideal of liberty. It is easy to fool the wageworker. It is still easier to intimidate him.

But the farmer, who works on his land, and who can trace the product of his own toil, resents bitterly when after long years of toil he finds his farm mortgaged and the wealth that he brings forth disappear between the fingers of others. The number of tenant farms and mortgaged farms is constantly on the increase. That is why the farmers have always been the builders of new and rebellious parties in America.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. LONDON. I will yield.

Mr. COOPER of Ohio. I would like to ask the gentleman from New York if the workingmen of this country resented anything in 1896?

Mr. LONDON. Whether they resented anything in 1896? In that year the workers of the country were insulted and did not resent it. Do you remember the Republican slogan of 1896 of "a full dinner pail"? No soul, no ideal; "Mr. Stomach, come and vote for me." However, let us not be diverted to the campaign of 1896. The Democrats were not much wiser. I was campaigning then, and used to say about Bryan that he insisted on 16 to 1 on the theory that there were 16 fools to 1 sensible man in the United States. That was one of my old campaign jokes in 1896. [Laughter.]

FARMERS INSIST ON REAL REFORMS.

It is the farmer who is responsible for the amendment to the Constitution providing for the direct election of Senators and the income tax amendment. It was in the Western and in farmer States that the sun of liberty rose. It was there that the demand for the initiative and referendum and the recall was raised. You will hear from the farmers some more. Not until you eliminate the middleman, not until you nationalize all natural monopolies and lay the foundation for the democratization of industry will you get rid of the demands of the farmers. You can not fool them by prohibiting the importation of things that are not imported.

TARIFF CAN NOT HELP WORKERS.

Now, as to the worker. You all speak in the name of the worker, Democrats as well as Republicans. The Bourbon Democrat is a friend of the worker, and so is the stand-pat Republican a friend of the worker. The worker is overwhelmed by his many friends; entirely too many. [Laughter.]

Let us see how this bill affects the things in which the worker is primarily interested. Let us take the budget of the worker's family. What does it consist of? Food requires 40 per cent of the income of the wage earner's family, rent 20 per cent, clothes 15 per cent, fuel and light 6 per cent, furniture 4½ per cent—in the big cities the percentage required for rent is likely to be much larger—and the rest, very little of it, for recreation, education, insurance, and some of it for the practice of religion. [Laughter.] With so little left for education, is it any wonder that he votes the Republican or Democratic ticket?

Now, how will your bill affect the things which primarily concern the worker? Well, it will not diminish his rent. Just now there is a shortage of a million and a half homes. This bill imposes a tax on every item that goes into the building of

homes. As for food, if your promise to the farmers is made good the price of food will be increased, and food is the largest item in his expense. On clothing, on furniture, on books, on everything else you have taken care that there shall be a pretty high tariff. How can you appeal to the worker? You will appeal to the worker by telling him that you will protect him against the foreigner. You will tell him that you will make the foreigner pay the expense of maintaining this Government by making the foreigner pay for everything he will send here.

ORGANIZATION—THE ONLY SALVATION OF THE WORKER.

How long can you get away with that humbug? Some day the worker will find out that his troubles are caused not by the foreigner but by his own inertia and lack of organization. Some day he will discover that the trouble lies in the fact that the worker does not get in wages more than one-third of what he produces; that the trouble lies in underconsumption and not in overproduction; that he is being fleeced by a bunch of useless middlemen; that the trusts dictate to him his terms of employment, dole out to him his wage, keep him employed or fire him when they please. Some day he will learn to educate himself, to organize on the economic field and to use the political power of a freeman for the advancement of the conditions of all who work for an honest living.

Then the worker in mill, mine, and factory will unite with the worker on the farm, and agriculture and industry, aided by science, will cooperate for the common good.

Then it will become impossible to appeal to his prejudices against the foreign nations, for his prejudices will be dispelled by the light of intelligence. Then will he understand the full significance of the words of Abraham Lincoln:

The strongest bond of human sympathy outside of the family relation should be one uniting all working men of all nations and tongues and kindreds.

NEITHER FREE TRADE NOR PROTECTION THE REMEDY.

I do not want to be understood as arguing that the salvation of the worker lies in free trade as against protection. More than 50 tariff laws have been enacted since the foundation of the Republic. We have had low tariffs. We have had high tariffs. We have had a large free list. We have had a small free list. We have had crises and unemployment under both systems.

The worker will only then come into his own when the sordid profit system, which divides each nation into hostile camps and which breeds the anarchy of war, will be replaced by the cooperation of men for the benefit of all, by democracy in industry and concord among nations.

Before I close I want to read to you an extract from an address delivered in the year 1421 before the House of Doges, the Parliament of Venice, in which the speaker dwells upon the necessity of maintaining friendly relations with all neighboring States, and emphasizes the point that nations can only prosper when the rest of the world prospers. In a way the situation which he describes Venice to be in corresponds to the situation of the United States to-day. The orator says:

You are the only ones to whom the earth and the seas are open alike.

I am translating, and I am finding difficulty in giving the best version. He goes on:

You are the channel of all the riches. You provide the whole world with food. The whole world is interested in your welfare. All the gold of the world comes to you.

The United States has more gold to-day than it ever had in the entire history of America. He continues:

Blessed will you be as long as you preserve the peaceful idea, while the rest of Europe is on fire. So far as I am concerned, as long as there is breath of life in me I shall persist in the system which promotes peace.

These sentiments and thoughts were uttered 500 years ago.

Human progress is slow indeed.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LONDON. Mr. Chairman, I ask leave to extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman? There was no objection.

Mr. LONDON. In extending my remarks I respectfully submit for the consideration of the Ways and Means Committee the following draft of a bill which I am about to introduce. It is safe to assume that no Member will be given an opportunity to offer an amendment. The committee has the right to offer an amendment at any time during the discussion.

My bill is calculated to secure to labor certain minimum standards. If adopted into law it would protect labor directly. It would be of particular value in the trustified steel industry, where all efforts of the working people to improve their condition have so far proven futile. It is in order, and can by the addition of a paragraph at the end of the tariff bill become part of the tariff law.

Here is the proposed draft:

A bill to make the levying of duties on imports conditional upon the maintenance of certain labor standards.

Be it enacted, etc., That no duty shall be levied, collected, or paid on any article when imported from any foreign country into the United States or into any of its possessions unless the following conditions, and each of them, shall prevail at the time of such importation in the industry or branch of agriculture producing similar articles within the United States or within its possessions, namely:

(a) The working day for any wageworker shall not exceed eight hours; (b) the working week shall not exceed 44 hours; (c) at least one and one-half days of continuous rest each week shall be accorded to the wageworker; (d) no child under the age of 16 years to be employed; (e) wages and other terms and conditions of employment are determined by collective bargaining.

SEC. 2. All laws or parts of laws in conflict with this act are hereby repealed.

Mr. GARNER. I yield 20 minutes to the gentleman from Texas [Mr. CONNALLY.] [Applause.]

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen of the House, I hear the conflict of the elements without—the growling thunder and the roaring rain—and I marvel not that they are wrathful when they contemplate what this Republican House is about to do. [Laughter.]

Mr. MADDEN. It is a salute to the gentleman's speech. [Laughter.]

Mr. CONNALLY of Texas. I thank the gentleman from Illinois, because he knows in advance that I shall oppose this stupid and selfish protective tariff bill, and I am glad he realizes that my attitude is worthy of a salute like that.

Gentlemen, I can hope to contribute little of a new or enduring nature to this discussion. The debate has been very ably and capably conducted on the part of the Democratic side of the House by those in charge of the bill, notably the gentleman from Texas [Mr. GARNER] and other members of the Ways and Means Committee. But I want to set down briefly, if not for the delectation or instruction of the House, at least for my own satisfaction, some of the causes and reasons that impel me to cast my vote against this measure.

Fundamentally, I am opposed to the protective-tariff principle. I do not believe that it is morally right for the Government to use its taxing power to tax one citizen and give the money to another citizen. Taxes should be levied for the support of the Government. I have heard frequently on the floor of the House the false Republican boast that the protective-tariff principle is an American principle. If there is one thing in which we take great pride, it is the splendid statement of the true theory of American democracy—that in America every man is equal before the law and every man has an equality of rights, of opportunity, and of privilege. Yet when it comes to exercise the taxing powers of this Goverment the Republican Party, throughout the history of that party, has embraced the principle that the Government, under its control, has the right, because it is claimed one man may not be able to compete in his business, to tax another man who can or must compete, and take out of the pockets of the consumer money and hand it over to the pockets of one who says he can not compete in the American market, but, in fact, does compete in the open markets of the world. Such injustice must always sharply conflict with the Democratic theory that the tariff is a tax and should be levied equitably for the support of Government and that the Government has no moral right to lay tribute upon the industry of one citizen and transfer the fruits of his labor to the pockets of another.

But another basic and fundamental reason that appeals to me is that the very exercise of the power to tax, if you ever depart from the principle of absolute equality of taxation, the very possession of that power anywhere, some time or other will lead to its abuse. The pretext to tax will be utilized to oppress the many to enrich the few. I call to the attention of the Republican side of this House that the possession of any power by any authority in the world always tends to its abuse unless restrained by the people. There is constant temptation to exercise wrongfully the power possessed by any earthly authority. Why, if we had a good king, who would always exercise a benevolent rule, we would possess the most economical and the most efficient government on earth; but whenever kings get power they abuse it. And so when you exercise the taxing power of the Government to benefit any particular class there is always present the temptation of greed to abuse that power and to carry it to excess; and in the Fordney tariff bill before the House to-day we have a glaring example of that very iniquitous greed. The fact that the possession of power is always open to the temptation to abuse it is strongly illustrated on the Republican side of this House. Though you have 300 Members on the floor, your Republican Rules Committee and your Republican steering committee have absolutely taken from you the power

to control your own actions. They have abused the high privileges and powers which you have reposed in them. They rule you with an iron hand; you are denied the right to vote on many schedules in the bill. And so the Republican Party, as long as it adheres to the theory that you have a right by law to provide a protective tariff for the benefit of John Jones at the expense of Bill Brown, practices the doctrine of the bandit and the robber. If John Jones is the friend of those who happen to be in power, there is always the whispered temptation to rob Bill Brown and give the proceeds of the robbery to John Jones, "because he is my friend, and he is the man who supports me, and he is the man who put me in this House, and he is the man who can always be relied on back home." So that if for no other reason I should be opposed to the exercise of any arbitrary taxing power of that kind, because always and inevitably it will lead to abuse.

But those are general and fundamental objections to the protective tariff principle. What about this particular bill?

Is this the time in the economic history of the world, and particularly in the economic life of this Republic, to place a barrier between the people of the United States and the other nations of the world? When we have become a great creditor Nation, with Europe owing us $15,000,000,000 and unable to pay in gold, unable to pay in services, unable to pay in any manner except by the exchange of goods, is it the part of wisdom or of statesmanship to say to our people that "we will put up a barrier between the people who owe us and can only pay us in goods, and we will not even let them pay in goods, although that is the only way in which they can pay us"?

The gentleman from New York [Mr. LONDON] who has just preceded me, has very ably discussed the mutual benefits that always follow bargain and barter and trade and commerce. The most prosperous nations and the most prosperous people in the world are those among whom there are the most commerce and the freest exchange of goods. Prosperity in one line of business, if there is no artificial restraint upon barter and trade, will be generally reflected in others.

And so between nations; one nation's prosperity does not necessarily mean that another nation can not enjoy the same prosperity if there is allowed an interchange of manufactured goods and raw products between them. One may need raw products, another manufactured products.

But the Republican Party says we have got to have a high protective tariff in order to protect the American manufacturer and American industry. They say the reason for that is because the American manufacturers can not compete. They say they can not compete in the United States with foreign manufacturers. They say we can not manufacture goods in the United States and sell them to our own citizens in competition with the other nations of the earth. Let us examine that specious but baseless claim. If we can not compete with foreigners in our own market we can not compete with them in a foreign market after we have shipped the goods and paid the freight, commission, and brokerage charges in the foreign market which must be added to the original cost of the goods.

Do we sell goods in the foreign markets? In 1911, although a tariff on automobiles is provided in this bill, we sold in foreign countries $19,178,484 worth of automobiles and parts. In 1920 we sold $298,229,715 worth of automobiles and parts in foreign countries. Did we compete? Did not we compete with the manufacturers of automobiles and parts in all the world? Was not the competition successfully met by the manufacturers and did they not make a profit? If they did not they would have kept them in their own warehouses in America.

What else do we find? We find that the United States in this bill protects the cement manufacturers from alleged ruinous competition in the home markets. In 1911 we exported $4,632,215 worth of cement. That was prior to the enactment of the Underwood Democratic Tariff Act. The next figures here were during the operation of the Underwood Act: In 1920 we exported $10,045,369 worth of cement as against $4,632,215 in 1911. With whom did the American manufacturers compete in the foreign market? If they competed at all they competed with the foreign manufacturer and they competed successfully and made money by the exportation of the cement.

Now, how about dyes? They say unless we protect the monopolistic Du Pont interests, the United States will not be able to produce dyes for women's dresses, and if calamity should overtake the United States we will not be prepared with gases for war purposes. What do we find? We find that in 1918, during the war, when Germany was actually unable to sell abroad, we sold in foreign countries $8,629,611 worth of aniline dyes. Those are coal-tar dyes. My authority is the gentleman from Connecticut [Mr. TILSON], and he knows. In 1919 we exported $10,724,071 worth. In 1920, after Germany had recuperated, as gentlemen say when they try to frighten us, and after she had prepared the tremendous dye organization to capture the markets of the world—in 1920 we exported $22,450,480 worth of aniline dyes in competition with Germany, when in 1918 we only exported $8,629,611 worth. With whom did we compete in selling the dyes? We competed with every foreign producer of dyes and we made money.

In the face of that record the dye manufacturers assert that they can not compete in even the domestic market. This bill places an embargo on German dyes and gives to the Du Pont powder and dye interests, who have grown inordinately rich on war profits, a practical monopoly of the dye market of this country. The American people are to be required to pay a bounty to American dye interests and Germany is to be cut off from the American market. How can Germany buy our cotton and wheat if she is prohibited from exchanging her goods for ours? The tariff favorites are not satisfied with a tariff on dyes however high. Some might be imported. An embargo will keep it out. Dyes are now selling for three, four, five, and six times as much as before the war, according to testimony before the committee. The dye embargo delivers the American people to the dye monopoly.

Now what else? Take copper. In 1911 there was exported copper and its products in the sum of $103,327,846. In 1920 we sold copper and copper products to the amount of $133,429,272 and we competed with somebody in the export, and with success. Yet this measure, devised to fatten the copper manufacturers, carries a tariff on manufactures of copper, on the false theory that American producers can not compete in the home market.

Let us see about iron and steel. If any protection is to be given anyone, the American people ought to have some protection from the iron and steel interests. In 1911 we exported $1,874,401 worth of pig iron. That was under the Republican Payne-Aldrich bill. Under the Democratic Underwood bill in 1920 we exported $10,074,377 worth, or more than five times as much, and we competed with somebody when we did it and made money. The total manufactures of iron and steel exported in 1911, under the Republican Payne-Aldrich Act, was $242,452,293. In 1920, under the Democratic Underwood bill, our exports of iron and steel manufactures was $1,112,835,297, or more than four times as much as in the year 1911 under the Payne-Aldrich Act. Are we able to compete in the markets of the world, can we go into the free markets of Europe and compete with European manufactures, can we go to South and Central America and compete with France and England? These statistics show that we can.

With the boldness of a buccaneer, in spite of these facts, this measure provides a tariff on steel railroad rails, structural steel used in buildings, bridges, battleships, and merchant ships. For the nine months ending March, 1921, the imports of heavy structural steel were less than 3,000,000 pounds, while the exports were over 941,000,000 pounds, or more than three hundred times as much. Yet the tariff is increased. Higher steel rails mean higher freight rates. Higher bridge material means higher cost in good roads construction. Higher battleships mean higher taxes. All must come out of the pockets of the people to enrich the Steel Trust, the already fattened favorite of the Republican Party. In addition, hundreds of necessary articles of iron and steel used by the people in every-day life are made to bear a protective tariff tax. Steel should be on the free list and should have been there under the Underwood Act.

In 1920 we exported in unmanufactured wool 8,445,270 pounds, as against 3,918,992 pounds in 1916. In manufactured woolens in 1911 we sold $2,470,933. In 1920 we—and I want you Republicans who say that the business of every manufacturer of woolens will dry up if you do not have a protective tariff—I want you to give attention to this. In 1920 in manufactured woolen goods we exported $44,571,002 worth, seventeen times as much as in 1911. If we did not make a profit, if the manufacturers did not make money out of it, they are not following the usual Republican thrift.

Mr. MADDEN. What was the rate on exports?

Mr. CONNALLY of Texas. There is no rate on exports, and the gentleman knows that. I always thought the gentleman asked for information, but he knows that there was no rate on exports. At least I thought the gentleman knew that. There is no duty on exports, it is true, and I will tell you what that means. When there is no duty on exports these trusts, these monopolies, these corporations, these favored manufacturers, go out into the open markets of the world and are able to compete there with every foreign manufacturer, and this talk about a protective tariff to save the home market is only for home consumption. They do not need protection, because they prove it

by their own conduct when they go out into the free markets of the world and successfully compete with the manufacturers of Great Britain, Germany, France, Italy, Japan, and every other civilized nation.

That this bill is drawn particularly for the benefit of the manufacturers, to the hurt of the consumers and the wool producers, is susceptible of easy demonstration. Under pretense of aiding the woolgrower, paragraph 1101 provides:

Wools * * * 28 per cent ad valorem: *Provided*, That the duty shall not exceed 7 cents per pound.

Paragraph 1102 provides:

Wools, not specially provided for * * * imported in the grease or washed, 25 cents per pound of clean content; imported in the scoured state, 26 cents per pound: *Provided*, That none of the foregoing shall pay a higher rate of duty than 35 per cent ad valorem.

It is intended that the woolgrower shall believe he is to get 28 per cent on wool, but the proviso limits the duty so that in no case can he get more than 7 cents per pound. If wool were selling for 50 cents, the duty of 28 per cent would be 14 cents; yet he can get only 7 cents. The second section quoted pretends to give the woolgrower 25 cents per pound, but limits the duty to 35 per cent ad valorem. If wool is selling for 20 cents a pound, 35 per cent of that amount is 7 cents, and in no event can the duty be higher.

Let us see how the same wool is treated after it gets into the hands of the manufacturer. In paragraph 1116 woolen clothing of different grades is protected by a "compensatory duty" at a rate of from 20 cents per pound to 36 cents per pound, and in addition thereto there is levied a duty of from 25 per cent to 30 per cent of the value of the clothing. Wool in the hands of the farmer gets 7 cents' protection. The same wool in the hands of the manufacturer gets from 20 to 36 cents per pound, and in addition 25 per cent to 30 per cent of the value of the clothing into which it is manufactured. The ranchman gets a pittance and the manufacturer takes it all back and more on the woolen clothing, underwear, and hosiery he must buy for his family. The theory is that the manufacturer will have to pay 7 cents a pound more for his wool, and he must have a "compensatory" duty of 20 to 36 cents a pound to offset his increased cost, in addition to the normal 25 per cent to 30 per cent duty on his goods. There is now two years' supply of wool in Boston. Little, if any, will be imported soon. The manufacturers will not pay one cent increase on that supply which they now have. Yet they will add the "compensatory" duty to every woolen article manufactured of that wool, which the American people must buy. The woolgrower will get nothing because he has already sold. The American Woolen Co., the Woolen Trust, will get millions.

Such are the facts as to woolen goods, and yet they claim we can not compete at home. In one case the foreigner pays the freight and expenses of sale here, and it is claimed our factories can not compete. In the other case our factories pay the freight and do compete abroad.

Mr. STEVENSON. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. STEVENSON. They not only compete in the markets of the world, but they pay the tariff levied by France and Germany and Belgium after they get their goods there.

Mr. CONNALLY of Texas. To be sure, and that partly answers a little further the gentleman from Illinois [Mr. MADDEN]. There is no tariff on exports until they reach the foreign markets, and frequently they pay import duties there, which necessarily have to be added to the price of those commodities produced here in the United States. They are able to ship them, they are able to pay the tariff charges and the carriage charges and brokerage fees, and make a profit in free and fair competition.

Mr. MADDEN. Would the gentleman give to the foreigners the right to impose a tax upon our exports, while we refuse to impose a tax upon their exports?

Mr. CONNALLY of Texas. We can not control the foreigners, but I will tell the gentleman what he is going to do with foreigners, if the gentleman from Illinois and those who are in his councils and those who follow him go on erecting a high-tariff barrier. The European countries are going to adopt retaliatory tariffs even higher than now exist, and Central and South America will do so, and markets for which the gentleman says we are going to fight will be closed to us by tariffs, and instead of having a world market we shall be restricted within the economic boundaries of the United States that this economic moat you are digging and the wall you gentlemen seek to build up will inclose. Spain has already put up a retaliatory tariff on American goods. You will have a home market and you will have only a home market if you follow this narrow, provincial policy.

Let us now see about cotton goods. One of the favorite political frauds of the Republican Party is that American mills can not compete in manufactured cotton goods. In 1911 we shipped cotton cloths—that is, just the plain cloth—to the extent of $28,280,031 worth, and in 1920, under the Underwood Act, American manufacturers shipped $238,153,557 worth of goods to other markets. Let us take hosiery. We shipped abroad in 1920, $37,879,000 worth of hosiery. The total cotton manufactures shipped in export in 1911 amounted to $45,686,000, and in 1920, under the Underwood law, that Republicans say is inquitous, that is robbing the American manufacturer, is destroying American industry and bringing ruination on our export trade—under that inquitious Underwood law we exported in manufactured cotton goods $402,041,000, almost ten times as much in 1920 as we did in 1911.

During the life of the Republican Payne-Aldrich bill the average annual balance of foreign trade in favor of the United States was $478,501,193.50. Under the Democratic Underwood Act the same annual average in our favor was $2,473,511,186.57, more than five times as great, our national profit each year more than five times as much, and yet they talk about injuring our foreign trade.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CONNALLY of Texas. Yes.

Mr. COOPER of Ohio. Has the gentleman from Texas any figures on the exports for 1912 and 1913, before the war came on?

Mr. CONNALLY of Texas. Yes; they are right here, but I have not time to read them, but they are all here. [Laughter.] Oh, gentlemen need not laugh. I read them a while ago, and with one exception the exports increased—or possibly two exceptions—continually from 1911 up to 1920, and that exception was the year 1919.

Mr. COOPER of Ohio. Will the gentleman yield further?

Mr. CONNALLY of Texas. I can not read them all now, because there is a whole book of them, but later I shall refer to them again.

Mr. COOPER of Ohio. I live in one of the great iron and steel districts of the country, and positively know that in 1912 our industries were not exporting, because the mills were not working.

Mr. CONNALLY of Texas. But the gentleman does not live in all of the steel districts. [Laughter.]

Mr. COOPER of Ohio. There are very few districts in the country outside of the Youngstown and Pittsburgh districts that may be called steel districts.

Mr. CONNALLY of Texas. All I can say to the gentleman is that these figures are here on the desk before me in the statistical abstract prepared by the Department of Commerce.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. OLDFIELD. Mr. Chairman, I yield the gentleman five minutes more, and in that connection I call the gentleman's attention to the fact that the gentleman from Ohio said that in 1912 the mills were not running in his town. The Underwood law was not put on the statute books until 1913.

Mr. COOPER of Ohio. I said 1913.

Mr. OLDFIELD. The latter part of 1913.

Mr. CONNALLY of Texas. Let us accept the amendment of the gentleman from Ohio. If the gentleman says it was 1913, let it be 1913; but the Underwood law did not go into effect until October 3, 1913, so it could not have been both 1912 and 1913, nor even 1913, because as soon as it went into effect, the 1st of January, 1914, the gentleman's mills started up again under the Underwood Act. [Applause on the Democratic side.]

Mr. STEVENSON. Mr. Taft was President in 1912.

Mr. CONNALLY of Texas. Since the gentleman from Ohio is anxious to know about the steel and iron manufactures exported for those years, I refer to the statistical abstract. Here are the figures: For 1912, $290,512,681; 1913, $295,352,845; 1914, $201,320,067; 1915, $390,897,123; 1916, $871,327,322; 1917, $1,241,960,102; 1918, $1,035,229,567; 1919, $968,520,154. In 1920 they were $1,112,000,000, a greater sum than for any other year except 1917, when the stimulation of war perhaps affected them.

I shall have to run along here and suggest one or two other things, and then I am through. They say they are going to give a tariff on wheat. When the original Fordney bill—the emergency bill—was before the House in the first part of this Congress, they provided a tariff on wheat. You know that emergency tariff bill reminded me of the time you were initiated into a lodge. They took you into the anteroom, and took your name, and treated you very nicely, and gave you some ice water, told you not to worry; treated you very kindly, and

all that sort of thing; but after you got into the lodge room proper there was a different situation. Now the emergency tariff bill was just the anteroom. We are now riding the goat in the main hall. [Laughter.] The emergency tariff bill was simply invented to try to make the farmers and agriculturists of the country think the Republican Party was going to benefit them by a high tariff. They thought they would be able to follow that immediately by this permanent tariff and have them so intermixed, like they do all the tariff bills, that nobody could tell exactly what they mean unless they study it very carefully. But the trouble about the prescription the Republican Party administered to the farmer is that instead of matters getting better they got worse. Now, wheat has continued to go down, with slight fluctuations up and down a little, but wheat has continued to go down ever since the emergency tariff bill was passed.

That bill became law on May 27, and No. 2 wheat was then $1.64 to $1.70 at Chicago. A Chicago press dispatch of June 28 quoted July wheat at $1.19, and July 9 spot wheat was $1.19. I have been told that new wheat is selling in Oklahoma for around 80 cents. It has gone below the price of May 27, in spite of the appearance of wheat rust, which always stiffens the market.

Oh, one gentleman explained the low price by saying it would be much farther down than it now is if the tariff had not been enacted. If that gentleman is so shrewd in his construction, why in the name of Tom Hill did not he make the tariff higher? According to his theory if he had made it higher it would not and could not have gone as far down, because he would have pulled it back after it was halfway down.

Now, nobody believes that the farmer can be benefited by a tariff on wheat. Why? Because we are exporters of wheat. For the fiscal year ended June 30, 1921, the United States exported 365,000,000 bushels of wheat and flour in terms of wheat. That was the largest volume ever exported in any year in our history. The price per bushel was less than for 1920, but the total value, $840,000,000, was the highest on record. The market price of that enormous surplus controlled the domestic price. Each Republican tariff bill contains a "drawback" provision. If a raw material like wheat is imported, and if a duty is paid, the miller may grind the wheat into flour and export an equal amount of flour, and "draw back" from the Treasury 99 per cent of the tariff paid on the wheat. In the calendar year 1920 there were imported into the United States only 5,500,000 bushels of wheat and 220,000,000 were exported. Forty-four per cent of the exported wheat was in the form of flour. The miller can then "draw back" 99 per cent of all tariff paid on Canadian wheat. The farmer is told a tariff is paid, but he gets no "protection." It was held out to him, but when he reaches to get it it is "drawn back."

This bill carries no duty on raw cotton, but once in a while some Republican who thinks the cotton farmer can be buncoed or deceived by the cheap tricks of a faker proposes a tariff on cotton. He merely wants to get an additional "compensatory" tariff on manufactured cotton goods. But he does not fool anybody.

Since 1914 the United States has produced annually about 12,000,000 bales. About 60 or 65 per cent is sold in England, Germany, France, Italy, Japan, and other foreign countries. Every cotton raiser knows that the price in Liverpool, England, controls the American market, because the American manufacturer will not pay any more for raw cotton than the Liverpool market forces him to pay. Liverpool is higher because we ship cotton to England. England does not ship cotton here. If Liverpool goes up, the New England factory price has to go up, or the cotton will go to Liverpool. On the other hand, let Liverpool go down, and with that competition gone the New England factory lowers its price and buys cheaply, because there is more produced than is consumed in America.

Without the foreign market in Liverpool, Germany, Austria, and other countries the cotton raiser is at the mercy of the manufacturers of the United States. That is the exact trouble to-day. Germany, Austria, Italy, France, and other European countries can not buy normal supplies of cotton because they have no gold and can only pay us in goods.

With the foreign market for cotton practically gone New England now pays the farmer for his cotton less than it cost him to produce. The cotton grower whether he wants to or not, with tariffs or without tariffs, has to meet the competition of the whole world in Liverpool. Every bale of cotton that he fails to meet in the American market, he meets in Liverpool. Wherever raised and from wherever shipped he meets it there. England is a free-trade country and has no tariff on cotton. It is the world's market, and the price of American cotton is higher there than in America. If there is a surplus of manufactured cotton goods, the manufacturer closes his factory and lays off his men and stops his expense. He thereby holds up the price of cotton goods. The farmer can not stop. He is forced to continue, and a large cotton production forces his price down.

But what is the object of the Republican who sometimes talks about a tariff on cotton? He has two objects. The first is that if he can get a duty on raw cotton, he then will have an excuse to add a "compensatory" duty on manufactured cotton goods. He has already put the regular tariff duties on his goods as high as he thinks the country will stand. But he would like to get more. If a tariff is levied on cotton he can then charge a "compensatory" duty. Mind you, all Republican bills provide "compensatory" duties. Though not a pound of imported cotton might be used in making cotton clothing, though not a bale might be imported, and though a tariff on raw cotton would not raise the price one-tenth of a cent to the manufacturer, a multiplied compensatory duty would be added to all the clothing, underwear, hosiery, and so forth, made of American cotton, and added to the already high duties varying up to 40 per cent of their value. This added tax the farmer would pay without getting any "compensatory" benefit himself. The second object of the Republican is to fool some southern Congressmen or the cotton producers into supporting such a scheme, in order to commit them to the Republican protective theory and thereby forever silence their protest against the outrages perpetrated by that system on the consumers of America. If they can induce you to vote with them on one schedule, they feel they own your very soul. No such transparent fraud will delude southern Representatives or southern cotton raisers.

Foreign countries are neither willing nor can afford to pay us as much for our cotton if we deny them our markets as they will if allowed to ship us manufactured goods in exchange for the raw product.

Now, what else do we find? My time is limited and I want to try to get through. You know when a fellow gets to prosecuting a criminal case it takes a good deal of time. [Laughter.]

Oh, but they said the peace resolution was going to bring trade. "Yes," they said, "we want to trade with Germany; bring this peace resolution on," and in the next minute they say we shall not trade with Germany, because we are going to put a tariff wall between us and Germany.

I want to talk to the Republican Member, the gentleman from Texas [Mr. WURZBACH], a minute. The other day, in a speech, he took the Democratic Members of Congress from Texas to task. He says that we ought to vote for this bill in order to protect the farmer. I want to say to the gentleman from Texas that when he goes back to his farmer and ranch constituents and others in Texas I want him to tell them that when he came to Congress the first thing of importance he did was to vote for a tariff, a tax, if you please, upon nearly everything that the farmer wears or uses from the time he gets up in the morning until he goes to bed at night. And in exchange for his vote what does he get? He has got something that fools him. He gets a gold brick; he may think it is gold, but it is really brass. He does not get 5 cents on hides.

Protected hides are not in the bill. The Republican committee would not put them in. The gentleman from Texas says that the Republicans will put them in at the proper time. But they will not. But let us suppose they should put a 15-cent duty on hides. Automatically the shoe manufacturers will get a 10 per cent "compensatory" duty on shoes. Let us see how that will work out. A 30-pound raw hide now sells in Texas for $1.20. Fifteen per cent tariff would give the seller 18 cents additional. Out of that hide 10 pairs of shoes can be made. If shoes sell for $4 per pair, and most sell for more, the shoe manufacturer, on 10 pairs of shoes, would get $4 "compensatory" duty. He only paid 18 cents additional for the hide, but will collect $4, or more than twenty times as much to compensate him. A farmer or ranchman whose family buys 10 pairs of shoes in a year would pay more than he would get on 20 hides. All the rest of the people who do not sell hides would pay 10 per cent more for their shoes without getting anything to "compensate" them. The gentleman from Texas [Mr. WURZBACH] will find out that most of the Republicans wear shoes—more of them than make shoes—and they will not give him a tariff on hides. He thinks he is going to get something in the way of wool, but when he does his compensatory duty will eat him up.

When the gentleman votes for this bill for the farmer's sake, what does the farmer friend of my friend from Texas [Mr. WURZBACH] find out? At 4.30 o'clock in the morning he is aroused by an alarm clock upon which a tax is paid. He rolls back cotton sheets, because that is the only kind the farmer can

afford under the Republican administration, and all the things which I shall mention are protected in this bill, and the gentleman from Texas [Mr. WURZBACH] is for it. He is anxious about it. He is enthusiastic about it.

When the farmer gets out of bed he puts on his woolen or cotton underclothes, his socks, his shirt, his collar, and his woolen clothes. Though the cotton and wool in them were produced by his toil or care, he must pay a tax for the privilege of wearing them. He cuts kindling with a pocket knife and builds a fire in the fireplace whose bricks and tile and cement are taxed. He strikes a match and makes a fire in the kitchen and his wife cooks breakfast, and every metal kitchen utensil that she uses while cooking breakfast is taxed, as are the household and kitchen furniture. The breakfast table, the chairs, the knives, forks, dishes, plates, spoons, tablecloth, and napkins must pay their tribute to the tariff. He shaves himself with a razor and goes out and hitches up old Beck and uses trace chains that are taxed, as are the mule's shoes and the buckles on the harness.

Saws, blacksmith tools, grindstones, nails, staples, screws, bolts, files, and hundreds of other articles that he must buy are taxed. Why? My colleague Mr. WURZBACH says that it is to help the farmer. I say it is to help the manufacturer. These are things the manufacturer ships to the markets of the world, and there competes with the foreigner. But he says he can not compete here, and my colleague seems to believe him. I have not time to name even half of the articles upon which he must pay toll to the tariff favorite. If he goes down to the back of the field to shoot squirrels or kill the crows in his corn, he has to pay a tax on the rifle and shotgun. At night, after a hard day's toil, his family gathers around the fireplace. The good wife and mother is making clothes or knitting for the children. Her scissors, needles, buttons, yarn, and cloth can not escape the taxgatherer. The joy of the children also must bear a burden. The dolls and toys with which they play on the floor must contribute to the bulging purse of the manufacturer. Why? Because some Republican is afraid that a few German toys may be shipped to the United States.

Overcome with weariness, he goes to bed and pulls the blankets around shoulders bent by a tariff load levied to "help" him.

And when on Sunday he goes in his automobile——

Mr. MADDEN. Does he have an automobile?

Mr. CONNALLY of Texas. I know the gentleman from Illinois does not think any farmer ought to have an automobile. He believes in riding in a limousine himself and honking at every fellow that gets in his way on the street [laughter], and is not willing to let the farmer have even a little "tin Henry." What right has the farmer? You say you want to protect the laboring man. Is not the farmer a laboring man? If the farmer goes to church in his automobile, he has got to pay a tax on his automobile, although American cars are shipped all over the globe, and cost less to make than others.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARNER. I yield five minutes more to the gentleman.

Mr. CONNALLY of Texas. And while on his way to church he pays a tax on his oil and gasoline, and if his car goes dead, even the nippers and pliers, and the baling wire with which he fixes the car are taxed. And yet the gentleman from Texas [Mr. WURZBACH] believes in these things and votes for them to help the farmer. May some power save the farmer from such friends.

And what did he get in return for the farmer? He gets poor markets; he gets the barrier between the United States and Germany that is hungry for our wheat and that is almost naked for lack of our cotton. The gentleman from Texas [Mr. WURZBACH] declines to open up the German or Austrian market for American raw products, because he wants to protect the manufacturers in the East. One trouble now is that manufactured goods have not come down in price with farm products. He votes to keep them high when he votes for a high tariff. I am surprised that the gentleman from Texas should take that attitude. The war with Germany is over, so far as I am concerned. The fighting on the battle field has stopped. Why try to crush her industrially? We declared war only on the German military system. That is gone. Why war now on the German people? When her back is broken and she needs our products, I would not place an embargo on her; I would not say that her factories should not open again; I would not say that her people should not enjoy an opportunity to work and sell her goods; I would not say she should not send us goods and buy our cotton and raw products. She needs our cotton and we need to sell. She can only pay in goods. She has no gold. Germany's prosperity means our prosperity, and I am surprised that the gentleman from Texas should insist on absolutely crushing the economic life out of her. Why an embargo on German dyes? Why the increased rates on German goods, if the purpose is not to curtail trade with Germany? All know that the "American valuation" plan contained in the present measure is aimed especially at Germany. The valuation of imports in the high dollar of the United States instead of the cheaper mark will still further increase the rates on German goods.

Let me tell you what Mr. Hoover said in a speech yesterday. He knows a great deal more than some gentlemen on the Republican side. I can not read it all, because I have not the time, but listen to this paragraph:

> * * * Even if we lower our vision of civilization in this crisis solely to our own selfish economic interest, we are yet mightily concerned in the recuperation of the entire world. The hard times that knock at every cottage door to-day came from Europe. No tariffs, no embargoes, no navies, no armies can ever defend us from these invasions. Our sole defense is the prosperity of our neighbors and our own commercial skill. The recovery of our foreign trade can march only in company with the welfare and prosperity of our customers.
> * * * Any improvement in European production of manufactured goods will favorably affect our market for those raw materials, such as cotton and copper, where we possess the final supplies. * * *

Secretary Hoover knows more about world conditions than any living Republican, and he realizes that any selfish policy that cuts us off from world trade and impoverishes the foreign market for our goods can bring only disaster.

He says we can not cut ourselves away from European economic conditions. He says that if Europe prospers, we prosper; otherwise, our whole market will dry up.

Europe can not pay to our Treasury the $10,000,000,000 war debt, she can not pay the $5,000,000,000 of private debt she owes us, unless we trade with her. Our $3,000,000,000 Government-owned merchant fleet will tie up at the docks and be devoured by rust unless it can carry cargoes of imports as well as cargoes of exports. It can not survive unless it carries freight on the return as well as on the outgoing trip.

Gentlemen, it is an unsound and a false doctrine to isolate ourselves in an economic way. We must trade with the world. Where shall we sell our surplus supplies? Where shall we sell our surplus wheat, our surplus cotton, and the other raw and manufactured products of this land? We have got to trade with the world. Gentlemen, there never was a surplus of supplies of useful things in all the long and interesting history of time. Oh, there may be a surplus in some locality; there may be an overproduction over here or there; but never was there in the solemn annals of the past a day when there was so much food in apparent abundance but that there was somewhere a mouth that hungered for it, and the problem was to get it to him and exchange it with him for his toil. There never was so much clothing but that somewhere there was a body in rags willing to barter the strength of its limbs for the warmth it would bring. There was never so much lumber or bricks but that somewhere out under the stars there was a man that needed a roof over his head to shelter him from the storm. There never was in the history of the world a comfort but that somewhere there was an aching body that needed the ease and rest that it would afford. There never was in all the changing centuries through which the children of men have strained their nerves and muscles a convenience or labor-saving device but that somewhere out in the great world there was a hand ready for its use that would avail of it to add to the wealth of the earth. There never was a time when barter and exchange would not contribute to the happiness of all.

The foolish policy of cutting ourselves off from the markets of the world and cutting the world off from American markets will but add to the sum of human misery and subtract from the sum of human prosperity. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARNER. Mr. Chairman, I yield 20 minutes to the gentleman from Alabama [Mr. BANKHEAD].

The CHAIRMAN. The gentleman from Alabama is recognized for 20 minutes.

Mr. BANKHEAD. Mr. Chairman and gentlemen, I realize that in undertaking to present the views of the Democrats at this stage of the debate, in view of the able and learned arguments that have already been offered by my colleagues on this floor, what I shall say will be very largely in the nature of a reiteration of the arguments that have already been proposed in opposition to this bill. Within the limits of 20 minutes, of course, it will be impossible for one to undertake an analysis of the provisions of this bill and their probable effect upon the country. But I desire to present a few reasons why this bill should not be enacted into law, especially at this time.

I do not believe that the Republican leadership in this House in pressing the passage of this bill at this time is reflecting either the desire or the highest needs of the business interests, of agriculture, and the laboring people of America. This view is evidenced by editorials which we read in the great metropolitan papers, from one of which I will quote a brief extract, a paper which, by the way, heretofore, since Mr. Harding was inaugurated President, has been friendly to his administration. It is the New York American of July 12, 1921. Its criticism is this:

A worse economic measure than this Fordney bill it would be hard to imagine. Partly the product of profound ignorance of conditions and of economic causes and effects, and partly an unconcealed payment of political debts to powerful interests, the bill, if passed, will tend to raise prices and put an additional handicap upon our exporting trade and our merchant marine.

The Fordney tariff is not a protective tariff. It is an almost prohibitory tariff upon many things. It is not constructive, but destructive. It will not diminish taxes, but business. It will make it harder for our debtors to pay us and make us poorer and more in need of collecting our debts. The proposed Fordney tariff act is a vicious measure, because it will tend to restrict trade, to increase prices, to decrease the power to pay taxes, and to breed and foster home monopolies.

It is such an extreme measure that it is hard to see how any sensible man in the Congress can vote for it, unless he is under the influence of the interests which alone will profit from the general harm.

The gentleman from Texas [Mr. CONNALLY] a few moments ago said he would insert in the RECORD the views of Mr. Secretary Hoover upon the general national outlook as reflecting no necessity for the passage of this bill at this time. I believe that, possibly with one exception, Mr. Hoover is the ablest man in the present Cabinet. Certainly there is no man in that Cabinet who is more familiar with the condition of world affairs and with our foreign and domestic trade relations. Speaking only a few days ago to the representatives of the leather trade in Boston, Mass., Mr. Hoover, a responsible representative of the present administration, delivered this advice not only to his auditors on that occasion but to the American people:

SAYS PROSPERITY HINGES ON EUROPE—HOOVER ASSERTS AMERICA'S WELFARE IS LINKED WITH NEIGHBOR'S SUCCESS.

[By Associated Press.]

BOSTON, *July 12.*

Recovery from economic depression in the United States as well as abroad depends upon "courage and applied intelligence and the return to primary virtues of hard, conscientious toil and economy in living," Secretary Hoover declared here to-day before the National Shoe and Leather Exposition.

"There may be no recovery for many years to come," Mr. Hoover said, "if we neglect our economic relations abroad. The hard times that knock at every cottage door came from Europe. No tariffs, no embargoes, no navies can defend us from these invasions. Our sole defense is the prosperity of our neighbors and our own commercial skill. The recovery of our foreign trade can march only in company with the welfare and prosperity of our customers.

"Any improvement in European production of manufactured goods will favorably affect our market for raw materials such as cotton and copper. I am confident there will be a return to prewar demand for these. But as to our manufactures, we must get production costs down. The surest road to high wages is to remove restriction on effort. It means smaller profits, ultimately lower transportation rates, better organized marketing machinery abroad under Americans. It means establishment of adequate short-time credit machinery and much more care in foreign risks than our merchants have shown in the last 12 months."

I have higher authority than that for the statement that this is an inopportune time for the pressing of this tariff legislation. Upon yesterday afternoon I stood in the Senate of the United States and heard the Chief Executive of the Nation set a precedent which heretofore, so far as I have been able to learn, has not been indulged in by any President. He did not come before the Senate to advise them "on the state of the Union," as the Constitution authorizes him to do, but for the first time in the history of the Republic he came practically to take part in the debate in the United States Senate, and to tell the Senate of the United States what legislation it should not pass.

And in that connection, as I stood there and listened to his argument, although the statement of his position from his standpoint was a splendid statement, I knew that it meant the death blow of the efforts of those men in Congress in both branches who have been earnestly asking for the passage of adjusted compensation for our ex-service men. It reminded me of an incident that took place in the constitutional convention of Alabama in the year 1901. There was a delegate from a county in my district, Mr. Jim Pearce, a very successful merchant, who thought that lawyers were too often elected to office. He may have had some prejudice against this practice; and in order to forestall it and express his views he rose in his seat in the hall of the convention and said, "Mr. President, I offer an ordinance." The president of the convention said, "The gentleman will send it forward." He sent it up to the secretary's desk, and the secretary read the title, "An ordinance forever to prohibit any lawyer from holding any position of honor or profit in the State of Alabama." The president of the convention, Mr. John B. Knox, a distinguished citizen of Anniston, Ala., said, "The ordinance is referred to the committee on the judiciary," which was composed entirely of lawyers. Old Jim Pearce rose in his seat and with a wave of his arm said, "Good-by or-di-nance." [Laughter.] I thought of that when the senior Senator from Pennsylvania [Mr. PENROSE] arose after the address of the President yesterday and moved to refer the bill back to the Committee on Finance. [Applause.] I venture the prediction that certainly not at this session of Congress, and probably never, will it revive from the action that it received in the Senate of the United States yesterday afternoon.

But I said I would furnish you from the address of the President high authority for the inopportuneness of pressing this tariff bill now. The President of the United States, in addressing the Senate yesterday, took occasion to say—I quote his language:

There can be no solution unless we face the grim truths and seek to solve them in resolute devotion to duty. After a survey of more than four months, contemplating conditions which would stagger all of us were it not for our abiding faith in America, I am fully persuaded that three things are essential to the very beginning of the restored order of things.

Three things, says the President, after four months of mature deliberation, are essential, in my judgment, as your chief adviser, to restore business conditions and prosperity in this country. Was one of those three things the tariff bill, for which all these other important measures have been sidetracked in the House of Representatives? No; gentlemen, that was not included by the President in his survey of the three essentials. But he goes on to say:

These are the revision, including reduction, of our internal taxation; the refunding of our war debt; and the adjustment of our foreign loans. It is vitally necessary to settle these problems before adding to our Treasury any such burden as is contemplated in the pending bill.

It is necessary to do these things before we add to the overburdened taxpayers, laborers, and producers of this country a further sum by way of a tariff on imports, which passes on to the people of this country in the long run an amount of $2,000,000,000 or $3,000,000,000. [Applause.]

It is estimated, according to the statistics that have been suggested here—I believe upon the estimates of Mr. McCoy, Treasury Department expert—that the schedules in this bill will raise $600,000,000 in revenue. But before I get on to that phase of it I want to read one more extract from the speech of the President delivered yesterday, from the standpoint of his disappointment in the leadership of his own party in Congress, when he uttered this very frank and candid statement, which I call to the attention of the leaders in this House and to the attention of the people of the country:

You promptly provided the emergency tariff, and good progress has been made toward the much-needed and more deliberate revision of our tariff schedules. There is confessed disappointment that so little progress has been made in the readjustment and reduction of the war-time taxes. I believe you share with me the earnest wish for early accomplishment.

Gentlemen, if the Republican Party wanted to accomplish some real benefit for the masses of the people of America, in addition to giving consideration to this question of the reduction of these burdensome war-time taxes, as the President urges as of first importance, you should go further and undertake to give the people of this country some relief from the intolerable burden of the cost of railroad transportation, which is to-day throttling industry and paralyzing the business efforts of this country. You would then be doing something that would be of a constructive and helpful character to the people of this country. [Applause.]

If you would pass a bill compelling the Federal Reserve Board to lower its interest and rediscount rates and to lend some of its many millions of reserve funds to the farmers of the country, you would be doing a great act of justice and mercy to them. If you would stimulate the War Finance Corporation to arrange foreign credits for the sale of our surplus cotton that would be of tremendous benefit to our farmers, whose present distress is caused by the lack of a market for their products.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Texas.

Mr. CONNALLY of Texas. In connection with the high freight rates, the tax on all railroad iron as carried in this bill comes in to increase further the cost of transportation.

Mr. BANKHEAD. Of course it does. That has been presented here and I will not have time to go into it again. But what have you done? What has the Republican leadership in this House done to meet the conditions imposed on the country? Are you seeking to reduce taxes? Are you seeking by the legislation which, by passing first, you are presumed to consider of greatest importance to relieve the consumers, the business men, and the masses of this country from any of the burdens laid upon them by the conditions of the war?

Listen to this terrific letter from a banker in New York, and a strong Republican, to the Republican leader of this House:

HARRIMAN NATIONAL BANK,
New York, July 6, 1921.

Hon. F. W. MONDELL,
House of Representatives, Washington, D. C.

DEAR SIR: This bank has nearly 10,000 depositors, and fully 50 per cent of them are clamoring to know why Congress does not do something with regard to the reduction of taxation.

Is the activity of Congress the result of natural ineptitude or a feature of a deliberate reconstruction program?

There can be no improvement in the business world until taxes are reduced. The present stagnation in trade is really a strike against Government confiscation.

I include clipping from this morning's New York Times which hits the nail on the head. Will you kindly advise me, as the Republican House leader, what your views are and what action may be expected?

If you realized how many people are cursing out Congress, you might then understand what is to be expected at the next congressional election.

Very truly, yours, J. W. HARRIMAN.

Instead of passing laws to take burdens off the people you are deliberately proposing to enact legislation here which by your own confession will put an additional burden of a tax to the amount of $600,000,000 a year upon them. My friends, do not forget that this is the amount imposed at the custom-house; but before it gets through with the continuous, tortuous route of transportation and retail profits and reaches the poor devil at the end of the lane known as the ultimate consumer it will mount into billions of dollars of additional burdens upon the American people. If you think in doing this, if you believe in raising the cost of living in every home in America, you will contribute to the general prosperity by this method, then take your course and reap your reward.

I waited in vain during all this argument to hear some gentleman on the Republican side of the House give some concrete reason why the mere imposition of a high tariff schedule would start home industries in this country, how by a fiat of law imposing a duty you will start the mills in New England or the Middle West, how you will restore the price of farm commodities in this country. I have listened in vain. How will this performance, if you please, the mere enactment of a tariff bill by itself, without anything else, force industrial rehabilitation? Why are your shoe factories and your clothing factories and your other factories closed? I will tell you. Down yonder, down South, and out West, where your greatest customers reside, we do not make shoes and clothes; we manufacture practically nothing. Your drummers representing the jobbers are scouring that section of the country endeavoring to get orders for your mills. Why can they not get them? Because our people have not got the cash to order them and they have not got the credit upon which orders can be based. We have a surplus of our products, we have a great crop of cotton that cost us 30 cents to produce, and the price to-day is only 10 or 12 cents a pound. You can not get your orders filled, you can not get your products moved south and west to your domestic customers, until the customers get the cash or credit with which to buy. What is our only chance? I asked the gentleman from Iowa [Mr. GREEN], high in authority, an old veteran member of the Committee on Ways and Means, to kindly explain to me what the people of the South are going to do with our 60 per cent of surplus cotton unless we have a foreign market for it.

Only 40 per cent of the cotton, which is our cash staple product, is consumed in America by American spinners. You enact a tariff law that in effect prevents our trading with foreign countries and we have no remedy left except bankruptcy. At this time our old customers abroad for cotton have no gold with which to buy our cotton. They can only get credit by selling to us some of their products, and now you propose a prohibitive tariff so that they can not sell to us at all.

Now, the gentleman from Texas, the lone Representative—and I am sorry that he is not here to-night, because I dislike to make any reference to a gentleman in his absence—Mr. WURZBACH, the lone Representative from Texas in the Republican Party, after making a good speech, and the House had given him a cordial and kindly reception, after indulging in the usual arguments of high protection, stepped across the aisle and undertook to appeal to the Democrats here, especially the Democrats of the South, to forsake their traditional policy of a tariff for revenue only and join with him, because he was a Representative of the South, and to vote for this bill. Ah, gentlemen, he paid a poor compliment either to our intelligence or to our cupidity, if he desired to appeal to that, when he offered us the bounty or largess of a tax on cotton to be placed in the tariff bill. He offers to try to seduce the Democrats from the South by offering us a tariff on short-staple cotton—to put a tariff on short-staple cotton, of which we do not import a single bale and of which we export 60 per cent of our crop. I answer him with a quotation from the Book of Psalms:

Blessed is the man that walketh not in the counsels of the ungodly, nor standeth in the way of sinners, nor sitteth in the seats of the scornful.

If I had had opportunity to reply to the invitation of the gentleman from Texas [Mr. WURZBACH] when he asked us to forsake the faith of our fathers and surrender our political convictions on this great economic question which we held long before his party was even established, I would have replied to him that our faith is not for sale upon any basis, and that we believe in it now more strongly than ever, because in opposing this bill we stand steadfast upon one of the cardinal and fundamental principles of our doctrine of equal justice to all and special privileges to none. [Applause on the Democratic side.]

I wish, Mr. Chairman, that it were possible for me in undertaking to make an argument in opposition to this proposition, to go into detail with reference to some of the schedules. As affecting the cost of living and as affecting the price of the ordinary necessities of life as reflected every day in the homes of the masses of the people of the country, I desire to read to you some of the articles that are on the free list in the Underwood Act and that are taxed under the provisions of this bill.

They are as follows: Glass enamel, gloves, grease and fats, vegetable tallow and oil, hoop iron, bond steel, indigo, lard, lard compounds, lard substitutes, limestone rock, asphalt, bitumen, alcohol, bauxite, broom corn, burrstones (millstones), charcoal, pottery clay, cocoa, corn, corn meal, fresh fish, fruits and berries, furs and fur skins, meats (fresh), bacon and hams, milk and cream, miners' rescue appliances, cut nails, horseshoe nails, wire staples, wire nails, horseshoes, paper stock, print paper, paris green, pewter, phosphorus, moving-picture films, potatoes, railway bars, T rails, rye and flour, skins (goat and sheep), soya beans, steel ingots, dye blocks and billets, swine, cattle, sheep, tallow, type, wheat, wheat flour, wood pulp, wool, wool waste.

If this bill passes, every single one of the above items will be increased in price to the consumers of the country.

Mr. FORDNEY. Mr. Chairman, I yield one minute to the gentleman from Ohio [Mr. COOPER].

Mr. COOPER of Ohio. Mr. Chairman, I have asked for this one minute in order to place in the RECORD some figures of the imports of iron and steel into our country from 1912 to 1915. During the year 1912, which was the last year of the Republican tariff, there were imported into the country 3,297 tons; in 1913 the Underwood bill took effect, and that year there were imported 5,024 tons, while in 1914 there were 15,507, and in 1915, 55,092 tons. Then came along the European war. Does the Democratic Party contend that when the European countries export that much of their products into our country it is a benefit to the American workingman and the manufacturer?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FORDNEY. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. CROWTHER].

Mr. CROWTHER. Mr. Chairman and members of the committee, at the close of the last session I remember one gentleman on the Democratic side who was greatly concerned about a music bill that we were passing. He suggested that we would have to compose some very beautiful music in order to soothe the minds of the American people and satisfy them with the legislative procedure of the Republican Party. I think it was the gentleman from Arkansas [Mr. WINGO] who was so concerned. However, gentlemen on the Democratic side of the House are always tremendously concerned about the great danger to the American people through what is going to happen as a result of Republican legislation. Four or five of them here in the last few minutes have had almost a fit about this tariff bill. Brother COLLIER, from Mississippi, went through a regular athletic performance the other day in a two-and-a-half-hour speech, rambled from a museum in New York to the triumphant processions of the Roman Empire, and the most prominent feature of his speech is simply a rehash of candidate Cox's charge that the Republicans bought the election and were to be recompensed by favors incorporated in a tariff bill. The remaining fragments of this speech I suppose he has made 50 times at barbecues in Mississippi, just an old-fashioned Democratic free-trade speech. Why, gentlemen, if you fear so much that this bill will defeat the Republican Party at the next election, why are you so terrifically concerned about it? Speaking of music, which the gentleman from Arkansas thought our party should compose in order that the great American people

might be satisfied with American legislation, there has been considerable music on the Democratic side of the House in the last two or three years.

Of course, the Democrats on a tariff bill always sing, "Swing low, sweet chariot; come for to carry me home." But JOE FORDNEY composed a song, "Up, up, just a little bit higher"; and the gentleman from Texas [Mr. BLANTON], his sweet singing always reminds me of Maggie Cline singing, "Who threw the overalls in Mrs. Murphy's chowder?" [Laughter and applause.] And Brother TINKHAM, on this side of the House, and GALLIVAN, of Massachusetts, on the other side of the House, singing that charming ditty entitled "When the bloom is on the rye." [Applause and laughter.] The gentleman from Texas [Mr. SUMNERS], disguised as a troubador, in the last session serenaded the gentleman from Texas [Mr. BLANTON], singing a beautiful ballad entitled "I don't care if you never come back." [Applause.] Then they kept finding fault with PHIL CAMPBELL because the rules that he brought in did not satisfy them, and they wanted to change the name of "Rule Britannia" and call it "Rule, PHIL CAMPBELL, PHIL CAMPBELL rules the waves." The gentleman from Texas [Mr. YOUNG] every few days asked the leader on this side of the House in musical tones about the packer bill, "Oh, where, oh, where, has my packer bill gone; oh, where, oh, where can it be?"

Then we occasionally had the entire minority singing in a grand chorus, "I am always blowing bubbles, pretty bubbles in the air," dedicated to the Democratic Party by Woodrow Wilson.

Oh, well, you know this Democratic wing of the House generally act as obstructionists. The chairman of your national committee sent notice but the other day that that was to be your function in the future, to assail this side of the House and the Republican administration generally. An example of your deliberate unfairness was evidenced a few moments ago in the statement made by the gentleman from Texas [Mr. CONNALLY], which has been entirely refuted by a correct interpretation of the figures read into the RECORD by Mr. COOPER of Ohio. Our friend from Texas [Mr. CONNALLY] used to make a good speech once in a while, but his chief duty now seems to be to scold somebody.

Mr. CONNALLY of Texas rose.

Mr. CROWTHER. I can not yield now. I have only a few minutes. You remember he even scolded about the cut of Gen. Pershing's coattails; the style did not suit him. The gentleman from Texas served his country splendidly, but would probably have been quite peeved if a doughboy had dared to criticize the cut of his coattails.

The gentleman from Mississippi [Mr. COLLIER] found fault the other day about the tariff on steel rails, because it was going to add a bigger expense to the running of the railroads. Why, I say, gentlemen, under the Democratic administration and the Underwood bill the railroads cost more to run than at any period in the country's history. It cost the people of these United States a billion and a half, and the bills for that are not paid yet.

Then there is Mr. GARNER, who leads the minority fight on this bill. I like JOHN GARNER, an estimable gentleman—votes the Democratic ticket, as do thousands of Texans, but prays the Republicans will win. He made a splendid speech, apologetic in a sense, for the emergency tariff bill, and the way he slipped and fell down afterwards is what was known to the Methodists as backsliding; and it reminds me of a story of an old man named Wentworth, who lived in a little town in Massachusetts, who used to attend the Methodist revival meetings, where the preachers would get hysterical and arouse the people and call them up to the mourners' bench, and this man used to go up and get saved two or three times every year; then he would drink New Jersey applejack and beat his wife and be a generally disorderly citizen and backslider. He moved to a place called Stoughton, and Mr. Bradford, who lived near his home, said that he went to Stoughton three years afterwards and there was a great Methodist revival meeting under a tent. And there was Wentworth in the front row, and at the proper moment he jumped up again, as he did in days of yore in the old town where he had lived, and said, "O Lord, fill me full of Thy great spirit of love that I may go out in the highways and bring within the fold my recalcitrant and erring brothers; fill me full of love, O Lord, fill me full!" and old man Bradford shouted, "It ain't no use, Lord; he leaks!" [Laughter.]

And that was the trouble with JACK GARNER. His enthusiasm suddenly leaked on this great proposition of protection.

I desire to read here a short editorial entitled "GARNER'S change of heart":

The sudden change of heart of Congressman GARNER on the tariff issue was as unfortunate as it was unexpected, and the feebleness of his explanation demonstrates the power of party rule. He did not see a light; he saw a big stick, and in fear and trembling lined up with the free traders.

There is not a congressional district in the United States that is more in need of protection than that of Congressman GARNER. The live stock in his district is in direct competition with Mexican products, which are being produced at one-fifth the cost in the United States. Onions are a leading product, which come in direct contact with the Egyptian onion in leading American markets, and especially is this competition destructive since the increase in freight rates.

There never was a time when Texas products needed protection as much as they do at this time, and any reason that might have been advanced in favor of protection in the past applies with multiplied force to-day. It was not conditions that changed Congressman GARNER'S vote; it was politics.

Mr. Chairman, President Harding in his first message to the Congress made the following statement:

I believe in the protection of American industry, and it is our purpose to prosper America first.

The privileges of the American market to the foreign producer are offered too cheaply to-day, and the effect on much of our own productivity is the destruction of our self-reliance, which is the foundation of the independence and good fortune of our people. Moreover, imports should pay their fair share of our cost of government.

Mr. Chairman, it is interesting to note the tender solicitude manifested by the Democrats toward the workmen of European countries; apparently, no thought of the American toilers ever enters their minds. That is what the people of this country have learned to expect from the Democrats. A Democrat is just naturally a free trader, and while a few of them have, by prevailing local necessity, hedged a little and ducked behind the stump labeled "Tariffers for revenue," they still at heart are free traders and are as obstinate in the defense of their attitude as the long-eared quadruped whose chief asset is his bray and his chief liability a lack of excuse for the noise. [Laughter.]

Various gentlemen on the Democratic side have asserted that on this side we are to be scourged with the party lash and pass this bill. Well, for one, I shall be glad to stand up and take my medicine and be counted for this tariff measure, and shall feel no sting of remorse in voting for legislation that will keep the standard of America's working men and women's living conditions higher than any in all the world. [Applause on the Republican side.]

You Democrats for eight years were compelled to bare your backs to the party lash so continuously that all you needed here in this Chamber was a few cakes of ice for Eliza to cross on, pursued by a pair of bloodhounds, to make the spectators believe that it was a daily performance of Uncle Tom's Cabin, with Mr. Wilson in the title rôle of Simon Legree. [Laughter.]

During all the discussion the Democrats have carefully avoided any reference whatsoever to the economic disaster that the country faced during the early functioning of the Underwood bill. Not a word as to the millions of unemployed as a result of the factories closed and running on part time in 1913 and 1914. If it had not been for the war, with the resultant activities in American workshops, the Underwood bill would have become a stench in the nostrils of the American people. [Applause on the Republican side.]

The constantly reiterated charge that this bill is for the especial benefit of a few industrial enterprises and trusts that have contributed to Republican campaign funds is not worthy of the gentlemen on the Democratic side and simply illustrates how far from the truth men will allow themselves to stray when endeavoring to vindicate a theory that in practice has provided scanty revenue for the Government and soup houses for the people of the country. [Applause on the Republican side.]

The Democratic Members of the House are posing as altruistic internationalists who are forgetting the needs of their neighbors and the duty which the Government owes to its citizens, and bestow all their sympathy upon the people of other countries, and would have the Government of this country sacrifice the interest of its citizens in order to be overgenerous to the citizens of other nations.

Their chief desire is that we open the doors to foreign-made goods and thus give Europe an opportunity to pay her debts by providing a market here for European goods.

The contention is that the American market is the only one in which Europe may sell her commodities for cash. From a philanthropic and self-sacrificing standpoint this plan would be beyond criticism, but let us see how feasible it would be from a sound business standpoint.

In the first place, America advanced the money to European countries and they are justly indebted to America in that sum. By shipping commodities to the United States Europe would be receiving cash in return. This cash would be applied by Europe toward the payment of the debt to America. In other words, the United States would be receiving in payment of Europe's debt American cash paid for products sent here. Very true, this country then would have the goods and the cash, but

the character of the merchandise sent here by European countries is a big factor in determining the advisability and soundness of the plan. It is an undeniable fact that the products of European countries are similar to those produced here. In fact, American industrial prosperity is dependent upon and mainly supported by the manufacture and production of the same class of commodities as Europe produces. What then will America do with the output of her farms and factories?

For every million dollars worth of competitive products which we buy from Europe there will be a million dollars worth of similar products manufactured here that would be without a market.

It is very plain to see that such a plan while providing a cash market for European goods would, at the same time, be throwing American labor out of employment by depriving it of a market for its product.

So our Democratic friends would have American labor pay Europe's debt to the United States by sacrificing itself on the altar of unemployment. The European debt should be funded at some small nominal rate of interest to mature in 50 or 100 years, if such length of time be necessary, and refunded until the amount be reduced or liquidated. To whip this matter into negotiable shape, no matter how worthless as immediate revenue, is essentially the thing to do.

This bugaboo of Europe's debt should not be allowed to stand in the way of adequate protection to American labor and industry. Let us now and forever eliminate it as in any way affecting this or future tariff schedules.

In considering a tariff bill at this time we must take into consideration that the production costs in Europe will be extremely low for some years to come. They must produce and sell if at only a farthing profit to live and cope with their postwar problems.

On the contrary, wages are not going to be materially reduced in the United States, and at the first sign of returning industrial activity it is not unlikely that they may exceed the war-time levels.

Democrats constantly refer to the Payne-Aldrich bill as a measure that was distinctly unpopular, but the legislation that they substituted in 1913, the Underwood bill, has opened the eyes of the American people to the fact that the Payne bill was perhaps the best tariff bill ever enacted into law by this body. [Applause on the Republican side.]

In my own district we have suffered materially by the importation of millions of pairs of gloves, the rate of duty being so low in the Underwood bill that our manufacturers can not compete with the cheaply produced foreign merchandise. Thousands of men and women have been out of employment for months.

Mr. Chairman, the passage of the Fordney bill is a national necessity. It will not be necessary to use any party lash, for we are here with a Republican majority of 170, and a majority of the voters of this country to the tune of 7,000,000 sent us here to put the Underwood bill in a case with the League of Nations and lay them away in the archives. [Applause on the Republican side.] And this message did not come from east of the Mississippi and north of the Ohio; it came from every section of this land and spells national political oblivion for the Democratic Party for many years to come. [Applause on the Republican side.]

Mr. Chairman, the only fault I find with this bill is that it does not give protection enough. I am a Republican protectionist 24 hours a day. I will support any measure that is for the protection of American labor and American capital. I am for America and Americans first. If the farmers want a duty on hides or cotton, I will vote to support them. I will support any of my colleagues here in this Congress, whether they come from the North, South, East, or West, in any phase of protection that is demanded by their constituents. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. GOODYKOONTZ].

Mr. GOODYKOONTZ. Mr. Chairman and gentlemen of the House, when the bill is taken up for consideration under the five-minute rule in the Committee of the Whole House on the state of the Union I propose to make a tariff speech. As it is to-night, I appear as amicus curiæ, the friend of the court, in behalf of a sick man, the afflicted man, and I want to speak for a little while on the subject of the tools of the surgeons. I am one of those who believe in the principle that a tariff measure should be constructed by the friends of the tariff and not by its enemies; and it is as a friend of the bill, embodying as it does the doctrine of protection, called by Henry Clay the great American policy, and constituting the chief article of the faith and practice of the Whig Party, as also of its illustrious successor, the Republican Party, that I come before you to suggest a slight change in the text of the bill. The amendment which I have in mind and which I purpose to lay before the Committee on Ways and Means, confidently believing that the committee will commit no error in the disposition thereof, relates to surgical instruments.

My duty to suffering humanity, no less than to the great party to which I have the honor to belong, impels me to bring forward the subject in order that it may be given further consideration.

Paragraph 359 of the bill for the revision of the tariff now under debate would impose a very substantial import duty upon surgical instruments, and, as aforementioned, I give notice of my intention to propose an amendment, the effect of which, if it shall prevail, will be to place the instruments of surgeons on the free list.

Although a firm believer in the doctrine of protection, I find no grounds of justification for the placing of a tariff on the tools of a surgeon. Most every rule is qualified by its exceptions. In fact the exceptions make the rule. So in the case of the tariff bill the Ways and Means Committee has placed very many articles, especially of medicine, on the free list. I contend that surgical instruments should be transferred from the dutiable list to the free list, and my reason for this I shall now briefly state.

Mr. Chairman, there are in this country 9,000 hospitals and 137,000 physicians and surgeons. Of the 9,000 hospitals over 50 per cent thereof are conducted without pecuniary gain as charitable institutions. The great bulk of such hospitals are owned either by municipalities or else founded and endowed by philanthropists or supported by workingmen's organizations for the relief of suffering humanity. Of the remaining 50 per cent of hospitals, although under private ownership, operation, and control, scarcely one of them is to be found that does not open its doors to the poor that are afflicted.

Of the 137,000 physicians and surgeons engaged in perhaps the highest calling—unless it be the sacred ministry—known to mankind, I dare say not 1 per cent thereof would turn away a sufferer because, forsooth, he was not able to pay the fee. We positively know, as a matter of observation and daily experience, that physicians and surgeons do more for charity than all the men of the other learned professions combined. Hearing the voice of charity, they treat the sick and the suffering for money if they have it, but if they have it not then they minister unto them without money and without price.

Mr. Chairman, it is said that some very good surgical instruments are made in this country, and that large advances have been made in the business, especially so since the beginning of the World War. I am glad to know this and wish that these manufacturers may do well and prosper, but feel that in cases where the relief of pain and suffering may be facilitated by an ample supply of surgical instruments of the very highest type, at the lowest competitive price, then that no tariff barriers should be erected by this or any other Congress.

Mr. TILSON. Mr. Chairman, will the gentleman yield?

Mr. GOODYKOONTZ. Yes.

Mr. TILSON. Conceding every word to be true—and the gentleman has stated it well—if the gentleman were made to believe that, were no duties imposed upon the products of this industry, it must disappear from this country after having been built up during the war, and that hereafter we must depend on foreign sources for our surgical instruments, would the gentleman still be in favor of eliminating this duty, although it had the effect also of eliminating the industry from this country?

Mr. GOODYKOONTZ. I have the greatest faith in the ingenuity and enterprise of the American people. [Applause.] I have confidence in their ability to take care of themselves in a measure along this line. But as regards mere dollars as compared with suffering humanity, I would discard the dollar and get the very best instruments that any specialist on the face of the earth in any nation on earth can provide.

Mr. BLANTON. Mr. Chairman, will the gentleman yield right there?

Mr. GOODYKOONTZ. Wait until I have concluded my principal remarks.

The CHAIRMAN. The gentleman declines to yield.

Mr. GOODYKOONTZ. I will yield in a moment.

Good surgical instruments are handmade, and a man spends a lifetime acquiring the necessary skill in their manufacture. Such instruments must be of the highest type, for of them the very greatest precision is required in the operation. Of surgical instruments there are catalogued over 10,000 separate

kinds. Most of these are made by specialists in various parts of the world. From France we get some very delicate cutting edges; from England a very superior needle; from Germany scalpels and forceps that are unexcelled. A large number of these instruments are protected by patents. But the moment Germany is mentioned some people must fall into a fit. Germany is regarded as a "raw head and bloody bones." I presume that if there were no bread in the world except in Germany we would be told it were better to starve to death than deal with a German.

The ancients were optimistic and professed to believe there was some good in everything; that even the lowly toad "had a jewel in his head." While it is true that we scarcely can find words to characterize the devilish work of Germany and the Germans in respect to the war, yet it is no less true that we must respect their talent in the arts and sciences. In medicine and surgery, no less than in music and invention, the Germans have done exceedingly well.

Mr. Chairman, the surgical instrument is a necessity, not a luxury. Many hospitals are struggling for existence and must be supplied with surgical instruments.

In conversation with a gentleman who happens to be chief surgeon for three hospitals located in southern West Virginia, I was told that the surgical equipment, including X-ray machine, for one of his hospitals, containing 150 beds, cost about $20,000; that the average life of a surgical instrument was only about three years; that an abdominal knife would not stand more than 8 or 10 operations, and when sent to the factory to be ground was usually found upon return to be worthless and cast aside; that not all American instruments could be depended upon.

This is the testimony of Dr. Henry D. Hatfield, who, notwithstanding he has dabbled some in politics, having served as governor of West Virginia, is well known as one of the famous surgeons of the country.

Mr. Chairman, importers are now busily engaged in laying in heavy supplies of foreign-made instruments with the intention of raising the price to consumers in event the tariff shall be imposed. In the name of countless thousands—mothers who bear the agony of childbirth and others of God's people, men, women, and children—who require surgical treatment in order that life may exist or be prolonged or that the agony of pain may be assuaged or that indescribable suffering may be soothed and allayed; in the name of the benefactors of mankind who build and endow hospitals for the relief of the poor and needy; and in the name of 137,000 physicians and surgeons, the greater number of whom spend hours each day in ministering to the poor and the lowly, the weak and heavy laden, without compensation other than that which comes as a reward to conscience for duty well and faithfully done—in the name of these, all these, I ask you to so vote as that all surgical instruments be exempted from import duty.

By doing this good deed you will contribute to the noble cause of charity, and as a result thereof thousands, yes, literally thousands, will rise up and call you blessed.

I have faith in the merits of my proposition. I entertain the hope that you will unite with me in supporting it solely for the sake of a noble charity.

"And now abideth faith, hope, charity, these three; but the greatest of these is charity." (1 Cor., 13.)

Such are the memorable words of the scholarly St. Paul, and just as true as the eloquent speech he made, when standing on Mars Hill, in taking the Athenians to task for erecting a monument "to the unknown God," and in substance and effect telling them there was but one God—the living God. (Acts xvii, 23.)

The observations I have made were prompted by a desire to aid in perfecting the measure. This splendid bill, to be known as the Fordney Act, is the product of the master minds of the powerful Ways and Means Committee. The gentlemen on this committee have given the subject of tariff revision highly intelligent, painstaking, and laborious consideration, and now present the bill to the full membership for criticism, and, if need be, amendment.

Mr. McSWAIN. Mr. Chairman, will the gentleman yield?

Mr. GOODYKOONTZ. Yes.

Mr. McSWAIN. I sympathize very sincerely with the argument of my friend, recognizing that the argument he is making is from the standpoint of a protectionist. Can my friend conceive of any other instance where a tariff of this character will work injuriously to any other class of people than surgeons?

Mr. GOODYKOONTZ. The bill upon the whole I regard as a great measure. I can conceive of but two or three phases of the bill that I would like to dissent from; and as these questions under the rule will be submitted to the abitrament of the House by a vote of the Members after a careful perusal of the document, so far as limitations of time will permit, this is the only exception I would make. Medicines are largely allowed to come in free, and I can not see why surgical instruments should not be allowed to come in free, in view of the fact that when life and death are involved we do not count dollars at all.

You can take the cutter of diamonds. We have not any of them in this country, but we have to go to Amsterdam to get them. And so in the manufacture of these delicate instruments we must find the man who has spent a lifetime in the business, who has lived up to it. Perhaps his father before him was engaged in the same line of business. These instruments are handmade. Therefore I draw that distinction and make that exception, and I am appealing to the committee, the standing committee of which the great war horse from Michigan [Mr. FORDNEY] is the chairman.

Mr. FORDNEY. Mr. Chairman, will the gentleman yield for a question?

Mr. GOODYKOONTZ. Yes.

Mr. FORDNEY. Brother, the reason why there is a protective duty put upon surgical instruments is that we are at the present time producing about 95 per cent of all the surgical instruments used in the United States. Some are coming from Japan, of peculiar pattern, and so on. But a surgeon of this town told me that the finest surgical instruments made in the world are made in the United States right now. That industry has been built up since the war began, and we want to retain it here. [Applause.]

Mr. GOODYKOONTZ. I will say to the gentleman from Michigan that there must be a diversity of opinion upon that point. Surely the constituent of mine, the friend of mine from West Virginia, a distinguished man in our party, to which the gentleman belongs, who has served his whole life in this business, could not be mistaken. And furthermore, in conversation with Dr. Mitchell, a surgeon of this city, on day before yesterday, he fully corroborated the statement made to me by the West Virginia authority.

When the bill is perfected and passed it will take its proper place in the line of great Republican tariff laws that have caused this country to grow and prosper until the Nation became the wealthiest and the greatest in the world. Under the protective-tariff system American labor has received better pay by far than the workingmen of any other Nation. Under that system American industry has expanded and capital multiplied almost beyond imagination.

Only under that system, and that system alone, can we hope to restore the equilibrium of business and afford employment to the 5,000,000 of men now idle as the result of the dislocation of business, due in part to the reaction following the war and in part to eight years of Democratic rule, coupled with a free-trade tariff law and an orgy of the most willful and wasteful spending of the people's money that ever debauched a civilized people. [Applause.]

Mr. BLANTON. Mr. Chairman, I make the point of order that we have no quorum present.

Mr. FORDNEY. Will the gentleman withhold that for one more 10-minute speech?

Mr. BLANTON. We have been here since 11 o'clock this morning.

Mr. FORDNEY. You gentlemen on that side used two hours to-night.

Mr. BLANTON. I know; but we have been working here since 11 o'clock, and have got to sign up our mail yet. It will take me until 12 o'clock to sign up my mail, and I want to hear the debate, and other Members want to hear it. Besides, the Official Reporters have been working here since 11 o'clock this morning.

Mr. FORDNEY. If the gentleman will withhold it, I will yield 10 minutes to the gentleman from Porto Rico [Mr. DAVILA].

Mr. BLANTON. I withdraw the point of no quorum.

The CHAIRMAN. The gentleman from Porto Rico [Mr. DAVILA] is recognized for 10 minutes.

Mr. DAVILA. Mr. Chairman, broadly speaking, Porto Rico wishes to voice her gratitude for the consideration many of her interests have received at the hands of the committee that framed this bill. There are, however, some provisions in the schedules which peculiarly affect us, that will work a hardship upon our people, as I think I can demonstrate in the brief time that has been allotted me.

Those people, who number more than a million and a quarter, are almost entirely engaged in the cultivation of the soil. They constitute something more than 5 per cent of the class

of 30,000,000 engaged in American agriculture, whom the committee in its majority report emphasize "are entitled to protection on the same basis as those of other industries." They have known all of the hardships and sufferings which follow from the mistaken policy of placing the farmer on the free list. They have felt to even a greater extent than their brethren on the mainland the grinding effect of foreign competition on the one hand and on the other the disastrous results that always follow the fixing of prices of produce in places far removed from where it is grown, to both of which evils the committee has referred.

The produce of our soil is almost wholly consumed beyond the seas while our leading staples of food can not be produced at home but must be brought in ships from the United States and foreign countries. This results in a situation that bears heavily upon the masses of the people and is particularly burdensome upon those engaged in the cultivation of coffee.

In Porto Rico there are 20,000 coffee farms of from 1 to 2,000 acres, the smaller farms predominating. The total acreage under cultivation in coffee is approximately 150,000. This land is the high land and is unfit for any other crop. About 300,000 persons in Porto Rico are dependent on the coffee crop of that island.

The annual production in Porto Rico varies widely from thirty to sixty million pounds per annum. The coffee exports normally go about one-half to Europe and one-half to Cuba. This is our one large industry that remains strictly Porto Rican in its character, for, while corporations, financed largely from the mainland, are engaged in the sugar, tobacco, and fruit industries, there is not a single corporation engaged in the coffee industry. Coffee is the only considerable product of Porto Rico that has not benefited by the union with the United States. Sugar, tobacco, and the citrus fruits have a great advantage in the American market, but coffee, which is really the poor man's crop in Porto Rico, has not only received no advantage from this union, but has rather declined since the American sovereignty was extended to the island because of the rapid development of coffee in Brazil. As a result of this, during this period of American sovereignty coffee has changed from the most prosperous to the least prosperous crop in Porto Rico.

The United States imports annually about 1,400,000,000 pounds of coffee, which is admitted free of duty. A duty of 5 cents a pound on coffee would produce for the United States Treasury an income of $70,000,000 a year and give protection to this industry in Porto Rico and the 300,000 people depending on it. It will enable land in Porto Rico to be profitably cultivated which can not otherwise be cultivated and which land is essential for the support of our teeming population. As I have said, the lot of those people since annexation has been a hard one, but under the provisions of this bill it will be even harder, for with the exception of their native fruits and coffee the staple food of these poor people is dried fish and rice, both of which will be increased in price as a result of the increased protection granted them.

Let us consider the lot of these poor people who eke out a mere existence in the high land of Porto Rico with that of the fishermen and farmers of the United States. When the rice industry was pleading for protection from Asiatic competition which threatens to exterminate it, a special plea was made for the preservation of the Porto Rican market. In fact, the value of the Porto Rican market was recently set forth by the rice interests in the following terms:

> The price of rice in Porto Rico is one of the most important factors governing its purchase by the natives, who are not connoisseurs of high-grade rice but buy it in large quantities only for its food value, therefore purchasing it at the cheapest possible price. The difference in value of three-quarters of 1 cent per pound before mentioned as expressing the difference in quality between our rice and the Asiatic products, would not be sufficient inducement for the Porto Rican laborer to buy American rice. At the earliest moment after the price difference between the American-cleaned rice delivered and the Asiatic rice delivered in Porto Rico exceeds 1 cent per pound (the present tariff protection), we will expect keen competition and underselling in Porto Rico. This is a good and dependable market for 10 per cent to 15 per cent of our production, or, roughly, 1,200,000 to 1,700,000 pockets.

That plea has been answered. The Porto Rican market has been preserved for the American rice farmer, but the Porto Rican coffee farmer will have to pay an increased tariff of 100 per cent on the rice with which he feeds his family, without in turn receiving any compensation from the bill. What that means can readily be understood when it is recalled that rice is the staff of life of the Porto Rican, even as wheat is the staff of life of the continental American. And whereas the consumption of rice on the mainland has until recently been about 5 pounds per capita, in Porto Rico the consumption has been over 110 pounds per capita.

Do not misunderstand me. We are not criticizing the committee for increasing the duty on rice and dried fish and thereby preserving the standard of living of the American farmers and fishermen. What we do ask is merely compensation in the nature of assured markets at a remunerative price for those of our industries whose cost of production will be increased by reason of the operation of this bill.

I refer especially to the coffee industry, and I do not underestimate the difficulties that present themselves in connection with that crop. I know how the American people stand on the question of a free breakfast table. But it is understood that new commercial treaties will follow the enactment of this bill, and when those trade agreements are negotiated it is the hope of the Porto Ricans, who willingly make the sacrifices called for in this bill upon the common altar of American protection, that their reward will then be written into those new treaties.

That it has been the wish of the chairman and the members of the committee to help our struggling rural population wherever possible we firmly believe, and we have a concrete illustration in the protection that for the first time has been extended to the languishing coconut industry of the island. Our tobacco growers will also share in the increased prosperity that is assured their fellows in the States under the provisions of the pending bill.

But, Mr. Chairman, candor compels me to say in all kindness that I can not speak in a like strain when considering the treatment meted out to the principal industry of the island. As I listened to the splendid presentation of this measure last Friday by the chairman of the committee I was forcibly impressed with that portion of his remarks in which he made clear that this was a nonsectional bill. Let me read that passage from the RECORD:

> Mr. FORDNEY. Gentlemen of the South, of the North, of the East, and of the West, the committee in arranging rates in this bill have protected every industry of the South equally with those of the North. [Applause on the Republican side.] I have taken the position, although some of my colleagues have differed with me, that cotton is just as important an agricultural product of this country as corn and wheat and oats, and is entitled to protection for that reason. I am thoroughly convinced that the only way to write an equitable and just tariff law is for every man whose vote takes a part in the passage of the same or in the framing of it to forget the little town in which he lives, the county that surrounds him, the congressional district that he represents, and take into consideration only the welfare of all the people in every State of this Union. [Applause on the Republican side.]

Then I recalled the provision in the sugar schedule, an entirely new departure in American tariff legislation so far as I have been able to learn, which automatically operates to reduce the protection accorded Porto Rican sugar 25 per cent below that enjoyed by the beet and cane sugars of the South, the North, the East, and the West, while the men who sweat and toil in the Porto Rican fields are taxed 100 per cent additional tariff duties on their daily bread. And I could not help but wonder, Mr. Chairman, if our big-hearted, generous friend, the chairman of the Ways and Means Committee, who has done so much for us and for whom we feel the utmost gratitude, had not entirely overlooked our little island out there in the middle of the sea, and which is without a vote, when he said:

> I am thoroughly convinced that the only way to write an equitable and just tariff law is for every man whose vote takes a part in the passage of the same, or in the framing of it, to forget the little town in which he lives, the county that surrounds him, the congressional district that he represents, and take into consideration only the welfare of all the people in every State of this Union.

I feel confident that he simply overlooked us, and that we have only to appeal to his and to your sense of equity and justice to restore us to an equal footing with the other American producers of sugar.

Let us read the language of this provision. I refer to paragraph 502 of the bill:

> PAR. 502. Any person manufacturing or refining in the United States sugar testing by the polariscope over 90°, produced from beet or cane grown in the continental United States, shall for each pound so manufactured or refined during any month in any State, Territory, or the District of Columbia, be permitted to import, at any time before the expiration of nine months after the last day of such month (for the sole purpose of being manufactured or refined by him in such State, Territory, or District), 2 pounds of sugar testing by the polariscope not above 96°, at three-fourths of the rate of duty to which such sugar would otherwise be subject. The Secretary of the Treasury shall make all regulations necessary for the enforcement of this paragraph, including the taking of bonds to secure compliance with its provisions.

Now, if any benefit is going to be derived from this provision, it will go to the refiner or to the producer in continental United States. I contend that the sugar of Porto Rico is as domestic as the sugar produced in Louisiana, Michigan, or any other State of the Union, and we naturally resent any discrimination against us. You have not given a square deal to Porto Rico in this provision, and I want to remind you gentlemen that it is a discrimination, and that there is no place for

discrimination under the American flag. And let me, in concluding my remarks, state, in the language of the gentleman from Alabama [Mr. BANKHEAD], that I sincerely believe the committee will protect American industry, American interests, and American citizens with equal justice to all and special privilege to none. [Applause.]

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the tariff bill (H. R. 7456) and had come to no resolution thereon.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 55 minutes p. m.) the House, under the order previously made, adjourned until Thursday, July 14, 1921, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. DYER, from the Committee on the Judiciary, to which was referred the bill (H. R. 216) to incorporate the Disabled American Veterans of the World War, reported the same without amendment, accompanied by a report (No. 263), which said bill and report were referred to the House Calendar.

ADVERSE REPORTS.

Under clause 2 of Rule XIII,

Mr. RAMSEYER, from the Committee on the Post Office and Post Roads, to which was referred the bill (H. R. 6012) for the adjudication and determination of the claims arising under joint resolution of July 14, 1870 (16 Stat., p. 670), authorizing the Postmaster General to continue to use in the Postal Service Marcus P. Norton's combined postmarking and stamp-canceling hand-stamp patents, and directing him to "determine upon a fair, just, and equitable compensation for the use of said invention," or arising otherwise, reported the same adversely, accompanied by a report (No. 262), which said bill and report were laid on the table.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DYER: A bill (H. R. 7745) to provide longevity pay for reserve officers and National Guard officers serving under orders of the War Department; to the Committee on Military Affairs.

By Mr. FOCHT: A bill (H. R. 7746) to regulate within the District of Columbia the sale of milk, cream, and certain milk products, and for other purposes; to the Committee on the District of Columbia.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANTRILL: A bill (H. R. 7747) granting an increase of pension to Elias Shannon; to the Committee on Invalid Pensions.

By Mr. DREWRY: A bill (H. R. 7748) for the relief of J. P. Coleman; to the Committee on Claims.

By Mr. KAHN: A bill (H. R. 7749) granting six months' pay to Alice P. Dewey; to the Committee on Naval Affairs.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 7750) for the relief of Fairbury Lodge, No. 1203, Benevolent and Protective Order of Elks; to the Committee on Claims.

By Mr. MOORE of Ohio: A bill (H. R. 7751) correcting the military record of John Hill; to the Committee on Military Affairs.

By Mr. PATTERSON of New Jersey: A bill (H. R. 7752) granting a pension to Josephine McAfee; to the Committee on Invalid Pensions.

By Mr. RAKER: A bill (H. R. 7753) granting a pension to Eva A. Smith; to the Committee on Invalid Pensions.

By Mr. SCHALL: A bill (H. R. 7754) for the relief of Edward D. Bartlett; to the Committee on Claims.

Also, a bill (H. R. 7755) granting a pension to Altha Witham; to the Committee on Pensions.

Also, a bill (H. R. 7756) granting a pension to Annie White; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 7757) for the relief of Charles L. Rennell; to the Committee on War Claims.

By Mr. WARD of North Carolina: A bill (H. R. 7758) for the relief of E. A. Beals; to the Committee on Claims.

By Mr. WINGO: A bill (H. R. 7759) granting an increase of pension to George H. Swigart; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1958. By the SPEAKER (by request): Communication from Bruno N. Aquino, 181 Magallanes Street, Walled City, Manila, P. I.; to the Committee on Insular Affairs.

1959. Also (by request): Petition of Michael Biggins and 299 others of the eleventh congressional district of Missouri, and Henry Hosey and 810 others of the State of Pennsylvania, asking recognition of the Irish republic; to the Committee on Foreign Affairs.

1960. By Mr. BRAND: Petition of W. D. Teasley and others of the eighth district of Georgia, urging the repeal of the 10 per cent sales tax, as provided by section 628a of the revenue act of 1918; to the Committee on Ways and Means.

1961. By Mr. BURDICK: Petitions from organizations of Americans of Ukrainian ancestry and from Ukrainians residing in Woonsocket, R. I., remonstrating against Polish atrocities and persecutions in East Galicia; to the Committee on Foreign Affairs.

1962. By Mr. CULLEN: Resolution adopted by National Lime Association, urging Congress to enact adequate legislation to protect and maintain in this country the coal-tar industry; to the Committee on Ways and Means.

1963. By Mr. CURRY: Petition of 195 citizens of the third California district, favoring the passage of the Towner-Sterling bill, creating a department of education; to the Committee on Education.

1964. Also, petition of 97 citizens of Vallejo, Calif., favoring the enactment of the Towner-Sterling bill; to the Committee on Education.

1965. By Mr. DYER: Petition of Peter Hermensdorf, favoring light wines and beer; to the Committee on the Judiciary.

1966. Also, petition of the Loyal Greek Legion, of St. Louis, Mo., asking aid for the people suffering untold atrocities in Greece; to the Committee on Foreign Affairs.

1967. By Mr. FULLER: Petition of the Kuehl Clock Co., of Chicago, Ill., opposing imposing tariff duties on the American valuation; to the Committee on Ways and Means.

1968. Also, petition of the Mid-Continent Oil & Gas Association, favoring a tariff on oil; to the Committee on Ways and Means.

1969. Also, petition of the National Lime Association, favoring protection for the dye industry; to the Committee on Ways and Means.

1970. Also, petition of M. O. Eldredge, director of roads, American Automobile Association, opposing a tariff duty on asphalt; to the Committee on Ways and Means.

1971. By Mr. KISSEL: Petition of A. L. Tuska & Son & Co. (Inc.), New York, N. Y., relative to the Fordney tariff bill; to the Committee on Ways and Means.

1972. Also, petition of Alimentary Paste Manufacturers Association, Brooklyn, N. Y., relative to tariff on macaroni; to the Committee on Ways and Means.

1973. By Mr. LINTHICUM: Petition of medical and chirurgical faculty of State of Maryland, Baltimore, Md., requesting provision for free importation of books in foreign languages, as provided for in present tariff; to the Committee on Ways and Means.

1974. By Mr. PARKS of Arkansas: Petition of citizens of Camden, Ouachita County, State of Arkansas, asking for recognition of Irish republic; to the Committee on Foreign Affairs.

1975. By Mr. SANDERS of New York: Petition of the One hundred and fourth New York Volunteer Regiment of Infantry (Wadsworth Guards) at their reunion, urging the passage of a law granting a pension of $72 per month to all men who served in the Civil War; to the Committee on Invalid Pensions.

1976. By Mr. WINGO: Resolutions of Sunday school of Baptist Church; Banner Council, No. 5, Junior Order United American Mechanics; Baptist Church of Midland; and the Ladies' Aid Society of the Baptist Church of Midland, all of Midland, Ark., indorsing House joint resolution 159; to the Committee on the Judiciary.

SENATE.

THURSDAY, *July 14, 1921.*

(*Legislative day of Tuesday, July 12, 1921.*)

The Senate reassembled at 12 o'clock meridian on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Borah	Gerry	Ladd	Smoot
Brandegee	Glass	La Follette	Stanfield
Broussard	Gooding	Lodge	Stanley
Bursum	Hale	McKellar	Sterling
Capper	Harreld	McNary	Sutherland
Caraway	Harris	Moses	Trammell
Culberson	Harrison	Nelson	Underwood
Cummins	Heflin	New	Wadsworth
Curtis	Hitchcock	Nicholson	Walsh, Mass.
Dial	Jones, N. Mex.	Norris	Walsh, Mont.
Dillingham	Jones, Wash.	Oddie	Warren
Edge	Kellogg	Pittman	Watson, Ga.
Ernst	Kendrick	Poindexter	Willis
Fernald	Keyes	Pomerene	
Fletcher	King	Robinson	
Frelinghuysen	Knox	Sheppard	

Mr. CURTIS. I wish to announce that the junior Senator from Arizona [Mr. CAMERON] is unavoidably absent on official business.

Mr. STERLING. I desire to announce the absence of the Senator from Iowa [Mr. KENYON] and the Senator from California [Mr. SHORTRIDGE] on business of the Senate.

The VICE PRESIDENT. Sixty-one Senators having answered to their names, a quorum is present.

AVIATION AND ORDNANCE EXPERIMENTS BY ARMY AND NAVY.

The VICE PRESIDENT. The Chair lays before the Senate communications from the Secretary of the Navy, which will be read.

The communications were read and ordered to lie on the table, as follows:

NAVY DEPARTMENT,
Washington, 12 July, 1921.

In re destruction of cruiser *Frankfurt*.

The honorable the VICE PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SIR: The fourth of a series of experiments, consisting of the destruction by aircraft and gunfire of ex-German men-of-war off the Virginia Capes, will take place on 18 July, 1921.

The Navy Department cordially invites you and such Senators as may wish to witness these experiments, but regrets that the department will be unable to furnish transportation to and from Washington, D. C., to the scene of the experiment, as was done in connection with the other tests. Invitations will be issued upon application to the department (Commander J. H. Klein, jr., United States Navy, Bureau of Navigation, Room 3409. Telephone Navy Department, Main 2520, Branch 900). It is requested that applications be made not later than noon, Friday, 15 July, 1921.

Observers will be embarked at 3.30 a. m., Monday, 18 July, 1921, aboard two destroyers which will be found moored alongside the Old Point Dock at Fortress Monroe, Va. Admission aboard these destroyers will be granted only to those holding Navy Department invitations. The destroyers will shove off promptly at 3.30 a. m. and transport the observers to the battleship *North Dakota*, which will then further transport the observers to the scene of the actual firing.

Immediately upon the completion of the tests the *North Dakota* will return to the Capes, the observers will reembark aboard the destroyers, and then be landed at Old Point late 18 July, 1921.

Sincerely, yours,

EDWIN DENBY.

NAVY DEPARTMENT,
Washington, 13 July, 1921.

In re destruction of ex-German battleship *Ostfriesland* by aircraft and gunfire.

The honorable the VICE PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SIR: The fifth and last of a series of experiments in connection with the destruction of ex-German men-of-war will take place off the Virginia Capes on or about 20–21 July, 1921, and will consist of the destruction of the ex-German battleship *Ostfriesland* by aircraft and gunfire.

The U. S. S. *Henderson* will sail from the navy yard, Washington, D. C., at 10 a. m., Tuesday, 19 July, 1921, returning to the same yard on or about Friday, 22 July, 1921.

There is stateroom accommodation available for 10 Senators and extra standee bunk accommodation similar to that assigned Army and Navy officers for any Senators in excess of 10 who may apply. The Navy Department will be pleased to forward invitations to all Senators who may request this transportation. (Forward memoranda to Commander J. H. Klein, jr., United States Navy, Room 3409, Bureau of Navigation. Telephone Navy Department, Main 2520, Branch 900.)

In order to expedite the assignment of quarters, lists of such Senators as may desire to avail themselves of the above accommodations must be submitted not later than noon, Saturday, 16 July, 1921.

Sincerely, yours,

EDWIN DENBY.

PROMOTION OF INTERNATIONAL ARBITRATION (S. DOC. NO. 51).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of State, transmitting copy of a dispatch from the American Legation at Stockholm, forwarding a circular from the Swedish Group of the Interparliamentary Union for the Promotion of International Arbitration to the presidents of the interparliamentary groups inviting the different groups to the nineteenth conference of the union, to be held in Stockholm August 17–19, 1921, together with another circular outlining the agenda for the conference, which were referred to the Committee on Foreign Relations and ordered to be printed.

PETITIONS.

The VICE PRESIDENT laid before the Senate a resolution adopted by the seventh annual convention, American Association of Engineers, May 9–11, 1921, at Buffalo, N. Y., favoring the enactment of legislation to further reclamation in the United States, which was referred to the Committee on Irrigation and Reclamation.

He also laid before the Senate a resolution adopted by the seventh annual convention, American Association of Engineers, May 9–11, 1921, at Buffalo, N. Y., favoring the enactment of legislation to continue Federal aid to the States in road construction, which was referred to the Committee on Post Offices and Post Roads.

Mr. WILLIS presented a letter in the nature of a petition of the Cleveland (Ohio) Chamber of Commerce, praying for the enactment of House bill 3, to establish a veterans' bureau in the Treasury Department, with a provision to the effect that the proposed regional offices and suboffices shall be able to grant compensation claims, insurance awards, pension awards, etc., which was referred to the Committee on Finance.

He also presented a resolution adopted at a mass meeting held at Portsmouth, Ohio, June 28, 1921, favoring immediate recognition of the republic of Ireland by the President, and also favoring the passage of the so-called Norris and La Follette resolutions relative to Ireland, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a petition of sundry members of the Presbyterian Ladies' Missionary Society, of Bucklin, Kans., praying that relief and protection be afforded the imperiled peoples of the Near East, particularly of Armenia, which was referred to the Committee on Foreign Relations.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DILLINGHAM:

A bill (S. 2264) granting a pension to Elizabeth A. Brown (with accompanying papers); to the Committee on Pensions.

By Mr. JONES of Washington:

A bill (S. 2265) to regulate marine insurance in the District of Columbia, and for other purposes; to the Committee on Commerce.

By Mr. WILLIS:

A bill (S. 2266) granting an increase of pension to John Salmon; to the Committee on Pensions.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. KELLOGG. Mr. President, I should like the attention of the Senate for a few moments while I explain my reason for voting to recommit the pending measure.

I agree, in the main, with the message of the President in relation to taking up the bill at the present time. This session of the Congress was called, in the main, to consider the very important subjects of revision of the taxes and of the tariff. I do not wish unreasonably to complain of the delay, but it seems to me the taxes ought to have been revised by this time. I am aware that the revision of the tariff and of the tax laws is a very difficult and intricate problem, but the country has been staggering under taxes imposed during the war, taxes which are as great as if not greater than those imposed by any other country engaged in the great conflict. I do not complain of those taxes. We felt it was necessary to supply the means to carry on the war. It is a fact, nevertheless, that in two years this country spent as much money as Great Britain spent in four years.

If we are going to take two or three months under the antiquated rules of the Senate for unlimited debate to consider the tariff and not take up the question of taxation until late in this session or until the next session, we are going to hear from the

country. I believe the taxes should be reduced at the earliest possible date. I realize that the tariff is also important and that many of the duties must be increased, but the business of the country is not going to be resumed until the taxes are revised and put upon a scientific and reasonable basis.

Mr. President, I voted against adjournment largely for that reason. I was not willing to leave Washington unless the Congress showed some disposition to take some steps toward the revision of the taxes. I am gratified to say that there are evidences that we are going to do it at a very early date, and then I should be willing to get away from the oppressive atmosphere of Washington for some time.

I listened with amazement yesterday to the speech of the Senator from Alabama [Mr. HEFLIN]. Well, perhaps I should say not with amazement, but with disgust. He said this was not a partisan question and then proceeded to make one of the most bitter partisan speeches it has been my lot to hear in the Senate. Of course, it is not a partisan question, but he stated yesterday in substance—I can not repeat the exact language—he laid at the door of the Republican Party the depressed condition of business and finance of this country and proceeded to appeal for the soldiers' bonus largely on partisan grounds. The country is not going to be fooled by any such artifice. The record of the Republican Party in its solicitude for the men who defended the Nation is well known and I am not going to bring it into this debate. There is no evidence that Senators on this side of the Chamber do not appreciate that responsibility and do not feel the gratitude to the defenders of the country that every patriotic American should feel. I hope I shall hear no more such speeches.

Was it the Republican Party that wasted the millions in the Shipping Board and in the railroad operations? I am not complaining of much of the extravagance and waste that took place in the war. I voted to sustain the President in all that was necessary to carry on the war, and I am not going back to that now; but to hear a Democratic Senator stand up and charge the Republicans with responsibility for the present financial condition of the country is the most absurd thing I ever heard.

Mr. President, I am not going to discuss the details of the bonus bill. I am going to give my reasons, much as I regret the necessity, for voting to send the bill back to the committee.

In the first place the bill on its face shows that it is not to take effect for a year, until July 1, 1922. Under section 204–A the first payment would be made about three months after the 1st of July, 1922, and paid in quarterly installments thereafter. Under section 301 the certificates for the deferred payments are not to become payable until the 1st of January, 1923, when the first payment is to be made, and then they are to run, I believe, for 20 years thereafter.

Mr. President, we might just as well not try to fool the American people. There is not a provision in the bill to raise a dollar to pay the proposed bonus. Why do we not proceed in a manly way if we want to enact such legislation as that now pending and provide in the bill for the means and the taxes to be levied to pay the bonus; go to the country on a square issue and not pass a shell of a promise that in 1922, just before the election, we shall make certain payments, and yet make no provision in the bill whatever for taxation?

Mr. HARRISON. Will the Senator yield?

Mr. KELLOGG. No; I can not, as I wish to speak for only a few moments. If the Senator will permit me to finish my remarks, I shall be obliged to him.

Mr. HARRISON. Very well.

Mr. KELLOGG. Mr. President, this bill, therefore, is not an emergency measure. There are emergency measures before the Senate—agricultural measures, taxation measures, and tariff measures, especially the taxation measures.

There is another consideration involved in this question. There will be plenty of time to take up this subject between now and next July, certainly in the next regular session of Congress, for the payments provided for in the bill under certain plans are to extend over a period of 20 years, and are under another provision to extend over a period of several years. But, Mr. President, what did the President ask? Let me turn to his address to the Senate for a moment. He asked three things:

> The revision, including reduction, of our internal taxation; the refunding of our war debt; and the adjustment of our foreign loans. It is vitally necessary to settle these problems before adding to our Treasury any such burden as is contemplated in the pending bill.

Of course, I am not sure that the funding of our own floating debt can be accomplished before Congress takes up the subject of a proper soldiers' bonus or compensation bill, which I am perfectly willing to have taken up at the earliest possible date, and which I am perfectly willing to have passed whenever the condition of the country will justify it.

Mr. President, the report upon the bill, instead of suggesting taxes to pay the bonus, suggests:

> Without attempting the allotment of any prospective receipts, but merely as a suggestion of one means of meeting the obligations of this measure, the committee beg to remind the Senate that there will undoubtedly be funded into long-time bonds the debts due this country for money advanced our associates in the World War.

And so forth.

I do not know why that suggestion was made. The money will come out of the Treasury just the same.

Mr. President, it is true that foreign countries owe us $10,000,000,000, and I have heard of no intention on the part of the Treasury to extend those loans without interest. It is my desire and hope that we shall extend those loans or fund them into bonds with reasonable annual interest, and that we shall be able to collect the interest. Whether we shall be able to collect the past-due interest I am unable to say. If it can be done in the interest of this country, I hope it will be done; but would it not be better to wait a few months and find out what funding plan can be put through and what we are going to receive from foreign countries in settlement of the debt and what interest we are going to be able to collect? That can be done within a few months; and that is one of the things the President suggested. I see no harm in waiting, and do not consider it unreasonable to wait a reasonable time for that to be done.

Furthermore, so far as I know, the House committee, where such a measure must originate, has given no consideration whatever to the revision of the taxes. I believe the Senate committee has had hearings, but, so far as I know, it has formulated no plans and no measure. I may be in error in that, but I believe that to be correct. I am quite aware, as the Senator from Indiana [Mr. NEW] suggests, that it is not the part of that committee to originate such legislation, but that it must originate in the other House.

We do not know how much national taxes are going to yield this year under the present depressed condition of business. We do not know how much we are going to be able to raise under any tax scheme, because there is a limit in levying taxes beyond which we can not go and still have business reasonably prosperous and in a condition to yield money in taxation.

I am not objecting to large income taxes upon men who enjoy incomes, but the excess profits tax is a burden on business and to-day is preventing the revival of prosperous business conditions. We ought to go into that subject at the earliest possible date and ascertain how much revenue we can get and how much can be devoted to the payment of a bonus or compensation, or whatever it may be termed, to the defenders of the Nation. Our first duty, of course, is to the disabled soldiers.

Let me mention, Mr. President, that the burden is not going to be light, but I think no one should complain of it. The President said in his message that Congress had appropriated $65,000,000 for vocational training; that in the last year we had spent $163,000,000 for that purpose, and under the bill now pending in the Senate, which I understand has been reported or will be reported very shortly, an additional sum of $468,000,000 per annum will be provided; in fact, I am informed by some members of the committee that $500,000,000 per annum will be provided.

Mr. SMOOT. Mr. President, I will say to the Senator that we hope to report the Sweet bill to-morrow, and that bill will carry an annual appropriation of over $500,000,000.

Mr. HARRISON. Mr. President, of course I do not insist on the Senator from Minnesota yielding to me if the Senator asks me not to do so, but, as he has allowed the Senator from Utah [Mr. SMOOT] to interrupt him, I should like to be given the oppportunity of asking the Senator from Utah a question.

Mr. KELLOGG. I have no objection, and yield to the Senator.

Mr. HARRISON. I should like to ask the Senator from Utah, with the permission of the Senator from Minnesota, if the pending soldiers' compensation bill shall be recommitted to the committee, when it will ever get out of the committee again, and will it ever get out with the Senator's help?

Mr. KELLOGG. Mr. President——

Mr. HARRISON. The Senator from Utah does not answer.

Mr. KELLOGG. I heard the charge made the other day that this bill was being recommitted in order to kill it; that it was not the intention of Republican Senators to give any consideration at all to this subject in the future. That was stated by the Senator from Arkansas [Mr. ROBINSON]. In other words, the Republican Senators are guilty of deceit and are not willing at a proper time in the future even to consider the subject. Is there anything in the President's message that would indicate that? Is there anything in his standing as a public man that would indicate that when he

came before the Senate and made the statement which I am about to quote he did not believe in it? He said:

> If this measure could be made effective at the present time without disaster to the Nation's finances and without hindrance to imperative readjustment of our taxes, it would present an entirely different question than that which is before you. In a personal as well as a public manner, which ought to be a plight of good faith, I have commended the policy of generous treatment of the Nation's defenders, not as a part of any contract, not as the payment of a debt which is owing, but as a mark of the Nation's gratitude. Every obligation is to the disabled and dependent. In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action if it is taken.

There is not a word in his message that would indicate that at the proper time the Nation will not make every provision not only for the disabled, but for the other soldiers that is within the financial power of the country.

Mr. JONES of New Mexico. Mr. President——

Mr. KELLOGG. I yield to the Senator.

Mr. JONES of New Mexico. I think the Senator has read the language of the President's message correctly, and, while there seems to be nothing in it which indicates that the time may not come when we may pass some such bill as the one now pending, I inquire of the Senator if there is anything in the message which indicates that that time will be in the near future?

Mr. KELLOGG. No definite date is set, but the matter is in the hands of Congress. No definite time can be set when we are going to revise the taxes. We have been here for over three months, and we have not done anything toward that accomplishment. I have not heard any protest from Senators on the other side about that subject, but protests have been made that we have not refunded the foreign debt—I heard that statement made the other day—and that we have not collected the interest on the debt. I ask the Senator what his administration was doing from November, 1918, until March, 1921, about collecting the interest on the foreign bonds and about funding the indebtedness?

Mr. GLASS. Mr. President, will the Senator yield to me?

Mr. KELLOGG. I wish to say to the Senator that I do not criticize the past administration at all for it; but when Senators on the other side stand up and criticize us because in three months we have not collected the interest and because we have not funded the foreign debt I should like to remind them of some things that occurred in the past. I now yield to the Senator from Virginia.

Mr. GLASS. I will say to the Senator that, as a matter of fact, the former administration dispatched to Europe an Assistant Secretary of the Treasury, who had been all along in charge of the foreign loans, to negotiate a refunding of the indebtedness of foreign nations, including the deferred interest payments. I may say further that that Assistant Secretary had about reached an agreement with the foreign Governments when suddenly negotiations were terminated by the foreign Governments without any explanation. The Senate may draw its own inference from that.

Mr. KELLOGG. I am not complaining that the Senator from Virginia, who was Secretary of the Treasury, or his predecessor, did not do their full duty. The complaint has come from the Senator's own side of the Chamber, criticizing us because we have not collected the interest. I have not any doubt the Treasury in the past has done and is now doing all it can to fund our indebtedness and collect all the interest we can collect.

Mr. JONES of New Mexico. Mr. President——

Mr. KELLOGG. I yield to the Senator.

Mr. JONES of New Mexico. The point I was trying to bring out was with relation to any statement in the President's message that holds out any hope that the situation which now embarrasses him will be relieved. Does the Senator find anywhere in the message any indication that the things now existing, which the President says portend such woeful consequences to the Treasury, will be changed within any reasonably early time? The things to which he refers are matters which necessarily will require some years for their solution and ultimate disposition; and if the Senator can find anything in the President's message which holds out any hope for action upon this matter in the near future I should be very much gratified to have it pointed out, because I am very much interested in this matter, and, as the Senator knows, I am not guilty of captious criticism of anybody.

Mr. KELLOGG. No; I acquit the Senator of any such intention, and he has not done so. The things the President suggests will not require several years. If we are going to take several years to revise the taxes, which is the first thing he suggests, and which is one of the most paramount importance, we might just as well drop the whole subject.

The taxes ought to be revised and a final bill passed and signed by the President certainly within the next two or three months, and then we will know something about how much revenue we can raise. Certainly it will not take several years to fund the foreign loans and find out how much interest we shall be able to collect from foreign countries. As to the funding of the floating debt, I have not any idea that the consideration of this subject will lie in Congress until 1923 or 1924; but certainly it is reasonable——

Mr. JONES of New Mexico. Mr. President——

Mr. KELLOGG. I can not yield to the Senator again. I wish to be through in a few moments, and if the Senator will excuse me I prefer to go on.

Mr. JONES of New Mexico. I should like to make just one inquiry.

Mr. KELLOGG. Very well; I yield again.

Mr. JONES of New Mexico. Will the Senator point out to us how we can intelligently revise the taxes unless we know whether or not this bill is to pass? In other words, if we are to frame a new revenue law will we not have to take into consideration either that this bill will be a burden upon the Treasury or that it will not?

Mr. KELLOGG. I will answer the Senator. We ought to put in this bill the taxes to pay the expenses and not try to fool the American people. Go to the country with a bill that raises the money to pay the debt you are going to incur. I am willing to pay my part of it, and I am willing to be most generous to the soldiers; but I am not willing to try to fool the American people. Report the bill out with a tax bill if you want to, but let us know what revenues we are going to raise and can raise and what taxes we are going to impose to pay this money. That is why I say that it is no injury to the soldiers of the country; it does not show any desire not to look to their welfare to take a reasonable time to pass a bill which confessedly does not go into effect for a year.

Mr. President, if it were possible I should be perfectly willing to issue the bonds of the United States and sell them to-day and to make generous payments to the soldiers of the country. I should, of course, wish that money expended first for the benefit of the injured, the sick, the disabled, to whom we owe the highest duty; but I should be willing to go beyond that. If bonds could be issued and sold to-day on a basis that would not place a burden upon the people of this country for many years to come I should be willing to do it; but let us look at the conditions. There are practically $24,000,000,000 of funded and unfunded debt of this country drawing interest at rates ranging from 2 to 5¾ per cent. I suppose the average is about 4 per cent, or slightly over 4 per cent; at least that would be the average of our bonded indebtedness. Now, we realize that it is absolutely impossible in the present money market, with the rate of interest now being paid on commercial and municipal and State loans, for this Government to fund that indebtedness on any basis that we would be justified in accepting. Why, it would cost the people of this country $500,000,000 a year perhaps for the next 50 years to fund that indebtedness to-day and put Liberty bonds and Victory notes at par. We can not even fund the seven and a half billions to-day on any basis that we would be justified in doing.

I believe that interest rates are going down. It has been the experience in all wars, it has been the experience of all time that immediately after war prices and interest rates begin to go down. Furthermore, the very fact of the letting up of business, requiring less capital, will in a short time tend to release a large amount of credits for investment in Government bonds; and I have every reason to believe, and I think the Treasury does, that within a short time we will be able to fund our floating debt, fund our foreign loans, and place this country upon a sound financial basis; and when that time comes everything that a grateful people should do should be done for the soldiers of this country.

I do not believe that the service men of this country understand this bill. I do not believe that they understand that no provision has been made for payment, and that the bill does not take effect until July, 1922, and that the payments then are to be made in quarterly installments. So far as I am concerned, I would rather, and would vote, when we pass the bill, to put the payments into effect. Let us not postpone them until next year; but as we are not immediately in a position to vote such a sum of money, and as this bill is not to take effect until July, 1922, I do not see any reason why we should not take a reasonable time to revise the taxes, revise the tariff, fund our foreign loans, and find out just what condition the country is in and what we can do.

I feel perfectly sure that we are going to make every provision possible for the soldiers, and especially for those who re-

ceived injuries in the war. Mistakes have been made, I am aware. I am aware that the War Risk Bureau was completely disorganized and blocked. I am not going to stop to discuss it. It may have been one of the incidents of war, of dumping on the bureau an enormous amount of business. I do not know. That is being straightened out. I believe the War Risk Bureau to-day is under a very efficient and able man, who is straightening it out and bringing it down to date, and in a short time every complaint and every case coming before the War Risk Bureau will be promptly attended to. I believe the Congress is going to make provision beyond what it has made for hospitalization and for vocational training. Of course, that vocational training will not last many years, and we can afford to expend large sums of money in doing everything possible to render those men who are partly disabled capable of earning their living in the world.

Mr. President, I do not believe anybody will charge me with being ungrateful to the soldiers of this country. I have voted for every increase of pay, money for hospitals, vocational training, and assistance which has come before the Congress during the war and since the war. I am not unmindful of the debt the Nation owes to these men.

Mr. President, I am perfectly aware that no money payment which this bill proposes or which this Nation can grant would be adequate compensation for the loss of life, the risks, the sufferings, and the horrors of war. The only thing that sustains men in the hour of such supreme sacrifice is a love of country and patriotism, which in all ages has induced men to offer themselves in defense of their country. The only compensation which is adequate is a consciousness of one having done his duty.

But that is no reason why this Nation should not make adequate provision for all who suffered in the war, and should not make generous payment to those who served the country. I know the service men, the best of the blood and brain of this land, would resent in a minute any implication that they were asking compensation for their patriotic services. I do not believe that any bill we should pass should be put upon that basis or will be put upon that basis.

The people of this country are not and will not be ungrateful. The history of the country for 140 years shows that. Is it possible that we can not take reasonable time to readjust our finances, to find out how much money we can raise by taxation in this critical period of readjustment, without being charged with being ungrateful to the defenders of the Nation? It would be a pleasure if I could to-day vote the most generous payment and comply with the requests of all the service men. But, Mr. President, I must do what I believe to be for the interests of all the people of this country, and I am going to do it. I may be mistaken. I do not believe I shall be found wanting when the time comes for the consideration of any measure for the relief or payment of the soldiers to a most generous extent.

I have felt it my duty, Mr. President, to explain the reasons why I shall at this time vote to recommit this bill. I do so with a full realization of the responsibility and a full realization of the extent of the debt the Nation owes to its defenders.

WAR RISK INSURANCE PAYMENTS.

Mr. SMOOT. Mr. President, from the Finance Committee I report back favorably without amendment the joint resolution (H. J. Res. 31) authorizing and directing the accounting officers of the Treasury to allow credit to the disbursing clerk of the Bureau of War Risk Insurance in certain cases, and I submit a report (No. 226) thereon. I ask for the immediate consideration of the joint resolution. In this connection I want simply to explain the object of the measure and the reason why it ought to be passed. It is a soldiers' relief measure.

The necessity for this legislation is due to the fact that in the payment of insurance the Auditor for the Treasury Department required a certificate to the effect that all premium payments due to the date of death had been paid. It was impossible to make this certificate for the reason that many of the insurance premiums were deducted from the pay of the men in the service and considerable time elapsed before the record of these payments could be received from the War and Navy Departments. It also happened that in many cases, through clerical errors, the premiums were not deducted from the pay of the men.

We passed an exactly similar resolution last year and the year before, and the records are not up to date now. This is simply offered so that the insurance can be paid to the estates of the men whose records do not show that the premiums were paid up to the time of their death, although they had been taken out of their compensation.

Mr. BRANDEGEE. I have no objection, Mr. President, but I assume that the unfinished business is to stay before the Senate, and that is the soldiers' bonus bill. A unanimous-consent agreement has been entered into to vote on the motion to recommit it to-morrow at 3 o'clock, and unless that bill can be temporarily laid aside by unanimous consent, we would displace it by proceeding with this joint resolution. I have not the slightest objection to its passage if it can be done without displacing the unfinished business.

Mr. SMOOT. After June 30, 1921, these payments will be withheld. The payments can not be made until this joint resolution is passed, and I ask unanimous consent for its present consideration.

Mr. McKELLAR. Mr. President, I see no objection to it. It really ought to be passed, it seems to me, and if the Senator will ask unanimous consent the unfinished business can be temporarily laid aside that it may be given consideration. I understand that it will take but a moment.

Mr. HARRISON. This is a warning to the soldiers of the country, or the few whom it will benefit, that this is all they will get from the Finance Committee.

Mr. SMOOT. No, Mr. President; I expect to report to-morrow a bill that will carry over a half billion dollars for their relief.

Mr. McKELLAR. For the relief of the maimed and wounded?

Mr. SMOOT. Yes.

The PRESIDING OFFICER (Mr. ODDIE in the chair). Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution was considered as in Committee of the Whole, and it was read, as follows:

Resolved, etc., That for such reasonable time as may be fixed by the Secretary of the Treasury, but not extending beyond the fiscal year ending June 30, 1922, the accounting officers of the Treasury are hereby authorized and directed to allow credit in the accounts of the disbursing clerk of the Bureau of War Risk Insurance for all payments of insurance installments heretofore or hereafter made under the provisions of article 4 of the war risk insurance act in advance of the verification of the deduction on the pay rolls or of the payment otherwise of all premiums.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. McKELLAR. Mr. President, I want to congratulate the Finance Committee on doing something for the soldier. It is rather small, but I indorse it very heartily, and I am glad the joint resolution was passed.

Mr. HEFLIN. Will the Senator from Tennessee yield to me for a few minutes before he proceeds to speak on the soldiers' bonus bill?

Mr. McKELLAR. Certainly.

ADJUSTED COMPENSATION FOR VETERANS OF THE WORLD WAR.

The Senate, as in Committee of the Whole, resumed consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes.

Mr. HEFLIN. Mr. President, the Senator from Minnesota [Mr. KELLOGG], who has just taken his seat, said that he listened to my speech on yesterday on behalf of the service men of America, the speech I made asking that justice be done to these men who saved the life of the Nation, who made it possible for us to sit in this Chamber to-day, who made it possible for the instrumentalities of this Government to function at this very hour, that he listened to my speech with amazement and with disgust.

Mr. KELLOGG. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. HEFLIN. I do.

Mr. KELLOGG. I did not refer at all to anything the Senator said about the duty of the country to the soldiers; but when the Senator made the statement that the Republican Party was solely responsible for the present financial condition of the country, I was amazed. That is what I was talking about. I did not make any remarks about the Senator's reference to the soldiers. The Senator is no more anxious than I am to see justice done to them.

Mr. HEFLIN. The Senator referred to my speech as one of the most partisan speeches that he had heard. He is the first man on the other side who has so referred to my speech. I do not know how many of them are in the embarrassing predicament that the Senator is in. The Senator has announced his purpose to vote to recommit this soldier settlement bill, and there are others over there who will do likewise. The President has called upon them to pursue that course, and they are face to face with the proposition as to whether they will recommit this bill or proceed, with us, to a consideration of it and to a fair and just settlement of the matters involved.

I know that the Senator's position is embarrassing to him, because the soldiers of his State will not understand it; the soldiers all over the country who went to the firing line and offered to lay down their lives for this Republic will not understand why it is necessary to postpone action upon this bill until a partisan tariff bill is considered.

The Senator said he sees no objection to laying this bill aside until the tariff bill is considered. My God, are the tariff barons of America of more importance to the country than are the men who defended the country's life and saved it? I know that the tariff barons are here. They have been here for months. They are demanding legislation in return for the contributions they made to the campaign funds of the Republican Party last fall.

I want to cite to the Senator from Minnesota that Carnegie testified under oath that his steel business was worth $10,000,000, and three years after that, while the Dingley tariff law was in effect, he testified that he was worth $360,000,000. You took from the purse of the American people $350,000,000 and paid tribute money to Carnegie under your Dingley tariff law. No wonder these men are pressing you now to repeal the Underwood tariff law and let them come back to the high-protective feast table, where they can extract money from the purse of the masses of America, and the Senator from Minnesota yields to the call.

The Senator from Minnesota in his speech urged us to sidetrack the bonus or the soldier settlement bill until a more appropriate time and declared in favor of revising the tariff first. He could see no reason why we could not put that bill aside until the tariff bill be passed.

What is he going to do with a high-protective tariff law? He is going to legislate money out of the pockets of the people into the pockets of the tariff barons of America. What are we trying to do? We are trying to get the money that these boys are justly entitled to and pay it to them to help them live through the terrible times that are upon us.

The tariff barons have managed to get along somehow. They did not have to go to the battle front; they were not exposed to battle fire; they are in no danger now. They were far removed from danger during the war, and now they come up and press for attention at the hands of the Republican Congress, and we find the Republican Congress on this 14th day of July, led this morning by the Senator from Minnesota, demanding that the bonus bill, which suggests a settlement with the soldiers, be sidetracked until the tariff bill has been enacted. Is that the treatment that the Republican Party is going to inflict upon the defenders of the Nation?

The Senator says that they are not responsible for the financial conditions of to-day. Why not? Let me remind the Senator what is going on at this hour under the reign of the Republican Party—and I am reciting facts, and if they are not facts I want them answered. I do not want one of the millionaire club of this body to rise up and say he listened to my speech with disgust without furnishing the facts to answer my arguments. Now, let me tell the Senator what is going on to-day.

Thousands of people in his section of the country and mine bought Liberty bonds when they were not able to buy them. They got money in every way they could and bought Liberty bonds to help save the life of the Nation, and what do we see going on now? In the South and West we see these patriotic people bringing in their Liberty bonds and selling them for $75 and $80 on the $100 bond, and why? Because the Federal Reserve Board, under control of the Republican Party, has drawn in the money supply needed for legitimate business. The bonds are forced upon the market, and these bond sharks are buying them up, and they are going to come with them later to the Treasury and present them and get dollar for dollar, with interest from the date of their issue. That is what is going on to-day under Republican rule. Will the Senator take that and consider it when he is listening with disgust to the argument of a Senator made in behalf of fair treatment to the American soldier?

Mr. President, the Senator says that he is willing to take up the soldier compensation bill whenever the conditions of the Treasury will justify it. In spite of all that the profiteers and bond sharks have done to defeat a fair settlement with our soldiers, I am convinced that the condition of the Treasury will justify it to-day. You can not deceive the American people. We are the richest nation in all the world, and yet a nation with the wealth that we have, the resources of this young Republic, the finest in all the world, is bowing at the knees of the tariff barons and the money kings of the Government, who are flourishing upon the misfortunes, the distress, and the disaster that rest upon the American people to-day under the reign of the Senator's party.

I am not making this as a partisan speech. I would to God that it were not true. I would love to-day by my vote, which I would cast cheerfully, and I believe the Senator from Nebraska [Mr. NORRIS] knows that I would, to cause prosperity to blossom out in all the western section as I would have it blossom in my own beloved Southland. There is nothing partisan about it with me. I am giving you facts that I regret to have to recite in this Chamber.

But I shall not take any more of the time of my good friend, the able Senator from Tennessee [Mr. MCKELLAR], who is going to champion the cause of the brave boys who offered their lives for the country, who went to make the last sacrifice, to give all they had, and who are back here now, many of them, with nothing to live upon.

The tariff barons, I repeat, can wait. The excess-profits men can wait a little while until we do justice by the soldiers. They are the two classes of people for whom the Senator from Minnesota [Mr. KELLOGG] pleaded—the excess-profits men and the tariff barons; but as to the soldier who walks the streets to-day in the Capital of the greatest Nation on earth, whose present existence is due to the valor and the bravery of this same soldier on the firing line, we are going to postpone action for him until the excess-profits tax can be revised and a sales tax put upon the American masses, until the tariff barons can have their way. But the soldier, the Senator from Minnesota thinks, should wait for a more convenient time. He intimated that he would cheerfully vote for it when that time comes; but how long, oh, how long?

Mr. President, I remember that I read about these boys in battle, how that long line was being attacked and how great gaps would appear in it and how they closed those gaps with their living bodies, over the dead bodies of their comrades; and then when we were called upon to get money to send to them, suppose somebody had said, "The Treasury can not stand any more." We would have ridiculed him out of the Chamber. But, strange to say, when those who won the victory came back and asked for a fair settlement with us they are told, "No; get thee behind me for the present; the tariff barons and the excess-profits men are demanding relief, and we are going to give it to them, and those of you who are living when this is done come back some time in the future, when we may designate a time when we will consider this matter."

I say to you, Senators, I regret exceedingly to see this situation. God knows I would have it different. I would love to see you this day rise up and say, "I owe a duty to my State, I owe a duty to my constituents, I owe a duty to the soldiers, the defenders of my country, above all, to those who saved the life of the Nation in the hour of its peril, and I am going to discharge that duty to them."

Mr. EDGE. Mr. President, will the Senator from Tennessee yield to me for two or three minutes?

Mr. MCKELLAR. With pleasure.

Mr. EDGE. Mr. President, I hesitate to pay any attention to such demagogic utterances as we have just listened to, but frankly I can not resist.

I can not resist briefly saying a word in answer to such a tirade as the Senator from Alabama [Mr. HEFLIN] has relieved himself of. When this country, or its representative body, the United States Senate, or a Member thereof, invites class distinction, endeavors to array one type of citizen against another, he is in my judgment simply inviting natural and inevitable disaster to the country and every class of citizenship in the country.

Why, it is an insult to the soldiers themselves to even infer that a small payment of $50 a year for three or four years would be of any particular financial advantage to them or would be of any direct permanent benefit to them if the business of the country was stagnated and they were unemployed. Prosperity alone in past years has made it possible for us to do the things and accomplish the things we have which has made the country great.

I repeat, the greatest service we can do the soldiers is to put them to work.

When we belittle efforts to relieve depression and economic difficulties by adjusting the tariff and revising taxation and doing those things that will employ men, we simply, in my judgment, fail in our duty and our responsibility to try to bring the country back to a condition again when men are working and prosperity is general. Prosperity does not alone benefit the rich man. Do not waste time talking about one particular responsibility that we all agree we want to meet and want to meet fairly at the right time. We all want to do our full duty, of course. The Senator from Alabama infers—not only infers but directly charges—that we should not consider the tariff, we should not consider the excess-profits taxes, we should not consider revision of taxes, and all those things the country is demanding; that when we are doing that we are insulting the

soldiers. To charge anything of that sort or to believe the soldier is deceived by anything of that kind, in my judgment, is an insult to the soldier himself. What good is a temporary bonus to the soldier if he is not employed? After we are all through with this special session, if we have not accomplished those things which will bring back confidence to the country so that men can do things, so that men will be employed, even if we pass a dozen bonus bills, we will have failed not only in our duty to the soldier but in our duty to every class of citizenship in the country.

Mr. JONES of New Mexico. Mr. President——

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from New Mexico?

Mr. EDGE. I yield.

Mr. JONES of New Mexico. I should like to make an inquiry of the Senator from New Jersey. He has just referred to the fact that we have more important business before the Congress than this bill, and that the further consideration at this time of the bill would be a waste of time. I should like to direct the attention of the Senator to the actual situation.

The House is now considering the tariff bill. We are informed that the House will not act on that bill until the 21st of this month; that when that bill has passed the House it will then be referred to the Finance Committee of the Senate for consideration; and everyone knows that it will take a number of weeks for that committee to consider the bill before its report is ready——

Mr. EDGE. If the Senator will permit me to interrupt him, the Senator from New Jersey did not question the parliamentary situation. The Senator from New Jersey simply resented the unquestioned effort on the part of the Senator from Alabama [Mr. HEFLIN] to attempt to create an impression that by postponing consideration of the bonus bill, and realizing that we have these great economic problems which touch every class of citizenship in the country, we were unfair to and inconsiderate of the soldier. That was the reason for the few remarks I made.

I thoroughly appreciate the calendar situation; but even that, if I may answer the Senator from New Mexico very briefly, would not prevent us on this side of the Capitol from discussing the tax revision. There is no rule that prevents the Senate from discussing anything it wishes to discuss. In my judgment, as I have said already in a speech on the floor last Monday, we should drop everything, and, irrespective of the Constitution requiring financial legislation coming from the House, which we must consider ultimately, we should stop everything and discuss what we ultimately will discuss anyway, whether the bill is before us or not, and reach as near as possible a final decision on the rearrangements of the taxes and the revenue conditions in the country in order to bring back confidence to the people and ultimately employ our returned soldiers.

Mr. JONES of New Mexico. The Senator could doubtless discuss the tariff measure to his satisfaction before it gets here, but as a practical proposition does the Senator not know that the Senate as a whole will give no consideration to the tariff bill until it is formally reported to the Senate by the committee? Moreover, after the House has dealt with the revenue bill it must come to the Senate and be considered by the Finance Committee before it will be reported to the Senate. I can not conceive of a more propitious time for the consideration of the soldiers' bonus bill than now, if it is to be considered at any time in the near future. From the state of the calendar certainly the situation could not be better than it is now for that purpose. It is not proposed to take up either one of these two great measures, at least for several weeks, in the Senate; and why should not the Senate consider the soldiers' bonus bill now, and then when those measures come over from the House, when the Senate is considering them, the House will have an ample opportunity to give consideration to the soldiers' bonus bill.

Mr. EDGE. Mr. President, I do not wish to take any more of the time of the Senator from Tennessee [Mr. MCKELLAR], whose courtesy I appreciate very much, but may I direct the attention of the Senator from New Mexico to the fact that we are considering that very important bill now. We have been considering it for several days, and under a unanimous-consent arrangement, to which everyone agreed, we are going to vote on the soldiers' bonus bill, or the question of its recommittal, to-morrow.

I do not agree entirely with Members on my side of the aisle as to when we should consider taxation. The Finance Committee have already had public hearings for several weeks in relation to taxation. They have had many witnesses before them, and I can see no reason, just because tradition or precedent infers that we must wait until something comes over from the House, why we should not take up that important subject now under resolution or something of that kind from the Finance Committee. The country demands it, and the country is right.

I thank the Senator from Tennessee for his courtesy in yielding to me.

Mr. MCKELLAR. Mr. President, before going into the subject matter of what I had intended to say, I desire to refer to a statement of the Senator from New Jersey [Mr. EDGE], who has just spoken. He said that opposition to postponement of this bill was an insult to the soldiers. I am sure the Senator from New Jersey did not mean that; I am sure he said it in the heat of debate, and did not intend to express himself in that way. Knowing the Senator as I do, I do not believe that he would reflect in such manner upon the House of Representatives and the great body of his party in that House which voted to pass a soldiers' adjusted compensation bill and did pass it. I do not believe he would in that way desire to reflect upon the Finance Committee of this body, which has not only once voted favorably on this bill but has twice reported it out, as I understand, unanimously and favorably. I do not believe he would say that under those circumstances a vote not to postpone the bill is an insult to the soldiers. That would be a statement which the Senator would not, upon reflection, desire to go into the RECORD, and I hope he will, in his own behalf, eliminate it.

Mr. President, in order for us to understand exactly what is being done when we recommit this bill—and the majority will recommit it, because they have been ordered to do it by the President—I desire to refer very briefly to its history. The armistice was signed on November 11, 1918. Before that time, in the congressional campaign of that year, our Republican friends had said that after the World War it was necessary that there should be a reorganization and that the Republican Party was the only party which could properly effect that reorganization. They said that the soldiers had to be protected and cared for, and that the task must be intrusted to them to care for and protect the soldiers. They led the people to believe that they were going to carry out their promises as to international reorganization and as to the reorganization of our own domestic affairs, and especially as to the protection of the soldiers. In connection with those promises after the armistice, their spokesmen everywhere stated that they were in favor of the bill substantially as it afterwards passed the House of Representatives. When the bill came to be considered in the House the members of the Republican Party reported it almost unanimously from the committee of the House, and it passed the House by an overwhelming majority, as I remember—something like 4 to 1.

It was sent to this body and was referred to the Finance Committee. That committee gave it the most careful consideration; it gave it a consideration extending over many months, and last February it unanimously reported the bill favorably to the Senate.

The bill, however, was not passed last winter because of the pressure of appropriation bills, as our Republican friends asserted; but, I repeat, it was unanimously reported to this body. In June of this year it was again, after the most careful consideration, reported to the Senate. Is anyone in doubt as to the facts? Could it be said that this great committee, composed of some of the very best and most learned financial men in the United States, after giving the bill six months' consideration last year and three months' consideration this year, and both times, almost unanimously if not quite unanimously, having voted to report it out, reported the bill under a mistake as to the facts or under a mistake as to the condition of the Treasury? I do not believe that anyone would say so. No Senator on the other side of the aisle has risen to tell us that it was done through mistake, through inadvertence, through accident, or for any other reason except the desire to serve their country and to do what was right toward the soldiers.

We all remember what our Republican friends said about the bill in the last campaign. Let me call attention to what they said about it in their platform. Listen to this:

> We hold in imperishable remembrance—
>
> And yet that remembrance has already perished—
>
> We hold in imperishable remembrance the valor and the patriotism of the soldiers and sailors of America who fought in the Great War for human liberty, and we pledge ourselves to discharge to the fullest the obligations which a grateful nation justly should fulfill in appreciation of the services rendered by its defenders on sea and land.
>
> Republicans are not ungrateful. Throughout their history they have shown their gratitude toward the Nation's defenders.

Is it a "discharge to the fullest" of their obligations to refer this bill back to the committee and thus kill it? Is this the way they show their "appreciation"? Is this the way they fulfill their pledges?

Can there be any doubt about what they meant in their platform? They meant this very bill which their party had already passed in the House of Representatives and that a committee of this body had already favorably reported to the Senate. There can not be any question about it. If there is, the answer to such a question is given in the President's address delivered to this body on last Tuesday. He said:

In a personal as well as a public manner, which ought to be a plight of good faith, I have commended the policy of generous treatment of the Nation's defenders, not as a part of any contract, not as the payment of a debt which is owing, but as a mark of the Nation's gratitude. Every obligation is to the disabled and dependent. In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action if it is taken.

Oh, Mr. President, there was not any reservation in the speeches to the soldiers made in the campaign. When the President was a candidate for the Presidency, and was telling the soldiers of this country that the Republican Party was going to pass this bill, or what meant the same thing, there was no reservation made by him then that it might not be passed until next year or for 5 years or for 15 years, when the foreign debts were collected, if they ever should be collected. No reservations were made. The whole history of this transaction shows that the Republican Party intended to pass this bill. They can not say, as some of them have said, that the statement in their platform referred to the wounded, the maimed, and the sick soldiers. Oh, no. There is a special provision in the platform in reference to these classes of our soldiers. What I have read above is a different provision. That provision was said by Republican orators in the campaign to refer to this bill; that the Republicans would enact it when they got the power, and they had not gone back on that promise until last Tuesday. Until then they evidently intended to keep it. They would keep it now but for the dictation of the President.

It is true that the Democratic Party did not go that far in its platform. The Democrats declared in favor of the maimed and wounded soldiers, it declared in favor of home aid and farm aid provisions, but it did not go all the way that the Republican platform went. It did not declare for adjusted compensation or for what meant adjusted compensation. It declared for two sections of the proposed law, but not for all of them. They did not mislead the soldiers. They did not declare their "imperishable remembrance" for the soldiers, with a "reservation," as the President called it, not to remember it till the Allies paid their debts.

I indorse what the President said when he advocated generous treatment of the defenders of our country; I am only sorry that he does not measure performance by his promise.

The reservation as to the legislation being enacted some time in the future has come lately. It was never mentioned by the President in the campaign. The first mention of such a reservation was in his speech last Tuesday. Why has this change of front come about? It is said because of the financial exigencies of the case. Ah, Mr. President, President Harding must have known the financial exigencies last spring when the bill was passed. He must have known it last February, and in June, when the bill was reported to the Senate. Every member of the Finance Committee knew just as much about the financial exigencies of the country when he voted to report the bill out as he knows about it to-day. The financial condition of the Treasury has not changed except for the better. It is infinitely better than it was last May when the House passed a soldiers' adjusted compensation bill; it is infinitely better to-day than it was last February when the Senate committee reported such a bill favorably; it is better than it was a month ago, and is getting better all the time. That is not the reason; there is something behind that. What it is, I do not know; but what it is the soldiers ought to know.

Now, Mr. President, let us consider for a moment the method by which this bill was submarined, as it was submarined last Tuesday by the President. I am one of those old fogies who still believe in the Constitution of the United States. I want to call the attention of the Senate to the unconstitutional method which the President has adopted in regard to this measure. Section 3 of Article II of the Constitution provides:

He—

Meaning the President—

shall from time to time give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient.

It is seen from this provision that he is not given any authority to come here and take a part in the debates of the Senate or to say that, in his judgment, a bill ought to be recommitted or ought not to be passed even. He is not given the authority under the Constitution to veto a bill by argument in the Senate before it is passed. A wholly different provision of the Constitution prevails as to that. Now, I wish to call the attention of Senators for a moment to that provision. The power to veto a bill by the President is found in Article I, section 7, of the Constitution, and reads as follows:

Every bill which shall have passed the House of Representatives and the Senate, shall, before it becomes a law, be presented to the President of the United States; if he approve he shall sign it, but if not he shall return it with his objections to the House in which it shall have originated, who shall enter the objections at large on their Journal and proceed to reconsider it.

And so forth.

This gives him a specific right of qualified veto. It is a well-understood and a well-defined right. Whenever a President is opposed to a bill he is given the right to veto it. There is no authority in the Constitution for him to appear in either body and argue against it.

In other words, under the Constitution, if the President does not agree to legislation that has been passed by the Congress he is authorized and directed by the Constitution to veto that legislation. That is the method which the Constitution points out by which the President is to express his disapproval of legislation enacted by the Congress. Under the Constitution he has no right to come before this body or the other body and argue against the passage of a bill. He only has the right to veto that bill.

Mr. President, we heard the President's statement here the other day. He said he was in favor of this bill; that it ought to be passed at the proper time, but he wanted it postponed. We all know what postponement means. Postponement means the killing of the bill. There is not a Senator on this side of the Chamber or on the other side who does not know that postponement means the final destruction of the bill.

Oh, Mr. President, so far as I am concerned I would have much preferred that the President of the United States had come out as did the distinguished Senator from New York [Mr. WADSWORTH]. The Senator from New York is opposed to this bill. He has said he does not believe in the policy or the wisdom of the bill. He thinks if we pass the bill it is putting a price upon patriotism. That is a position that any statesman may properly take, and there are a great many people in this country who feel about it as does the Senator from New York; but that is not the position of the President in this case. He comes and says, not that he is opposed to it, not that it is putting a price on patriotism, but he says just to shove it off, postpone it, and thus let it die a peaceful death. That, however, is not the worst feature of this case. The worst feature of the case is the President's unauthorized action in appearing before the Senate while the Senate is considering a measure, and virtually directing the Senate to rerefer and to postpone the bill.

Under the Constitution it is the duty of the President to veto a measure if he does not believe in it. I quote from Mr. Story about the duty of the President in such cases, volume 1, section 885:

In the next place the power—

That is, the veto power—

is given as additional security against the enactment of rash, immature, and improper laws. It establishes a salutary check upon the legislative body, calculated to preserve the community against the efforts of factions, precipitancy, unconstitutional legislation, and temporary excitements, as well as political hostility.

That is what the veto power is for. That is the way in which it has always been exercised. Why, when President Taft objected to the immigration bill he did not come up here and tell his Republican colleagues to take the back track and to kill the bill. He let them pass the bill and then vetoed it, as it was his constitutional right and privilege to do. When one of the Volstead prohibition bills was before the Senate President Wilson did not come up here and ask the Democrats to submarine it for him, but he did just exactly what the Constitution authorized him to do, let the Senate and the House pass the bill without any interference on his part at all and then vetoed the measure; and that is what should have been done in this case. I am sorry that our great President was willing to violate all precedents, was willing, in my judgment, to violate the plain provisions of the Constitution, and come up here and ask you Senators on the other side to do something that it was in his sphere to do, and which it was his sole and only duty to do if he believed the bill was ill-advised. But instead, he comes to you Republican Senators and says to you, "I do not want to

veto this bill. I do not want you to let it come to me. I have the right to veto it. I know that under the Constitution the power is given me to veto it. I know it will not pass over my veto if I veto it, but I want you Senators over on the Republican side to take the responsibility off my shoulders. I do not want to take the responsibility. I want you to take it. I want you to assume any blame that may come of killing the bill." And then you possibly said, "Why, Mr. President, we have committed ourselves to this bill. We are committed to it in our platform. We are committed by the action of our party in the House. We are committed by the action of our party on the Finance Committee of the Senate. This committee twice, after the most careful and mature consideration, reported this bill favorably. You ought not to ask us, under those circumstances, to reverse our position and to go back on our professions. Why, Mr. President, just a few days ago all the Members of the Senate except four or five agreed to take up this bill, which indicated our desire to pass it. Surely you would not have us take the back track now." But the President says, "Yes; but you must take the responsibility off of me. I do not want to bear it. I know I have a right under the Constitution to veto it, and it is my duty to do so if I can not approve it, but I do not want to take the responsibility of vetoing it. I tell you to submarine this bill. I tell you to take it back to the committee and smother it. I have come up here to argue with you and plead with you to take the responsibility off of me. The soldiers are many and politically powerful. Do not let this cup come to me."

It puts you gentlemen in a position that I should not think you would like to be put in.

I know there are Senators on the other side of the Chamber who have already stated what they believed about this matter, and you have got to go back and explain to your constituents why you take this course—that you take it because your President is unwilling to take the responsibility that the Constitution imposes upon him; that the President wants to side-step it, and has asked you to do what he does not want to do.

Mr. President, this is the first time that the President of the United States has ever taken this course. I pray God it may be the last time. The Constitution is a good enough instrument for any President to follow. I do not believe we ought to depart from it, whether we are President or whether we are pauper in this country. All men ought to be guided by the Constitution. The President above all should set a proper example. Every other President has followed the constitutional method. If he did not believe that a law was proper, if he thought it was passed ill-advisedly, if he thought it was passed without due consideration, he has heretofore contented himself with vetoing the legislation; but I regret to say this President, for the first time in the history of our Republic, has said with regard to the Constitution: "I will throw it to the winds. I do not want to take the responsibility for vetoing the bill. I want it killed; but I do not want to take the responsibility of killing it myself. You Republicans down there in the Senate will have to take the back track"; and, of course, you gentlemen have to do it, too, and I can tell you, incidentally, why you have to do it. You have to do it because the patronage has not been all distributed by the President, and until it is distributed you do not dare to refuse the request of the President.

I think that is unfortunate. I think it is unfortunate at any time, under any circumstances, that the legislative will of this body is thus influenced and controlled by the Executive. It does not bode well for this Republic when a President tries to escape the responsibility of his constitutional prerogatives, and, at the beginning of his term of office, before the patronage is all distributed, demands of the Senate that they take back a bill that they have reported out twice, take back a bill that they have almost unanimously agreed to take up by a yea-and-nay vote.

But you have to do it. You are going to do it. You are going to do it to-morrow; but if that patronage were distributed you would not do it. There is not any doubt in the world about it. You know it as well as I do. If the patronage of the President's office had all been distributed, you never would do it; but you would pass this bill. Your belief in what you have already professed is genuine, but you do not, any of you, dare to do otherwise than what the President tells you to do.

Take the members of the Finance Committee of the Senate, you gentlemen of ability, who have served for years in this body and in the other body, too, some of you. You learned Senators who know the financial condition of the country as no other men know it, you gentlemen who have reported this bill twice, after nearly a year of consideration, would not think of reversing yourselves but for your desire to hold in with the administration. You are afraid that the people of your State would think that you were out with the administration when it comes to the appointment to offices, and so you are going to do the Executive's bidding in this matter. You are going to do exactly what he tells you to do. You are going to find, I fear, everyone yielding to Executive demand, and I want to read you the names.

First, there is Senator PENROSE. For months the distinguished senior Senator from Pennsylvania has been declaring his fealty to this bill. He has declared in every newspaper that it was going to be passed. He made that statement last fall. He made it last winter when the bill was first reported out. He made it this spring. He made it continuously until the President came down here last Tuesday and said: "You do not know what you are talking about. You have got to take back all you have said and all you have done about this bill. You have got to take it back. You have got to eat your own words. You have got to decide between the soldiers and me." He decided, and he made the motion to recommit the bill almost before the President had left the Chamber.

Senator MCCUMBER is on that committee. No one in the world who knows the splendid Senator from North Dakota would for a moment think that he would take back what he has said on this subject; and, by the way, I know that gentleman very intimately. I have the utmost respect and esteem for him. If ever I knew a real man, he is one of them; and, do you know, I have great doubt about whether even the presidential patronage is going to make PORTER J. MCCUMBER take the back track. If he votes "yea," I shall be wonderfully astounded to hear that vote. Knowing the man as I know him, I do not believe he will say that these two votes he has cast, these speeches that he has made in favor of this bill, were not true. I do not believe he will say: "I did not know what I was doing. I did it in ignorance." I do not believe that all the patronage of the President could make PORTER J. MCCUMBER take the back track on this bill. I shall watch his vote and I believe my faith will not be shaken.

Then comes Senator SMOOT. Senator SMOOT is one of the ablest of our Senators. No man in this body works any harder than the distinguished senior Senator from Utah. There is no man in this body who knows more about the financial condition of this country than the distinguished Senator from Utah. He will admit it himself, and I believe it. He knows it like the A B C's. He can tell you exactly how much money there is in the Treasury at any time. He has voted on this bill twice in the committee. If he does not favor it, he has not opened his mouth in opposition to it, so far as I have heard. I have understood that the bill was unanimously reported. There is no dissenting opinion in the record; but, at any rate, it has been reported twice, and Senator SMOOT, that watchdog of the Treasury, that able and gifted Senator—who, as I say, perhaps knows as much about the financial condition of this country as any other Senator here—Senator SMOOT is asked to take the back track on the bill.

I am just informed that Senator SMOOT voted against the bill in committee. I want to be fair to him. He is not, therefore, in the attitude of taking back anything; but he knew the condition of the Treasury, and he did not say anything against the bill, and this bill has been debated here for weeks. He never said a word about it. He filed no minority report against it. He has uttered no protest.

Who is the next one? Senator LA FOLLETTE. There is another Senator to whom I am curious to see whether he is going to take the back track at the dictation of the President of the United States. I wonder if LA FOLLETTE, the independent thinking and independent acting Senator, who has voted twice to report out this bill—I am just wondering if Senator LA FOLLETTE has got into the meek and humble class. I wonder if he has become a subservient follower of patronage. I wonder if the Executive whistles and he heeds. I doubt it. I shall watch his vote with a great deal of interest. The senior Senator from Wisconsin has been accounted a real man in this country for a long, long time—an independent thinking and an independent acting man. I shall be greatly astonished if the distinguished senior Senator from Wisconsin is going, at the crack of the Executive whip, to take back his vote, eat his words, and say: "We will smother this bill, contrary to the Constitution. The President has told us to do it, and I obey his commands."

But I come to the next one, Senator DILLINGHAM. Senator DILLINGHAM, able and splendid man that he is, honest and true, believed that these boys were entitled to what this bill gives them. Senator DILLINGHAM, unless I am greatly mistaken, would rather cut off his right hand than vote otherwise than what he believes is right. If Senator DILLINGHAM, after having voted twice for this bill—indeed, three times, as perhaps the RECORD will show, when he voted to take it up—is willing to

take the back track at the crack of the Executive whip, I shall be disappointed in Senator DILLINGHAM. He does not make that kind of impression on me. He has always impressed me as being one of the finest and most upright men that I ever knew. Is he going to take the back track because of his ignorance of the condition of the Treasury? I can not imagine such a thing. It is impossible to believe such a thing.

But let us take the next one, Senator MCLEAN, chairman of the Banking and Currency Committee of the Senate, learned to a degree on the question of governmental finance; learned on the question of the finances of this country—a canny Scotchman! Oh, Senator MCLEAN, are you going to take back your vote in obedience to the demand of the Executive? Are you going to repudiate your two votes in the committee in favor of this bonus legislation at the crack of the Executive whip? After having joined your colleagues in reporting out this measure, are you going to let the Executive come along, because the patronage has not all been given out, and tell you to vote to send this bill back to the committee—vote to smother it? "Take the responsibility off my shoulders," says the President. Is the Senator from Connecticut going to be amenable to Executive authority of that sort? Oh, Mr. President, I have my very grave doubt about it.

Then take my good friend Senator CURTIS, of Kansas. If there is one man in this body I really and genuinely and truly love it is CHARLIE CURTIS. They do not make any finer men on the face of the earth. I believe that is the common opinion of all of his colleagues in this body.

CHARLIE CURTIS has voted for this bill twice. He voted the other day to take it up. He has voted to report it out, and I believe that he is sincerely in favor of this legislation. I believe in his heart he believes that the soldiers ought to have it. I do not believe CHARLIE CURTIS, when he comes to vote, can vote to recommit this bill. What power is there that will force a great man and a good man, an intelligent man, one of the best legislators who was ever in this body, to take the back track on a matter of such importance? I hope that he will not do it. I hope that he will not let the Executive whip be cracked over his head. He is not that kind of a man. He ought to vote his honest sentiments. He owes it to himself and to his record.

This body is a deliberative body. It is not a body to be whipped and spurred by an Executive or anybody else. A Senator ought to have the utmost freedom of voting, the utmost freedom of action. Surely it is inconsistent with everything we hold that is right and proper in this body to have your vote dictated by anyone outside of this body, whoever he may be. We are not a part of a coordinate branch of the Government if we do this thing. We are but registrars of the Executive will.

Then I come to my good friend Senator WATSON of Indiana. JIM WATSON has been in politics all his life, knows the ins-and-outs of it, has served in the other House and has served in this body, made a splendid reputation in both places, and is a great leader in his own State. The soldiers of Indiana have looked to him, and no doubt received his promises to give them what was due and what the Republican platform had promised them. How is he going to explain to the soldiers of Indiana his change of front? And what are you going to do about it, Senator WATSON? Are you going to take back your vote? Are you going to let the Executive whip prod you into voting against the soldiers?

You knew as much about the condition of the Treasury last winter and last spring as you do now. To say that they knew nothing about the financial condition of the Treasury when they reported out this bill twice, after months of deliberation, is an indictment against these 10 Republican Senators on the Finance Committee the like of which has never been paralleled in this country. Here is a body of men, the leading men in this Republican Party on questions of finance, who solemnly reported out this bill twice, and then at the last minute allow themselves and their bill to be submarined by the President. It would be bad enough, my good Republican friends, if the President had vetoed this legislation after you had passed it. If, after you had passed it, he had interposed his veto, it would not have been a very complimentary action to you. But when he comes before this body, takes part in the argument, and asks you to take the burden off of his own shoulders, to take away the responsibility from him, and to accept it yourselves, he is asking a good deal of you, I will say that for you. He is asking a good deal of every one of you, and I am wondering how many of you are going to accept the responsibility. I am wondering.

I say to you that in my judgment there never has been a vote cast in this body, and there never will be a vote cost in this body, which will receive the scrutinizing eye of the American public like the vote that is going to be taken to-morrow afternoon at 3 o'clock. Are you automatons, or are you men? Are you Senators, or are you just conveyors of the Executive will? Are you going to rise up to what you believe is right, or are you going to sit down and take back your convictions and your honest views and substitute for them the Executive will?

I am referring, of course, to the Senators on the other side who are favorable to this legislation. I have not a word of criticism of those gentlemen like JIM WADSWORTH and others who are genuinely opposed to it. I am talking about those of you who have voted for it every time you got a chance, who have spoken for it on every hustings, who have stood for it before the country.

But that is not all. Senator CALDER, the distinguished Senator from the great State of New York, with a great many more soldiers in his State than any other State in the Union, declared himself to be the soldiers' friend, and stood by them up to date on every occasion, until the President Tuesday directed him to submarine this bill, like a bolt out of a clear sky. Senator CALDER, of course, knew about the financial condition of the Treasury when he voted twice to report the bill; of course he did. He knew whether the Government was able to pay the price; of course he did. He knew it last February when he aided in reporting this bill, and he knew it in June when he aided in reporting this bill. But he no doubt thinks to himself, "There is a great deal of patronage in New York. The boys are all looking to me for something. I can not fall out with the President now. I can not disobey him. The President asked me to submarine the bill. There are more of other people in New York than there are of soldiers." Fine, Senator CALDER. He has my sympathy. Ah, I can not believe that my good friend Senator CALDER, with whom I served in the House, for whose honor and for whose patriotism and service I have the greatest admiration—I can not believe he is going to join in the submarining of the soldiers.

I come next and last to Senator SUTHERLAND, of West Virginia, fine old HOWARD SUTHERLAND, who used to be next door to me in the House, whose word is as good as his bond, who is the soul of honor. Is it possible that independent-thinking HOWARD SUTHERLAND is going to vote to take the back track because the President tells him to do it? Is he going deliberately back on his word and on his promise to the people of West Virginia, to the soldiers of West Virginia? What is he going to do about it? Is he going to do the bidding of his conscience, and what he honestly believes is right, just as he has expressed himself in the past, or is he going to do the bidding of the President in order to get patronage? Oh, that is the only question. We know, as well as that we are standing here, that if the patronage had all been distributed this motion to recommit never would have been made, and if made would be overwhelmingly voted down.

I see the Senator from Idaho [Mr. BORAH] looking at me. I am not talking about his position on this, because I understood his position was exactly the same as that of the Senator from New York [Mr. WADSWORTH]. The Senator from Idaho does not believe in one thing and do another. I have noticed that in my service with him, and I am sorry to see that my good friends who are mentioned here are even considering going back upon their votes thrice taken in this body. I can not believe any of them will do it until I hear their votes "yea." But it does look like some of their love for the soldier is ebbing—they are slipping I know, but I hope they may catch themselves before it is too late.

Mr. President, there is not any necessity for the action that is going to be taken to-morrow afternoon, none whatever. It may be that the President is right about the condition of the Treasury. We all know that we are spending a great deal more money than we collect now. We all know that the situation is not as it should be. We all know that the extravagances of the present administration are running our expenses up to about five billion a year, and that we are not collecting that much money. You gentlemen on the other side, whether you pass this bill or not, have to find new sources of revenue. You have to put additional taxes on the American people. You will not bring the Navy down much, and you will not bring the Army down much. You will not cut off the expenditures that are wildly extravagant, and you will have to find other sources of revenue, whether you pass this bill or not.

But I want to suggest to the Senate that there is another way of arranging the soldiers' adjusted compensation. I can not say, with my limited knowledge, whether the Treasury could at this time pay an actual cash bonus to the soldiers. It may be that the President is right about it. It may be that the distinguished Finance Committee has been wrong about it for the past six months. It may be that my good friend from

Utah [Mr. SMOOT] did not know the condition of the Treasury six months ago when this bill was first reported out, and did not have much idea of it a month ago, and that he has recently learned what the condition of the Treasury is. But I can not believe that about my friend, because I know there is no man in this body who knows more about the finances of this Government last year or this year than my good friend, the Senator from Utah. It may be that he is wrong and the committee is wrong and have been wrong. It may be that the House is wrong. But that ought not to make you go back on the soldiers.

It is to be remembered that you went back on your allies. You on the other side of the aisle used to say that none of the Allies ought to make a separate peace, and yet you have gone back on that proposition, and now are going to make a separate peace, and now you are going back on the soldiers. You first go back on the Allies, and then you turn your backs on the soldiers who defended you in the late war.

Mr. SMOOT. For the RECORD only, not that I care about interrupting the Senator, I want the Senator to know that I did not vote to report this bill to the Senate.

Mr. McKELLAR. That had been reported to me a while ago, and I made the explanation for the Senator, because I would not put him in a false position. I am glad to know that the Senator takes that position, if he is going to vote to recommit. Any Senator who has taken the position heretofore that the bill ought not to pass, and now votes to recommit, has my highest admiration. But I am talking about the position of those Senators who have said upon their hearts and consciences that they believe that this bill was right and ought to pass, after a year of deliberation, and then, when the Executive cracked his whip, took back their convictions and agreed that the Executive should have his way.

But, Senators, I say to you that there is a way to settle this question to the entire satisfaction of the soldiers, I believe, and not draw a dollar from the Treasury of the United States; and if you will just add section 702½ to the bill, it can be done, and I want to read it to you. It is as follows:

SEC. 702½. The Secretary of the Treasury is hereby authorized and directed at the earliest practicable moment to secure from the several foreign Governments, namely, Belgium, Cuba, Czechoslovakia, France, Great Britain, Greece, Italy, Liberia, Rumania, Russia, and Serbia, to which several Governments moneys were loaned by the United States under and by virtue of the several war emergency acts of the Congress, passed in the years 1917 and 1918, long time—not exceeding 50 years from the date of such bonds—interest-bearing bonds of such Governments in such denominations and amounts as may be agreed upon, for the moneys loaned under the said acts, the interest on such bonds to be paid semiannually at a rate not less than 5 per cent. In making settlements with the said several foreign Governments, the Secretary of the Treasury is hereby authorized and directed, in lieu of receiving the interest past due and unpaid on said loans, to take interest-bearing bonds for such past-due interest, as well as the future interest up to November 15, 1921, said bonds to be of like tenor and effect as the bonds for the principal sums loaned to said Government, with interest on such bonds to be paid semiannually in like manner. Upon receipt of all such interest-bearing bonds, the Secretary of the Treasury is further authorized and directed, in the name of the United States to guarantee the principal and interest of such bonds, and use so much and such portions of them as may be necessary to carry out the terms of this act, and to deliver so many of them as may be necessary under its provisions, to the soldiers, sailors, and marines of the late war, in lieu of the cash payments provided in previous sections of this act. The Secretary of the Treasury is further authorized and empowered to exchange the remainder of said bonds received from said foreign Governments, after guaranteeing and indorsing them as aforesaid, for such of the Liberty or Victory bonds or other bonds of the United States as may be obtainable, and thus reduce the primary bonded obligations of the Government to the extent of such remainder of foreign bonds after the terms of this act are satisfied.

Now, Mr. President, if our Republican friends are afraid that the payment of a cash bonus would injure the Treasury, it is easy enough to adopt this amendment. It would be better not only for the soldiers but for the country. It would be better for our allied friends who owe us this money. We are not asking the payment of the principal. No one is asking the payment of the principal which they owe us. We are merely asking under this provision that they deliver us the bonds and pay us the interest. Why should not the interest on these debts be paid? Why should not a portion of those bonds be used in this way, since we are unable to pay the soldiers who fought and won the war for ourselves and for our allies? Why should we not devote a portion, and a very small portion at that, of the indebtedness due us to the payment of a reasonable bonus to the soldiers?

My good friend the Senator from Utah [Mr. SMOOT] said that it would be a mistake to do this, because they are not able to pay it and it would hurt us to accept it. Well, I do not know about that. I believe this is the first time I ever heard of a creditor saying that payment to him by the debtor would be likely to hurt him. If the Senator from Idaho [Mr. BORAH] owed me $10,000 and came and offered me a check and I should say, "Why, Senator, you are not able to pay this, and even if you were it would hurt my financial condition to accept it," he would think I was crazy and any business man would think I was crazy.

Mr. BORAH. I would know the Senator was crazy.

Mr. McKELLAR. I would know it, too; and so would any other man and any other Government be crazy that would say they would not accept payment of a debt or the interest on it when it was offered for fear it might hurt his or its financial condition. We have virtually been offered the payment by one of our allies; at least, their public men have stated in Parliament and in the papers that they are ready and willing to pay the interest on their loans. They represent a nation that has never laid down on its debts, and it is not going to lay down on its debts now.

My good friend the Senator from Utah said it would hurt the exchange that exists between the countries. I wish to make this suggestion with respect to hurting exchange: Our allies could pay three times as much interest a year and it would not hurt our exchange one-tenth as much as the tariff bill which you Republicans are going to pass here after a while, and which has now been introduced in the House of Representatives. You are building a tariff wall around our country and preventing our allies from paying their debts to us in trade. You are not going to allow them to pay their debts in trade, and yet you say that is all right and will not hurt foreign exchange. In other words, we may keep them from paying two or three billion dollars a year by a high tariff wall, but that does not hurt exchange; but if they even want to pay us the interest on their loans from us, you say it is going to hurt exchange.

Senators, I do not think there is a thing in the world in that suggestion. We might as well look this foreign-loan proposition squarely in the face. We have got to collect that interest or we have got to impose that amount of additional tax on the American people, and we know it. There is not a Senator in this body who does not know it. We know that the choice is up to us. The Government must collect the interest due us on our foreign loans or we must put the amount of it—$500,000,000—in additional taxes on the American people. Are you going to tax your own people rather than collect the interest on your foreign loans? That question is right up to you now, and you can not escape it.

Some suggestion was made that to talk about the collection of these loans at this time is somewhat partisan. It is not partisan so far as I am concerned. I have been urging the Secretary of the Treasury for more than a year to take steps about it. The distinguished Senator from Virginia [Mr. GLASS], who was at one time an extremely able and honored Secretary of the Treasury, will recall that I wrote to him about it, and he has already stated here this morning that he took steps about it; that he had the matter almost completely settled when suddenly the representatives of foreign Governments came to a halt and would not go further in the settlement.

The Assistant Secretary of the Treasury was over there for that purpose and about had the settlement completed when they said, "We will halt on this now."

Do you know why? To my mind the answer is plain. They thought they could get better terms out of the new administration, and from the appearance of the Penrose bill introduced a week or two ago in this body it looks like they will get them. It looks like our allies acted very wisely in not settling the matter with Mr. GLASS when he was Secretary of the Treasury. I am proud of the action of the then Secretary of the Treasury in trying to obtain a settlement. No abler or more conscientious Secretary of the Treasury every held that position than he.

By the way, I made a statement here the other day that I doubted if the Secretary of the Treasury has the right to fund these loans and secure bonds for the past-due interest. I understand that that matter has been settled by the law officers of the Government, and they hold that they have the power now under the present law to take bonds for principal and interest.

When the Democratic successor to Secretary GLASS took office I wrote him innumerable letters asking him to do what the law commanded him to do, to make an effort to obtain bonds for these loans and for the past-due interest. I could hardly get a reply out of him. He finally answered me that the report of the Secretary of the Treasury would show his views. There is very little about it in that report, because he knew very little about it.

I mention this not in criticism for the then Secretary of the Treasury but simply to show that there is no partisanship about the question of the collection of these loans, so far as I am concerned. I take the same position in regard to the present Secretary of the Treasury that I did in regard to the position of past Secretaries of the Treasury. These loans to foreign nations were issued under laws that are perfectly plain, and

those two laws are acts of Congress that direct in so many words that this money be loaned by the United States to our allies on exactly the same terms on which we borrowed the money from our own people.

It directs the Secretary of the Treasury to take interest-bearing bonds for it. We gave bonds with coupons attached. We were to receive like ones from our debtors.

But instead of that being done, to-day there are not bonds of any foreign nation in our Treasury. They are merely certificates of indebtedness. There is nothing there of the nature that the law directs to be taken. When are we going to have action? The Secretary is not following the plain provisions of the law.

Right at this point I desire to read what the President said about this. By the way, I am very glad to know that the President, inferentially at least, upholds me on this subject. Here is what the President said in his address on last Tuesday:

> Even were there not the threatened paralysis of our Treasury with its fatal reflexes on all of our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it was able to bestow.

When is the expected time that we are going to settle? When is the Secretary of the Treasury going to do his sworn duty under the law that directs him to take bonds for this indebtedness?

The distinguished Senator from Idaho [Mr. BORAH] yesterday read into the RECORD a statement from a London paper that they had advices from America that the Secretary of the Treasury or the United States Government had agreed to postpone payment of the interest on our foreign debts for 15 years. I am sure that if the Secretary of the Treasury has entered into an implied or express agreement to that effect, the President would know it. That means that this bill will come out of the committee 15 years from now, according to the President's message. As young as the Senator from Utah [Mr. SMOOT] is now, he will have a white beard down almost to his waist by the time the soldier boys ever get anything under the scheme suggested by the President, if that agreement has been made.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield to the Senator from Utah.

Mr. SMOOT. I wish to say to the Senator that there has been no such agreement made. The Secretary of the Treasury was before the committee this morning and so testified.

Mr. McKELLAR. I am glad to know it. I read in the RECORD this morning a statement from a London paper, the London Times, I think it was——

Mr. SMOOT. Oh, well, that was from an English paper, of course.

Mr. ROBINSON. Mr. President, will the Senator from Tennessee yield to me?

Mr. McKELLAR. Certainly.

Mr. ROBINSON. Can the Senator from Utah advise us whether any such policy is in contemplation? Does the Senator know whether a proposal has been submitted to the Secretary of the Treasury of the United States by foreign Governments indebted to the United States to effectuate an arrangement by which the interest on these loans may be postponed for a protracted period?

Mr. SMOOT. I will say to the Senator that the only Government that has spoken to the present Secretary of the Treasury is the British Government and that was just in a conference that was held here when the representatives from Great Britain were here. No agreement was made.

Mr. McKELLAR. What was the proposal in that informal hearing from the British representative?

Mr. SMOOT. If the Senator had not interrupted me, I would have gone on and stated what I was told by the Secretary. It was just a visit to feel out and to determine how the administration felt about the refunding of the British obligation. No agreement whatever was made.

Mr. McKELLAR. What was the feeling out? What was the proposition advanced? If there was a feeling out, there must have been some suggestion made. If it was to postpone the interest further or some suggestion of that kind that it must be postponed——

Mr. SMOOT. I do not think there is any question but what the British——

Mr. McKELLAR. What was the proposition?

Mr. SMOOT. I can not say what was said. There is no question in my mind that there was discussion of the question of the extension of time upon not only the obligation but the interest. That is what the bill is for that has been introduced here. I know that the Senator does not have very much respect for my opinion as to propriety of demanding or not demanding payment by Europe to-day of the interest due——

Mr. McKELLAR. I have the greatest respect for the Senator's opinion.

Mr. SMOOT. But I think if he will ask the honorable Senator from Virginia [Mr. GLASS], who so ably held the responsible position of Secretary of the Treasury, that he himself will agree with what I have said upon the floor of the Senate as to the results that would follow if we demand payment or try to collect the interest due. He will say that the results would be just as I have stated.

Mr. ROBINSON. Mr. President, with the permission of the Senator from Tennessee, who has the floor, I should like to ask the Senator from Utah a question.

Mr. McKELLAR. I yield for that purpose.

Mr. ROBINSON. If it is not incompatible with public interest, in the opinion of the Senator, I should like to be advised whether the Secretary of the Treasury has informed the Finance Committee as to what policy he has adopted or decided upon with respect to this matter?

Mr. SMOOT. No; the Secretary has not so stated.

Mr. ROBINSON. He has not informed the committee? The Senator does not know what the policy is?

Mr. SMOOT. And, further than this, that the reason why he asked for the resolution was that he holds—and so, I think, has every Secretary of the Treasury, as I understand it, since the obligations have been made—that the law does not authorize the extension of time for the payment of the interest, but it does the extension of the principal.

Mr. ROBINSON. That was my understanding of the law.

Mr. SMOOT. I was a member of the committee when the law was enacted, and I am sure the law does not authorize that.

Mr. ROBINSON. I will say to the Senator from Utah that my memory, in so far as it has any value in anyone's opinion, concurs with his own in that particular. So if the statement be correct it will be impossible for the Secretary of the Treasury to carry out any arrangement contemplating a postponement of interest without authorization by Congress.

Mr. SMOOT. And not only that, but the Secretary of the Treasury can not refund other foreign obligations created by the purchase of goods that are now held by the Government. I will frankly say, just as the Senator from Tennessee [Mr. McKELLAR] has said, that the obligations are virtually I O U's; they are represented by the notes of those Governments.

Mr. ROBINSON. Their demand notes.

Mr. SMOOT. Their demand notes.

Mr. McKELLAR. They are merely certificates of indebtedness, as I understand. They merely say that the British Government owes the United States Government $4,225,000,000, or whatever the amount may be.

Mr. SMOOT. I will say to the Senator that they are demand notes, or obligations.

Mr. McKELLAR. They are substantially demand obligations.

Mr. ROBINSON. Just a moment. Under the existing law, if I understand it, the Treasury Department has authority to take bonds in substitution for these demand notes.

Mr. SMOOT. That is true.

Mr. ROBINSON. But that has not been done.

Mr. SMOOT. That has not been done.

Mr. ROBINSON. And before any postponement of the interest may be effectuated Congress will have to pass upon the matter and prescribe the terms. I take it.

Mr. SMOOT. And before the exchange into bonds of the interest and certain obligations now held the question of the interest must be settled in some way or other, and unless we have new legislation that can not be done. That is one of the reasons why the Secretary of the Treasury has asked for this authority.

I will frankly say to the Senate that it is my opinion that the Secretary of the Treasury intends not only to convert the present obligations of foreign Governments into bonds, but that the interest which is now due shall be included in those bonds.

Mr. ROBINSON. That was the information which I desired to obtain from the Senator.

Mr. McKELLAR. I wish to say——

Mr. GLASS. Will the Senator permit me to make a statement?

Mr. McKELLAR. I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, I do not take the view which has been expressed by the Senator from Utah [Mr. SMOOT] and concurred in by the Senator from Arkansas [Mr. ROBINSON] as to the authority of the Secretary of the Treasury under existing law. It is my view that the Secretary of the Treasury, under existing law, has full authority to fund the indebtedness of foreign nations to this Government, including accrued in-

terest to date. So far as I know, it has never before been questioned that the Secretary of the Treasury has full power to fund the principal of foreign obligations to this Government. The only question that arose in the discussion of the matter was as to the accrued interest. On the 18th day of December, 1919, when I happened to be Secretary of the Treasury, I addressed a letter to the chairman of the Ways and Means Committee of the House of Representatives, a copy of which I transmitted to the chairman of the Finance Committee of the Senate. The concluding paragraph of that letter reads as follows:

My advisers—

That is, the legal advisers of the Secretary of the Treasury—

are firmly of the opinion that in connection with and as a part of a general funding of the demand obligations into time obligations I am duly authorized under the Liberty loan acts to spread over subsequent years the interest which would accrue during the reconstruction period of, say, two or three years, and to include such amounts in the time obligations. If, however, the Ways and Means Committee of the House, which shared with the Secretary of the Treasury the initial responsibility for the Liberty loan acts, should question my power so to act, I shall be pleased to have you so inform me at once, in order that I may lay before your committee a proposal for further enabling legislation.

Cordially, yours, CARTER GLASS.

Hon. JOSEPH W. FORDNEY,
House of Representatives.

The report of the Secretary of the Treasury who succeeded me goes on to say—which I know to be a fact:

The Committee on Ways and Means replied that there was in its opinion no legislative bar to the procedure proposed.

And, as a matter of fact, as will appear from the report of Secretary Houston:

Negotiations looking to the exchange and, in that connection, the deferring of interest collection were undertaken in Washington. They were continued in Europe in the fall of 1919 and the spring of 1920 by Albert Rathbone, then Assistant Secretary of the Treasury, and will be concluded in Washington.

As a matter of fact, I think it may be determined that the present Secretary of the Treasury took no different view from that as to the major loans and accrued interest.

Mr. SMOOT. I will say to the Senator from Virginia that the present Secretary of the Treasury has been advised that there is a question as to the accrued interest on those obligations, and I think the Senator himself in writing that letter had some little doubt in his mind as to the interest.

Mr. GLASS. I had not one particle of doubt, but some doubt had been expressed on the floor of the House of Representatives. In order to make the matter clear, I took the precaution to address the communication which I have read to the chairman of the Ways and Means Committee of the House of Representatives and to send a copy of the letter to the chairman of the Finance Committee of the Senate. The matter was duly discussed by the members of the Ways and Means Committee, and they signified their concurrence in the belief of the Secretary of the Treasury.

I have reason to believe that the present Secretary of the Treasury entirely concurred in that view of the law; at all events, his predecessors took that view of the matter, and dispatched the Assistant Secretary of the Treasury in charge of foreign loans to Europe for the purpose of negotiating with foreign exchequers to fund the foreign obligations, including the accrued interest. My information is that the Assistant Secretary of the Treasury of the United States had to all intents and purposes practically reached an agreement, when suddenly negotiations were terminated by foreign Governments, whether under the supposition that they might get better terms from a following administration or not I do not undertake now to say, but they were terminated without explanation on the other side, and a little while thereafter came the suggestion that those loans might be forgiven or materially modified. Then, we have now pending a proposition to give the Secretary of the Treasury the broadest kind of power to fund these obligations and the accrued interest.

It is my belief, Mr. President, that with respect to the major loans of foreign Governments and the accrued interest thereupon, the Secretary of the Treasury has under existing law ample power to do this thing. It is only with respect to the miscellaneous loans, such as loans to Poland, Czechoslovakia, Lithuania, and a multiplicity of nations whose identity might disappear in six months or a year or a longer time, that the Secretary of the Treasury needs any power to fund the loans.

Mr. McKELLAR. Mr. President, I wish to call the attention of both the Senator from Utah and the Senator from Virginia to this situation: I think that the position taken by the Senator from Virginia in the report from which he has quoted is probably correct; I believe that under the present law, if the interest were spread over a number of years—that is, if the interest rate was raised to take care of it—that would be within the power of the Secretary of the Treasury; but if the Secretary of the Treasury is to fund the principal and the interest that is now past due to us, amounting to about a billion dollars, he ought, it seems to me, out of abundance of caution, to have specific authority to do that thing.

But however that may be, that is not material. The material thing is to put the debts in the form of bonds and start to collect the current interest. The nations owing us money, or some of them, at all events have suggested their willingness and ability to pay the current interest, though not the past due interest. I think nobody is asking them to pay the past interest; nobody is asking them to pay the debts themselves, but what we are asking and what I ask is that the Congress shall provide that the interest hereafter as and when it falls due shall be paid. It amounts in round numbers to about $500,000,000 a year. That is an immense sum of money; it comes from about a dozen different nations; and, so far as I am concerned, I am unwilling to give the blanket authority to the Secretary of the Treasury that he has asked for, to convert this indebtedness into bonds and then to substitute the bonds of other nations therefor, which bonds, with the reparation bonds of Germany, Austria, or Turkey, may or may not be good, especially when he does not tell us what arrangements have been proposed. The Secretary owes it to the Congress and to himself to state frankly what proposals have been made to him by any other government, and what propositions of settlement are going through his own mind, and we ought to vote him authority to settle until he does disclose the proposals.

I thought the Senator from Utah a moment ago was going to tell us what the proposition of the Secretary of the Treasury was about these debts; what he proposed to do with them; how long he proposed to postpone the current interest. Is it for one year? Is it for two years? Is it for five years? Is it for 15 years, as reported in London? The Senator says he does not know; but surely the financial representative of this great Government would not come before the Congress and ask for blanket authority to dispose of $11,000,000,000 without having a plan in regard to it. I know the Secretary of the Treasury; I have high esteem for him, and I do not believe the Secretary of the Treasury would deliberately come down to Congress and ask for blanket authority to dispose of the enormous sum of $11,000,000,000 of indebtedness without a plan about it. I believe that the Secretary of the Treasury has a plan, and it is his duty, in my humble judgment, to present that plan to Congress before we give him blanket authority or any other kind of authority. It is our duty to find out what that plan is, so that we may tell the American people what we propose to do with this enormous indebtedness which is owed to them.

Mr. SMOOT. Mr. President——

Mr. McKELLAR. I yield to the Senator from Utah.

Mr. SMOOT. I want the Senator to understand that, so far as I have heard, there is no kind of a proposition from any source that when the foreign debt is refunded and the accumulated interest to date is added to the obligation thereafter the interest is not going to be collected. That is a proposition I never heard suggested until the Senator suggested it a few moments ago.

Mr. McKELLAR. Mr. President, on yesterday the senior Senator from Idaho [Mr. BORAH] read a newspaper statement from the Associated Press coming from London and emanating from a responsible newspaper there, which stated that an agreement had been made with the financial department of the Government of the United States to postpone the collection of the interest on the debts, not to postpone the principal sum, but to postpone the collection of interest on the debts for 15 years.

Mr. SMOOT. I will say to the Senator that that is the interest that is already due that will be added to the obligations of to-day.

Mr. McKELLAR. Let me read what it says.

Mr. SMOOT. Wait a minute. Then, if that is done, and the extension of the notes with the interest added is for 15 years, it is a postponement of the interest due to-day for that length of time; but there is no such proposition as saying that there will be no interest paid on the obligation when refunded for 15 years.

Mr. McKELLAR. I read from the article in the London Times, of June 16, 1921, put in the RECORD yesterday by the senior Senator from Idaho [Mr. BORAH]:

There was a further improvement yesterday in the currencies of the principal allied countries. The American rate for the pound sterling rose 1¼ cents.

Then it goes on to show how the others rose, which I will omit from my reading.

Although there was an absence of German buying of dollars on account of reparation yesterday, the improvement in sterling was not due to it. *It was attributed in part to the announcement cabled from New York that an agreement had been reached for postponing for 15 years payment of interest on the Allies' debt to the United States Government.*

Mr. SMOOT. That is right in this way, that that interest shall be added to the principal; but it does not say that after the amount of indebtedness is funded they shall not pay the interest.

Mr. McKELLAR. The proposition is that all the interest is to be postponed, according to this report, for a period of 15 years.

Mr. SMOOT. Oh, no.

Mr. McKELLAR. It says so. I will read it again:

It was attributed in part to the announcement cabled from New York that an agreement had been reached for postponing for 15 years payment of interest on the Allies' debt to the United States Government.

Mr. SMOOT. That is right.

Mr. McKELLAR. Well, if you are going to postpone the payment of interest for 15 years, you are virtually going to give the indebtedness to the Allies.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER (Mr. LADD in the chair). Does the Senator from Tennessee yield to the Senator from Virginia?

Mr. McKELLAR. I do.

Mr. GLASS. My colleague, of course, wants to be accurate about this matter.

Mr. McKELLAR. I do.

Mr. GLASS. Textually that cable says what my colleague says.

Mr. McKELLAR. Precisely. I read it, and I believe I understand it.

Mr. GLASS. I do not think the Senator does understand it if he interprets it as he has indicated. What is meant there in speaking of the interest is the accrued interest, the interest which has accrued to date.

Mr. McKELLAR. That would be called past-due interest, and it does not say that. Now, I want to say this to you: The opinion that the Senator from Virginia may have about it, the opinion that the Senator from Tennessee may have about it, the opinion that even the Senator from Utah may have about it, with all of his power and influence with the present administration, is immaterial. The one man whose opinion is prevailing in this country is the Secretary of the Treasury, and before the Committee on Finance he has not made any statement about a postponement of past-due interes" or of current interest. Now, why can not that be asked of the Secretary of the Treasury? What is the use of covering up the proposal of the Government? Why can we not have it in plain English? If the Secretary of the Treasury proposes to agree that this current interest shall be postponed he ought to come and tell Congress that he believes that it should be postponed, and give his reasons for it, and let the Congress vote on whether or not we should postpone it. On the other hand, if he merely means the postponement of past-due interest he ought to make that statement and let us legislate accordingly.

I say it is not right, it is unpatriotic, it is un-American for any officer of the Government to come and ask for a blanket authority of Congress to dispose of a great debt like $11,000,000,000 without telling us exactly what he proposes to do. We have tried to get from the Senator from Utah, who is on the committee, who is on the inside, a statement this morning as to what is proposed by the Secretary of the Treasury; and I do my friend the justice to say that he does not himself know what is proposed. I believe he would state it to this body if he did know it. The only man who can tell about it is the Secretary of the Treasury.

I ask my friend from Utah, the watchdog of the Treasury, the man who knows as much about the financial condition and affairs of this Government as any other man in the country, I believe, whether he will not find out from the Secretary of the Treasury when he comes before his committee and submit the facts to this body?

Mr. SMOOT. I will say to the Senator now that the Secretary of the Treasury has stated to the committee, and I do not think there is any doubt about the country understanding what his position is, what the accrued interest upon these obligations can not be paid by foreign countries to-day, but in the refunding of those obligations that interest will be added to the obligations, either by an increased rate of interest or by an increase of the obligations. I will say to the Senator there is no dispute about that.

Mr. McKELLAR. There is a very serious dispute.

Mr. SMOOT. But as far as taking a bond here for the obligation which the Government owes now is concerned, and having that bond draw no interest for 15 years, a Secretary of the Treasury who would do such a thing ought to be impeached, and he would be impeached.

Mr. McKELLAR. I am glad to have the assurance of the Senator from Utah, a member of the Finance Committee, that the current interest from now on is not going to be postponed. I think it is the best sign toward the upbuilding of our financial resources that I have seen. When the Senator from that great committee, versed as he is in the affairs of the Government of this country, assures the Senate and assures the American people that these bonds are going to be converted into interest-bearing bonds, and the current interest, as and when it falls due, is going to be hereafter collected, I say to you, sir, that when that program is carried out no man in this country will more cordially indorse what is being done than the Senator from Tennessee. I say to you, sir, that it will be worth more than all the tariff bills you will ever pass, and will be infinitely more effective than any change in taxation that you could effect at this time. Why? Because you can not do anything now, so far as domestic taxation is concerned, other than to change the burden from one shoulder to another; but if you collect this five hundred millions of current interest a year you take that much burden off of the American people, and you ought to do it, and it ought to be done at once.

Mr. GLASS. Mr. President——

Mr. McKELLAR. I yield to the Senator.

Mr. GLASS. The position of the present Secretary of the Treasury, as stated by the Senator from Utah, is not one whit different from the position of his immediate predecessors. The only point there in dispute, if it is in dispute, is that his predecessors thought, and I have understood that he thought, that he had ample authority under the existing law—and he has, Mr. President; the Ways and Means Committee of the House so formally and officially stated—he has ample authority under existing law to fund those loans and accrued interest. He does not need any further authority to do that.

Mr. McKELLAR. Now, Mr. President, turning in conclusion to another subject——

Mr. WATSON of Indiana. Mr. President——

Mr. McKELLAR. If the Senator will excuse me just a minute, I have an engagement in the Military Affairs Committee, and I want to conclude.

Mr. WATSON of Indiana. Certainly.

Mr. McKELLAR. It is going to take me only a moment to say what I now desire to say.

Turning back to the pending motion to recommit, we will assume that the Treasury is not now able to stand the strain, as the President states, of a cash bonus. Then why, in the name of heaven, can we not do what every one of us who has said anything about it says ought to be done—put this foreign indebtedness into bonds, let the United States guarantee them, and divide enough of them among the soldiers, sailors, and marines to do what we ought to do; that is, pay them this small stipend?

Why do I say that? I think we ought to do something for them, and I will tell you why.

As I understand, 30 States in the Union have already done something for their particular soldiers in the way of bonus bills. They were not fighting for those individual States, however. They were fighting for the United States. None of those State governments have resources that can compare with the resources of the National Government. If 30 States have done it, it shows a sentiment in this country that is favorable to it. The Government can do it. I should be willing to vote for this bill as it stands; I believe the Treasury can stand it; but if we can not pass it as it stands, then, in the name of what is right, let us give them a portion of the allied bonds, which will not amount to much more than the accrued interest, and let them have that. They will be able to take them?

Not only have other States paid these bonuses, but other nations have paid them. All the other principal allied nations have paid bonuses to their soldiers—Great Britain, France, Belgium, Canada, and others. America is virtually the only Nation of any importance in the world among the allied nations that has not done something for its soldiers. Should we not do it? Have we not been generous to other interests in the country? I think we have.

We all know that we used the railroads in the country during the war. We took them over and used them in the prosecution of the war. They did not go over there and fight, but they did their part over here, and we voted large sums to make good their losses, to get them back right, to pay them the claims that they made against the Government. I believe they amount to somewhere between a billion and a half and two billion dollars. Perhaps that much has already been paid

them. Not only that, but there were great manufacturers in this country, manufacturing war supplies, making more money than they ever made in their history during the war. They had contracts with the Government, and do you know what we did for them? We have paid them, perhaps, two or three billion dollars for loss of contracts. These payments were terrible strains on the Treasury, but they were paid, and ought to have been paid; and the Treasury was in a worse financial condition then than it is now. President Harding as a Senator voted for the payment of these claims, or approved them—these tremendous drains on the Treasury. Though in all they amounted to four or five billions of dollars, not a word was said about the inability of the Treasury. No President submarined them by issuing an edict to the Senate. But when a billion and a half is to be paid to the soldiers, who risked their lives to save the railroads and the manufacturers and the Government itself, why, our President hastens down and tells the Senate we can not do it; that it will ruin the Treasury.

Why, we did not tell these great corporations to "go to grass" when they applied. We provided not only that they should have the enormous profits they made during the war but when we canceled their contracts when the war was over we made them good. We have made those contracts good, and it has cost this Government, as I understand—and if I am incorrect about it I hope the Senator from Utah, for whose financial ability I have the greatest respect, will correct me—it has cost us between two and three billion dollars, as I understand, to pay for the canceled contracts that we made with the manufacturers and others who furnished our war supplies. We have given them this money since the war was over; and, by the way, I think that is right. I am not complaining that we did what was wrong in making these gentlemen whole. I think we did what it was our duty to do. Well, now, why pay the great manufacturers of the country and make them whole, and pay the great railroad systems of the country and make them whole, and then deny this small amount to the soldiers of the country who went over there, after paying their insurance, for $15 a month?

Some say that they volunteered. Well, it makes no difference whether they volunteered or were drafted. The great body of them were drafted and went over there. They risked their lives at $15 per month after paying their insurance to save their country, to save our railroads and our manufacturers, many of whom made great fortunes out of the war. Should we not treat them in the same just way we treated those who remained at home and greatly prospered and profited in doing so?

Is it not right, if we make the great corporations of the country whole, if we pay them what we consider to be their due, that we should treat the soldiers in the same fair way? I am not complaining of what has been done for the corporations, but I think we ought to go further and treat all of our citizens alike, and surely we should not discriminate against the Nation's defenders.

My good friend from Alabama yesterday said that there were 23,000 additional millionaires made by this war. They did not go to the front. We treated them right. If they had contracts that were conceled, we made them good. We may have added to their millions, and in many cases did, and should we not do something for the soldiers at the same time? Other nations have done it. Our own States, 30 out of the 48, have done it. Why should not our Government do it?

I say, in all frankness, I am not prepared to assert that the present condition of the Treasury is such that we can do it in cash, though I believe we can, and will so vote; but, Senators, if we want to do it, we can give them something that is just as good; we can give them a portion of these allied bonds, guaranteed by the American Government. That is what we ought to do. I hope that is what we will do.

Oh, but I fear you will not do it. You are not going to do it, if you follow your President's dictation. The President of the United States has come down here and submarined this bill. He has submarined the soldiers of the United States. He has just as effectively killed this bill as if he stood there on that rostrum and demanded, "You gentlemen on the Republican side of the Senate vote it down," and they had done it. This bill was effectively killed by the President and we all know it, and there can not be any doubt about it, when the President came here and asked them to smother it, by sending it back to the committee. It was just as effectively killed, and by the same power as if he had pointed to the Senators on the other side of the Senate and said, "Regardless of your previous opinion, regardless of your expressed promises, regardless of your conscientious convictions, you vote to smother it, as I tell you to do."

Those are all the facts, Mr. President. I think, instead of recommitting this bill, we ought to adopt the amendment I have offered. The money we loaned to our allies we loaned dollar for dollar. We did not discount, but we let the Allies have it at the same rate of interest at which we borrowed from our own people. While others from whom they borrowed loaned the money at a great discount, and charged them enormous rates of interest, the United States did not do anything but lend dollar for dollar. Every certificate of indebtedness that is now in the Treasury, every I O U of a foreign nation that is now in the Treasury, represents dollar for dollar; and we have not collected a dollar of interest.

They say they are willing to pay it to us; they say they are able to pay it to us. O, Senators, there never was a better opportunity not only to pay this proper bonus to the soldiers, but to secure an effective settlement with our allies, because I say to you that whenever you let it be known to our foreign allies that the interest they are paying, the bonds they are giving, in part are going to the soldiers who saved their nation, who saved their empire, who saved their Republic, they are not going to renege on the interest, they are not going to default on interest. They are going to live up to their obligations, just as we lived up to ours.

Mr. President, in my humble judgment there is but one thing we can do in the present emergency. The President of the United States says this bill is right. He says that we ought to wait simply until we fund this indebtedness. We can fund this indebtedness in 30 days if we go to it. We can keep this bill right here, not send it to the committee and kill it in the committee, not smother it in the committee. We can fund that indebtedness in 30 days if the administration sees fit to fund it, and if it is funded upon the terms last suggested a while ago by the Senator from Utah we can pay this bonus and have $9,000,000,000 of good bonds left, good bonds which, under my amendment, may be exchanged by the Secretary of the Treasury for the present primary bonded obligations of the United States. Instead of owing $24,000,000,000, our bonded indebtedness can be reduced to $15,000,000,000, thereby taking off of the backs of the American people $500,000,000 a year in interest.

The proposition is squarely up to us. We can not avoid it if we want to. The American people are not going to let any administration take worthless bonds for this indebtedness; they are not going to let German, Austrian, or Turkish bonds be substituted for allied bonds. We might as well make up our minds that we have to look this foreign indebtedness question straight in the face, and we have to collect it according to the terms of the acts under which we loaned the money, and that ought to be done.

Mr. SMOOT. Mr. President, I was quite surprised to hear the Senator make a proposition of the Government of the United States paying the soldiers in these allied countries' bonds. I wanted to ask the Senator how many soldiers in his State, if the bonds were paid to them, would hold those bonds 30 days?

Mr. McKELLAR. I think those bonds could be sold on the market. Take, for instance, the British, French, Italian, Belgian bonds—and that is about ten-elevenths of them. With the guaranty of the American Government, they would sell dollar for dollar anywhere in the world. The soldiers would sell the bonds, of course; but it would not hurt the business of the country.

Mr. SMOOT. You would find a million scalpers going into business at once, and the soldier would get perhaps about 50 cents on the dollar of what he really ought to have, if that plan were put into effect.

Mr. McKELLAR. I think the Senator is wholly wrong. I do not believe that a British bond, guaranteed by our Government, would sell for 50 cents on the dollar anywhere, in any country under the sun. I believe that a British bond, guaranteed by the American Government, would bring substantially par anywhere in the world. It would be the best bond in the world and would bring a greater amount than any other security. It is not as good as cash payment to the soldiers, but it is substantially the same, and if you say that your Treasury is in such a state that you can not give the cash, then why should you not do the next best thing for them and give them the bonds? We have been fair to the railroads, to the munition manufacturers, to the manufacturers of all war supplies. Let us also be fair to the soldiers who won the Great War.

Mr. KENYON. Mr. President, I am going to offer the following amendment at the proper time to the motion to recommit. I ask that the amendment be read, and then I desire to take a moment or two in explaining it.

The VICE PRESIDENT. The Secretary will read the amendment offered by the Senator from Iowa.

The Assistant Secretary read as follows:

That the Committee on Finance is instructed to report to the Senate on or before the first Monday in January, 1922, a new adjusted compensation bill providing, among other things, especially for some land plan whereby ex-service men can secure parcels of land, credit for the purpose thereof to be extended by the Government.

Mr. KENYON. Mr. President, it has been iterated and reiterated by many speakers on the floor that the purpose of the motion to recommit is to kill the bill. I think such rhetorical terms have been used as "smother the bill," "closing the door in the faces of the soldiers," and so on, and that those who vote to recommit the bill are voting to kill it.

Mr. President, I expect to vote to recommit the bill, but I trust this amendment may be adopted. There can then be no question as to any failure on the part of the committee to return another bill, and I think a much better bill could be devised without any particular difficulty.

I do not believe that the issue, Mr. President, is the issue that is discussed here so much, namely, a bonus or no bonus, adjusted compensation or no adjusted compensation, justice to the soldier or injustice to the soldier. If that were the issue and if voting to recommit killed any plan for justice to the American soldier I would have no difficulty at all in making up my mind as to what to do.

I am not impressed very much by the arguments against a bonus or against adjusted compensation. We can not do too much for these boys who went across the seas. They have done everything for us, and I have always felt on the bonus proposition that when they got back, if they themselves wanted a bonus they were entitled to have it.

Mr. President, when they marched away we would have done anything for them. We would have given them our clothes, we would have made any kind of a sacrifice. The orators proclaimed in parks the glories of the flag, and all the wondrous sentiment that we felt for these boys, and everyone meant it, and as they marched down the streets eyes were filled with tears, heart beats were a little faster, and we saw the boys from the German home and the Irish home, the Norwegian home and the Scotch home, with one purpose, under one flag, marching down the streets; then through the submarine zone, with all of its horrors, they went, while people were sitting comfortably at home, many of them piling up their profits. Then we saw them on the fields of France, and it was a lonesome time for them.

I had an opportunity, with the distinguished Senator from Wyoming [Mr. KENDRICK], to see some of those boys. It was not merely the horror of going over the top; it was the lonesomeness of it all, the billeting in barns with the cows and horses and pigs, billeting in great warehouses, every one of them, in some of those cases, coughing with severe colds that had come upon them with the change of climate. We would have done anything for those boys. There were no mother's tears for them over there, and no father's blessing, and but little mail. It is a harder thing to fight in a battle 3,000 miles away from home than here in our own country, close to those whom we love; and many a boy in lonesomeness looked to the west the night before he went everlastingly to the west.

I heard one Senator here declare that no man came back from that contest without being a better man. That may be so spiritually, for I do not believe that a man can go down to the very gates of hell in a great cause and not develop into a better spiritual man. But I do not believe that a single man came back from that war as well physically as when he went away. There are seeds of disease developing all the time. The horror, the lonesomeness of it all, the broken spirit of it!

We can not compensate them; no. And, as has been argued here so eloquently, you can not pay for patriotism. We pay soldiers $30 a month. We raised it from $15 to $30. Why did we do that? Why pay them anything? Patriotism can not be bought; no. But there is no reason they should not have adjusted compensation to some extent, to show the gratitude, at least, of a Nation that ought never to forget them.

Senators, Republican Senators, we have to meet this issue some time. There is no question about it. There is going to be a bonus bill here some day that in a measure will express the gratitude of the American people.

We have established a bonus system. During the war we voted bonuses to the clerks of the Government. Our own clerks drew bonuses. When a Senator dies we vote a bonus—the country is always glad to vote a bonus when a Member of Congress dies—of a year's salary. No one apparently raises any objection to that. There is absolutely no legal authority for it. We voted the family of the recent Chief Justice of the Supreme Court of the United States a year's salary. No one raised objection to that, but there is no legal authority for it.

Mr. SHEPPARD. Mr. President——

Mr. KENYON. I yield to the Senator from Texas.

Mr. SHEPPARD. May I suggest to the Senator that the bonus to the civilian employees of the Government is being continued and paid now?

Mr. KENYON. Yes. It is not continued, however; it is voted from year to year.

Mr. SHEPPARD. It is still being voted.

Mr. KENYON. Yes. We have established the principle of a bonus or adjusted compensation. We have done it for our own clerks.

I am not very much persuaded by the arguments of economy in view of some of the things we have done. I have felt that Senators who voted $25,000,000 to a gang of bandits in Colombia have not very much to say about voting something for the soldiers. Some of those same Senators voted $500,000,000 for the naval bill. There is not a very strong economic argument for not being willing to vote something for the soldiers, particularly when we consider all the other extravagances we have indulged in.

We find influences against the bonus coming from certain well-defined sources. They have been discussed here on the floor. Many of our most brilliant profiteers are strongly against any bonus. Some of the 23,000 new millionaires who have been spoken of on the floor, who now perhaps are enjoying the summer in Europe or other resorts, are against it.

I believe eventually we can find some way to get the money. I believe the present bill is a good deal of a sham in trying to convince the American people that it is not going to cost them much of anything, and trying at the same time to convince the soldiers that they are going to get something. We have to face it one way or the other. It is going to cost money, it is going to cost a tremendous amount of money, but there will be some way to get it.

A resolution was introduced in the House a few days ago with reference to the subject, appointing a committee of seven Members to investigate and procure the facts relating to the question of war profiteers. Of course it is popular to say, "Let us get this money out of the war profiteer." I wish we could. I hope there is some way to do it. I hope the committee of the House under this resolution just introduced may find some way to get it out of the people who bled their country at home while these boys were bleeding for their country abroad.

As a part of my remarks, I ask permission to insert in the RECORD the resolution to which I have just referred.

The VICE PRESIDENT. Without objection it is so ordered.

The resolution (H. Res. 149) is as follows:

Whereas during the late war a large number of shameless and conscienceless profiteers took advantage of the American Government and of the American people and plundered and robbed them in a frightful and shocking manner; and

Whereas by such plundering and robbery more than 23,000 new millionaires were created in America, an average of one new American millionaire for every four American boys that lost their lives in the service of their country; and

Whereas said profiteers, by their wicked and disloyal methods, brought about a large part of the Nation's debt, which is now such a burden upon the American people, and for the payment of which the American people, including the ex-service men, are now subjected to crushing taxation; and

Whereas said profiteers are now living in unparalleled luxury, while great numbers of the ex-service men are in actual want and distress; and

Whereas we paid the ex-service men, who offered their lives for our country, the paltry sum of a dollar a day; and

Whereas we owe the ex-service men a solemn debt, one that the conscience and patriotism of the American people will not permit to go unpaid; and

Whereas the Secretary of the Treasury has stated that there is now no available income from which said debt can be paid; and

Whereas said profiteers should be held up to the everlasting scorn of the American people and should be compelled to pay said debt from their stolen wealth: Now, therefore, be it

Resolved, That a select committee of seven Members of the House be appointed by the Speaker of the House to investigate and procure all facts relating to said war profiteers, to secure their names, to have said names published in the CONGRESSIONAL RECORD, and to devise a plan whereby a bonus or adjusted compensation can be paid to the ex-service men by a levy of a special tax for that purpose upon said profiteers.

That the Secretary of the Treasury be, and he hereby is, directed to furnish to said committee the names of all individuals, firms, and corporations called for by said committee, together with the reported incomes of said individuals, firms, and corporations since the late war began, as shown by the records in the Treasury Department.

That the committee so appointed may conduct such investigation by subcommittee or otherwise; that said committee or subcommittee may select its own chairman, may hold sessions during the recess of the House, may employ whatever assistance, either clerical or legal, it may deem necessary to aid in conducting such investigation, may administer oaths, may summon and compel the attendance of witnesses and the production of papers and documents, may employ a stenographer or stenographers to report the same, and have the reports of said hearings printed for use.

That any and all expense in connection with such inquiry shall be paid out of the contingent fund of the House upon vouchers to be approved by the chairman of the committee.

That said committee shall make full report to the House at the earliest possible date.

Mr. KENYON. Mr. President, we read in the papers this morning that there are 500,000 of the ex-service men out of jobs. I think that data is given out by the commander in chief of the American Legion. It does not seem to me that that can be possible. At any rate, there is a large number of them out of employment. In telegrams that we are getting the appeal is made concerning the unrest, and especially the unrest among the soldiers, and that a bonus will help to quiet that unrest. I doubt myself if it will accomplish very much along that line.

I said a moment ago that we would find some way to get the money, but unless we stop one thing we are not going to find ways to get the money for anything much longer, and that is unless we stop the issuance of tax-exempt securities in this country. We have now over $21,000,000,000 of tax-exempt securities. Most of those are for the benefit of the people in the cities.

The farmer is not getting benefit from over a billion dollars of them. I had a talk with the Senator from Utah [Mr. SMOOT] about it to-day, and he is going to introduce to-morrow a constitutional amendment on that subject.

The tax-exempt security proposition can not go on in this country. The value of farm lands now is something around $30,000,000,000. No one knows exactly what the tax-exempt securities amount to, but they run over $20,000,000,000. It will be a difficult matter now to get such a constitutional amendment adopted, because the States are jealous of their powers, but I do believe it will appeal to the patriotic sentiment of the American people to stop the everlasting coining and sending out of these tax-exempt securities.

Mr. FLETCHER. Mr. President, may I correct the Senator?

Mr. KENYON. Certainly.

Mr. FLETCHER. I think he is mistaken so far as the value of farm lands is concerned. My recollection is that the last census reported the value of farms under cultivation in this country to be about $67,000,000,000.

Mr. KENYON. Has the Senator those figures? I was simply giving them offhand and I am not at all accurate about it. Is it $67,000,000,000?

Mr. FLETCHER. Yes, and over.

Mr. KENYON. Does the Senator mean the value of the farms?

Mr. FLETCHER. Yes.

Mr. KENYON. That is including everything on the farms in the way of improvements?

Mr. FLETCHER. That only applied to the farms themselves, the land, the real estate.

Mr. KENYON. That is more than I had supposed it was. I thank the Senator and accept his figures.

Mr. FLETCHER. It does not include live stock or anything of that kind.

Mr. KENYON. There comes in opposition to the bill—and I am speaking of influences that have not affected my judgment in the vote I am to cast in favor of recommitting the bill—the United States Chamber of Commerce. They have carried on a propaganda against the soldiers' bonus. The United States Chamber of Commerce seems to be an aggregation of the representatives of the great trusts and monopolies of the United States, with a referendum to be voted on by their various members and then instructions issued to the Congress. Some people in the United States seem to have a notion that the United States Chamber of Commerce is a part of the Government of the United States. Some little commercial clubs scattered all over the country seem to think it is a great honor to say on their letterheads that they are members of the United States Chamber of Commerce.

Hard to raise the money? Ninety thousand people went over to a prize fight the other day, spending $1,600,000 to see a slacker pound to insensibility a French soldier.

Mr. SMOOT. That was only the entrance fee.

Mr. KENYON. Yes; that was only a part of it. There seems to be plenty of money in the land for something of that kind. Look at the society columns of the Washington papers or the papers of any other city in the United States and see the list of dinners and banquets where they are throwing away money. There seems to be plenty of money for all that kind of thing.

I stood one night at the entrance to the Willard Hotel when some great function was going on there. I was not in it. I am not invited to those things. I saw two soldier boys standing on crutches watching the elegant automobiles as they rolled up and out stepped gentlemen in high hats, dress suits, and diamond studs, and women apparently with nothing much on but strings of diamonds. I said to one of the boys—I could not help it—"What do you think about it?" He said, "Well, I will tell you. If that is the kind of civilization that we went across to fight for, I will be damned if it is worth saving."

There seems to be plenty of money for that kind of thing. Every moving picture show is crowded to the doors. I believe when the time comes with a real bill, a bill that means something, we will devise some way of raising the money.

I am opposed to the sales tax. It may be that we will have to resort to that. It is a last resort in taxation.

Now, Mr. President, I have just briefly talked about the reasons that exist in my mind, but which are not very persuasive. If I felt that voting to recommit the bill was the end of a bonus I would not hesitate a minute to vote against recommitting it. But it is not the end. There are no payments under the present bill until after July 1, 1922. How can any soldier be injured if the bill is recommitted provided that within a reasonable time it comes out again? They are going to be a little angry about it now, but when a better bill comes out, a bill with some land plans in it that amount to something, they will be better satisfied.

Mr. WATSON of Georgia. Mr. President, will the Senator allow me?

Mr. KENYON. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. The bill is before us and open to amendment. Is there any reason why we should not have the payments made within, say, 90 days after the President signs it? I have such an amendment in my hand and to-morrow I intend to offer it.

Mr. KENYON. I was coming to the question of the argument presented by the President.

Mr. WATSON of Georgia. I should like to have the Senator state upon what ground he bases his belief that the bill will come back here and when it will come?

Mr. KENYON. I do not know whether the Senator was here when I offered, a little while ago, an amendment providing that the bill shall be reported to the Senate by the 1st of January, 1922, embracing certain features.

Mr. REED. Why not have it reported to the Senate the day after the next congressional election? That would be safer.

Mr. KENYON. I am not particularly interested in the next election.

Mr. REED. A good many gentlemen are.

Mr. KENYON. There might be a more unanimous vote if that were done.

In this situation the President now comes to Congress. I think he had a perfect right to come. He did not violate any constitutional provision. It is a good thing for the President to talk things over with Congress. He is entitled to give the Congress information as to the state of the Union. He has a right to assume that Congress does not know everything. He probably knows more about the financial condition of the country. So the President comes here and asks, not to bury the bill, not to chloroform it as we have been told, but states the condition of the Treasury of the United States.

Of course, you Democrats are entitled to play all the politics you want to with that. I do not blame you a bit. We have been lambasting you for eight years about presidential dictation. Senators on the other side are entitled to lambast us now. Go to it; it is all right. It was entirely proper for President Wilson to come before Congress; it is entirely proper for President Harding to come. He is just as much interested in the soldiers as are we. He is carrying a heavy burden of responsibility. He may not be quite so much interested in votes next year as some others may be. It was a courageous thing for the President to do.

Now, in view of the fact that here is a bill over which, when the soldiers thoroughly understand it, they can not enthuse very much; and in view of the fact that the President of the United States has come to us and asked us to consider the condition of the United States Treasury and especially the effect of the passage of the bill at this time on his refunding plan, I think that it is the part of good statesmanship, though not perhaps of partisanship, to halt, especially in view of the fact that such action will afford an opportunity to get a better bill out of the committee. I do not think we could get a much worse one.

Mr. WATSON of Indiana. Mr. President, will the Senator yield?

Mr. KENYON. Yes.

Mr. WATSON of Indiana. Why does not the Senator confine his motion to recommit with instructions to the general proposition; that is to say, why does he attach to it the condition that when the bill shall be reported it shall contain some land provision?

Mr. KENYON. I will tell the Senator from Indiana. I have taken a good deal of interest in the land proposition, and particularly for this reason: There are at the State Agricultural College of Iowa about 70 boys who are taking vocational

training. They are studying poultry raising; they are studying the bee industry. If when they get through their training there is no chance to get a toe hold on a little piece of land, their training is not going to amount to anything; it is going to be wasted. We are spending hundreds of millions of dollars on vocational training. There is a certain land hunger; everybody has it, and many of these soldiers have it. My attention was drawn to this matter because of the vocational training of those boys in my own State. I want to see some plan worked out whereby they will be enabled to get little pieces of land on which to raise chickens and bees and do some farming instead of merely turning them loose without anything.

I think also that the cash proposition, if it is possible to arrange it, ought to be carried out by giving them the money in a lump sum. I know that would involve a severe drain on the Treasury if a large percentage of the soldiers should take cash, but, as the bill has been reported from the committee, the payments are to stretch along through a period of years in sums of $50, which will not amount to anything. If an ex-service man could receive the whole sum at once, so that he could use it to buy a business or to start a home, it would be vastly better. We have got to meet that question at some time, and I wish the committee could formulate a plan whereby the soldier could get his cash all at once and use it.

Mr. WATSON of Indiana. Mr. President, will the Senator from Iowa yield further to me?

Mr. KENYON. Yes.

Mr. WATSON of Indiana. May I say to the Senator that personally I am in full sympathy with the proposition advanced by the Senator; in fact, there has been no other intention from the beginning; but, as a matter of policy, the question is: Should the committee be handicapped by a condition of the character proposed when it comes to reformulate the measure? If the amendment of the Senator should be adopted it would compel the committee to incorporate some kind of land provision in the bill, when in six months from now that might not be feasible; it might not be desirable at that particular time. Of course, the soldiers might want to accept the cash proposition or it might be that they would want the insurance alternative. In other words, ought not the committee to be free to use its best judgment at that time as to the provisions to be incorporated in the bill?

Mr. KENYON. Of course, there is a good deal of force in the suggestion of the Senator from Indiana.

Mr. President, I yield the floor.

Mr. REED. Mr. President, before this question is voted upon I want to state a few considerations that shall control me in my vote. I do not intend to speak on the question at any length and I do not intend to discuss the merits of the bonus plan.

The bonus question must be faced. It ought to be settled. The soldiers ought to know whether anything is to be done for them by Congress. The country ought to know whether the financial burden, great or small, is to be imposed upon it. The pending bill has been here before Congress for many weeks and has been discussed at great length by the Senate. The managers of the bill were driving it forward with every energy and insisting upon speedy action. They were not ignorant of the financial situation of the country. They may have been in ignorance touching the refunding plans, which apparently are still locked in the bosom of the Secretary of the Treasury or of the President.

For my own part, I do not know what Senators mean by "refunding." If they propose to bring in bills changing the interest rate upon our bonds, thus increasing the burdens of the Government for the benefit of those who are now holding the bonds, and if they offer that as a reason for not passing this bill in favor of the soldiers, then, no matter how I may feel on the merits of the bonus bill, I would infinitely prefer paying the soldiers the money to paying bondholders the money. There is no necessity for any general refunding of the indebtedness of this Government. What Senators mean by refunding, I repeat, I do not know.

Mr. SMOOT. The refunding of foreign obligations.

Mr. REED. Now the Senator from Utah suggests that they are referring only to the refunding of the foreign obligations. Well, that is a misnomer, for refunding implies that we have an obligation and that we are going to get another obligation in lieu of it. At present we have no real obligations. But that is merely technical.

How would the payment of the bonus interfere with settling with Europe as to the time when and the place where they shall pay us what they already owe us? We have already borrowed that money from the American people; we are presently paying the interest upon that money, and any change that may be made must be for the better, because at present we are out both the principal and the interest. How will the payment of money to the soldiers interfere in any way with the Secretary of the Treasury in securing bonds from England, France, Italy, or any other country now indebted to the United States? The claim that we must await the refunding operations seems to me to be one utterly without any merit. It is a mere verbal buffer thrown in the way of this measure.

Mr. FLETCHER. Mr. President, may I ask the Senator a question?

Mr. REED. Certainly.

Mr. FLETCHER. Why should we delay proceedings at once to settle the question of our foreign loans, and is there any good reason why we could not reach a settlement before July, 1922?

Mr. REED. So far as I am concerned, speaking my own mind and not being in a critical mood this afternoon, but feeling particularly amiable, I remark that every dollar of the money that was loaned was loaned illegally and in violation of law. That is the mildest statement I can make. The laws of Congress specifically provided that the money should be advanced upon the bonds of the foreign Government receiving it; that those bonds should be similar in their terms and in their rates of interest and in their maturities to the bonds which the Federal Government issued in order to get the money to loan to the foreign Governments. If that provision of the three separate acts which we passed had been followed the bonds of the foreign Governments would have been in the United States Treasury, and there would have been no necessity of any dispute with the Governments in regard to the terms of our loans.

But I do not speak harshly of it, because in the haste of war and under the exigencies of hours, which to us were tragic hours, many things of an irregular character were done which we may look upon with a great deal of charity.

Now we come to the question of securing the obligations which ought to have been in our hands at the moment the money passed. I can not answer the question of the Senator from Florida as to how long it will take, but it is my judgment that any country that ever intends to pay the United States in good faith will give us their bonds very promptly, and the whole business ought to be settled within a few months' time. I am taking, though, more time than I expected to take.

I think there is nothing in the funding excuse.

The next question is: Is there any reason arising out of the general financial condition of the country?

I agree with the Senator from Iowa [Mr. KENYON] that there is a present stringency and that our Government is bearing very great burdens and that taxes are to be readjusted and that the question of where we are to get this revenue is a problem. Now, if it were urged that we simply postpone this bill until the passage of the revenue measures, that might be offered as a reasonable pretext or excuse; but there is nothing in the President's speech to indicate that he has any such thought in his mind. He simply tells us that the country is at present in an almost desperate condition, and that we can not at this time afford to pass this bill.

Now, what is meant by all that? We are not children. If the present condition is such as to make it impossible for our Government to bear this burden, and if no one is able to fix the time when we can bear the burden, and if the President has not asked us to postpone this bill merely until the tax measures shall be brought forward but to send it back to the committee without any instructions, then he must know that the purpose is to kill the bill and avoid the responsibility of a vote upon it. This must be regarded as a polite way of killing the bill. It is not quite so harsh a method as to vote it down.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Idaho?

Mr. REED. I yield to the Senator.

Mr. BORAH. I am very glad the Senator is emphasizing that fact. If the logic of the President is to be accepted, we will be in no better condition to take care of this bill a year from now or a year and a half or two years from now than we are at this time. Therefore, so far as I am concerned, in any vote which I cast here I do not want it understood that I am voting upon the theory that in six months from now or a year from now we will be in any better position to take care of it than we are now. Therefore when I vote for a postponement, I vote against the bill, and I want it so understood. I speak now of the cash features of the bill.

Mr. REED. As usual, the Senator from Idaho speaks with the utmost frankness and directness, and he has stated his position to be exactly what I was proceeding to argue would be, in fact, the position of every man who votes for postponement.

Mr. FLETCHER. Mr. President——

Mr. REED. I will yield to the Senator in just a moment. If it is merely a matter of postponing action until we can arrange to get the money, then we would postpone the bill until after the passage of the revenue measures, and we would say in good faith: "We are going to lay this bill temporarily aside until we have worked out the revenue measures and are sure we are going to have the money."

Mr. BORAH. There would not be any occasion for doing that, because no money is to be expended under this bill until the 1st of July, 1922. The fact is that no expenditure is to be made under this bill until 1922, and if the argument of the President be sound there is no reason why we should not pass it now, because if we are going to be ready to take care of it at all we will be ready to take care of it by the time the bill begins to operate.

I said a moment ago that I was going to vote against the bill. I was speaking of the cash proposition, and so forth. That is what I understand the Senator to be arguing. If I could see a bill here providing for a land-settlement proposition which really was a land-settlement bill, I should be glad to vote for it; but so far as the cash feature of the bill is concerned, there is no possible argument for a postponement now that will not apply just as well a year from now.

Mr. REED. There is much force in what the Senator says; and yet it might be possible that one charged with responsibility would prefer, before even making any kind of a commitment, to be sure that a plan had been worked out which would produce the revenue; but I repeat in that instance they would not ask the recommitment of the bill. They would ask merely that the Senate lay the bill aside until after the revenue measures have been considered. One or the other of the positions—that is, the argument presented by the Senator from Idaho or the one I have tried to advance—it seems to me must be correct.

Mr. FLETCHER. Mr. President——

Mr. REED. I yield to the Senator from Florida.

Mr. FLETCHER. I was going to ask the Senator if he does not think the better logic of the situation and the sounder position to take is this: Instead of postponing this bill until after the enactment of a tariff law, one of the purposes being to raise revenue, and instead of waiting until the internal tax laws are revised and changed and modified to meet conditions before enacting this sort of legislation, would it not be wiser and is it not more logical to postpone those laws instead of this, so that we will know when we send out the taxgatherer how much taxes he is required to raise? In other words, should we not know what the obligations of the Government are going to be before we enact legislation to raise the revenue to meet the demands upon the Treasury? Is it not wiser, if we are going to make a provision of this kind at all for the ex-service men, to make that provision now and then afterwards have our tax laws conform to the necessities of the case in order to provide the revenue to meet those obligations?

Mr. REED. Mr. President, that method might be employed; but it is also true that a cautious and prudent man might want to be first certain that the moneys could be raised.

That is all I want to say on that particular point. The whole setting of the matter is perfectly plain. There is a tremendous demand by service men—at least, as far as they have manifested their desires—that this bill be passed. I do not know what proportion of the service men actually are back of what I will, for want of a better term, describe as a propaganda. With that pressing upon Congress, the majority brought forward this bill and demanded its immediate passage.

The President came here in person and demanded its recommitment—not that we should lay it aside until the foreign debt had been funded, not that we should postpone it until the revenue measures had been enacted by Congress, but that it should be recommitted to the Finance Committee without a hint from the President that he ever expected this bill to be reported back or the stone to be rolled away from the sepulchre in which it was to be interred. All that he told us was that he loved the soldiers, he wanted to do justice by them, and that at some vague, indefinite, and uncertain time in the future he hoped that justice would be done; but what he regarded as justice deponent can not assert, even upon information and belief, for the President gave us no information.

The plain fact, then, is this: This bill is to be sent back to the Finance Committee, and in sending it back in that way it will be as effectively killed and as thoroughly dead as Julius Cæsar. I was amused, entertained, and delighted, as I always am when I hear the distinguished Senator from Pennsylvania, who is chairman of the Finance Committee, when he rose and said in a voice that indicated a solemn resolution to be virtuous and to do his duty that the bill would receive every consideration of the Finance Committee. He reminded me, as he stood there, of the undertaker who views the new corpse and assures the widow that when he gets it down to his establishment it will be very tenderly but very effectively embalmed.

That is what is going to happen to this bill. If there is a spark of life left in it, when its veins are filled with the Penrose embalming fluid the Angel Gabriel could not resurrect it. It will be in as bad a condition as the corpse of the mother-in-law was after it had been treated in accordance with the request of the son-in-law in the very ancient story—which is the only kind I know—when he replied to a telegram: "Mother is dead. Shall we cremate, embalm, or bury?" And he replied: "Do all three. Take no chances."

Mr. President, I am not going to dodge voting on this bill. Regardless of whatever effect it may have upon myself, I am ready to vote on the bill on its merits, to thrash it out here, amend the bill if it is necessary, amend if it can be improved, and then vote for it or against it as it may seem proper at that time; but I will take no coward's refuge behind the false pretense, the sham, and the fraud of a reference to a committee that is going to see that the bill receives every attention. I have not any doubt they have two or three retorts of embalming fluid already ordered.

Mr. President, I am going to vote against recommitting this bill. As far as I have any influence, it is going to be in favor of fighting this thing out and settling this proposition now. I am not going back to my people with any cowardly plea that "I did not vote against your bonus, boys. I only voted to refer it to a committee, so that it might be improved, and I have not been able to get it out of that committee; but I assure you it is receiving every attention by the Senator from Pennsylvania, and that it will ultimately come out."

You can fool some people with that sort of stuff. It used to be possible once in a while to sell that sort of a gold brick to some portion of the people of the United States, but the people of the country to-day, and particularly these young men who served abroad, are quite as keen about their interests as the heavy taxpayers are keen in regard to the taxes that may be levied in order to raise this money, and you will not fool any of them. Your smoke screen is not dense enough; your camouflage is not skillful enough. It bears all over it the warning sign, "This was put up for political purposes, and it is not a genuine article."

Mr. HARRISON. Mr. President, there appeared in the morning paper, under an Indianapolis headline, by the Associated Press—whether printed in full or not I do not know—a letter addressed to the Senator from North Dakota [Mr. McCUMBER] from the national commander of the American Legion, John O. Emery, protesting against the message of President Harding asking that the soldiers' adjusted compensation legislation be recommitted. I read the closing part of this article:

> Mr. Emery to-day telegraphed Senator PORTER J. McCUMBER, who has led the fight on the Senate floor for the Legion measure, that recommitment of the bill to committee must not be permitted. As the bill seemed doomed to almost certain delay, Mr. Emery telegraphed:
>
> "The Legion earnestly requests that Members of Congress do their duty by those who served in armed forces as they have done by those who served in industrial forces of our country."

I am sorry that the Senator from North Dakota [Mr. McCUMBER], the distinguished former leader for this legislation, is not in the Chamber at this time, and that he has not seen fit to incorporate this letter in the RECORD. So such part as appears in the paper I ask to have incorporated in the RECORD following the brief remarks I shall now make.

Mr. President, the Senator from Iowa [Mr. KENYON] delivered a speech a few moments ago that is not characteristic of the Senator. It is really not worthy of the Senator. He has usually been most progressive. Of course, we all know he is able, and he has frequently displayed courage in this body. This is the first time I have ever discovered him to flicker, and it is a great pity that in his first offense he should commit himself to one the consequences of which will work injustice to the veterans of the late war.

He says that he will offer an amendment to the pending motion. What is the amendment he is going to propose? He is going to propose, not that this bill be reported back to the Senate by the 1st of January, 1922, but he proposes to ask the Senate to vote for an amendment—

> To provide "especially for some land plan whereby ex-service men can secure parcels of land credit for the purpose thereof to be extended by the Government."

That is as far, apparently, as the Senator from Iowa would go. He would move to recommit this bill which has been worked out, many phases of which have received the consideration of

the Ways and Means Committee of the House, received the votes of both sides of the House of Representatives, received the approval of the Finance Committee of the Senate—a bill which has been discussed for days, I might say weeks, in this body—and send it to the burial ground and ask the Senate to instruct them that when it is resurrected it shall deal with a land-settlement proposition only. That is what the Senator's proposal means. I shall vote for no such proposition. I am for immediate action, and without delay. There has been too much delay now.

Soldiers' land settlement? It has been pending here for three years. It was proposed in a very elaborate report in the form of a request from Secretary Lane. It received the sanction of the proper committee of the House of Representatives. The distinguished Senator from Utah has urged with apparent sincerity the legislation, and, as I stated the other day, although this bill now being considered came out of the Finance Committee of the Senate, on which he is supposed to be a power, he did not propose to incorporate it in this bill, and it is now no part of it.

So with such lukewarmness—I might say present coldness—being evidenced upon the part of its original enthusiasts, we can little expect much legislation from this Congress touching land settlement for soldiers.

If we want to vote on the proposition and record ourselves as to whether we are in favor of soldier land-settlement legislation, we can not follow the action of the Senator from Iowa. He says the Government should do something for the soldiers. He talks about profiteering and the large number of millionaires made during the war and the justice of the soldier's claim, and yet he knows when he votes for a motion to recommit this bill and it carries, that no amendment can be considered or will be considered. That we will then and thereby be estopped from voting for an amendment making the legislation operative immediately, or voting on an amendment for soldier land settlements in the West or South or anywhere else; aye, even more, that it kills the legislation.

Mr. President, I want to better the bill. I want it improved. It does not meet my approval as now written. I want to see it begin to operate immediately. I want to see a soldier land-settlement proposition included going further than the present provision in the bill, and I shall vote for amendments along that line. And I plead with those who are in favor of some kind of legislation for the soldier not to vote for the recommitment and estop us from expressing ourselves on these amendments. No one will be deceived by that amendment instructing the committee to report the bill back by the 1st of January.

Mr. President, in the last campaign we heard much about the usurpation of power by the President. We heard much from Republican leadership, because orators waxed eloquent when they discussed the surrender by Congress of its functions to the President.

You thought it was so popular to fight the proposition and to place the then President in a false light before the country that you issued and distributed campaign documents on the question. I want to read briefly just a little for the edification of you gentlemen who once held up to scorn alleged usurpation and who now press it so tenderly to your bosoms. Let me read from a pamphlet issued under the leadership of my good friend the distinguished Senator from Indiana [Mr. NEW], issued by the speaker's bureau, Speaker's Series No. 14, a Republican document that was distributed all over the country in the last campaign in behalf of the Republican Party. Here are just two or three lines:

The Constitution means nothing to him—

Of course, you were talking about President Wilson—

except an obstacle to be circumvented. The Constitution provides that he shall ask the Senate's advice, and he tries to browbeat the Senate into acceptance of his dictation.

Oh, how you could apply those lines now to your President. How you condemned the action of one, and how you now bow in submission to the action of the other. I can not imagine that my good friend, the head of that organization, composed that—

Browbeat the Senate into acceptance of his dictation.

I am sure the Senator from Indiana will not now allow a President, even though he is his warm personal and political friend, "to browbeat the Senate to submit to his dictation."

There were some other distinguished Republican leaders who spoke, and I am going to read from them just briefly.

Mr. NEW. Mr. President, will the Senator yield?

Mr. HARRISON. Certainly.

Mr. NEW. I think I might retort by saying that in the days when Mr. Wilson occupied the White House the Senator from Mississippi had difficulty in getting into it with a jimmy. He had his direction from the White House, not counsel from the President, but direction.

Mr. HARRISON. The Senator's statement is interesting. I will tell the Senator the difference between President Wilson and President Harding. President Wilson did exercise the power of his influence upon Congress, but it was always in behalf of the people. It was always to pass, as he believed, constructive legislation. The other day my heart bled as I sat here and heard President Harding deliver, for the first time in the history of the Senate, a message directing the United States Senate not to pass certain legislation but to bury, to strangle, to defeat certain legislation. I have seen President Wilson come here, as you have, and from that rostrum plead with you to pass the amendment enfranchising the women of the country. To plead with you to adopt a treaty, bringing peace to a war-wearied world—to bring hope and blessings to humanity. I heard him deliver his message, as you did, both to the Senate and the House, pointing out the delicate world condition, and urging preparedness legislation. I heard him call on Congress to pass the ship purchase bill when ocean transportation rates became exorbitant and our merchant marine inadequate to meet the situation.

Mr. KNOX. Mr. President——

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. HARRISON. Certainly.

Mr. KNOX. May I ask the Senator from Mississippi this question: When President Wilson appeared before the Congress and asked them to wipe legislation off the books which gave the American people the right to use their own canal in the coastwise trade without paying tolls, was he asking for a negative or an affirmative act?

Mr. HARRISON. He was asking for legislation to be passed.

Mr. KNOX. He was asking for legislation to be revoked.

Mr. HARRISON. No; he was asking that legislation be passed on the canal tolls question. I was in sympathy with the views, not of the President, but of the Senator from Pennsylvania. Twice I recorded myself against the President on that proposition.

Mr. BORAH. Mr. President, I am glad to hear that. The Senator from Mississippi will have another opportunity very shortly.

Mr. HARRISON. Yes; and I stand pat. So it has been that time after time President Wilson came here and asked for legislation to be passed, resolutions to be passed, but in every instance took both Houses into his confidence. This time your President comes and assumes that the House is not going to consider the soldier legislation. I call your attention to the fact that the bill has not passed the House. Evidently the President was of the opinion that he had such influence with Senators here that he could defeat the legislation here and that the bill would never trickle over to the House. It may be that some of you went up and told the President that if he would come here he had such power over the Senate, that it would be afraid to vote against his views, and that only by that course could the legislation be defeated. But never before has this body seen a President come before it and demand the defeat of a certain bill pending before it.

Mr. KNOX. Mr. President——

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Mississippi yield to the Senator from Pennsylvania?

Mr. HARRISON. Certainly.

Mr. KNOX. I quite agree that in form, and in form only, it was an affirmative act that he urged. He urged us to repeal the law, but in substance was he not asking to have a law expunged from the book which both branches of Congress had passed?

Mr. HARRISON. Of course, he was requesting us to pass a law. Here President Harding is asking us to desist from passing a bill, when he has promised the American soldier that he would have it passed, and when Senators on the other side, into whose eyes I now look, told them that they would pass it.

May I ask the Senator from Pennsylvania whether he condemned the action of President Wilson in coming to Congress?

Mr. KNOX. I condemned the action of President Wilson in coming to Congress to defeat as beneficent a statute as that was for the protection of the American people.

Mr. HARRISON. The Senator was of the same view that many others were on his side, that President Wilson was usurping legislative functions in coming before Congress, and certainly he can not agree with, nor will he approve, the action of President Harding in coming before the Senate, as on Tuesday, and asking for the defeat of the soldier legislation. I know that the Senator from Pennsylvania reveres the principles of this Government and the teachings of his party too much for

that. He likes the precedents of the Senate and dislikes to change the customs or rules of this body. I am quite sure the Senator would not measure President Wilson by one standard and apply a different one to President Harding. The Senator knows that the power of veto under the Constitution was lodged in the hands of the President to prevent such episodes as this. He could and would have his "say" after this legislation shall have passed. He could then, if he continues to entertain the views he expressed before the Senate, apply the power of his veto. In all fairness, and in conformity with good custom, would that not have been more in keeping not only with precedents but the spirit of the Constitution?

Mr. President, I desire to quote not from the Senator from Pennsylvania but from the leader of the Republican Party in the Senate, Mr. LODGE, what he said about the alleged dictatorial actions of President Wilson and the usurpation by him as Executive of the legislative functions of the Government. This is from the keynote speech of the Republican leader at the convention in Chicago:

> The return of the Democrats to power, with Mr. Wilson or one of his disciples still the leader and master of a great party, which before his advent possessed both tradition and principles, would be a long step in the direction of the autocracy for which Mr. Wilson yearned, and a heavy blow to the continuance of free representative government as we have always conceived and venerated it. * * * The Chief Magistrate must understand that it is his duty not only to enforce but to abide by the laws, the laws made by the representatives of the people, and when those laws are made they must be obeyed until the people see fit to change them.

I am sorry the distinguished Vice President is not in the chair at this moment. He made a most eloquent speech of acceptance. He set forth the principles of Republicanism, and marked the way that the Republican Party should and would travel during these four years. Listen, Senators:

> The government of the Nation is in the hands of the people when it is administered in accordance with the spirit of the Constitution which they have adopted and ratified, and which measures the powers they have granted to their public officers in all of its branches where the functions and duties of the three coordinate branches—legislative, judicial, and executive—are separate and distinct, and neither one directly or indirectly exercises any of the functions of either of the others. Such a practice and such a government, under the Constitution of the United States, it is the purpose of our party to reestablish and maintain. All authority—

Said the Vice President—

> must be exercised by those to whom it is constitutionally intrusted, without dictation and with responsibility only to those who have bestowed it—the people.

Did you hear that—"without dictation"?

I wonder what the Vice President thought the other day as he sat there and heard fall from the lips of his chief the dictatorial mandate that you must defeat the soldiers' adjusted compensation legislation.

How things have changed! I am sure the Senator from Pennsylvania [Mr. KNOX] agreed with that speech of the Vice President. I do not believe the Senator from Pennsylvania believes in dictation by the President of the United States. He knows in his heart that President Harding is dictating to the Senate to defeat this legislation at this time, and he knows if it had not been for the interference of the President in this matter the soldiers' adjusted compensation bill would pass.

But I have higher authority than this, high as this is. I wish to read from a remarkable speech of a remarkable man. On April 29, 1918, President Harding was a Senator from the great State of Ohio, and he made a speech. Here is what he said—I wish I had time to read it all:

> I do not know that I take myself too seriously as a Senator. I have always had the notion, however, that this was a pretty important office, and out in my State they look upon an election to the Senate as an assumption of some considerable responsibility and a command to assume a part of the responsibility of the Government and of the Republic.

I wish that my good friend, the new Senator from Ohio [Mr. WILLIS], was in his seat now, so that he could hear the words of wisdom that fell from the lips of his distinguished predecessor. "A Senator of the United States," he says, must "assume a part of the responsibility of the Government."

Mr. WATSON of Georgia. Mr. President——

Mr. HARRISON. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. Was it in that same speech that Senator Harding said he was not fit to be President?

Mr. HARRISON. I think it was; but he has, perhaps, now changed his mind about himself. Let us hope that he has, anyway. I read further:

> I do not know—

Said the then Senator Harding—

> whether the Senate has stopped to think as it ought—sometimes I am afraid it has not—that under the stress and anxiety and unavoidable hysteria of war we are, either consciously or unconsciously, changing our long-established American institutions. We are very much altering our form of Federal government.

Again, he said:

> I would like to retain just a semblance of the respect for Congress, not only in the estimate of the American people but in the estimate of those whom Congress has provided places for here in the Capital of the Republic.

I do not know whether he still retains "a semblance of respect for the Congress," but if you do what he has demanded you to do through his address he will lose all respect for you, and rightfully so.

Certainly your actions in the last four months have given him just cause to lose some semblance of respect for the Congress—certainly the American people have; but if you bow in submission to his will now, if you vote to recommit this bill simply because he told you to do it, you will fail to raise yourselves in his estimation.

However, he went further. In talking about the dictatorial attributes of the Executive, he said:

> Mr. President, if there were anything necessary to emphasize the epoch-making character of the pending legislation, it would be the vote which has just now been recorded. One hesitates to talk to a jury the minds of whose members are already fixed.

He was undergoing then just what we are now undergoing—talking to a fixed jury. The only difference is that at that time "the minds of the jury were fixed" because of the justice of the legislation. Your minds are "fixed" now because he who only a short time ago condemned such procedure has "fixed" them at this time. We are not fooled in the situation. It is a fixed jury that I am now talking to, and I wish that the soldiers of the land could at this moment look down on this scene.

Oh, with what enthusiasm only a little while ago did the senior Senator from Pennsylvania [Mr. PENROSE], the chairman of the Finance Committee, apparently manifest toward the passage of this legislation! What undying interest did the Senator from North Dakota [Mr. MCCUMBER] apparently show in their behalf! How eloquently did the Senator speak only the other day for the soldiers of the country; but since the President came here Tuesday I have hardly laid eyes upon him. What is the worm that has so suddenly eaten away the root of the gourd, the gourd which for years has grown and only Monday was flourishing in all its beauty and practically all of you gentlemen on that side were refreshed beneath its protecting shelter? Before the President came it was green and beautiful. Not only did the Senator from Pennsylvania [Mr. PENROSE], who now seeks to recommit the bill, as well as you others, recline with joy beneath its umbrage, but, lo! to-day it is withered, and the hot sun beats, unchecked, through its leafless branches.

Mr. President, I can not believe that all on that side will be "browbeaten" into voting for the motion to recommit. Certainly the Senator from North Dakota will not desert us. He has spoken for it and has been its champion too long to leave us now on the roll call. There are others who cherish too dearly the promises they made to violate them now; believe too sincerely in the justice of this legislation to be persuaded from doing right, even though the mandate comes from their own President.

Oh! when I see the change that has been wrought in this body. The duplicity of Senators in dealing with the soldiers of the country; the promises that you will break if you vote for this recommitment. I am reminded of the vision and far-seeing wisdom of Shakespeare when he said:

> And be these juggling fiends no more believ'd,
> That palter with us in a double sense:
> That keep the word of promise to our ear
> And break it to our hope.

He must have foreseen this occasion when he employed those words. So true! So appropriate! If I had the power I would carve upon the memory of every American veteran of the World War those lines as a fitting epitaph to mark your political duplicity if you vote for this recommitment.

But I have not finished reading from the remarkable speech of the President back in 1918. He further said:

> One hesitates to talk to a jury the minds of whose members are already fixed, but it is my judgment that if the Senate of the United States is going to accept an Executive mandate and pass this bill, with every suggestion of amendment refused, Congress can only fittingly complete the program by delegating the taxing and appropriation power, adjourn, and go home.

Those were the words of the President who now demands you to surrender your authority and to give up the functions that the people have delegated to you to perform. That is not all; I will read further from this speech:

> There has not been a President—

Said the then Senator Harding—

> There has not been a President of the United States from Washington to Wilson who had such cordial support on the part of the Congress as the Chief Executive of to-day, and I rejoice to say from the minority side of this Chamber the support of the administration in all its

war measures by the minority has been cordial and almost unanimous. But I do not understand that that sort of a consecration to the cause of the war requires a Member on either side of this Chamber to follow every suggestion of the Chief Executive regarding our institutions of peace.

And further he said:

I think it was under the inspiration of Mr. Bryan that we turned to the election of Senators by popular vote. Mr. Bryan did not discover that scheme. Hamilton advocated it in the Constitutional Convention; but we adopted the popular election of Senators, and then we sanctified it out in my State by primary popular nomination, all the while bringing the Senate a little closer to the people as presumably the great deliberative body of the Republic; and then, in spite of our boastfulness of our popular form of government and the perfection of our plan, the moment we get into embarrassment the Executive asks the Senate substantially to abdicate.

And listen to this. He says:

I do not think it is fair, Mr. President, to any self-respecting Member of this body to ask him to vote to put aside the power with which he has been charged in the Constitution, and the responsibility that comes to him with the commission from the people who sent him here.

In view of those expressed views of one who now seeks to have you do that that he condemned as a Member of this body, and stated emphatically that he did "not think it fair to any self-respecting Member of this body to ask him to vote to put aside the power" * * * and the responsibility that comes to a Senator. What are you going to do about it?

Does it not appear peculiarly strange that President Harding should now practice and have you enter into the "unholy alliance" what he so strongly condemned as a Senator and a candidate for President?

When was the President right? Was he sincere in his utterances as a Senator or his action as President in coming here? If you indorse the one, you must condemn the other. If you praise one, then repudiate the other. Are you so weak-kneed that you now submit to his high authority, notwithstanding your disapproval of his interference? Let me remind you Senators, whose pledges are out, whose promises have been made, who realize in this legislation tardy justice, and only a slight but proper reward for heroic services to country, that President Harding did not elect you to the Senate; that in three years from now his popularity may not carry so much consternation, awe, and syncophancy as now; that you will not be able to shield your action behind his cloak of presidential dictatorship. He will then, if things continue to go as they are now going, be repudiated by the American people, and you will have to stand on your own record. Be not deceived by the temporary power of executive greatness. Make your own record.

This is authority from high sources, Senators, that I lay before you. I have presented it to show the hypocrisy of certain high officials, either in their utterances or their action. One or the other must convict. Many rumors are afloat as to why the President came to the Senate with that message. Some say that Senators went to him and asked him to come to the Senate to save the hides of themselves or of other Senators who were so weak-kneed that they did not have the nerve to answer the call and vote against soldier legislation. It is hard for me to believe that. Surely we all know there are no weak-kneed Senators over there. Other rumors say that he desired to exercise his dictatorial authority and show you Senators his power over you. Others say that he had so little respect for you that he was going to compel you to defeat this legislation notwithstanding your promises. If that be his purpose, and I doubt it, let me remind the President of the fate of the late dictator of Germany. Once he sat in high places and exercised great authority; to-day he is an outcast, an exile, without power and loved by few.

> O, it is excellent
> To have a giant's strength; but it is tyrannous
> To use it like a giant.

These are not the reasons for the President's unwarranted attitude. I will tell you "the nigger in the woodpile"; I will tell you why he came and asked you to defeat this legislation. You know it, I know it, the veterans of the late war know it, and the people will know it. As one of the reasons let me read you what John Wanamaker said. I do not know whether or not the plans were laid in the White House at the "council of war" participated in by Ogden Armour, John Wanamaker, and the treasurer of the Republican Party, but I do know that the papers carried the statement that they had a meeting there, and on the very next day the President came here and delivered his message, saying the time was not propitious for passing the soldier legislation.

After John Wanamaker, Ogden Armour, and other representatives of "big business" held their "council of war" at the White House, the message was delivered, and Wanamaker issued a statement in which he said, among other things, that President Harding is the greatest business man that this Nation has ever had as President. He speaks thusly of him:

President Harding is the greatest business man of the United States to-day. I speak from actual knowledge, because I was there and spent the day with him at the White House. * * * I wish I could convey the spirit of the man, his meeting with people, and his evident desire to help. "I'll help you if I can," is his attitude to all those who come to him.

"I will help you if I can," says John Wanamaker of the attitude of President Harding; and so evidently Wanamaker had something to ask of him, as the big business interests of this country are asking, in defeat of this legislation at this time.

How many letters and telegrams have you received from bloated bondholders, from stock-exchange gamblers, from captains of industry who were enriching themselves here while the boys were fighting overseas? Of course, the war profiteers, and those who clip their coupons as they sit in the quiet luxury of a costly mansion, are opposed to this legislation. I am finding no fault with that kind of opposition. It was to be expected. It was natural. But I do object, and I condemn with all the earnestness within me, the orders being issued by this class of Americans and being obeyed by you and the President.

Senators, we were marching fine toward the passage of this resolution—victory was almost in sight—until this "council of war" was held and these orders issued by your masters, the conscienceless profiteers, to halt, about face, retreat—aye, surrender! And, like obedient children and good soldiers, you obeyed orders.

Senators, you did not tell the soldiers when they were fighting to win this war—and because of their splendid services, their gallantry and bravery, they shortened it from a year to two years or more, saving millions and billions to the taxpayers of America—you did not tell those boys then as you are now being told, to halt, about face, retreat, surrender. They knew no such orders; they would have disobeyed them if given. But you, or some of you, surrendered before you even retreated.

Here is why the command is given. It is included in this bill, Senators. This is the bill that was passed in 1920 by the House of Representatives giving to these soldiers this relief. Yes; it was a good bill. It was a better piece of legislation than we have here. It received at that time practically the united support of the Republican membership of the House of Representatives. That great champion of the measure, the chairman over there of the Ways and Means Committee—JOE FORDNEY—as pleasant and affable a gentleman as ever lived, led the forces and "went over the top." They said in that bill—and that has been a long time ago—"We will put a taxation feature in it." And they did.

That is the nigger in the woodpile. These fellows are smart. They know, when this bill passes the Senate, that it must then go to the House, and that the House will largely follow its plan adopted before and put some taxing features in the bill. They will have more nerve and more courage than you have displayed and will impose the tax on the proper parties to raise the money to carry out the provisions of the measure.

These representatives of big business know who will foot this bill. They know the kind of taxing features that were incorporated before. So they have injected the poison that it appears will destroy this legislation.

Let me read from the taxation features of the bill that passed the House. Stocks and bonds were taxed. Every share of stock and every bond that is sold on the gambling exchanges of the country was to be taxed. But here is the provision that hit them. Here is the one that brought the howl; that caused the "council of war"—the additional surtax on incomes, section 701. This is the one that pinched. This is the one that caused them to assume leadership and send the word down the line that the soldiers' relief bill was to be defeated. This brought the orders to you: "Halt! About face! Retreat and surrender!" And this is the cause of your surrendering:

In addition to the surtax imposed by subdivision (a) of section 211 of the revenue act of 1918 there shall be levied, assessed, collected, and paid for the taxable years 1920, 1921, and 1922, upon the net income of every individual, a like surtax equal to the sum of the following:

Three per cent of the amount by which the net income exceeds $26,000 a year.

I heard a gentleman in my office say only yesterday that he happened to be in a barber shop yesterday in one of our large cities and a couple of soldier boys came in, and they were talking. They had just read about President Harding coming before Congress and asking for the defeat of this legislation.

One of them remarked to the other: "Well, I guess that gang down there in Washington are going to fix us now. The President has gone down and told them to. I see, too, that he had

a conference with those Wall Street millionaires. That gang," he said, "have forgotten that for nearly two years we fought to protect their wealth. They have forgotten now that we suffered to preserve their big, high buildings in New York; they have forgotten about the profits they were making while we were fighting; so I guess our hope for insurance, or a home, or any compensation is gone." That is the way, Senators, many of these boys feel about it. They know that while they were getting $30 a month you appropriated to civilian employees here a bonus of $240 a year. That the bonus to these civilians is still in operation, and that in thousands of cases the bonus added to salaries are ranging as high as $2,500 a year.

They know that while they were fighting you voted increased salaries and that since the war officers who were receiving thousands on thousands of dollars a year in salary were promoted, carrying with the promotion increased compensation.

But, Mr. President, there is more in the bill than adjusted compensation. That is one of the few propositions in it and one of the least attractive. There is the life-insurance feature, and daily some veteran of the war, with dependents perhaps, is dying without insurance and means to sustain his family. Are they not at least entitled at this time to insurance? There is your home-settlement proposition. Is it not incumbent on us, is it not fair and just to these brave men, to give them a chance at this time to acquire a home? There is hardly a Government—indeed, I know of none—that was in this last war that has not already passed some kind of legislation to take care of its veterans, and, mind you, those countries were hard hit by the war. Little, bleeding Belgium; France, hard hit as she was; England and Italy and Canada and Australia and New Zealand have all done something for their soldiers. And this great giant of the world, our country, surpassing all in industrial greatness, unapproached in wonderful natural and financial resources, that did not have a foe's army land upon her soil, is to be classed as too stingy to pass legislation to help its defenders even two years and more after the war.

Yes; the Senator from Idaho spoke the truth. When this bill is recommitted it is dead. It will never come out again. Be not deceived. You can not fool the fellows back home that you promised by letters, by telegrams, and in every way that you would vote for this legislation. These distinguished Senators who made Fourth of July speeches had not heard at that time that President Harding was coming down to tell you what to do.

In those speeches you pleaded eloquently in behalf of the soldiers of the country, and I can hear you now say to those boys, "There is now pending this soldiers' legislation. We will pass it this week, and we will do for you boys what we should have done two years ago." Thousands of orators on the Fourth of July made such statements throughout the country. In your last campaign there may have been a few Senators who were about as courageous as my friend from New York [Mr. WADSWORTH], but mighty few. Most of your campaign speakers, as did ours, told the boys that we were going to pass some soldier legislation. Over on the House side the Republicans who voted for the Fordney bill in 1920 claimed it as one of the great achievements of their party and laid claim to the fact that since they had passed it certainly the Senate would and it would soon be one of the accomplishments of the Republican Party. I have not the slightest doubt that the arguments that were used then were the cause of winning many votes from the soldier boys. But, sirs, they know now that if you vote for a motion to recommit you are not for this legislation, that you deceived them. Ah! I would employ stronger language, but milder will convey the thought, "You fibbed to them." They know that when you had an opportunity to make good with your pledge you failed. You know, Senators, that this legislation has been delayed too long already.

What can my friend from Kansas, Senator CAPPER, say when he goes back to the soldiers of Kansas, who won such undying glory at the Argonne Forest, as well as other places, when he votes to recommit this bill? Why, they will pull some letter that he had written to some of those boys out there promising to vote for the legislation.

I have not seen any of the letters, but I know the kind of man he is, and I know he is not going to vote for this motion to recommit. It may hurt the feelings of some of the Republican leaders, but I can't believe Senator CAPPER is going back on these boys on the motion to recommit.

Do you think my good friend FRED HALE, from Maine, is going back on them? Why, he comes up next year for reelection. I have not seen the letters, but I have not the slightest doubt in the world that on the hustings, in telegrams, and by letters he has told the splendid soldiery of Maine that he is going to stand by them through thick and thin down here; and I do not care if he is close to President Harding, I can not believe that FRED HALE is going to vote against them now. When the time comes to vote on this motion to recommit, he will be found voting "nay," and when he does, if enough of you over there will join with us over here—because we are going to have some votes on this side—we are going to vote pretty strongly, I will say to the leader on the other side, Senator LODGE, against your motion to recommit, we will defeat the motion.

You know it was a sad sight the other day to see, and I am sure that some of you had to laugh in your sleeves when, after President Harding had finished his speech, the distinguished Senator from Pennsylvania [Mr. PENROSE] rose to make the motion. Oh, he was convinced. It did not take much to convince him that he was all wrong. That he made a mistake when he promised these boys that they would have some soldier legislation quickly. He changed in the twinkling of an eye on the proposition..

I do not know whether the President had even gotten out of the door when the Senator from Pennsylvania rose to make the motion, and he was so sure of his position and what he was expected to do, and so afraid that it might not be just exactly as it should be, that he had written out the motion to recommit, and he had not forgotten to say in that writing that "we are going to give it full consideration."

Yes; it will be given "full consideration," and, as was suggested by the Senator from Georgia [Mr. WATSON], "the junior Senator from Iowa [Mr. KENYON] has this afternoon furnished by his speech the floral wreath for the burial of the bill." I am not surprised at the Senator from Pennsylvania; he is such a good soldier and has given commands so long, not only here but in his State, that when his chief commanded him he was quick to follow orders. He has always felt kindly toward bossism and the occasion no doubt had a peculiar attractiveness for him.

The issue is clear-cut. It is here. If you want to turn your back on this legislation, if you want to defeat it, the last hope for soldier legislation is gone. There will be no other opportunities offered to vote for it.

I am aware, Mr. President, that many obligations of the Government must be met and that taxes are heavy. But, sirs, let me call your attention to the fact that before the war the largest appropriation made in any one year for the Navy was $160,000,000, that the maximum appropriation for the Army in any one year was $100,000,000. You have just passed through this Congress, without protest from President Harding, but, on the contrary, with directions from his secretaries, far greater appropriations—over $400,000,000 for the Navy and over $300,000,000 for the Army. Those appropriations reduced by one-fourth would take care of the expenditures under this bill, and if reduced to a prewar basis will save millions in taxes to the consuming masses.

Senators, let me appeal to you not to obey the orders that have come to you. Do not turn your backs on these boys. They did not turn their backs on you and their country when they were needed. They never did halt when they were sent under your orders to attack the enemy. They never once during the war right-about-faced. They knew not the meaning of "retreat" and never at any time did they surrender. Why do you not in this matter emulate their example? Why should you, in the charge you had begun and which was progressing so beautifully, now heed the orders that have come to you from the bloated bondholders of America?

Do you know what I think you ought to say to them? You should remember the deportment and words of brave Whittlesey when he, with his gallant boys, was surrounded by the Germans in a sector of the Argonne forest, having gone without food for days, when the German commander sent word to him to surrender. He replied, "Go to hell." I commend those words to you, that you may make appropriate reply to the orders to surrender that have come to you from your Wall Street masters.

Now, Mr. President, permit me to say in conclusion that already this body has been the cause of disappointment to the veterans of the late war. You will recall the thousands of heroic acts of these brave boys, the unselfish service they gave to their country, the measureless sacrifice to our cause. You will recall what anxiety attended their departure from home and supreme joy at their return. They have not forgotten and it was quite sufficient to dampen their enthusiasm and form in their minds the conclusion that you little appreciated their services when you destroyed their work in the defeat of the treaty of Versailles and substituted for it a resolution deserting their allies and making separate peace with Germany. Do not go

further than you have already gone in showing your disloyalty to and disrespect for them. To-day, not only from a thousand far-away places in this country but from across the waters these gallant and noble men are saying—

To you, from falling hands,
We throw the torch,
Be yours to hold it high;
If ye break faith with us who die,
We shall not sleep, though poppies bloom
In Flanders Fields.

LEGION TO KEEP UP BATTLE FOR BONUS—COMMANDER EMERY DECLARES 500,000 FORMER SERVICE MEN LACK JOBS—CITES EXAMPLE OF ALLIES—THINKS SECRETARY MELLON "VASTLY OVERESTIMATES" COST OF COMPENSATION PLAN.

[By the Associated Press.]

INDIANAPOLIS, IND., *July 13.*

The American Legion will fight on for adjusted compensation without change in the provisions of its present program, following the message of President Harding to the Senate urging delayed action, John O. Emery, legion national commander, said in a statement issued from national headquarters here late this afternoon.

"The sudden alarm which apparently has swept over Government officials, lest through adjusted compensation the United States Treasury be so depleted as to mean national calamity, will cause no recession of our activity to bring about such measures of civil reestablishment and material readjustment as we believe to be for the best interest of the country itself," Mr. Emery declared.

CONDITIONS CAREFULLY STUDIED.

"Our claims for adjusted compensation were not made until by a careful study the conditions of our former service men were ascertained, which beyond any doubt justify every provision set forth in the adjusted compensation bill," he said. "I believe that Secretary Mellon vastly overestimates the cost of such provisions. Precedent disproves his prediction of financial collapse if the adjusted compensation bill passes. England and her overseas dominions, France, Italy, and Belgium enacted national relief legislation, and found money thus expended a potent factor in stabilizing economic conditions generally through rehabilitation of individuals.

"The legion heartily concurs with the report of the Senate Finance Committee, which stated:

"'The general assumption that the enactment of this bill into law will immediately load upon the backs of an already excessively tax-burdened public an immense additional liability is unwarranted.'

"The American Legion, in pressing this measure, has fairly represented the former service men of this country, who would certainly be the last to threaten the stability of the country for which they offered their lives. We earnestly believe that there has been too much delay already, and this belief is founded upon the absolute knowledge of the present economic state of veterans, more than 500,000 of whom are unemployed.

HIGH WAGES IN INDUSTRY.

"We believe that industrial conditions require immediate equalization of the economic balance between men who fought at financial sacrifice and the man who refrained at financial gain, and who, if he lived frugally as soldiers lived in flush war-wage days, should have saved enough to tide over the present emergency. We awaited patiently the passage of industrial relief measures and many less urgent bills. We now ask merely fair consideration and equal opportunity for those who served."

Mr. Emery to-day telegraphed Senator PORTER J. MCCUMBER, who has led the fight on the Senate floor for the legion measure, that recommitment of the bill to committee must not be permitted. As the bill seemed doomed to almost certain delay, Mr. Emery telegraphed:

"The legion earnestly requests that Members of Congress do their duty by those who served in armed forces as they have done by those who served in industrial forces of our country."

Mr. BORAH. Mr. President, I want to say something before this motion is voted upon. Perhaps the time will be somewhat occupied to-morrow, and while it is late, I will say what I have to say now lest I may not have another opportunity.

This legislation involves so many questions as it is now presented to the Senate that one can not hope to cover the entire subject matter at so late an hour; but I want at least to make it plain why I shall cast my vote as I shall, and leave the RECORD in no obscurity as far as I am concerned.

I am going to vote to recommit, Mr. President, in the first instance, because I am opposed to the bill in its present form, and shall be opposed to any bill which carries any cash proposition in it. I do not agree with those who urge delay merely. I see no necessity in an appeal to the expediency of the hour.

As I have said, if a real land settlement bill could be formulated and brought in, so that it would in fact be a land settlement bill and not a pretense, I should be glad to support it; but I should not expect to vote for any so-called adjusted compensation bill which carried a cash proposition, even though it had a land settlement in it, because it involves a principle which I would not be willing to surrender.

Mr. President, I presume the great majority of the service men feel that they ought to have something in the nature of legislation such as this bill outlines, and yet there are a great many of the men who do not understand the bill, and a great many of those who seem to understand it are opposed to it in its present form, and many of them are opposed to any bill which carries anything in the nature of a cash-bonus proposition.

I have had in the last few weeks a great many letters, not only from soldiers but from the mothers and fathers of soldiers, who express the view which I entertain better than I can express it myself, and while it is too late in the afternoon to read many of these letters, I am going to read a paragraph or two from some of them.

I read a letter from a gentleman in Chicago. I do not know that I am at liberty to give his name, but I should be glad to give it personally to any Senator, together with his address. Speaking of this bill he said:

It is difficult to believe that the Senate will pass this measure and add to the crushing burden now resting on our people. I have two sons who were in the Army in France for nearly two years—one in the —— United States Infantry, the other in the —— United States Artillery. While they would both come within the provisions of the bonus bill, they agree that this measure is wrong in principle, and in their opinion it is a stigma on the honor and glory of the patriotic service performed by the Army and Navy. * * * No one objects to, and everyone favors, a proper provision for the wounded or disabled. They are entitled to everything in reason that we can do for them. But I do not believe, from my observation, that 10 per cent of the people of the United States who have had the bonus subject properly explained to them favor this legislation.

The soldiers with whom I have conversed either wholly misunderstand the bill or, when understanding it, are opposed to it.

In a letter from a vice commander of a post of the American Legion, he says:

Last year on two separate occasions our post voted as being opposed to the bonus for ex-service persons. In writing this letter I am not acting in an official capacity; but, having made the above statement of our official action, I now add my personal belief that the bill is built upon a wrong principle.

In a letter from the State of Wisconsin addressed to Senator LENROOT, but a copy sent to me, it is said:

Being the father of four sons, all in service, I want to call your attention to the unfairness of adding several billion dollars to the almost unbearable tax burden under which we are struggling now.

While the soldiers' pay was not as large as the stay-at-homes, when the high cost of living was taken out there wasn't much difference, admitting the boys stood the chance of not returning.

Money isn't enough, and no amount can offset the hardships undergone by our brave boys. Many were broken down physically. In the name of God, let's spare no expense in making them as comfortable as possible. As to the fortunate boys who returned sound, instead of settling with Uncle Sam for a mere pittance or losing their rights for a pot of porridge, wait until misfortune or old age may have overtaken them and then let Uncle Sam do his part.

There are many more letters, but I will not take time to read them. These suffice for my purpose.

Mr. President, those who went to war and never returned, in some instances, left behind wives and children and dependent parents. For all such we should have the deepest concern, and the Government should, in so far as it may, stand in the place of the dead.

And those who went to war and returned, but returned shattered in mind and broken in body, mangled in limb, and afflicted with disease, they are, or should be, the objects of the Government's vigilant and constant and generous care. I am sure we have not done for them what we should have done up to this time. They present the most pathetic sight in all the struggle of life. They are the saddest memory of the war. They have exchanged health and the purposes and dreams of youth for sickness and pain and anguish, and in many instances isolation and despair. For them the taxpayer is willing to carry greater burdens. For them our people are willing to make additional sacrifices.

But when I am asked to unlock the Treasury of the United States to those who were fortunate enough to pass through the ordeal unscathed, when I am asked to pay from the public funds large sums to those who have received no injury, I am bound to ask myself upon what principle may I do this. The money is not mine. I can not give it to charity or in the spirit of a good fellow. I must find some legal or moral basis upon which to proceed. The committee, with commendable candor, but with a singular disregard for the deep significance of the statement, places the whole thing upon the low plane of cash for services rendered. You are greatly mistaken if you think that the great body of the ex-service men will thank you for this standard or that they will upon reflection appreciate your measurement of their moral worth. Here is what the committee says:

The purpose of this bill in no sense seeks to express a national gratitude by a money gift to our soldiers. It is not so intended by its supporters and the veterans of the World War would not so accept it. It is a bill to provide adjusted compensation for the veterans of the World War.

Adjusted compensation! Compensation for what—for service when the country is in peril—for defeating the enemy? How would you compensate men for such service? Such service defies compensation. Were these men the hired soldiers of the Republic? In one breath we are told we went to war for humanity, for civilization; in another for compensation. The committee doubtless felt that in getting rid of the word "bonus" and inserting the words "adjusted compensation" it had fumigated the bill; that it had raised the measure from the low level of a gratuity to the high level of cash for services ren-

dered. But if I mistake not, they have fastened a stigma upon the bill which will be distasteful for all time to the spirit of the true soldier. I can understand the question of a gratuity. I can even understand the thanks of a Nation being doled out in this age of materialism in dollars and cents. But I doubt if the soldier will want to have his children and his children's children point back to this measure and say that this was for services rendered by my name or blood to the cause of human freedom in the great world conflict.

The soldier can leave to his children no richer legacy than a record in this World War, it will be looked upon in after years as in some countries they value the sanction of royal blood. It will constitute, in a sense, an aristocracy of patriotism. How much that legacy will be increased in worth and in wealth by having written across it "adjusted compensation," I leave the brave solder of this country to reflect upon and to estimate. They have now that which no one can estimate, no one can price, and no one can take from them. When this bill passes and they accept it they will have that which can be purchased in any market and which is the common jade of all business—"adjusted compensation."

"Adjusted compensation"—what is the basis of the adjustment? Certainly not the basis of common hire. If a man leaves home and family and tenders his life for his country or for humanity, shall his compensation be graded and fixed by the pay of the unskilled workman contending for his portion of what circumstances and the labor market may force from the grudging hand of capital? Shall we adjust the soldiers' compensation, since we have concluded that that is the basis of his services, according to the scale of the charwoman and the journeyman laborer? That is precisely what we are doing. Boys who carried water to the workmen upon Government works in the busy days of the war received compensation equal to the soldiers of the Republic in its perilous task of crushing the mightiest military machine of which the human mind has yet conceived. This bill, therefore, providing for "adjusted compensation" and rejecting all intimation of gratuity, has not only placed the whole affair upon the sordid level of money consideration, but it has with a harshness which no grinding monopoly would countenance not only postponed settlement for five or six years, but placed the pay on the dead level of convict labor—$2 a day and board. Into what a Serbonian bog of compromise and humiliation the soldier is plunged when you induce him to leave the high plane of unselfish service for the field of "adjusted compensation."

Mr. KING. Mr. President——

The PRESIDING OFFICER (Mr. McNARY in the chair). Does the Senator from Idaho yield to the Senator from Utah?

Mr. BORAH. I yield.

Mr. KING. If you are to predicate your gratuities or your grants or payments upon the basis of compensation, then the men who were upon the battle field and exposed their bodies to the bullets of the enemy ought to receive more compensation than the men who were in camp and had no opportunity to go upon the battle field.

Mr. BORAH. Certainly under a rule of compensation that would be true.

The second reason why I shall vote to recommit the bill—and I must hasten along—is because our first duty is to the disabled soldier. As I have said, we have not done for him what we should have done up to this time, and when we shall have finished our task it will be a tremendous burden which the Government will have to carry. But we are going to carry it; no one proposes anything else. But until our legislation has been completed with reference to the disabled soldier, until that burden has been met and an adjustment made such as to satisfy conscience and humanity and our obligation to him, we should not undertake to impose upon the Government other burdens which will necessarily retard and hamper us in taking care of the disabled soldiers.

As I understand, that is in fact the position of the American Legion. I have never talked to a member of the American Legion, I have never had a communication from one of them, I have never seen an interview from one of them who touched on the subject, who did not declare that he desired the disabled soldier cared for and the obligation of the Government to him discharged entirely and completely before they should be permitted to interpose or embarrass the Government in doing anything for those who were not disabled.

My opinion is that, while we sometimes get frightened here in Washington by reason of telegrams and propaganda which are sent to us, if the American Senate has the courage to carry this question back to the American Legion in their homes and present to them the question of the condition of the Government and our first obligation to the disabled, there will be scarcely a dissenting voice among them. The expression will be almost unanimously, "Let the Government discharge its duty to the disabled first, and we will come later."

Mr. Emery, who succeeded the late Col. Galbraith, delivered an address a short time ago before the organization of disabled soldiers, relative to which the press said:

> Representatives of the Nation's war disabled marched here to-day in a parade intended as a new appeal to the country for more speedy relief for American wounded. * * * Several thousand disabled soldiers marched or rode in the parade. A number of floats depicted the rehabilitation work being carried on by the Federal Board for Vocational Training. At the first business session to-day John G. Emery, new head of the American Legion, pledged his organization to consider disabled soldiers first.

He stated further that his influence should be exerted for the taking care of the disabled soldiers before caring for the others.

That is a manly, a patriotic, a humane position to take. I have no doubt at all that the words of Mr. Emery represent the real sentiment of the entire body of the American Legion. As has been disclosed by the President and as has been disclosed by the reports here in the Senate, that is going to be a very serious task. So before we take up the question of dealing with those who were fortunate enough to return unharmed, let us see to it that nothing in the way of burden or embarrassment stands in the way of taking care of those who came back broken in body and shattered in mind. We must first see what that will probably cost, and it is going to be very great. It will increase from year to year. We will not do justice to the disabled if we obligate ourselves so heavily for those who suffered no injuries.

Mr. President, I think we have reached a crisis in this country with reference to financial and economic affairs. When we consider the public debt of the United States, the public debt of the world so far as governments are concerned, the public debt of our respective States, the public debt of our respective cities, and then contemplate the fact that we spent $8,000,000,000 in the way of current expenditures in 1920, and in all probability will expend from $5,000,000,000 to $5,500,000,000 this year, and contemplate the further fact that instead of decreasing our expenditures and our debts, and instead of decreasing our taxes we must inevitably increase them for the next several years, we have in my judgment practically reached a crisis in our financial and economic affairs.

When the war ended the public debt of the United States, if I have the figures correctly, was $19,428,375,022. Upon May 31, 1921, the public debt had been increased, three years after the war, nearly $4,000,000,000, our public debt at that time being $23,952,741,592. So in spite of anything which we seem able to do and against all the plans which we lay, our indebtedness continues to rise, our taxes continue to increase, and our current expenses refuse to be lowered.

Something has been said about postponing the bill for six months and bringing it back in six months from now and considering it. I would not wish to be harsh with anyone who contemplates voting to send the bill to the committee for six months and bringing it out again, but if anything would be characteristic of pure political expediency in this situation it would be precisely that thing. What will be the difference six months from now, so far as the taxpayer, the business man, the laborer, and other conditions are concerned? What could be more discouraging to revival of business than a mere postponement of such obligation. And until business revives there will be unemployment and hungry people. We ought to have the courage, if we are against the proposition, to say so and to say why, and carry it back to the Legion at home and receive their judgment. If it is against us, very well and good; but there is no use to trifle with the proposition by sending it back to the committee for six months and bringing it out when we will be no better off at that time. I do not agree with the argument that is presented for postponement.

The course which this bill has had is already discreditable to the Congress. It was introduced in the House on the 20th of May, 1920, it was reported on the 21st of May, 1920, and passed the House on the 29th of May, 1920, just about the time that the conventions and primaries were being held. It then came to the Senate and went to the Finance Committee and remained there until four days before the adjournment of the last session. Now it is reported out providing nothing to be paid until the 1st day of July, 1922, about time elections are coming on again.

The embarrassing feature of the situation is that we seem to think there is a very large block of votes represented by the opposition to delaying the bill. My opinion is the block is not so large as it seems to be, but, large or small, we ought at least to pursue a straightforward, continuous course with reference

to dealing with a matter of such supreme importance to the people of the United States. If we can not agree to pay the service man, we can at least be candid and honest with him and preserve our own self-respect, even though we lose his political support.

Mr. President, I do not claim that power which can "look into the seeds of time and say which grain will grow and which will not"—far from it. But the man is blind who does not recognize that the most widespread and threatening aspect in public affairs at this time is the feeling upon the part of the people everywhere that their Governments, either through indifference or incapacity, will not or can not relieve them of the crushing burdens under which they are now bending. The ties which bind peoples to their Governments are snapping everywhere. Should we be surprised that it is so? Men seeking office and in public place daily promise to lift the load the people are carrying, yet in the actual result of things there is no relief. Economy is made the shibboleth of political campaigns, and yet there is no economy. Taxes are to be reduced, and yet taxes increase from year to year with remorseless persistency. Extravagance in public expenditures is denounced by all political parties and all men, and yet each party upon coming into power makes the record of its predecessor look modest and respectable. A war is fought to end war, and before the bloody fields are dry and before the agony of conflict has yielded to the soothing effects of time the victors begin to arm against each other—for there is no one else against whom to arm. And thus more burdens, more taxes, more misery. How long this can continue I do not know, but it would seem in this tortured and torturing hour that the human family had about reached its Gethsemane and that some scheme of redemption ought to be near at hand.

I am positive of one thing, that we can not long continue along the course we are now traveling. We seem to think there is no limit to the people's capacity to pay, and no point beyond which they can no longer bear up under their load. But there is a limit to their capacity to pay and there is a limit to their endurance, and when either or both are reached God alone knows what lies beyond. If this brutal war had not long since inured us to human misery, even present conditions would not be tolerated. Never before in the history of the world, not even in the night of the Thirty Years' War or in the Napoleonic era, have there been such debts, such taxes, such burdens, material, social, or moral, such weight upon the masses, such misery among the people. Countless thousands are being born into the world, cursed at birth with disease and withered in limb because of the burden which Governments lay upon their mothers. Millions more are stunted in mind and starved in body because of the cruel environments amidst which they are reared. Upon every hand, in every land, crowding the cities, at home and abroad, are the maimed and broken and the helpless and those shivering on the brink of a suicide's grave. Men who a few months ago had about them the earnings of a lifetime are financially ruined. Business is discouraged, industries are closed, and the swelling armies of the unemployed bid fair to equal the fighting forces of a few months ago. Yet, in the face of it all, the world is devoting its talents, its energies, its resources, and its genius not to production, not for the things necessary to life, but for the things dedicated to destruction and death. In the midst of this Dantean hell of misery congresses and parliaments are busy, like the watchman upon his beat, hunting for some new thing to tax that more money may be extorted and more devilish instruments of torture may be perfected.

We seem to have two remedies for all this—levy more taxes and appropriate more money. Everybody's face is turned, like the eastern worshiper, toward the Federal Treasury as his Mecca.

There is only one way to call a halt on these things. We can not do it through the Congress alone. The soldiers of this country can not be aided except as the country itself is rehabilitated. The soldier can not come back except the people as a whole come back.

The soldier can not prosper unless the people prosper. What good will it do the soldier to receive aid if by receiving it he depresses the value of the Liberty bond which his mother may have purchased or which his neighbor may have purchased or increases the taxes which his father must pay or his mother must pay or his neighbor must pay? He has now gone back and intermingled and become a part of the citizenship of the country; he is wrapped up in its welfare or in its adversity. The handing out to him of a few dollars will not benefit him under such circumstances, whereas it will greatly injure the prospects of the country and the restoration of normal conditions.

I know, of course, that there will be a vast amount of politics made with the matter, not only here but elsewhere; naturally that must follow; it is a part of the American game; we can not expect anything else; but I venture to believe that the young man who went to war, who was willing to sacrifice for his country, is just as much interested in the general welfare of his country as are you or I, and that when the matter is presented to him and when he understands it, his patriotism, his manhood, his interest in mankind and in his fellows about him will guide him to a wise and patriotic conclusion. We need not be so uneasy as to the final judgment which he shall render.

If I may be permitted to say so, I desire to say that sometimes I think we underestimate the intelligence and patriotism of the masses of the American people. I think we sometimes find too much distress in telegrams and in letters which may not represent one-half of 1 per cent of the people in the community from which they come, and that we consider too little the fact that back there is the great reserve power, the reserved patriotism, the manhood upon which this Government rests, and upon which it must continue to rest or forever perish. If it is to be appealed to upon any occasion, we may safely appeal to it at a time when the whole country is bearing the burden which it is now bearing. And the soldier who was willing to serve his country when assailed from without will not be found wanting when his country needs him to adjust and rebuild her whole economic life within.

Mr. HEFLIN. Mr. President, the Senator from New Jersey [Mr. EDGE] this morning referred to some of the remarks that I made in behalf of the American soldier as being demagogical. I am not surprised that a Senator who finds himself in the peculiar, embarrassing, and ugly predicament in which that Senator finds himself under pressure with regard to the pending measure thinks that any speech which is made in favor of a fair settlement with our soldiers is demagogical.

I want again to remind the Senate that the American Congress paid men for materials which were made use of in the war, and when the war ended and there was a surplus of those materials which were no longer needed and for which the Government had no earthly use, those men came to Washington and said, "We were taken out of our other pursuits; we did this particular work, and we are going to lose money unless you take this stuff off our hands and settle with us as you contracted to do." Congress said, "That is right; we will pay you." And those contractors never lost a dollar. Why should we not have said to those men, "Oh, you are patriotic; you were making material to save the life of your Nation; you were making war implements; we had to use them to supply the boys on the battle front; you were away back home, away from danger, while the soldier was on the firing line, where he was liable to be killed any minute; he is not going to get any such compensation as that; there is no settlement that we could provide that would reimburse him adequately in any way." But the contractor says, "I do not want to lose any money; I want all that you promised to give me, and I demand it." Then we did not say anything about his patriotism; it was all right for him to exact a pound of flesh nearest the heart of a hundred million people; and Congress paid every dollar of the sum demanded.

Our soldier boys were gone two and a half years, but they are not asking the Government to pay them for a year, for a year and a half, or for two years. If they did we would owe them two or three thousand dollars apiece, and it may be more.

They lingered a long time after the war was over before they could get home; they were away from their occupations, and every year they were away they were losing hundreds and some of them thousands of dollars. Nobody has said that they should be compensated by giving them the money which they lost; they do not ask for it; but they do ask the Congress to give them what has been declared to be the small amount due them. Yet Senators stand here and quibble about making that settlement.

Mr. President, we are told that if this bill is passed it will require a great deal of money—a billion and a half dollars. The Government can issue the money and retire it finally in a way so as not to disturb it seriously. Nobody but an enemy to the Government would undertake to embarrass the Government by not accepting a hundred dollar bill that the Government said was worth a hundred dollars. Nobody is doing it to-day. People are accepting the Government's money dollar for dollar, but they are not accepting the Government's bonds, although they bear interest and have back of them the wealth of a hundred million people piled up to the amount of $300,000,000,000. The money of the country is being so manipulated to-day that those who hold the Government's bonds can not sell them at par; they can not borrow money on them at the bank. Those who are accommodated with loans appear in the bond market and in some instances are buying Government bonds at $75 on the hundred; and, as I said this morning, they

are going to present them a little later on to the Treasury and get dollar for dollar with interest.

The American people are being imposed upon to-day just in that fashion. The men and the women who bought bonds are being robbed upon the highways of the Nation. The soldiers who saved the life of this Government are being kicked around by the Senate to-day, and are being told that they are "putting a price upon their patriotism" when they ask for a fair settlement to each individual in the amount of $350.

I agree with the Senator from Idaho [Mr. BORAH], the ablest Senator on the other side of the Chamber, that we are reaching a critical time in the life of the Nation; in fact, we have already reached it. Whenever a government reaches that stage under the administration of a party—I care not whether it be the Democratic or the Republican Party—where it will permit those who bought its bonds in time of stress and strain, when the liberties of the country were in peril, to be herded like sheep in the market place and robbed of their bonds and allow the bonds to be stored up in the hands of Wall Street sharks to be presented later on and paid at par, with interest, in order to fill their coffers from the substance of the people who strained themselves and stinted themselves to buy the bonds to support the Government.

Money is withheld from those who own the bonds and they are unable to obtain money to tide them over this awful time. Then when the soldiers come here and ask for a fair settlement—it is not much, God knows, but it means much to them; $350 to one of these boys who is this day out of employment, without a dollar in his pocket, means a great deal. But it is said that we can not afford it. At the same time we let Wall Street have every dollar it wants to beat down the price of cotton; we can afford to let the western gamblers have all they want to beat down the price of wheat and corn; we can afford to let the other interests have all they need to crucify the cattleman and to prey upon legitimate business in other walks of life; but we can not provide a billion and a half dollars to settle with the soldiers who saved the life of the Nation.

Senators, war is a costly thing and the more it costs the slower we and other nations will be to needlessly enter into it. When we make those who fatten upon war pay the penalty of war, we will have them joining us in advocating universal peace, but so long as they make money out of war and flourish when war is waged, they will like to have war. That is the trouble the President is having now. The fellows who want big battleships are opposing disarmament; the fellows who want war in the future are opposing cutting down the size of the Army. Now special interests congregate in Washington, the big banquet crowd to which the Senator from Iowa [Mr. KENYON] referred, with their great limousines shining around the Willard Hotel, with their high silk hats, with their kid gloves and their gold-headed canes and diamonds in their shirt fronts that almost put your eyes out—they walk around the Willard Hotel and they get what they want. They know what they want and they know how to get it. They have come down here and have said, "That soldier bill must die; we have pronounced upon it the death sentence of the bond sharks of Wall Street, and it must die."

Have I any reason for saying that? Yes. The House has passed on this measure. The House says that this is a just debt. The American House of Representatives has given its sanction to this indebtedness to these boys. It is not a gift. It is a debt that this country owes. The House says it is just, and a committee of this body, composed of Democrats and Republicans, presided over by the Senator from Pennsylvania [Mr. PENROSE], deliberated on it for quite a while and brought it in, giving it their sanction, and this body, without disturbance from any quarter, made it the continuing order upon the calendar, and the bill was moving to final judgment in the National Congress, when all of a sudden a small voice was heard whispering in this Chamber, and Republican Senators commenced to look disturbed. They saw the patronage list in a doubtful situation, and the Chief Executive wanted to shift the responsibility. He did not want to have to say, "I vetoed the soldier bill." In 1924 these brave boys, those of them who survive this treatment of a Republican administration, would taunt him and say, "You vetoed a just settlement with the defenders of the Nation." So now he can say, "No; I did not; no; I really would not have vetoed it; I suggested to the Senate the wisdom of postponing it, but I never had any idea that they would postpone it indefinitely; really, after they did, I was sorry they did it, but"—and so excuses will be handed out from the platform, and the Republican Senators will have to take all the responsibility.

Senators, presidential patronage is not going to tide you over this blow to the American soldier. This is a dangerous thing you are fooling with now—a very dangerous thing. The man who controls the patronage of the Nation now has put you in a hole. These boys understand how to count notches on a milepost and interpret figures on a cat-faced pine. Do not doubt that. You can not fool them. Why, you have told them, many of you, that you were going to vote for this soldiers' bill. You have promised these brave boys to give them a just and fair settlement, and now you come up here fooling about and wabbling around, and you are going to put this bill to sleep. I guess you will, on to-morrow.

What has caused this change to come about? Just why all this flurry the last two or three days? Is it not amusing to you Senators who have been here some time to see the clan arrange things? I have been in this public service 17 years myself and I have watched them, how they approach these legislative measures. Whenever there is something that is needed to be done, necessary from the standpoint of certain interests, there never is any doubt about the ability of the Treasury to attend to it—never—but whenever a measure comes up of good to the common masses of the people somebody is ready to show why it should not be enacted into law, and here they are saying that we are able to impose a tariff tax on the masses of America but that the Government is not in condition to make a fair settlement with its soldiers.

We are in condition to let the allied countries owe us $10,000,000,000 without a murmur, twelve hundred millions of dollars in interest due now and not a dollar collected, and now you are about to pass a high protective tariff bill that will kill all their trade with America, and what are they going to do? The soldier can wait. The excessive profits tax man can come forward and have a seat. The tariff baron is told, "Come up here. We are going to put a new robe on you. You have been away from the feed trough a long time. The Underwood tariff law, under which the country has prospered as never before in its history, is now going to be knocked in the head, and we are going to pass another Republican tariff law that will kill the American merchant marine, as the Republican Party did on a former occasion." That is what we are going to do; and while we are imposing additional tariff and tax burdens upon the people and are killing the American merchant marine and destroying the bondholders of America, who bought Liberty bonds in time of war, you are going to slap the American defender in the face and refuse to square the account with him who saved the country by the overthrow of the enemy. God pity you.

Mr. LODGE. Mr. President, I rise with the intention of moving an executive session. Before doing so, I wish to remind the Senate that the hours for debate to-morrow will be very limited; and I ask, just to remind the Senate, that the Secretary may read the first paragraph of the nineteenth rule.

The VICE PRESIDENT. The Secretary will read as requested.

The Assistant Secretary read as follows:

When a Senator desires to speak, he shall rise and address the Presiding Officer, and shall not proceed until he is recognized, and the Presiding Officer shall recognize the Senator who shall first address him. No Senator shall interrupt another Senator in debate without his consent, and to obtain such consent he shall first address the Presiding Officer; and no Senator shall speak more than twice upon any one question in debate on the same day without leave of the Senate, which shall be determined without debate.

Mr. LODGE. I had that read on account of the last clause. I now move that the Senate proceed to the consideration of executive business.

Mr. REED. Mr. President, may I inquire, since the rule has been read, and evidently for some purpose, whether the Senator intends to appeal to the written rule of the Senate as against the established custom here that Senators shall give their names to the Vice President and take their order then, not according to the one who first rises but according to the one whose name is first on the list?

Mr. LODGE. No, Mr. President; I did not intend to interfere with it at all. I merely wished to remind the Senate that so far as possible each Senator who desired to speak should have the opportunity, and should not be prevented by one Senator taking the floor three or four times.

Mr. REED. I am interested in the matter, if the Senator will pardon me a moment, not because I expect to speak but because I should like to know—and this is a good time to settle it—whether we are to live under the rule of the Senate as printed, which recites that the Senator first rising shall be recognized, or whether we are to live under the rule which has been established here, that Senators shall be recognized according to the position they hold on a list of names which has been furnished the Presiding Officer?

Mr. LODGE. That has never been established as a rule. Frequently, when the time is limited, names have been given to the Presiding Officer with a request that they be recognized. There is no rule and no right about it, of course.

Mr. REED. It is a custom that has obtained.

Mr. LODGE. I have not any question that the Chair always recognizes Senators under the rule.

Mr. REED. I am not criticizing the present Presiding Officer. The custom that I speak of has existed for a long time, and I am just curious to know now whether the Senator first on his feet will be recognized or whether the Senator whose name is first on the list will be recognized.

Mr. LODGE. I do not know that there is any list; but what I said had nothing whatever to do with that. The Vice President, I am sure, will carry out the rule as it is written. I did wish to call attention to the interests of other Senators who desired to speak, so that so far as possible every Senator who did desire to speak should have an opportunity before 3 o'clock to-morrow.

Mr. HARRISON. Mr. President, at the request of the junior Senator from Massachusetts [Mr. WALSH], I desire to announce that he will try to get recognition the first thing in the morning. He is a member of the subcommittee that reported the bill.

Mr. HEFLIN. Mr. President, I suggest to the Senator from Massachusetts that it might be a good idea to limit the debate to-morrow by unanimous consent.

Mr. LODGE. I think it is too late to enter on that now. We have made the unanimous-consent agreement. Senators hitherto have not been limited, and I think that is a matter to be determined under the rules. I only wanted to prevent reduplication.

Mr. HEFLIN. Very well.

EXECUTIVE SESSION.

Mr. LODGE. I now move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After two minutes spent in executive session the doors were reopened.

RECESS.

Mr. LODGE. I move that the Senate take a recess until 11 o'clock to-morrow.

The motion was agreed to, and (at 5 o'clock and 45 minutes p. m.) the Senate took a recess until to-morrow, Friday, July 15, 1921, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate July 14 (legislative day of July 12), 1921.

TREASURY DEPARTMENT.

ASSISTANT REGISTER OF THE TREASURY.

Harley V. Speelman, of Marietta, Ohio, to be Assistant Register of the Treasury, to fill an existing vacancy.

DEPARTMENT OF JUSTICE.

ASSISTANT ATTORNEY GENERAL.

Rush L. Holland, of Colorado, to be Assistant Atforney General, vice Francis P. Garvan, who was appointed but never executed the oath of this office.

UNITED STATES ATTORNEY.

George R. Craig, of New Mexico, to be United States attorney, district of New Mexico. Mr. Craig is now serving in that position under appointment by the court.

UNITED STATES MARSHALS.

Secundino Romero, of New Mexico, to be United States marshal, district of New Mexico, vice Andrew H. Hudspeth, whose term has expired.

W. Frank Mathues, of Pennsylvania, to be United States marshal, eastern district of Pennsylvania, vice Frank J. Noonan, resigned.

John H. Glass, of Pennsylvania, to be United States marshal, middle district of Pennsylvania, vice James S. Magee, resigned.

REAPPOINTMENTS IN THE REGULAR ARMY.

INFANTRY.

To be first lieutenant with rank from July 6, 1921.

Edward Herendeen, late first lieutenant, Cavalry, Regular Army.

To be first lieutenant with rank from July 7, 1921.

John Corwin Shaw, late first lieutenant, Infantry, Regular Army.

AIR SERVICE.

To be first lieutenant with rank from July 6, 1921.

Paul Evert, late second lieutenant, Cavalry, Regular Army.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

COAST ARTILLERY CORPS.

Maj. Robert Collins Eddy, Quartermaster Corps, with rank from July 1, 1920.

First Lieut. William Edward Ryan, Infantry, with rank from July 2, 1920.

INFANTRY.

First Lieut. Howell Harrell, Quartermaster Corps, with rank from July 1, 1920.

POSTMASTERS.

ALASKA.

Elbert E. Blackmar to be postmaster at Ketchikan, Alaska, in place of J. F. Warder, resigned.

Arthur F. Erickson to be postmaster at Latouche, Alaska, in place of A. F. Erickson. Office became third class January 1, 1921.

Laura Williams to be postmaster at Nenana, Alaska, in place of R. S. McDonald, resigned.

T. D. Baker to be postmaster at Nome, Alaska, in place of J. J. Walsh. Incumbent's commission expired July 14, 1920.

Joe McNulty to be postmaster at Sitka, Alaska, in place of M. L. Johnson. Office became third class April 1, 1921.

Anna M. Stevenson to be postmaster at Thane, Alaska, in place of A. M. Stevenson. Office became third class April 1, 1921.

GUAM.

James H. Underwood to be postmaster at Guam, Guam, in place of J. H. Underwood. Office became third class April 1, 1921.

MARYLAND.

Frank L. Bennett to be postmaster at Hagerstown, Md., in place of J. B. Sweeney, deceased.

MINNESOTA.

David L. Williams to be postmaster at Rochester, Minn., in place of J. L. Harwick, resigned.

NEW HAMPSHIRE.

Robert Blair, jr., to be postmaster at Rochester, N. H., in place of Joseph Warren, deceased.

NEW YORK.

William C. Wright to be postmaster at Tarrytown, N. Y., in place of George Sinnott. Incumbent's commission expired April 27, 1920.

NORTH CAROLINA.

Robert B. Dunn to be postmaster at Kingston, N. C., in place of W. D. La Roque, resigned.

NORTH DAKOTA.

Fred A. Scott to be postmaster at Devils Lake, N. Dak., in place of M. J. Bloom, resigned.

PORTO RICO.

Alfredo Giminez y Moreno to be postmaster at Bayamon, P. R., in place of A. Giminez y Moreno. Incumbent's commission expired March 16, 1921.

Ramon Collazo to be postmaster at Manati, P. R., in place of Fernando Callejo, resigned.

Hortensia R. O'Neill to be postmaster at San German, P. R., in place of H. R. O'Neill. Incumbent's commission expired December 20, 1920.

Simon Semidei to be postmaster at Yanco, P. R., in place of Simon Semidei. Incumbent's commission expired December 20, 1920.

SAMOA.

Robert M. Walker to be postmaster at Pago Pago, Samoa, in place of R. M. Walker. Office became third class July 1, 1920.

TEXAS.

Robert L. Ginn to be postmaster at Brownsville, Tex., in place of F. J. Wheeler, resigned.

VERMONT.

Florence H. Hayward to be postmaster at Randolph, Vt., in place of P. C. Dodge, resigned.

VIRGIN ISLANDS.

Albert Pfaus to be postmaster at St. Thomas (late Charlotte Amalie), Virgin Islands, in place of W. S. Lee, resigned; change of name of office.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 14 (legislative day of July 12), 1921.

TREASURY DEPARTMENT.

COLLECTORS OF INTERNAL REVENUE.

Galen L. Tait to be collecter of internal revenue, district of Maryland.

Frank Bowers to be collector of internal revenue, second district of New York.

COLLECTOR OF CUSTOMS.

Charles Fowler to be collector of customs, collection district No. 26, headquarters at Nogales, Ariz.

POSTMASTER.

ARKANSAS.

Belle Armour, Newport.

HOUSE OF REPRESENTATIVES.

THURSDAY, *July 14, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, we would pray unto Thee saying holy, holy, holy, merciful and mighty; we thank Thee for the ceaseless and refreshing tides of Thy love and mercy. We beseech Thee that we may always feel most deeply the great incentives of conscience and of duty, and when we falter, give us strength that we may be courageous. Be with us in our loves and in our losses, in our joys and in our sorrows, and when the twilight of life's little day is approaching, may we be strong in mature powers, happy in sweet memories, and glad, so glad, in the prospects of eternal life. Through Jesus Christ, our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE TARIFF.

The SPEAKER. Under the rule, the House resolves itself into Committee of the Whole House on the state of the Union for the further consideration of the tariff bill.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. CAMPBELL of Kansas in the chair.

Mr. FORDNEY. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. COPLEY].

Mr. COPLEY. Mr. Chairman and gentlemen of the committee, the tariff has been a bone of contention in this country for more than a century. It has been discussed from every platform and every stump in every city and town and village. It has been discussed in this House, and my distinguished colleague from Illinois [Mr. CANNON] has sat here and listened to the discussions on the making of at least seven different tariff bills. It is, of course, impossible for me to present anything new along general lines of the tariff. In fact, I think most of the gentlemen who have preceded me have found it equally difficult; some of them have been able to dig up something new, but only in its relation to the present time and present conditions.

I am a protectionist. I am a protectionist when I look at the balance sheet of my own business. I have been at the head of one business for 33½ years. It has never produced anything protected by the tariff. I have never had one dollar's interest in any business that has produced anything protected by a tariff, and yet I can take the balance sheet of the interests with which I am connected and year by year for 32½ years pick out the period when this country has not been under protective and adequate tariff. If I have prospered under the tariff, having no interest whatever in the production of anything covered by the tariff, it is fair to suppose that that which is good for me must be even better for general business interests in this country. For that reason I am a protectionist.

Now, I am not going to attempt to bring up anything new this morning. I am going to give you a few illustrations and attempt to correlate this bill with conditions in this country and the world. There are three schedules in this bill about which I would like to talk a few moments from a business standpoint. I will take up, first, the American valuation.

Many Members of Congress on both sides of the House have asked me in the last few days various questions about the meaning of the American valuation. It is just as simple as the present method. It is a change, but a change for the better. It is exactly like changing our present system of weights and measures, cumbersome as it is, for the simpler system of the metric system of weights and measures. When we have once changed, we are going to find under the tariff bill, exactly as every nation has found with the metric system, that it is much simpler and will further the business of the country.

For instance, let us take the present system and say that an article costs $1 in this country and costs 80 cents in any foreign country, and that is what we are protecting against. Now, if we want to put our industries only on an even keel with the industries of that country we must collect at the customhouse on that article 20 cents. Twenty cents would be 25 per cent cent of the value of an article when measured by the foreign value. But if we measure it by the American value we must still raise the sum of 20 cents, but it will require only 20 per cent of the American valuation. We are not adding anything or taking from by changing from the foreign valuation to the American valuation. We are simply putting it in the form in which the people of this country can more easily understand it and in which the experts of the Treasury can more easily satisfy themselves as to the actual valuation.

Mr. VARE. Will the gentleman yield?

Mr. COPLEY. With pleasure.

Mr. VARE. In the case of a cargo of German toys, samples of which were not made in this country, how would that transaction be handled?

Mr. COPLEY. The experts of this country will place a value on those toys which in their judgment is a fair price, exactly as they do at the present time. Under the present system they would have to place a fair price on them in Germany, but under the American valuation they will place a fair price upon them in this country. The gentleman does not expect for one minute that they would put a fair value on them; then we must put the value on them. If we determine the value in Germany, can not we do it in this country?

Mr. VARE. As a rule many of these things are sold before they are brought to this country.

Mr. COPLEY. Undoubtedly they are all sold in some form or other, but from now on, after this bill becomes a law, whenever a man in Germany sells a bill of goods he must take into consideration the duty which the American experts are going to put on that cargo. They will have to put it on anyhow. He has to take that into consideration at the present time, does he not?

Mr. VARE. He has to anticipate it.

Mr. COPLEY. He has to now. Is not it just as simple to anticipate the American value as the German? And is it not more likely to be correct? I think the gentleman will agree with me that we are much more likely to have a correct valuation in America by an American expert who knows the value of that sort of thing.

Mr. VARE. If similar goods are made in this country, but if they are not made in this country, what then?

Mr. COPLEY. We will have to do it, anyhow. We have to rely upon the expert value of that in any event.

Mr. VARE. I doubt if that will be as correct as the invoice.

Mr. COPLEY. I suppose the gentleman, as well as the rest of us, has had this experience abroad; I have no doubt he has. When I have purchased a bill of goods over there I have had it said to me a great many times. "We will make out this invoice for less." Has the gentleman not had that same experience? I know he must have had. Does the gentleman think we are going to rely on the invoice, or that the customs experts are going to rely on the invoice in this country? We must rely upon the experts in this country, and the question is, Shall we attempt to fix a valuation in Germany or anywhere in a foreign country or in this country?

Mr. GREENE of Vermont. Mr. Chairman, will the gentleman yield?

Mr. COPLEY. Yes.

Mr. GREENE of Vermont. I do not understand that this idea is an experiment. Great Britain and other countries have adopted the domestic valuation instead of the importers' valuation, have they not?

Mr. COPLEY. The gentleman is correct. It is not an experiment, except for the people of this country.

Mr. OLDFIELD. Mr. Chairman, will the gentleman yield?

Mr. COPLEY. Yes.

Mr. OLDFIELD. I will state that this proposition is the most disturbing to my mind in respect to American valuation. I know the gentleman has studied the subject. Let us take a large importer like Wanamaker, we will say. Suppose he wants to import a million dollars' worth of products of various kinds, laces and other things produced in France, to be sold a year

hence. Does the gentleman not think that this would be a handicap? Does the gentleman not think that this American valuation would almost put that sort of importation out of business?

Mr. COPLEY. I do not; but I am willing to say this, that I think Wanamaker will come very much nearer paying a duty on the value of those goods to himself under this system, as well as in relation to the price for which he sells the goods.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield?

Mr. COPLEY. Yes.

Mr. BANKHEAD. There is one phase of the administration of this American valuation plan that bothers me somewhat. Take the same commodity at the port of New York and at the port of New Orleans. There might be a considerable range of difference in the price of the commodity, based on the American standard, as suggested by the gentleman from Illinois.

Mr. COPLEY. I do not think so. Let the gentleman give me an illustration. I am not going to speculate with him, but let him give me an illustration.

Mr. BANKHEAD. I have none directly in mind; but take the price of cotton. Of course, raw cotton is not on the dutiable list of the bill as it now stands.

Mr. COPLEY. Raw cotton sells on the several exchanges here at exactly the same rate. The gentleman knows that. I decline to yield any more for that question.

Mr. BANKHEAD. But the gentleman asked me for an illustration.

Mr. COPLEY. It is merely a difference in the freight rates, and the gentleman must know that.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. COPLEY. Yes.

Mr. GARNER. I will give the gentleman a concrete illustration. Take the case of some onions coming into Texas. Are they going to come into Texas based on the rates in Texas or in New York?

Mr. COPLEY. The gentleman means when they come into Texas?

Mr. GARNER. Yes.

Mr. COPLEY. On the Texas value, of course.

Mr. GARNER. In other words, the price at the port where goods enter will be the basis of the American collection?

Mr. COPLEY. There can be no question about that, and it is proper and right.

Mr. GARNER. I am very glad to hear that explanation.

Mr. COPLEY. It then becomes a real competition, does it not? Now, let us take one other illustration to show that the mathematics are the same. Suppose instead of costing 80 cents the article costs 60 cents, and in order to make real competition and provide a chance to live for the people of this country, we must add 40 cents to the cost of that foreign article. Forty cents on the foreign valuation would be 66⅔ per cent. Forty cents on the American valuation would be 40 per cent. Either one of them is exactly the same in result. It gives the 40 cents protection which the American industry needs. It is a simple problem, it has been tried in many other places in the world, and it is new only to us and will work out in my unqualified judgment very much to the advantage of the people of this country. It will ultimately be simpler and cheaper for us, without any question, while it will raise on the same number of articles a very much larger amount of revenue, under exactly the same rates, because it will be honestly administered and there will be better protection for the American people.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. COPLEY. Yes.

Mr. BACHARACH. I would like to find out whether the gentleman has had any complaint with reference to American valuation excepting from importers of merchandise.

Mr. COPLEY. None whatever. Mr. Chairman, there is one other point to which I desire to advert, and that is the so-called countervailing duties in the bill. That is the most scientific thing in the bill to my mind for the reason that it puts into the hands of the President of the United States the power to see to it that we get an equal opportunity with the other nations with which we are dealing. Under our present system Congress has been fixing hard and fast rules, hard and fast duties, whereas many of the other nations of the world with whom we are dealing and with whom we are competing have had an elasticity which allowed the use of discretion on the part of the premier or the government of that particular country and they have had an advantage of us. I shall just give you one illustration of this. Some years ago the retail jewelers of this country came to the conclusion that they would like to stop handling filled watchcases that had a time guaranty stamped on the case.

And so they asked a Member of Congress then from Ohio, not now a Member, to introduce a bill, which he did, that prohibited the shipment in interstate commerce of filled watch cases with a time guaranty stamped on the case. Men came down then before the Interstate and Foreign Commerce Committee and argued that question out. They showed that in Canada a factory had been built to make filled cases among other things. Meanwhile Canada had exactly the same law, and it was argued before the members of the Interstate and Foreign Commerce Committee that there was a provision in the law in Canada, as in practically every other revenue law which Canada enacts, that whenever in his judgment the Premier of Canada thought it was for the best interests of the people of Canada he could remit or withdraw that prohibition, and the minute this country had passed such an act every filled watch-case that went from the shores of America to Europe, and there was a large trade in that line of business, would be made in Canada, and the people of the United States would have been entirely cut out. I am using that simply as one illustration. I could stand here and give a thousand of them. This is the wisest provision from the standpoint of business of this entire tariff bill, to allow the President to use bargaining, if you wish—that is the word we use in business, we make our living and prosperity on business—bargaining with the other nations in the world in order that we might get that which is due to our own industry and to our own aggressiveness. Now if we tie the hands of the President completely it would be very much like going into a military campaign with a fixed plan, advertised to the enemy, and no chance for the general in the field to change it as the situation might demand. One other item in this bill which I want to discuss with you is a most important one, and that is the matter of the tariff on dyes. I do not care what you Democrats call this, I do not care what the Republicans call it, you can call it an embargo if you want to, if you prefer a license you can call it a license, but it is a tariff scheme in fact, I do not care at all by what name it is designated. The real fact is this: There is no chance for us to develop the dye industry in this country under ordinary methods of industry or with any ordinary methods of a protective tariff. Again I refer, if I may, to my experience. I made four trips to Germany beginning in 1906 to learn how to derive dyes from coal tar and I soon found that it was impossible for any ordinary man to do it. I learned the German methods, and I will tell you. At that time the dye industry, as now, was controlled by one great corporation. They had about 132 or 133 different plants. A tank carload of tar would be sent to plant No. 1. Some product would be taken out of that tar and the balance would be sent to plant No. 2, and there again some product would be taken out and sent on to another plant, and then to another, and then to another, and frequently they had it taken out at the other end and criscrossed backwards and forwards. It is absolutely impossible for any man not connected with the head office of that industry to follow one tank car from the beginning to the end. Now, gentlemen, no man who worked in any capacity in plant No. 1 was allowed to work in any other plant of the German dye industry, and the same thing is true to-day.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. COPLEY. I will be very glad to do so.

Mr. COOPER of Ohio. I merely ask this question for information. The gentleman from Illinois well knows during the last 10 years, especially since the war in Europe began, there has been a great many so-called by-product coke ovens erected in our country at a cost of hundreds of millions of dollars. What would be the effect on that industry if German dyes were permitted to come into competition with the American dyes?

Mr. COPLEY. Not one cent. I will tell the gentleman that the highest price any one coke oven sold tar for was three-eighths of a cent a pound. The dye makers have been selling on an average of a dollar and a quarter a pound after getting through with it. The raw material practically costs nothing. It would not increase the value of the tar one-tenth of a mill a gallon in this country, because we do not use enough coal car. Now, then, no man can ever work in more than one of those factories, and consequently for years they kept the entire process a secret in Germany, and it is secret to-day. There are less than 12 men in all Germany who know all the formulæ necessary to produce all the products that they obtain from coal tar. Now, I will say to you gentlemen at the present time dyes, medicines, perfumes, flavoring extracts, and everything else which is taken from coal tar—and the entire number amounts to more than 2,100—and when the people of this country took over the German patents on coal-tar dyes they found that the Germans had done, as they did in everything else, that they had camouflaged the patents. They had gone to a certain point

and obtained that, but it needed the addition of one or two other elements in order to complete the entire process, and make it of value to anybody in this country, and so when the American makers in this country bought those patents under the Alien Property Custodian they bought in part a gold brick, and they were compelled to go ahead and discover, by a long process of experiment, exactly what was necessary to add to make those dyes, medicines, perfumes, flavoring extracts, and so forth.

Now, at the present time the American producers are taking out a little over 1,300 of these 2,100 products. And this is a fact, and any man who has had to do with German business methods and German business men knows that this is true without my telling it to him, but I will assure him that it is true, Germany has always done it in the past, and will probably do it in the future—in the past whenever a man in this country could produce a part of the derivatives from coal tar the Germans would immediately reduce the price of them below the cost of production and add to the price of the rest of it until they would run him out of business, and by that method they have held for the last 10 or 15 years an entire monopoly on the great dye industry of this world. This bill provides that any man can get dyes freely and at a reasonable cost providing the Tariff Commission of this country is composed of high-minded and honorable gentlemen. Whenever a Member of this House bases his action in the House on the assumption that the servants of this Government are not high-minded, honorable gentlemen it is time for us to stop and take stock in the matter of a republic.

Mr. NORTON. Will the gentleman yield?

Mr. COPLEY. I will.

Mr. NORTON. Does not paragraph 402, on value, prevent the importation of any article that is below the cost of production here? Does not it prevent in the markets of the world even comparable products if we do not produce them to-day?

Mr. COPLEY. It says a reasonable price.

Mr. LONGWORTH. The gentleman from Ohio is referring to the definition of value in the American valuation, and it has no connection with this.

Mr. NORTON. You said here they would import less than value. How can they? It can not be done. It is impossible.

Mr. COPLEY. Let me say to you, gentlemen, that, of course, they can do it. They can make it here for that matter, and send the rest of it abroad, which they have been doing, and the chemical industry in this country to-day is honeycombed with that sort of thing.

Mr. NORTON. If the Germans made it here it would not hurt us.

Mr. COPLEY. Unless they ran out an American industry.

Mr. NORTON. Could they make it higher than the cost of production?

Mr. COPLEY. It is the cost of selling here, my dear sir.

Mr. NORTON. Is it lower than the cost of production?

Mr. COPLEY. The gentleman is not fair in his answer. They can produce here and sell at whatever price they see fit in this country, and then when they run out the American industries they can raise the price to whatever they see fit. And I am going to say to you, gentlemen, that it is not possible to enter into a dye industry in any magnitude short of the expenditure of from $100,000,000 to $200,000,000, and when you have spent your money you have no assets, as you have in other lines of business. You have practically formulæ there of no value to you unless you can produce under them, and inside of three years at the present time under this bill, if the American dye producers can not compete with the world conditions they will have to go out of business. But as I described to my colleague from Ohio [Mr. COOPER] a few moments ago, the cost of the raw material is so small, the cost of conversion is so small, that when once established, when once they have learned these formulæ which they must learn by the most arduous type of investigation, they will be able to compete with the world.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. COPLEY. Yes.

Mr. COOPER of Ohio. There are a lot of chemicals produced from the by-product coke ovens?

Mr. COPLEY. Yes.

Mr. COOPER of Ohio. And they are used in the manufacture of dyes, are they not?

Mr. COPLEY. There is only one, and that is tar.

Now, gentlemen, one word more. Germany expected to win this war on her dye industry, her coal-tar industry, her by-product coke-oven industry. And when we had before the Ways and Means Committee the various men who were asking for a duty on chemical glassware and scientific instruments I asked every single man who presented himself to that committee if this was not true—that Germany expected to win this war by the superiority of her chemicals—and every witness, whether from a private enterprise or from the United States Government, answered yes. I asked every man if within the two years from the time when the Council of National Defense practically began work if in the chemistry of war the American chemist had not exceeded the German chemist; every man said yes. And so I say to you that if we give the American chemist three years—and it is not going to cost any man in this country one penny more; whatever he can not get at a reasonable price and in reasonable quantities the Tariff Commission is going to allow him to import; it is not going to cost any man in this country one cent more; it is going to give these men the only type of protection they can have which is the most important for the integrity of this Republic, because of the high explosives and the poisonous gases all the wars in the future, if there may be any, are going to be fought by the chemistry of coal tar—and so in three years' time, without costing one man one cent more in this country, we are going to develop a dye industry to put ourselves entirely independent of the rest of the world. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FORDNEY. I yield two minutes more to the gentleman.

Mr. WYANT. Can the gentleman give us some idea of the number of firms and corporations engaged in this dye industry?

Mr. COPLEY. There are not less than 450 different corporations and firms.

Mr. WYANT. The impression I received from the gentleman from Wisconsin [Mr. FREAR] was to the effect that it was controlled entirely by the Chemical Foundation or the Du Pont people. Is that correct?

Mr. COPLEY. It is not. I will say to the gentleman that I know of a young man who only two days ago told a friend of mine, "You would be surprised that I am making dyes in a barn, and I am competing with the Du Ponts."

He is telling the truth and laying the foundation of a prosperous business for himself, which Germany will put out of existence inside of two minutes if we do not give this industry some such protection as this.

Mr. WYANT. May I ask the gentleman another question?

Mr. COPLEY. Yes.

Mr. WYANT. Can you give us some idea of the number of persons employed in the dye industry in the United States?

Mr. COPLEY. I can. There can not be less than 5,000 employed at the present time—directly, I mean; indirectly, a great many more.

Mr. LONGWORTH. May I add to the answer of the gentleman from Illinois [Mr. COPLEY] to the first question that as a matter of fact the Chemical Foundation controls only patents for vat dyes? Those are the very complicated German dyes which we never have been able to make in this country heretofore, but of which we are making some to-day. That constitutes about 5 per cent of our entire production, so that at the most the Chemical Foundation never has had and does not have now any kind of control, direct or indirect, over more than 10 per cent of the entire production.

Mr. WYANT. I might add that the charter of the Chemical Foundation discloses some very interesting matters along that line.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. COPLEY. Yes.

Mr. BLANTON. As to whether or not this shall become the most important industry of the United States, I will ask the gentleman, that depends, does it not, upon whether the United States places war and poisonous gas before it as its highest ideal?

Mr. COPLEY. I do not think so; but I do think that inasmuch as it is of such grave importance to us from the standpoint of all industry in this country to have the dyes and chemicals and medicines that come from that, at the same time I do not consider that an adequate defense to this country is a disadvantage, nor do I think the gentleman does. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. FORDNEY. Mr. Chairman, I yield one hour to the gentleman from Massachusetts [Mr. TREADWAY].

The CHAIRMAN. The gentleman from Massachusetts is recognized for one hour.

Mr. TREADWAY. Mr. Chairman, derogatory reference is made in the minority report to an important plank in the Republican platform adopted at Chicago last year, and if we were to believe the words of the minority in their report it

would seem that we have repudiated that plank. The gentleman from Ohio [Mr. LONGWORTH] touched on this subject in a very illuminating speech a day or two ago, but I wish to make an additional reference to it. Let me read to you the words of the platform:

The Republican Party reaffirms its belief in the protective principle, and pledges itself to a revision of the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry.

That plank was a contributing factor in the majority which the Republican Party has in this House to-day. It was a contributing factor in the election of the Republican candidates for President and Vice President by the largest majority ever given a ticket in the history in this country. And it is to carry out that pledge to the American people that we of the Committee on Ways and Means have sincerely presented to you for consideration, after laborious work, this tariff bill. We do not accept the Democratic statement that the Republican Party has repudiated a tariff revision. On the contrary this bill is evidence that we stand for the preservation of the home market for American labor, agriculture, and industry. [Applause.]

We do not need to rehearse at this time the pending calamity that was about to befall American industry in this country at the breaking out of the World War. Conditions are too well known and too well remembered as they existed in 1914 and 1915 under the Underwood Act, and we are too well aware of the conditions that we were becoming involved in at the time of the inflation and artificial conditions that arose as the result of the war. That bill, the Underwood tariff bill, passed in 1913, was based on the false premise of the then President of "whetting American wits by contest with the wits of the rest of the world." The result of this false theory is plainly apparent to-day. Normal times are to a certain extent returning to this country, and conditions as existing in 1914 and 1915 are being repeated and duplicated now. It was because the Underwood bill was based on that false premise of the former President that to-day, it becoming again effective, imports are abnormally high, our warehouses are being filled to the roof with foreign goods, and our merchants are purchasing foreign goods rather than those made by our own people, and the wheels of industry in this country are becoming idle.

That is the situation that we are facing in the presentation of this bill. It is true that we can not ascribe to that bill all of the conditions resulting from the war; but nevertheless until we change the industrial conditions under which our manufactures are being conducted, until there is a new basis of tariff computation, the Underwood bill will be responsible in large measure for the business depression existing to-day.

Our party pledge will be carried out in accordance with the best judgment of this Republican administration. Many items in this bill are not approved by individual Members of this House. Many items are not approved by various members of the Ways and Means Committee itself; but Chairman FORDNEY was absolutely right in his opening remarks when he said that a tariff bill should not be based upon selfish interests or local advantages. We must take the broad scope and viewpoint of what is for the best interests of all.

I shall have occasion to criticize some of the items as reported in the bill, but I shall vote whole-heartedly for the draft as finally agreed upon in this House. I feel that it will be the best tariff bill ever written and the basis of a return to prosperity of the industries of this country. [Applause.]

By and large, the bill will eventually mean better markets for our home products, better wages for American working men and women, and greater consumption for articles of American manufacture. This use of American goods will be both at home and abroad. No prohibitive tariff wall is being created. While the bill affords proper protection to American labor, the result of the quality of that labor can not be excluded from foreign markets. Conversely, the products of foreign markets needed here will come to our shores in proportion to the demand of the people for them.

THE PAPER SCHEDULE.

I desire to refer briefly to the paper schedule prepared by the subcommittee of which I have had the honor to be chairman.

Paper is one of the great industries of the country, and while there is more manufactured in New England than in any other one section, it is, nevertheless, a very diversified industry throughout various sections of our country.

The most distinct feature of the paper schedule is the placing of pulp and standard newsprint on the free list. Pulp was on the free list in the act of 1913 and a small duty was placed on it previously in the act of 1909. So little labor is involved in the manufacture of pulp and the supply of pulpwood has been so seriously diminished in this country that it is not advisable to place any hindrance in the way of its admission here. One-third of our consumption comes from Canada and also large quantities from Norway and Sweden. The present schedule divides print paper into two classes, namely, standard newsprint and printing paper. This is a new designation, but one recognized both by governmental authorities and by the trade. Standard newsprint is the commercial name for paper used in printing newspapers.

I say it is a new designation so far as our law is concerned, but it is a well-known definition so far as the commercial industry is concerned, and also so far as the governmental officials have to do with handling it.

In placing newsprint on the free list, however, there is an added proviso under which the President, if informed of any country discriminating against its imports into this country, may add a duty of 10 per cent on the charge the exporting country may levy. Consumption of newsprint paper in this country is so enormous that it is the part of wisdom and conservation to allow free importations. Our forests are rapidly becoming depleted, and as 90 per cent of all the paper is manufactured from wood it is readily seen that our available pulp-wood area would be very rapidly exhausted were we to place any restrictions on the importations of pulp or newsprint paper. The total importation of pulp of all kinds for 10 months of 1920 was 756,000 tons. There was produced in this country nearly 4,000,000 tons of wood pulp for the same period. Wood pulp is the largest raw material in paper manufacturing. Newsprint paper is practically raw material for the newspapers of the United States. We are therefore fully justified in placing these on the free list.

In the higher grades of paper there is keen competition locally and from foreign manufacturers, and the cost of production in this country exceeds that in foreign countries. The gentleman from Texas [Mr. GARNER] showed great interest in the comparison of costs of production. It is not my understanding that in framing any tariff bill actual daily wage scales or other overhead costs are the basis of computation, but rather the general average of cost. It is freely admitted that at the present time there is less general information available than previously on the cost of production. I am, however, able to present some concrete examples of the difference in the wage schedule of paper mills.

The average hourly wages in English paper mills in 1920 were 47 per cent of the wages in the United States.

The table which you see on the easel here is computed from official sources for January, 1921, and represents the comparative wages paid to these different classes of employees in the mills of this country and in the mills of Germany. These are the classes of employees principally employed in paper mills. This table is reduced to cents per hour, and also proper allowance is made for depreciated exchange.

Wages of paper mills in Germany and United States, in cents per hour.

ALLOWANCE HAS BEEN MADE FOR DEPRECIATED EXCHANGE.

Class of employee.	Germany.	United States.
	Cents.	*Cents.*
Beater men	11	58
Machine tenders	11	68
Grinder men	10	48
Packers	11	50
Calendar operators	7	30
Female helpers	7	28

It will thus be seen that in no case is the German wage more than 25 per cent of the American wage.

You will observe that the beater men in Germany receive 11 cents per hour and in this country 58 cents per hour; the machine tenders 11 cents per hour as against 68 cents per hour; the grinder men 10 cents per hour as against 48 cents per hour; the packers 11 cents per hour as against 50 cents per hour; the calendar operators 7 cents per hour as against 30 cents per hour; and the female helpers 7 cents per hour as against 28 cents per hour in this country. It will thus be noted that in no line of the principal employees of paper mills is the schedule less than 4 to 1. In this industry we are able to supply to our Democratic friends definite and positive official information as to the cost of labor.

All paper mills of the United States are carried on under the best conditions, and the class of employees are of the highest grade. They are therefore entitled to this fair consideration in the framing of a tariff whereby their conditions of living can be maintained against those of the foreign countries making goods in competition with their labor. The rates designated in the paper schedule are less in every instance, I believe, than

those asked for by the paper manufacturers at the hearings, but we believe they are both fair to them and to the consuming public.

Mr. KEARNS. Will the gentleman yield?

Mr. TREADWAY. I yield to the gentleman from Ohio.

Mr. KEARNS. I was just wondering whether I correctly understood the gentleman. In the first item there you have 11 cents compared with 58 cents. Have you taken into consideration the depreciation of the German mark?

Mr. TREADWAY. Yes; that is the gold value of their pay as compared with our standards.

Mr. KEARNS. When the German mark is at par, what would be their wages?

Mr. TREADWAY. Of course, when the German mark is at par, the comparison is still with our gold standard. It is a difficult subject to go into——

Mr. KEARNS. That is the reason I am asking the gentleman. I did not quite understand, if the German mark were at par, how many cents the German workman would receive.

Mr. TREADWAY. I have this schedule complete, and can give the amount in German pfennigs or marks, but it is reduced by the experts of the Tariff Commission to the American value in order to be absolutely fair in the comparison, making these comparisons identical with our money.

Mr. KEARNS. If the German mark were at par, how many cents per hour would the Germans get? Would it still be 11 cents per hour in our money if the German mark were at par?

Mr. TREADWAY. I would not undertake to answer that question. The relative value would be the same, in my opinion.

Mr. TILSON. Will the gentleman from Massachusetts yield to me?

Mr. TREADWAY. I will.

Mr. TILSON. Of course, the German would not get 11 cents if the American was getting 23 cents.

Mr. TREADWAY. No; he would get half a mark. As it is now that probably represents 100 marks.

Mr. OLDFIELD. And a mark is worth about 1.65.

Mr. FESS. In other words, he gets 11 cents in our money.

Mr. TREADWAY. Where our employee gets 58 cents.

Mr. TAGUE. Will the gentleman yield?

Mr. TREADWAY. I will yield to my colleague.

Mr. TAGUE. I want to ask the gentleman if the figures he is now quoting, as to the prices paid to the Germans, are not figures and prices of wages previous to the war.

Mr. TREADWAY. No; that schedule is of January this year. It is so stated on the chart. My colleague is not in a position where he can see the diagram.

Mr. TILSON. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. TILSON. Is it not a fact that the difference between the amount received here and by the Germans is not greater than before the war—I mean the difference between the two?

Mr. TREADWAY. Taking the relative value of the two currencies the German wage is higher in comparison to their money.

Mr. TILSON. Before the war he received more than one-quarter of the wages of the American.

Mr. TREADWAY. He did.

Mr. COOPER of Ohio. Will the gentleman yield?

Mr. TREADWAY. With pleasure.

Mr. COOPER of Ohio. It was argued here last night by the opponents of the bill that a protective tariff was not a good thing for the workmen of this country.

Mr. TREADWAY. That was not argued from this side, I am sure.

Mr. COOPER of Ohio. Suppose German paper came into this country and takes the place of the American product; will the gentleman tell me in what way that could benefit the American workman?

Mr. TREADWAY. On the contrary, it would throw him out of employment in order to take care of these men in Germany. In other words, unless we place a proper duty on paper and every other form of manufactured goods we take away from our workingmen the chance of livelihood and give their chance to foreign workingmen; a very poor bargain for our citizens.

Mr. COOPER of Ohio. But the opponents of the bill do not seem to realize that.

Mr. TREADWAY. I think the hard times will convince a good many workingmen that protection is a good thing. I may say that we had before us during the hearings on the cotton schedule members of the Cotton Workers' Union, of New Bedford, who testified to that condition—that they were thrown out of work because the men on the other side had lowered the price to that point to which they could not compete. Now, I would like to turn very briefly to the other schedules.

Mr. STAFFORD. Before the gentleman leaves this schedule will he yield to me?

Mr. TREADWAY. With pleasure.

Mr. STAFFORD. Will the gentleman inform the committee how the proposed rates compare with the rates under the Payne Tariff Act other than he has described as to the print-paper schedule?

Mr. TREADWAY. As a rule, we have followed in making the paper schedule the same general plan as for the other schedules, lowering the Payne rates wherever possible. There were a few new styles of articles—specialties, new things that have sprung up since the war—that we could not compare the rates with the Payne Act.

Mr. STAFFORD. Ledger paper, calendar paper—how does that compare with the rates in the Payne bill?

Mr. TREADWAY. The writing-paper schedule is the same—3 cents per pound and 15 cents ad valorem, which was the rate in the Payne-Aldrich bill, but very much less than the paper manufacturers thought they could get on with.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. CHINDBLOM. Where the present rates in this bill are less than in the Payne-Aldrich bill, is it possible to change the average difference in percentages between those rates and the rates of the Payne-Aldrich bill?

Mr. TREADWAY. We have not made up any comparative schedules. As a matter of fact, I think the comparisons are a matter of a rather minor consequence. We are writing a bill which we hope will fit conditions of to-day so that a comparison of the rates we are establishing in this bill as compared to the rates of the Payne-Aldrich or the Underwood Tariff Act or other former acts it seems to me would not be matters of great importance. The question we are weighing in the balance is whether we are writing a bill that will give a proper opportunity for the employment of the American working people in accordance with their scale of living.

Mr. CHINDBLOM. The committee did not start out to make this bill comparable to the Payne-Aldrich bill.

Mr. TREADWAY. No; we did start and followed up the intention of having the rates less than in the Payne-Aldrich Act, particularly in these schedules that were mostly criticized by the public.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. GREEN of Iowa. Was it not especially true in relation to articles of necessity used by the common people?

Mr. TREADWAY. I am glad my colleague called my attention to that fact. The articles used by the masses of the people are the ones where you will find the rates lower than in the Payne-Aldrich Act. The only rates which are higher in our schedules are new industries needing the helping hand of protection, or are in the luxury classes where the people who use those luxuries can afford to pay for the high rates asked for in the tariff bill. It is somewhat in the nature of a revenue producer as well as for protection.

Mr. OLDFIELD. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. OLDFIELD. In the gentleman's study of the wages here and abroad, did he find that the wages had increased throughout the world since the war over what they were before the war?

Mr. TREADWAY. There is still such an artificial condition that that is a very difficult question to answer. Wage scales here are higher than they were before the war, of course.

Mr. OLDFIELD. Is that true in Germany?

Mr. TREADWAY. I think it is, but on the other hand if we have no employment for our people, which is the condition to-day, what difference does it make what the wage scale is? I would say to my friend that in a short visit home over the Fourth of July people told me that the industries in my section were either shut down or not running to exceed 10 to 15 per cent of capacity. What difference does it make what your wage scale may be if there is no employment?

Mr. OLDFIELD. Just one other question—and I agree with the gentleman on that particular point. Did the gentleman find out whether or not wages increased as rapidly and as high as prices had increased?

Mr. TREADWAY. Does the gentleman refer to the relative value of money?

Mr. OLDFIELD. Yes.

Mr. TREADWAY. Up to the time of this enormous depression of business, during the last six to nine months, the savings bank deposits throughout my section were increasing continuously, and it looked as though the average man, if he did work,

under present prices could save as much or more and still keep his family in good condition and at the same time put away a little nest egg.

Mr. OLDFIELD. There was a good deal of testimony before the committee showing that prices had outrun wages in some industries, and the claim was made that they were worse off with the high wages than they were before.

Mr. SUMMERS of Washington. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. SUMMERS of Washington. The gentleman has referred to the rapidly vanishing supply of paper pulp timber. Is it not a fact that we have in the eastern part of the United States a supply adequate for about 20 years and in Alaska we have a supply adequate for 75 years?

Mr. TREADWAY. So far as the eastern supply is concerned, it is practically depleted. The pulp supply is depleted in New England, and we are drawing from Canada in great quantities.

Mr. SUMMERS of Washington. I know you are drawing from Canada, but nevertheless the figures that I have seen show that there is still in this country proper enough for a 20-year supply and in Alaska 75 years additional.

Mr. TREADWAY. That does not offset the argument to my mind that we should conserve our supplies here.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. LONGWORTH. In addition to what the gentleman has said of the great advantage that Germany has in actual wages, the gentleman recalls the testimony of Mr. Hoover before the Committee on Ways and Means to the effect that Germany is now subsidizing directly almost every industry, paying most of the cost of transportation on the railroads, buying all of the food supply and selling it to the people at 50 per cent of its cost, so that there is an artificial reduction in the cost of production of not less than 50 per cent over what Germany had formerly.

Mr. TREADWAY. That is true.

Mr. LONGWORTH. And the advantage to-day is simply immense.

Mr. TREADWAY. There never was a more educational line of testimony than that given by Mr. Hoover in his appearance before the committee to which my colleague has referred.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. For a very short question.

Mr. NORTON. It seems to me absolutely essential that this bill should be amended in one respect.

Mr. TREADWAY. In one respect? Oh, in hundreds. Do not limit it to one.

Mr. NORTON. No; in only one; and that relates to the valuation. The way the bill reads is this:

In the principal market or markets of the United States.

I speak now from practical experience. In the United States there will be at least three principal markets, and I can not see for the life of me unless you amend the proviso——

Mr. TREADWAY. I do not wish to be rude to my colleague, but I know that the chairman will have time a little later on to explain this matter in respect to American valuation. If the gentleman has a question in relation to the remarks that I am making now, I would be very glad to answer it.

Mr. NORTON. I wish to ask a question only so far as American valuation is concerned.

Mr. TREADWAY. I expect to touch on that a little later.

Mr. FESS. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. FESS. Is Germany continuing on the same plan about which Mr. Hoover testified?

Mr. TREADWAY. There has been no cessation of that method of paternalism.

Mr. FESS. How long will she go before she blows up?

Mr. TREADWAY. That is exactly what Mr. Hoover asked. He felt such conditions could not continue very long.

Mr. FORDNEY. They released 40,000 in the month of May for Government supply. Forty thousand more found employment in Germany in the month of May than has been supplied by the Government in April.

Mr. NORTON. I will say that on every article in this bill there are at least three separate lines of duty, because there are three kinds of valuation.

Mr. TREADWAY. I am very glad to know that. The committee were under the impression that we had made only one rate.

Mr. FORDNEY. Mr. Chairman, if the gentleman from Massachusetts will yield long enough I shall be very glad to yield him additional time, so that I may answer the question of the gentleman from Ohio. The gentleman is disturbed about the three markets in the United States from which to determine that fair value of imported goods. What does the gentleman think about the hundreds of foreign markets right now that we have to deal with?

Mr. NORTON. There is no trouble about that.

Mr. FORDNEY. Oh, no; there is no trouble to determine the value in foreign countries, but, great God, what a task it will be to determine the value here! [Applause.]

Mr. NORTON. But I am not opposing the principle of American valuation. I am in favor of it. The gentleman does not understand me.

AGRICULTURAL SCHEDULE.

Mr. TREADWAY. Mr. Chairman, I wish to say a few words about the agricultural schedule. Massachusetts is regarded as a manufacturing State. It is a fact that agriculture plays an important part in the welfare of the State and that many of its inhabitants are engaged in agricultural pursuits. We do not have the large areas given to special crops that are to be found in the West, but there are certain crops specialized in, such as tobacco, onions, potatoes, and dairy products. My own district is probably half agricultural and half manufacturing. At times it sends to the centers of population—New York and Boston—large quantities of milk, cream, and dairy products. The grange is very strong in Massachusetts and the grange publication until quite recently has been published in my district. So I am naturally much concerned about the agricultural schedule and join heartily in the support of the schedule as presented by the committee, carrying many new duties, as it does, for agricultural products.

HIDES, LEATHER, AND SHOES.

We are to have a separate vote on the question of free hides. The committee has seen fit to include free hides in the bill, and the products of hides—all kinds of manufactured leather and shoes—are also on the free list. I will say to my friends desiring to place a duty on hides that there is no middle ground, so I was particularly glad the other day when my friend from Kansas [Mr. TINCHER] said that if a duty is placed on hides he should support—and I inferred that those who thought with him would support—a compensatory duty on all kinds of leather products, including shoes. Now, the shoe industry——

Mr. WHITE of Kansas. Will the gentleman yield for a question?

Mr. TREADWAY. I will.

Mr. WHITE of Kansas. I would like to ask the gentleman if he believes that placing a duty on hides would be reflected in the wholesale or retail price of shoes to the extent that it would encourage importations?

Mr. TREADWAY. Well, I will say to the gentleman if the price of shoes is normal, which it is not as yet—I realize that the retail price of shoes has not reached a normal basis—that logically the placing of a duty on the raw material of which the article is manufactured must be reflected in the price of the manufactured article. I can not see any other way with hides or any other raw material. You place a duty on the raw material and you must compensate the manufacturers down the line.

Mr. WHITE of Kansas. Will the gentleman pardon another suggestion? In view of the fact that the gentleman is admitting that the readjustment along the line of the price of shoes has not kept pace with many other readjustments, then any conclusion as to whether the price would be reflected in the price of shoes of the American product——

Mr. TREADWAY. In the present price of shoes.

Mr. WHITE of Kansas. Is absolutely speculative, is it not?

Mr. TREADWAY. No; it is clearly demonstrated in the fact that if there is no inflation in the price—I am not saying that there is not an inflation now in the retail price of shoes to-day, but those prices are being reduced very materially, and they will be reduced still more—if there is no artificial inflation in the price of a pair of shoes, if you place a duty on hides you must carry it down the line, as I have already said.

Mr. WHITE of Kansas. If the gentleman will permit a further suggestion: The gentleman understands with a duty placed upon hides the effect upon the price would be such that the price reflected in the shoes would be infinitesimal?

Mr. TREADWAY. No; I would not admit that; it can not be so. It can not be infinitesimal if there is no artificial inflation; and that is the one thing that I am afraid of in connection with the placing of a duty on hides—as to what extent it will be reflected in the price of shoes to the ultimate consumer. Now, Massachusetts is a great shoe State, and we have made shoes in that State in competition with the world for years. It has been my understanding that with free raw ma-

terial they are ready to compete with the world. I think they must take their chances in competition with the world if they have free hides. The difficulty, as I see it, my friends, in this situation is that the shoe manufacturers tell us that the hide is the by-product of the cattle raiser, and, of course, the cattle raiser says that the hide is a finished article of his production. There is a difference between the viewpoint of the manufacturer and the cattle raiser.

Mr. WHITE of Kansas. Will the gentleman pardon a question? Is not the hide as distinctively a finished product of his industry as leather is a finished product of the tanner's industry?

Mr. TREADWAY. I agree absolutely with the gentleman on that score. I have no quarrel with that argument whatsoever; and, so far as the cattle raiser is concerned, hides are one part—not, of course, all—of his finished product.

Mr. WHITE of Kansas. I am very much obliged for the admission. I am delighted to have the admission thus go into the RECORD.

Mr. TREADWAY. I want to be fair and frank. I never am afraid to express my opinion. I may be wrong. I am not saying that is right.

Mr. BANKHEAD. Will the gentleman yield?

Mr. TREADWAY. I will.

Mr. BANKHEAD. I take it from the gentleman's statement that he believes under existing circumstances that it would be for the general benefit of the whole country to have hides on the free list?

Mr. TREADWAY. I shall express no opinion on that question. We are to have a vote in the House, and whatever the House votes I shall consider will be the judgment of the American people on that point.

Mr. WHITE of Maine. Will the gentleman yield so as to enable me to ask a question of the gentleman from Kansas?

Mr. TREADWAY. I should prefer not to have any intermediary interrogatory, because I would like to continue myself. Now, should the vote carry to place a duty on hides, the tanners and shoe manufacturers will rightly expect a compensatory rate to be made proportionate to the additional cost to them of their raw material. The gentleman from Oregon [Mr. HAWLEY] has some very illuminating statistics on this feature, and I am sure later he will discuss the situation much more intelligently than I can.

DYES.

I wish now to touch on the dye situation. The gentleman from Wisconsin [Mr. FREAR] has given to the House the benefit of his views on the dye situation. I might say that for two years in the Committee on Ways and Means I have consistently opposed any effort to place any control over the dye production of this country or its importation from abroad that will be the cause of inconvenience or difficulty to the American manufacturer to secure them. I do not think, however, that the personal differences between the gentleman from Wisconsin, my good friend, and some outside people should be a subterfuge or smoke screen to keep the real situation from your knowledge. I want to say this, that while I agree with the opposition to the dye problem as originally presented, it bears absolutely to my mind no resemblance to-day to the original proposition, absolutely none, and the opposition existing in the House to-day, as I see it, to the item in the bill comes from a confusion in the minds of Members as to the relation between the item in this bill and the so-called Chemical Foundation.

Let me say positively that the Chemical Foundation has absolutely nothing to do with the administration of the law as we have framed it, and had absolutely nothing to do with framing this provision. Count out your prejudice against the Chemical Foundation or their allied interests.

Mr. FESS. Will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. FESS. My prejudices were almost entirely confined to the license feature, which I very much dislike. How much of the license feature is in the present law?

Mr. TREADWAY. There is none. There is no sign of a license now, nor can I conceive where there is an embargo. There are three forms of opposition. The one I have referred to, the opposition to the Chemical Foundation, the license, and the embargo. Now, briefly, what this does is to place in the hands of the Tariff Commission authority to establish two tables—one, the dyes which can be made in this country as satisfactory to the consumer as those made abroad; the other, dyes that can not be secured in this country. There is nothing resembling a license in either table, and none will be needed to purchase necessary dyes. An importer can secure permission to obtain sufficient supply, and if I am in error I will yield——

Mr. GREEN of Iowa. Right in that connection, what the gentleman says is entirely correct. I did not intend to make any addition to that. The importer can import all he wishes.

Mr. TREADWAY. Provided it can not be made in this country; provided it is on the importation list.

Mr. GREEN of Iowa. What I was about to say is that I think the gentleman has better knowledge on this particular point than anyone else, and my understanding is that while some of the textile people object to this provision the majority of the consumers of dyes are now fairly well satisfied with it and want to preserve it.

Mr. TREADWAY. I will come to that very point.

Mr. LONGWORTH. Will the gentleman permit me to answer directly the question of my colleague from Ohio?

Mr. TREADWAY. Certainly.

Mr. LONGWORTH. I want to say to my colleague that the licensing system as such, as provided in the bill which passed the House, had this provision, that in the case of every dye, before it could be imported or taken out of bond, the dye user applied to the Tariff Commission for a license. That has been absolutely eliminated. Now he makes no application whatever. Any dye user can import without a license of any sort, and absolutely directly, any dye which is not in class A, to wit, a dye which is now manufactured in this country at reasonable prices and under sufficient terms as to quantity. There is no such thing as a license.

Mr. FESS. If the gentleman will permit, that only removes one of the very serious objections that I had.

Mr. TREADWAY. That is what I was endeavoring to explain to the gentleman.

Mr. FESS. The other point is, whether this limited embargo is absolutely necessary if we can not protect. If we could protect without embargo I should much prefer it.

Mr. TREADWAY. As I understand the definition of the word "embargo," if two articles are comparable and you can procure one answering your purpose absolutely, I can not see where we are establishing an embargo as long as you can secure that article, whether it is in this country or abroad.

Mr. FESS. Is it true?

Mr. TREADWAY. It is exactly what you can do under the dye schedule, and therefore I say we have not, practically, an embargo in this bill in connection with dyes.

Mr. FESS. That is very satisfactory, if that is the interpretation.

Mr. TREADWAY. That is the absolute phraseology of the bill.

Mr. WALSH. Will the gentleman yield?

Mr. TREADWAY. I will yield to my colleague.

Mr. WALSH. Is it not a fact that the user of dyes must submit to what the Tariff Commission says as to whether that particular dye——

Mr. TREADWAY. That is changed. It is the judgment of the individual purchaser now that takes precedence. That is one of the liberalizing features which was added to the bill by the gentleman from Iowa [Mr. GREEN] and the gentleman from New York [Mr. HOUGHTON] in consultation with the subcommittee.

Mr. WALSH. Is it in the printed bill in that shape now?

Mr. TREADWAY. It is not necessarily the judgment of the Tariff Commission, but the judgment of the user of the dye, whether or not the American-manufactured dye can answer his purpose as well as the imported dye.

Mr. GREEN of Iowa. That language is not used, but the effect of it is just the same. We put in the bill that it must be the absolute chemical equivalent, which is exactly the same. If it was not just exactly the same, he is compelled to take no substitutes; he is not compelled to take the judgment of the Tariff Commission that something else is just as good, or anything of that kind.

Mr. WALSH. Will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. WALSH. Is it not a fact that the Tariff Commission determines whether or not this dye shall go in the list of class A or class B?

Mr. TREADWAY. It does.

Mr. WALSH. And if it puts it in class A, the user of the dye can not import it?

Mr. TREADWAY. Unless he submits evidence that the conclusion of the Tariff Commission is wrong. The conclusions of the Tariff Commission will be made up by consultation with the manufacturers as to what they want to use. Let me say to my colleague that I have been in close touch with one of

the largest users of dyes in New England, and part of my opposition to the original phraseology of the bill was based on information received from that gentleman. This present bill, the present clauses having to do with the dye situation, have been passed upon by that representative of the largest user of dye in Massachusetts, and to-day there is no opposition. The manufacturers have accepted this phraseology as it is now written in the bill.

Mr. WALSH. How about some of the smallest users of dyes? Does the gentleman know whether they are opposed to this or not?

Mr. TREADWAY. The small users of dyes?

Mr. WALSH. Yes.

Mr. TREADWAY. As to the small users of dyes, are not their interests identical with others?

Mr. WALSH. I should say not. If they are not obliged to import, and somebody says they can get the same thing in this country——

Mr. TREADWAY. They can purchase supplies from importers who can import in bulk. An importer does not necessarily need to order for the individual manufacturers. He can import and have ready to sell to the consumer such quantity as he may need for a six months' supply.

Mr. WALSH. I have a case where a certain type of dye is not imported by an importer, but has to be imported by the user of it.

Mr. TREADWAY. If it is not made in this country, that user has no need of asking anybody as to whether or not he can import it. All he has to do is to send his order abroad and get it.

Mr. WALSH. If it does not happen to be in class A?

Mr. TREADWAY. Yes. It is expected to care for every kind of dyes needed in this country.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. YATES. The gentleman is approaching the end of his time and the end of his remarks, and I would like to ask him one question. It has been repeatedly stated here on the Democratic side, over and over again, that this is the highest tariff ever sought to be imposed, or ever imposed, in America. In the closing five minutes of the gentleman's time, I would be glad if he would touch on that.

Mr. TREADWAY. That statement is made on broad generalities by our Democratic opponents, and in no case is it backed up by any proofs that I have listened to on the floor or read in the RECORD in the time that I have not been here. It is mighty easy to deal in these generalities, but it is more difficult to specify and lay your hand on those particular spots. Unless our Democratic friends later on in this debate bring forth more proof than we have had on these statements thus far, it seems to me the gentleman's question answers itself.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. WYANT. At the hearings did many consumers of dyes appear and protest against any tariff on these articles?

Mr. TREADWAY. No. As I recall it, the protest was of a general nature from manufacturers as a whole.

Mr. BLANTON. Right there, Mr. Chairman, will the gentleman from Massachusetts yield?

Mr. TREADWAY. Yes, indeed.

Mr. BLANTON. What does he say in regard to the statement of his colleague on the committee, the gentleman from Wisconsin [Mr. FREAR], that Mr. Du Pont, who was to control all the dye industry, had made a secret agreement with the heads of the dye industry in Europe whereby Mr. Du Pont should control South and Central and North America and the Europeans should have control of Europe?

Mr. TREADWAY. I should like to have a contract of that kind. That must be a pretty big proposition. [Laughter.]

Mr. BLANTON. That was the statement of the gentleman from Wisconsin that I was quoting.

Mr. TREADWAY. Yes. I do not altogether agree with many of my colleague's statements.

On that particular subject I received a call yesterday from a gentleman whom I have known well for many years. He called my attention to this fact in reference to the establishment of a monopoly under this form which we have adopted in the bill. He is a small manufacturer of dyes or is interested in the concern that manufactures dyes in a small way. He told me yesterday afternoon in my office that the method of the bill is the only salvation of the small manufacturer of dyes in this country, and these are the statistics which he gave me:

There are 283 chemical establishments in this country making dyes. Two hundred and fourteen of those exclusively manufacture dyes. Unless the method of control as prescribed in this bill is used, these concerns will be put out of business, leaving only the Du Pont Co., whose dye industry is only a small proportion of their industry in this country. In other words, instead of protecting the concerns referred to, it will mean their elimination and the establishment of a monopoly for the one concern, the Du Pont Co., unless this provision goes into the bill.

I do not want any better evidence of the merit of the dye clauses in this bill than that.

Mr. BLANTON. Will the distinguished gentleman yield further?

Mr. TREADWAY. With the greatest pleasure I yield to the very distinguished and leading Representative from the great State of Texas as well of this House. [Laughter.]

Mr. BLANTON. That is facetiousness, but——

Mr. TREADWAY. No, indeed.

Mr. YATES. What is the matter with it? [Laughter.]

Mr. BLANTON. The gentleman's distinguished colleague on the committee, who is the representative of the gentleman who said this bill was to be drawn by representatives of that section of the country which lies north of the Ohio and east of the Mississippi [Mr. COPLEY], said to-day that he had made four trips to Germany to find out how these dyes were made from coal-tar products, and he said he found all of the various plants manufacturing only certain portions of the product; that they were kept secret in that way. Now, in regard to the 4,500 patents that were purchased by the Chemical Foundation, and which are now virtually owned by Mr. Du Pont, is it not a fact that that method will be pursued in America in order to protect the various formulæ in relation to the manufacture of dyes?

Mr. LONGWORTH rose.

Mr. TREADWAY. The answer to the gentleman springs to the floor in the person of the gentleman from Ohio. [Laughter.]

Mr. BLANTON. The gentleman from Ohio, I may say, can answer any kind of a question satisfactorily to his party.

Mr. TREADWAY. He is our dye expert.

Mr. LONGWORTH. I want to say to my friend this: He said that the Chemical Foundation patents were owned by the Du Ponts. They have nothing to do with it. They have not a share of the stock. The trouble is that the gentleman has been led astray by some remarks made by my friend from Wisconsin which are not absolutely accurate.

Mr. TREADWAY. Is it not a smoke screen?

Mr. LONGWORTH. I think so.

THE COTTON SCHEDULE.

Mr. TREADWAY. Now, Mr. Chairman, I want to talk on the cotton schedule, and unless I can get considerable more time than has been allotted to me I can not yield to general interruptions, because I do not think I have myself used more than half of the hour that was allotted to me. I am a member of the subcommittee having to do with the cotton schedule, and I shall support this schedule as finally drafted in the bill. It would not be, however, fair to myself or to those industries in Massachusetts and New England not to say that many of the rates do not seem to meet the requirements of the protection needed by the manufacturers of New England. If their wishes had been heeded, I am sure many of these schedules would be higher. Nevertheless, I and those whom I represent here yield to the will of the majority, and we expect to accept the rates as written. I am, however, thoroughly in accord with the majority of the committee in voting not to put a duty on raw cotton. Except for the item of long-staple cotton, imports into this country are comparatively small.

For the 11 months of the fiscal year ending in May we imported 120,000,000 pounds of raw cotton, whereas we exported 2,559,000,000 pounds. The total production in this country was 6,682,000,000 pounds. We therefore exported more than 40 per cent of our product, our total crop. To place a duty on this raw material, of which the production is far in excess of the consumption, is absolutely wrong under every theory, and no good reason can be given for so doing. It is also apparent that if long-staple cotton is to be produced in the narrow area of Arizona and a small section of California profitably to the grower, the rates of duty must be excessively high, and such a duty as has been suggested for all kinds of cotton would be of no value to the grower of this particular kind of cotton.

In reference to the wool schedule——

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield for a very brief question?

Mr. TREADWAY. Certainly.

Mr. MOORE of Virginia. May I ask the gentleman if, in view of what he has just said, he would not condemn all com-

pensatory duties on the cotton fabrics, even if a futile duty should be placed on raw cotton?

Mr. TREADWAY. No; the moment any duty is laid on a raw material I thoroughly believe that it must be reflected right through the line of manufactured products.

Mr. MOORE of Virginia. I understood my friend to say that so far as affecting the price of cotton is concerned the duty on raw cotton would be futile.

Mr. TREADWAY. In the particular instance. The gentleman failed to understand my complete sentence.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GREEN of Iowa. How much more time does the gentleman from Massachusetts desire?

Mr. TREADWAY. I would like half an hour.

Mr. GREEN of Iowa. I yield to the gentleman from Massachusetts 30 minutes more.

Mr. TREADWAY. The gentleman from Virginia [Mr. MOORE] misunderstood my reference. The only duty which will protect the long-staple cotton, which is the principal importation, is a very much higher one than has been suggested.

Mr. MOORE of Virginia. I understood the gentleman, though, that so far as the major portion of the manufacture of cotton fabrics is concerned, it would not be affected to the slightest extent by the imposition of a duty on the raw cotton.

Mr. TREADWAY. I insist that if you put a duty on the raw material it is reflected clear down the line in the manufactured article, whether that manufactured article consists of cotton, leather, wool, or anything else. I think that is an established fact.

THE WOOL SCHEDULE.

Now, the gentleman from Texas [Mr. GARNER] in his opening address referred to the proviso in the wool schedule of 35 per cent maximum ad valorem, and said that this proviso was inserted to the detriment of the woolgrower. The chairman of the committee made a satisfactory answer to that, but I wish also to touch upon it very briefly.

The change of the method of assessing the duty on wool from the method in the act of 1909, from wool in the grease to the clean wool content, was made at the request of the woolgrowers. There is a very marked distinction in the shrinkage between the different grades of wool. If this proviso had not been added there are certain wools of lower grade, such as English luster and New Zealand and crossbreds, known as clothing wools, which would have had a duty equivalent to 100 to 150 per cent ad valorem. This class of wool is used in the manufacture of lining and cheaper grades of clothing and this high rate would therefore have been reflected in the price of clothes of the masses. In other words, without this clause great injustice would be done those people who buy the cheapest clothes. The change of putting wool on the dutiable list will cause compensatory increases to be added to articles manufactured from wool.

I have here a schedule prepared by the Tariff Commission which I will not take the time of the House to call to your attention but will insert in the RECORD, showing this very point to which I have just referred as to the relative difference of value in shrinkage.

It is seen from the table that a straight specific duty of 25 cents a pound clean content would result in light shrinkage wools of low price paying in some instances much over 100 per cent equivalent ad valorem. It is for this reason that the committee decided to put a limitation to the proportionate amount of the equivalent ad valorem.

Under a flat specific rate on wool in the grease the fine heavy-shrinkage wools were penalized; under a flat specific rate on the clean content the light-shrinkage wools and hairs, such as English luster wools and mohair, would be penalized, especially at low prices.

The table seems to make clear the advisability of a maximum ad valorem proviso or of some other method of limitation to the ad valorem equivalent.

It should be borne in mind, of course, that the compensatory rates on wool products are figured out on a basis of 25 cents a pound duty on the clean wool, and if the ad valorem proviso reduces the duty in cents per pound below 25 cents a pound, then the American wool manufacturer obtains more protection than was originally contemplated.

Ad valorem equivalent of specific duties.

FOREIGN WOOLS IN THE BOSTON MARKET.

[June 4, 1921.]

Type of wool.	Shrinkage, per cent.	Yield, per cent.	Prices, June 4, 1921.		Scoured pound equivalent of 11-cent grease duty.	Scoured pound duty of 25 cents.	Ad valorem equivalent of specific duty (per clean pound).	
			Grease.	Scoured.			11 cents per grease pound.	25 cents per scoured pound.
Cape of Good Hope, good combing	66	34	$0.2380	$0.7000	$0.3235	$0.25	140.2	135.7
Australian 60s	48	52	.4030	.7750	.2115	.25	27.3	32.3
Australian 70s	47	53	.5434	1.0250	.2075	.25	20.2	24.4
Australian 64s	46	54	.5265	.9750	.2037	.25	20.9	25.7
Montevideo, half-blood	46	54	.3000	.5556	.2037	.25	36.7	45.0
Montevideo, three-eighths blood	40	60	.2750	.4584	.1833	.25	40.0	54.5
New Zealand cross-bred, 56s	37	63	.3308	.5250	.1746	.25	23.2	47.6
Argentina cross-bred, high quarter-blood	34	66	.2150	.3257	.1666	.25	51.1	76.7
New Zealand cross-bred, 46s/48s	32	68	.2652	.3900	.1618	.25	41.5	64.1
Argentina cross-bred, straight quarter-blood	31	69	.1850	.2391	.1594	.25	60.7	104.6
Argentina cross-bred, Lincoln	28	72	.1350	.1875	.1527	.25	81.4	133.3

Mr. BACHARACH. Will my colleague yield?

Mr. TREADWAY. Yes.

Mr. BACHARACH. Will the gentleman state the date when he received that from the Tariff Commission?

Mr. TREADWAY. I think perhaps I will not take the time to refer to it at all except to give one illustration, but will put it in the RECORD with my remarks. These are the Boston wool market prices of date of June 4, 1921, and this schedule was made up yesterday.

Here is a higher grade of wool, the Cape of Good Hope good combing, shrinkage 66 per cent, yield 34 per cent. Under the 25 per cent duty the ad valorem equivalent is 35 per cent.

I wish to call attention to these very large differences in shrinkage. Here is a wool, Australian 64s, having a shrinkage such that the duty would be only 25 per cent on its scoured content, while here is an Argentine cross-bred Lincoln, where the duty of 25 cents without this saving clause would mean a rate of 133.3 per cent. So I think it is very evident that there is no possibility of retaining the clean-wool schedule content unless you have a saving clause such as this, making an ad valorem maximum.

It is claimed by the manufacturers that there are many paragraphs in the wool schedule too low for some grades of cloth and various other articles. So that you have the complaint of the wool producer, you have the complaint of the wool manufacturer, and I have no doubt when these prices are made up for the consuming public the consumer will also complain, and therefore nobody will be satisfied. It rather looks like that to me at the present time.

I wish now to pass to an item of very great importance to New England.

Mr. NEWTON of Minnesota. Will the gentleman yield there on the wool schedule?

Mr. TREADWAY. Very briefly. I have only about 20 minutes more.

Mr. NEWTON of Minnesota. The Tariff Board in about 1913, I believe, conducted some investigation, and at that time the Woolgrowers' Association informed the public or the Tariff Board that they would be satisfied with 18 per cent on the scoured wool. About what will the duty average that has been placed on wool by the committee—about 24 per cent?

Mr. TREADWAY. Twenty-five cents on the clean content.

Mr. NEWTON of Minnesota. Twenty-five?

Mr. TREADWAY. It is a straight 25 cents, based on clean wool rather than on wool in the grease, as the law now is.

Mr. NEWTON of Minnesota. Can the gentleman say just why there should be a difference over and above what the wool-

growers in 1913 were willing to take, which was 18 per cent on the clean content?

Mr. TREADWAY. I can not speak for the woolgrowers. They have asked for a very much higher rate than we felt we could give them. Of course, they feel that the wool industry has been practically killed. Whether it is the result of the Underwood tariff or otherwise, we can not say. But there are a few in distress in the West, and I think this change in the method of assessing the duty is a fair one toward them. I believe that the scoured-wool content is the best, but I do believe that we must have this saving clause or the rates would go sky high.

Mr. GENSMAN. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. GENSMAN. Does the gentleman believe that a duty on cotton or wool irrespective of the price would be a benefit to the grower?

Mr. TREADWAY. It will in the case of wool and, theoretically, it will in the case of cotton. Where our product is so much greater than our needs at home, the various conditions that enter into it make the results very uncertain.

Mr. GENSMAN. Then the gentleman's answer is confined to the word "theoretical."

Mr. TREADWAY. We have got to put the schedules into practice before we can tell what the actual result will be.

Mr. BACHARACH. Will the gentleman yield?

Mr. TREADWAY. Certainly.

Mr. BACHARACH. The woolgrowers have asked as high as 40 per cent on scoured wool. There were a very few of them in 1913 that asked for 18, and that was more than 11 cents in the grease.

Mr. NEWTON of Minnesota. May I say that I made a mistake using the term 18 per cent? I mean 18 cents.

Mr. TREADWAY. Let me now touch on crude and fuel oil. In the first place, oil is a natural product. Man is in no way responsible for its production. In many instances the farmer finds himself rich overnight by the discovery of coal or oil on his farm. I have no doubt that many millions of dollars have fallen into the laps of men in this way. We are informed that the oil industry in Oklahoma and certain other sections is in distress. Much of this is not a natural condition but the result of inordinate speculation and general business depression. I fail to see how any form of tariff can overcome or aid this situation. The domestic supply of oil and its products is quite largely marketed through monopoly. A tariff may aid such a monopoly, but this bill is not written in the interest of any monopoly. On the other hand, unless Mexican oil can be brought into this country free, we will shortly find ourselves in the same situation on oil as on lumber, wood pulp, and other natural products. Our supplies will be so rapidly diminished that in a few years there will be great consternation. Conservation of our own natural resources can only be accomplished by importation of comparable articles from other countries.

New England is a consumer of fuel oil for power, heat, and light. There is practically no natural fuel in New England except small quantities of wood, which can only be used for domestic purposes. With the high price of coal, both bituminous and anthracite, and with the great difficulty pertaining to transportation from the mines, our industries have turned to fuel oil. A duty on oil will add at least a cent a gallon to every gallon of oil used in New England. So desperate is this situation that the governor of Massachusetts has officially taken it up, and I present herewith a letter from him, written under date of July 7:

THE COMMONWEALTH OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT,
State House, Boston, July 7, 1921.

Hon. ALLEN T. TREADWAY,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN TREADWAY: So far as I have been able to ascertain, the opinion of our business men is practically unanimous against the proposed tariff which seeks to place a duty of 35 cents a barrel on crude oil and 25 cents a barrel on fuel oil.

It would be a serious blow to New England industries, a large number of which are to-day consuming oil, as well as an injury to several new oil refineries recently built in Massachusetts. It would tend to raise the price of coal in New England and increase the price of gasoline.

I am sure that the great body of Massachusetts citizens hope that you will do all in your power to defeat the proposition.

Very truly, yours,
CHANNING H. COX, *Governor.*

Following the receipt of this letter, I wired Gov. Cox as follows:

WASHINGTON, D. C., *July 9, 1921.*

His Excellency CHANNING H. COX,
State House, Boston, Mass.:

Letter received relative to duty on oil. Please have wired me as early as Monday as obtainable estimate of quantity of fuel oil used in manufacturing industries of Massachusetts.

ALLEN T. TREADWAY.

On Monday I received his reply, as follows:

BOSTON, MASS., *11.15 a. m., July 11, 1921.*

Hon. ALLEN T. TREADWAY,
House of Representatives, Washington, D. C.:

This year there will be 500,000,000 gallons Mexican crude oil brought into Massachusetts. Ninety per cent of this fuel oil equivalent to 2,750,000 net tons bituminous coal.

CHANNING H. COX.

This morning I received, as I presume other members of the delegation have, a telegram from the secretary of the executive committee of the Massachusetts Chamber of Commerce opposing all duties on oil in the proposed tariff. It is as follows:

BOSTON, MASS., *July 13, 1921.*

Hon. ALLEN T. TREADWAY,
Congress of United States, Washington, D. C.:

Resolution of executive committee of Massachusetts State Chamber of Commerce adopted to-day opposing oil duties in proposed tariff bill, schedule 1, paragraph 89:

Whereas the proposed duties will put an additional burden upon the industries of Massachusetts which use or contemplate using fuel oil, which would be equivalent in coal to a tax of about $1.50 a ton; and
Whereas this cost, amounting to millions of dollars, would necessarily be passed on to the consumer; and
Whereas the growing competition of oil with coal is a benefit to this community in keeping down the price of fuel and relieving the shortage which at times has been so acute; and
Whereas it is believed that a tariff placed on oil will check this competition and have a tendency to lessen the amount of oil shipped to Massachusetts: Therefore be it

Resolved, That the executive committee of the Massachusetts State Chamber of Commerce express its opposition to the proposed duties on oil, and that a copy of this resolution be forwarded to the Representatives and Senators from Massachusetts and to the Ways and Means Committee of Congress.

EDWARD G. STACY, *General Secretary.*

This correspondence shows a very acute situation and the very great interest the people of New England have in this question that we are to vote on separately here in the House whether or not there should be a duty placed on oil.

Mr. GOODYKOONTZ. Will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. GOODYKOONTZ. In view of the fact that in January last oil sold for $3 a barrel, and now it is only 30 cents, does not the gentleman think there ought to be some protection?

Mr. TREADWAY. I have just stated that the high or low price is not a matter of the tariff. I do not see where it is going to do you any good.

Mr. BLANTON. Will the gentleman yield right there?

Mr. TREADWAY. Yes.

Mr. BLANTON. The big companies like the Standard Oil Co. and the Texas Oil Co. have big holdings in Mexico. Does the gentleman want the cheap Mexican oil produced in a way by peon labor to come across the Rio Grande and put all of the little oil companies of the South out of business?

Mr. TREADWAY. No; I do not want any American interest put out of business, and I do not think that it will be.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KELLEY of Michigan. I judge from the question of the gentleman from Texas [Mr. BLANTON] that he is not in that class; that he is in favor of this protective tariff on oil.

Mr. TREADWAY. Yes; he is in favor of local protection, which means a duty on oil.

Mr. BLANTON. I am not in favor of putting our little oil producers out of business by the cheap Mexican labor that is used in producing Mexican oil.

Mr. KELLEY of Michigan. In other words, the gentleman is in favor of this protective tariff on oil?

Mr. BLANTON. Certainly, I am. I would be a fool not to be.

Mr. TREADWAY. Local protection; that has been the Democratic policy for a number of years.

The rate on fuel oil in the bill represents an additional cost in production and manufacture of goods in Massachusetts of at least $5,000,000, or causes the manufacturers to consume 2,750,000 additional tons of bituminous coal. Surely the oil producers of Oklahoma can not in reason ask that this additional burden should be put on our industries, when no positive proof can be given that it will redound to the direct benefit of the oil producers of Oklahoma.

AMERICAN VALUATION.

One other false bubble in the Democratic argument has been completely exploded. Referring to the plan of American valuation, what can be fairer than that articles imported into this country should pay a duty based on a fair comparison with the goods manufactured in this country with which the imported article is to compete? That is the whole story of American valuation. Further, it is a well-known fact that there has been great laxity in the foreign valuations in bills of

lading. While our consular agents may in all cases have acted in good faith, the opportunity for deception and undervaluation by the desire of persons to get goods into this country at the lowest prices possible is too apparent to need comment.

If an article is made abroad for the purpose of displacing an article made in this country, the rate of duty it should pay ought in all fairness to be levied on the value of the similar article made in this country. It is very significant that employers of American labor and the furnishers of American capital strongly favor this plan. The only opponents we have heard, either in the committee or through correspondence, are customhouse brokers, acting for importers, or the importers themselves. We of course have in the United States a great many men in the importing business, but their number is infinitesimal in comparison to those employed in all lines of manufacture here. As usual, the interests of the Republican Party are with the American people, whereas, from the nature of the arguments made on this floor, the interests of the Democratic Party are very evidently with the foreign manufacturers.

AMERICAN VERSUS FOREIGN MARKETS.

The speeches of the gentleman from Texas [Mr. GARNER] and the gentleman from Mississippi [Mr. COLLIER], for both of whom I have the highest regard, as typical exponents of Democratic oratory, seem to be principally taken up with their anxiety about the opportunity of foreign countries to sell goods in our markets. This seems to be rather of a long cry and one for which we are almost inclined to shed the usual crocodile tears. Has it become a principle of the Democratic Party that the first care of the representatives of American constituencies shall be the sale of foreign goods in this country? It offers a most illustrative comparison between the interests of the two parties. On the one hand, we find the Democrats anxiously solicitous for the sale of foreign products. On the other hand, the Republican Party ever anxiously solicitous for home industry and employment of American labor. As an illustration, Fall River and New Bedford are two of the great industrial centers of the State of Massachusetts. In both places more people are seeking aid from the pauper departments than ever before. In Fall River the local pauper department is spending $20,000 per month and in New Bedford the amount expended by the pauper department is $40,000 a month, and as the cotton mills are likely to be shut down entirely by August 1 these conditions promise to grow worse. The cotton mills of both cities have for some time been practically idle. Recent word from Tokyo, however, is to the effect that Japan is operating 350,000 cotton spindles, making goods to be sent to this country, supplanting those which should be made by the labor of men and women now asking alms of the cities of Fall River and New Bedford.

We are continually told about the payment of the ten billions due this country with accumulated interest. I believe those debts will eventually be paid, and I would be the last one to suggest the cancellation of one dollar of indebtedness, but on the other hand it would be cheap for the American people to cancel that debt rather than drive from employment and from the means of livelihood our own citizens with the goods brought to this country in order to make the payments.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. HARDY of Texas. It has been stated frequently on the floor that many other countries have higher tariffs than we, particularly Japan. If we find it necessary to have a high tariff to protect us against the pauper labor of Japan, has the gentleman ever been able to account for why Japan needs a high protective tariff to protect her against American industry?

Mr. TREADWAY. I should prefer to have the gentleman ask that question of a member of the body in Japan which makes their laws. I think we have business enough here to make our laws for the protection of American industry rather than worrying and commenting upon the laws being made in Japan or the reasons therefor. I must confess that I am unable to give an intelligent answer to the gentleman's question.

Mr. HARDY of Texas. I asked for information; I thought the gentleman might be able to enlighten me.

Mr. TREADWAY. No; I confess that question is beyond my ability to answer. I never have given a thought of any kind or nature to the kind of laws or the manner in which they are made in Japan. I have had a pretty big job for the last six months trying to help frame a law under which American industry can prosper.

Mr. HARDY of Texas. It is true, also, that other low-wage countries, like Italy, Germany, France, have the same high tariff.

Mr. TREADWAY. I am glad of the gentleman's information.

Mr. KELLEY of Michigan. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. KELLEY of Michigan. I am merely wondering if there are not some other nations like India and China, where the rates of duty are less than they are in Japan.

Mr. TREADWAY. Oh, certainly.

BILL FRAMED FOR AMERICAN INTERESTS.

The gentleman from Mississippi [Mr. COLLIER] said it was no time to write a tariff bill. By implication he therefore said it was time to leave on the statute books the act under which foreign imports can be brought into this country in such quantity as to establish bread lines in every manufacturing city in the United States. Give me protection to our industries rather than to have foreign countries pay their bills with money taken from our own citizens. He made frequent reference to the bill being one framed for the plutocratic American manufacturer and to make the rich men richer. Let me assure him and our Democratic friends that no such thought ever entered the minds of the Republican members of the committee who framed this tariff bill. What we are anxious about and why we have framed this tariff bill in the way we have is to secure the workers employment and prosperity. The owners of those mills can take care of themselves. The working man or woman at the bench or at the loom must have such protection for the finished product of their labor as will permit them to have employment and continue in their present sphere of life.

This bill is a composite one, framed to benefit all sections of this country. Prosperity is a mutual commodity, and an average of the best interests of all must govern in the final analysis. It is well understood that no one section can prosper to the detriment of another section of the country, and unless the consumer of the East of the raw materials of the West and the South can sell his products to advantage he naturally can not purchase the raw material from the West. On the other hand, unless the West and South secure a fair compensation for their products they can not purchase finished products of the eastern mills.

When this bill becomes law and is followed by proper revision of the existing revenue law we may expect a return of such prosperity as this country has not evidenced under normal conditions in many years. Our Democratic opponents need not express their continued sympathy for the terrible calamities they feel so certain will come to the Republican Party as a result of this legislation. We gladly assume the responsibility given us at the ballot box last November and we will show the American people that their faith in Republican doctrines and principles was not misplaced. [Applause on the Republican side.]

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment joint resolution (H. J. Res. 31) authorizing and directing the accounting officers of the Treasury to allow credit to the disbursing clerk of the Bureau of War Risk Insurance in certain cases.

THE TARIFF.

The committee resumed its session.

Mr. GARNER. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. TAGUE].

Mr. TAGUE. Mr. Hoover, Secretary of Commerce, who has so often been quoted during this debate, in a speech delivered at the exhibition of the shoemakers of the country in Mechanics' Hall, Boston, Tuesday evening, made the following statement during the course of his speech.

I quote from the Boston Post, July 13:

> The hard times that knock at every cottage door in America to-day came from Europe. No tariffs, no embargoes, no navies, no armies can ever defend us from these invasions. Our sole defense is the prosperity of our neighbors, our own commercial skill, and our own strong right arm.

Mr. Chairman, and gentlemen of the House, I confess that as a Democratic Member of this House I am somewhat confused as to the attitude of my Republican brethren, especially my colleague who has just finished, as to the inconsistency with which the Republican Members have argued for the passage of this bill. I do not hold myself an authority on tariff, even though I have the honor of being a member of the Ways and Means Committee on the minority side. Rather have I had to secure for myself whatever information I could get upon

this bill by reading from the voluminous documents printed by the committee, and the Republican Members of this House—not members of the committee—have had more opportunity to find out what the workings of the committee were upon this bill than have I or any of my colleagues on the Democratic side. The information that was given out previous to the presentation of this bill upon this floor was known to every manufacturer in New England long before it reached the membership of this House. [Applause on the Democratic side.] I do not wonder for a moment that the great manufacturing industries of New England arise as they do at this time in opposition to the passage of this bill, or to certain sections of the bill. I have listened to almost every speech that has been delivered on this floor since the debate started. I have given careful attention to the remarks of every gentleman who has addressed this House, and as they continue in their remarks I am more thoroughly convinced than ever that the doctrine of protection is wrong and inconsistent with Americanism. [Applause on the Democratic side.]

Mr. Chairman, the Republican members of the Ways and Means Committee have evidently stepped beyond the bounds and have not consulted with the leading members of their own party when they attempted to draw this bill, for no later than yesterday the great leader of their party, the Chief Executive of this country, President Harding, served notice on the chairman of the Committee on Ways and Means that one of the sections of this bill must be amended in order to protect the oil men who are responsible for placing the Republican Party in control.

I come from the same section of the country as the gentleman who just preceded me [Mr. TREADWAY], and in no section of the country have the manufacturers profited by Republican high protection to the extent that New England manufacturers have. Yet the very men who have profited by this protection are the men who to-day are appealing to the Members from New England, and to the members of the Republican Party in this House, for protection of their particular industries and objecting to like consideration for other manufacturers in other sections of the country. Briefly, this is but another example of the impossibility of the general application of high protective tariff.

I have always contended, in my own feeble way, that a protective tariff is a protection of the few as against the many, and I believe the attitude of the Members on the Republican side confirms, at least in my opinion, that I have been right. Let us take, for instance, the oil proposition, which has been referred to by the gentleman from Massachusetts [Mr. TREADWAY] and by other Members of the House. It was not until at the last moment, not until after the confidential prints of the tariff report were submitted to the House, that a tariff was put on oil in this country. Who placed that tariff on oil, and why was it put on? I have asked that question repeatedly, and as yet have not received an answer. I was told that the oil section was put in the bill to protect the oil industry in this country, yet the great industries of my section of the country are protesting against the tariff on oil, just as many Members on the Republican side have protested against the industries of one section being protected but have pleaded for the protection of the industries of their own section.

Now, if the oil producers of this country are to be recognized as an industry, are they not entitled to protection just as much as the manufacturers of the country? If a high tariff is necessary for the protection of the manufacturers of the country, is it not as essential for the oil producers of the country? Mr. Chairman, the number of protests that we have received from the thousands of oil-using industries of New England has been appalling. They have pleaded to the membership of this House to strike out the tariff on oil because they claim it is going to destroy the textile industries and the manufacturing industries of New England. I have received many of those requests, and among them I have one from the governor of the State of Massachusetts, a Republican and a protectionist, who has written the entire Massachusetts delegation in Congress to oppose a tariff on oil. I am inserting Gov. Cox's letter for the information of the House, also petition of the Massachusetts Chamber of Commerce.

Gov. Cox, of Massachusetts, in a letter, urged defeat of the oil schedule, saying New England business men were unanimously opposed to it.

"It would be a serious blow to New England industries, a large number of which are to-day consuming oil, as well as an injury to the several new oil refineries recently built in Massachusetts," Gov. Cox said. "It would tend to raise the price of coal in New England, and also to increase the price of gasoline."

The governor estimated that 500,000,000 gallons of Mexican crude oil would be taken into Massachusetts this year, equivalent to 2,750,000 tons of coal.

THE COMMONWEALTH OF MASSACHUSETTS,
EXECUTIVE DEPARTMENT,
State House, Boston, July 13, 1921.

Hon. PETER F. TAGUE,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN TAGUE: With further reference to the proposed tariff on fuel oil, I am inclosing a memorandum concerning the use of oil in Massachusetts, based on figures supplied by our fuel administrator.

It seems to be of the utmost importance that each New England Congressman should have all the facts concerning the proposed tariff, and those facts will show the seriousness of the injury which threatens New England.

Yours, very truly, CHANNING H. COX.

Imports of crude oil into Massachusetts customs districts.
(Practically all from Mexico.)

	Gallons.
For calendar year 1919	48,552,000
For calendar year 1920	235,703,000
1921, January to May, inclusive	208,436,000
1921, estimated at rate of first five months	500,000,000

From the above it would appear that approximately 500,000,000 gallons of Mexican crude oil will be imported through the Massachusetts customs district this year. This is equal to 2,000,000 net tons. This oil coming here is refined into gasoline, kerosene, gas oil, and fuel oil. According to information obtained from reliable sources in the trade nearly 90 per cent of this amount will be used as fuel oil. As the number of heat units in fuel oil is 60 per cent greater than in bituminous coal this amount of fuel oil is equivalent to 2,880,000 net tons of bituminous coal. The tariff bill now pending in Congress carries a duty of 35 cents per barrel on oil. This is equivalent to $1.50 a ton on coal; in other words, it is proposed to place an additional tax on one-fifth of Massachusetts' fuel requirements, or add $4,300,000 to our annual fuel bill directly in money, and indirectly a much larger sum on account of stifling competition in fuel.

It should be noted that the above is only foreign oil, and the figures do not include oil produced in the United States or foreign oil shipped to the United States entering originally through customs districts outside Massachusetts. Also that these figures do not include a large amount of oil burned in the manufactures at Fall River and adjoining territory entering through Rhode Island.

Fuel oil gives our business men a chance to protect themselves from exploitation by the coal trade, the uncertainties of labor conditions at the mines and difficulties in transportation. Last year's wholesale abrogation of coal contracts by many coal operators who took advantage of the exorbitant prices caused by foreign demand undoubtedly influenced many manufacturers to install oil-burning apparatus. Every few years during the past 25 our industries have experienced difficulty in securing an adequate supply of coal, resulting in loss to our manufacturers and the people employed by them. It is estimated by the trade that fuel oil now supplies 20 per cent of the power used in New Bedford. The consumption of fuel oil in the textile industries of the Commonwealth is increasing very rapidly.

Large amounts of fuel oil are also being used in heating large buildings and apartment houses, and in a small way it is becoming a competing fuel with anthracite coal.

As a result of the bituminous coal mines strike in England, which was in effect for more than three months, many of the public utilities and manufacturers changed from coal to fuel oil, and in this way practically no suffering or hardship has resulted.

Another important feature in connection with fuel oil is that the lower cost of this fuel with its many advantages has resulted in keen competition with bituminous coal, and this undoubtedly has been responsible in part for the rapid decline in the price of that coal. The growing importation of Mexican oil brings competition to coal operators as well as oil producers in the United States in a field where there is otherwise a practical monopoly based on our own natural resources.

BOSTON, MASS., *July 13, 1921.*

Hon. PETER F. TAGUE,
House of Representatives, Washington, D. C.:

Resolution of executive committee of Massachusetts State Chamber of Commerce, adopted to-day, opposing oil duties in proposed tariff bill, schedule 1, paragraph 89:

Whereas the proposed duties will put an additional burden upon the industries of Massachusetts which use or contemplate using fuel oil, which would be equivalent in coal to a tax of about $1.50 a ton; and
Whereas this cost, amounting to millions of dollars, would necessarily be passed on to the consumer; and
Whereas the growing competition of oil with coal is a benefit to this community in keeping down the price of fuel and relieving the shortage which at times has been so acute; and
Whereas it is believed that a tariff placed on oil will check this competition and have a tendency to lessen the amount of oil shipped into Massachusetts: Therefore be it

Resolved, That the executive committee of the Massachusetts State Chamber of Commerce express its opposition to the proposed duties on oil and that a copy of this resolution be forwarded to the Representatives and Senators from Massachusetts and to the Ways and Means Committee of Congress.

EDWARD G. STACY, *General Secretary.*

Mr. BARKLEY. Will the gentleman yield?

Mr. TAGUE. I will.

Mr. BARKLEY. They do not produce oil in New England, do they?

Mr. TAGUE. No; unfortunately New England produces very few raw products that are used in manufacturing.

Now, Mr. Chairman, another inconsistency of the policy of protection is again exploded. Let us scan this bill and consider the very first item of importance, one that has been so

many times referred to upon the floor of this House—the dye schedule. I have carefully followed this section of the bill, because in a small way I have been engaged in the production of dyestuffs. I know a little, perhaps a very little, of the manufacture of dyestuffs, but I am convinced that the statement made by the distinguished gentleman from Wisconsin [Mr. FREAR] can not be denied or the position that he has taken questioned in the attempt he is making to forestall the move to establish a monopoly by protecting the interests that are trying to control the dye industry of this country and whose attitude he has defined as indefensible. [Applause on the Democratic side.]

There has not been a voice raised, and there can not be a voice raised, that will answer the serious charges that have been made on the floor of this House by the gentleman from Wisconsin [Mr. FREAR], who has followed his charge by introducing a resolution calling for an investigation of the methods used by the Du Pont associated interests and the Chemical Foundation in their bold attempt to control the dyestuffs industry. Will the House investigate those charges? If they do, in my opinion there will be exposed one of the most gigantic scandals that has ever appeared upon the floor of the Congress of the United States. [Applause on the Democratic side.]

Mr. GREEN of Iowa. Will the gentleman be a little more specific about those charges? I have never found out what they were.

Mr. TAGUE. The gentleman was here on the floor; he has listened to the charges made by Mr. FREAR, and I also refer him to the charges made on the 9th day of May by another distinguished Republican, Senator MOSES, of New Hampshire, who represents one of the greatest textile districts in these United States. I also refer him to the document that he received in a public circular prepared by the American Protective Tariff League which openly denounces this as a scandal and says that this Congress is trying to protect a dyestuffs monopoly. [Applause on the Democratic side.]

REPRESENTATIVE FREAR'S MINORITY REPORT ON TARIFF BILL—EXPOSES OPPRESSION AND GREED OF DYE CIRCLE—IMPROPER METHODS ATTACKED—EMBARGO OPPOSED TO PROTECTIVE POLICY AND CONTRARY TO REPUBLICAN PLATFORM DECLARATIONS—WOULD PROVE RUINOUS TO MANUFACTURERS OF TEXTILES AND OTHER DYE USERS—WOULD INCREASE IMPORTS OF FOREIGN TEXTILE FABRICS.

The minority report of the Republican members of the Ways and Means Committee of the House of Representatives, presented on July 6 by Representative FREAR, of Wisconsin, in opposition to the dye schedule of the general tariff bill reported to the House by the majority of the Ways and Means Committee, constitute a bitter arraignment of the proposed embargo policy and a thorough exposé of the more than questionable methods of the "dye circle." We are not prepared to express an opinion upon certain portions of the report, matters to which he makes objection, but which he says are not "fundamental." We are in sympathy with his criticism of the failure of the committee to place hides on the dutiable list. We agree, also, that the Underwood Tariff Act should be speedily replaced by a truly scientific and adequate protective tariff. We do not believe in prohibitive rates of duty, but we are not prepared to criticize any specific rates, believing that the rate of duty to be imposed is a matter of judgment and lies within the discretion of Congress.

We are unalterably opposed to an embargo system of any nature. We are opposed to monopoly, whether foreign or domestic, and it is unquestionable that an embargo will be the means of fostering a conscienceless monopoly. The disclosures made by Representative FREAR show just how conscienceless such monopoly may be. We commend his courage and the masterful way in which he has voiced his opposition to an un-American and unjust scheme. That portion of Mr. FREAR'S report which deals with the dye schedule is as follows:

INDEFENSIBLE DYE EMBARGO.

The chemical dye schedule is fundamentally objectionable and is a high-handed proposal to grant practically exclusive dye rights to a recognized monopoly.

Tariff protection, the keystone of Republican doctrine, is thrown to the winds in the chemical dye schedule.

That doctrine maintains that a reasonable duty should be levied to protect any legitimate American industry needing protection. No testimony has ever been submitted to the committee, no books presented, no reliable information offered to show comparative costs of American dyestuffs or rates of duty required to protect. On the contrary, it is alleged that synthetic indigo, one of the hundreds of dyes manufactured in America, reached a production in 1920 of 16,000,000 pounds, of which one-half was made by the Du Pont Co.; that about one-half is produced for export; and this dye now sells for four times prewar prices and at double the cost of production, with a reasonable profit added. This unjust burden of two and a half million dollars annually in excess profits from indigo is levied on overalls, caps, shirts, dresses, carpets, draperies, and other items that use indigo dye, while many other millions of dollars in excess profits annually are paid into the dye monopoly's coffers by the public because of an embargo given the monopoly for "patriotic" reasons.

In 1916 the Hill dye bill passed by Congress provided a duty of 30 per cent ad valorem and 5 cents per pound on finished dye products, and necessity for more does not appear. Since 1914 an embargo due to the war has prevented importations, so that the overgrown dye monopoly has fixed its own prices and profits. That is the monopoly Congress is now asked to continue by an embargo at a time when the American public pays many times prewar prices.

The original chemical-dye schedule presented by the Longworth subcommittee was defeated on June 7 by a majority record vote of all Republican Ways and Means Committee members. That proposal gave power to the Tariff Commission for five years to fix an embargo on dyestuffs and determine price to be paid, quantity to be used, and other terms on which dye imports were to be permitted by the commission. After its defeat another chemical-dye schedule was submitted to the Ways and Means Committee on June 27, practically on the eve of reporting the bill that has been under consideration by the committee for several months.

THE DYE BILL PROVISION IN A NUTSHELL.

During the war an American dye business of enormous proportions grew up overnight like a mushroom, extracting unconscionable war profits from the American public. For six years it has enjoyed a complete embargo against all foreign dye competition. The American dye industry is now controlled by a very few interests that represent over a half billion dollars in assets. These now demand a continuation of the war embargo so that dye prices may be continued indefinitely without danger of competition, while the ultimate consumer pays the bill.

Following prohibitory dye laws passed as drawn by attorneys for the Dye Trust the pending tariff bill also carries a dye schedule that, first, by class A, prohibits for three years any and all importations of dyestuffs similar to those made in this country; second, by class B, the bill places obstacles such as registrations, licenses, affidavits, bonds, orders, rules and regulations, all accompanied by heavy penalties for infraction by any would-be importers of dyes of this class.

The bill provides for its administration by the Tariff Commission that helped frame the bill. Many millions of dollars will be filched from the pockets of American consumers under the bill, and the only argument offered to support its unlimited exactions is the claim that after the war is over the Germans will get our dye industries if we don't prohibit importations. So "National defense" is the cloak for continued unconscionable profiteering.

Protective tariffs, however high, are rejected by an industry that exported 8,000,000 pounds of synthetic indigo alone in 1920.

ABSOLUTE CONTROL BY THE DYE MONOPOLY.

The dye schedule as presented in the bill is without precedent in any tariff law ever passed by Congress and grants embargo powers to the Tariff Commission which will be compelled to act largely on the advice of employees of a dye monopoly that now controls the American trade. If any commission experts are dangerous to the interests of the dye monopoly they will be given position, price, and power by the monopoly and taken over for "foundation" purposes, judging from past experience, or the commission itself will be forced to submit to the monopoly.

The dye proposal covers about 2,500 words. It provides that dyes will be divided into two classes by the Tariff Commission. Class "A" are dyes obtainable in the United States on "reasonable terms" as to quality, price, and delivery. All other dyes are in class "B." No class "A" dyes can be imported under any circumstances.

"Reasonable terms" as to quality, price, and delivery means such terms as the Tariff Commission shall determine to be reasonable. Not more than six months' supply of class "B" dyes shall be imported by any consumer with or without the commission's license. This proposed law reads "no product included in class 'A' as determined by the United States Tariff Commission shall be delivered from customs custody in the United States." No person shall be permitted to receive dye imports in class "B" unless "registered." No authority to import will be given if the commission finds any substitute will answer the purpose—in its supreme judgment. Reasonable terms in quality, price, and delivery has a range as wide and deep as moral law.

PUNISHMENT WILL BE SWIFT AND SURE FOR LICENSE HOLDERS.

Importers who violate any of the manifold rules, regulations, or orders of the commission will lose their license or "registration" and be put out of business. No registered importer can import even after he has answered the commission's catechism perfectly until he has given a bond to be fixed with accepted sureties and the bond will be forfeited if any of the conditions are broken. All prices paid or agreed to be paid shall be furnished in a sworn statement and "any other information" relative to the importer's business or antecedents that may be desired by the commission. Under (j) the commission and its agents during a period of three years may visit and inspect all papers, documents, and so forth, from Maine to Porto Rico and to the Philippines and Panama at Government expense. Any person (n) who fails to comply with all the rules, regulations, and orders of the commission shall be fined $100 a day until he, she, or it pays the fine. When the commission (o) shall determine a person has willfully misrepresented any fact all further importations shall be refused said culprit for a term of three years. Any person (p) who willfully misrepresents any fact regarding the delivery of "such product" from customs duty shall be fined not more than $5,000 and jailed for not more than two years—or at the pleasure of the commission. Any product (q) believed to be improperly brought in may be "destroyed"—so as not to compete with any home-grown trust product. To help the commission in its destruction of property, jailing and fining of American citizens, $100,000 is appropriated by Congress in this bill for the balance of the fiscal year 1922. After reading the provisions of this highly penal act that puts the "Government into business" with a dirk knife, it is not hard to understand why a draft of the bill by the Tariff Commission could not be furnished the committee before June 27, two days before the bill was introduced in the House.

TREATING THE DYE IMPORTER AS A CRIMINAL.

With slight modifications by the committee, the foregoing provisions, after brief consideration, were voted out of the committee June 27. They could not have been more acceptable to the dye monopoly if they had been prepared by its own lawyer, as was the case with the existing law.

The dye importer, on whom 11,000 firms depend for importable dyes, must crawl through the eye of the dye needle like the proverbial camel while begging for right under his license to import. If he fractures any rule, regulation, or order of the commission, he may have his license revoked, bond forfeited, property "destroyed," and be himself jailed for not more than two years, with a $5,000 maximum fine. That is his reward, while the dye monopoly receives unlimited right legally to rob the public.

Clever efforts to remove objections against a "license" system appear in requiring "registration" before importing and thereafter compelling the importing consumer to exhibit his orders for goods, to guarantee that the quantity is not over six months' supply, to execute affidavits and furnish bonds, to face threatened fines and jail sentences. Delays, civil and criminal liability, and high-handed commission orders provided by the bill give everything the dye monopoly demands. Instead of adopting other chemical schedule rates contained in the bill, which, based on American valuations, are practically double old rates, or asking for additional duties based on protective rates in conjunction with the anti-dumping provision, this bill prohibits imports and gives an unheard-of control to favored dye interests.

Many criticisms may be leveled against schedules contained in the tariff bill, but for brazen audacity this proposal to declare an embargo at the instance of a dye monopoly is unparalleled and beyond any subsidy ever proposed by Congress in time of peace. By this principle Congress may surrender to the Tariff Commission or any other commission the right to declare an embargo at its option on any or all the many thousands of articles described in the tariff bill and to reject all rights possessed by manufacturers, dealers, and consumers of this country to any product owned or manufactured by them, here or abroad, with absolute right in the commission to determine without restriction. In other words, the principle of protection to American industries is abolished in favor of exclusive monopoly.

PROHIBITING THE DYE, BUT ADMITTING THE DYED TEXTILE.

The dye schedule grossly discriminates against American textile manufacturers by prohibiting the importation of dyes manufactured abroad and yet permitting importation of every fabric, textile, or other substance in which foreign dyes are used. This bill compels American textile manufacturers with hundreds of thousands of employees and over $2,000,000,000 invested to compete with imported goods colored with rare foreign dyes that are refused to them. If enacted into law it will force 100,000,000 people to use only domestic dyes at the instance of dye interests and also force the public to pay three or four prices for these dyes. The only alternative will be to buy foreign fabrics, thereby discriminating against the American manufacturer of textiles in favor of the imported articles.

Having in mind the weakness of poor human nature where countless millions of dollars are enlisted in the fight for monopoly, Congress may well hesitate to confer this power on any commission. One member of the Tariff Commission recently advised the Ways and Means Committee, in substance, that neither a competitive tariff law nor a law providing for the difference in the cost of production with a reasonable profit added could be termed a "protective tariff law." When asked if a protective tariff meant to him "prohibitory tariff," he declined to be more specific. Another member of the commission advised the committee that large business interests had protested against advice given by commission experts to the committee, and he said in substance that such protests would be carefully considered and such business interests had a right to be heard. The protestant in that case was Cheney Bros., and Cheney Bros. are stockholders of the Chemical Foundation that demands embargo under the bill by which Congress is asked to surrender its powers.

No commission could determine "reasonableness" of dye prices. So many angles are involved that no determination would be reached in years, because differing conditions are innumerable. Valuations of railway properties by the strong Interstate Commerce Commission, with every facility, has hardly yet begun, and no intelligent determination of reasonable dye prices could be hoped for in a decade. An embargo necessarily gives full sway to monopoly.

CHARACTER OF INFANT INDUSTRIES DEMANDING AN EMBARGO.

The Allied Chemical & Dye Corporation on December 30, 1920, had total assets of $282,743,000. This is an infant industry that now demands we surrender to a commission all legislative powers of embargo Congress now possesses and far more than Congress has ever exercised in times of peace. For a better understanding of this corporation reference is made to a discussion of the dye industry in the CONGRESSIONAL RECORD of May 23, 1921.

In addition to the Allied Chemical Dye Corporation, with its $282,743,000 in assets, another infant industry, the Du Pont Co., with $280,000,000 assets, also controls large dye interests. These two companies, with aggregate assets of $562,000,000, are nursing dye industries that now demand unprecedented protection under the bill.

It is contended that all the $282,000,000 of Allied Chemical Co. assets are not invested in dyes and that the $280,000,000 of Du Pont Co. assets also comprise other interests besides dyes and chemicals. An investigation would disclose the amount of money invested in dyes, in chemicals, in perfumes, and other products, but it is certain that these two $280,000,000 twin nurslings of enormous size and stature are now pressing the bill that will give them unlimited profits and absolute control under the official stamp and seal of the Government. All the larger dye interests are merged in a "foundation" trust, as will later appear.

DYE INDUSTRIES THAT DIVIDE UP THE EARTH.

A division of the earth in two hemispheres has been made between Levinstein Co. (Ltd.), of Manchester, England, and the Du Pont Co., as disclosed in the CONGRESSIONAL RECORD of May 8, 1920, which arrangement presumably carries millions of profits to the Du Ponts and indicates the grip this company has on the country.

In order to "develop chemicals in time of our next war" every workman who wears blue overalls, cap, or shirt—every man, woman, and child wearing blue clothing, socks, or ties—must one and all pay annual tribute reaching many millions through the 350 per cent to 400 per cent increase in price of indigo blue.

"Patriotism" is the argument addressed to Congress by the Du Pont Co. and Chemical Foundation through the monopoly ruled dye industry. It seems a far cry from the family clothes bag to the Christianizing influence of mustard gas and high explosive Du Pont powders for "national defense," but those who reap large dye profits do not employ ordinary reasoning when raising the wolf cry that was old centuries before Æsop's time.

DYE PATENTS NOW HELD BY THE CHEMICAL DYE TRUST "FOUNDATION."

Patriotic devotion to country is found in the position of Mr. Francis P. Garvan, former Alien Custodian of the United States, whose absolute control of all German dye patents during the war is a matter of record. Patents, 4,500 in number, valued at untold amounts, were sold in the name of the Government, through Custodian Garvan, for $250,000 to the "Chemical Foundation," of which he is the president. These patents cover salvarsan and many other valuable products, and were sold for a little more than $60 each, sold at "private sale," for a song to a company of which the same Mr. Garvan is president.

The record shows a number of patents were sold with the Bayer plant by Mr. Garvan for the Government to the Grasselli Chemical Co., of Ohio, and its associates, for $5,400,000 prior to the organization of the Chemical Foundation. The sale of 1,100 patents to the Cleveland firm for twenty times the amount afterwards received for 4,500 patents sold by Mr. Garvan as Alien Custodian at a private sale to the monopoly, of which Garvan is now president, indicates good business for the monopoly, whatever may be said of the interests of the United States Treasury. The record shows, page 519, Senate dye investigation, that the Grasselli Chemical Co., the Du Pont Co., the Bethlehem Steel, Hercules Powder Co., Newport Chemical Works, Milwaukee, and scores of well-known business concerns were let in on the ground floor, with the patents sold to the foundation for $250,000, by the Alien Custodian. Manufacturers of salvarsan, synthetic indigo, and many other products covered originally by the German patents must first receive a license from the "Chemical Foundation," and this dye foundation also receives a commission or rake-off from all imports, so it gets the manufacturer and public coming and going.

The American Dyes Institute, whose membership consists of dye manufacturers, collected in 1920 $121,976 and expended $104,932 largely for legislative work in pushing the Longworth dye bill, or practically its entire receipts went for legislative work. An important linking of this great dye monopoly is given as follows:

"The moving spirit in the American Dyes Institute is Morris R. Poucher, formerly connected with the Badische Co. (of Badische German vat dye fame). Mr. Poucher is chairman of the executive committee of the Dye Institute; he is on the advisory committee of the War Trade Board, appointed by the Dye Institute; he is on the advisory committee of the Textile Alliance * * *; in other words, he is the Dye Institute, he is the Du Pont Co., he is the Textile Alliance, and on the War Trade Board."

All these bodies now control dye importations and did so during the war. Mr. Poucher should be expert adviser for the Tariff Commission.

DYE MONOPOLY ASKS EXEMPTION FROM SHERMAN ANTITRUST LAW.

In hearings before the Senate Finance Committee—H. R. 8078—page 161, the president of the Du Pont Co. appeared before the committee and stated "our competitors are welcome to trim us if they can, but they have a good stiff job ahead of them."

In the Du Pont trimming establishment the Government for over a century has furnished many millions of dollars in frames and feathers, but Congress by the provisions of the chemical schedule of the bill now is asked to become a partner in the trimming ceremony, although not participating in any profits or tariff duties. On page 164 of the Senate hearings the president of the Du Pont Co. says: "If a concern in this country had all the (dye) business at enormous profits and they saw a man who was liable to cut into those profits, a little fellow sticking his head up, they might sink him." But he adds, "we are growing up together." With the Government's aid the lion and lamb may grow up together for a day, after which the lamb decorates the inside of the lion in their last association together.

On December 16, 1919, before the Senate Finance Committee, the Du Pont Co.'s president said, "The Longworth (dye) bill is an embargo; it is a misnomer to call it a license bill * * *. I want, at the risk of seeming to get a monopoly, to urge that you should provide that the Sherman law does not apply to the dye industry." This bill practically performs that request and jails all those who refuse to become assimilated.

GERMANY NOT A DANGEROUS DYE COMPETITOR.

Under the terms of the bill Congress prohibits foreign competition at any price in dyestuffs. A nominal amount of dyes from Switzerland and a less amount from Germany came in during the 10 months ending April, 1921, the last date reported. An official report by the United States Department of Commerce, October, 1920, says: "The United States has abundant coal to supply the raw materials for making aniline dyes. * * * It is evident that whatever the demand for dyes made in Germany may be, that country will never regain its lost supremacy in the world trade in dyestuffs. * * * Germany it is now conceded will not be the strenuous competitor she was formerly in the foreign trade. Switzerland is the only country other than the United States now making aniline dyes sufficient to meet its own requirements and able to export on a large scale, and the Swiss are dependent on other countries for the raw materials." Here is a reliable official Government report that effectually exposes the many misstatements of high-priced attorneys and interested dye stockholders.

This bill absolutely closes the doors against importations and permits the monopoly to take all it can from American consumers, unrestrained and unrestricted, subject only to the Tariff Commission's approval. After having secured exclusive dye rights to the Western Hemisphere under the Levinstein contract and by provisions which shut out the foreigner of every name, the little fellow who cuts prices is to be "soaked." "Trimming" and "soaking" competitors, in the judgment of this minority, has no justification with or without congressional aid, and apart from its legal effect violates a plain platform pledge that tariff rates "should be reasonable in amount and so adjusted as to prevent undue exactions by monopolies and trusts."

The economic effect of the dye chemical provision will be to grant to the dye monopoly, through its strangle hold upon thousands of manufacturers of silk, cotton, and woolen goods and other dye users, passed on down to the wholesalers, retailers, and ultimate consumers on whom the additional price burden, with its accumulated profits, will fall, many millions of dollars annually. War profiteering on Government contracts, criticized during hectic war times, never approached the audacity of this proposed dye legislation which in principle prevents European countries now owing us $10,000,000,000 from paying their debts excepting in cash. Prohibitive tariff rates and embargoes that prevent trade relations with the world are in the interest of special monopoly and can not work for the prosperity of the people.

PRICES UNDER AN EXCLUSIVE AMERICAN DYE MONOPOLY.

Warren F. Doan, editor of the Philadelphia Manufacturer, quoting from Joseph S. Rambo, president of Rambo & Regar, says:

"There are at least three (domestic) large manufacturers of direct black (dyes) which to-day brings from 80 cents to 90 cents a pound and is about half the strength of the concentrated prewar product which sold at not more than 25 cents. Methyl violet, of which there are many manufacturers to-day, is selling for about $1.75, and is approximately the same grade as prewar goods at 32 cents. Acid black is to-day selling for $1 to $1.10 and is slightly better than half strength of the concentrated prewar product at 26 cents. Indigo, one of the most important colors, is to-day about 60 cents, against a prewar net price of from 15 cents to 16 cents.

"Domestic production of these colors in 1919, according to the Tariff Commission, were: Methyl violet, 547,000 pounds; acid black, 1,800,000 pounds; direct black, 7,250,000 pounds; and indigo, 8,806,000 pounds."

The indigo production practically doubled in 1920 over 1919.

About 18,000,000 pounds of these four dyes in 1919, for which the American cloth manufacturer and consumer paid on the average 400 per cent more than the same dyes cost before the war, paid to a monopoly that "trims" or "soaks" the little fellow if he cuts prices. This American Dye Trust now make some 450 different dyes, on which proportionate profits accrue, and now asks for the exclusive American field for three years more and thereafter in perpetuity, doubtless, in order to make all of the dyes hereafter produced by foreign chemists.

100,000,000 CONSUMERS GOOD PICKING.

Dr. Hesse, an eminent authority, states that coal-tar dyes effect the livelihood of more than 1,000,000 employees, who work in 11,000 manufacturing establishments in this country, having an invested capital of more than $2,500,000,000, and producing annually $2,600,000,000 in manufactured products. Congress is asked by the dye schedule to give this infant Dye Trust exclusive picking of the 11,000 factories that require dyes and of 110,000,000 American consumers, who ultimately pay the bills. By giving an exclusive monopoly of our home market dye prices have been kept up from 300 to 400 per cent higher than before the war, with a certainty that the American public will be fleeced as long as the little fellow gets "trimmed" and "soaked" for cutting prices.

In other words, at a time when the Treasury needs every dollar that can be raised by tariff duties Congress is asked to hold up the American consumer by the throat while the dye monopoly goes through his pockets, keeping for its own use the tariff duty that otherwise would help pay expenses of the Government. That is the effect of the chemical schedule reported for passage by the committee.

THE DYE SCHEDULE OPPOSED TO EVERY TARIFF PRINCIPLE.

For many years high priests of the protective tariff have founded their arguments, reports, and tariff schedules on advice of the American Protective Tariff League. Its voice is the voice of thousands of American industries that speak through the league when demanding protective-tariff duties. In a letter dated June 7, 1921, A. H. Heisey, president of the league, writes regarding this dye schedule:

"It seems to be the aim of the parties in interest to incorporate the Longworth bill in the general tariff bill for a period of five years. Such a measure would be a bad precedent, breeding monopoly, and dangerous politics. It would really be the commencement of the destruction of protection and therefore directly affects the Republican Party. * * * Why is it necessary to use the immense influence that has been brought forward in its favor than for any other industry? If this measure is necessary to the welfare of the country, the same condition applies to every 'key' industry covered by the tariff. * * * The Tariff League has opposed this measure because it is morally wrong and is in conflict with protective principles."

When Congress out-Herods Herod with its unprecedented gift to the dye monopoly what will be the judgment of the country on this bill? Lest we forget Republican platform pledges are for tariff rates "reasonable in amount and so adjusted as to prevent undue exactions by monopolies and trusts."

In a pamphlet sent every Member of Congress, Editor Doane, of the Manufacturer, says of this dye combination:

"The party of monopoly—no matter in behalf of what class that monopoly is brought into existence, nor upon what specious pretext—can never be the party of the people in this country. It is un-American to the core, and retaliation is certain to be swift and sure. If the present majority in Congress and the national administration permit the Republican Party to be committed to the principle of embargo as embraced in the Longworth bill, theirs will be the responsibility for having placed the American textile industry and the Republican Party upon the sacrificial altar of monopoly."

What higher disinterested authority need be quoted than the judgment of such men who represent manufacturing interests of the country and now protesting to Congress against the dye schedule.

Referring to the same dye provision when before the committee asking for a two years' embargo, the American Economist of June 17 says: "It would be like enacting a law permitting a certain class of people to steal for a period of two years * * * it is stealing. The man who picks your pocket is no more a thief than the one who, under false plea of patriotism, asks for an embargo on chemicals and dyes in order that he may establish a monopoly under which he will pick your pocket strictly according to law."

How will this Congress go before the people in defense of a law that reputable high protectionists declare permits stealing or picking of the pockets of the American people under a false plea of patriotism?

DYES URGED FOR "NATIONAL DEFENSE."

An attempt is made to justify this dye monopoly's grip on the American consumer by urging such course as a matter of "national defense." Whom are we about to fight and when and where and why? With the entire world prostrate and helpless, no argument can justify this chemical schedule as now necessary for national defense. Legislative crimes without number can be committed on a pretense which permits Government legalized safe breaking. Congress is confronted with appeals from favored interests in this new popular war cry in times of peace and it is a sign of well-organized propaganda where many thousands of dollars have been spent in trying to get this strangle-hold dye proposal passed through Congress.

Unjust tariff rates, oppressive burdens to consumers, these are objectionable and may furnish just ground for opposition to items in the bill, but all tariff rates, however prohibitive, are insignificant in effect compared with the plan presented by the dye octopus that proposes to vest far-reaching powers not possessed by Congress in an irresponsible agency, an agency that is to maintain a trust and combination at the expense of the public without right of revision or appeal to the courts or to Congress.

That is a vice of the bill not measured by any tariff standard past or present, but a law unto itself, superior alike to the Congress and the Constitution.

CONGRESSIONAL INVESTIGATION SHOULD BE HAD.

A full probe should be made of charges offered by the Dye Trust that the German dye cartel has agents in this country who have been seeking to influence dye legislation in Congress, and if such influences or others have occurred, Congress should know to what extent and in what manner. On June 7 the Ways and Means Committee defeated the dye embargo proposal. On June 27 the committee reversed its action. This reversal shows that any German dye cartel influence is a myth. Charges of self-interest of different persons in the chemical schedule in this bill also should be investigated and if any have been improperly charged they should have full opportunity of so stating.

Such investigation should demand as a precedence to any dye legislation all books, documents, and witnesses necessary for a complete understanding of costs of dye production; that all methods of production, moneys spent for legislation, lobbying, salaries, and other "costs of production" and profits on capital actually invested by the leading dye concerns, including the "foundation," be fully determined; that all facts concerning the Levinstein dye division of the universe between the Du Pont Co. and Levinstein be given complete publicity; that all trust control "trimming" and "soaking" of competitors be furnished; that sale by Alien Custodian Garvan, President Garvan, of the dye company, of 4,500 dye patents at "private sale" for $250,000 be thoroughly examined, and also facts as to the further claim that in salvarsan and synthetic indigo the "Chemical Foundation" receives a full reimbursement annually for all that was had for the entire 4,500 patents. Commissions and royalties received by the "foundation trust" should receive equal publicity and all facts surrounding the payment of over $100,000 by the dye interests to put through Congress the existing embargo law. Reasons why the American public is paying four times prewar prices for dyes and why present trust-control methods of the dye business exist should be made known in order to determine whether the Sherman antitrust law has been ignored by the monopoly as proposed by its officials.

Unprecedented rights and privileges granted by Congress to powerful dye concerns and methods disclosed have placed strong suspicion on dye legislation proposed in this bill and no action should be taken by Congress to fasten an unrestricted monopoly on the country unless platform pledges are to be ignored and textile business men are to be hampered or eliminated from legitimate trade whenever powerful monopolies so elect.

CONGRESS ASKED TO SURRENDER ITS PREROGATIVE.

In conclusion, it is represented Congress under the Constitution regulates commerce between nations, but this bill permits the Tariff Commission to prevent such commerce. Can Congress abdicate a legislative function vested in it by the Constitution so as to permit a subordinate administrative body to exercise judicial as well as legislative functions to determine the character of a necessity to modern industrial life and also whether it can be substituted by something else; to determine quality and quantity of goods that may be imported or delivered and to fix the price that shall be paid by the consumer?

If this precedent be adopted, then every schedule in a tariff law may be made prohibitive in fact without the interposition of Congress. A subordinate commission not responsive or responsible to Congress or the people may thus prevent all imports of commerce between nations and also be made arbiter of the fortunes of those here and abroad who have heretofore enjoyed commercial trade one with the other. That and that alone is the logical consequence of this unprecedented step in tariff prohibition. If the plan is once adopted, then no defender of constitutional rights of business to free and untrammeled trade or trade prices can again be heard. If a subordinate irresponsible and irresponsive body may fix prices, determine the quality and quantity of given materials that are to be purchased and used by a manufacturer or consumer, then no limit exists to such power of legislative prohibition to destroy any legitimate business.

No justification can be offered for the chemical dye schedule, and those who seek to fasten onto the country the proposed embargo monopoly will find no acceptable defense to offer for an abandonment of party pledges against exactions by monopolies and trusts. (From the American Economist, July 8, 1921.)

Mr. GREEN of Iowa. Not one single solitary fact but simply some conclusion is stated there. I would like to hear some facts.

Mr. TAGUE. Let us have an investigation and learn some facts.

Mr. GREEN of Iowa. What are they?

Mr. TAGUE. Let us get to some facts. I am going to ask the gentleman from Iowa to join us in this investigation.

Mr. OLIVER. I wonder if the gentleman is willing to have the investigation made?

Mr. TAGUE. Well, I do not know about that——

Mr. GREEN of Iowa. I want to find out what they want to investigate. They have never made their charges specific.

Mr. TAGUE. Let us have the investigation. The charges have been made by a member of this committee and a member of your party that Mr. Garvan, of the Chemical Foundation, secured all the German patents and formulas held by the Alien Property Custodian for $250,000 while he was serving in the capacity of custodian for the Government of those patents and formulas.

Mr. GREEN of Iowa. Who was a Democrat. The Chemical Foundation does not control the patents.

Mr. TAGUE. Let us see whether they do or not. Let us have the investigation.

Mr. CARTER. May I ask what difference does it make whether a man is a Democrat or a Republican if he is crooked?

Mr. TAGUE. Mr. Garvan is a Republican and the gentleman from Iowa knows it.

Mr. GREEN of Iowa. I do not know anything of the kind.

Mr. TAGUE. Let us go further. We are then told that Mr. Du Pont has nothing to do with the Chemical Foundation, yet in the sending out of these prize packages of German patents Mr. Du Pont is involved to the extent of controlling everything that is to be sent into this country and into South America.

Mr. GREEN of Iowa. Can the gentleman refer to one patent, for example?

Mr. TAGUE. Not only will I mention one, but when this bill is up for consideration under the five-minute rule I am going to try to mention more than one.

Mr. GREEN of Iowa. We will see about that.

Mr. TAGUE. Let us go still further. The gentleman says there is no monopoly here. I say, Mr. Chairman, anyone who knows anything about the dye industry in this country knows that the main reason that the great textile industries of the country are appealing to the Congress is that the passage of this act would forever place them in the hands of the Du Pont interests who are reaching out trying to control the coal-tar products of this country. There is not a section of the country to which

representatives of these interests have not gone to secure control of coal-oil products. There is not a section of the country where they have not gone where dyes are being used, and through their agents, headed by Mr. Choate, have not only told the manufacturers that they came seeking their trade, but have intimated that if they refuse to use the products of the Du Pont interests no other dyes will be procurable. [Applause on the Democratic side.] Now, Mr. Chairman, there is the situation. Still the gentleman says the dyestuffs industry needs protection. Why?

The CHAIRMAN. The time of the gentleman has expired.

Mr. TAGUE. May I have some more time?

Mr. GARNER. I yield the gentleman 15 additional minutes.

Mr. BLANTON. I want to state to the gentleman from Iowa that the record shows that synthetic indigo sold at 15 cents before the war and sells for 60 cents now. They place it in this bill at 28 cents, which is double the price asked before the war.

Mr. TAGUE. The misinformation that the gentleman from Iowa [Mr. GREEN] would try to make you believe comes direct from the fountainhead, despite the fact that the manufacturers in the country, users of dyes, have told every Representative from New England, both Democrat and Republican, that they can not use some of the dyes that are produced by the Du Pont interests because their products are inferior. Yet, under this bill, you are going to give these interests protection for their dyes, and you are going to say to the manufacturer, "You can not import dyes to take their place without a license." What else have you done?

Mr, GREEN of Iowa. Has the gentleman ever read this dye provision?

Mr. TAGUE. I have read it over and over, and the gentleman knows I am telling the facts.

What else do they say? Protect these interests, because they have invested their millions in the building up of these plants. During the war it may have been all right to allow them a good profit, but not from two to four thousand per cent on the manufacture of dyes. How much longer are we going to let these gentlemen continue? They are a monopoly now, and if this bill is passed will be a greater monopoly than this Nation has ever seen. There is not a product they produce that the manufacturers are not compelled to use, and if this section should pass, they can dictate the price; they are going to dictate the quality; they are going to tell them when and why and where they can purchase them, and they are going to make such conditions that the manufacturers, realizing this condition, are appealing now while there is time. Mr. Chairman, I believe that we should encourage men who are trying to build up great industries, but not permit them to do as they please. I sat here in my place and listened to the gentleman from Illinois [Mr. COPLEY] as he told of his visit to Germany and how the great patented processes were hidden from the view of him and others. As a business man he is one of high standing, and I was amazed at his statements. Everyone knows if you do business with the German people or any other people they will never tell you what they are doing or how they are doing it. It was no great difficulty for the chemical men of this country, when driven to the test, to invent things that were far beyond the imagination of the greatest chemist that Germany has ever produced. [Applause on the Democratic side.] It is not to-day. Time and again through their ability the American chemists, when given an opportunity by the men who were obliged to use dyes and dyestuffs, have produced and will produce a quality of dye far superior to any that has ever come from Germany, and I believe we will be able to sell that product in Germany cheaper than they can produce it, for we have the raw material here with which to do it. [Applause on the Democratic side.]

Now, Mr. Chairman, let me go on a little further. The Republican Party in their platform have told you that they are going to keep down the high cost of living. I read from their platform what they mean by the high cost of living. And coming from the northeast part of this country, where we are handicapped by freight rates and long haul on railroads, where many of the supplies that go upon our tables come in from Canada, they try to tell us that the workingmen of New England are going to be satisfied with their statement that they are going to keep down the high cost of living, when by the passage of this act you place upon the shoulders of every workingman of New England a tax far greater than that which has ever been imposed upon him before. They tell us they are going to reduce the cost of living to the laboring man. Let us see whether they do it or not. They are going to place a tariff on beef. My friends, who are the importers of foreign beef? Who are the men bringing foreign beef into the large cities of the country? Are they the independent dealers? No. The men who bring in the frozen beef from the Argentine and from South American countries are the representatives of the meat and beef trusts, who are going to control, if this bill passes, to a greater degree than ever, the table of the workingman. Two cents a pound they are going to put upon the table of every workingman in New England for beef. Further than that, they have gone, in their extremity, into the very homes of the people by taxing the absolute necessities of life. You have taken the milk that we demand and need for our babies, in your desire to satisfy the greed of wealth, and you say that the mothers of New England can not have milk for their babies unless they pay a tribute to some one.

On the eggs that come from Canada you say that we, with the price now high and soaring higher, must pay an additional price of 6 to 8 cents a dozen in order that our children can have a food that is fit to eat. Mr. Chairman, as I go down the line I find you have taxed everything we eat and everything we wear under the guise of protection for the workingman. I will insert in the RECORD a list of some of these things, showing how you have advanced the cost of the necessities of life for the people, at least in my section of the country, by more than 300 per cent.

Food articles.

	Underwood.	Fordney.
Milk, fresh	Free	1 cent per gallon.
Cream, fresh:		
Less than 30 per cent butter fat	do	5 cents per gallon.
More than 30 per cent butter fat	do	10 cents per gallon.
Butter	2½ cents per pound	8 cents per pound.
Oleomargarine	do	Do.
Oleo stearin	Free	1 cent per pound.
Cheese	20 per cent	
Less than 30 cents per pound		5 cents per pound.
More than 30 cents per pound		25 per cent.
Substitutes	20 per cent	5 cents per pound.
Poultry:		
Live	1 cent per pound	2 cents per pound.
Dead	2 cents per pound	4 cents per pound.
Eggs	Free	6 cents per dozen.
Honey	10 cents per gallon	2½ cents per pound.
Pork:		
Fresh	Free	½ cent per pound.
Bacon and hams	do	1½ cents per pound.
Lard	do	1 cent per pound.
Lard compounds	do	20 per cent.
Mutton	do	1½ cents per pound.
Lamb	do	2 cents per pound.
Beef and veal	do	Do.
Buckwheat flour	do	½ cent per pound.
Cornmeal	do	30 cents per 100 pounds.
Macaroni	1 cent	1½ cents per pound.
Oatmeal and rolled oats	30 cents per 100 pounds	60 cents per 100 pounds.
Rye flour	Free	30 cents per 100 pounds.
Wheat flour	do	60 cents per 100 pounds.
Apples	10 cents per bushel	25 cents per bushel.
Bananas	Free	2 cents per bunch.
Cherries	10 cents per bushel	1½ cents per pound.
Vinegar	4 cents per gallon	6 cents per gallon.
Olives	15 cents per gallon	20 cents per gallon.
Almonds:		
Unshelled	3 cents per pound	4 cents per pound.
Shelled	4 cents per pound	8 cents per pound.
Filberts:		
Unshelled	2 cents per pound	2½ cents per pound.
Shelled	4 cents per pound	5 cents per pound.
Coconuts in shell	Free	½ cent each.
Coconut meat	2 cents per pound	4½ cents per pound.
Peanuts:		
Unshelled	¾ cent per pound	3 cents per pound.
Shelled	1 cent per pound	4 cents per pound.
Walnuts:		
Unshelled	2 cents per pound	2½ cents per pound.
Shelled	4 cents per pound	5 cents per pound.
Peas	10 cents per 60 pounds.	75 cents per 100 pounds.
Split peas	20 cents per 60 pounds.	1 cent per pound.
Onions	20 cents per 57 pounds.	75 cents per 100 pounds.
Potatoes	Free	42 cents per 100 pounds.
GARDEN SEEDS.		
Seeds:		
Cabbage	6 cents per pound	12 cents per pound.
Carrot	3 cents per pound	4 cents per pound.
Cauliflower	Free	25 cents per pound.
Kale	6 cents per pound	6 cents per pound.
Parsnip	3 cents per pound	4 cents per pound.
Pepper	10 cents per pound	15 cents per pound.
Radish	3 cents per pound	4 cents per pound.
Turnips	do	Do.

There is not a man from that section of the country, knowing the facts as he does, but will say that a large per cent of the milk, the cream, the eggs, and the butter that go into the great cities of Boston and New York comes from Canada. And if they depended upon the bringing of these necessities of life from the West, before they could reach our tables they would be unfit to eat.

The high cost of living? Why, I was interested to hear a gentleman on that side tell how he wanted a tariff on hides,

and it recalled to my mind a speech that was made upon this floor in the Sixty-fourth Congress by Mr. Stephens, of Nebraska, who was noted as one of the great cattle producers of this country. In substance he said this: "We have no voice as to the price we can receive for our cattle, no matter what it costs us to produce them. That price is set by the gentlemen in Chicago, St. Louis, and Kansas City representing the beef and meat trusts of this country." I ask you gentlemen who are pleading for a tariff on hides how much is it going to benefit you to have a tariff on hides when you must go to the stockyards of Chicago and the gentlemen there will tell you the price they are going to pay you for your hides?

Mr. Chairman, I have heard a great deal about the full dinner pail; I heard it beautifully illustrated by the gentleman from New York [Mr. LONDON] last night, of how you have attempted to reach the poor man through the old fallacy of the full dinner pail. Coming from Massachusetts, I wondered if that full dinner pail was still an appealing question with you.

I can go back to the days of the Payne-Aldrich Act, when the great mills of my State were closed down, not because there was not sufficient business to keep those mills in operation, but closed down because of the greed of the manufacturers controlling them, and I saw the little children in the mill districts as they strolled upon the streets in that bleak New England weather on those cold days; little children and women imported to take the place of American labor; women with little children in their arms going up to the gates of the mills, asking to receive a fair return for the labor they performed, and that deaf ear of the philanthropist, of whom you hear so much now, was turned against them.

They were driven from the streets, and there they were met by the soldiers of the Commonwealth, who were sent there to keep order, not because of a disorder on the part of these poor people, but because of the fear of the manufacturers that their property would be damaged. That blot upon the fair name of Massachusetts has never been eradicated. We in Massachusetts, who you say have had protection—we say to you, "No; protection has not been ours. It has been protection for the men of wealth, it has been protection for the man who controls the mills, it has been protection for the man who controls the beef, it has been protection for the moneyed men of the Nation. Never has it been shown, and never can it be shown, that protection has been afforded by taxing the workingmen of this country, by taxing his table and depriving his little children of the opportunity to partake of the good things of life, by taxing the mother of the child even to the extent of taking from her children the pure milk that they need. Do you tell me that protection is a thing that the people want? Do you tell me that protection is for the many? It can not be proven; it never will be proven.

And I predict for you that this bill as it is now framed will never go into law. I predict that, and I base my prediction on the fact that only on the day before yesterday the great President of the United States in the other branch of this Congress recited his disappointment with you on that side because, instead of taking up the tariff, you should have passed some law to relieve the people from the great burden of taxation under which they are suffering at this time.

REVISE THE WAR TAXES.

President Harding, in his recent address to the Senate on the unwisdom of soldier bonus legislation at this time, confined himself in the main strictly to the major object of his visit to the Capitol. He had come before the senior legislative body to point out the grave dangers with which such legislation would be attended and the bulk of his argument was directed toward that end. But with his major point courageously and conclusively made, the President, in his closing paragraphs, took occasion to touch upon other matters which weigh heavily upon his mind.

"There is confessed disappointment that so little progress has been made in the readjustment and reduction of the war-time taxes," he said. "I believe you share with me the earnest wish for an early accomplishment." And again, "I want to emphasize the suggestion that the accomplishment of the major tasks for which you were asked to sit in extraordinary session will have a reassuring effect on the entire country and speed our resumption of normal activities and their rewards, which tend to make a prosperous and happy people."

The President, restrained by the established need for diplomatic finesse in the relationships between the executive and the legislative branches of the Government, of necessity understated the case. There is more than "confessed disappointment" throughout the Nation at the congressional failure to supply taxation relief. The popular reaction might be fairly described as "stern resentment." While Congress has debated upon the tariff, the soldier bonus, and a series of subsidiary bills, the excess profits and excessive surtaxes have continued to strangle business through the driving of capital from productive industry to nonincome-taxpaying securities. Business, denied the assurances essential to its health, has sickened, and as a result hundreds of thousands of men and women, eager for productive employment, are without jobs.

President Harding is aware of this condition of affairs and of its inevitable reaction upon the party of which he is the leader. He is most anxious to see the grave mistake made when Congress elected to take up the tariff before the tax-revision measures rectified. With the soldier bonus bill once out of the way (and that it must be put out of the way should now be apparent to all) only the tariff bill will impede the swift readjustment of the war taxes. Whether or not that measure can be recommitted or withdrawn at this period of the debate is a matter of opinion. Should it be found to be impossible so to handle the situation, the best course will be to press forward vigorously in the determination to dispose of the tariff and get down to the all-important matter of tax revision. For every day that passes with the war taxes still in effect serves to postpone the return of those "good times" for which the Nation is clamoring.

Why the haste in the passage of this bill? Who wants this tariff bill? I confess that I have failed to receive a request from anyone, even the most ardent protectionist in my district, to the effect that they want the passage of this bill. On the contrary, they say, "Relieve us of taxation."

Why, Mr. Chairman and gentlemen of this House, I have no more thought that this tariff bill is going to become effective for some time to come than I have that it is going to become effective to-day. I know that it is going to pass this House and that it is going to the other end of the Capitol, and I know from the statements made by some of the leaders of your party in the other branch of Congress that this bill is to be put on the shelf, where it will remain for some time, and when it is resurrected by the Senators the framers of the bill will never recognize their bill. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GARNER. Mr. Chairman, I yield 10 minutes to the gentleman from Virginia [Mr. MONTAGUE].

The CHAIRMAN. The gentleman from Virginia is recognized for 10 minutes.

Mr. MONTAGUE. Mr. Chairman, I must by reason of my limited time discuss this measure very briefly. My first criticism is that this bill is inopportune and illogical. In my opinion the subject of import or tariff duties should have been preceded in order of consideration by a bill dealing with internal taxes. The general financial and economic situation of America demands a thorough consideration of the subject of internal taxation and revenue before dealing with that of the tariff. Business needs and economic stability urge such a precedence. Then, too, the fluctuation in foreign exchanges, the instability of foreign commerce, and the dislocation of the world's trade obviously require that the consideration of tariff taxes be postponed until internal revenue and income taxation shall have been first disposed of. We have here the cart before the horse. The rate fixed to-day manifestly may not be the proper import rate two months from now. The reversal of the order of consideration of these two subjects therefore seems evidently necessary. Perhaps the Senate may reverse this order; perhaps the Senate may conclude that much more time should elapse; that stability in world-wide conditions should be more thoroughly established before dealing with a subject so vitally related to all international affairs as the tariff.

But the protective system has imposed such a thrall of prejudice and passion upon the majority of the House that it apparently believes that that system is the panacea of all the ills of the body politic, regardless as to whether these ills are economic or political, national or international. Impelled by this fetish, the majority of the House rushes quickly to its call, neglecting all other subjects of taxation and contemptuously heedless of ours and the world's distemper.

Mr. Chairman, we are no longer a debtor nation; we are a great creditor nation. Before the World War our people owed to foreign people approximately $5,000,000,000. Now the nationals of foreign Governments owe us this amount, and the foreign Governments themselves owe us $10,000,000,000 or more. A stricken and impoverished Europe is our debtor, and it is apparently without the resources to pay the interest on this debt or to buy the products and food supplies which it so sorely and sadly needs. These supplies have heretofore largely come from America and from our surplus, the great evidence of our growing wealth, for a nation is like an individual—his wealth is measured by the excess or surplus of his productions. How can Europe pay this debt? Can she pay it in gold? She has little of this metal and we have much of it. The interest due on our debt—that is, to our nationals and to our Government—would absorb all of Europe's gold and perhaps all of her securities. Can she pay in securities? Of what value are they? Obviously, she can pay only in merchandise and products, which we will have to take in payment either by present or future deliveries, perhaps more largely by the latter method. All intelligent minds admit this, but the fatuity and obliquity of the pending bill is that it is intended to prevent the only payment possible. The very purpose of this bill is to so tax imports that they will not come into this country, or if they do in limited and negligible quantities.

Mr. Chairman, our domestic situation is but little better. Our depression is profound and vast. There has been a great fall

in agricultural prices by reason of the inability of the nations abroad to buy our surplus of meat, cotton, and wheat. This surplus, the mainstay of American commerce and industry, could not be sold, and as a result the purchasing power of the farmer failed, trade became stagnant, and factory after factory closed for want of a market. Our agricultural products must move at remunerative prices, but this is impossible unless the surplus of such products can freely and profitably flow into foreign markets. And here, again, the rates in this bill raise a prohibitory wall. It takes at least two to make a trade; we can not sell unless we buy. This is a truism that only the partisan or ignorant will deny. This bill contradicts this truism, for it carries the most comprehensively prohibitory rates or valuations, which are resultantly the same, ever found in American legislation. So we proclaim the remedy but paralyze its operation. Why do I assert prohibitory valuations? Because that is exactly what the scheme of American valuation of imports provided for in this bill will accomplish and is intended to accomplish. Heretofore elaborate specific duties have been prescribed in the protection laws, duties which protected the rich and bled the poor. Now the same end is to be achieved by arbitrary or juggled valuations of imported articles, valuations hidden under a maze of subtleties and administrative legerdemain.

Mr. Chairman, the saddest and foulest act of government is its intervention in the interest of the rich and for the oppression of the poor. [Applause on the Democratic side.] No nicer instrumentality of oppression, no defter method of despoliation of the poor has ever been devised than the system valuations carried in this bill. The almost continuous extensions of ad valorem duties in this bill, which have been studiously and rigorously withheld in former high protective measures, has but one meaning, and that is to make the tax appear low upon the face of the law, but really to carry an increase of 100 to 200 per cent by reason of the enormous increase in valuation of the imported article. Such will be the abuse incident to this system to which the people are inexorably doomed. Here, then, is the Magna Charta of protection so profanely proclaimed by the majority report, for truly it is a great charter and assurance for the triumph of special privilege. [Applause on the Democratic side.] Has the majority of this House degenerated into a soviet of plutocracy? I lament the irrepressible interrogatory. [Applause on the Democratic side.]

This scheme of plunder is further disclosed by the failure of the Ways and Means Committee to submit to the House any report as to the amount of revenue to be raised by the rates carried in this bill. But who can approximate amounts upon unknown valuations to be assessed or determined by unknown methods? Or is the revenue to be obtained so negligible as compared to the private tax the consumer must pay that the least said is best? The gentleman from Wisconsin [Mr. FREAR] ventured an approximation of revenue at the enormous sum of $600,000,000. I applaud his optimism and regret the disillusionment that awaits him.

Mr. Chairman, I venture to comment upon one effect that this and similar legislation must have upon our system of government, and that is the inevitable tendency given to the socialization of our institutions. The principle and the practice involved in such legislation puts the Government squarely into business, for in the administration of such legislation the Government must inevitably exercise its powers in behalf of certain private interests. If the Government can help the business of one class, why can it withhold its help from another class? If the Government can aid the tariff barons, why should it not aid the railroad employees, the steel workers, the miners, and so on? If the Government can give its powerful support by taxation of the many for the few, why resist the demand for the nationalization of certain industries for the benefit of the employees in these industries? We should be slow to set in motion the forces and principles of socialism which this legislation must do in the very nature of things.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. GARNER. Mr. Chairman, I yield two minutes more to the gentleman.

The CHAIRMAN. The gentleman from Virginia is recognized for two minutes more.

Mr. MONTAGUE. This bill will necessarily engender friction in commercial relations with foreign nations. High tariffs have been, in my judgment, prolific causes of friction and controversies between nations, thereby suppressing the influences and forces of peace. We have by this bill not only accentuated the frictional and controversial spirit and habit by providing the most excessive import duties in the history of the country, but we aggravate a delicate situation by a system of valuations dangerously near the invasion of the "favored-nation" provisions of our treaties, the infraction of which provisions would inexorably invite the distrust and contumely of mankind.

Mr. Chairman, unless wiser legislation on this subject can be devised the country can well afford to wait. Indeed, would it not be the part of wisdom to await a clearer and surer stabilization of world-wide conditions, economic and political, before enacting any tariff legislation? This subject should wait, and the Congress should address itself to our internal taxation and revision. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Virginia has again expired.

Mr. GARNER. Mr. Chairman, I yield one hour to the gentleman from New York [Mr. COCKRAN].

The CHAIRMAN. The gentleman from New York is recognized for one hour.

Mr. COCKRAN. Mr. Chairman, it will be conceded, I assume, that in discussing any proposal of legislation, including a revenue measure—even this revenue measure—the burden lies always on its proponents to show the necessity or advisability of a change in our laws. I do not think gentlemen on the other side will dispute the soundness of that proposition, and as I am likely to come into rather violent conflict with them later, I want to enjoy as long as I can this period of accord.

Now, how has that obligation been met by proponents of this measure? I have heard the principal speeches delivered by gentlemen on the other side; I have followed in the RECORD those I was not fortunate enough to hear personally, and I have examined carefully this remarkable report of the Ways and Means Committee which accompanies the pending bill, and if there can be found anywhere in any of them one single reason intelligible to the ordinary man why our entire fiscal system should now be disturbed by the enactment of a bill changing all our revenue laws I have failed to discover it. And, Mr. Chairman, you will see at once the difficulty that arises from this, for in every discussion we must have some common ground from which to start—something postulated—in order to make discussion profitable or even possible.

From anything contained in this report or in the speeches delivered here it is impossible even to conclude whether the object of this bill is to establish a high tariff or a low tariff. In defining its purpose or in explaining its probable effects no three gentlemen on that side of the House can agree. Whenever it is criticized as a proposal for a high tariff some gentlemen jump up and declare in hurt or indignant accents that the tariff it proposes is exceedingly moderate. If anybody undertakes to criticise it as too low in the duties it imposes, others are equally ready to say that it is one of the most liberally high tariffs ever yet devised by the ingenuity of man.

But if they have failed utterly to give us any reason whatever why this measure should be enacted, they have reversed the orderly course of parliamentary debate and expended much eloquence in denouncing what they are pleased to term failure of the minority to advance what they call "constructive proposals."

Now it is the very essence of parliamentary government that the majority having been raised to power by the people is by that fact bound to initiate all legislation. It is not for a minority to propose laws. The people in excluding it from power have excluded it from any right or duty to frame measures affecting the Government. Its function (a highly important one) is to examine and criticize proposals submitted by the majority, and by these criticisms show the legislative body and the people how they could be improved. The manner in which the majority here has failed to perform this duty and has attempted to devolve it on the minority is, perhaps, the most remarkable feature of these proceedings.

Every speech delivered here has been addressed to the report of the minority, or to something that has been said in the course of speeches delivered by gentlemen in opposition. We all remember how the distinguished leader of the House [Mr. MONDELL] took the floor the other day and pursued the very unusual course of stating that he was not going to discuss the bill but that he was going to discuss the report and attitude of the minority. In his most pontifical manner—and that is saying a great deal—he proceeded to anathematize us for not having risen, as he stated, to our opportunity. He did not point out a single statement in any speech, or in this report, with which he took issue. But in tones befitting a solemn excommunication he pronounced the withering sentence that he did not like our attitude or our expressions. The absence of bell and book and candle did not detract in the least from the awfulness of his onorities. [Laughter.]

Now, it will be my task to enumerate the very specific objections to this measure embodied in the report of the minority

and to vindicate every one of them. At the same time I venture to point out that the report of the majority, so far as it states anything, makes statements so palpably absurd that it does not really require argument to controvert them.

If there be any intelligible reason for enacting this measure given anywhere within that elaborate document, it is to be found on the first page, where it is stated that we are in danger—indeed, that we are in actual process—of having our markets flooded by foreign goods. Yet at the very moment that report was filed Mr. Hoover was and is yet declaiming from every platform to which he can find access his haunting fear that the present decline of imports is threatening us with financial disaster of a character that may take long to be remedied. [Applause.]

And right here arises another difficulty. Whatever this report does undertake to say is expressed in terms so vague and indeed so contradictory that to discuss them with any degree of intelligence makes it necessary to seek further light by propounding questions to the authors. And so I am exceedingly glad the gentleman from Michigan [Mr. FORDNEY], chairman of the Committee on Ways and Means, has just arrived, because I can always rely upon his candor—whatever his followers may think of his judgment—to assist debate. To him thus I address this initial inquiry: Is the object of this bill to check imports?

Mr. FORDNEY. That is one of its objects.

Mr. COCKRAN. Now we have something definite in that answer on which we can postulate intelligent discussion.

Mr. FORDNEY. That is always the object of a protective tariff system.

Mr. COCKRAN. I do not care much what name the gentleman may give the system provided he admits that its object is restriction of imports. The gentleman frankly admits that, because he is incapable of prevarication. I think his candor one of his most attractive personal qualities, though I fear it rather disqualifies him for effective leadership of that side. [Laughter.] He is so mentally equipped that in order to be at his best he ought to be an apostle of truth. Whenever he undertakes to champion the cause of error, every now and again he slips into admissions such as the one just made, which I think disposes of his report, of his speech, and of every pretense that can be advanced to justify this measure. [Laughter.]

Mr. Chairman, we have, then, the definite authoritative acknowledgment that this measure is intended to check imports. That, I submit, justifies the strongest language to be found in the minority report; its assertion that this proposed law is a declaration of savage commercial war against the whole world. The gentleman from Michigan has made good that statement.

Mr. FORDNEY. Not at all.

Mr. COCKRAN. The gentleman says "not at all." My purpose in taking the floor is to prove the truth of what I say. I can not assume the pontifical character of the leader of the House [Mr. MONDELL] and therefore I can not undertake to dispose of an issue merely by making an assertion. I have made this statement for the purpose of proving it, not for the purpose of asking the House to take it as true simply because I have made it.

The minority report—I must take it up thus early in my remarks because of the prominence given it by gentlemen on the other side—states a few propositions, every one of which I undertake to show is capable of demonstration.

It begins by stating that this bill is a declaration of commercial war against the civilized world, and it brands that as savage, which is a strong adjective; but it is not half as strong or as rank as the measure which it describes.

The difference between savagery and civilization is that the savage seeks safety in isolation from all his fellows, while the civilized man finds profit in cooperation with all his fellows. The closer this cooperation, the higher his civilization. The club with which the savage seeks to beat away every individual whom he meets, under the belief that contact with him means danger of injury if not of death, is the badge of barbarism. The implement of industry through the exercise of which men all over the world cooperate in production is the badge of civilization. And the intercourse of men reaches its highest development in the freest exchange of the things produced by implements of production. [Applause.] That is civilization, and that is the reason why we on this side say that the pending measure, intended to restrict commercial intercourse between human beings, is a savage declaration of war against the whole human race.

Mr FORDNEY. Will the gentleman yield?

Mr. COCKRAN. With the greatest pleasure.

Mr. FORDNEY. If I understand the gentleman correctly, he would have us throw open wide the doors and put our labor and our products in competition with the labor and the products of every country on the face of the earth.

Mr. COCKRAN. Gladly, gladly. The labor of this country fears no competition with that of any country in the world. [Applause.] I want to give the labor of this country the opportunity to improve its own condition to the highest degree by the widest expansion of trade, and—by final complete extinction of the savagery which you are seeking to revive—not merely to improve its own condition but to uplift the conditions of human beings in every quarter of the globe. I would have this Congress do everything within its power to effect that which Mr. Hoover says must be done if our civilization is to survive; that is to say, industrial conditions throughout the world must be improved rapidly and decisively or the whole industrial system must suffer a collapse from which it may never recover.

And now let me repeat, for the purpose of proving it, the proposition with which I started. Exclusion of imports, deliberate exclusion of them for the purpose of exclusion, is savagery; that is to say, it is a step backward toward savagery.

Mr. MONDELL. Will the gentleman yield?

Mr. COCKRAN. With the greatest pleasure.

Mr. MONDELL. Do I understand the gentleman's position to be that instead of protecting the American wage and the American standard of living he would rather have us throw wide the gates in the hope of somewhat raising the general standard of the world, which would mean, of course, somewhat lowering our standard?

Mr. COCKRAN. The gentleman comes as near the truth as pontiffs are likely to come when they wander outside the domain of their jurisdiction. [Laughter.] The concluding part of the gentleman's question involves an assumption that is as violent as it is untrue.

Mr. MONDELL. Well——

Mr. COCKRAN. Let me finish my answer, and I will give the gentleman all the time he wants to catechize me further. I do not under any circumstances contemplate nor would I ever tolerate a suggestion that the condition of the American laboring man should be lowered in the slightest degree. I am pleading to give the laboring man a chance to rise and attain that degree of prosperity which God Almighty intended for him but of which your protection system has largely robbed him. [Applause on the Democratic side.] And in the accomplishment of that purpose, thank God, the whole world will be benefited; not one of its inhabitants injured. As the minority report declares, no country in these days can aid other nations to escape disasters unspeakable without contributing in largest measure to its own security and prosperity. We believe it is the true destiny and message of America to uplift the whole human family by improving to the highest degree the condition of our own laborers. The influence of America has always been for the good of the race; and where it has been freely exercised never yet has it been obstructive to the progress of a single human being anywhere on the face of the earth, except through tariff legislation.

Mr. MONDELL. Do I understand the gentleman to assert that he would have absolutely free and unrestricted trade throughout the world?

Mr. COCKRAN. I will say that is exactly the ideal toward which I believe civilization everywhere is striving. I do not think that we can ever have absolute free trade while we must raise an enormous revenue to support the Government. I am willing to raise necessary revenue at the customhouse or anywhere else on imports and all other possessions; but I want taxation levied everywhere for support of the Government; nowhere for the enrichment of a few favorites who have succeeded—as the minority report says—in usurping and perverting to their own purposes the taxing power of the Nation. [Applause on the Democratic side.]

Mr. MONDELL. The gentleman has just said that any checking of the inflow of commodities to other lands——

Mr. COCKRAN. Where it was solely for the purpose of restricting them. Wherever it was for the purpose of supporting the Government it is a sacrifice for a great purpose, one that we must always be ready to make everywhere, both in the exchange of commodities and in the production of them.

Mr. MONDELL. The effect of the thing done depends on the thing done and not on the purpose for which it is done. The gentleman would be favorable provided those who presented it stated that they were merely intended to provide revenue.

Mr. COCKRAN. No, no; the men who have been favored by tariff taxation would pretend anything to insure continuance of their spoil. I would not be governed by what they said was their purpose. That is the defect of this legislation. It is made possible by the plausible—the superficially plausible—

but utterly misleading reasons advanced to justify it. It is not avowedly corrupt. No one would pretend that the gentleman from Michigan would lend himself to a corrupt scheme. This proposal of plunder is here because its beneficiaries have hoodwinked him. They have bedeviled the judgment of a great many besides my friend from Michigan. Personally I would trust him with what I have of the most value in the world. I think he would be unswervingly honest in any ordinary transaction or relation of life. But this policy to which he is committed is none the less a policy of plunder. And it is all the more dangerous because so good a man has been enlisted to support it. A vicious proposal by a vicious man is never very formidable. It is only when it enlists the championship of a man like the gentleman from Michigan or the leader of the House that it becomes a serious menace. It is a deadly danger to this country now, projecting already its sinister shadow over the whole industrial structure like a pall.

Now, if any gentleman wishes to ask me anything further, I will be delighted to place myself at his service.

Mr. MONDELL. The gentleman's objections to the schedules are not primarily objections to the customs revenue, but because they are offered in the name of protection.

Mr. COCKRAN. Not because they are in the name of protection or in any other name, but because they are actually levied, not to support the Government but to rob the multitude; and the revenue yielded by this vicious system will be far less than the Government would derive from an honest system. [Applause on the Democratic side.] My friend resumes his seat. I am sorry to part company with him under any circumstances, but I am glad to have had the benefit of his questions, which help me very much in making clear the proposition with which I started.

I have said, Mr. Chairman, that deliberate restraint of imports is a step backward toward savagery. Any step backward toward savagery is an injury to all civilized men, but especially to those who take the step. Restriction of imports is not merely a cause of damage to those foreigners seeking access to our markets for their products, but it is a cause of at least equal damage to ourselves, because imports can not be checked without checking exports. And it is conceded that in enlarging exports lies the best hope of restoring our banished prosperity. This, it seems to be, must be self-evident even to the gentleman from Michigan if he would but pry his intellectuals loose from his prejudices.

If trade be exchange of commodities—and this surely is axiomatic—how can goods go out of this country except in exchange for other goods brought into the country? Exports are dependent upon imports, as the movement of the tides is dependent upon the influence of the sun and the moon. That proposition, if not self-evident, is certainly capable of demonstration. I see my friend from Michigan [Mr. FORDNEY] shakes his head. That is a portentous sign of dissent, but if he will give me his attention for a moment I think I can convince his intellectual self, even though his political self remains adamant.

Let me begin by explaining what I mean by demonstration. There is nothing within the whole range of human concepts that can be proved to absolute demonstration. We can but hold a fact to be established when it is shown to be consistent with all human experiences. When we find certain consequences always follow an event without any exception whatever, we deduce from that fact a relation of cause and effect between them, and that we call a law—a law of physics, a law of existence, a law of nature. Take, for illustration, Sir Isaac Newton's law of gravity, in which, notwithstanding Mr. Einstein's views, I still believe. All we know about the law of gravity is that if an object be allowed to fall it proceeds toward the center of the earth with ever-increasing rapidity, the rate of which can be calculated and ascertained. This occurrence is so absolutely universal that we hold it to be in obedience to a law. If a single exception could be found existence of the law would be impeached, unless the exceptional occurrence was caused by circumstances that could be reconciled with the law. Where it is shown that certain effects always follow a given definite cause we hold existence of a law to be demonstrated. But though we have realized, ascertained, and even defined the operations of a law, we can not know what the law itself may be. We do not know what the law of gravity is; we can not see it. Our knowledge in this respect is limited to realizing that all experiences are consistent with its operation. To that same extent I am prepared to prove that exports and imports are absolutely interdependent.

Now I gladly yield to my friend from Michigan [Mr. FORDNEY], who has just risen.

Mr. FORDNEY. I wanted to ask the gentleman, in his opinion, which of the people of the various countries of the world in his time have been most prosperous, those living in a country where there was a protective tariff or those living in a country where there was free trade?

Mr. COCKRAN. Those living under an absolute free-trade system are immeasurably the most prosperous of all upon the continent they occupy.

Mr. FORDNEY. Name one.

Mr. COCKRAN. England. The gentleman here the other day quoted Joseph Chamberlain as a great economic authority. The gentleman is the only one on this earth who ever attributed that quality to Joseph Chamberlain. [Laughter.] I shall come to the condition of England in a moment——

Mr. FORDNEY. Would the gentleman be kind enough in his answer to state which people have been the more prosperous, those of Great Britain or those of the United States—in his time?

Mr. COCKRAN. Oh, I said the most prosperous of the continent on which they live. I except the United States, because we have been peculiarly favored by Providence. No people have ever been so blessed, and while a protective system has to some extent restricted the beneficent operation of God's blessing, it has not been able wholly to destroy those blessings themselves. [Applause.]

Mr. WOOD of Indiana. Mr. Chairman, will the gentleman yield?

Mr. COCKRAN. Yes.

Mr. WOOD of Indiana. Is it not a fact that the revenue raised by the customs on foreign importations is greater by far in England now, and has been for 25 years, than in this country?

Mr. COCKRAN. I can not answer that, because I have not at this moment access to the figures. But I will say this to the gentleman: If what he says be true, then that is the strongest argument in favor of free trade which I have ever heard. Because England levies duties on but very few articles—five, I think, altogether—and they are not produced in England. If then you tell me that such a tariff yields revenue so much greater than the tariff levied on a vast multitude of articles in this country, I thank you for having taken the floor. Your assertion is the most valuable contribution to the discussion that I have yet received. Now, Mr. Chairman, does anyone else desire to ask me a question?

Mr. LONGWORTH rose.

Mr. COCKRAN. Thrice welcome, my very dear friend.

Mr. LONGWORTH. Mr. Chairman, I want to ask the gentleman a very simple question. Having lauded the English system of duties on noncompeting articles, does the gentleman now favor a duty in this country on tea and coffee?

Mr. COCKRAN. As a revenue measure, yes.

Mr. LONGWORTH. The gentleman will vote for a duty on tea and coffee?

Mr. COCKRAN. To-morrow, because they are things of general consumption. I utterly condemn any system that extends favors by taxation, whether through exemption from it or perversion of it to benefit favorites. [Applause on the Democratic side.] That is one of the matters to which I intended to direct attention before I concluded, but the gentleman from Ohio [Mr. LONGWORTH] never intervenes without shedding light all around him—sometimes light in a different direction from that which he intended. [Laughter.]

Mr. Chairman, this proposition which I am about to read from the minority report is the one to which I will address myself if gentlemen allow me. It meets squarely the principle underlying the pending measure which aims avowedly at restricting imports—that is to say, at impeding free communication between this country and the rest of the civilized world.

After referring to the conditions throughout Europe, as they have been described by Mr. Hoover and his agents, the minority report says:

> It must be obvious that if this scarcity of commodities, from which nations formerly the most important industrially are now suffering be not relieved, it must inevitably grow worse. Scarcity when aggravated soon becomes famine; and pestilence always follows fast upon the footsteps of famine.

I am sure that my friend from Michigan [Mr. FORDNEY] will not dispute that.

> Already both are ravaging countries which but a few years ago were the fairest and the most prosperous of the Old World.

Mr. Chairman, that statement is based on reports emanating from officers of this administration. The report continues:

> Unless these frightful conditions can be remedied in the countries that they are now scourging, they will almost inevitably overspread the world, engulfing all countries, including our own, in disaster immeasurable if not in ruin irretrievable.

There is but one way by which the spread of calamity over the whole world can be averted, and that is by prompt, cordial, complete cooperation of all nations in an effort to reestablish industry everywhere upon solid foundations. Whatever in these times one nation can do to deliver other nations from ruin it will be doing to save itself from disaster.

Mr. Chairman, I can hardly conceive that my friend from Michigan would dispute these propositions.

The report then proceeds to state that the only way by which these suffering peoples can be allowed a chance to escape from the dreadful conditions that are afflicting them is by giving them opportunity to sell in this, the only market where people have anything to give in exchange, whatever commodities they are able, with their restricted capital, to produce.

Now, what objection that a reasonable man might consider could there be to exchanging goods produced in these war-ravaged countries against products of our soil and mines and factories?

Fear that a great flood of imports might deprive American producers of opportunity to dispose of their own goods in their own market is hardly deserving of respectful consideration in view of the industrial prostration which now affects all countries from which these goods could come.

But even if imports were to be abundant, as they are certain to be scarce, they could not injure but must inevitably benefit us.

It is indeed difficult to conceive how under any circumstances a country could be impoverished by bringing valuable commodities into it. As a matter of fact, this country never was so prosperous as when imports and exports were both increasing in volume under the operation of a Democratic tariff. To establish this is the task to which I will address myself.

Mr. Chairman, it may be well to begin by emphasizing this fact: There never has been since the Walker bill was repealed or superseded a Democratic tariff in this country. The Wilson tariff of 1894 was the product of a combination between the Republicans in the Senate and a few Democrats. After the Senate had completely transformed it from a Democratic low tariff measure, aiming to treat all producers and consumers with exact justice, into a protective measure disfigured by the grossest favoritism ever displayed in a fiscal enactment, it was jammed through this House under conditions well described by the chairman of this committee during the debate on the rule under which this measure is now before us for consideration. The Underwood tariff, though denounced here as a free-trade measure—mind you I am not eulogizing the Underwood tariff—established really a high protective system. Any tariff which left steel on the dutiable list is not one that I would consider entirely Democratic. It certainly is not one for which I would have voted.

There is just one Democratic tariff which can be judged through its actual operations, and that is the Walker tariff. I challenge any man to show me a period of prosperity equal to that which adoption of the Walker tariff ushered in throughout this country. It was a tariff so successful that the word "protection" vanished from the terminology of our politics, not to be revived until long after the Civil War. The Morrill tariff and the other war tariffs were based not upon the principle of protection, but upon the necessity of raising revenue, and the necessity for revenue especially in time of war overwhelms all objections. Again I challenge any man to show me a period in the history of the world where prosperity was so great as it was throughout the United States between 1846 and the end of the fifties.

Gibbon opens his history of the Decline and Fall of the Roman Empire by stating that if he were asked to describe the happiest period in the whole life of the human race he would choose the beginning of the second century of the Christian era, the period of Hadrian and of the Antonines. In the society which Gibbon described, where the population was about one-fourth free and three-fourths slaves, the happiness he eulogized was obviously restricted to a small minority. Prosperity vastly greater—the greatest in the history of the world—was that which blessed this country and all its people after 1846. I do not dispute or ignore the great prosperity that followed the Civil War, but that was not attributable to any tariff. Nobody ever claimed it was a fruit of the tariff until in the exigencies of a political campaign it occurred to a few ingenious political managers that a tariff issue might present a convenient slogan for Republican politicians to attain office.

The great prosperity of the last half of the nineteenth century in this country was attributable not to any tariff system but to the substitution of free labor for slave labor in every State of the Union. That great industrial revolution produced benefits which were absolutely indescribable. I think the gentleman from Michigan [Mr. FORDNEY] will concede that there never was a measure fraught with such benefit to any people in the history of mankind as the abolition of slavery in this country. I do not think the gentleman would hesitate to admit that.

Mr. FORDNEY. Everybody admits that.

Mr. COCKRAN. Everybody, including the gentleman from Michigan.

Mr. FORDNEY. The abolition of slavery was a godsend to this country; of course it was; we all concede it now, but not at that time.

Mr. COCKRAN. I knew the gentleman and myself would get together ultimately. But if that be the case, what becomes of all your vehement talk about the rate of wages in this country being higher than in other countries, including England, and, therefore, that the cost of producing commodities is higher here than anywhere else in the world?

Mr. FORDNEY. Will the gentleman permit?

Mr. COCKRAN. You could not have cheaper labor than slave labor, because the slave received no wages at all. And, therefore, under conditions of servitude, the South, according to you, should have enjoyed higher prosperity before the war than at the present time. Yet you admit that after slave labor was abolished and labor for wages had replaced it, the South—ravaged though it had been by war—ravaged as few countries had ever been—the flower of its youth destroyed, its capital exhausted, its whole industrial system subverted—rose almost in a night from the ashes of its cities and the bitterness of defeat to a degree of prosperity that almost defies human capacity to credit. I do not know how the gentleman from Michigan can reconcile this history—this very recent history—with his theory of wages. Because, according to his argument, a high rate of wages increases the cost of production and therefore is a handicap on it, a handicap so great that the labor of savages, of Indians, of Arabs, of Japanese, of Chinese, of Moors, and every other branch of the human race is more efficient than our own. It is the very essence of his doctrine that these inferior races can produce more than ourselves—so much more that we must throw up our hands and ask the gentleman from Michigan to give us protection against their superior efficiency.

Mr. FORDNEY. Will the gentleman yield?

Mr. COCKRAN. Always.

Mr. FORDNEY. If the gentleman will go to the Library and examine the RECORD where speeches were made in Congress during slave days on the question of protection to our factories in this country, he will find—and I am not waving the red flag at all——

Mr. COCKRAN. The gentleman is quite incapable of that.

Mr. FORDNEY (continuing). That gentlemen from the South, consistently and logically, too, said:

With our slave labor we have the cheapest labor in the world, and we are ready to compete with the whole world. Therefore, with cotton conditions in the South we want more food supplies for our slaves, and we want the people of the North to engage in the production of food supplies for our slaves, so that we can raise more cotton to sell to Great Britain to buy the manufactured products of her cheap labor, cheaper than we ever hope to buy them from our own people under the protective tariff system.

That was the argument, and logically, too, of the people of the South then. But slave days have gone by, brother.

Mr. COCKRAN. Logical, indeed, from the gentleman's point of view. There can be no doubt about that. It is in very truth the protectionist argument. But has the gentleman forgotten how experience demonstrated very soon after these speeches were delivered that the South was grievously mistaken in this view of its own interest? Has any part of the world prospered as the South has prospered under the abolition of slavery and the substitution for it of labor that gets full wages? I do not know that I could have had a more valuable contribution than that just made by the gentleman from Michigan. You see now, my friends, all of you who are not hopelessly wedded to your idols, whither the candor of my friend leads him and whither it must conduct you if you continue to support this measure. You are invited to adopt the logic of the slaveholder, although that logic has been refuted by the unprecedently triumphant reparation of the dreadful waste caused by one of the most devastating wars in the history of mankind.

If there is any one thing amazing in the history of America—absolutely without parallel in human experience—it is the way in which the South, a slaveholding country for many generations, rose to prosperity when a system of free labor was forced upon it by defeat in battle. So far as I know there never before has been a nation whose industrial system was based on servitude that recovered for many generations from the shock of changing to industrial freedom. Slavery was always more fatal to the slave owner than to the slave. But here men of the South realizing that abolition of slavery might not, after all, be

the fatal injury which they feared, but might possibly prove to be a source of prosperity greater than they had ever known, took up bravely—immediately—the burdens of conducting industry on a wage-paying basis, and they have been blessed by God Almighty, the God of liberty, of freedom, and of progress, with a prosperity that, considering the conditions from which they emerged at the close of the Civil War, is without parallel in the whole experience of the human family. [Applause on the Democratic side.] And now in the light of that triumphant refutation of this slaveholders' doctrine, which the gentleman from Michigan says was logical—which he must say is logical to justify protection—are you gentlemen on the Republican side ready to declare that the doctrine on which slavery was upheld and defended is the doctrine that you will apply in this day and generation to the economic problems of your country?

Mr. Chairman, the manner in which supporters of this measure have been obliged to override the plainest truths of current history is the most striking feature of this entire performance. They allege in this report that after the passage of the Underwood bill there was a great decline of exports. Yet here are the official figures, which absolutely contradict that statement. I am sure the gentleman from Ohio [Mr. LONGWORTH], a prominent member of the Committee on Ways and Means, never examined these tables else he could never have allowed himself to stand responsible for such an assertive statement.

Mr. WARD of North Carolina. May I interrupt the gentleman before he reads? Will not the gentleman repeat what I understood him to say a while ago as his reason for not regarding the Underwood-Simmons tariff as a model Democratic tariff?

Mr. COCKRAN. Because it leaves steel on the dutiable list. That is my chief reason. I can not believe that any system of taxation which allows the Steel Trust to collect revenues on a billion of water; on stock that it is not pretended represented, when issued, any property or thing of value except the right to levy toll on the American people which the trust enjoys under a protective tariff is a Democratic measure. If the dividends paid on that billion of water could be drawn from the ocean, from the rains of heaven, from any source except the toil and thrift of the American people, I might not object to it. But since every dollar that goes to pay dividends upon that monstrously fraudulent creation of watered stock is wrung from the labor of honest Americans, I can not recognize as Democratic any measure that sanctions continuance of such spoliation. But with all its imperfections the Underwood law was an improvement on the law it displaced and it is immeasurably a better law than the one now proposed.

Mr. Chairman, returning to the interdependence of exports and imports from which the questions and remarks of gentlemen opposite diverted me, I ask attention to the figures of imports and exports which are given in the Statistical Abstract of the United States for the year 1920. Starting with the year 1879, they show the total foreign commerce of the country for every year. Beginning with 1913, when the Underwood measure went into force, we find the total exports were in round numbers $2,200,000,000; in 1914, $2,364,000,000; in 1915, $2,700,000,000; in 1916, $4,333,000,000; in 1917, $6,280,000,000; in 1918, $5,000,000,000; in 1919, $7,000,000,000; and in 1920, $8,000,000,000. And during that time you will find the imports—I will not detain you by reading them in detail—you will find the imports rising in proportion. The imports never approached the exports in volume, but we find the imports always increasing as exports increased.

Mr. MONDELL. The gentleman has not forgotten the war?

Mr. COCKRAN. I was coming to that. The gentleman always anticipates me. I try to keep up with him, but I must say I find it difficult.

Mr. MONDELL. Will the gentleman be good enough to give us the figures before the beginning of the European war?

Mr. COCKRAN. I have just read the figures for 1913, and that was before the beginning of the war, as I remember it. [Laughter.]

But I want also to call attention to a feature of the situation at that time which should be considered when we study these tables of imports and exports. At the beginning of the war, it will be remembered, the President of the United States took very strong ground in favor of neutrality, and as a result for several months the foreign trade of the country was almost suspended. I remember in New York standing on the steps of the City Investment Building for 10 minutes, and in the course of that time less than seven trucks or vehicles of commerce passed over the street, a condition which naturally caused a decline in both exports and imports.

It was not until the European countries began to place large orders for foodstuffs and munitions in this country—until the bars were let down—and trade was not only sanctioned but encouraged by the Government—that exports took the upward leap shown by these tables.

But the point I began with, the one which I say is capable of demonstration, the one I want to emphasize, the one on which this whole argument rests, is that you can not have exports without imports. You never have had them. You have never had an increase of exports without an increase of imports, and you have never had an increase of imports without an increase of exports. The gentleman from Michigan [Mr. FORDNEY] must know that. He is silent. No one else questions it. I assume, therefore, that the proposition with which I started has been established to demonstration. And it is that the interdependence of exports and imports is an absolute law of trade. Not merely does all experience confirm this, reason establishes it.

What is trade? It is an exchange of commodities. This no one disputes. How, then, can you send goods out unless you take goods in? I would like to know how any gentleman opposite can possibly anywer that.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. COCKRAN. Oh, undoubtedly, we will now get the explanation.

The gentleman from Michigan [Mr. FORDNEY] is silent; the gentleman from Ohio [Mr. LONGWORTH] is prudent; the gentleman from Wyoming has sat down, and lo, the Republican Party advances in a column of light! [Laughter.]

Mr. MORGAN. One of the gentlemen from Ohio has not sat down. [Laughter.]

Mr. COCKRAN. Are you a gentleman from Ohio?

Mr. MORGAN. Yes.

Mr. COCKRAN. I might have known it. [Laughter.] Looking from this gentleman to other gentlemen from Ohio [Messrs. BURTON and LONGWORTH] one realizes at once the degree to which Ohio is a State of widely diversified products. [Laughter].

Mr. MORGAN. I wanted to inquire of the principle upon which the gentleman is predicating his argument that imports and exports properly adjust themselves under all conditions. Will the gentleman please explain why the balance of trade under Democratic rule is the smallest in the history of this country and why under Republican rule it is the largest in the history of the country?

Mr. COCKRAN. The gentleman finds the utmost difficulty in explaining that, because it is not true. [Laughter.] Here are the figures.

Mr. MORGAN. I have the figures here.

Mr. COCKRAN. Let us see. Ohio always comes bravely to the front. I am not sure, however, that Ohio's discretion is always equal to its courage. [Laughter.] Here are the figures. This colloquy delays my speech, but I would not miss a chance to enlighten that intellect for anything. We will begin with the year 1912.

Mr. MORGAN. I beg the gentleman's pardon.

Mr. COCKRAN. The Democratic administration came in in 1913.

Mr. MORGAN. I referred to what might be considered normal conditions. I do not want to take war conditions. Take the Cleveland administration, for example.

Mr. COCKRAN. For the Cleveland administration I think I have the figures here. Yes; certainly; Mr. Cleveland became President in 1893, did he not? Can we agree on that? [Laughter.]

Mr. MORGAN. Yes.

Mr. COCKRAN. Now, Mr. Harrison was elected President, as I recall it, in 1888, and in 1889 the excess of imports over exports was $2,730,277. That was an adverse balance of trade. My friend will realize that. In 1893, when Mr. Cleveland became President——

Mr. MORGAN. Yes. I want 1893.

Mr. COCKRAN. In 1893—that was the year of the panic—excess of imports over exports, $18,736,000.

Mr. MORGAN. That was the trade against us?

Mr. COCKRAN. Yes. The next year, 1894, the balance of trade was $237,000,000 in our favor, probably the largest balance up to that time in the history of the country. [Applause on the Democratic side.]

Now we will take the next year. In the year 1895 it was $75,000,000. In the year 1896 it was $102,000,000; a favorable balance every time. In one year of Harrison's administration there was an adverse balance, as I read it, of $2,730,000. There has not been an adverse balance from that time until now except once, and the adverse balance in 1893, if the gentleman is familiar with the conditions at that time, is easily explained. There was a panic, due to general apprehension of free coinage of silver under the law as it then stood.

Mr. MORGAN. Will the gentleman——

Mr. COCKRAN. Wait a minute. I will endeavor to answer every question you want to ask, but let me finish answering one before you put another. The condition of the Treasury was such that after Mr. Cleveland's inauguration the administration was driven to the sale of bonds. The adverse balance of 1893 was due to the unusually large scale on which our people made foreign purchases and investments abroad through fear that the coinage here would be debased and as a necessary consequence that all American securities would be greatly impaired in value. Now I yield to the gentleman for further questions.

Mr. MORGAN. Will the gentleman account for the fact that consumption in America under free trade or Democratic rule runs from 60 per cent of normal and under Republican rule runs 100 per cent?

Mr. COCKRAN. If that were true, it would be interesting and impressive. [Laughter.] But when my friend speaks of "normal" in that way, I do not think there is anything normal about the question or the questioner. [Laughter.] The statement is simply not true.

Mr. MORGAN. What about the present condition?

Mr. COCKRAN. Well, who is in office now? [Laughter on the Democratic side.]

Mr. MORGAN. I want to answer that.

Mr. COCKRAN. I hope you will.

Mr. MORGAN. The Underwood law is still functioning. This bill will function when it is passed. [Applause on the Republican side.]

Mr. COCKRAN. That certainly is a luminous contribution to these debates. But my friend has brought the discussion to a point where, I think, this interruption will be of very great value. We passed here a measure the other day, and——

Mr. HARDY of Texas. The gentleman refers to the emergency tariff?

Mr. COCKRAN. Yes. The emergency tariff. It was passed to stop unemployment. Has the gentleman from Ohio found any decrease in unemployment since it was passed?

Mr. MORGAN. I have found a decrease in imports.

Mr. COCKRAN. And so, Mr. Chairman, we find that when we have with us a condition which Mr. Hoover mentions with dread, which every man of sense regards with apprehension, another class of men exult in it. [Applause on the Democratic side.]

Mr. Chairman, these interruptions have not been without some value. Even my friend who has just taken his seat does suggest something of very great significance. He says that imports have shrunk under this emergency tariff. They have, indeed, as Mr. Hoover and every sensible man deplores, but which my friend from Ohio mentions exultingly. I asked him if unemployment had diminished, and he was careful not to answer.

Unemployment was the emergency the last bill was to remedy—that and the low price of farm products. Has the gentleman discovered in any market of the world a rise in the value of farm products? I ask the gentleman if the emergency is not now emergent as it ever was?

Mr. KNUTSON. Does the gentleman think any law passed by this Congress would in a few months undo all the harm that has been done by eight years of Democratic misrule?

Mr. COCKRAN. Then in the name of common sense why did you pass it as an emergency measure?

Mr. KNUTSON. You must give it time.

Mr. COCKRAN. An emergency is not an emergency if it is a permanent condition. You undertook to deal with unemployment and agricultural depression by an emergency measure, and you admit now that the emergency is still emergent, more emergent than ever. [Laughter.] But the emergency tariff has pointed a moral and adorned a tale that I have to tell.

It has shown the people just how far an increased levy of taxation at the customhouses can improve conditions of existence in the country. And that is a lesson of enormous value.

I rejoice very much that this tariff bill is before the House. I think it is one of the most signal blessings that Providence has vouchsafed this country in a long time; for the reason that now the whole system of protective tariffs will be measured and its fruits judged by experiences that can not be mistaken or gainsaid. One of two things will happen: Either this tariff will accomplish what my friend from Michigan [Mr. FORDNEY] intends it to accomplish—and if it does the whole Nation will rise up and call him blessed, myself among the number [applause]—or else, while this tariff is in operation unemployment will grow, difficulties multiply, distress and famine draw nearer. In that event I would not be in the gentleman's place for all the world; and this so-called protective measure will be the last of the kind ever enacted by an American Congress. [Applause.]

The gentleman from Virginia, Judge MOORE, some weeks ago, in the course of a discussion, referring to a difficulty which besets every highly developed civilization, namely, a great multiplicity of laws, quoted from Gibbon's chapter describing the codification of the Roman law by Justinian the account of a peculiar custom that prevailed among a tribe of barbarians. They were called, I think, the Locrians. When anybody proposed a change in their law all the warriors gathered in a circle, to the center of which he was led with a rope around his neck. If the measure was adopted he was immediately crowned chief above all the chiefs, king over all the kings, because he had been able to suggest a valuable improvement to the body politic. But if the measure were rejected, the rope was drawn, and he was promptly strangled as a traitor who had undertaken wantonly to disturb the integrity of the law.

Now I thank God that my friend from Michigan [Mr. FORDNEY] will not be brought before the American people with a rope around his neck when they come to pass judgment on this measure. That is not the kind of a decoration that I would like to see around a neck supporting a face so benignant. [Laughter.] But the measure which the gentleman here proposes and the system it embodies is going before the American people for approval or disapproval with a rope around its neck. If it develops the results that the gentleman from Michigan foretells, it will be crowned as the most successful piece of legislation in the history of this country. If it produces the results which I apprehend, the rope will be drawn, and protection—strangled to death by a people long oppressed by its exactions—will disappear from the politics, and even from the terminology of this country and of the world as completely as witchcraft. [Applause on the Democratic side.]

Mr. MOORE of Virginia. May I interrupt the gentleman?

Mr. COCKRAN. With great pleasure.

Mr. MOORE of Virginia. Will the gentleman not emphasize the point that our friends upon the other side not only confidently predict but just as confidently promise the people of the country relief through the enactment of this measure?

Mr. COCKRAN. Why, of course. When the gentleman from Michigan in the course of his speech on this measure described conditions now prevailing throughout the country as appalling, and the gentleman from Texas [Mr. GARNER] rose and asked how he proposed to change those conditions of growing difficulty and deepening gloom into conditions of prosperity and progress, the chairman of the Ways and Means Committee held aloft this proposed tariff bill and said, "Here is the remedy," and all around him his followers loudly applauded. That answer and that applause will go to the electors of this country, who will judge this tariff bill by the degree to which it will have redeemed the promises of the gentleman from Michigan [Mr. FORDNEY]. And we are perfectly willing to abide the result of that appeal to the American people.

Mr. Chairman, I might stop here and feel that I had discharged my duty if I simply left the whole question to the decision of the American people on the issue challenged by the gentleman from Michigan [Mr. FORDNEY]. But I think it is due to the situation that we should also explain why we believe this measure is certain to aggravate the disorders that are now upon us and the greater disasters that are threatening us, so that when the bitterest experience comes, the people will be able by realizing its causes to understand where a remedy must be sought.

Now, returning after all these interruptions to my original proposition, I say that the list of imports and exports of this country absolutely confirms the truth of my contention, that there can not be exports without imports; and I should like again to ask the gentleman from Michigan [Mr. FORDNEY] how there can be? If trade be an exchange of commodities, how can you send goods out of the country without taking goods in? Against what are you going to exchange these exports? Against what are foreign producers going to exchange the things they send us? Not against the good looks of my friend from Michigan, rare though they are. People are not going to send us goods for the *beaux yeux*, the fine eyes of protection statesmen. They send us goods to get other goods, and for no other purpose; and they can not send them for any other reason.

Mr. FORDNEY. Will the gentleman permit a question?

Mr. COCKRAN. Why, I rejoice to do it, sir.

Mr. FORDNEY. In June, 1920, under the operation of the existing Underwood tariff law our imports were $552,000,000. In June of this year our imports were $198,000,000 because of the falling off of the purchasing power of our people, was it not?

Mr. COCKRAN. No, sir. That was one cause of it, but it was due in larger degree to the decline of production abroad. Surely the gentleman must realize that there is more of this

earth than the United States and that the condition of every country is affected deeply by conditions in all other countries.

Mr. FORDNEY. Why should the capacity abroad fall off this year more than last year?

Mr. COCKRAN. For a very simple reason. The whole world has been spending its capital ever since the Great War began. Now, the capital is exhausted or approaching exhaustion. It is exactly as if the gentleman had been spending his principal as well as his income. He would have enjoyed a period of seemingly enormous prosperity. He would have bought even finer clothes than those he is wearing. He would have had a halcyon and vociferous time while principal and income held out. But when both were exhausted his power to buy anything would disappear; and that is the condition of the Old World to-day.

Mr. FORDNEY. Will the gentleman yield again?

Mr. COCKRAN. With great pleasure.

Mr. FORDNEY. In June, 1920, Europe had had about 18 months after the cessation of hostilities in which to recover and she sent us $552,000,000 worth of goods, or those were our importations from the whole world. This year she had had two years and a half to recover and she sent us less than 40 per cent of that amount. Now, why was she less able to send us goods this year than last year?

Mr. COCKRAN. Because every year since the armistice——

Mr. FORDNEY. She is getting worse and worse every year?

Mr. COCKRAN. She is, indeed; and everybody will tell you so who has visited it. Preparations for war are still prosecuted on as large a scale as ever, and they are almost as wasteful as war itself. The nations maintaining large military establishments are impoverishing themselves every day more and more.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARNER. How much more time does the gentleman want?

Mr. COCKRAN. I do not know.

Mr. GARNER. I will yield, Mr. Chairman, to the gentleman 30 minutes additional.

Mr. COCKRAN. Mr. Chairman, I have been spending my time in delightful conversation with the enemy. [Laughter.] Whenever my friend from Michigan makes a suggestion, it is so fruitful of valuable reflection that I always welcome it. But if what he has just said be true, and it is, what the mischief becomes of his report which seeks to justify this whole bill on the theory that a flood of imports is submerging us? [Applause on the Democratic side.] He says now that imports are disappearing, and in this report he justifies the bill by stating that imports are increasing with enormous rapidity. The gentleman is not logical. He could not be and remain a protectionist. But he is always delightful. And therefore nobody can wonder at the joy with which I hail every occasion that he takes the floor for the flood of light which quite unconsciously he throws on the problem confronting us.

Our imports and exports, I repeat, are absolutely interdependent, and as a proof the gentleman will find that exports during the last month have declined in about the same proportion as imports. Again I ask gentlemen on that side, how can you have imports without exports? You surely do not believe that people overseas are going to send their goods to us for nothing. Here is the crux of this whole discussion. I can not emphasize it too much. It was made clear by the gentleman from Texas [Mr. GARNER] in his speech opening the debate on this side. He challenged you then, as I challenge you now, to show us how goods can come in here unless goods go out in exchange for them.

The other day a gentleman from Ohio, I think, got up and made a brilliant suggestion, a suggestion quite worthy of protectionist enthusiasm. It was to the effect that other nations trading with us could sell their goods somewhere else. The gentleman did not say what he thought they would in that case send us. But where is there another nation on earth at this time that affords a market for finished and raw products except this? And if there were, what would our sellers of goods exchange them for? Gold, I suppose the gentleman meant. What would they do with the gold when they got it? They could not eat it, they could not drink it, they could not wear it. It would be valuable only to the extent that they could get things for it. Would it not be more economical and more sensible to get the things in the first instance than to get the gold, and then with that gold obtain those things?

To-day the loudest complaint heard in this country is about a stagnation of products at the door of the farmer. We are told that it is impossible to dispose of them in anything like a favorable market. And it is true. It is equally true that without a foreign market our own markets will remain overstocked, which must depress prices to a point where there can be no profitable trade. There is but one way by which a foreign market can be obtained, and that is by exchanging these farm products for goods that foreign countries produce. In any condition of society that would be true. It is peculiarly true now because the argument based on fear of an overwhelming tide of foreign goods is no longer plausible. The gentleman from Michigan unconsciously has shown that we need have no fear of excessive imports. It is lack of imports that we have to apprehend in these days.

It is because there are no imports coming in here now to draw products of American farms and factories into the market that we find men walking the streets in daily increasing numbers in every great city. At the same time we find perplexities and difficulties in agricultural life multiplying and growing deeper every hour. And this measure, which in any case would be a measure of savagery, becomes a measure peculiarly savage and barbarous when by new and drastic trade restrictions it not only excludes the suffering peoples of Europe from any chance to improve their own condition but also shuts the door to any prospect of improvement in the faces of our own manufacturers, miners, agriculturists, and laborers.

Mr. Chairman I find that nobody here on the Republican side of the House rises to accept my challenge to show how, under any circumstances, goods can come into this country without goods going out in payment or exchange for those imported.

The silence, the significant silence—the eloquent silence—which that question is accorded, considering the exuberance of former interruptions, is conclusive proof that not even the ingenuity of my friend from Wyoming [Mr. MONDELL] or the dauntless courage of my friend from Michigan [Mr. FORDNEY] can furnish them with the pretense of a sensible answer. [Applause on the Democratic side.]

Mr. MONDELL. Mr. Chairman, will the gentleman yield?

Mr. COCKRAN. Yes; with the greatest pleasure.

Mr. MONDELL. The whole history of America under protective tariffs gives abundant answer to the gentleman's proposition. America has always been prosperous under a protective tariff system.

Mr. COCKRAN. Mr. Chairman, I should have transposed my adjectives in the last sentence. I should have applied the term "bold" to my friend from Wyoming and "ingenious" to my friend from Michigan; for a bolder statement nor a balder was never made upon the floor of a representative body, especially by a gentleman occupying the position of leadership. I suppose the gentleman can not remember 1873. I can. That was a period of unlimited Republican control and a high tariff.

Mr. MONDELL. Unlimited control?

Mr. COCKRAN. Absolutely.

Mr. MONDELL. At a time when we were suffering under a condition brought about by Democratic control.

Mr. COCKRAN. What condition and what can the gentleman mean by Democratic control in 1873?

Mr. MONDELL. And before the Republican Party had placed upon the statute books those laws and established those policies that brought prosperity to the country.

Mr. COCKRAN. Why, the boldness of the gentleman surpasses imagination—I will not say understanding. Conceive what he has stated. In 1873 the Republican Party had been in power for 13 years, 8 of them years of peace, and during all that time, according to the gentleman, it never thought of doing anything for the prosperity of the country. [Laughter and applause on the Democratic side.] I would not have said that. I would not have imputed such deliberate indifferenee or such innate imbecility to it, because I think the party acted for the best, according to its lights. The lights were often very dim, and sometimes they guided Republican policy to very deplorable results, but I never yet had the hardihood to get up in any assemblage and say that the Republican Party remained 13 years in power and never established or tried to establish—for they had limitless power during all that time—a single measure essential to the prosperity of the country.

They had adopted the Morrill tariff, which certainly was a Republican not a Democratic tariff, although it is only fair to say it was a war measure, not in any sense a protective measure. There had been great prosperity in this country prior to 1873. As in all war periods, fortunes were acquired with bewildering rapidity. It was a period of extensive speculation. Everyone seemed to be growing rich; no one to be suffering a loss. And then in a night the bubble broke. A great banking house closed its doors and forthwith business was prostrated. For five years bread lines extended their dreary lengths in the city of New York and in every great city of the country.

Then it was that Henry George wrote his book, Progress and Poverty, which has for its fundamental theory the assumption that prosperity never could be restored except through nationalization of the land—a mistaken assumption, as was very soon proved, but showing clearly how universal was the belief that prosperity had fled this country permanently. And this after the Republican Party had been in power for 13 years—unlimited power, power so unlimited that it had two-thirds majority in each House of Congress. It controlled the government in every Northern State, I think, without exception, and in many Southern States through that device of perverted ingenuity known as enfranchisement of the Negro, which fastened on those war-racked communities the pestilential horde of carpet-bag adventurers. In 1873, while the country was under Republican control, there occurred the worst panic the country has ever known. In 1874, after that panic had worked its largest desolation, a Democratic majority was returned to this House. But, unfortunately, the Senate remained Republican. And in 1876 Republican ingenuity and recklessness, to say nothing of its boldness, so well exemplified in the gentleman from Wyoming [Mr. MONDELL], went so far as to exclude from the Presidency the man who had been elected to it by the people. [Applause on the Democratic side.]

In 1893 that sacrosanct McKinley tariff was in full operation, and it was then that the next panic blighted this country. During all that time the Republicans had never lost control of the Government. Either they dominated the Executive or one or both Houses of Congress. They held control of the Senate all through Mr. Cleveland's first administration. No law could have been passed disturbing Republican policies during his term, and none was passed. So that in 1893 the country had been under unbroken Republican law since 1860—33 years—and therefore it should have enjoyed unbroken prosperity, according to gentlemen on the other side. But, as a matter of fact, the two worst panics in its history scourged the Nation during that period and destroyed prosperity for many dismal years.

I say to the gentleman from Wyoming there never was a panic under a Democratic administration, although every time since the Civil War that a Democratic President was inaugurated he found himself compelled as his first task to devise measures for remedying the results of Republican incapacity or worse. The Wilson bill, as I have explained heretofore, did not establish a Democratic tariff. It left this House the best Democratic measure, I think, ever drawn. It came back to it a Republican measure, a hideous, deformed thing which——

Mr. FAIRCHILD. Mr. Chairman, will the gentleman yield?

Mr. COCKRAN. Yes.

Mr. FAIRCHILD. Does the gentleman not make a distinction between a financial panic and a business panic in this country?

Mr. COCKRAN. None whatever. Finance is business. I can not distinguish between them at all. That attempt to escape responsibility for one by treating the other as distinct or independent is Republican logic again, you see.

Mr. FAIRCHILD. Does the gentleman not call the business hard times of the Cleveland administration in 1894 a business panic in this country?

Mr. COCKRAN. Why, it was a business panic, which was a feature rather than a result of the financial panic of 1893, hatched under Republican——

Mr. FAIRCHILD. But during a Democratic administration.

Mr. COCKRAN. Yes; but under Republican law. It began under a Republican administration. The panic of 1893 began before the Democratic administration had opportunity to propose, much less enact, a single law. And the conditions which produced that prolonged depression were conditions which arose during the 33 years of unbroken Republican domination. There was not a law in force affecting the business of this country that was not of Republican origin when Mr. Cleveland took office in 1893 or in 1885.

The panic of 1893 was not caused by the administration. It was caused by the operation of tariff laws largely, but not altogether. I do not pretend that the panic of 1893 was entirely caused by a Republican tariff. It would take a gentleman as bold as the leader of the House to say that. [Laughter on the Democratic side.] Its disasters were aggravated by the tariff then in force, through the encouragement it afforded the formation of trusts. Wild speculation in trust stocks like that of the Cordage Co. was one of the chief elements in producing the collapse.

Mr. MONDELL. I understand the gentleman now. I did not understand him when I asked him the former question. I understand the gentleman's position to be this: He repudiates both the Wilson and the Underwood tariff bills, and therefore the Democratic Party is not responsible for the evils and calamities that occurred under them. [Applause on the Democratic side.] Of course, that makes it plain. Now I understand it; it is quite clear to me.

Mr. COCKRAN. I deny any calamity ever occurred under the Underwood bill or by reason of it. I deny that any calamity occurred under the Wilson bill or by reason of it, notwithstanding the vicious character it assumed while passing through the Senate, which made it entirely a Republican measure. The gentleman will hardly deny that the alterations which transformed it from a wholesome measure for stimulating trade to a vicious measure for restricting trade were forced into it by a Republican Senate against the solid vote of the Democrats, with the exception of five recalcitrants. Unfortunately in every such scheme of plunder a few Democrats can always be found willing to renounce the party principle for a share of what in a certain vernacular is called the "swag." [Applause on the Democratic side.] And before I conclude I shall ask particular attention to the deplorable results produced by that aspect of protection. Meanwhile I say that under the Wilson bill conditions improved instead of growing worse. The worst days in 1893 were in the autumn and early in 1894. They began to improve slightly in 1895, but that improvement was checked by another condition separate from the tariff but somewhat kindred, since it was caused by another interference of Congress with the normal course of free industry.

Throughout the whole panic which began in 1893 there was one cloud overhanging the country, the direct result of Republican legislation, and until that cloud was removed it was quite impossible for trade to revive.

Mr. KNUTSON. Will the gentleman yield?

Mr. COCKRAN. Wait until I finish this. I want to make myself perfectly straight with my friend from Wyoming to whom I am so deeply indebted for the joy and I hope for the improvement of this discussion by his participation in it. I am far from saying that Republican tariffs of themselves produced either panic although they aggravated the difficulties of both. Each of them was primarily attributable to perfectly distinct causes, as my friend from Ohio [Mr. BURTON] full well knows. And while he sits before me, even if I were capable of an exaggeration through the exigencies of debate, I would refrain from indulging it, because he understands the whole of this question to its very essence. In his presence it would be as unsafe to trifle with truth as it would be improper in the presence of anyone. [Applause on the Democratic side.]

The panic of 1873 was caused primarily by the act (of 1873, I think it was) which compelled the resumption of specie payments on the 1st of January, 1879. Our currency had been much depreciated ever since the Civil War. In 1873 the gold dollar was worth about one hundred and seventeen in currency. The prospect that the money then in circulation must be raised to par with gold caused a great contraction of credits; persons being naturally unwilling to make contracts, which must be redeemed in money of a higher value. And as a contraction of credit always interrupts trade, there was a general collapse of industry, or at least a very great prostration of it. This collapse of trade the tariff then in force certainly did not prevent. But that tariff did delay recovery from it by restricting imports and thus preventing that free interchange of commodities essential to revival of prosperous production and to extension of employment in our cities.

The panic of 1893 was caused—at least it was prolonged—by a very serious doubt that was widely entertained as to our system of coinage. That was the prime cause of it. The mad speculation in trust stocks already mentioned contributed very largely to it. Again men were deterred from commercial enterprises by doubts as to the character of the coinage in which every commercial contract must be redeemed. There was a lively agitation for free coinage of silver. The Republicans encouraged it to the great bedevilment of Democrats and then took advantage of the confusion it caused to oust the Democrats from office. The leaders of the movement for free coinage of silver, as a rule, were Republicans. McKinley himself was deeply affected by that economic heresy. It was Senator Sherman who proposed and carried through a Republican Congress—a Congress Republican in both branches—the law which directed the Treasury to purchase every month a certain quantity of silver; believing that these purchases would result in increasing the price of the metal. The result was exactly the contrary as every man of sense must have known. The law of supply and demand always governs prices. The storage of silver in immense quantities by the Government added continuously to the visible supply of it and this inevitably caused the price to decline steadily.

Mr. KNUTSON. Will the gentleman yield?

Mr. COCKRAN. Let me finish what I am just saying. I want to make my position on this subject clear so I will not be suspected of making exaggerated statements. In 1893, besides the doubts and difficulties about coinage which restricted trade, collapse of widespread speculation in stocks of trusts, as already stated, contributed enormously to the severity of the panic; and, indeed, caused the beginning of it.

Trusts had come extensively into existence under the McKinley tariff, which Mr. Havemeyer, one of its chief beneficiaries, described as "*THE MOTHER OF TRUSTS.*" The Cordage Co., one of those trusts established under its influence, failed and with it the whole structure of credit came down and remained prostrate some four years. All this time a Republican protective tariff was in full operation, but instead of preventing it aggravated the prostration, and in the very nature of things impeded efforts to relieve it by preventing foreign commerce from reviving and quickening our industrial system.

And then came the panic of 1907, which gentlemen on both sides will surely remember. That was a panic of dishonesty. Trusts had multiplied enormously in number and resources. They prospered not by skill in producing industry but by ingenuity in securing discriminatory tariff rates. The management of great financial institutions had been under examination. They were shown to be honeycombed with corruption, and in every one of them the officers were subscribers to Republican campaign funds, not of their own money but of money belonging to the corporations. One specially flagrant instance was the taking of money out of the treasury of the Mutual Life Co. and turning it over to the Republican national committee, and after it was exposed the powerful interests affected by it succeeded in defying the process of law to overtake the embezzler. When in that general atmosphere of corruption the Knickerbocker Trust Co. closed its doors, the entire basis of credit was once more shaken and endangered. Business again was arrested and industry prostrated. And all this time the Dingley Republican tariff was in full operation distributing its fraudulent promises of blessings to the American people.

That is the history of our panics. I defy any sensible man to connect one of them with Democratic ascendancy, except to this extent, that a Democratic administration had assumed office just as the panic of 1893 broke over the country. It was a Democratic administration that initiated the first steps toward recovery from that prostration by accomplishing repeal of the silver purchasing act, which was the main source of apprehension to the business world. Restoration to normal wholesome conditions was completed when the election of 1896 fixed the gold standard permanently in the American coinage system. So far as panics are related to the tariff, we see that in every instance high protection has been in operation when the panics occurred, and has aggravated rather than helped them.

Mr. KNUTSON. Will the gentleman yield?

Mr. COCKRAN. I will.

Mr. KNUTSON. Of course, I have not the gentleman's wit or glibness of tongue, but the gentleman spoke about the panic of 1895, a depression that reached its bottom and was on the upward trend——

Mr. COCKRAN. I said it was a very slight upward trend.

Mr. KNUTSON. Very slight. In the fall of 1895 my father, who lived on a farm in Minnesota, sold wheat for 38 cents a bushel, rye for 17 cents, oats for 12 cents, corn for 9 cents, and potatoes for 14 cents per hundred pounds. In view of the fact that I have forgotten what the prices were the year before, I must assume that they were lower the year before. Will the gentleman tell us what farm products were bringing in 1894 if 1895 was an improvement?

Mr. COCKRAN. I do not know. But that they must have been exceedingly valuable and wholesome I am sure we want no stronger evidence than the gentleman himself, who is a fine specimen of material masculine wealth produced by those very same farm products. [Laughter.]

I hope that gentlemen will now let me get to my speech.

Mr. KETCHAM. Will the gentleman be so kind as to enlighten the House concerning this other phase of agricultural production during those years? I am calling attention to Cleveland's second and McKinley's first term. During that time I find that the price of wheat averaged for the four years of Cleveland's term, 62.4 cents per bushel, and during the McKinley administration, when the Dingley tariff bill was in operation, the price of wheat was 79.9, making a little bagatelle in the difference in value of the farmers' products of $904,000,000 in the administration of McKinley over that of Cleveland. Will the gentleman be so kind, with his vast information of history, to explain that? I am sure it would be enlightening.

Mr. COCKRAN. I will suggest a manner in which the gentleman can acquire for himself first-hand information, and thus acquired I am sure it will be more permanent. If the gentleman will turn to the general list of prices he will find the necessaries of life rose vastly higher than agricultural products, owing to the operation of trusts organized even at that time in large numbers under the Republican tariff. The net result to the farmer was a loss instead of a benefit. All the real profits of that so-called period of prosperity were reaped by the trusts, of which the McKinley and the Dingley tariffs were the joint mothers.

Mr. MOORE of Virginia. Will the gentleman yield?

Mr. COCKRAN. I will.

Mr. MOORE of Virginia. Is it not true in the estimation of the best thinkers of this country and the majority of the people that the periodical panics that have been under discussion here for about half an hour occurred with great regularity until the Democratic Party brought about the enactment of the banking laws?

Mr. COCKRAN. I will say this, and I am very glad the gentleman made the suggestion: The most effective barrier against panics ever devised, I think, in the history of the civilized world, is that Democratic banking act. I can say now, knowing what I do of actual conditions—and I do not believe the gentleman from Michigan [Mr. FORDNEY] will dispute the statement—that were it not for the Federal reserve act we would be at this moment in the midst of the worst panic that has ever afflicted this country.

Mr. ANSORGE. Will the gentleman yield?

Mr. COCKRAN. I will.

Mr. ANSORGE. Will the distinguished gentleman from New York shed some light, and perhaps humor, upon the distressing conditions of unemployment which existed in this country after eight months of operation of the Underwood tariff bill, from December 1, 1913, to August, 1914, when 1,000,000 men were idle in the iron and steel industries, 275,000 miners were out of work, and 500,000 railroad men were out of employment, all of whom were employed under the Republican administration, conditions existing in August, 1914, under the Underwood bill, when the European war saved the Democratic Party from its own folly? [Applause.]

Mr. COCKRAN. I have already done that. The country that has gone through such a war as the last one so triumphantly, financing the forces of liberty throughout the whole world, besides placing 4,000,0000 men under arms and transporting several millions across the ocean, without failure of a single banking institution or important commercial house, has completed the greatest financial feat ever accomplished in the history of mankind. It needs no argument to show that the law under which these tremendous results were effected was the best law ever placed on the statute books since the Civil War.

The gentleman seems to think we were at a picnic during the terrible years of conflict. Though we loaned $10,000,000,000 to foreign powers and supplied them with the means of conducting the most desperate conflict in all history and after bearing our own part are still solvent and doing business, the gentleman seems to think there is some reason to complain of our prosperity and to criticize the statutes under which these stupendous results were effected!

I will say this, however, by way of encouraging him to rise again if another thought equally brilliant occurs to him. [Laughter.] In reading the list of the great numbers who were unemployed in the steel industry at the time of which he speaks he vindicates completely my criticism of the Underwood tariff law for having left a duty on steel, the profits of which were exacted to the last penny from the people, but not a dollar did the Steel Trust share with its laborers. [Applause on the Democratic side.]

Mr. FOSTER. May I invite a flood of sarcasm? I happen to represent a coal-mining section. My question is addressed to that period after the Underwood law went into effect and prior to the European war. I happened to have 20,000 coal miners in my section who were invited to patronize the soup houses during that time, because the factories did not use sufficient coal, and on that account the coal mines were shut down. I am willing to share in the sarcasm. What, in your judgment, caused this condition? Can the gentleman give an answer to that query?

Mr. COCKRAN. If the Underwood tariff lowered the duty on coal, instead of causing or promoting the condition which the gentleman describes it must have operated to relieve it. Gentlemen can easily put forward here local experiences, more or less accurately stated, which I can not explain, not knowing all the circumstances that caused them. I am discussing general principles here.

Mr. FOSTER. I merely put that question—and I hesitated to do it because of the peculiar brilliancy of the gentleman from New York [laughter]—because I live among those 20,000 miners and knew personally of the soup fund during that period that I referred to. I thought it was so practical a matter that, without any joking at all, the gentleman might assign some other reason than the tariff. We thought the tariff is what it was which stopped the mining of coal and forced the miners to go to the soup houses.

Mr. COCKRAN. In that year 1914 there was a period of great depression, but it was not caused by the Underwood tariff at all.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARNER. Mr. Chairman, I yield to the gentleman 30 minutes more.

Mr. COCKRAN. I hope I can get to my speech some time or other. Up to this moment I have been speaking to matters submitted by gentlemen from the floor. I have hardly broached the subjects which I had intended to discuss. I must now ask gentlemen to have a little forbearance.

The CHAIRMAN. The gentleman is recognized for 30 minutes more.

Mr. FOSTER. Can the gentleman give us his answer in the next 30 minutes?

Mr. COCKRAN. I do not know anything about those conditions—whether they existed as the gentleman describes them (of course, he meant to describe them accurately) or the circumstances that led to them.

Mr. FOSTER. On the basis of your reason, was it not the tariff?

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. COCKRAN. Yes.

Mr. CARTER. Let me say to my friend, in reply to what the gentleman has said, that I have the honor to represent one of the biggest coal-mining sections of the Southwest. No such condition as the gentleman from Ohio described obtained in my part of the country during the period he refers to. The people of my part of the country would not have known a soup house if they had seen one, and everybody in my country had full employment during 1913 and 1914.

Mr. FOSTER. Your coal was domestic; ours for factories.

Mr. WARD of North Carolina. Mr. Chairman, may I have a minute to put in a word?

Mr. COCKRAN. Two.

Mr. WARD of North Carolina. The gentleman's question suggests that the absence of a tariff on his coal brought about the conditions indicated by him. Why does he not insist on a tariff in the present bill?

Mr. FOSTER. I did not complain that there was no tariff on coal. The mines shut down because there was no demand for the coal.

Mr. WARD of North Carolina. If that tariff law brought about that condition, why do you not insist on changing this one in its construction?

Mr. COCKRAN. Mr. Chairman, I have been on the floor an hour and a half. I have had a splendid time, but I have not yet done more than approach the speech which I had planned. If any gentleman has a question to propound on the general principle of protection, I shall be glad to answer it. But I am not prepared to discuss particular occurrences in localities about which I have no knowledge and of which I can not be sure that the descriptions given here are accurate.

I ask that I be permitted now to approach what I call the essentials of this discussion. I repeat, Mr. Chairman—I think I have already said it—that nobody can doubt the patriotism of the gentleman from Michigan [Mr. FORDNEY]. Nobody can doubt that he is actuated by the very highest motives. His attitude when this measure was under discussion in the Committee on Ways and Means has been described here very felicitously and truthfully. He sat there, we are told, listening indulgently and encouragingly to everyone who came before him asking a little additional protection—that is to say, a chance to levy a little higher toll on American industry—answering substantially in each case, "We will try to give you what you ask, brother; we will try to see that you get what you want."

Mr. FORDNEY. A few moments ago the gentleman was going to explain to the House about the people of Great Britain,

Mr. COCKRAN. I will come to that.

Mr. FORDNEY. Let me ask the gentleman if the gentleman will examine the condition of the people of Great Britain and the people of the United States in 1910 and 1911 he will find that while there were 45,000,000 people in Great Britain, yet 1,056,000 of their people were in the poorhouse, and with nearly 100,000,000 people in this country, there were only 64,000 people in all the almshouses in the United States. In one county in Great Britain there were 86,000 paupers. In view of that condition, on what grounds does the gentleman describe the people of Great Britain as being as prosperous as the people of the United States?

Mr. COCKRAN. Mr. Chairman, I must insist now on going along the road in my own way. I will try to answer that suggestion in the regular course of my argument. If I fail, I promise the gentleman all the time he wants to catechize me. Meanwhile I ask forbearance of gentlemen. The treatment I have received has been marked by such extreme kindness that I can not refuse peremptorily to answer any question that may be propounded. But I throw myself on the indulgence of the committee and ask gentlemen to withhold further questions until I conclude, and then if I have not already answered them I shall welcome the advent of anyone to the floor who may care to propound one. I have been now over an hour and forty minutes answering questions, and I have as yet barely started upon the argument with which I had intended to burden the committee. May I proceed on that understanding?

Now, Mr. Chairman, I repeat that I do not believe anybody will ever question the benignity of the gentleman from Michigan. His attitude in the Committee on Ways and Means, which I believe has been accurately described, is one of which I am sure he is proud. It is a delightful attitude, benignant, benevolent, generous. He wants to give everybody everything. He reminds me of that king "in the wonder-working days of old"—

> Whose heart was twice as good as gold and twenty times as mellow.
> Good nature triumphed in his face and in his heart he found a place
> For all the erring human race and every wretched fellow.
> He wished all men as rich as he and he was as rich as rich could be,
> So to the top of every tree promoted everybody.

That king, however, was not a king of history, but a king of opera bouffe. And he came to grief, because when he had promoted everybody to the top of every tree and he had caused everyone to become somebody then it was found that no one was anybody. And so when the gentleman from Michigan comes to distribute this wonderful beneficence throughout the whole country he confronts one insuperable difficulty. He can not possibly have enough to go round.

If everyone is protected, then no one can reap any benefit and no one would be asking protection. But even if it were possible that he could bestow wealth on everybody, I want to ask where will he get it all? I hope the gentleman from Michigan will give me his whole attention. Surely he will admit that before he can give anything he must first get it. Where will he get this bounty that he is going to shed over all creation, giving every man who comes to the Ways and Means Committee all that he asks in the way of favor? [Applause.] I know if I can get my friend's mind concentrated upon this he himself will see the impossibility of giving anything without first getting it. I interpret the gentleman's silence as a frank admission that he can not give anything until he first gets it. Now, I ask him where is he to get it? A candid answer to that question will dispose of his whole scheme of protection.

I presume the gentleman from Michigan will agree with me—I do not know whether the gentleman from Wyoming would or not, because he appears to be bold enough for anything—but the gentleman from Michigan surely will agree that in discussing this aspect of the pending question we can postulate the proposition that everything which is of value to man, everything he can use or employ must be produced by human labor. Are we at one on that, my friend from Michigan? Everything that a man can use, everything of value, everything he can employ must be produced by the labor of human hands. My friend pauses, but I am sure he will not dispute that. I interpret his silence as a reluctant but none the less emphatic concurrence.

Mr. FAIRCHILD. Do not invite the interruptions which you asked to be relieved from.

Mr. COCKRAN. Perhaps the gentleman from New York disputes the proposition I have just laid down, which the gentleman from Michigan evidently does not. I assume then that this fundamental proposition is conceded on all sides. But if everything that man can use must be produced by human hands, it follows inevitably that there are only two ways by which a man can get anything. This I have often said before in tariff discussions. I must repeat it in order to lay the foundation of complete demonstration. Whatever a man desires, I repeat, he can get in but one of two ways. He must make it or he must take it; he must make it himself or he must take it from somebody who has made it. Of course, what he can obtain by

exchanging it for something he produced is virtually made by himself. It is the product of his product. Now, if that be so, and I do not think my friend from Michigan will dispute it—I pause for a moment in case perhaps my friend could point out some other way by which a man can get anything of value besides making it or taking it. Neither he nor anyone else rises, and so that much I assume is conceded. But now what follows? Government of itself can make nothing. Government can produce nothing. It is not within the power of government by legislative enactment, judicial decree, or executive act to make a tree fall in the forest, to divide the fallen tree into logs as it lies on the ground, to convert these logs into lumber, and then to bring the different elements of lumber constituting the table before me into juxtaposition and make them into this useful article of furniture. It can not summon from their beds in the earth the stones that constitute this building and force them into their places as walls and foundations. Government can not make two blades of grass grow where one grew before. To effect any of these results human hands must be employed. Now, if government of itself can not make anything, it must be obvious that it can have nothing of its own to bestow on anybody. The thing which my friend from Michigan [Mr. FORDNEY] gives—when he acts for the Government—the thing which he gives to one he must take from another. There is no other way in which he can do it. I ask the most ingenious of you: How else can he do it? If he has a favorite to whom he gives something, he must have a victim from whom he takes that thing. And we Democrats believe that no government is just and under no government will prosperity be permanent which has either favorites or victims. [Applause.]

I am quite sure that in some extraordinary way my friend from Michigan [Mr. FORDNEY] has persuaded himself that everybody will be a beneficiary and nobody a victim of the tariff he projects. But if that were true, nobody would want it. Nobody would want to have things taken from people merely to have the same things distributed again among those from whom they had been taken.

Suppose every gentleman here was allowed to take a dollar from the pocket of his neighbor; at the end of the performance we would all be exactly where we were before. Every man would have taken a dollar and lost a dollar; and because the operation would have left us as we were before, nobody would care to undertake it. But suppose every tenth gentleman was empowered to take a dollar from each of the nine gentlemen to the right of him; then at the end of that operation 10 per cent of this gathering would be found enjoying a high state of prosperity by an exercise of light-fingered activity and 90 per cent would be the victims of it. [Laughter.] The most extraordinary thing about this scheme of plunder by tariffs is that, judging from our own political experiences, the 90 per cent who had been despoiled—at least a great number, probably a majority of them—instead of turning around and forcing the 10 per cent to restore the spoils unjustly seized, would be found exulting in their own spoliation and even lauding it as the source of their prosperity. [Laughter.] Do I exaggerate? Well, that is just the manner in which the tariff has operated in this country. Its multitudinous victims are frequently found acclaiming its few beneficiaries as public benefactors.

You ask who are the few that will be the beneficiaries of this scheme. I will tell you. They are the small number of persons controlling important industries who by combinations can exploit tariff discriminations to the highest degree. The gentleman from Michigan said in the course of his remarks that levying a tariff of 100 per cent ad valorem on an article did not mean that the price of that article would necessarily be 100 per cent higher. That is quite true. The gentleman is right. But it is equally true that the price of that article would be raised as much beyond its natural value as consumers could be induced or forced to pay.

Before enactment of the McKinley tariff—which was the first tariff put on our statute books avowedly for protection—competition among domestic producers did reduce prices even of articles on which a customs tax was levied.

There is no doubt that while competition among domestic producers was active prices seldom approached the level of the prohibitive mark fixed by the tariff. But after the McKinley bill went into operation the larger producers, favored by tariff taxes, combined into gigantic trusts so that they could reap the full benefit of the discriminations.

The pioneer in that conspiracy against the public was the Sugar Trust. The object of that combination, the only object it could have had, was to raise the price of sugar up to the highest point at which the consumer would buy it. You must remember that there is always one corrective for excessive prices, although it is not a very effective one. When costs of articles are raised beyond a certain degree people refuse to buy, and therefore the most extortionate profiteer is forced to limit his prices by the capacity or willingness of the consumer to pay them. But that is the only limit that he recognizes. There was practically no competition in the production and sale of sugar after the trust was formed. The companies which composed it were barely able to earn profits of 5 per cent before the amalgamation. Afterwards their profits were so great that they soon began to pump water into the organization at a rate which threatened seriously to reduce the tides of the East River, alongside which the main factory was erected. [Laughter and applause.] And on this watered stock—this inflated, not to say fraudulent, capital—enormous dividends were paid for many years at the expense of the American people.

Mr. FORDNEY. Will the gentleman tell the House the reason that last year—1920—with 1 cent a pound duty on 96° sugar from Cuba the Government had fixed 12 cents a pound for domestic sugar and the price of sugar went to 27 cents a pound, over which the Government had no control. Was it the tariff that did that?

Mr. COCKRAN. The gentleman, I hope, will not interject any more speeches into mine. I will come to that if the gentleman gives me time. I am now tracing the growth of the trusts in this country to show—though that can hardly be necessary to an assemblage intelligent and well informed as this—the degree to which the tariff is the source, or, as the late Mr. Havemeyer said, "the Mother" of them.

No trust can monopolize an article of universal use except through the aid of the Government in one form or another. I can see that the gentleman from Michigan [Mr. FORDNEY] has trembling on his lips the question, How about the Standard Oil Co.? Very well, I answer that is no exception. The Standard Oil monopoly was built upon peculiarly favorable transportation rates extended to it by the railroads. But this also was favoritism by Government. For railways are Government agencies to use of which and service by which all citizens are entitled on absolutely equal terms. Favors by railroads can no longer be granted. Enlightened legislation has prevented continuance of that abuse or recurrence of it. But the special favors Government can no longer extend through discriminatory railroad rates—it can and still does extend in much larger measure through discriminatory tariff rates.

Mr. FORDNEY rose.

Mr. COCKRAN. I can not give way for further statements.

Mr. FORDNEY. But the gentleman referred to me.

Mr. COCKRAN. Oh, very well; go ahead.

Mr. FORDNEY. I shall ask the gentleman a question and I shall not interrupt him again. Under the McKinley bill sugar was on the free list, but a bounty was paid upon domestic production, and never in the history of this country did the consumer receive sugar at such a low price as they did at that time.

Mr. COCKRAN. Oh, the gentleman is mistaken.

Mr. FORDNEY. Oh, no.

Mr. COCKRAN. Refined sugar was not on the free list of the McKinley bill, although raw sugar was. There I must take issue with the gentleman. The gentleman's recollection is not as sound as his disposition is generous. The Sugar Trust succeeded in getting raw sugar put on the free list by the McKinley bill, but a quarter of a cent a pound duty was left on the refined article. When the Wilson tariff was under discussion the managers of that concern came down here with all of their forces in an effort to have a portion of that duty retained. I was one of those who sat on that committee. Sugar was put by the House on the free list, both raw and refined. But in the Senate that wholesome provision was eliminated by that combination between all the Republicans and five Democrats, which has already been described and denounced.

The sugar concern was the first commercial trust organized to exploit a tariff. Encouraged by the spectacle of enormous profits enjoyed by a combination formed to plunder the consumer through the tariff, the managers of practically every important industry in this country sought, first, to obtain the benefit of discriminating duties, after which, secure from foreign competition, they formed themselves into trusts for plunder and oppression of the consumer. The gentleman from Arkansas [Mr. OLDFIELD] made all this so clear while he was upon this floor enumerating one trust after the other, which afforded the benefit of this protective shield by the pending measure that it will not be necessary for me to follow his account in detail. Suffice it to say that after the Sugar Trust and various other trusts were formed the Steel Trust emerged into active existence. This combination took two falls, or rather several falls, out of the American people, if I may use such an expression. First,

manufacturers of the various products of steel organized themselves into a trust, or rather into a number of different trusts. One was called the Federal Steel Co., composed of several corporations. There was still outstanding a formidable competitor of this concern in the Carnegie Co. Then there was the American Bridge Co. and the American Tube Co., the American Steel & Wire Co.—a whole series of companies, each one of them itself a trust, formed by an amalgamation of several other corporations. And in each of these trusts water was the most extensive ingredient. Its proportion to actual property was about 2 to 1.

The late Mr. Morgan was active from the beginning, I think, in the Federal Steel Co. I know he was predominant in the American Bridge Co. and in the American Tube Co. Other gentlemen of kindred disposition, though not of equal renown, were active in the Steel & Wire Co. Under Mr. Morgan's persuasion and guidance all these concerns were brought together and joined with the Carnegie Co. in a new corporation owning property which, with the water already mentioned, had a nominal value of about $670,000,000, speaking in round numbers. To that volume of capital, already inflated, they added another $1,000,000,000 of pure water, if such an adjective can be properly employed to describe any feature of that transaction. For that billion of water there was absolutely no property whatever—not even a wheelbarrow—added to the assets of the steel company. But prices to consumers of steel were raised forthwith from about $18 a ton for steel rails to $27 or $28, and prices of all other steel products were raised in like proportion. The American people have been paying dividends on that billion of water ever since. Does my friend from Michigan [Mr. FORDNEY] deny the accuracy of that statement? Yet this Steel Corporation, Mr. Carnegie stated under oath more than 10 years ago before the Committee on Ways and Means, needed no protection for any reason or purpose except to levy excessive prices on the American people.

Mr. FORDNEY. Oh, that is not the testimony that Mr. Gary gave, who appeared before the committee.

Mr. COCKRAN. Oh, Mr. Gary was milking the cow, while Mr. Carnegie had become a mere spectator of the operation. Mr. Gary was the man who had his mouth at the throttle of the tube that you had inserted into the resources of the American people. Naturally he approved such an arrangement.

Mr. FORDNEY. Oh, let us be fair. The gentleman says they stated this under oath.

Mr. COCKRAN. I said Mr. Carnegie stated it.

Mr. FORDNEY. Mr. Gary was before the committee and stated under oath that they could not produce steel in this country under free trade unless they had access to the same cheap labor that their competitors had abroad.

Mr. COCKRAN. Oh, I shall come to the labor question in a moment. My friend from Michigan will not have anything to ask me about labor when I get through, if he will only permit me to reach it. What I said, and I ask the committee to bear me out, was that Mr. Carnegie under oath in 1909 stated that any man who was not willfully blind could see that the Steel Co. needed no protection to do business at a profit, at a huge profit. And in answer to me—I was a member of the committee then—he said that when the Steel Co. was formed he regarded the common stock as of no value. In other words, it was water. But at the time when he was testifying then he said that under the magic incantations of my friend from Michigan [Mr. FORDNEY] and the protective system, it had been turned into cream. [Laughter.]

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. COCKRAN. Gladly.

Mr. FORDNEY. Is it not true that Mr. Carnegie although an infidel, who did not regard an oath as binding——

Mr. COCKRAN. Oh, I take exception to that. Of the dead, let us say nothing but good.

Mr. FORDNEY. I am speaking from knowledge, but taking it for granted that he told the truth, he stated that there was no reason for a duty on steel, although he had been out of the business for nine years, and when asked to explain why steel could be produced without a duty, said, "Oh, puckachee, I know it." That is in the record, and the gentleman must know that.

Mr. COCKRAN. I am very sure it is not; that is, if the record is accurate. I happened to be there, and as I recollect I was one of those who took part in examining Mr. Carnegie. I know the gentleman from Michigan would not willfully misstate anything. I know also that his enthusiasm often runs ahead of his judgment, and in this instance his recollection seems to have been left as far behind as his judgment. I ask him again to recall his intellectuals to active service. Is not this what Mr. Carnegie said? Asked if he had not been out of business for some six or seven years, he replied that he had. I think it was the gentleman from Michigan himself [Mr. FORDNEY] who asked him the question. Then he was asked how he reached the conclusion that the Steel Co. no longer needed protection to do business at a profit. Mr. Carnegie held up the last annual report of the Steel Co. and said that any man who was not willfully blind to the plain lesson of figures must see that the company needed no protection and that it could produce steel successfully in competition with all the world. [Applause on the Democratic side.]

The gentleman, I think, will not contradict that. It is quite true that Mr. Carnegie had enjoyed the benefit of a protective tariff in former years. Indeed, he had been very urgent in demanding it for his industry. But we were not very much interested—at least I was not—in the necessity for protection several years before. What we were deeply interested in then was whether protection was needed in 1909 for production of steel, and the greatest and soundest authority upon that subject, giving the sources of his conclusions, said that nobody but one willfully blind would say protection was needed at that time. I do not think the gentleman from Michigan is willfully blind, but I do think that he is most unfortunately and perversely blind on every question that affects this most pernicious doctrine. I say this beside: If Mr. Carnegie had never testified, we have but to look at the prices the Steel Co. has been charging ever since its formation to realize that it has exacted tribute from the American people equal to the dividends paid for many years on $1,000,000,000, and for this enormous exaction no return whatever has been made to the community that has been plundered. [Applause on the Democratic side.]

And now for nearly 20 years that trust has grown and thrived until this water, which Mr. Carnegie thought worthless when it was created, has come to be worth over par; every dollar of its value extorted from the public. If the people contributing it did not suffer from the exaction, there might not be much cause for complaint. But what was the effect of these trusts?

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GARNER. Does the gentleman desire additional time?

Mr. COCKRAN. Yes.

Mr. GARNER. How much time?

Mr. COCKRAN. I do not really know—half an hour.

Mr. GARNER. I yield the gentleman from New York 30 minutes.

Mr. COCKRAN. Mr. Chairman, what is true of the Steel Co. is true of all other trusts. But aside from the profits they have yielded their managers—I do not say their stockholders, because the history of these concerns shows that stockholders have been plundered and the people oppressed with cheerful but rigid impartiality—what has been the effect of these trusts on the general welfare? Injurious to a degree that few realize; grievously injurious to our material prosperity. But, worse still, they have seriously corrupted the moral fiber of the country, as I hope to show before I conclude.

Instead of seeking to enlarge their profits by increasing the volume of production, which would have been for the general benefit, lowering the cost of living while at the same time increasing the demand for labor, which necessarily operates to raise the rate of wages, they have almost invariably preferred to obtain higher profits from restricted production, the obvious effect of which has been to diminish the demand for labor, and correspondingly to depress the rate of wages.

High tariffs and the trusts, which are their spawn, have prevented the American laborer from reaching the standard of wages which, had he been left free to improve the opportunities extended to him by his Creator, he would most certainly have attained.

Consider the operations of these trusts as they have come home to every one of us. The gentleman from Michigan [Mr. KETCHAM] read figures a few moments ago showing that while the McKinley tariff was in operation there was a rise in the prices of foodstuffs. You will remember that I asked him to compare the advance in farm products with the advance in prices at the same time of all manufactured articles, which was equivalent to saying of all articles produced by trusts; for these bravos of modern industry have established under Republican tariffs control practically of all productive enterprise.

A comparison of these prices will show that while there was a moderate rise in the prices of farm products, prices of manufactured articles rose in much larger degree, so that the farmer was injured, not benefited, by operation of the tariff.

But its effect upon wages was still more disastrous. During the period while prices of all commodities, especially manufactured articles, were soaring rapidly, it will be found that the rates of wages rose slightly and haltingly where they rose at all.

Mr. Chairman, by its effect on wages I am perfectly willing to judge the merits of a protective tariff or of any other fiscal system.

I am perfectly willing to admit that if this proposed tariff could raise wages in this country I would support it. I do not know any test of prosperity which is absolutely infallible except the rate of wages paid to labor. Wages can not be high unless prosperity is general, and prosperity can not be general unless everybody shares it. Remember, I speak of general prosperity—not prosperity of trusts, indicated by erection of a few great mansions, or by construction of a few new yachts to cross the Atlantic or to cruise in southern waters, but prosperity shown by increased comforts in the homes where producers dwell, and in making the necessaries of life more abundant for the men, women, and children who constitute the mass of our population. [Applause.] That is prosperity as we on this side understand it. That is the prosperity we aim to restore. And we will restore it when this last manifestation of your folly or worse shall have met with the condemnation which an enlightened Nation will visit upon it. [Applause upon the Democratic side.]

Now, let me explain why I say there is no test of prosperity absolutely infallible except the rate of wages paid for labor. I do not say this because I pretend to any excess of tenderness for the laboring man. If I did, you would not believe me and you would be quite right. But I think anybody who understands the operation of economic law will see at once that there can not be high wages without extensive production. There can not be extensive production without abundance of commodities. There can not be abundance of commodities without a fall in the cost of them. And this being so, it is easily capable of demonstration that unless wages are rising and the cost of commodities falling there can not be genuine prosperity.

That was precisely the condition which prevailed under the Walker tariff—and it is the happiest that can bless human beings. Prices were falling and wages rising, though not to the same extent, under the succeeding tariffs which were not imposed for so-called protection but for revenue. Not till the McKinley tariff and the Dingley tariff, each one avowedly imposed for protection, enabled the trusts to fasten their deadly tentacles on the body politic did prices of commodities begin to rise faster than the rate of wages. Now, my friend from Michigan [Mr. FORDNEY] introduces into his report the conclusion of a mysterious body which has prepared for him a schedule of what he calls "Wages in America and other countries."

If he will examine that production a little more closely he will find I am sure that those tables are worth much less than the paper they are written on.

Mr. FORDNEY. Tell us why.

Mr. COCKRAN. I am just going to do it now.

Mr. FORDNEY. And about the Chamberlain matter.

Mr. COCKRAN. I do not know that I can do much with that last suggestion, because there is something so extravagantly humorous in calling Chamberlain an economist, when he has always been known as a politician and nothing more, that it seems to me what the gentleman said of him is a fitter subject for mirthful jest than for serious discussion or exposition. But I will treat what he has said about the influence of free trade on England fully if I have time and if the gentleman will only let me first explain what I mean by saying these tables mentioned in his report are of no value whatever in determining the actual rate of wages.

The amount of money paid the laborer sheds little light on the value of his wages unless the proportion the money paid him bears to the amount of his product is also made clear. The cheapest labor in the world is not that which receives the lowest but that which receives the highest money wages. I think I made that clear to the gentleman from Michigan when we both agreed that slave labor, the cheapest labor in money, was, in fact, the most expensive labor in the world.

Mr. FORDNEY. Because it cost so much human blood to dispose of it.

Mr. COCKRAN. That is another question. The gentleman is only explaining what it cost to get rid of it, not denying that while it continued it was the most expensive of all labor. I will now explain why it was the dearest labor ever employed, and the explanation will justify, I think, my statement that American labor is not the dearest but the cheapest in all the world.

Mr. Chairman, what is wages? We must fix the significance of the term before we can discuss it intelligently. Wages may be defined as that part of the laborer's product which he retains for himself in compensation for his toil. He can not draw a single penny of wages from any source but one, and that is from the product of his own labor.

Suppose I am an employer producing desks like this one before me [indicating], that its value is $5, and one of my laborers finishes five of those desks in the course of a day, and his wages are $5. Obviously what he actually receives is a fifth of his product—one desk of the five that he finished. Of course, he does not take that desk home with him at nightfall and undertake to divide it among the butcher and the baker and the landlord and the washerwoman, and the different persons to whom he is indebted for necessaries of subsistence; because in dividing it he would destroy its value. So instead of the table which he can not divide he takes its equivalent in money—$5—which he can divide and distributes it in payment of his debts and in purchasing the necessaries he may require. Now, suppose that instead of 5 the laborer produced 10 of these desks in the course of the day and the rate of his compensation remained the same. He would in that case take home in the evening two desks, or their equivalent in money, instead of one. His wages would be $10 instead of $5. But clearly I could better afford to pay the higher than the lower wages, for I would have eight of these desks to dispose of myself instead of four. The laborer would get $10 instead of $5, but I would have desks worth $40 instead of desks worth $20, for my share of our joint enterprise.

Mr. Chairman, consider the effect of that larger production on the entire community. By adding 10 desks instead of 5 to the number available for general use the cost of desks to the public would decline. For whatever increases the supply of any commodity reduces the price of it. Not only would the wages of the laborer be doubled, but at the same time and through the same cause the purchasing power of every dollar paid him would be increased. But that is not all. In order to produce these five additional desks more trees must be cut down in the forest, more men must be employed sawing them into logs and transporting the logs to the mill, in taking the lumber made from them to the shop where the desks were finished, in finishing them, in placing them on sale in a warehouse, and in delivering them to the final purchasers. Manifestly all these increases in various fields of production involve increased demand for labor in each of them, resulting in higher wages and falling prices.

Does not the gentleman see, then, that the same force which raises the rate of this workman's wages from $5 to $10 diminishes the price of the commodity he produces and thus reduces the cost of living? Apply that experience to every other field of labor—the building of houses, the making of clothes, the cultivation of fields, the mining of ores—and you will realize at once how universal is the operation of that economic law under which the highest-paid laborers are always the cheapest; that is to say, the most profitable to employ.

Here is the essential difference between prosperity as Democrats would establish it and prosperity as Republicans conceive it. We believe that there is but one possible source of prosperity which is really genuine and that is in expanding the volume of production. Every dollar of additional profit made by the employer, every raise of wages gained through increasing production, is cause not for complaint but for rejoicing by every member of the population. It is not a fruit of oppression perpetrated on the community or any part of it but of service rendered to the whole of it. [Applause.] As we have already seen, production can not be increased without decreasing prices of commodities—that is to say, without reducing the cost of living—and without at the same time raising the rate of wages by increasing the demand for labor. You gentlemen believe prosperity consists in exacting high prices from a helpless people on an artificially restricted volume of production. And that as we have seen must inevitably reduce the rate of wages. We on this side would protect every dollar earned by service to the community in expanding production. We do not believe any one (corporation or individual) should be allowed—much less aided—by law, to make profits through restricting production. [Applause.] If the steel company made its present profits from a production twice as large, conceive the benefit that would ensue to everybody. More men must be employed, entailing higher wages, while the reduction in prices would stimulate production enormously in every other field of industry where the productive energy of human hands is reenforced by capital. For steel is the universal agency employed by men in every form of industrial implement. Two to four structures like the great Equitable Building in New York City could be erected for what it would cost now to erect one; three or four new subways could be constructed for what it would cost now to build one. And you can easily see how this increased building activity by extending the demand for labor must result in raising the rate of wages.

My friends, you have but to study the operation of the tariff to realize that in the nature of things it must be a source of moral as well as of material disaster.

The enormous fortunes gained by success in securing discriminatory tariff rates has engendered in the minds of men everywhere a demoralizing, debasing conviction that the shortest, surest road to fortune lies not through developing efficiency in any particular field of industry, but through skill in obtaining, by intrigue and corruption, favors from the Government. [Applause.]

I suppose gentlemen have read the distressing, disgraceful accounts of the universal corruption permeating the building trades in New York City. Recent proceedings before a legislative committee have disclosed employers and employees in combinations to swindle the body of the people, with the result that building operations have been impeded and restricted to a point where housing of the population has become perhaps the most pressing problem of municipal life.

And so it is in practically every domain of industrial activity.

Fortunes acquired through perversion of governmental power can never enjoy that measure of safety which public approval alone can afford. The tariff is the most prolific source of great fortunes acquired by legislative manipulation. The deep-seated reprehension which they have evoked is a serious menace to the safety of wealth everywhere. Look how it has already affected possession of wealth throughout the country. Is anything so universally unpopular as a very rich man to-day? Why should that be so? The American people are a just people, an intelligent people. Any disposition or tendency of theirs will always be found to spring from a wholesome impulse. Rich men are unpopular in this country because the largest fortunes have been made not by increasing production, and thus promoting general abundance, but by narrowing production and extracting higher prices for this artificially restricted product from a helpless people. But the mere fact that wealth has become so largely the product of plunder does not wholly explain the abhorrence in which it is so generally held.

Robbery has not always been unpopular to this degree. Robin Hood was a robber. But his life and exploits are a legend or tradition so popular that it has survived during nine centuries. Robin Hood was popular, and remains a popular hero, because though a robber, he robbed the rich to serve the poor. Your predatory tariff is unpopular, and its beneficiaries are hateful in the public eye, because it robs the poor to serve the rich. But, my friends, that can not be done much longer. [Applause on the Democratic side.] While you are able to obfuscate the popular intelligence by this rhodomontade about the beneficent effect of tariffs, and to persuade people that they owe to a tariff the prosperity which they enjoy in spite of it, men busily occupied with the pressing task of gaining their subsistence—and these are the great majority of our population—have no time to examine the truth of your representations. But now the time has come when this tariff will be judged by people facing serious conditions, growing ever more difficult, whom you have told it will relieve and deliver from disasters that are thickening round them. Judged by this test which you have invited it will meet the fate which every attempt to beguile and befool an intelligent people always meets in the end. [Applause on the Democratic side.]

Formerly we were producing wealth enough every day to suffer the exactions of the trusts and still remain prosperous. But now a large part of the world is on the verge of starvation. Imports, as the gentleman from Michigan says, have fallen away in sinister and portentous fashion. Even we in this country are no longer rich; we are no longer prosperous; the products of agriculture, of manufacture, and of mines are piling higher and higher one on top of another, for lack of a market where they can be sold to any advantage; while millions walk the streets of our cities without employment. No longer prosperous consumers, our laborers are now in every cottage that shelters them anxiously watching the door toward which they see the gaunt specter of want, the hideous offspring of unemployment, approaching inexorably, deeply apprehensive that it may cross the threshold and extinguish in darkness and despair the fires of plenty and contentment on the hearthstone. There is but one avenue of escape from all this misery, actual and impending. It can be stated in very few words. Restore to the American laborer full opportunity to exchange with all the world the commodities produced by his labor; that is to say, give him back the opportunities which his Creator has offered him but of which tariffs have largely robbed him. [Applause on the Democratic side.]

Unless a large volume of imports shall be allowed to stimulate exports so that production of commodities in field, factory, and mine may be restored to its former volume, the future of our entire population is dark, indeed. Especially will the vast numbers of human beings dwelling in cities be plunged in distress darker than has ever been known in our history.

Mr. Chairman, consider for a moment how largely these millions of men, women, and children who constitute our urban population depend upon foreign commerce for their means of subsistence. Every vessel that enters New York or Boston or Philadelphia or Baltimore or New Orleans or San Francisco gives employment—that is to say, affords means of livelihood—to vast numbers in transshipping the cargo; loading parts of it on trains bound for Chicago, St. Louis, and other inland cities, manufacturing the remainder or distributing so much of it as may be ready for consumption to purchasers in various parts of the country. And others just as numerous find occupation equally gainful in placing aboard this same vessel products of our mines, factories, and fields in exchange for the things brought in it from beyond the seas.

The people dwelling in cities are the agencies through which these beneficial exchanges of commodities between this country and all the world are effected.

Without foreign trade our great cities might support perhaps half their populations; certainly not more. What if these conditions continue must become of the other half? They can not go back to the country, as some people advise. There is not sufficient demand for so much labor there, and dwellers in cities are unfitted for agricultural labor in any case. If three or four million people in New York, a million in Philadelphia, and two or three million in Chicago are no longer able to support themselves in these cities, whither can they go for subsistence? Nowhere, absolutely nowhere, with the slightest prospect of being able to obtain a livelihood. They must live where they are or they must perish—and if they live at all they must live by labor or else by charity. When hungry men and women, multiplying every day in numbers and beset by ever-deepening difficulties, are told that this tariff, which deliberately aims to raise additional and higher barriers between them and the commodities absolutely essential to their subsistence—this scheme of spoliation avowedly intended to tax, and therefore make dearer, everything that they need—is the one remedy which the American Congress offers for the miseries oppressing them, then is grave reason to fear that bread riots are more likely to disturb our cities than bread lines to sadden them. But, notwithstanding the dark clouds that overhang the horizon, I do not despair. I repeat what I have often said—these difficulties now confronting us mark a parting of the ways. Enlightened by the bitter experience through which they are destined to pass, the American people, abandoning the false paths which mistaken theories have induced them to pursue, will awaken to realization of the truth that there is but one law which man can follow with full regard for his own interests.

That is the law given to the first man when he was told that in the sweat of their brows he and all his posterity must eat their bread. All the vice and crime committed by individuals, all the violence that has ever desolated and disrupted nations, came from disregard of that law—from attempts of some men to eat their bread in the sweat of other men's brows. You have enabled the trusts and other tariff beneficiaries not merely to eat their bread but to eat a large amount of cake in the sweat of other men's brows. [Applause.] But the hour has sounded when this spoliation must cease, else law will be discredited and order imperiled. There is but one basis of order that is absolutely secure—all the people must be convinced that justice is the object, the sole object, of our laws.

It is difficult to see how such a measure as this can restore the popular confidence in the law, which is so essential to the safety of order.

But the remedy is simple. Abolish all special legislative favors. Restore our Government to the task—the first, the chief task assigned it by the Constitution—that is, to establish justice.

When this ideal of democracy is realized no tariffs will be imposed for any other purpose than the support of government, and the requirements of government will be greatly diminished by an ever-increasing disposition of men voluntarily to obey laws of their own enactment. Then, indeed, will real prosperity bless this land. Then will labor be contented, because laborers will know that justice is not merely theoretically their birthright but actually their possession. Contented labor will be efficient to a degree without parallel in human experience; producing abundance, so extensive that it will enwrap the whole world in well-being. Then will the smoke rising from the chimneys of factories be incense ascending to Heaven from peaceful industry, while the fires of plenty glowing on hearthstones surrounded in every country by happy, healthy, hopeful families will make of this whole earth a veritable censer swung by cherubim before the throne of God. [Prolonged applause.]

Mr. FORDNEY. Mr. Chairman, I yield one hour to the gentleman from Washington [Mr. HADLEY].

Mr. HADLEY. Mr. Chairman, I am sure it is always a delight for his colleagues to listen to the gentleman from New York [Mr. COCKRAN], who has just yielded the floor, however much we may differ from him, as we do differ. I know it is a delight to me to hear him, and much as I differ from his position upon the topics discussed by him to-day, it has indeed been very entertaining. But I am equally sure of another fact, and that is that the position expressed by him in response to the interrogatory first propounded by the gentleman from Michigan [Mr. FORDNEY], when the gentleman from New York [Mr. COCKRAN] expressed the thought that he would gladly see the gates of this country opened and the products of foreign lands from the cheap producing competing countries of the world welcomed to our shores—I am sure that that sentiment will find no sympathetic response in the hearts of the American people. [Applause.]

I sometimes think the lessons of history do not appeal very strongly to the public mind. I believe they usually do ultimately, but they are often temporarily forgotten, and it seems to me that the gentleman from New York [Mr. COCKRAN] does not heed the lessons of history. The people do temporarily forget the lessons of the past, as they did in 1892 when, with the approaching close of the Harrison administration, after a period of great prosperity, the people abandoned protection for free trade and its resultant epoch of smokeless factories, rotting produce, and soup-house charities during the life of the Wilson bill.

I will not pause here to trace the genealogy of that bill. It has been referred to by the distinguished gentleman from New York [Mr. COCKRAN], but I assert it as a fact that that bill sprang from the brain and purpose of the Democratic Party, and that it was responsible for a chain of disasters without precedent in the economic experience of the American people. There can be no question about that. It is a fact too well settled in history and by the record and in the knowledge of the American people to be questioned at this late day. And I assert another fact, that face to face with the wreck and ruin wrought by that historic mistake, its authors sought to divert attention from the cause by promulgating a new panacea, which was urged as the only possible remedy for the deplorable situation in which the people unhappily found themselves. With what energy and assurance they heralded it in the memorable campaign of 1896 no living voter of that eventful day can ever forget; an issue conceived in political extremity and brought forth in free trade's darkest hour, the free coinage of silver at the ratio of 16 to 1.

Mr. TINCHER. Will my friend yield?

Mr. HADLEY. I yield to the gentleman from Kansas.

Mr. TINCHER. We all heard the statement of the gentleman from New York [Mr. COCKRAN], in which he claimed that the Wilson tariff bill was not a Democratic bill, but that it was passed by a Republican Senate or with Republican Senators' votes, with the assistance of four Democratic Senators. I think that part of the gentleman's speech was as accurate as any part of it, and I find upon an examination of the CONGRESSIONAL RECORD showing the roll call of the vote of the Senate on the final passage of that bill in the Senate that only four Republicans voted for it, while a practically solid Democratic Senate voted for it.

Mr. HADLEY. I thank the gentleman for that contribution to the record. It was just then, when they raised that issue, the free coinage of silver at the ratio of 16 to 1, as I have stated, it was just then in a most critical moment that William McKinley cried out to the people, "Open the mills and not the mints." They halted. They listened. They made him their great leader and followed him. He restored the American principle of protection, and under the operation of that principle he led the American people out of a state of industrial chaos into a state of industrial independence, under which they enjoyed supreme prosperity for 16 years. But paradoxical as it is, inconceivable as it seems, the historical fact remains that, losing sight and grasp of the great economic bulwark which protected and sustained them through all those years, they drifted aimlessly, or in any event heedlessly, away from it, unmindful of the certain disaster lying in their course, which the chart of political history clearly marked and defined.

The national election of 1912 entailed an inheritance which, once employed in full force and effect, means industrial and commercial ruin. The inevitable tide of grief which followed in the wake of the Underwood law was a necessary sequence of the business paralysis, the shackled or suspended industry and the 3,000,000 men out of employment which stand forth as permanent monuments to the first 10 months of its operation. The intervention of the World War saved for the time the full consummation of the economic tragedies which it clearly staged for execution. The curtailment of foreign production with a resulting abnormal and unprecedented demand for American products worked an arbitrary protection as effective and complete as any statutory remedy could possibly afford. But it is obvious that such protection was as transitory, and will be as temporary and ineffectual in peace as it was arbitrary and effectual in war.

With full notice of the disastrous consequences which the Underwood law had wrought in normal times and of the extraordinary conditions which that policy on the close of hostilities would aggravate to the point of industrial ruin, the authors and devotees of that legislative blunder remained unmindful of every warning and deaf to every entreaty. Their only answer was the declaration of the San Francisco platform, on which pride of traditional policy rode to its terrible fall, and this is what they said:

> We reaffirm the traditional policy of the Democratic Party in favor of a tariff for revenue only.

For revenue only, as we have known it; as they have exemplified it; and at a time such as this!

There is another school of economists. It is the school of Lincoln, of Blaine, of Harrison, of McKinley, the school of Harding, and the school of the political majority in this House. This is their declaration and pledge:

> The Republican Party reaffirms its belief in the protective principle and pledges itself to a revision of the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry.

Mr. Chairman, this bill vitalizes that principle and redeems that pledge. "As soon as conditions shall make it necessary." Does anyone question that such conditions have arisen, that such necessity is at hand? If so, let him consult the testimony of more than a thousand witnesses at the hearings. They came from every section, perhaps from every State. They spoke for labor. They spoke for agriculture. They spoke for industry. They brought no tidings of hope under the existing tariff law. Day after day and week after week, as on a screen, the industries and industrial conditions of America and those of foreign lands were exemplified before the committee, and again in later assurances before its subcommittees. Exhaustive surveys by the Tariff Commission, conducted by skilled experts, were submitted and considered. Recourse was had to the records and files of other governmental departments and agencies for material facts, and representatives of industrial interests supplementing all of these, returning from investigations of competitive conditions abroad, submitted information based on personal observations and personal knowledge of afterwar conditions.

All these sources of information center in one incontestable fact, and that is that American labor, agriculture, and industry are immediately confronted with the greatest contest for the control of the home market which has ever occurred in the history of the country, and that if that market is to be preserved, if American opportunity and ideals are to be perpetuated, a bill based and framed on the protective principle must be speedily enacted into law. Such is the bill now under consideration.

It is no easy task in normal times, when the ebb and flow of the tides of commerce have been in no wise disturbed or diverted by the exactions and tolls of war, to trace the course of the industries of the land throughout a series of years; to tabulate and follow the channels and volume of competition severally applicable; to apply the effect of varying tariff laws, the extent to which these have determined or affected the rise or fall of industry as distinguished from the controlling effect of other attending and contemporary forces. But when that task is complicated with the abnormal flow of commerce, with competitive standards of wage and production costs based upon the extreme necessities of efficient but broken peoples, the solution of such a problem upon the theory of the bill is an extraordinary test of the estimates of human judgment. Yet it must be solved; and with the information referred to, coupled with the exercise of sound discretion and judgment, the course of competition to follow in the near future and in normal times may be, and I believe has been, reasonably anticipated as a basis for rates in this bill.

It must be remembered, on the one hand, that in framing the law if we yield unduly to the exigencies of the present hour which surround industrial competition, and provide rates which in a given case may seem necessary at the moment to afford a full measure of immediate protection, the operation of such rates under normal conditions may soon be found to work monopoly and injustice.

Again, if the rates be so far inadequate as to provide revenue only and not protection to-day, in the case of an industry tottering against a frontal attack from a source of cheaper production, what will such rates profit such an industry if it fall before the attack? If the facts involve a question of doubt in fixing a rate no protectionist can afford to resolve the doubt against American labor or industry. Better that they be sustained and perpetuated by essential protective duties now, based as nearly as may be on estimated normal standards, but meeting extraordinary and abnormal competitive conditions by stabilizing them, and that these rates if need be be corrected hereafter to conform to the development on actual test than that they be jeopardized or destroyed in the meantime. The crisis is at hand. We must meet it now. We must have the wisdom and the courage to meet it adequately. If an industry can not survive on less than a 2-cent rate it is of no consequence whether a less rate be provided at all so far as the industry is concerned. On the hypothesis mentioned it will pass out of existence just as effectually and certainly on the basis of a cent and a half as on that of no rate at all.

The bill is framed on the protective principle. It is not framed on the prohibitive principle. It recognizes and undertakes to promote competition on a living basis and not on a destructive basis. It contemplates the continued enjoyment of wages compatible with decent and comfortable American living. It takes account of the impossible wages of labor and the poverty of low cost competing countries in measuring differentials. It regards the environment of the American producer and manufacturer and their costs of production in relation to those of their competitors, and generally provides for reinstating upon the statutes of the United States the beneficent American system under which Americans have always prospered and in the absence of which they have always known adversity.

There are those who fear that such a system is inimical to the development of our foreign trade. I do not share their apprehension. On the contrary, a system which fosters domestic production and fair competitive relations abroad is of the very essence of a foreign-trade program; but a system such as now obtains, which converts the American home market into a foreign dumping ground, destroys American production, reduces American exports to the negligible or vanishing point, and renders the subject of foreign trade a dream of the imagination.

While endeavoring to equalize competitive conditions so as to stabilize domestic production, the committee has given extended consideration to the promotion of foreign trade, with a view to the permanent establishment of a well-balanced industrial and commercial system comprehending stability at home and expansion of trade abroad.

In furtherance of this purpose three special sections, numbered, respectively, 301, 302, and 303, of Title III, are constructive and particularly important. They provide for negotiation of commercial treaties by the President, to be ratified by the Senate and approved by Congress, with a view to securing reciprocal trade with foreign countries on the basis of reduction of duties imposed by the United States on specified commodities, or their transfer from the dutiable list to the free list, in consideration of the entry into such foreign countries of specified products of the United States, their use and disposition therein, and the advantages to be derived therefrom. They provide for retaliatory duties to meet discriminations of foreign countries against the products of the United States when found to impose conditions reciprocally unequal and unreasonable; and, with a view to securing reciprocal trade, they provide for trade agreements to be made by the President within a period of three years from the passage of the act, involving a reduction of the duties affected in a given case, not exceeding 20 per cent, during a specified period, not exceeding five years, upon commodities imported into this country, in consideration of advantages to accrue to the United States by virtue of the stipulations of such agreements with respect to the admission into such foreign countries of the goods, wares, or merchandise of the United States.

If legislative action on the part of the United States can aid in securing desirable concessions in the channels of foreign trade and in the material expansion of such trade among the nations of the earth, these bargaining provisions of the tariff bill supply that remedy; and they do so without menacing the tariff structure, designed to maintain the sources of domestic production and guarantee the American factors in the trade equation.

It would be obviously futile to attempt to analyze or discuss the various schedules or any considerable number of items within the necessary limits of individual debate. There is, however, one feature of the bill of outstanding importance to which I respectfully invite the attention of the committee. I refer to the provisions in the chemical schedule with respect to coal-tar products.

It fell to my lot by assignment to serve as a member of the subcommittee on Schedule A, now Schedule 1 of the pending bill. As a result of that service I have come to hold pronounced convictions with reference to paragraph 27. I contend that the elimination of that paragraph from the bill would be a stupendous mistake. Now, what are the facts which support it?

If we are to take the full measure of our responsibility in the premises, we must have in mind the war development of the dye industry, as well as its present status.

It is well known that prior to the outbreak of the European war there had been very little progress made in the development of the coal-tar chemical industry in the United States. Such industry as we had, consisting of some half dozen small plants, depended upon German intermediates. What Germany had almost completed America imported and converted into finished dyes. But only about 15 per cent of the finished dyes which we used were produced here. Our textile industry was not independent. The producer was its master, and the producer was Germany. Before the war Germany produced three-fourths of all the dyes made in the world; and the Tariff Commission advises that more than half of those made elsewhere than in Germany "were made from primary or intermediate products of German origin"; that "Switzerland, which held second place, was entirely dependent on Germany for raw materials"; and that "in England and France the dye factories were to a large extent owned and operated by the German dye manufacturers."

The war cut off the importation of intermediates and the American manufacturer of dyes found himself with about a six months' supply of intermediates. Such was the situation in March, 1915, when the American people faced the dyestuff famine and the enforced necessity of developing this key industry. While the obstacles were many, they were not insuperable. The essential raw materials were available. In the report of the Tariff Commission on the progress of the American dye industry, printed for the use of the Committee on Ways and Means in 1919, it is stated:

> The essential raw materials are as available as in any other country. Coal tar, the basic material, is recovered from certain grades of bituminous coal in by-product coke ovens and in city gas plants, and can be supplied in practically unlimited quantities at a low cost. From the tar are obtained by simple processes, chiefly distillation and washing with acid and alkali, the substances known in the industry as "crudes."

The creeping industrial paralysis which the dye shortage presaged did not stop with the textile industry. Many others were in some degree dependent on dyes. Among these were the ink industry, the printing and lithograph industry, the paper industry, the paint and varnish, the oilcloth and the furniture industries, and every industry in which colors are required.

But American enterprise and ingenuity asserted themselves in typical American fashion. The American dyestuff manufacturers enlarged their plants, many new companies were organized and entered the field, and the textile industry was saved, but its difficulties and those of all dye consumers were numerous and exceedingly trying. In the main, the manufacture was limited to well-known dyes on which patents had expired and to those for which the intermediates could be most readily produced. The existence of German patents and the lack of one raw material in commercial quantities, until some time in 1917, combined to prevent the manufacture of the newer fast vat dyes. But the industry steadily progressed through these initial stages until the memorable 6th day of April, 1917, when the demand for khaki uniforms was reflected in a corresponding demand for dyes for that color.

A shortage of many materials necessary in the dye industry resulted from the military requirements of the Government, and the requisite supply of men was curtailed by the requirements of the military service.

The state of war and the resulting trading with the enemy act worked a material advantage to the dye industry through licenses under patents of enemy aliens. The manufacture of some imported dyes which had not been made in the United States was made possible through the seizure of German patents. Finally the end of hostilities released 2,000 chemists from the Chemical War Service of the Army, and with the readjustment to an industrial peace basis a period of research work approaching made possible the development of new types of dyes, while the embargo raised by the war and incidental legislation protected the developing industry.

Important as are the industrial aspects of this question within themselves, they are doubly so when viewed in the relation they intimately sustain to the question of national defense.

Two years ago the committee held hearings on the dyestuffs question preliminary to legislation then under consideration.

Among the witnesses who appeared was Gen. Sibert, chief of the Chemical War Service. I submit for consideration this extract from his statement. He said:

I came here, Mr. Chairman, primarily to tell the committee anything I know concerning the relation of the dyestuff industry and other chemical industries in this country to the Chemical Warfare Service of the country; that is, the relation of the industry to chemical preparedness for war. I have been, as head to the Chemical Warfare Service, in the great scramble for chemical materials. There have been spent large sums of money in the building of nitrate plants. Over $100,000,000 have been spent on plans which hardly came into production at the time of the end of the war. We have spent large sums of money in building chlorine and other plants which were just coming into production at the time the war ended. They probably cost us twice as much as they would have cost us if they had been built in time of peace. If nitrate and dyestuff plants were built in time of peace, such plants would be a most essential preparation for war.

Dyestuffs are directly related to several of our gases; the same crudes or intermediates that are used in making dyes are also utilized in making such gases. The processes involved in the making of dyes, explosives, and poison gases are identical to a certain stage. They all begin with the dry distillation of coal. The crudes, benzol, toluol, xylol, when subjected to chemical processing, yield intermediates which on further treatment enable us to obtain dyes, explosives, or poison gases. The dyestuff industry is the one peace-time enterprise which will, therefore, furnish us with the plants and equipment which can be hurriedly converted to essential uses in time of war. If such plants do not exist in time of peace, they will have to be hastily constructed and equipped in time of a war emergency, and we will have the same situation arising as confronted us at the outbreak of this war. There is another point which is worthy of special emphasis: We are not only concerned with plants and equipment but also with the trained personnel needed.

When I became director of the Chemical Warfare Service a year ago last May, after consulting with Gen. Fries, who was in command of the Chemical Warfare Service of the American Expeditionary Forces, it was decided to multiply the gas program by five. We had meetings in Col. Walker's office in Baltimore of representatives of chemical plants throughout the country. We found that most of these plants would undertake to produce certain constituents, let us say, of mustard gas, but no one of them would manufacture the mustard gas itself.

Now, if we had plants that were provided with the personnel, as well as the plant itself, that we could swing into the manufacture of gases in time of war, it would be a great preparation for war. This war has shown that it takes two or three times as long to prepare the material of war as it does to train the personnel for war. After 18 months of work we were just getting ready to produce enough to supply our Army with the things that were needed. Chemical warfare is a new warfare, but one that was responsible for about 30 per cent of our casualties.

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All the large dyestuff industries of the country would be equipped with research plants. Through these plants the War Department would keep posted as to the possibilities of new lines of development. The Chemical Warfare Service would keep in touch with all such work. In addition to the advantages that the Government would gain on account of such research should be added the statement that the plants of all the large chemical industries of the country, both dyestuffs and nitrates, could be quickly changed into munition plants. Furthermore, the personnel employed in such plants could be advantageously used in the manufacture of explosives and gases.

At the same time Col. Fries, Chief of the Chemical War Service of the American Expeditionary Forces, appeared. The following is a paragraph from his statement:

I was assigned to the gas service in the early part of August, 1917. I was the whole service. There were no trained men; we had nothing of that kind in the Army; we had no training in gas defense, and had no gases, and it devolved upon me to organize that service. The first great difficulty that I encountered was getting competent officers. From the very beginning we realized that we did not have anywhere near all the chemists we wanted in chemical warfare, and knew we could not get any from the other allies. We figured we needed probably about 20 or 25 per cent, and we found it extremely difficult to get any. We could not make any appeal to the French and to the English, because they were short of chemists—in fact, we were trying to help them out with chemists. * * *

He then further detailed some of the difficulties encountered in France in the early days of the war by the Chemical Warfare Service, and, upon interrogation by Mr. LONGWORTH, said:

Col. FRIES. The trained personnel appeals to me more than anything else, because that was the one thing that we had need of up to the end of the war. We could not get enough trained men over there to do what we should have done, although we combed all the ground under general orders to get every man who even claimed he was a chemist.

Mr. LONGWORTH. A well-equipped dye industry in this country which had a personnel of which you speak, with a very slight change of plans, would be competent to make all of these or most all of these substances you regard as necessary for the development of the chemical war industry?

Col. FRIES. Yes, sir; and it would furnish us at the outset with the personnel that is so highly necessary, because we have to train our men to know the smell of these gases, to know their effect, to know what a little different change in the gas may make in the effect on the men, and we may lose a lot of men before we can work out a scheme of handling them.

Mr. LONGWORTH. As a military man, would you say that one of the first elements in favor of preparedness, one of the principal elements in preparedness for war, would consist in a well-developed chemical industry?

Col. FRIES. I think so, because our chemical industries touch nearly every phase of our life.

The medicinal aspect of the question was also presented to the committee, notably by Dr. Julius Stieglitz, a professor of organic chemistry and head of the department of chemistry of the University of Chicago, a member of the National Academy of Science, for many years a member of the council of chemistry and pharmacy of the American Medical Association, and formerly president of the American Chemical Society. He appeared representing the public only to speak on the matter of policy, and stated that he had no private interest whatever in connection with this question. Among other things he said:

Now, dyes have a value perhaps of ten times the value of medicinal drugs. At the same time they give us the sources of several materials that we need for the preparation of synthetic drugs. That is the technical connection between dyes and medicinals. We use the same materials which, in the hands of the skillful, organic chemist, would be converted either to the production of dyes, explosives, poison gases, or to medicinals.

Among other things, he pointed out that when the war broke out we had been dependent upon Germany for 606 and that our American chemists began to make it; that it is extremely difficult to make, but that the American chemists resolved the difficulties both from a scientific and commercial point of view, the cost per dose as sold to the Government and to hospitals at the time of this testimony two years ago, having been reduced to 75 cents, or to approximately one-fifth the cost in this country prior to 1914. He said:

Now, in this lowering of the price we have a very important lesson in regard to the relation of medicinals and dyes. This low price of 75 cents has been established by a firm which has had long experience in the manufacture of dyes, but which has been successful in adapting to large scale processes the preparation of arsphenamine.

He emphasized two or three other important medicinals, "in order," as he said, "to point the way for the future of the necessity and of the importance of developing by every means possible the further production of synthetic drugs"; and added this statement:

Those are the directions in which synthetic work is going on, the production of specifics for the killing of invading germs without injury to the host, improvement of the natural products like cocaine and quinine, and also the artificial production of internal secretions in which a given patient may show a deficiency. Now, all of these developments would be tremendously strengthened if we had as the roots of organic chemistry a dye industry. That is the one branch of organic chemistry which has to be developed on a large scale, and given the strong roots we have in the dye industry the rest will take care of itself. Many of the institutions, like the Rockefeller Institution, the Mayo Foundation, and many of the universities are developing these lines of medicinal drugs. We are dependent, however, on the original source of supply for our crude materials and also one the source of supply of what we call organic chemists, as against the mineral chemists, who are sufficiently strongly represented in this country. The dye industry is the sole industry from which we can get our materials and our chemists and which can support the type of work which we have in mind.

I also call attention to the conclusions of the Tariff Commission, as expressed at the same hearings by Dr. Jones, chemical expert of their staff, who had had general charge of the investigations of the commission with respect to chemicals, dyes, and related products. After reviewing the work done and the extended study of the industry he said:

As a result of its study of this industry the commission has reached the following conclusions: Dyes are essential for the production or at least the salability of a great variety of products having a value many times the value of the dyes themselves. And, therefore, there is a strong argument for developing the dye industry, not primarily for its sake but rather for a kind of insurance for many other much larger industries which consume dyes and which are dependent upon them. Furthermore, it is important that the dye industry should be developed as a part of any program of military preparedness on account of its close relationship to the manufacture of explosives and poison gases.

The second conclusion is that there are no inherent or permanent obstacles to the development of the industry on a secure economic basis. The essential raw materials are all available and are produced under favorable conditions. The progress in this and other lines is a sufficient guaranty that American chemists have sufficient ability to solve the technical problems.

The third conclusion is that in spite of encouraging progress American chemists and engineers have not accomplished in 4 years all that the Germans have done in 40. Although encouraging progress has been made in the last four years, yet the industry, when viewed as a whole, is not yet on a secure economic basis. From a tariff point of view, the industry is still an infant industry.

Mr. LONGWORTH. Will the gentleman yield?

Mr. HADLEY. I will.

Mr. LONGWORTH. With reference to the question of chemical gas, as I understand the fact, each gas has its antidote and that antidote must be invented to take care of the effect of certain gas, and not only the gases themselves but the antidotes have been invented in a dye laboratory and can not be invented anywhere else.

Mr. HADLEY. I thank the gentleman for his statement. Now, I wish to refer briefly to the additional views filed by my friend from Wisconsin [Mr. FREAR], who made a very earnest statement in support of his views the other day on the floor, and I have no disposition to criticize him and no thought of doing so. He is very earnest in his views in this matter, but I think he is led into error in his conclusions by reason of a lack of knowledge of the facts. He charges, as you know, the monopolistic character of the Chemical Foundation, but as has been repeatedly asserted on the floor that is extraneous matter and not pertinent to the issue before us here. The Chemical Foundation is not an

operating concern. It took over the German patents and what it may do under them is one question, but it is not involved here. What we are considering is the protection of the people engaged in the industry. He said it has no competition. Only yesterday I obtained for the first time a report of the Tariff Commission its census of dyes and coal-tar chemicals for 1920. Evidently the gentleman from Wisconsin had not seen this report of the commission, and I assume no one else had at the time he made his speech. It has just been issued.

Mr. HAWLEY. Will the gentleman yield?

Mr. HADLEY. Yes.

Mr. HAWLEY. In the course of the work of the subcommittee of the chemical schedule undoubtedly the Tariff Commission gave you the information contained in the report.

Mr. HADLEY. All the information they had at the time which they had been gathering and upon the information they had we based our judgment and our work, but their formal report had not become a public matter.

Mr. HAWLEY. So the committee in preparing the schedule was fully informed?

Mr. GARNER. Of the information they had up to that time.

Mr. HAWLEY. The subcommittee had all the information——

Mr. GARNER. The gentleman from Oregon wants you to say that you had all the information that is in the pamphlet, but you had all the information up to that time?

Mr. HADLEY. We had all the information they had up to that time, and if they have had any information since they have no doubt incorporated it in the report. But what I want to say in regard to competition is this: I find on page 32 of the report data as to the manufacture of each dye. It is set out in a schedule or table. There were 360 dyes produced in 1920, and 108 of those dyes, representing 92 per cent of the total output in 1920, were each manufactured by three or more firms.

It is also stated that 200 dyes, which, however, represented only 5 per cent of the total quantity produced, were made by only one firm. The number which were made by two firms was 52. The report contains this statement:

> Of still greater significance is the fact that those dyes, 35 in number, which represented slightly more than 50 per cent of the output, were each manufactured by seven or more separate firms. The dyes which were made by five or more firms represented about 60 per cent of the total 1920 production.

These facts need no comment; they speak for themselves. There are over 200 firms engaged in the production of these coal-tar products and in active competition with one another.

In the case of 108 dyes there were three or more firms, and in the case of 50 per cent and more of the output there were seven firms manufacturing each of them, and sometimes more. There is no possibility, under circumstances like these, of a monopoly, because they are not interrelated, neither are they related in any way to the Chemical Foundation, so far as the committee can ascertain or so far as the Tariff Commission gave us any information. Neither are they related to the Du Pont Co. or to the Allied Chemical Co., if that is the correct term, so far as the committee has been able to ascertain or so far as the Tariff Commission has furnished us information.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. HADLEY. Yes.

Mr. GARNER. If I understand the gentleman, then, the sum and substance of his statement is that the gentleman from Wisconsin [Mr. FREAR] is mistaken.

Mr. HADLEY. I will put it so; I think he was mistaken.

Mr. GARNER. The gentleman has not used the word "untrue," but the gentleman from New York this evening said that the statement was untrue.

Mr. HADLEY. Does the gentleman say that I used that term?

Mr. GARNER. Oh, no; but it is a term commonly used, and I merely suggest that the gentleman says that the gentleman from Wisconsin was mistaken.

Mr. HADLEY. I think the gentleman was mistaken, as he was about a number of other matters which I wanted to discuss, but my time is rapidly passing and I can not get to a discussion of those particulars. He was very much mistaken about the interpretation of the provisions of the bill with reference to the admission of substitutes. His report asserts that no authority to import will be given if the commission finds any substitute will answer, while under the provisions of the bill, as explained by the gentleman from Iowa [Mr. GREEN] and by others, they must be of identical chemical composition to be included in class A.

Mr. GREEN of Iowa. That is the express language of the bill.

Mr. HADLEY. Yes; and I have it here. Of course, if they are not in class A they fall into B, and if in class B they are importable under the conditions specified in the bill.

Mr. GERNERD. Mr. Chairman, will the gentleman yield?

Mr. HADLEY. Yes.

Mr. GERNERD. Could not that matter be regulated by other means than by putting it entirely into the hands of the Tariff Commission? There seems to be a great deal of doubt about the wisdom of putting it into the hands of the Tariff Commission.

Mr. HADLEY. I am going to discuss that briefly, but I would like to lead up to the discussion by a further reference to the situation. I want to refer to the fact, as shown by the report, that the exports are decreasing, although in the report of the gentleman from Wisconsin [Mr. FREAR] he dwelt on the great expansion of the exports in 1920. We have here a statement showing that they greatly decreased in the first four months of 1921, and I shall take just time enough to refer to the concluding statement on that point.

The Tariff Commission say that "although this decrease may be attributed to general business depression, it may be largely accounted for, however, by the fact that German dyes, either directly or through reexport of reparation dyes, have again made their appearance in the principal export markets, such as China, India, and Japan," and that "the result has been that the United States has lost by far the larger part of her export trade in dyes in those markets." They had gone down to about the point of 10 per cent of the corresponding period of 1920 in the first four months of 1921, and, as I remember, April was the last date for which they had compilations in hand.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. HADLEY. Yes.

Mr. LONGWORTH. And, furthermore, within the past few months Italy and Great Britain have absolutely barred our dyes out of their markets. They have barred the importation of any dyes whatsoever.

Mr. HADLEY. That is true. There is also an embargo to some extent in Japan and France.

Mr. LONGWORTH. But the British and the Italian acts have been passed within the last three months.

Mr. HADLEY. Great Britain's embargo is for a period of 10 years.

Mr. LONGWORTH. A total embargo for 10 years.

Mr. HADLEY. So those countries will close their doors to us and all the world, and the remaining markets that are now open principally are this country and China, as I understand it.

Mr. YATES. Will the gentleman state whether this is regarded as an embargo?

Mr. HADLEY. I do not care whether it is called an embargo, or whether it is a limitation upon importations, or what you call it, but under the terms of this bill it will operate in this way: The dye users and dye consumers can get American dyes or get foreign dyes. If they can not get them at a satisfactory price here, and the commission finds they can not, a limited amount may be imported. I want to speak of the competitive situation which we have abroad. I am not afraid of this alleged monopoly at home. There is none, and there can be none under the circumstances as shown, outside of the legislation itself; and, furthermore, the bill automatically operates to prevent monopoly; but we have a monopoly to contend with, and that is the German syndicate. That was before the war, perhaps, the most colossal trust known in the world. It was building for 40 years, and they kept on operating throughout the war. Its processes were not interrupted in any way. It kept its chemists from going into the service. They were not called into the war. They manufactured explosives and gases, and from the explosives and gases there was a constant accumulation of dyes, so that the result was at the close of the war they had a tremendous surplus on hand of dyes ready for exportation.

Mr. BACHARACH. Will the gentleman yield?

Mr. HADLEY. I will yield.

Mr. BACHARACH. I do not want to interfere with the gentleman, but as I understand this proposition about the limitation or restriction it is only for a term of three years, anyhow?

Mr. HADLEY. Oh, yes; all there is to that proposition is this: The committee has provided within a limited period of three years that certain dyes may be imported and others may not, within the judgment and finding of the Tariff Commission. The Tariff Commission takes the dyes which are described in paragraphs 25 and 26, I believe, some of which come in at a rate of 30 and 7 and some 35 and 7, if those are the correct figures, and they classify them. They set aside a class of dyes in class A. Those are dyes they will find to be

available in this country at a reasonable price and in reasonable quantities and that they will be delivered under reasonable circumstances, and for a period of three years they limit the embargo on dyes to those classes found in class A, unless subsequently they transfer them to class B. These are transferable from one class to the other, according to conditions which may develop as to quality, price, and delivery. Any importer or any user of dyes who wants a dye in class B can bring it in, because the bill does not in any way interfere. The others, in class A, are stopped at the customhouse when they come because they can be found and obtained in America, under the findings of the Tariff Commission, at reasonable prices and in reasonable quantities and are subject to delivery on reasonable terms; and therefore there can be no reasonable objection on the part of anyone to a provision which limits dye users for a brief period to obtaining their production at the hands of the American manufacturers while we hre trying to build up the industry so as to make it self-sustaining.

Mr. MAPES. Will the gentleman yield for one question?

Mr. HADLEY. I will.

Mr. MAPES. Waiving all other consideration is this true, taking the dye provisions as they now stand in the bill, that we must assume that the action of the commission will be arbitrary and unreasonable in its requirements if any dye is improperly prevented from being imported into this country?

Mr. HADLEY. I think the gentleman, if I understand his question, makes the proper assumption. But the fact is, as we all know, that the Tariff Commission is a nonpartisan commission, that it is a responsible commission of this Government organized on behalf of the Government and peculiarly qualified to administer this kind of a program. They have had jurisdiction of this subject under the act of 1916, have had it constantly under survey, and they make their report at the request of the President from year to year.

That such a commission would act in any other than a reasonable, fair, and efficient manner, and with due regard to the interests of all concerned, is unthinkable. That it would administer the act in strict accord with the intent of Congress, I am sure no one will question. Its past work abundantly justifies that confidence and belief.

To the Tariff Commission, with trained experts, with first-class chemists in their service, is at once available and constituted to administer these provisions. The committee has had most excellent service and cooperation on the part of the commission in the preparation of the chemical schedule. It never could have gotten this schedule in the form in which it is and arranged it with the scientific accuracy with which it is presented without the aid of that splendid service. The Tariff Commission is in position to maintain current surveys of all features, the competitive conditions surrounding the industry, the cost of production, and whether the prices prevailing are reasonable. If not in the case of given items, they take them off the list in class A and let the commodity come in under class B. Under such a system dye producers will have some encouragement to expand and develop the industry without fear of annihilation by destructive competition. The German trust is organized on the basis of $100,000,000. They were first divided into various companies—six, I think—and finally into two groups; and then, in 1916, they confederated under one organization, an organization with $100,000,000 capital, as I believe the testimony showed, and that capital had a stock value of $400,000,000. It was organized to do $100,000,000 annual business.

Germany only has a consumption of $20,000,000 a year, according to the testimony. It appears that her domestic consumption is only one-fifth of her production and the other four-fifths must find a market or her industry can not survive. In view of the German syndicate's course of dealing in the past, its underselling, and all forms of commercial piracy, we may reasonably anticipate under present conditions, knowing that the cost of production in Germany is infinitely less than it is with us, that without the remedy afforded by this bill they will strike a death blow at the American industry. A gentleman asked me a while ago, "What is a sufficient duty to keep out articles in that way?" That is wholly impracticable. These dyes will probably be passed from one list to another by the action of the Tariff Commission. Why? Sometimes they will be available and sometimes not available. Sometimes the price may be found reasonable and again unreasonable. Sometimes dyes ought to be let in and sometimes be barred out, according to the commission's findings. The rates would have to be determined from day to day and from time to time by the Tariff Commission under an adequate duty plan. That is wholly impracticable, and, if defensible at all, certainly questionable.

The sky would be the limit under a straight, permanent duty, if protective, and that would be prohibitive as to the dyes we do not produce. You would thus destroy the very industry which you are seeking to protect if that plan be pursued. There is no other system which the committee could devise or conceive of that would work so advantageously to the industry and at the same time protect the dye users and consumers as the one proposed. The committee is not aware of any substantial objection to it from any source, except we have some objection voiced here on the floor of this House and through this report. And why should there be objection? The Tariff Commission in determining the cost of production and reasonableness of price, quality, and delivery will determine from time to time whether its classified lists are accurate, and they will bring them up to date. They may put more upon class A or take some out and put them in class B, and the importations will be governed accordingly. Thus the development of the industry may proceed as we contemplate to the end that we may enjoy complete supremacy with no competitor in the world to fear in peace or war.

Let the industry be broken down now, and it will be gone for generations, perhaps forever. There is but one way, and that is some such way as the bill provides. The committee has had this under consideration for two years. We have analyzed it, and framed and reframed plans and discussed them with the dye manufacturers and dye consumers and everybody in interest, and have come to the conclusion that this is the best possible solution of the problem.

We are now called upon to determine a definite policy with respect to the preservation of this great war industry. The committee has had it under consideration and attention for two years. It has submitted its recommendation. It provides for a 3-year limited system of importation. We are now passing through a period of reconstruction following the great war. The question is whether we will make certain the perpetuity of this war-developed industry; and its further development and expansion, by a method that we know will afford absolute protection, or whether we will speculate and experiment with it on terms that may sacrifice and destroy it. Whether we will adopt a certainty or an uncertainty. We are dealing with a question of national defense. We are proposing a policy of national safety.

The period of reconstruction is one thing; the period to follow it is another. It is of the essence of Americanism to hold fast to what we acquired directly or incidentally at the terrible cost of war. For myself, I will not experiment with the future of such an inheritance. It concerns the Nation—primarily for defense. It concerns it immeasurably, industrially, and medicinally. Other items in the bill involve the rights and opportunities of the individual. This one does that; but it involves infinitely more than that: It involves the chemical independence of the United States and the welfare of all the people in all the land. In the last analysis the question is, Shall Germany prevail against us in this or shall we prevail against Germany? In justice to those who made the fight to establish this industry, when all Americans loudly called upon and applauded them; in justice to all who contributed to American success in the World War; in justice to America and Americans, let us adopt the course of national certainty, national prudence, and national safety. The bill has blazed the way. To wander from it without a better one is but to abandon this national inheritance, to perish as in a wilderness. [Applause.]

Mr. GERNERD. Mr. Chairman and gentlemen of the committee, coming from the third largest manufacturing district in the State of Pennsylvania, being next to Philadelphia and Pittsburgh, and having within my district 1,325 manufacturing plants, who last year employed 73,883 industrial workers, I could not sit silently by in this great legislative body without commenting upon this splendid and important measure and voicing my approval of it.

Representing Reading and Allentown, two of the most progressive industrial cities in the country, who during the past 30 years have grown by leaps and bounds, which growth was largely made possible through the stimulating and beneficial advantages of a protective tariff, I can appreciate what the Fordney tariff bill means to my people in protecting the capital invested in our industries and in bringing new prosperity to thousands whose happiness and contentment are dependent upon the activity of these industries. One need but know the fact that in 1920 the total value of the manufactured products of the thirteenth Pennsylvania congressional district were valued at $426,160,000 and that there was invested in these industries $204,863,000, and that there was paid in wages $83,045,300, to realize how important it is that our industries and our workers be protected against foreign competition.

Nowhere in the world will you find the industrial workers living under better conditions than they do in the counties of

Berks and Lehigh. Thousands own beautiful and substantial homes unencumbered by debt, where they freely enjoy the comforts and pleasures of a truly American life. Thrift, frugality, and an intense Americanism has made them a happy people, and I, as their Representative in Congress, wish to aid in every way possible to preserve that great spirit by protecting them against an unfair and indiscriminate competition which I know will result, unless we guard our shores against the importation of merchandise made by a cheap and inferior foreign labor.

The World War has brought many changes, and while we deeply sympathize with the peoples of Europe in their distress and great struggle to emerge from the terrible scourges of war, yet we dare not permit ourselves to be deceived with the thought that America can open wide her gates to the markets of the world without destroying and seriously endangering her own industrial health. If a protective tariff acted as the invigorator of posterity before the World War, then the necessity of such a great principle as a protective tariff is imperative now. I believe in insuring absolute safety for our home markets in order that our people may not be deprived of the opportunity to labor and that our progress be not impeded but rather stimulated to greater endeavor.

During the summer of 1911 I had the privilege of touring the greater part of Europe. In my travels I was especially interested in observing the industrial life of these people. I had always been impressed with the fact that living conditions were so much inferior to those that we enjoyed in America, and this I found to be only too true. I vividly recall my visit to the city of Birmingham, which was then the great iron and steel center of England. For the greater part of the day I walked through the streets of that city in which these ironworkers lived, and I was amazed at the poverty I saw. The women and children presented a pitiful sight, revealing a life of squalor and misery, living in unclean hovels and upon their faces could be seen the need of wholesome nourishment. There was an utter lack of frugality, and the faces of the children were parched and their eyes were dull and uninteresting. I was intensely moved by the unhappy scenes I saw that day. That night my thoughts wandered home, and I could not help but feel a wonderful pride in the knowledge that the American ironworkers, as contrasted with these unfortunate people, were a happy and contented people, enjoying the great blessings of American home life.

A few days after my visit to Birmingham I reached London, and there I saw in Hyde Park more than 15,000 able-bodied men assembled, listening to speeches by labor leaders; they were a part of the great army of unemployed men that were so numerous all over England that year. At Liverpool, where I embarked for home, thousands of men were walking along the wharves of the Mersey River seeking employment to help load the ships.

That same summer I traveled over a large part of Germany, but I found no unemployment there such as I had witnessed in England and in Italy. I shall always remember my trip through Saxony, where it seemed as if one industrial community began where the other ended. The great smokestacks were emitting their fumes of exhausted energy. Prosperity was to be seen on every hand. In the cities I found no idleness, but the greatest kind of activity. It was a remarkable contrast with what I had seen in most of the other countries. These people appeared happy and contented, and the homes of the industrial workers were simple but immaculately clean. There was no poverty to be seen.

One evening at Munich I visited a German beer garden, and while seated at a table listening to the music, along came two German lads about 18 years of age; the place being well filled, and there being room at my table, I asked them to be seated. After a little while I saw one of them get out of his pocket a little package wrapped up in paper, which he unwrapped, and I discovered that he had a half loaf of rye bread; and then I saw his companion get out of his pocket a similar package, which I shortly learned contained a hunk of cheese. Together they sat, each with a stein of beer and their rye bread and cheese, taking their supper. It was an interesting picture. I soon got in conversation with them, and I inquired where they were working. They replied that they were apprentices in a department store in Munich, learning to become clerks, and that they were serving a three-year apprenticeship. I also learned from them that they were earning less than $2 a week. I thought to myself, think of American boys serving an apprenticeship in one of our department stores for three years at less than $2 a week. But that illustrated a fact which prevailed all over Germany, and while they were prosperous, yet they were working for wages and under conditions that would be considered a mockery in America.

This was but 10 years ago, and conditions then prevailing all over Europe were infinitely superior to those existing now. Can we afford to jeopardize our prosperity in permitting their products, produced under such conditions, to enter our markets at prices far below the cost at which American labor can produce them? There can be but one American answer to this proposition.

Mr. Speaker, during the past few days I made an analysis of many of the schedules of the Fordney tariff bill affecting the manufactured articles made in my district, and compared them with similar schedules as contained in the present Underwood tariff bill. I was surprised to find that in many instances they were from 10 to 35 per cent lower than those contained in the Underwood tariff bill. If this basis were to remain, I should feel that a very serious mistake and a great injustice was being done, but, since the importations under the Fordney tariff bill are to be based upon an American valuation instead of a foreign valuation, my apprehensions disappear. I firmly believe that this new plan is one that should have been adopted years ago, and I am pleased to state that this plan of American valuation is receiving the universal approval of the business men of my district. Letter after letter is reaching me daily, indorsing my attitude in this regard. Abundant proof has been produced to justify this new change, and the many flagrant abuses that have been in practice under the foreign valuation plan will hereafter be eliminated, and therefrom great benefits will enure to the advantage of the American producer and consumer, and the United States Government will receive millions of dollars in added revenues, of which heretofore it was fraudulently deprived through undervaluations.

There will be those who will criticize our efforts, but these are unusual and abnormal times, and every great constructive measure always receives serious attack. I have learned to greatly admire the gentlemen of the Ways and Means Committee, who for months have been engaged in this stupendous task, and I say to them and to the gentlemen of this House that I have abiding confidence in the work that they have performed.

How well I recall, as a boy, listening to William McKinley delivering a protective-tariff speech in the days before he became President of the United States. My youthful ambitions were fired by an enthusiasm that his eloquence and personality inspired, and since that day to this I have constantly studied and observed the progress made by American industry through the principles of a protective tariff. In my own home town I saw one small industry after another begin operations, fostered by a protective-tariff system, only to see them in the course of a few years expanding into great and important centers of activities. The many textile plants located throughout my congressional district owe their growth and expansion to this principle. Realizing these unerring facts, and knowing how prosperous we have been, I wish to record my voice and vote in favor of this bill, believing that what has been of such unestimable value to the people of my district has been of equal benefit to the rest of this great country of ours.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. BACHARACH].

Mr. BACHARACH. Mr. Chairman, I have listened with much interest to the arguments of my Democratic friends during the course of the debate on this bill, and practically all of them state that they are in favor of a tariff for revenue only. If that were true in 1913 when we had less than a billion dollars of bonded indebtedness and it cost about a billion dollars per year to run the country, how can they justify their attitude against this bill, which proposes to increase our revenue from customs sources about 100 per cent over the Underwood bill, when our bonded indebtedness is approximately $24,000,000,000 and our current expenses about $4,000,000,000 yearly? If they were to logically follow out their line of reasoning, instead of being against the generally low rates of the Fordney bill they should be in favor of much higher rates than contained in this bill. The further argument is advanced by our Democratic friends why we should not have a high tariff at this time is because we have debts owing us by foreign nations, chiefly European countries. As a matter of fact, our competition today is not with the European countries; it is with Japan, and Japan owes in bonded indebtedness $1,840,000,000. There is the fallacy of their line of reasoning, and it is as false as their argument that the tariff could not be effective at this time because we do not know the conditions on the other side of the water.

The gentleman from Texas [Mr. BLANTON] yesterday stated that the tariff we had put on surgical instruments would cost every college boy $25 per year for instruments from the time he started in college. I am surprised to learn that my friend from Texas, who has always been a friend of the common

people, has now become the friend of the wealthy, who by reason of their wealth are able to send their children to college and the higher institutions of learning. He is advocating the thought that these college boys should be exempted from the payment of $25 in order that the poor boy might be deprived of the opportunity to obtain a higher education, many through the mediums of night schools and correspondence schools, by forcing American workmen either to accept a wage scale equal to that paid in the low markets of Europe and the Orient or be without employment altogether. In either event they could not properly educate their children.

Under the Underwood law the tariff on surgical instruments was 20 per cent and under the Payne law 45 per cent. In this bill there is a specific duty and an ad valorem rate of 35 per cent. In addition to that we have eliminated the paragraph under which surgical instruments and other scientific apparatus were imported free for certain uses. We are against class exemption, and for that reason we say the colleges and laboratories of the country should be treated the same as other institutions and individuals. We are trying to educate the American boy to know that American workmen are thoroughly capable and able to make surgical instruments, scientific instruments, chemical glassware and porcelain ware, optical glass, etc., for use in our colleges and institutions of learning just as good if not better than that manufactured abroad. During the war it was necessary for us to develop these industries in order to supply not only our own needs but the needs of our allies, and were it not for the fact that our skilled mechanics soon became proficient in the manufacture of these articles and turned them out in sufficient numbers for our needs, the war might have ended differently for us and for our allies. The Democratic President, Mr. Wilson, came before this House and in his message to Congress asked us to do what? To put a duty on these very essential "key" industries. The Democratic Party when in power was certainly committed to a measure of this sort. But instead of following the suggestions of their former leader we have men on that side of the aisle who now argue that because the war is over these various industries that were promised protection by the Democrats should not be protected against foreign competition.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I will yield to the gentleman two minutes more.

Mr. BACHARACH. I desire to quote some of the testimony as submitted at our hearings some time ago on this subject—the testimony of Mr. Charles L. Parsons, Washington, D. C., secretary of the American Chemical Society. And I want to call Members' attention particularly to the testimony of Mr. Parsons:

Mr. PARSONS. I am secretary of the American Chemical Society, sir, which has a membership of 13,500 of the chemists of our country.

Mr. COPLEY. Do you believe the chemical industry was exceedingly important in the successful prosecution of this war by the American people?

Mr. PARSONS. I am naturally prejudiced, but I think there was none more important.

Mr. COPLEY. And you think we successfully disproved the claim of Germany of the superiority of her chemical glassware in her prewar propaganda?

Mr. PARSONS. I know we did.

Mr. COPLEY. And you regard this industry as absolutely essential to the chemical independence of this country in the event of future wars?

Mr. PARSONS. I think there is no question about that. We have to have our gas warfare and all those things.

Now, here is something I think of vital interest to the Members of the House who are interested in this particular bill. Referring to the statement made by him, I asked him this question:

Mr. BACHARACH. In addition to the fact you want American-made goods for the reason they should be American-made goods, you want to prevent any further propaganda such as we had prior to the war?

Mr. PARSONS. Yes, sir.

Mr. HULL. Does your organization represent chemists of the universities?

Mr. PARSONS. Probably every chemical professor and most all of the chemical instructors in all the universities of America. I say probably; I know it; there is no question but that they are all members of the American Chemical Society. And in this organization large numbers of those were present and there was very little dissent among those present as to the desirability of this action.

Mr. COLLIER. You say those connected with these universities and colleges were there and approved of this proposition?

Mr. PARSONS. They were there and favored it; yes, sir. There were representatives from Cornell, Yale, the University of California, the University of Pennsylvania, Columbia University—I can get a list if it would be of any interest. But it is practically the most representative chemical organization that can be gotten together in America, composed of representatives elected by the local sections. We have 55 local sections in America, which are very largely controlled by the colleges and universities.

Mr. COLLIER. And I understood you to say, in answer to a question from Mr. Oldfield, this association is in no way, directly or indirectly, connected with the manufacture?

Mr. PARSONS. It is a scientific association which does not make a cent of money from any person, individual, firm, or corporation. It is only a scientific association, the same as the Association of Mechanical Engineers, the Association of Civil Engineers, etc. It is an association gotten together for the development of the chemical science and industry.

Mr. YOUNG. If I understood you correctly, your main purpose is to secure a dependable supply for all time to come in this country?

Mr. PARSONS. That is it, exactly.

We also have the testimony of quite a number of manufacturers. We have the testimony of Dr. Herty, who was professor of chemistry in the University of North Carolina, and Dr. Herty in his statement said that it did not make any difference, in his judgment, what the rate of duty might be, just so it would be high enough that the youth of this country were not compelled to use chemical and laboratory glassware made either in Germany or Japan. It was proven, so far as America is concerned, that her glassware is the equal of the German glassware and far superior to the Japanese glassware.

As a matter of fact, an inventory was taken by the Tariff Commission of 20 colleges, and 17 of them answered that they were in favor of perfecting these various industries, and that they were perfectly willing that these schools should pay this advance price. In further answer to what the gentleman from Texas [Mr. BLANTON] had to say with reference to the $25 for surgical instruments, a boy would not have to pay a 5-cent piece unless he took them away from the colleges or destroyed them or made them useless. The only thing that a man has to pay for in the way of laboratory apparatus are those that are broken or that he takes away with him, and the testimony before the Tariff Commission showed that these colleges, while they imported the chemical glassware and surgical instruments free by reason of the Underwood law, charged a profit upon them, and quite a few of the colleges made a substantial amount by securing that added protection.

The gentleman from West Virginia [Mr. GOODYKOONTZ] stated last night that the man who took his wife to the hospital would have to pay for the cost of the surgical instruments used. As a matter of fact, a physician who is fit to operate on an individual owns his own surgical instruments and uses them in his hospital work, and he has always had to pay a duty on his surgical instruments. [Applause.]

National defense and our industrial independence require and demand that the manufacturing of chemical glassware and porcelain ware, optical glass, and other scientific instruments and apparatus, developed in America since the outbreak of war, shall be continued, and that the United States shall never again find itself, with respect to these industries, in the very humiliating and alarming situation in which we found ourselves, for want of these industries, in the early part of 1915.

With this end in view, those who are most vitally interested in the perpetuity of these industries come to you and ask for a reasonable protection against foreign competition which will enable these industries to continue in existence.

Are you going to reward the skilled mechanics of America, thousands of whom are engaged in these industries, for their devotion to their country and for their wonderful achievement in bringing about the industrial independence of America in these industries by affording to them that protection which will permit them to continue their employment at a fair wage?

Or are you going to force them out of employment and once again place America under the yoke of foreign domination in these essential and important industries by compelling American manufacturers to go out of business by forcing them to compete against the low-paid and wily Jap and recently despised Hun?

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456 and had come to no resolution thereon.

RECLASSIFICATION OF POSTMASTERS.

Mr. STEENERSON. Mr. Speaker, I submit for printing under the rules a conference report upon the bill H. R. 6573, to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills and joint resolution:

H. R. 2421. An act granting certain public lands to the city of Phoenix, Ariz., for municipal purposes;

H. R. 6814. An act to authorize the construction of a dam across Wabash River, in Huntington, Ind.; and

H. J. Res. 32. Joint resolution to change the name of the Grand River in Colorado and Utah to the Colorado River.

RECESS.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent that the House stand in recess until 7 o'clock and 15 minutes p. m.

The SPEAKER. Is there objection?

Mr. GARRETT of Tennessee. Mr. Speaker, reserving the right to object, how long does the gentleman think he would like to run to-night?

Mr. FORDNEY. I think we shall have to run until about half past 10 or 11 o'clock in order to accommodate gentlemen who desire to speak. We have had requests for about five hours' time, but we are going to ask gentlemen to cut that down.

Mr. GARRETT of Tennessee. I notice the gentleman makes his request for reconvening at 7.15. We have heretofore been recessing until 8 o'clock.

Mr. FORDNEY. I had announced heretofore, when the gentleman was out of the Chamber, that it was the purpose to recess until 7 o'clock and 15 minutes, so that Members of the House have been apprised of that fact.

The SPEAKER. Is there objection?

There was no objection.

Accordingly (at 5 o'clock and 37 minutes p. m.), the House stood in recess until 7 o'clock and 15 minutes p. m.

AFTER RECESS.

The recess having expired, the House was called to order at 7.15 by the Speaker.

The SPEAKER. The House resolves itself into the Committee of the Whole House on the state of the Union for the consideration of the tariff bill.

Mr. CAMPBELL of Kansas. Mr. Speaker, I should like to prefer a request for unanimous consent before the House goes into the Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Kansas.

Mr. CAMPBELL of Kansas. If I may, I want to preface the request with a very brief statement.

The SPEAKER. Is there objection?

Mr. STAFFORD. There is no objection to the gentleman making a statement.

Mr. CAMPBELL of Kansas. The five items given preference in the bill under the rule embrace two articles that are on the free list and two articles which are on the dutiable list, and it will be necessary to transfer the articles from the free list to the dutiable list in the amendment and also from the dutiable list to the free list in the amendment, and the unanimous-consent request I desire to make is that in the consideration of these amendments those on the dutiable list be transferred to the free list and those on the free list be transferred to the dutiable list.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. CAMPBELL of Kansas. Yes.

Mr. GREEN of Iowa. As I understand, the purpose and object is to enable the amendments to go in the proper places.

Mr. CAMPBELL of Kansas. So that when the amendments have been disposed of they will appear in their proper places in the bill, and that is the sole purpose.

Mr. GREEN of Iowa. Strictly construed, the amendments would bring the dutiable article in the free list column and vice versa.

Mr. WALSH. It does not make any difference where they are, does it, in the rule?

Mr. CAMPBELL of Kansas. Yes; it is desired the item shall appear in the bill in its proper place.

Mr. WALSH. I would like to hear from somebody on the Committee on Ways and Means.

Mr. STAFFORD. Let it go over until to-morrow.

Mr. WALSH. I very much dislike objecting to what the Ways and Means Committee desire to have done, but I am very strongly opposed to changing the rules by unanimous consent after the House has considered, discussed, and adopted them. I very often have objected to a change in the special rules that have been adopted by unanimous consent. For the present I shall object until we look into it a little further.

THE TARIFF.

The SPEAKER. The House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, H. R. 7456, and the gentleman from Kansas [Mr. CAMPBELL] will take the chair.

The CHAIRMAN. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. GREEN of Iowa. Mr. Chairman, I yield to the gentleman from Illinois [Mr. BROOKS] such time as he may desire.

Mr. BROOKS of Illinois. Mr. Chairman and gentlemen of the committee, I shall vote for this bill because I believe it has merit in it. I represent a district that has varied industries. We have a large acreage of agricultural and fruit lands, and we have a great many small manufacturing industries. We have in Illinois about 12,000 oil wells. In two counties that I represent we have 9,000 of those wells. The State of Illinois produced about 8,000,000 barrels of oil last year, and two counties which I represent produced 7,000,000 barrels of that oil.

I am a protectionist. I have seen the benefits derived as a Nation from a protective tariff system. I have seen the desolating results to my country of the free trade system and the tariff for revenue only. After Mr. Cleveland's election in 1884 I saw the steady decline of business; saw men without employment and factories closed.

After the election of Mr. Harrison in 1888 there was a resumption of business under a revision of the tariff law, but during the four years of this administration sufficient time had not elapsed for the beneficial results to the country to ensue which were expected.

In 1892 Mr. Cleveland was elected again. The same conditions prevailed as in his former administration, except that they were worse. Factories were closed, men were thrown out of employment, and every industry which required the investment of capital ceased to function. Bankruptcy was an everyday occurrence. Soup houses were opened, bread lines were formed, men were begging—men who were willing to work but could not obtain the work. The culmination came with the march of Coxey's army to the White House in 1894. I saw this body of men, and knew when I saw them that their condition was typical of the whole country and was the result of a free trade system. The financial panic which the country underwent at that time, and which is now history, should be an object lesson to every opponent of protection; should be a silent but mighty protest against a system which brought so much ill fortune.

Following this came the election of Mr. McKinley in 1896. There is no need to remind you of the change which took place. A protective tariff law was enacted. The country was placed on the best business basis it had ever known. All lines of business were stabilized. The grower, the producer, the manufacturer, and the consumer were all protected alike under the system. The cry of discrimination was never heard. Factories opened, industries thrived, buying and selling were carried on in a way that equalized the efforts of labor with the investment of capital. It opened the era of the never-to-be-forgotten "full dinner pail."

In 1912 a Democrat was elected, and under the Wilson administration history would have repeated itself had it not been for the war.

I speak not from theory but from actual conditions as I saw them. Whenever we have had a free trade system business depression has been the invariable result. It is the antithesis of prosperity. When no duty is levied, or duty for revenue only, our raw materials can be exported to foreign countries, manufactured in those countries, and the finished product, article, or commodity shipped back and sold to the consumer here for less than the same product, article, or commodity can be produced or manufactured at home.

This is due to the lower standard of living in the foreign countries and the consequent lower wage. When the farmer is receiving a fair price for his product; when factories are operating with a full force; when the millions of wage earners now idle are employed, at a fair wage; and when the consumer can purchase at a fair price, the industrial and economic safety of the country will be assured.

Our farmers and producers are not receiving sufficient prices for their products to pay them for the cost of production. The large quantity of foreign exports coming into this country is practically putting our farmers out of business.

In March, 1921, there was imported to this country 32,884,910 pounds of butter and butter substitutes; 11,864,918 pounds of cheese; 108,523,621 pounds of fresh meats from Canada, Argentina, Uruguay, and Australia; and 40,000,000 pounds of bacon, ham, sausage, sausage casings, tallow, and other meat products. All this came in duty free, and in direct competition with the American farmer, while the consumer paid not less, but more.

The interests of the producer and the consumer can not be separated.

I have referred to the agricultural and business interests in the State of Illinois, and it is natural that I should consider them first. But I am not a local protectionist only. I believe in the safeguarding of American interests. I should be selfish, indeed, if in the consideration of this bill I thought only of the benefits to be derived within the boundaries of my own State and district. I believe in the adequate protection of every legitimate business which is vital to the welfare of the people of the United States. Not only am I in favor of a protective principle, but I believe that every man whose vision is not limited to his own locality—every man who knows where is grown and made cotton, corn, wheat, calico, flour, fruits, iron ore, steel products, lumber, cattle and sheep, chemicals, oils, dyes, everything, in fact, which is necessary to the successful and profitable conduct of business, the maintenance of our industries, and finally the contentment and happiness of a busy people—is in favor, and will go on record as in favor, of this most needed economic factor in the readjustment of the activities of our country, a protective-tariff system.

Such a tariff has been tried and found not wanting; it has been proven to be a stimulus to all lines of industry in every section of these United States. It has been an incentive to the best efforts put forth by that man who is a distinct creation of this great country, that man whose efficiency is recognized and has never been surpassed—the American business man.

Mr. GREEN of Iowa. Mr. Chairman, I yield to the gentleman from Utah [Mr. LEATHERWOOD] such time as he may desire.

Mr. LEATHERWOOD. Mr. Chairman and members of the committee, ever since it has been my privilege to cast a vote I have been a believer in the doctrine of protection to American industry. The debate in the committee has now been in progress for several days. The minority members of the committee have in vehement and eloquent phrase denounced the bill now under consideration and prophesied dire disaster to the country, should we pass another protective tariff law. All the arguments of the free traders of 60 years ago have been retouched and advanced against the present measure. The leader of the minority, in well-rounded periods, has advanced an additional reason as to why the country should remain upon a free-trade basis. With his face turned toward the east and in pleading tones, he asks how our allies can ever pay their enormous debt of over $11,000,000,000 unless we allow them to bring their goods in free and pay in raw and manufactured products.

Mr. Chairman, having carefully followed the arguments advanced in opposition to this bill, I am persuaded that, like a good Calvinist, I am foreordained and predestined to remain a protectionist. I am not so much concerned about how our debtors are going to pay their just debts as I am that we shall enact legislation that will protect our own industry and maintain American standards of living. What will it profit us if, in devising an easy method for our debtors to discharge their obligations to us, we destroy our home industries and lower the standard of living of the American laborer? I say to my free-trade friends that when you destroy the stock-raising industry of this country we will all be concerned, not only about how to pay the foreign producer for his products but how to get the money, in the first place, to pay his advanced prices when he controls the supply.

We are told that economists are all agreed and that history proves that a creditor nation must regulate its commerce to a great extent on the principle of unrestricted trade. We are further told that periods of prosperity have followed the application of free-trade doctrine to our commerce. On the other hand, the history of this country since 1860 reveals the very opposite result to that claimed by the minority. An ordinary school history of the United States is the only campaign document a Republican needs in presenting the tariff question. A Frenchman once defined German science "as a lucid kind of madness that spent most of its time exploiting its own hallucinations." I fear some of our free-trade friends have been having historical hallucinations about free trade and its benefits to the country.

It is contended that we should not enact a tariff measure now because of the unsettled condition of the commercial world, but gentlemen seem to forget that the world will and is rapidly readjusting itself commercially and that soon we shall see keen commercial competition, even a struggle for commercial supremacy. It is of the utmost importance, then, that we protect our basic industries and keep our American workmen employed.

The claim was made yesterday upon the floor of this House that the bill now under consideration will protect a favored few and increase the cost of living for all the people of the country—that we must have cheap products for the laboring classes. That necessarily means low wages and standards of living. The two go hand in hand.

In my own State, for illustration, the basic industries are agriculture, stock raising, and mining. Unless we can have a higher rate of protection than that contained in the Underwood Act our basic industries will cease to function. Thousands of laborers will be thrown out of employment. Of what benefit is it to our workmen and clerks to have cheap goods if they are unemployed and their former employers financially ruined?

My State produces large quantities of lead. Many of our mines are closed because under present conditions we can not compete with the foreign producers. Our concentrating works and smelters represent an investment of at least $7,000,000. They were constructed by American labor and equipped with American machinery. Unless this industry is protected it must close down entirely. Mexico, with her cheap labor and standards of living, can equip a lead smelter for one-third what it will cost in Utah. She can mine the ore with peon labor at one-third the wage received by American miners.

We want to mine our ore and pay American labor living wages for their labor. We want to concentrate and smelt it after it is mined with American labor and we want to purchase from American manufacturers the machinery with which to equip our mines and smelters. To compete with Mexico we must ask American labor to adopt their standard of living. There is no gentleman within the sound of my voice but what will admit that the thought is repulsive.

Now, a word as to potash. During the war the Government was in dire need of potash. Germany had controlled the industry prior to the war. She is in a position to control it still if we let her. Our war needs caused men to invest their money in plants for the production of potash in this country. In my own State at least $6,000,000 is invested in potash plants. Market conditions have caused one plant to reduce its force from 200 men to 50. Last year this one plant paid out $1,400,000 for labor and supplies, and 95 per cent of it was spent in Utah. Ask the employees of this plant if for the sake of cheaper clothing and food they want the industry destroyed and German control again restored in the potash industry.

The protection provided in the Fordney Act does not materially enhance the price of potash to the farmer. The act provides a sliding scale for five years, namely, 2½ cents per pound on the actual potash content for the first two years, 2 cents per pound for the third year, 1½ cents per pound for the fourth year, and 1 cent per pound for the fifth year.

Let us see how this affects the price of fertilizer. The past year the average fertilizer content was 1.8 per cent potash and the tariff as now proposed would mean $25 per ton on 50 per cent muriate, and a ton of fertilizer containing 1.8 per cent potash would be increased thereby 45 cents. The highest average for potash content in fertilizer has been 3 per cent and by the same method of figuring the price would be increased by 75 cents per ton.

A ton of fertilizer will care for from 2 to 5 acres, depending upon the character of the crop to be produced. The increased cost to the farmer for each acre cropped is but a trifle. Is it worth anything to the country to be able at the end of five years to compete with the world in the production of potash?

There are over 7,000,000 farmers and stock growers in this country. It has been recently shown that they buy 45 per cent of all the products of the country and furnish 40 per cent of its transportation. Some gentlemen seem to think that if we protect the manufacturers then the farmer and the stock raiser should be left to compete with the world. Hides, wool, mutton and beef, cotton, sugar—all of these articles should come in free.

The Government by extraordinary and unnecessary buying during the war led the sheepman to believe that 65-cent wool had come to stay. He increased his flocks, and cost of production mounted skyward. Then, when transportation was restored on the sea following the war the world began to dump wool and mutton, free of duty, on the markets of the country, and the poor sheepman found himself in the valley of adversity. Cheap foreign wool continued to flow into the country until it is now estimated that the manufacturers have supplies of raw wool on hand sufficient to last them for the next 18 months. With this supply on hand, even though the imports have decreased since the emergency tariff went into effect, yet there is practically no market for this year's clip. On December 15, 1917, the American woolgrower was receiving 58.2 cents per pound for his wool in the grease. December 15, 1920, the price for wool in the

grease averaged 22 cents per pound, and in May and June, 1921, there was little market for the same grade of wool at 16½ cents per pound. The price of lambs, owing to the shipments of frozen lamb from foreign countries, has gradually decreased from $13.81 per hundred in December, 1917, to $8.45 per hundred in December, 1920. Hogs have dropped from $15.73 per hundred in 1917 to $8.90 per hundred at the close of 1920. The price of beef cattle has dropped from $9.28 per hundred in 1917 to $6.30 per hundred at the close of 1920. For the six-year period from 1914 to 1920, inclusive, there was imported into this country 2,547,572,947 pounds of raw wool. Under such conditions the American woolgrower can not compete with Australia, New Zealand, and South America in the production of wood. He stands on the verge of financial ruin, and must have protection beyond the period covered by the emergency tariff act or go out of business.

In the last 20 years the flocks of the United States have gradually decreased in number, until to-day we have about 20,000,000 head of sheep less in the United States than we did 20 years ago. Destroy the industry if you will, but you will pay the price when the foreign producer controls the market.

If the farmers and stock growers of this country are prosperous, then the entire country is prosperous. Sorry indeed will be the lot of the American people if by shortsighted legislation we shall permit our flocks to be further depleted and our farms to grow up in weeds. The farmers of America are asking no special favors. All they ask is a square deal and an equal chance. We Republicans are bound to give them a square deal, just as we always have in the past. We are going to give them a duty on wool and hides and cattle and wheat and barley and rye and potatoes. Then we are going to protect the products of the mines and the factories, so that the farmer may find a market for his products when he has raised them. The farmer and the stock grower first of all need a market at home for their products where they may exchange them for relatively the same price which they are required to pay for those things which they buy. These are the questions that are of paramount interest to the people of the United States. They believe that the Fordney tariff bill will again bring prosperity to our country.

Mr. GREEN of Iowa. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MOTT].

Mr. MOTT. Mr. Chairman, "this is not the time to write a tariff law for the United States," say the signers of the minority report. "The problems which confront our people, cripple our industry, stifle our commerce, etc., * * * have nothing to do with the tariff."

This is a most remarkable statement in view of the arguments and promises made in 1913, when the Underwood bill was before Congress and the country. It is only needed to review the working of the Underwood tariff law between October, 1913, and April, 1914, and between November, 1918, and July, 1921, to reach the conclusion that if there ever was a need for a tariff law to help tide the country over its difficulties it is now.

Our industries began to be crippled in the fall of 1913. During the following winter business was so bad that the President became alarmed and excused conditions on the ground that they were "psychological." It is admitted that the tariff was the prime cause of that period of depression.

The war saved the Underwood tariff from utter failure and the country from widespread disaster. Had it not been for the war, the period of unemployment and depression would have been forced upon the people in 1915 and 1916 instead of 1920 and 1921. The tariff was a vital factor between 1913 and 1914; it is a vital factor now. The storm which threatened seven or eight years ago has broken over the country with unprecedented fury. The causes in 1913–14 and the causes in 1920–21 are one and the same—the tariff.

DECLINE IN OUR COMMERCE.

Our commerce, domestic and foreign, is declining; first, because it was inflated beyond anything ever known before; second, because the purchasing power of the masses of the people has declined enormously.

Having helped to create the very condition of which they complain, the enemies of protection undertake to shift the blame from the Underwood tariff to world conditions. It is not claimed that the Underwood tariff is wholly responsible for conditions; it is claimed, however, that had a protective tariff been on the statute books during the period of recovery after the armistice the country would have been better prepared to meet the trying conditions. The proposed tariff bill will assist in solving the problems which confront our people.

It is illogical to argue that our crippled industries and our stifled commerce have nothing to do with the tariff, and at the same time plead for a do-nothing program in the midst of widespread disaster. Not long since, even in October, 1920, it was claimed by the enemies of protection that the Underwood tariff had brought unprecedented prosperity to the country, had increased our foreign commerce, and made us a great and rich nation.

DEPRESSION LARGELY DUE TO UNDERWOOD TARIFF.

It is inconsistent to claim that the "prosperity" of 1919 and 1920 was due to the Underwood tariff and that the tariff has nothing to do with the depression of 1921. The minority report itself boasts of the "unprecedented exports and imports of 1920."

It can not escape observation that whatever may be claimed as the real causes of the disaster of to-day, the disaster manifests itself under the Underwood tariff, and the Underwood tariff must take its share of the blame. The logical conclusion is that the problems the people confront to-day have a vital relation to the tariff. The very fact that during 1920 the imports into the United States reached the enormous figure of five and a quarter billion dollars' worth of merchandise is sufficient explanation of the unprecedented unemployment and business depression.

The "let-alone" policy of the enemies of protection involves a continuance of the Underwood tariff on the statute books. How will such a program increase our exports or make it possible for Europe to buy more of us? Will somebody explain? How will such a program increase our imports, when our markets are flooded already with foreign merchandise, even beyond the point of nonabsorption?

Will some signer of the minority report explain how the Underwood tariff, which has been largely responsible for the slump of the last 10 months, is going to revive business and make times better?

"We need no tariff to cut off imports and exports," says the minority report. Not the imports or exports of 1920 or 1921; but it is possible to cut off competitive imports in the future and give our own wage earners a chance in their own American markets.

The "natural process," to which the minority report refers, is eating the heart out of the Republic. Such a program of "natural process" and "let alone," or free trade, has never failed to bring disaster to the country. Adequate protection is the first step in the direction of national recovery.

TARIFF AN ISSUE IN LAST CAMPAIGN.

The tariff was an issue in the last presidential campaign without doubt. Already the Wilson administration had laid the foundation of a new attack on protection by asserting that "a creditor nation can not interfere with imports because it will prevent European nations from paying us what they owe us." This was a subtle assault upon the principle of protection. If protection, as a principle, is sound—and it has never been proved to the contrary—it is sound and applicable now as in 1890, 1897, or 1909.

The Republican national platform said:

> But the Republican Party reaffirms its belief in the protective principle and pledges itself to a revision of the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry.

Surely that time has arrived already. The preservation of the home market is the one great outstanding problem confronting our people to-day. This market can be preserved only by repealing the Underwood law, which has thrown the home markets open to the whole world.

The fact that this depression is "world-wide" does not relieve our people from the necessity of prompt action at home. The business of recovery must begin right here at home first. Other nations are not sitting by idly and permitting the "natural process" to work out a solution. They are legislating for their own interests first—enacting protection laws and looking out for the welfare of their own people, especially the wage earners. This is the only sane program for the United States to pursue.

PREPARATION OF THE BILL.

It is, of course, impossible that every item and every rate in any tariff bill should meet the individual wish or preference of every Member of the House, or even of every member on the Ways and Means Committee, which prepares the bill. It is better that this is so, for the combined judgment of a number of men is invariably better than the views of any one, uninfluenced by consultation and advice from others. So it is that I can not say every rate in this bill is just the way I would have made it, but I say with all sincerity that I believe the bill as a whole is a very good one, and that it comes at a time when it will prove to be a great factor in putting our working men and women back at work in the mills and factories at good wages, and the farmers and other producers will

by its aid be enabled to obtain a more equitable return for their produce. The bill will open many a closed factory and shop and will give many a farmer new hope and courage to take up his labors at a time when foreign competition has made him discouraged and dissatisfied.

THE SUNDRIES SCHEDULE.

While every item in the bill has been gone over, discussed, and approved of at least twice by the full majority membership of the Committee on Ways and Means, the members have been more particularly concerned and have given more thought, study, and investigation to the preparation of the schedules by the subcommittees of which they were members. It was my privilege to be associated with the gentleman from Connecticut and the gentleman from Colorado [Mr. TIMBERLAKE] in the preparation of the schedules covering metals and sundries. It is my purpose this evening to take up more particularly some of the articles in the sundries schedule.

The sundries schedule is one of the most important in the bill. It covers a vast number of articles entirely unrelated to each other. In this one schedule the committee has had opportunities which, I think, have been taken advantage of to provide needed protection, not only for industries which have been suffering from the low rates of the Underwood Act but to look after and care for industries which were unknown in the United States before the war, which sprang up while the war acted as an embargo, and which now are languishing and dying.

GLOVES.

The paragraph on gloves is a sample of how the committee has tried to develop an industry which did not exist before the war, which was developed during the war, and then died. Men's gloves have been protected by tariff bills in the past so that a flourishing industry was built up. The McKinley bill really began the leather glove industry in America and placed a high rate of 50 per cent ad valorem and a dollar a dozen on men's and women's gloves. The Wilson bill of 1893 increased the rate on men's gloves, but cut the rates on women's gloves almost in two. The Dingley and Payne bills continued the high rates on men's gloves, so that in 1910 the American manufacturers had secured more than 80 per cent of the home markets and was giving the consumer a better glove for the price than they had had in the years when foreigners had a monopoly of the business. It was just the reverse with women's gloves. The lower rates on them gave the foreign manufacturers 82 per cent of our business, and the 18 per cent we were able to make were the novelties not made abroad. It has never been possible for American manufacturers to compete on women's gloves under our tariff schedules, and it will not be until the rates on women's gloves are made, as they are in this bill, practically the same as on men's. Under the low rates of the Underwood bill, when the war was over and in the nine months before the war when the Underwood bill was in effect, our glove industry was threatened almost with extinction. There need be no fear that the rates on women's gloves will advance the price to the consumer. American competition cut the price down in men's gloves and it will do the same in women's gloves. The rates in this bill will give work to thousands of operators who are now out of work and will give them employment at wages at least two and a half times as much as similar working men and women are receiving abroad. Surely this is a desirable end to be obtained, and the revision of rates on gloves should and will meet with popular approval.

PIPES, IVORY AND MEERSCHAUM.

An example of where wording has been improved so as to accomplish what was intended in former bills is found in paragraph 1451 on pipes and smokers' articles. While there was a reasonable rate of duty on pipes in former bills—50 per cent in the Underwood bill—it was found that European manufacturers were bringing over pipe bowls unbored, and by a curious decision they were coming in at a much lower rate of duty than the finished bowls, although that was never intended. The committee has taken care of this.

We have also taken off the duty on crude meerschaum and put it back on the free list, so that meerschaum pipes might again be made in this country. Just as we put ivory tusks back on the free list, so that they might be brought over and manufactured into many articles in this country. The Underwood bill, by taxing ivory tusks 20 per cent, gave notice to American manufacturers that the Democratic Party preferred to have its billiard balls and dominoes made in Germany and Japan.

NEW INDUSTRIES.

An example of a new paragraph to take care of a new industry which has grown up in the last two or three years, but which could not exist without being specially provided for, is found in paragraph 1452, in which a separate classification with a reasonable rate of duty was provided for thermostatic bottles, containers, and so forth, which have only recently been made in this country; and a similar one is found in paragraph 1438, where a classification is provided for electrical insulators.

The fur paragraph shows an effort to take care of an industry just developing in the United States of which few people know. A separate classification is made of silver or black fox skins, dressed or undressed, and manufactures thereof, and a comparatively high rate of 40 per cent ad valorem was placed upon them. Silver or black fox skins are luxuries of the highest character. For many years silver black fox was domesticated only in Prince Edward Island, Canada, and the pelts were sold in the London markets at enormous prices. In 1910 the average price was $1,361, while in 1920 at auction sales the average prices were about $1,000. Within the past two years silver black foxes have been imported into the United States and thousands of dollars have been spent endeavoring to create this industry in this country. One company in New York State alone has $200,000 invested. The Department of Agriculture has been working to develop the industry, and the department asked the committee to take care of the breeders. There can be no possible objection to the effort which is being made to produce these valuable skins in this country and to protect those who are trying to do it. It is not believed the cost to the consumer will be materially increased, but if it is it is only the extremely wealthy that are affected.

PROTECTION OF WILD BIRDS.

Those interested in protection of wild birds, who wish to preserve from extinction the birds of paradise and other plumage birds, will be glad to see in paragraph 1418 the committee has endeavored to provide for the enforcement of a paragraph in the Underwood Act which is now a dead letter. The paragraph in the bill was agreed on and urged by the National Association of Audubon Societies, Permanent Wild Life Protection Fund, and similar bodies on the one hand and by the Millinery Chamber of Commerce on the other. While under the Underwood bill the importation of aigrettes and feathers, quills, wings, and so forth, of wild birds, not for scientific or educational purposes, was prohibited, the burden of proof was on the Government to show that the imported feathers were imported since October 3, 1913, and in almost all cases this was impossible. It is believed that the present provision will give the Government power to enforce the law and will protect legitimate manufacturers. As the law stands now, anyone can trade in prohibited plumage and the Government has no power to take action against lawbreakers unless caught in the act of smuggling. This paragraph will meet with the approval of everyone who desires to keep alive the beautiful plumage wild birds, whose feathers are such a temptation to the commercial hunter.

DOLLS AND TOYS.

The manufacture of dolls and toys is one of the leading ones which were transferred from Germany to this country during the war, and which we will certainly lose if we do not adequately protect it. Under the present 35 per cent tariff there is practically no American doll or toy industry. The only dolls made in this country were rag dolls and the only toys were novelties. Now the doll industry has produced $9,000,000 worth of dolls in a year, but the German importer says to his clients 95 per cent of the American doll people are going out of business. In 1914 we imported over $7,000,000 worth of toys other than dolls. During the war this dropped between one and two million dollars a year. In 11 months in 1920 the imports had jumped back $10,500,000. During the same time the American toy industry had grown so that 55 leading manufacturers whose business in 1914 amounted to about $6,500,000 had increased it in 1919 to nearly $16,000,000. The committee was faced with the question as to whether we wished this toy business continued or not, and while we did not feel that we could give war manufacturers quite as high a rate as they wished, we did give them a rate of 40 per cent which we trust will enable American children to play with American dolls and toys and not be brought up with the products of Germany and Japan as playthings.

CAMERAS, FILMS, AND NEGATIVES.

A much-discussed paragraph in the sundry schedule, 1450, on photographic cameras and plates and moving-picture films and negatives represents considerable study and investigation. On cameras the committee raised the rate at 30 per cent, the equivalent of the Payne-Aldrich rate of 45 per cent. Had not the war stopped the importation of cameras from Germany, the business of the manufacturers in this country would have been ruined, since the principal cost of the camera was the labor, which, of course, is so much less abroad than here. Moving-picture films and photographic films were given a duty of 20

per cent. This is by no means enough to prevent foreign films from being brought in. It may not curtail the importation, but it will, we hope, provide for a continuance of manufacture of motion-picture films in the United States. It has been said that this rate is for the benefit of a monopoly, the Eastman Kodak Co., but the Eastman Kodak Co., which created the business in this country, has maintained its lead simply because of the high quality and uniformity of its product. It has never been accused of unfair practice and has never tried to prevent competition, but its great experimental laboratory and its high-class chemists, who did such wonderful work for this country in the war, kept the quality of its product so high that competition has not been successful. I can not see where the Eastman Kodak Co. can be condemned for having men of unrivaled skill and brains who work for it succeed in setting the standard so high as not to be reached by its competitors, but now foreign countries are shipping in films in enormous quantities. In the first 11 months of 1920, 85,000,000 feet came in, as compared with only 13,000,000 in 1913. If the Eastman Kodak Co. can not continue to make motion-picture films, certainly no other American company can. Foreign countries will soon have a monopoly and prices will be raised. In this connection I might say that the German chemical trust, against which we are taking such stringent measures, was the principal competitor of the Eastman Kodak Co. in making motion-picture films before the war, and I have no doubt but that if the motion-picture manufacturers, who on mistaken information are trying to reduce this duty or have it taken off, should succeed, they would be left at the mercy of the German chemical trust, which would seek to crush them, as it does other American industries.

At the general request of the American manufacturers of moving pictures, we placed a duty of 30 per cent on photographic film negatives, although this was nothing like what was asked, but when we were shown that productions involving the use of a great number of men and women, such as the picture "Passion," recently shown here, could be made in Germany for about $7,500 against at least $100,000 here, and at least one great American producing company has already established a studio in Germany and others are preparing to do so, we thought at least a moderate duty should be given the American producers. If it were not, the moving-picture studios at Los Angeles and New York would be closed and "made in Germany" stamped on almost every play produced. Some one said this duty was to maintain the ridicuously high salaries said to be paid our "stars." This is not so, for they would be sent to Germany at their present salaries. It is to protect the thousands of men and women who are employed in subordinate capacities in our studios—the hundreds of electricians and carpenters and other workingmen who are making a living in the moving-picture studios. The American labor unions are much more interested in having a duty on German-made pictures than are any other people in this country.

OTHER ITEMS IN SUNDRY SCHEDULE.

Were there time I should like to touch on other paragraphs in the sundry schedule. I would like to show how our pearl-button factories were practically closed and will have to remain so unless protected from the buttons made in Japan. We tried to give them a rate to save this industry for the United States, and yet so as not to raise the price to the consumer. We restored the Payne-Aldrich rate on matches. Perhaps this is not high enough, but it was done in the hope that our match factories might continue doing business.

The manufacturers of hats of all kinds can not continue in the United States without higher rates than the present. We saw no reason why an American should wear a foreign hat, whether it be of straw, fur, or cloth, and we are going to try to protect American brains with American hats. There is not a paragraph in the sundry schedule which was not carefully considered. The subcommittee which prepared it and the other members who considered, in some instances changed, and finally approved of the schedule feel that the rates are such as can be properly defended, and that they fit in their place in the bill to create, foster, and encourage American industries. The other schedules in the bill are prepared with equal care, and the result is a measure that every Member of the House can conscientiously vote for.

NEW YORK IN THE BILL.

Primarily, I am an American, and it was from this point of view I have tried to approach the making of the tariff bill, but I can not forget that I am a citizen of the great Empire State of New York, whose interests are identical with those of the whole country, and I am proud to say that I believe the interests of New York, manufacturing and agricultural, are well taken care of in the present bill. New York is a great manufacturing State interested in almost every item in the sundry schedule. Sometimes New York complains with justice of its treatment in national legislation, but in this bill New York, as well as all the other States, is treated, in my judgment, with justice and equity.

AMERICAN VALUATION PLAN.

The most radical change proposed in the bill is the plan for using American valuation as a basis of estimating the ad valorem duties. At present the duties are levied on the wholesale price of a commodity in the country from which it is exported into the United States. It is proposed to change this by the defining of the word "value" as the price at which comparable and competitive products in the United States are ordinarily sold in wholesale quantities in our principal markets. It is my judgment that the adoption of this plan marks an unexampled step forward in our tariff legislation. It is practicable and workable, and it will largely eliminate the troubles we are having now, derived from the unprecedented fall and fluctuation of foreign exchange. It will eliminate discrimination, and we will have, as we should have, the same amount of duty on the same commodity, no matter from what country they are imported. At present, combinations are formed in foreign countries to fix low export values to lessen our duties. This would be impossible under the American valuation system. It would largely do away with undervaluations and evasions.

It has been said that the proposed law would not be workable, but the committee has the testimony of some of the greatest experts in the country, including such men as Secretary Hoover, to support the contention that the plan is entirely practicable. All of the great manufacturing associations of the country have asked for the establishment of the principle of American valuation. As Secretary Hoover says, "There is practically no other alternative."

At present customs officials have largely relied on invoice prices. These are often intentionally undervalued. The United States Government loses annually millions of dollars. How can it help doing so? The duties collected are governed by a declaration of value sworn to before the American consul. Obviously it is impossible for a consul to be familiar with all the prices in the country where he is located. In this connection I quote an address made at a large commercial gathering at Berlin not long ago by one of the largest merchants in Germany:

A GERMAN VIEWPOINT.

Naturally we all admit that an actual swindle is incorrect in any business transaction, but "undervaluation" should not be treated as such unless positively proved. However, no such elasticity is to be found in the minds of American customs officials, who treat "undervaluation," as they call it, as fraudulent, and they at once apply the usual penalties. Our goods have been exported to England and the United States at lower prices than those for the home market, and there have been more or less low values for the States, and in some cases what would be there termed "fraud," and such are the conditions of the present time.

"Market value" as defined under American law is the wholesale price at the time of export, and our trouble lies in having two sets of prices, one for export and the other for home trade. We have to resort to a division of shipments under the so-called "$100 clause" to keep our matters secret, save fees, and avoid control on that side.

These things all lead to abuses, and we are promised that the means of gaining information through American consuls and agents will be shut off. Our boards of trade are fully awake to the dangers that surround us, and in making every effort to close the doors against this abuse they are hoping for the whole support of the Government.

In many cases trouble has been avoided by having invoices consulated remote from districts in which the goods are manufactured, but we must follow up this whole question as to the right of consular and other officers to pry into our business for the sole purpose of keeping out our merchandise, and in this we are assured of the cordial support of our Government. Such treatment on the part of American officials and the cause for it is plain, and now that concessions must be made by the American Government, if we stand together firmly as a body aided and supported by our board of trade, we can bring about a change that will be of untold benefit to our American export trade.

NOT A NEW REMEDY.

The need for a system of American valuation is not just come to light. I wish to call special attention to a report showing evils of the present system of foreign valuation made in 1912.

In 1911 and 1912 a special commission, composed of Special Agent Wakefield, Special Commissioner Achenbach, and Examiner—afterwards special agent—Davis was appointed by Secretary MacVeagh to investigate the method and cost of manufacture, the wholesale market values, the selling and the shipping methods of china and pottery ware manufactured at Limoges, France. The commission was also instructed to report as to the practicability of continuing in force the agreement similar to that dated September 22, 1908, between the department and the Limoges Chamber of Commerce, to recommend a basis for a continuance thereof if a continuance be deemed practicable. The department in appointing the commission desired to obtain a fair basis for arriving at the wholesale mar-

ket value in Limoges of the products of the various pottery companies of that place for the purpose of appraisal in accordance with the tariff law of August 5, 1909. The cooperation of the Limoges Chamber of Commerce and the China Importers' Association of New York was expected by the department. The commission was especially instructed, "If in your opinion the merchandise in question is not actually sold or freely offered for sale in the open market of the country to all purchasers, you will so report to the department, giving the reasons for such opinion."

The commission made an extended investigation in France and this country, followed by a voluminous report with substantiating testimony. It sets out in detail the methods employed by the Chamber of Commerce of Limoges and certain of the manufacturers to conceal pertinent information and prevent examination of the books of manufacturing firms, of the obstacles therein in the way of the commission, of the use of spies in observing the activities and dogging the footsteps of the members of the commission while in France.

The report sets out many incidents and refers to others of like character too numerous to mention, indicating a disposition on the part of the chamber of commerce of Limoges and many of the manufacturers to allow the commission to obtain only such evidence as would tend to sustain the 1908 rate list, on which Limoges denied was valued for purposes of appraisement in the United States. It gives a brief reference to many cases which indicate that the 1908 rate list does not clearly represent the dutiable value of Limoges chinaware.

UNDERVALUATION AT LIMOGES.

The account books of Bawo & Dotter, of Limoges, show that they have been consigning and entering china made at their factory in Limoges at less than the cost of production. Mr. Witte, the manager of the firm, is the president of the New York China Importers' Association, and in 1908 went to Limoges and participated in the making of the 1908 rate list, submitting evidence of value to the Government officers and supplying some of the type samples to illustrate said list. He knew at that time that his merchandise was being undervalued on his customs invoices and entries. (See section of report entitled Bawo & Dotter.)

Blakeman & Henderson, members of the China Importers' Association, in June, 1911, wrote their Limoges representatives giving detailed instructions how to deceive the commission and conceal their undervaluations. The commission is in possession of the correspondence. (See section of the report entitled Blakeman & Henderson, wherein the same is set forth.)

L. Bernardand is a member of the chamber of commerce and the manufacturers' committee. For many years his firm, L. Bernardand & Co., has made false consular invoices, stating what purported to be the purchase prices, but which were in fact much below the amounts actually remitted to L. Bernardand & Co. in payment for their goods. (See section of the report entitled L. Bernardand & Co., p. 12 of the report.) Mr. Bernardand himself furnished a number of the 1908 styles of samples, which were adopted and have been used by the appraiser at New York in appraising importations of Limoges china. The commission has applied to these 1908 samples the evidences of values obtained by it, and the great undervaluations, ranging as high as 70 per cent, are noted therein.

Haviland & Co., of New York, who pretend to purchase their goods from Haviland & Co., Limoges, have remitted sums of money to Limoges in excess of the invoice statement of prices charged for said goods. This firm refused to submit its books for examination so as to enable the commission to determine the amount of such excess payments and to whom made (see section of the report entitled Haviland & Co.).

Continuing, the report says:

All circumstances indicate that the chamber of commerce and certain of the Limoges manufacturers were cooperating to prevent a disclosure of these facts.

It appears that the Limoges Chamber of Commerce, the china manufacturers, and the Paris Chamber of Commerce did not favor or relish the methods employed by the commission in its work, and criticised the same in an open manner. These criticisms met with open denial and explanation from the commission. This course was deemed absolutely necessary, as the criticisms were transmitted to the Treasury through the French state department and our own State Department, thereby becoming official records. They were transmitted by the Treasury Department to the commission for reply.

It was evidently a scheme set up by certain designing and crooked importers to minimize if not entirely destroy the work of the commission.

The report seems to clearly indicate that many, if not all, the items in the schedule of 1908 on which the valuations for customs purposes were made were far below market value and included in said schedule for purposes of deceiving the appraisers and allowing undervaluation without any chance of detection or punishment. How much money the Government lost by reason of this patent fraud is beyond comprehension or estimate.

The report sets out certain type numbers and decorations as set forth in the 1908 list and shows by evidence that they are greatly undervalued. One decoration in particular, type No. 12, factory decoration No. 2658, submitted by the maker to the 1908 commission as worth 6.65 francs, price fixed by the chamber of commerce and Examiner McNaier at 7.20 francs on the claim by makers that the basic ware was inferior in quality and the gold used in decorating was liquid. In fact, the gold on the plate was not a good gold and the plate was worth 10.45 francs, according to the evidence obtained by the commission. Continuing, the report says:

This 1908 type plate is now one of the samples used in appraising importations at New York.

Other instances of glaring undervaluation are set forth in the report and summary of the evidence obtained, showing undervaluations of from 20 to 45 per cent in Limoges china.

The commission offers an elaborate schedule of prices based on representative samples and suggests methods of ascertaining the value of decorations. The prices appearing in tables of values compiled by the commission are declared to be net and without allowance for discount. The plan for appraisement is based on actual market and factory conditions in France and in the United States, and the prices set forth represent the fair average market value in Limoges at the time the report was made.

But no attention was given to the report of this commission and we continued to use the foreign-valuation plan. If the present bill had nothing in it save paragraphs regarding American valuation, it would well be worth passing, as it would help relieve present conditions in our industries.

TIME TO PASS A TARIFF BILL.

This is the time to pass a tariff bill. The country demands it in no uncertain way. The Ways and Means Committee of the House has worked diligently to prepare the bill. Time will show the result, but I have every confidence that all Americans anxious for the prosperity of their country will be grateful for the Congress which passes the Fordney tariff bill. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. RHODES].

The CHAIRMAN. The gentleman from Missouri is recognized for 10 minutes.

Mr. RHODES. Mr. Chairman and gentlemen of the committee, it is very encouraging to receive such an ovation on this occasion, especially at the hands of my Democratic friends [applause], and I am under renewed obligations to them. However, I regret that I can not agree with them in the position they have taken on the pending tariff bill. I have heard it stated by a number of my distinguished Democratic friends on that side of the Chamber within the last two or three days that they were going to vote against this bill because they did not agree with the economic policy which is involved in it. Gentlemen, I shall vote for this bill, and support it cheerfully, because I believe in the doctrine of American protection, and believe this bill has been constructed upon protective lines. My only objection is that the rates in some cases are too low.

I am always charmed by the eloquence of the gentleman from New York [Mr. COCKRAN], who entertained the House this afternoon for two and a half long hours. I was interested in everything he said, but to tell the candid truth, gentlemen, I believe very little of what he said. I believe that future historians will perhaps say of the distinguished gentleman from New York that he was a great orator, a great statesman, and a great lawyer, but the poorest political prophet ever known in the history of this country. He was bold enough to prophesy that the Fordney tariff bill will be the last tariff act ever written in this country.

Gentlemen, if I know the history of my country I know that the policy of protection to American labor and American industries is a part of the glorious history of this Republic. I know, if history repeats itself—and I have every reason to believe it will repeat itself—that the results of the Fordney tariff bill are going to be just what this country needs. It will revive business and stimulate industry.

It is a curious thing to me to see the unreasonable interpretation that is placed by wise men of this country upon policies adopted by the American people in political campaigns. I recall that the former President of the United States, Woodrow Wilson, after he had referred the League of Nations to the people as

a great and solemn referendum, and after the referendum had been defeated by a majority of 7,000,000 votes at the last election, still insisted that the American people were in favor of a League of Nations.

Our distinguished friends on that side of the Chamber apply the same reasoning in favor of free trade, after the American people time and again have expressed themselves in unmistakable terms in favor of the doctrine of American protection.

Outside of the gold standard, which constitutes the basis of our monetary system, in my humble judgment, the protective tariff is the most potent factor in the economic structure of this Republic.

Now, enough of generalities. I think we have had too much of them already.

I wish to introduce my subject by saying the district I have the honor to represent produced last year more cobalt, more lead, and more barytes than any other one congressional district in the United States.

I first call attention to the subject of cobalt. Under paragraph 453 of the tariff act of October 3, 1913 (the Underwood law), cobalt and cobalt ore are on the free list. Under paragraph 24 of the same act, cobalt oxide bears a duty of only 10 cents per pound, which is no protection at all.

I am pleased to see the Ways and Means Committee has recommended in the pending bill, under paragraph 28, a duty of 20 cents per pound be placed on cobalt oxide, and a 25 per cent ad valorem duty on cobalt sulphate, cobalt linoleate, and all other cobalt compounds.

While I favor a higher rate than 20 cents per pound on the cobalt sulphate, yet, as that is exactly 100 per cent more than is provided under the Underwood law, I can not sincerely complain. We will get the benefit of the American valuation on all other cobalt products under the 25 per cent ad valorem duty provided for under paragraph 28 of the Fordney bill, which will be beneficial to the American producers of cobalt products.

Cobalt is mined in connection with copper, silver, sulphur, and lead, copper being the chief by-product. On account of the peculiar form in which cobalt is found it can be recovered only by the most scientific and expensive milling and refining methods.

The principal known deposits of cobalt ore are in Missouri, Ontario, New Caledonia, Belgian Kongo, the Schneeberg, Germany, with discoveries of smaller deposits in Maryland, South Carolina and Idaho and a few other Northwestern States. But on account of the difficulty in extraction and low price of ore none of the American deposits have been worked the past two years, except the Missouri mine.

Cobalt is chiefly used in the form of oxide in the enamel, porcelain, and glass industries, but within the last few years many new uses have been found for the metal. When chemically prepared it forms the basis of the most beautiful blue, black, green, yellow, and bronze colors. It is also well known that cobalt is one of the war minerals named in the war mineral act of October 5, 1918, and is used as an alloy with steel in the manufacture of knife blades, other sharp instruments, and edged tools. Another one of the new uses of cobalt is that of a paint drier in paints, and is claimed to be one of the highest-grade driers on the market. For instance, it is said that one-tenth of a pound of cobalt, in the form of a drying salt, will make a hundred pounds of soya-bean oil equal to the best linseed oil as a paint drier. Soya-bean oil is only worth about two-thirds as much per pound as linseed oil, yet one-fifth of 1 cent's worth of cobalt is all that is necessary to add to 1 pound in order to make soya-bean oil worth as much on the market as linseed oil, and serves exactly the same purpose as a paint drier. In fact, cobalt is so potent in its effect that it has been determined scientifically when used in the ratio of 1 to 20,000 it imparts that beautiful blue tinge peculiar to glass and porcelain ware. The glass, enamel, and porcelain industries in the United States being largely dependent upon cobalt, there is no reason why the American cobalt should not be used for these purposes. Metallic cobalt was used extensively in the manufacture of munitions during the late war in the United States, Canada, England, and Italy. Metallic cobalt and its alloys are largely used in the manufacture of surgical instruments. Sharp blades, instruments, and edged tools so made are resistant to oxidation and free from the action of acid.

HISTORY OF COBALT MINING IN THE UNITED STATES.

From 1869 to 1903 cobalt oxide seems to have been produced in the United States on a small scale, the largest production in any given year being 10 tons. During this time the International Nickel Co. produced some cobalt from refining of the nickel-copper mattes shipped from the Sudbury district of Canada, but this production was discontinued when it was found more profitable to modify the method of treating the ore in Canada. When this source of cobalt was discontinued the International Nickel Co. imported New Caledonia ore for a short time. Until 1903 practically all the world's consumption was refined in England and Germany from ores mined in New South Wales, Norway, New Caledonia, Germany, Chile, and Hungary.

In 1903 the Mine Lamotte Co., near Fredericktown, Mo., produced 120,000 pounds. The business soon proved unprofitable and the cobalt plant was abandoned, again leaving the United States at the mercy of European refiners. About the year 1905 cobalt ores were mined in Canada but were refined in Europe. In the same year the International Nickel Co. commenced shipping cobalt-bearing speiss to New Jersey for further refining. The International Nickel Co. continued treating Ontario ores and shipping residues to the United States for the manufacture of cobalt until about 1912, when their plants closed, probably on account of being a losing venture. In the meantime eight Canadian companies attempted the separation of cobalt, but up to date only two have been able to survive.

In 1908 the North American Lead Co., of Fredericktown, Mo., commenced producing cobalt oxide, and from that date until January, 1910, produced about 140,000 pounds. During this period the imports decreased to about 1,500 pounds. With no production of oxide in the United States the imports gradually rose to 276,000 pounds in 1917.

In 1916 the Missouri Cobalt Co. acquired the property of the North American Lead Co. and commenced construction of a new plant based on a new process. The capacity of the works is about 45,000 pounds cobalt oxide per month, sufficient to supply the demands of the United States, and this capacity can be increased to keep up with the demand. To date the Missouri Cobalt Co. has expended about $3,000,000 in building a plant and perfecting its process, in addition to the original cost of the property. It employs when in operation 445 men and 5 women, with an average daily wage of $3.60. The number of persons directly dependent upon the industry is about 1,800. About 3,000 more persons are indirectly dependent, as it is the only industry operating in a poor farming community.

HISTORY OF TARIFF ON COBALT OXIDE.

Prior to 1894 cobalt oxide is not specifically mentioned in the tariff classification, but cobalt and cobalt ore are placed on the free list.

Under the act of July 24, 1897, cobalt oxide was subject to a duty of 25 cents per pound, and under the act of August 5, 1909, the same tariff was continued on cobalt oxide.

IMPORTS INTO THE UNITED STATES.

Until the year 1919 imports were classified under cobalt oxide and cobalt, cobalt ore and zaffer, no separate record having been kept of ores and metal.

The following shows imports:

Year.	Cobalt oxide.		Cobalt ore and zaffer.	
	Pounds.	Value.	Pounds.	Value.
1903	73,350	$145,264	26,458	$4,159
1904	42,354	86,925	350,983	18,272
1905	70,048	139,377	929,868	48,353
1906	41,084	83,167	12,850	9,638
1907	42,794	73,628	5,219	1,821
1908	1,550	3,095	217,548	13,982
1909	9,818	11,055	2,314	631
1910	6,124	4,800	8,811	1,546
1911	22,934	11,047	579,520	48,104
1912	31,848	15,132	759,394	67,948
1913	45,277	26,154	164,119	69,581
1914	227,886	220,593	106,670	53,945
1915	154,672	148,828	53,375	70,283
1916	206,639	192,009	136,770	175,236
1917	276,506	275,821	223,794	369,950
1918	208,506	291,699	504,391	628,099

The importations for the first nine months of the year 1919 were as follows:

	Pounds.	Value.
Oxide	64,840	$88,918
Ore	2,506	885
Metal	37,583	90,760
Zaffer	(1)	(1)

[1] None.

NOTE.—The figures for the last three months in 1919 and the year 1920 are not available.

The known cobalt deposits are sufficient to meet all the requirements of the United States for generations to come. The plant of the Missouri Cobalt Co., at Fredericktown, Mo., has an annual capacity of 270 tons of cobalt oxide. The developed ore bodies are known to be sufficient to supply this plant from 15 to 20 years, with a large area undrilled. There are other undeveloped bodies of the ore in southeast Missouri, to say nothing about the many known deposits elsewhere in the United States above mentioned. It will be observed from the foregoing table the quantity of cobalt imported into the United States annually is small, comparatively speaking, yet it is large because the total cobalt requirements of the United States are but 150 tons annually, and the cobalt requirements of the world are but 500 tons annually. I have obtained this data on cobalt largely from a copy of the brief filed in 1919 with the Ways and Means Committee by the Missouri Cobalt Co.

I next wish to call your attention to the subject of lead.

Under sections 152 and 153, schedule C, tariff act of October 3, 1913, the lead content of lead-bearing ores containing more than 3 per cent of lead is dutiable at three-fourths of 1 cent per pound; lead dross, lead bullion, lead in pigs and bars, old refuse lead, old scrap lead, lead in sheets, pipe, shot, glazier's lead, and lead wire are dutiable at 25 per cent ad valorem. Lead-bearing ores containing less than 3 per cent of lead content bears no duty. The rates thus provided afford no protection to the lead industries whatever.

Under date of January 2, 1921, in a publication entitled "Lead and Zinc in 1920," the United States Geological Survey made the statement that the southeast Missouri lead district made the largest production of soft lead in 1920, aggregating 183,000 tons, as compared with 157,158 tons in 1919. (This lead-producing area is all in my congressional district.)

The Coeur d'Alene district in Idaho came next with 121,000 tons, as against 83,833 tons in 1919. Utah had an output of 67,000 tons in 1920, as against 61,915 tons in 1919. According to information contained in this report, which has been published in the leading mining journals of the country, there were 64,000 tons imported into the United States in 1920 and 65,799 tons in 1919, most of which came from Mexico. Thus it will be seen more lead was imported into the United States from Mexico in 1919 than Utah produced that year and about as much as Utah produced in 1920, yet Utah stood third in the production of lead in the United States in 1919 and 1920. All the lead companies in my district have cut wages from 15 to 25 per cent since December 1, 1920, or have closed down entirely on account of the present low price of lead. The price of pig lead has declined within the last 12 months from 9 to 4 cents per pound. To-day it is worth about 4.3 cents per pound.

The southeast Missouri district has been producing lead 150 years. Mr. Henry R. Schoolcraft, an explorer and historian, visited that section of the country in 1818 and found lead mining a thriving business and lead selling at 4 cents per pound. Few times in the last 100 years has the price of lead been lower than it is now. Missouri, standing first in the Union in the production of lead, earnestly protests against the importation of lead into the United States while our people are out of employment and our mines threatening to close.

Beginning with the year 1789 down to the close of the Civil War lead was protected by a duty of from 1 cent per pound to as high as 3 cents per pound, except during the administration of President Buchanan, when the duty on lead was reduced to a 15 per cent ad valorem; but when the Republicans came into power in 1861 the specific duty of 1½ cents per pound was restored.

The following table gives the various tariff acts and the duty on lead beginning with the close of the Civil War down to the present time:

[Figures in cents apply to the pound; those in per cent indicate ad valorem.]

	Pigs, bars, and lead bullion.	Dross.	Lead in ore.	Sheet lead, etc.
Act of June 30, 1864	2 cents			2½ cents.
Act of Mar. 3, 1883	2 cents	1½ cents	1½ cents.	3 cents.
McKinley Act, Oct. 1, 1890	2 cents	1½ cents	1½ cents.	2½ cents.
Wilson Act, Aug. 27, 1894	1 cent	.75 cent	.75 cent.	1½ cents.
Dingley Act, July 24, 1897	2½ cents	2½ cents	1½ cents.	2½ cents.
Payne-Aldrich Act, Aug. 5, 1909	2½ cents	2½ cents	1½ cents.	2½ cents.
Underwood Act, Oct. 3, 1913 (a)	25 per cent	25 per cent	.75 cent.	25 per cent.

(1) Before the war Europe and the Orient absorbed practically all the lead production of countries other than the United States. To-day, however, conditions are vastly different; Europe is industrially prostrate, and its consumption of lead has been greatly diminished. There is thus an excess foreign production which must find a market in America. Before the war practically no lead from any foreign country except Mexico came to the United States. In 1920, however, in spite of the fact that Australia, a country second to the United States in its developed capacity for lead production, produced no lead at all, lead began to come to this country from Spain and from London. To-day lead is coming in from Mexico, Australia, Spain, and Germany.

(2) In no other country does the lead miner earn as much as in the United States. The Spanish miner gets 7.80 pesetas a day, which is now equivalent to $1.07. The Missouri miners receive $3.95 and those in the Coeur d'Alene district of Idaho $4.75.

(3) The current situation in foreign exchange more than nullifies the present duty. With the pound sterling at a discount of 21 per cent and the frank, the mark, and the peseta quoted, respectively, 63 per cent, 92 per cent, and 29 per cent below par, the temptation to dump in the United States is very great. Since October, 1920, the price of lead in this country has been absolutely controlled by the London market.

(4) The present cost of transportation to New York from various lead-producing districts and from different ports of shipment are as follows—I beg to call particular attention to the fact that lead can be transported to New York from any of the foreign lead-producing countries at a fraction of the rate to New York from the western mines of the United States: From the Idaho smelters to New York the rate is $1.15 per hundred pounds; at present lead can be moved to New York from Mexico, England, and Spain for one-quarter to one-third of this amount. From Melbourne, Australia, the rate is now 50 cents per hundred pounds (United States currency). Freight rates on land within this country are now nearly three times what they were before the war. The rate from East St. Louis to New York was then 15 cents per hundred pounds; it is now 50 cents. On the other hand, the present surplus of shipping has created insistent bidding for cargoes and the decline in ocean freight rates has been unprecedented.

(A) THE PARAMOUNT NECESSITY OF REPLACING THE PRESENT INADEQUATE, ILLOGICAL, AND UNSATISFACTORY AD VALOREM DUTY BY A RATIONAL, ADEQUATE, SPECIFIC TARIFF.

(1) The act of 1913 provides duties of 25 per cent ad valorem on pig lead and lead bullion and three-fourths of a cent per pound on the lead content of ore. The ad valorem duty is not only utterly inadequate to prevent the shutting down of all but the most favorably situated producers in the United States, but it is manifestly illogical in that it provides the most protection when it is least needed and the least protection when, as now, there is urgent necessity for it. At the present time the amount of the duty on pig lead and lead bullion entered from Mexico is less than that on lead in ore; this absurdity results in encouraging Mexican smelters rather than bonded establishments in the United States.

Mr. Clinton H. Crane, president of the St. Joseph Lead Co., the largest individual lead operator in the United States, whose mine and plant are in my district; Mr. Jerome J. Day, of Idaho; and Mr. Earnest Banberger, of Utah, all appeared before the committee January 14, 1921, in behalf of an increase of duty on lead. I have obtained much of my data on lead from the brief filed by Mr. Crane with the Ways and Means Committee.

In the light of the foregoing facts I respectfully submit that lead and lead products should be protected against the importations of cheap lead from Mexico and other countries, and believe the rates provided for in the Fordney bill will afford the necessary protection.

I am pleased to observe that the rates carried on lead and lead products in the Fordney bill are the same rates provided for in the bill H. R. 4816, that I introduced some time ago, which are as follows:

Upon all lead contained in lead-bearing ores, 1½ cents per pound; on all lead dross, lead bullion, and pig lead, 2½ cents per pound; on all lead in sheets, pipe, shot, etc., 2½ cents per pound.

On behalf of the working people and the operators in my district, I sincerely wish to thank every member of the Ways and Means Committee for giving us the protection on lead and lead products, which they so much desired.

In conclusion, I wish to call attention to the subject of barytes and barium products. Strange to say, there is comparatively little known by the average Member of Congress about barytes ore and the importance of this commodity in the manufacture of a large line of pigments and barium chemicals.

Barytes ore or barium sulphate, the chemical formula of which is $BaSO_4$, is composed of barium monoxide (baryta BaO) 65.7 per cent; sulphur trioxide (SO_3) 34.3 per cent. The specific gravity of barytes is 4.3 to 4.6. Barytes is usually white in color and crystalline in composition, and about as hard as calcite. It is rarely pure, containing small quantities of

silica, lime, magnesia, and iron. The barium content of the ore produced in Missouri and Georgia runs from 92 to 98 per cent.

Paragraph 10, in the tariff act of October 3, 1913 (the Underwood law), provides for a duty of one-fourth of 1 cent per pound on barium chloride; 1½ cents per pound on dioxide; and an ad valorem duty of 15 per cent on barium carbonate.

Paragraph 51, of the same act, provides for an ad valorem duty of 15 per cent on barium sulphate and crude barytes ore; and an ad valorem duty of 20 per cent on certain other products. This amounts to three-fourths of 1 mill per pound or less on the crude ore at present, and many of the more important chemicals are entirely omitted.

Paragraph 61, of the same act, provides for an ad valorem duty of 15 per cent on certain barium compounds.

The rates provided in the Underwood law are wholly insufficient to protect the American barytes industry. German importers are now offering to deliver crude barytes ore to Atlantic seaboard markets for less than the freight rates from shipping points in Missouri and Georgia barytes-producing territories. The American miners and manufacturers of barytes and barium products are unanimously agreed upon the rates of duty provided for in the bill H. R. 16101, which I introduced some time ago. The only objections come from eastern manufacturers who depend solely upon foreign ore for their supply of raw material. However, they only object to a duty on the raw material and are as enthusiastic as anybody else for a duty on the manufactured article.

We should have a duty of one-half of 1 cent per pound on the crude ore; a duty of 1 cent per pound on ground barytes or barium sulphate; a duty of 1½ cents per pound on all sodium sulphide crystals; a duty of 1½ cents per pound on all barium sulphide; a duty of 2 cents per pound on barium carbonate; a duty of 2 cents on precipitated barium sulphate; a duty of 2½ cents per pound on barium hydrate; a duty of 2½ cents per pound on barium chloride; 2½ cents per pound on all lithopone; a duty of 2½ cents per pound on all concentrated sodium sulphide; a duty of 5 cents per pound on barium nitrate; a duty of 8 cents per pound on all barium peroxide; and a 50 per cent ad valorem on each and every other barium compound and barium chemical. We should also have the same duty on witherite that we ask on the crude barytes ore, because it is used in competition with certain barium products.

The district I represent in Congress has for the last 50 years prior to the late war produced more barytes ore than all the rest of the United States combined. During that period the total American production was from 30,000 to 80,000 tons of crude ore annually, with an annual importation of from 10,000 to 35,000 tons of crude ore.

Beginning with 1916 and ending with 1919, Georgia held first place in the Union in the production of barytes ore, but in 1920 Missouri regained first place.

During the war period importations of German ore ceased to come into the United States. The following table shows the falling off of importations, beginning with 1913 and ending with 1918. It will be observed there were 35,840 tons of crude ore imported into the United States from Germany in 1913, with an annual decline to nothing in 1918.

Crude barytes imported for consumption, 1913–1918, according to the United States Geological Survey reports.

Year.	Quantity (short tons).	Value.
1913	35,840	$61,403
1914	21,423	46,782
1915	2,504	4,877
1916	17	245
1917	6	63
1918	0	0

According to the figures published by the United States Geological Survey in 1918 in a bulletin entitled "Barytes and Barium Products," the total domestic production in 1916 was 221,952 tons; in 1917, 207,888 tons; and in 1918, 155,368 tons. The exact figures on the 1919 and 1920 domestic production are not available, but it is understood the domestic production was larger in both 1919 and 1920 than in 1918.

The chief uses of barytes are in making mixed paints; in the rubber industry; in the manufacture of heavy wall paper, linoleum, oilcloth, window-shade cloth, optical glass, and in the ceramics.

During the war, like that of cobalt, more new uses for barium chemicals were discovered. Large quantities of barium nitrate were manufactured and used strictly as a war material during the late war. Barium peroxide was also a war product and was used in the form of peroxide of hydrogen, both for tracer bullets and for pyrotechnical purposes. Precipitated barium sulphate and carbonate are used chemically in the dehairing of hides and in the manufacture of brown and black anilines.

The United States Tariff Commission, in a publication known as Tariff Information, Series No. 18, for the year 1920, in the discussion of barytes, at pages 9, 10, 11, and 12, sums up the barytes situation as follows:

Prior to the war the domestic barytes industry supplied from 55 to 65 per cent of the consumption—80,000 tons in 1913—of crude barytes in the United States. Lithopone was then the only product manufactured in this country on a large scale from crude barytes by chemical processes, and the barytes necessary for its production was imported chiefly from Germany. Before the war Germany was the largest producer of barytes, with an output of about 300,000 short tons a year. Great Britain ranked second and the United States third. The domestic production of crude barytes, under war conditions, increased fourfold, from about 50,000 tons in 1914 to over 200,000 tons in both 1916 and 1917. The United States is now second only to Germany's prewar output. The production of crude barytes in this country during the war was sufficient to meet domestic requirements.

The domestic industry prior to the war was localized; about 65 per cent of the output of crude barytes was mined in Missouri and supplied midwestern manufacturers of ground barytes. During the war the increased domestic demand was met largely by the development of southern deposits of barytes in Georgia, Tennessee, and Kentucky, and by a doubling of production in Missouri.

Prior to the war, domestic ground barytes produced in the middle western district was unable to compete in the Atlantic coast market with imported ground barytes under the duty of $5.25 per ton (act of 1909). At that time foreign competition was chiefly in the crude grade, imports of ground barytes being only about 15 per cent of the imports of the crude. During the war middle western ground barytes continued to supply a large part of the Atlantic coast market, notwithstanding the advantage of the southern district in freight rates. This may be accounted for by the fact that the middle western ore is a softer variety and grinds easier, and by the circumstance that the southern deposits were developed primarily to supply the raw material requirements of the eastern lithopone and barium chemical manufacturers. The producers in the southern district are therefore particularly interested in maintaining the eastern market for crude barytes, while the middle western producers are more interested in retaining this same market for ground barytes. The situation in regard to an outlet for middle western crude barytes has been improved during the war by the establishment in the Middle West of lithopone plants, which require crude barytes as their raw material.

Prior to the war the United States was wholly dependent on imports for its supply of barium chemicals. Germany was the largest producer and furnished about two-thirds of the domestic requirements. About 90 per cent of the imports in 1914 were represented by three barium salts—barium carbonate, barium chloride, and barium dioxide. The cessation of imports and the war demand for barium chemicals (barium nitrate, blanc fixe, and barium dioxide) resulted in the establishment of an industry in this country.

The chief markets for barium chemicals are in the East, and with normal conditions restored the industry will be subjected to competition in these markets from imported barium chemicals. Eastern plants are so situated that they can use either imported or domestic barytes as the raw material. Those plants located close to the southern barytes deposits and in the Middle West will depend largely on domestic barytes. It is evident that a duty on barium chemicals should be considered in conjunction with a duty on the raw material, barytes.

I am in receipt of authentic information that all barytes mines in Missouri are closed to-day, and that all mills in Missouri and Illinois are also closed, with German importers bringing in large quantities of crude and ground ore. Unless we can get protection Germany will enjoy the exclusive benefit of the Atlantic seaboard market. The wages of labor engaged in the production of barytes ore in Germany are about 45 cents per day in American money. The ocean freight rate from Hamburg to New York is $3.60 per ton. Mr. W. S. Peebles, of Cartersville, Ga., representing the barytes miners of that State, on the 27th of January, 1921, stated to the committee that German ore has been delivered to New York within the last three months at $9.75 per ton f. o. b. A letter before me from Wolfstein, Denmark, signed by Braum & Cie., addressed to a New York manufacturer of barium products, under date of January 31, 1921, offers to deliver monthly shipments of crude ore in 500 to 1,000 ton lots at $11.50 per long ton f. o. b. New York.

Here is what some of the American barytes people of to-day think about the situation:

[Telegram.]

NEW YORK, *November 3, 1920.*

M. E. RHODES, *Potosi, Mo.:*

Owing to the abnormal low rate of exchange Germany is dumping on this market barium sulphate carbonate and peroxide at ruinous prices. Our other barium plants in the United States are preparing to shut down, and we ask for immediate relief.

(Signed) DUREX CHEMICAL CORPORATION.

CHICAGO, ILL., *November 9, 1920.*

Hon. M. E. RHODES, *Potosi, Mo.*

DEAR SIR: For the last three or four months there has been quite a large amount of barium chloride imported, coming from Germany through Belgium. During the last three weeks barium carbonate has begun to come in. These two chemicals are the principal ones which we manufacture. These importations are cutting into our business very badly, and if the chloride continues to come in as fast as it has during the past three months we shall be obliged to close down this part of our plant as soon as balance of our contracts expire, about January 1.

We also believe there was a cargo of crude barytes imported last week and the week before by the American Metal Co. If it continues to come in, the market on crude barytes will be affected.

Can you advise us the present status of the tariff question and whether anything is likely to be done in the future? It would almost seem that on account of the present rate of exchange the only way we could be protected would be by some license system, as no ordinary tariff could afford us the protection required until such time as foreign exchange becomes more normal.

(Signed) CHICAGO COPPER & CHEMICAL CO.,
By F. A. SIMMONS, *Secretary*.

To show the actual condition in my home county, which is in the very heart of the barytes-producing district of Missouri, I quote the following paragraph from a letter received by me, written by Mr. John O. Long, of Cadet, Mo., the largest local dealer in barytes ore in Missouri, under date of February 15, 1921:

The tiff situation is very bad, about as bad as it has been in many years. I received orders to close down on all public tiff January 15, and by the 29th the mills shut down all their property. The mill is full and has several thousand tons piled on a lot next to the mill. They are full up to the ceiling with the finished product, and no orders. They have not manufactured any barytes since the 15th of December and have been piling ore and accumulating since that time. I have been shipping on an average of three or four cars per day, so you can realize what they have accumulated. I have been up to the mill every week since the first of the year, and they hope to see business pick up, but no indications as yet. Certainly it is a hard proposition on the people here, as the timber jobs are all gone and some are in a very critical condition. No job, no money, no grub.

According to authentic information received from Thompson, Weinman & Co., of New York, to-day, crude barytes ore has been offered for sale by German importers in New York as low as $7.50 per ton within the past few weeks. We must get as much as $10 per ton for the crude ore on board cars at Missouri shipping points to afford fair wages to miners, fair wages for hauling it from the mines to the railroads, fair royalty to the landowner, and a fair profit to the dealer. That was the prevailing price when the mines closed January 1, 1921, and unless we can resume at that price the industry can not long endure. The average freight rate from southeast Missouri points, including war tax, to New York is $10 per ton, making it cost the Missouri shipper $20 per ton to deliver his ore to the New York market, thus permitting the German importer to undersell the Missouri producer about $11 per ton. In addition to this difference in favor of the German importer he gets the benefit of the high value of our money as against the low value of the German mark. It should also be remembered that our prices are based upon the short ton of 2,000 pounds, and that the German prices are quoted upon the long ton basis of 2,240 pounds. So, it is evident that nothing less than one-half of 1 cent per pound will afford us any protection on the crude ore. The situation six months ago in Missouri with regard to ground barytes was as follows: At St. Louis the price was $27.50 per short ton, f. o. b., with freight rate added, which made it cost $37.50 delivered f. o. b. New York. The German importer now offers to sell the same product for $15 per long ton f. o. b. New York, making the difference of $21.50 per ton. The present difference in exchange and the difference of 240 pounds on each ton entitles us to at least 1 cent per pound on the ground ore, in order to cover the difference and give us any protection at all.

The barium chemical industry in this country is also dead at this time, but the German importer is doing a thriving business. Last week's importations of barium chemicals amounted to 332,500 pounds, at New York alone, according to the Paint, Oil and Drug Reporter, of July 11, 1921, a reputable trade journal, published in that city. How much was imported through other ports of entry is not known. According to the same journal over 16,000,000 pounds of barium chemicals have been imported into the United States from Germany between January 1 and July 1 of this year.

We feel this is unfair to American miners, landowners, and dealers; and unless something is done to protect us against this flood of imports the German importer will continue to enjoy the benefit of our market.

As a last word on the subject I beg to say that while the Fordney bill does not provide as high rates of duty either on the crude ore or on the barium chemicals as we want, yet I hope the committee will consent that the rates be increased in accordance with my suggestions that this great and important industry may receive the protection to which it is entitled.

I must not close without acknowledging valuable assistance in collecting this data from Messrs. A. E. Stocking and C. P. Delore, of Missouri, and many other loyal friends of the industry. I am under special obligations to Dr. Maximilian Toch, of New York, president of the American Barytes Miners and Manufacturers' Association, for technical information relating to the barium chemicals industry and trade conditions.

In fact, the American Miners and Manufacturers are unanimous in favoring a protective tariff on barytes and barium products. It is true a few manufacturers in this country, who obtain their raw material from Germany, are opposed to a protective tariff on crude ore, yet they are as enthusiastic as anybody else for a protective tariff on the manufactured article. I am a protectionist through and through and want to see every commodity that is produced in this country protected against the products of cheap foreign labor. We were taught a harsh lesson in this country during the late war on account of our failure to have developed the mineral resources of the United States. Prior to that time we had obtained our tungsten from China; cobalt from Canada; pyrites from Spain; graphite from Mexico; magnesite from Austria; chrome from Asia and South America; manganese from Brazil and India; and barytes from Germany. These were all useful war minerals, and when the crisis came barytes was the only ore that we produced in sufficent quantity to meet the war requirements. Thus it was that the Sixty-fifth Congress passed a law authorizing an appropriation of $50,000,000 for use in developing these essential war minerals in this country, because they could not be obtained abroad. My plea now is for protection for the American workingman and for American industries.

Mr. GREEN of Iowa. I yield 10 minutes to the gentleman from California [Mr. OSBORNE].

Mr. OSBORNE. Mr. Chairman, the general principles governing a protective tariff have been so thoroughly debated during the consideration of the pending Fordney tariff bill that little is left to discuss in a general way without tedious repetition. There is, however, in the State of California a notable and special instance of the creation of a great and important industry, largely as a result of the workings of a protective tariff. I refer particularly to the citrus-fruit industry, including oranges, lemons, and grapefruit.

There is perhaps no State in the Union which depends to a greater degree upon a protective tariff than the State of California. In the Dingley tariff there were at least 80 articles produced in California upon which a duty was placed which had the effect of the protection of the industry. These included citrus fruits, walnuts, almonds, olives and olive oil, raisins and grapes, and many other agricultural products and mineral products as well.

The history of the citrus industry in California gives a striking illustration of what protection may accomplish. Oranges and lemons are not indigenous to California. When the mission fathers, headed by Junipero Serra, established the missions—between 1750 and 1800—there were no oranges or lemons in California. The mission fathers planted a few orange and lemon seeds, as well as grapes, and it was found that all these fruits flourished in California soil, the citrus fruits particularly in the southern part of the State. These fruits were not produced in any quantity until after the American occupation in 1846, and then only a few small orchards were planted. In the late fifties and early sixties a large orange orchard, known as the Wolfskill orchard, was planted in what is now a business section of the city of Los Angeles, and one of the large railway stations is situated in what was formerly the center of that orchard. These early trees were all from seed, and produced only seedling oranges. It was only about 40 years ago that the fruit was budded and the navel, or seedless, orange was produced.

The real growth of the citrus-fruit industry as a great industry practically commenced with the introduction of the navel orange and the establishment of the Riverside Colony in Riverside County. Here were laid out several hundred acres of orange orchards in rich soil with a fine system of irrigation and under intensive cultivation. The construction of the various transcontinental railroads afforded an opportunity for this choice fruit to enter the eastern markets, with the great centers of population, and the planting of orchards rapidly increased along the foothills of the Sierra Madras and the San Bernardino Mountains. The superior character of the fruit secured for the moderate production a fair market, but a very uncertain one. Oranges and lemons up to that time came for the most part from Italy, Spain, and the West Indies. The fruits came in shiploads and in bulk, and while they were not so attractive or so appetizing as the California product, the cheapness of their production and the light cost of getting them into New York and other eastern markets frequently caused a flood of imports at such low prices as to prove disastrous to the California product.

A protective tariff was placed on oranges in the McKinley bill, and under the stimulus of its protection the acreage of citrus fruits in California increased very greatly.

This was followed by the Wilson tariff, passed during the second administration of President Cleveland. The effect of this tariff upon the industry was most disastrous. Frequently returns from shipments from California to the East by rail would come back to the shipper in red; that is, the shipper would not receive enough to pay his freight and would have to make up the difference, which would be entered in figures in red. Hundreds of acres of orange orchards in these circumstances were chopped down and the stumps dug up and the land put to other use. Many producers of oranges were bankrupt, and the citrus-fruit industry was absolutely without value to the producers or to the State.

This condition continued until after the election of President McKinley, when the Dingley tariff law was formulated and a protective tariff was placed on oranges and lemons. The industry again revived, until at the present time the production of oranges in California, together with those of Florida and other Southern States, is sufficient to fully supply the American market. The same may be said of lemons.

The total shipments of oranges from California during the season of 1919–20 was 35,679 cars, containing about 18,066,368 boxes. At the present time in California there are about 133,000 acres planted in oranges of bearing age and about 50,000 acres of orange orchards not yet in bearing. There are also about 33,000 acres of bearing lemon trees, the production of which in 1920 was more than 4,000,000 boxes. These orchards represent an actual investment of more than $400,000,000. Excepting during the operation of the Wilson tariff and occasional years of severe frosts or unusually high winds destroying the fruit, the industry may be said to have been fairly profitable, as much so, perhaps, as the average agricultural product.

The Underwood tariff bill was passed in 1913 and the great World War commenced a short time afterwards, in 1914. The war, by shutting off foreign imports, had the same effect upon agricultural products, which included the citrus-fruit industry, as a protective tariff. The American market was preserved to the American producer during this period, and therefore the effects of the Underwood tariff, which was at the rate of about one-half of 1 cent per pound on oranges and lemons, were ineffective, as the imports during that period amounted in value to less than $100,000 annually, and these mostly came from the West Indies.

I have gone into this brief history of the citrus industry in California for the purpose of illustrating the powerful influence of a protective tariff on this industry, so important to the State. Had it not been for the protection of the tariff, instead of an industry in which capital is invested to the extent of more than $400,000,000 there would probably have been a few scattered orchards, possibly sufficient to supply a local demand. Under the beneficent stimulus of a protective tariff a great industry has been created which sustains a large population of American people. The industry still requires a protective tariff, and it is a horrible thing to contemplate that, after having encouraged people to devote their fortunes and their lives to the creation of a great industry like this, by a simple enactment of Congress it would be possible that the results of these labors and investments could easily be swept away.

Of course, this will not be done, and I refer to it only as a possibility. The country having once entered upon a policy of protection and having involved the good faith of the Nation to the extent of thus inviting the people to invest their accumulations and their industry in the production of products that it would not be possible to produce excepting for protection, it ought not to be possible to repudiate this high moral obligation and disregard the rights of citizens who have accepted the invitation and thus invested. The obligation should be as sacredly observed as are the obligations entered into with other nations, and which are carried out by successive administrations, although they may be of different political parties and faith.

The degree of protection and the extent of its necessity is a matter of judgment, and changes with changed conditions. The power to make such changes should rest in some authority, and, doubtless, Congress is the best authority, acting upon suggestions and reports made to it by a Tariff Commission. It ought not to be done at the whim of a political party temporarily in power, which party may have been placed in power not upon the tariff issue but upon other issues.

It is doubtful if there is any other industry in the United States that more strikingly illustrates the building up of a great industry, which has proved the foundation of thousands of happy homes and the sustenance of a large population in most agreeable surroundings, than that of the citrus industry in California. The proper object of all human endeavor should be the attainment and security of human happiness. This can not be assured without the means are afforded for the material necessities of life. It is not necessary that people should be wealthy to be happy. It is one of the essentials, however, that so far as may be the lives of the people should be as far from the carking cares of sordid poverty as may be. I risk nothing in saying that this object has been accomplished to a remarkable degree among those who have chosen to engage in this particular protected industry of my own State.

Further, I am persuaded that in the creation of this great industry no wrong has been done to other citizens of our great Republic. Upon the whole, I do not think that since the enactment of the original McKinley tariff law the people of the country have paid more for their citrus fruits than though the California industry had not been established. The country has had a supply of far more attractive, nutritious, and healthful citrus fruits than it otherwise would have had, and the absence of the local product would doubtless have induced a large increase in the prices of the foreign imported article that would have controlled the market. This being true, I can see no moral objection to the imposition of a protective import duty, and, on the other hand, I can see great advantages from a national standpoint in the establishment of an enormous productive industry.

I have never been able to subscribe to the doctrine of a tariff for revenue only. True, the production of a revenue is the primary basis for the imposition of a tariff on foreign imports. The country must have a revenue, and it is entitled to produce that revenue from such sources as it deems proper, but in applying that duty on foreign imports it is, to my way of thinking, entirely proper, and the duty of Congress to so place the duty as to afford the greatest amount of encouragement and assistance to American production, and even to place a duty on such imports for the express purpose of building up, encouraging, and sustaining an American industry. The highest degree of intelligence and foresight must be exercised in placing these duties. They should be made as little offensive to foreign Governments and peoples as may be, and they should not be prohibitive. To make them prohibitive deprives them of the primary reason for a tariff bill—that is, that a prohibitive tariff would raise no revenue. To say, however, that the production of revenue is the only legitimate purpose, and that it would be applied without any reference to its effects upon domestic production or the welfare of domestic trade appears to me to have no basis of reason, and the claim that it has no such protective effect as is intended does not seem to me to be well based. To my mind, there is in most cases a protective influence created by the imposition of a tariff duty. That is as true as that the damming of a stream at one point will force the stream into another channel. Contrary reasoning is on a par with an assumption that as natural law keeps a stream in its channel, it should not be diverted artificially, when we know that by damming the channel the water may be carried off into ditches for irrigating or other purposes, and thus much good may be accomplished that would otherwise be lost. At all events, so far as California is concerned, tariff protection is not an academic question. With us protection is a vital policy, and without it great disaster would surely overwhelm the State.

The Fordney tariff bill has been formulated with great care and with an undoubted regard to all the considerations which I have suggested. The committee consists of 25 members, and no 25 men can think alike upon all points in a great bill like this, with several thousand items. It is not possible to adopt a rigid formula in considering these items. The fact that a duty on a certain article may have been at a certain figure in the Payne-Aldrich bill is by no means a good reason for placing it at the same figure in this bill, nor is it a good reason in itself for fixing the figure either above or below that fixed in the Payne-Aldrich bill. Tariff is not an exact science, and in itself it is not a principle; it is a policy. And the rates fixed, it appears to me, should be based upon conditions as they are to-day and as they are likely to be in the future. The Payne-Aldrich bill, the Dingley bill, the McKinley bill, and the Underwood bill may be helpful in the way of arriving at rates, but they should not be conclusive.

There are in addition to oranges and lemons several other products that are of very high importance to the people of California, and as to some of them I feel sure that there ought to be a higher rate placed than that fixed in the bill.

Before leaving the subject of lemons and oranges I would say that the rates on the by-products of citrate of lime and citric acid from lemons have an important bearing on the industry. The rates named in this bill are 2½ cents per pound on citrate of lime and 10 cents per pound on citric acid. Those who are en-

gaged in the industry do not consider these figures sufficient, and I hope that the Committee on Ways and Means may see fit to recommend a somewhat higher figure.

BEANS.

Beans are a very important crop in California, as they are in Michigan, New York, and Texas. During the past two or three years the bean growers of the country have been experiencing a particularly hard time due to the heavy importation of beans from the Orient.

Beans are raised in nearly all parts of the world. The European production prior to the war was about 100,000,000 bushels annually. Asia produced between 150,000,000 and 200,000,000 bushels per year prior to the war, and since has produced much more. The European production of beans does not materially interfere with American bean growers. The real competition with American beans comes from China, Manchuria, Korea, and Hokkaido, the northern island of Japan.

The bean crop of the United States in 1916 was approximately 10,000,000 bushels; in 1917, 16,000,000 bushels; and in 1918, 17,700,000 bushels. Prior to that time the average production was about 12,000,000 bushels a year. The average value of the bean crop of the United States has been about $100,000,000 a year.

The importance of the crop to the various parts of the country may be estimated by the fact that the land value of beans raised in Michigan and New York is estimated to be about $125 per acre: In California the estimate is higher, because the average production per acre is nearly twice that of the eastern crop. The bean lands of the United States as a whole represent more than $250,000,000. Additional investments in warehouses, elevators, cleaning and packing equipment, adds very largely to the monetary value of the bean industry.

California raises between 45 and 50 per cent of all the beans produced in the United States. In that State it is the third most important agricultural industry, exceeded only by the citrus industry and the dairy industry. The crop is worth from $40,000,000 to $50,000,000 a year in ordinary times. Due to the Asiatic competition, the acreage in California has been rapidly decreasing. In 1918, 590,000 acres were devoted to bean growing. In 1919 this was reduced to 410,000 acres. In 1918 the production was 5,000,000 bags, and in 1919 it was reduced to 3,000,000 bags. There are 6,000 growers of beans in the State, which means that 25,000 people are directly involved in the industry.

During the summer of 1920 I passed through Korea and Manchuria, in which countries or Provinces are raised the particular beans which come into competition with those raised in the United States. I will say that in Manchuria the soil is very prolific and appears to be specially adapted to the growing of beans. At nearly every station along the railway there were immense warehouses of beans or immense piles of beans under cover of canvas awaiting shipment to this country. When I say that some of these piles of beans were nearly as large as the Hall of the House of Representatives it is no exaggeration. It looked like there were enough beans to feed the world. On returning home I advised bean growers in California to discontinue planting beans until they should be protected by a tariff sufficiently large to meet the difference between the pay of farm laborers in Manchuria of from 12 to 20 cents per day and the amount which the California farmers had to pay for their own labor. It will be impossible for them to raise beans successfully under such a great disadvantage.

I had the honor to introduce into the Sixty-sixth Congress a bill (H. R. 7737) which provided a duty of 2 cents per pound on beans. This bill passed the House, but failed to pass the Senate. When the emergency tariff bill was formulated the bean growers of the country were represented in the hearings before the Ways and Means Committee. They generally agreed that the rate which had been placed in my bill of 2 cents per pound was too low to meet the difference between production in the United States and in China. However, the committee adopted the rate of 2 cents, and it thus went into the emergency tariff bill, and at the present time it is the rate collected at the various ports of entry of the United States.

The bill under consideration has fixed the rate at 1½ cents. It will be noted in the hearings of the committee on October 13 and 16, 1919, pages 20 to 40, that there were a large number of statements given by farmers in California of costs of beans. These costs had a considerable range, but the average during the previous five or six years, according to the testimony, was 0.0677 cent per pound. Regarding the costs of production, Mr. Aaron Sapiro, representing the California Bean Growers' Association, testified as follows:

We can get prices from Japan, Manchuria, and Korea. In Japan, according to the department of finance statement of Japan, the payment for small whites, the beans competing with American beans, was 0.022, or 2 cents per pound, in 1916, and 0.0298 per pound in 1917, or less than 3 cents per pound in every instance. From the report of the United States consul at Antung, China, the average price of beans for all of 1918 was 2 cents per pound, and for the month of June, 1919, was $2.58 per 100 pounds, about 2½ cents per pound.

The freight from oriental ports to San Francisco is from $7 to $9 a ton, or an average of 40 cents per hundred pounds. Mr. Sapiro further testifies:

The wages of Japan and Manchuria and Korea labor enter powerfully into this cost of production. In Japan the average wages for a man laboring on the farm in 1916 were $26.02 by the year; $30 a year in 1917. For a woman laborer it was $15.26 in 1916, and $17.50 in 1917.

The day wage in Japan in 1917 was 28 cents a day. Female labor was 17 cents a day. These figures are taken from the Department of Commerce, inclosure 29789.

Wages in Japan have been rapidly mounting, and in view of the higher prices paid in industrial fields combined with Japan's extensive industrial expansion during the year has led to increases in industrial wages; it is probable that these figures should be multiplied by two or two and one-half to determine the present scale for farm labor.

The wages of the children are hard to determine. In rice and flour mills female children under 15 received 9 cents a day; males, 12½ cents per day. In fields and for hand picking beans, little children are employed, the whole family being often engaged for less than 50 cents a day.

It can readily be seen that with the average cost of farm labor in California at from $3 to $4 per day, and little less than that rate of wages in Michigan, New York, and Texas, that the American bean grower has a difficult problem before him. It would seem that the rate of 1½ cents might be advantageously advanced to the rate in the emergency tariff bill of 2 cents.

WALNUTS.

The walnut industry is a very large industry in California, some 84,700 acres being devoted to walnuts. Of this acreage 24,177 is in my own county of Los Angeles and 16,843 in the adjoining county of Orange. The present investment in the American walnut industry is over $110,000,000. The testimony before the Ways and Means Committee was that the present cost of producing walnuts in America, exclusive of interest on the investment, is 0.1497 cent per pound. The cost of labor in producing these walnuts is over 65 per cent of the production cost, or nearly 10 cents a pound, whereas the labor cost in France is 0.0243 cent per pound and in Italy 0.0101 cent, and in China less than 1 cent per pound. The imports are principally from these countries. The Payne-Aldrich bill fixed a duty of 3 cents a pound for unshelled and 5 cents for shelled walnuts. The Underwood bill reduced the duty to 2 cents and 4 cents, respectively. The request of the walnut growers was for a duty of 4 cents on unshelled and 12 cents on shelled walnuts. The rate fixed in the bill before the House is 2½ cents on unshelled and 5 cents on shelled. Aside from the low rate fixed in this bill, which is one-half cent less than the Payne-Aldrich bill for unshelled walnuts, there is, according to the best authorities, a discrepancy in the ratio between unshelled and shelled walnuts. The ratio fixed in the bill is 2 to 1, whereas the best authorities, and I believe the Tariff Commission, fixes the proper rate at 3 to 1. I sincerely hope that the committee will see proper to offer an amendment to cover these points.

ALMONDS.

The acreage of almonds in California is estimated at 100,000 acres, but 35,000 acres of which have reached the stage of commercial bearing. The large acreage of immature nuts indicates that there will be a very large increase in production in the next few years. The rate for unshelled almonds was fixed in the Payne-Aldrich bill at 4 cents per pound and for shelled at 6 cents per pound. In the Underwood tariff the rate was fixed at 3 cents per pound for unshelled and 4 cents per pound for shelled. Most of the California growers argue that the ratio should be at the rate of three shelled to one unshelled, stating that the European ratio is usually considered four to one. The cost of production in California in 1915, before the war had affected wages, was 10.9 cents per pound, and in 1920 it had reached 14.46. The investment in the almond business in California at the present time is estimated at more than $50,000,000. This is an industry well worth preserving. The Committee on Ways and Means will be asked to make a readjustment as to the proportion between shelled and unshelled nuts, and it is hoped that they may see fit also to meet the wishes of the growers as to an advanced rate. The California product, which is usually of the soft-shelled variety, is very superior to any of the foreign nuts, and in addition to placing upon a firm foundation an industry of great value to the country there will be the advantage of an improved article of diet for the people. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield one hour to the gentleman from Oklahoma [Mr. CHANDLER].

Mr. CHANDLER of Oklahoma. Mr. Chairman and gentlemen of the committee, I am going to ask the members of the committee to refrain from asking any questions until I have

finished my argument. At the end of that time I shall be very glad to answer any questions that may be propounded.

Considering world-wide conditions and general economical and financial situations affecting every branch of industry, and viewing the matter from a revenue standpoint and protection to our wage earners, I believe the Fordney tariff bill, while not a panacea for all evils, is a long stride to "normalcy" and stabilization.

Under the circumstances the bill's provisions are as near perfect as possible to form.

While it is wise for us to take cognizance of the war-torn status of foreign countries and deeply consider their case, it is equally our duty to protect ourselves without adopting the misguided doctrine of splendid isolation. We have established certain standards of living in the United States, recognized to be superior to those of any other nation under the sun, and to maintain such standards we must protect the wage earner. Also we must, as far as in our power to do so, lessen the burden of taxation not only on individuals but on business.

There has never been a tariff bill written into law that did not harm some section while protecting others, and the present bill is no exception, but it is as fair as human effort, thought, and labor can frame as an initiative measure.

I have always been an ardent protectionist. From the time I was a mere schoolboy until the present day I have believed in protective principles. If I had not, I presume I would have been a southern Democrat. I believe that the markets of America should be kept for the products of America. I believe that everything produced in the United States should be protected, and if I had my way there would be no such thing as the free list. If I had my way, everything that is on the free list that we produce here in the United States would be protected. The products that are not produced here in the United States I would have a sufficient duty on to cover the expenses of the customhouse through which they pass.

My attention has been called to the fact that this afternoon a statement was made by my colleague from Massachusetts [Mr. TREADWAY] against a tariff upon oil. I am somewhat surprised that a man coming from a district in that part of the United States which has enjoyed the benefits of the protective system as much as that gentleman's district and State have would make a statement that he is opposed to a tariff upon a product produced here in the United States, especially when it is so badly needed. The gentleman has protection on practically everything he asked for in this bill for his part of the country, at a good substantial rate. I do not recall a single article manufactured in his district that he did not want protected, and which is protected in this bill. I am not one of those protectionists who believe in protecting only the things that are produced in their district and State and in no other. I am a consistent 100 per cent protectionist for the whole United States. I am informed that he made the statement that oil is a local issue.

Mr. Chairman, there are 37 States in this Union that either produce or refine oil and stockholders in every community in every State in the Union. Is that a local issue? I venture to say that there are as many States interested in the oil business as in the wool or in the cotton manufactures.

There is one product to which I wish to direct the attention of the committee and that is hides. We should have a tariff on hides. Hides are the finished product of the farmer and of the stockman, just as much as leather is the finished product of the tanner, and boots and shoes the finished product of the manufacturer. I favor a tariff on the finished product of everything that is produced or manufactured in the United States.

I intended to go into the question of a tariff upon lead and zinc ores, but as they are very nicely taken care of in the bill, especially lead, although zinc is taken care of only for two years, still we will manage to get along under the provisions as proposed.

I desire now to enter the consideration of another question which I consider of more importance at the present time, and that is the question of oil and the situation in the oil industry.

THE SITUATION IN THE OIL INDUSTRY.

The United States produces and has always produced and used within its own borders 65 per cent of the petroleum supply of the world. The independent producer, according to the Federal Trade Commission, produces over 80 per cent of the oil produced in the United States. Therefore, the people who are asking for a tariff on oil are not a few adventurers scattered here and there but are the actual producers of 52 per cent of the world's current supply of crude oil.

The request for a tariff does not emanate from the wildcat stock-selling concern which has imposed its worthless securities upon the American public. Those organizations were built upon the sand. They were not legitimate members of the petroleum fraternity nor were they ever accepted or vouched for by the substantial independent oil producers who are asking tariff protection. Their downfall was inevitable and is already largely accomplished. No tariff would save them, and none is asked for that purpose. But it must be admitted that the producers of 52 per cent of the world's supply constitute an important factor in this situation—important from an economic standpoint; important to America's supremacy in the oil business. Much more important, I should say, than the mythical, unexplored, and undiscovered so-called oil deposit supposed to exist in the jungles of Africa and the wilds of South America.

During recent months a great deal of prominence has been given to certain estimates of oil reserves in this country and elsewhere, in which estimates the prediction seems to be made with confidence that the oil reserves of the United States will be soon exhausted and that they constitute but 16 per cent or 17 per cent of the oil reserves of the world, there being some 83 per cent located in other countries. Ever since the discovery of petroleum estimates of various kinds have been vouchsafed, always predicting the early exhaustion of the producing regions of the United States. As actual development work has progressed from year to year these former estimates have from year to year been proven ridiculous and wholly unreliable, leading to their constant revision. History, on the other hand, shows that on every occasion when the public demanded more oil and was willing to pay a price commensurate with the hazard of the business and the cost of operation the American producer went out and produced the oil as required. Practical oil men have in the past smiled good-naturedly at these alleged scientific estimates of oil reserves. They now view them with concern, because it has become evident that the Standard Oil Co., through a carefully fostered system of propaganda, is using them and has impressed them upon the public mind, with a double purpose. Ostensibly the information is distributed and vouched for as illustrating the need for the American Government to assist the Standard Oil Co. and others of our nationals in securing a foothold in foreign oil territory. Of course, if our oil reserves are about to be exhausted, the argument that we should be looking elsewhere for a supply has great force.

But let us analyze the situation briefly. In the first place no one knows how much recoverable oil there is in the United States. No geologist of the Geological Survey or elsewhere can predict with any degree of confidence how much oil the 40 acres of undeveloped land adjoining my producing tract will produce or whether it will produce oil at all or not. How absurd, therefore, for anyone to assume to actually compute the oil content of a country or vast area of land wholly unexplored for oil and which perhaps the writer of the estimate never even saw. I wish to make this statement very definite and unequivocal—that the estimates of the world petroleum resources are mere guesses and without value. If anyone should see fit to dispute or question the soundness of this statement, I invite them to give the reasons and the data upon which they base their contention and to show, if possible, the manner and method of computation and the scientific details and data, if any there be, upon which such estimates are based.

The obvious answer to the question raised as to why we have so much propaganda at this time concerning the necessity for the acquisition of these mythical foreign deposits is this: It is not the alleged foreign deposits which form the basis of the Standard Oil Co.'s altruistic desire to improve America's position in the oil industry, but it is the acquisition by the Standard Oil Co. of the above-mentioned 52 per cent of the world's actual, visible supply of petroleum which is now owned in the United States by the independent producer and which the Standard Oil Co. realizes that it must have in order to maintain its commanding position as the dictator of the petroleum industry in this country.

It has accordingly fed the American public with stories of the limited resources of the United States and has used the above-mentioned published estimates as a smoke screen to obscure the very practical method which it has adopted of obtaining possession of the 80 per cent of domestic production now owned by the independents. Stripped to its essentials, this policy consists of flooding the American market with cheaply produced Mexican crude, thus depressing the price of domestic crude to a point far below the cost of production. What must happen under such circumstances? Either the independent producer must sell his producing properties to the Standard Oil Co. or abandon them, for he can not continue to operate them at a loss. A tariff levied by the present Congress against this flood of Mexican imports would seriously interfere with this plan,

because it would so increase the cost of laying down Mexican crude in this country as to either force a curtailment of operations in Mexico similar to that which has taken place in this country or it would force the Standard Oil Co. to pay a more reasonable price for domestic crude, thus letting the independent producer out of the trap in which he now seems to be so securely fastened.

We therefore have before us to-day a carefully planned program of propaganda by which the Congress and the public are told that it is criminal to protect the American independent producer by a moderate tariff when the Standard Oil Co. and its subsidiaries are endeavoring to find more oil for us in foreign fields where oil has never been discovered in paying quantities, and that the claims of the independent producers in the United States are wholly unimportant and must not be permitted to interfere with the announced plans of that great corporation and the convenient foreign policy of the United States Government in that regard.

Mr. HIMES. Mr. Chairman, will the gentleman yield there for a question?

Mr. CHANDLER of Oklahoma. I must ask the gentleman to wait until I have finished.

PROOF STANDARD OIL OPPOSES IMPORT DUTY ON PETROLEUM.

I wish to call your attention to a news item in the New York Herald of July 6, a part of which reads as follows:

At a meeting of the Mexican Producers' Association, held in New York last Wednesday, and following the meeting Guy Stevens, director of the association, stated that a formal statement would be given out by that body, which has probably been issued by this time. That the opposition's forces must be respected will be realized by scanning over the names of those attending the meeting. They were: Edward L. Doheny, H. G. Wylie, Dr. Norman Bridge, and F. R. Kellogg, Mexican Petroleum Co.; C. O. Swain, Burton Wilson, Gen. Palmer, E. Pierce, and Arthur F. Corwin, Transcontinental Oil Co.; William B. Lewis, English Oil Co.; P. J. Murphy and George Grace, Island Oil & Transport Co.; A. J. Byles and John A. Young, Tidewater Oil Co.; M. H. Spahr, jr., Atlantic Refining Co.; Frederick N. Watriss and R. D. Hannah, International Petroleum Co.; J. H. Hall, Texas Co.; and H. R. Cornish, National Oil Co.

This is conclusive proof that the Standard Oil monopoly, its subsidiaries, and affiliated companies are strongly opposed to this tariff and absolutely refutes the charge frequently made that an import duty on Mexican crude and fuel will benefit Standard Oil.

Mr. C. O. Swain, mentioned in the Herald article, is general counsel for Standard Oil of New Jersey and other Standard subsidiaries, and an examination of the list of men present at this meeting shows that most of them are Standard representatives.

Mr. BYRNES of South Carolina. Mr. Chairman, will the gentleman yield there for a question?

Mr. CHANDLER of Oklahoma. I can not yield at present.

I next call to the attention of the committee a portion of a report made by the committee appointed by the Legislature of the State of Oklahoma to investigate oil conditions.

TULSA, OKLA., *May 28, 1921.*

The testimony before our committee developed that the only opposition to a tariff on Mexican crude were the representatives of corporations, such as the Standard Oil Co. of Indiana; Standard Oil Co. of New Jersey, through its subsidiary, the Carter Oil Co.; the Standard Oil Co. of New York, through its subsidiary, the Magnolia Petroleum Co.; Prairie Oil & Gas Co.; the pipe-line subsidiaries of the Standard Oil companies, the Texas Co. and the Gulf Co., all of which companies were heavily interested in Mexican oil production.

The testimony taken before our committee discloses the fact that there are many thousands of men idle, walking the streets of the various oil towns of this State, looking for employment, with 60 per cent of the entire industry shut down; that prospective development in all the counties of Oklahoma is at a complete standstill; that business of every kind throughout the oil fields is practically paralyzed. This was ascribed directly by practically all independent operators to the enormous imports of Mexican oil. The independent operators and their employees are unanimously in favor of a tariff on oil as one of the best means of restoring a state of normalcy in the State of Oklahoma.

Those represent some of the conclusions of the committee appointed by the Legislature of the State of Oklahoma after they had summoned men before them and taken testimony for something like 30 to 60 days.

I wish to read now an extract from the Western Oil Derrick, which reads as follows:

BIG IMPORTATION CONTRACT.

Evidently the Standard Oil Co. of New Jersey is not alarmed as to the prospects of a prohibitive tariff being imposed on Mexican oil importations into the United States. The Mexican Seaboard Oil Co., in which the Sinclair Consolidated Oil Co. and Standard Oil subsidiaries have an interest, has made a contract with the Standard of New Jersey calling for a minimum of 45,000 barrels and a maximum of 50,000 barrels daily to be imported for the next two and one-half years. This contract is said to be one of the largest ever made.

Has the Standard Oil of New Jersey some inside dope on the tariff proposition? Evidently it has ground to believe that whatever is done in respect to the proposition will be in mild form.

And this is the only real opposition to a protective tariff on oil.

Will Standard Oil continue to rule, or will the people demand that this great industry be protected by the Congress of the United States against the ravages of the billion dollar corporation, the Standard Oil Co. of New Jersey?

I am not going to confine my observations altogether to the State of Oklahoma. I have here a letter from Mr. P. A. Wiley, dated Wichita, Kans., June 17, 1921. I read a few paragraphs of that letter:

The Standard Oil Co. has reduced the price of crude in the mid-continent field from $3.50 to $1 per barrel since January 26, a reduction of 70 per cent. In the same period of less than five months they have reduced the price of gasoline only 7 cents per gallon, or 25 per cent. The Standard is pocketing the difference of 45 per cent.

The American oil industry has been built up by 65 years of intelligent and well-directed effort and a capital investment of $2,500,000,000 of American money.

Our Government needs more than at any other time in its history the revenue that a tariff on imported oil would yield.

Of course, the Standard Oil group is fighting the tariff on imported crude, for they are the only ones that are profiting by the present tax-free condition.

The independent producers are staggering under a load of taxes of all kinds, while at the same time the price of their only product has been cut 70 per cent in a period of five months, without corresponding reductions in labor and material. We can not cut a $5 man to $1.50 per day. We can not buy $2 casing for 60 cents.

Surely you men of the Ways and Means Committee will not stand idly by while the Standard murders and robs the American independent oil producer, when you have it in your power to give us a reasonable protective tariff, thereby saving a great American industry, at the same time providing badly needed revenue for the Nation's Treasury, without in any way increasing prices to the purchasers of refined oil and oil products, and at the same time provide employment for thousands of oil workers now idle.

Mr. BLANTON. Mr. Chairman, will the gentleman from Oklahoma yield there?

Mr. CHANDLER of Oklahoma. The gentleman from Texas will please excuse me until I have finished with my argument, then I shall be very glad to answer any question that I can. Next, I call the attention of the committee to a brief extract from the Chicago Journal of Commerce of the issue of July 7, 1921:

Standard Oil of New Jersey has more to lose through an import tax than any other company.

Another matter to which I wish to direct attention is this:

DO WE OWE COLOMBIA AN HONOR DEBT OF $25,000,000, OR IS IT A BRIBE FOR OIL CONCESSIONS TO PRIVATE CORPORATIONS?

Beginning about a year ago and continuing throughout the latter part of 1920, the press of the United States fairly bubbled over with what seemed to me to be a well-organized campaign of propaganda—that the oil supply of the United States was in grave danger of exhaustion, that there was a shortage of supply at that time, and that no known fields offered a future supply of oil. This propaganda came from the official sources of the United States Government—the Geological Survey, the Bureau of Mines, the Shipping Board, and the State Department.

It is a strange coincidence that this propaganda reached its height right at the time when the payment of $25,000,000 to Colombia was being discussed in the Senate. The public was led to believe at that time that this Government owed the money and that the discussion in the Senate was to meet a fair and just obligation of the United States Government; but here, a few days ago, an eminent Senator at the other end of the Capitol indicated that this Government is to pay that price for certain oil concessions of private concerns. This side of Congress will soon be called upon to appropriate that sum, and at this time I would like to ask the Members here if we are to appropriate that money to pay a just debt, owed by this country on its honor, or are we to appropriate it as a bribe to Colombia to grant certain oil companies large concessions?

Another coincidence is that less than 30 days after the Senate began to discuss the ratification of the treaty to make the payment the price of crude oil began to drop, and within 60 days after the treaty was ratified the reduction in price had reached almost 75 per cent in the Mid-Continent field, dropping from $3.50 or $4 per barrel on January 23 to $1 per barrel on June 15, the present price. Simultaneously with the price-cutting era came along another line of propaganda from the same sources that suddenly it had been discovered there was an oversupply of oil in the United States.

Mr. Chairman, I am aware of the fact that there are very few Members of this House who know the real conditions in the American oil fields and who know but little about the oil business, and I am going to endeavor to enlighten you a little about our production, about what wells we have and what they produce. At the end of the year 1920 there were about 258,000 oil wells in the United States producing oil. During the year 1920 they produced 443,000,000 barrels, in round numbers. These wells average less than 5 barrels each—to be exact, 4.9 barrels—to the well daily. That is the entire production of the United States—big wells, little wells, wells of all kinds. There are over 210,000 of these wells that produce 2 barrels and less per day.

There are in the States of New York, Pennsylvania, West Virginia, and Ohio 120,000 wells that have an average production of fifty-four one-hundredths barrels per day. A great many wells in Pennsylvania produce a little less than that. In the State of New York there are 14,000 wells, at an average production of two-tenths of a barrel per day. These small wells, these 210,000 wells that are producing 2 barrels or less per day, are the backbone of the oil industry. They are what is known as old settled production. Some of them are 30 or 40 years old. These wells can not be operated under the present price of crude oil. No man who owns one of these properties can pay the expenses of operation out of the receipts from the sale of oil at the present market price.

Mr. COOPER of Ohio. Will the gentleman yield there?

Mr. CHANDLER of Oklahoma. In just a moment I will yield.

The CHAIRMAN. The gentleman declines to yield at this time.

Mr. CHANDLER of Oklahoma. These wells are all high-grade oils; they are gasoline-producing oils, lubricating-producing oils. A greater portion of your gasoline comes from such wells of this country, and not only do they extract gasoline out of this oil, but the casing head gas—that is, the fumes which come from the wells that used to go up in the air and were wasted—is now gathered in vacuum lines, carried to a central station and compressed, and the gasoline is pressed out of the gas. These wells, as I said before, can not possibly be operated at the present oil prices. To give you an illustration, I know of one property of this old settled production that has eight wells that produce a total of three and a half barrels per day. After the operator has paid his royalty he has net about three barrels per day. At a dollar a barrel that gives him $90 per month. He sells about $15 worth of gas from the wells that goes to the casing head gasoline plant, and his entire receipts at the present market price are $105 a month. He pays his pumper $100 a month. He naturally must have repairs to his machinery if something breaks. Every few days the cups must be changed; he needs a teamster and a roustabout. The result is at the end of the month the operating expenses of this lease are about $175, and how long can he continue to operate this, or how long can he continue to operate these wells at such a loss? You can answer that question yourselves. Put yourself in his position. It is only a question of time until he abandons it, pulls the casing and sells it for what he can get out of it, and the result is three and a half barrels of production is forever lost to the world. Nobody can go in there and drill the property again, because the overhead charges and drilling charges would be so great that there is no way in the world that they could pay out. Now, gentlemen, I just simply wish to call your attention to this kind of property that will be destroyed. There are 210,000 wells of that character that are not paying the operating expenses to-day, and unless some relief is granted to these operators a greater portion of them will be abandoned, and something like a daily production of 300,000 barrels of oil will be lost and can not be reclaimed.

Mr. COOPER of Ohio. Will the gentleman yield for a question?

Mr. CHANDLER of Oklahoma. I would rather not. If the gentleman will just keep it in mind, I will later.

The CHAIRMAN. The gentleman declines to yield at the present time.

Mr. CHANDLER of Oklahoma. The cry comes that nobody but a few producers want this tariff. There are to-day in the United States over 16,000 independent producers and operators either operating as independent companies or as individuals, and, as I stated a few moments ago, these 16,000 operators own 82 per cent of the oil production of the United States, which the Standard, by reason of this free importation of Mexican oil and driving the price down, will be able to grab at a fraction of their real worth.

Mr. HIMES. Will the gentleman yield?

Mr. CHANDLER of Oklahoma. Not yet; I will in a minute. There is no question about it whatever. Now, not only will these men lose a greater part of their earnings of years, but it will throw hundreds of thousands of men out of employment. There are dependent, directly or indirectly, upon the oil industry of the United States employment of something like 1,000,000 people. Not only is that the case, but you will find that the demoralization is affecting every branch of business. Banks are curtailing credit, and merchants are unable to sell their goods. The conditions are deplorable, gentlemen; and during the time these prices have been going down the Standard, until a few days ago, was importing some twelve or fourteen million barrels of oil per month into the United States. They did not lessen these importations, but right on up until last month they were bringing oil in just the same as they had for months before. Their large importations started last August when they started their drive, in my opinion, to freeze out these independent producers. They started this great drive, and when the price began to go down in January instead of decreasing the importations from Mexico they increased them, but gasoline remained at a proportionately high price.

Not only did they do that but, gentlemen, last year, with an importation of 106,000,000 barrels of oil into the United States, with the price throughout the oil fields, I will admit, reasonably high, throughout the Mid-Continent field the market price was $3.50 per barrel. A great many were selling their oil as high as $4 and $4.25 per barrel. They brought that 106,000,000 barrels of oil in here last year, refined it, and sold it out in competition with this high-priced oil that was produced here in the United States, and the users of oil in the United States did not buy one gallon of gasoline or a single quart of lubricating oil for a less price by reason of that importation. The entire profit went to enrich the Standard Oil Co. and its subsidiaries.

Now, gentlemen, I have heard it said that nobody but the producer wanted this. I stated a few moments ago that the laboring men and, in fact, everybody throughout the oil districts, commencing up here in New York and clear out through the western country, are asking for a tariff. Not only that, but the independent refiners in the United States want the tariff as proposed in this bill.

I have here a telegram from the Western Petroleum Refiners' Association, which has a membership of 428 independent refiners, which reads as follows:

TULSA, OKLA., *July 5, 1921.*

Hon. THOMAS A. CHANDLER, M. C., *Washington, D. C.:*

Western refiners indorse the tariff provision of the Fordney bill relating to oil. Mr. Gore is mistaken when he says this provision will put American refineries out of business. The fact is, western refineries 50 per cent shut down at this time because oversupply fuel oil coming from Mexican crude has demoralized refining business, so that accumulation of stocks of products other than gasoline makes it impossible to do business without making gasoline carry entire load. While tariff may raise price of fuel oil slightly, thus enabling domestic refineries to dispose of domestic fuel oil, it will mean more and cheaper gasoline to the American farmer and other consumers, because domestic crude contains three times amount of gasoline contained in foreign crude. We the undersigned western refineries urge support of tariff provision.

WESTERN PETROLEUM REFINERS' ASSOCIATION.
COSDEN REFINING CO.,
By D. W. MOFFITT.
CONSTANTIN REFINING CO.,
By JULES CONSTANTIN.
PRODUCERS & REFINERS' CORPORATION,
By W. L. KISTLER.

I have another one here from another branch of the same association, sent from Kansas City, which reads as follows:

KANSAS CITY, MO., *July 6, 1921.*

Hon. THOMAS A. CHANDLER,
Ways and Means Committee, House of Representatives, Washington, D. C.:

Members of Western Petroleum Refiners' Association are strongly in favor of import duty on Mexican crude. Present paralyzed and prostrated condition of American petroleum industry is due to flood of cheap Mexican crude. We repudiate the many stories of shortage of petroleum and believe in ability of industry to meet all demands upon it to-day. Scores of petroleum refineries are shut down, men and capital idle, while Mexican oil industry has been flourishing at our expense. We feel we are entitled to protection.

WESTERN PETROLEUM REFINERS' ASSOCIATION.

I also have a telegram from Cosden & Co., the biggest independent refiner in the world. Cosden has a plant, although he is not running at full capacity at the present time, which can take care of 60,000 barrels a day. It reads as follows:

TULSA, OKLA., *June 24, 1921.*

T. A. CHANDLER, M. C.,
Washington, D. C.:

We strongly urge adoption of import duty on Mexican crude oil in order to safeguard petroleum industry in United States. Continued importation of Mexican crude into market already oversupplied by domestic production will force discontinuance of production of light oils in this field with resulting increase in cost of gasoline, as gasoline can not be produced without production of large quantities of fuel oil, which can not be disposed of in a market glutted with Mexican fuel, and greatly increased consumption of domestic fuel oil is absolutely necessary in order to permit operation of refineries in production of gasoline.

COSDEN & CO.

Here is one from the natural-gas manufacturers of gasoline. It reads similar to the other ones, and I will not attempt to read it here.

Here is one that I received to-day from Dallas, Tex. Apparently somebody down in the Democratic country wants a tariff. This reads as follows:

DALLAS, TEX., *July 13, 1921.*

Congressman CHANDLER,
House of Representatives, Washington, D. C.:

The Mexican oil deluge will continue long enough to ruin the independent producer, who is the mainstay of this Government in times of war and in peace. Once put out of business, and when our country

must have vast quantities of oil, then Mexico and Colombia will put whatever export tax they wish on their oil, and the people of this country will sweat blood because of having allowed the Standard to destroy the independents. It will take 20 years to revive the oil industry in this country to its present position, once destroyed. Would this country ever find a new crop of men who would work and sweat and take chances again like the present independents have done? Let it be remembered that the discovery of oil fields in this country has been by the small independents. Would men, with the history of this destruction, ever be willing to take chances and to work hard and sweat to help regain the independence of our Nation in the oil world? The answer is no. The President has been misled by the powers that radiate from 26 Broadway. The greed of the Standard is proverbial. Their flag flies internationally and their heart is with their pocketbook.

G. H. BASS.

Here is another one from away out in Los Angeles, Calif., which reads as follows:

LOS ANGELES, CALIF., *July 7, 1921.*

Hon. BURT CHANDLER,
House of Representatives, Washington, D. C.:

Oil producers whose interests are confined to United States are in favor of an import duty on foreign oils. Your failure to protect American operators means plugging and abandonment of many old, settled producing wells from which the major portion of oil is produced. We wish to join the mid-continent operators in urging a reasonable import duty be incorporated in present pending bill.

J. V. Moore, M. H. Mosier, Jno. A. Rodgers, G. M. Lancaster, Jerry Scully, Fred Aiken, Jack Summers, A. L. Funk, Harry Sankey, Oscar Howard, Jack Sankey, Earl Harwell, E. M. Davis, J. F. Dingee, E. E. Cocke, O. B. Kee, Jno. F. Haydon, E. L. Dunn, W. E. Johnson, and Geo. H. Johnson, of California.

I also have here a resolution from the National Association of Purchasing Agents, an extract of which reads as follows:

That by reason of the fact that this Mexican oil is of low gravity, containing but a small amount of gasoline, but flooding the fuel oil market, has resulted incidentally in reducing the price of oil in the United States from $3.50 and $4 and above to $1, but by reason of having killed the market for fuel oil the refiner is being required to carry the load of his refinery, and the price of gasoline has not been reduced perceptibly to the consumer, and if continued will likely result in causing thousands of small wells producing a small amount of high-grade oil, as well as casinghead gasoline gas, to be abandoned, losing forever such products, and most likely causing the price of gasoline to increase.

That, gentlemen, is bearing out my assertion made a few minutes ago, that the backbone of the oil industry is the small producing wells. There is where we get our gasoline.

HIRED PROPAGANDIST.

I wish to call your attention to a statement, anonymous so far as the article itself discloses, but I am reliably informed that it was written by a prominent ex-Government official. I do not wish to call any names, but nobody but a blind man would make such a statement. This gentleman is now a practicing lawyer in Washington City. He first offered his services, so I have been advised, to the independent oil operators of Oklahoma for $12,500 per annum; and as he was not employed by them, he sought employment from other sources and recently distributed in person an argument and brief for the American Automobile Association. The automobile owner, whose protection is sought by this statement, is also the owner of oil stocks, and unless oil itself is protected he will have an excellent opportunity to turn his gold-engraved stocks into wall paper or use them in the bottom of a bird cage.

This statement says the price of gasoline will be increased by the imposition of a tariff. Now, let us see. Crude oil has dropped in price from $3.50 or $4 per barrel in five months to $1 per barrel, equal to 70 or 75 per cent. When crude oil was at the top price gasoline in Washington was selling for 28 and 30 cents per gallon, and to-day, with crude oil at the low price of $1 per barrel, gasoline is selling at filling stations in Washington for 24 to 26 cents per gallon. If cheap Mexican oil coming to this country free affects the price of gasoline, why has not the price of gasoline been reduced along with the reduction in the price of raw material?

I wish to say now, gentlemen, that we should be buying gasoline right now in Washington at not to exceed 13 cents a gallon if the reduction was made in proportion to the reduction in crude.

IMPORT DUTY WILL NOT INCREASE PRICE OF GASOLINE.

In 1918 we imported from Mexico 37,000,000 barrels of oil; in 1919, 52,000,000 barrels; and in 1920, 106,000,000 barrels of oil, and the price of gasoline was not affected one penny. Whatever gasoline that was manufactured out of Mexican crude was clean profit to the Standard Oil Co. and affiliated companies. The first cut in crude was on January 24, when United States crude was selling for $3.50 and $4 per barrel and gasoline was 28 and 30 cents per gallon. In February and March, 1921, we imported from Mexico 23,687,425 barrels, or an average in round numbers of 143,000,000 barrels a year, and the price of gasoline has been reduced from 28 and 30 cents a gallon to only 24 and 26 cents a gallon. There is the proof that a tariff will not increase the price of gasoline, but by placing a tariff on crude and on fuel oil it will furnish a market for the United States fuel oil—that which is left after the gasoline, kerosene, and naphtha have been extracted—and consequently the refiner can sell his gasoline at a cheaper price, because he will get a reasonable return for his fuel oil which is not now selling. A refiner must earn so much money out of a barrel of oil, and if he can not get it out of fuel oil and other by-products that he manufactures he must get it out of gasoline, and that is the situation to-day due to the free importation of Mexican oil.

MISLEADING STATEMENTS.

Whatever the amount of gasoline that can be obtained from Mexican crude oil can be manufactured in Mexico and under the present tariff bill, which does not provide a duty on gasoline, can be shipped into this country free of duty, which is another proof that the proposed tariff will not increase the gasoline price. Unless the Standard wants all of the profit it should materially decrease the price.

I also wish to call your attention to another misstatement in this article, which reads as follows:

During 1920 our consumption of crude oil exceeded our production by almost one-half.

Everybody knows that we consumed over 500,000,000 barrels of oil during that year. I have heretofore stated the amount of importations, and those figures are furnished by the Department of Commerce. It also says, "most of the crude oil used in this country is imported from Mexico." Now, as I have heretofore given you the figures on importation, I can not understand why this article should carry such language, which is misleading and does not state the facts.

PROFITS NOT PASSED ALONG TO THE PUBLIC.

This same statement makes the exaggerated assertion that it will increase the cost of road building by increasing the price of oil asphalt so largely used in the building of roads. This assertion I emphatically deny for the reason that you can judge the future as a usual thing by what has happened in the past. I have asked the Department of Commerce for the average price of oil asphalt for the past six years, and these figures show that it is exactly the opposite, that as the importations of Mexican crude oil grew and became larger, the price of oil asphalt increased, as is shown by the following statistics furnished by said department:

Year.	Short ton of 2,000 pounds.	Imports of Mexican oil (barrels).
1915	$7.10	17,478,000
1916	8.98	20,125,000
1917	11.03	30,048,000
1918	14.09	37,719,000
1919	15.00	52,602,000
1920	18.00	100,175,000

TARIFF COMMISSION.

The Tariff Commission advises that from about the middle of 1920 down to date the price of oil asphalt was quoted at $23 free on board distilleries.

I asked the Tariff Commission for the price of oil asphalt, and they were unable to give it to me except from last August, and that price was quoted all the way through, month in and month out, from August up to the present time, at $23 a ton. The month of August, 1920, was when the greatest importations of Mexican oil began. Up to that time, if I am not very badly mistaken, in no month were over 5,000,000 barrels of oil imported into the United States. Beginning the importations with that month they ran from 10,000,000 to 14,000,000 and 15,000,000 barrels. Apparently whoever made the statement to the effect that it would decrease the price of oil asphalt did not look up the figures, because they are just the opposite. The larger the quantity of imports, the greater was the price of oil asphalt.

Now, gentlemen, I have here a telegram from many oil producers of Louisiana, from Shreveport, also a copy of a letter from Hon. John M. Parker, governor of the State of Louisiana, which read as follows:

SHREVEPORT, LA., *July 4, 1921.*

Hon. THOMAS A. CHANDLER,
Member Ways and Means Committee,
Washington, D. C.

We, the directors of the Independent Oil & Gas Producers' Association of Louisiana, representing the independent oil operators of Louisiana, Arkansas, and East Texas, instructed by a special meeting of its members held to-day, hereby petition your earnest consideration of a tariff on foreign oil, in order to save the domestic-oil industry

from destruction. The States impose a severance tax on oil, while foreign oils are being imported tax free. Domestic oils can not longer be produced under existing conditions. The condition of the Louisiana oil producer is becoming deplorable. Continued reductions in the price of oil have reduced his financial resources until it is becoming merely a question of time until he will be forced to sell his holdings to the larger interests at tremendous financial sacrifice. Owing to enforced shut down and abandonment of operations, thousands of men are getting thrown out of employment and all lines of business are seriously affected and impaired. American labor can not compete with foreign labor in the production of oil. We believe that the imposing of a tariff of 75 cents per barrel on foreign oil will relieve this situation, and earnestly urge your support of the same.

C. D. Keen, B. F. Roberts, C. W. Brown, F. L. Dyer, Jim Clark, R. O. Roy, Sam Baird, George Belchic, T. S. Neal, J. R. Parten, R. L. Hickman, E. L. Woodley, Charles Laskey, Homer Woods, Grover Ellis, J. T. Tanner, W. H. Morefield, W. C. Woolf, L. T. Kersey, J. B. Greer, Baxter Braswell.

STATE OF LOUISIANA,
EXECUTIVE DEPARTMENT,
Baton Rouge, June 29, 1921.

Mr. PAUL F. JAHNECKE,
Vice President the Jahnecke Service, New Orleans, La.

MY DEAR MR. JAHNECKE: I have your letter of the 27th instant on the subject of American tariff on foreign oils.

The action taken by me in support of a reasonable tariff on these oils was urged by the oil-producing interests of Louisiana, acting in conjunction with those of all the other oil-producing States in the mid-continent field, which includes, besides Louisiana, the States of Arkansas, Texas, Oklahoma, and Kansas.

The independent producers represent that tariff protection is vital to the life of the American oil industry. That industry is now at a very low ebb. Oil is being sold below the cost of production, according to information furnished this office. Should this country be flooded with Mexican oil, as is said to be threatened, it is claimed that many thousands of wells would have to be abandoned, which, in most instances, would mean a total loss. In time American oil would practically be driven from the field of American competition.

The value of the crude oil produced in Louisiana last year was $100,000,000. This was practically twice as much as the value of any two agricultural products of Louisiana soil, on a basis of 1919 returns. So you will appreciate that the size and importance of this industry warrants it being given the fullest possible consideration.

I believe it is the duty of the State to encourage and support the development of its natural and agricultural resources. And I feel that in urging a reasonable tariff on foreign oils I am serving interests which have a right to look to us for help and protection in time of stress.

Sincerely, yours,

JOHN M. PARKER,
Governor.

The independent oil producers came up here a short time ago and gave us some figures showing that the average cost of production of oil in the United States at the present time was about $1.75 per barrel. The lifting cost would run from 60 cents a barrel up to as high as $1.47. With these large wells in Mexico, most of which flow, whose owners operate them mostly by peon labor; with the price of production down there not exceeding 25 cents per barrel, they asked for a protective duty of $1.50 per barrel. In view of the fact that since then Mexico has put an export duty upon oil, in order to make a protective tariff out of this provision these men should have at least $1 per barrel upon their crude oil.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CHANDLER of Oklahoma. May I have about 5 or 10 minutes more?

Mr. FORDNEY. Yes. Mr. Chairman, I yield five minutes more to the gentleman.

The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes more.

Mr. CHANDLER of Oklahoma. The cost of production, I say, in Mexico, is about 25 cents. What I was going to say to you, gentlemen, is that this proposed 35 cents per barrel is no protection whatever. However, it would stabilize the market in the United States and will permit these gentlemen who own these small wells to continue to operate them until the market gets better, and then we shall be able to save this production, which would probably be forever lost unless we put a duty of some kind upon it, and the future gasoline supply of this country would be wiped out.

By the way, not only will this 35 cents per barrel, based upon the importations of oil for the first three months of 1920, help the oil men, but it will give us a revenue of over $50,000,000, based upon these importations at the beginning of this year. That money will come out of the pockets of the Standard Oil Co. and will relieve some of the distressed industries and individuals who are now overburdened with taxation.

Mr. TILLMAN. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. TILLMAN. I take it for granted that the gentleman from Oklahoma heard the gentleman from Massachusetts [Mr. TREADWAY] this morning when he stated that he estimated that the rate of 35 cents a barrel on crude oil and 25 cents a barrel on fuel oil would mean at least 1 cent a gallon extra in the cost of oil in New England. Did not the gentleman hear the gentleman from Massachusetts insist that almost all raw materials and manufactured products competing with articles produced up there should be compelled to pay a duty, and does the gentleman regard the gentleman from Massachusetts as consistent in his opposition to a tariff on oil and his advocacy of a tariff on cotton goods?

Mr. CHANDLER of Oklahoma. I do not, and I so stated in the early part of my remarks.

Mr. TILLMAN. I will ask the gentleman from Oklahoma if he has read the statement of Gov. Cox, of Massachusetts, where he said, "It would be a serious blow to New England industries, a large number of which are to-day consuming oil, as well as an injury to the several new oil refineries recently built in Massachusetts," and "It would tend to raise the price of coal in New England, and also to increase the price of gasoline"? Is that good Republican doctrine or good Democratic doctrine?

Mr. CHANDLER of Oklahoma. It is pretty good Democratic doctrine; at least it sounds to me like what you gentlemen have always asked for in the past.

Mr. TILLMAN. I see a gentleman from Pennsylvania is quoted here as saying that—

Forty-six million consumers of gas in the United States will be forced to pay a 5 per cent increase over the present gas bills if the proposed tariff on crude oil is enacted into law.

Mr. CHANDLER of Oklahoma. Yes. It is incredible that anybody whosoever would believe a thing of that kind. Any man would know that they could not possibly raise it that large a percentage, if at all. And, again, those same gas consumers are now paying rates for gas based on high-priced oil.

Mr. TILLMAN. The two positions are absolutely contrary, are they not?

Mr. CHANDLER of Oklahoma. Yes. Crude oil has decreased in price 75 per cent, but how much has gas been decreased, let me ask?

Mr. COLTON. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. COLTON. Does the gentleman believe that our production of oil would be ample to take care of the new demands of our Navy and our commerce?

Mr. CHANDLER of Oklahoma. Yes; there is no doubt whatever about it.

Mr. HIMES. The gentleman is willing to go on record as saying that there is no doubt about it?

Mr. CHANDLER of Oklahoma. None whatever. At no time in the history of America has there been a shortage of oil when it was needed.

Mr. HIMES. Fuel oil?

Mr. CHANDLER of Oklahoma. Any kind of oil. The American producer has gone out and produced it when it was needed, and American producers will continue to do so. [Applause.]

Real opposition to a tariff on oil is centralized in a handful of selfish but all-powerful interests.

If the oil industry were better understood by the general public, I do not believe there would be much opposition to the proposal for protection of one of the greatest industries in this country.

The tariff fight resolves itself into a struggle on one side for an absolute monopoly by a half dozen corporations of great wealth, and on the other side by about 17,000 independent oil producers who are struggling for their very lives. [Applause.]

Mr. BLANTON. Will the gentleman yield for a question now?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FORDNEY. I yield to the gentleman from Oklahoma [Mr. GENSMAN].

Mr. GENSMAN. Mr. Chairman, up to this date I have not taken up much time of the House. I have been, as are a vast majority of the new Members apparently, a believer that on most occasions a new Member should be seen and not heard.

However, the bill as brought in by the Ways and Means Committee is a matter of great importance, and a matter upon which I am constrained to believe every new Member should not only express himself by his vote but to some extent, at least, by his voice on the floor of the House.

There are a number of items in the bill which are of vital interest to those whom I represent, and so far as specific items are concerned I shall confine myself to those which affect my constituents most directly, but before doing so I am going to say that in the light of the past I am a protectionist. I am a firm believer in the old-fashioned saying that "Man can only judge the future by the past." With this in view, it is well that

we turn back the pages of history to the inception of our country, and I maintain in so doing the pages will be found full of proof that under a protective-tariff system the condition of the country has been far more prosperous than under a free trade or tariff for revenue only system.

We have had in the neighborhood of 35 general tariff acts passed since the adoption of the Constitution. Some, it is true, were of no great significance.

The chairman of the Ways and Means Committee [Mr. FORDNEY], when the bill was brought in, made the statement in his opening address that George Washington declared himself in favor of a protective tariff for the purpose of "fostering industries within our borders." At that time the proposition had not been tried. It was a novel situation, a mooted question so far as the welfare of the United States was concerned, but apparently the great number of statesmen followed the lead of the Father of his Country in legislative matters, as they had done in the past on the field of battle. His judgment had always been good in the past, and they were willing to follow his teachings on this great question, so in the spring of 1789 a bill was introduced, passed both Houses, was signed by the President, and went into effect on July 4, 1789.

It is not necessary for me to ask you to go over to the Library of Congress and look up the financial condition of our country during the ensuing years. If you happen to have an ordinary schoolboy's history in your home, or at your hotel, pick it up and take a look at it to-night. You will find that the country prospered, and that in 1812, when the second war with Great Britain was declared, the financial condition of the country was in excellent shape.

During the War of 1812, the second war with Great Britain, additional items were added to the schedule and made dutiable, and when peace was declared with England, and she had been taught the lesson that she was not entirely mistress of the sea, that she could not with impunity infringe upon our rights, treat us like a red-headed stepchild, and take our seamen from our own ships, the record shows that the lesson was taught Great Britain without depleting the Treasury, and we ended the war with a full Treasury and an undiminished credit.

It is true that there has always been among us those who objected to a tariff, and there always will be. Shortly after the close of the War of 1812, I believe in 1816, Congress revised the tariff, lowered the rates, and in fact took the duty off of nearly every commodity, or reduced it to a minimum.

Again, let me refer you to the eight years following this act; the schoolboy's history will again come in good play. Financial disorder was soon upon the country, famine and misery on every hand; calamity howlers could be found on every street corner, produced in the main by want of work and general hard times. It took eight years to teach the lesson, but Henry Clay, the great pacificator, introduced his tariff act, and in 1824 it was made a law, and within a year thereafter the Treasury began to show a surplus; the calamity howler found work, business conditions became better, the people more satisfied, and peace and happiness again reigned supreme.

At that time the party lash was not wielded with the same precision as it is to-day. They had in those days no men on the floor of the House who could handle the whip as can my good friend, Mr. GARNER, from Uvalde, Tex. Such men as James Buchanan and Martin Van Buren, both Democrats—and each of whom later was destined to become President of the United States—like the gentleman on the Democratic side of the House from Louisiana, who spoke on the floor here the other day, ardently supported the Clay tariff act.

Immediately upon the passage of this act, prosperous conditions ensued, but, as usual, advocates of the doctrine that "A tariff was a tax" impressed upon the people that the laying of a duty on imports was the giving of one set of people the best of it against another in a different part of the country; that the consumer paid the taxes; that the tariff inured to the benefit of the manufacturer and not to the farmer or the producer; and these advocates of these doctrines succeeded in 1833 in getting Henry Clay to compromise, and what has gone down in history as "Clay's compromise tariff" was passed and went into effect either in the latter part of the year 1833 or the early part of 1834. It provided for a gradual reduction of the tariff, and within five years, when the law had gotten fully under way and duties had been reduced to a point where they could truly be said to be "for revenue only," the Treasury began to show signs of distress, business became stagnated, mortgage foreclosures and forced sales were an everyday occurrence; men were glad to get a job for 25 cents per day; meal tickets were at a premium; free soup houses and bread lines were a common thing.

In 1846 the Democrats, being in power, enacted what is known as the Walker tariff. During the existence of this law gold was struck in California; the balance of the world was in great need of raw material on account of wars, insurrections, and famines. For a while business was good, but soon a financial depression settled down again over the country, as had always been the case under free trade or low tariff, and it remained for those favoring a protective tariff to come to the aid of the country, and in 1861 what was known as the Morrill Act was passed, which remained in force until the McKinley Act of 1890. During all that period following the Civil War history tells us business was good; the country was in a state of great prosperity; the farmers of the East migrated to the West and settled upon large areas; a great deal of internal improvement took place, and the country and its people were prosperous and in the best of spirits, but, as has always been the case, the people were not willing to let well enough alone, though prosperous. They chafed under what was said to be a tax, rather than a protective tariff, and elected Grover Cleveland and both Houses of Congress. Shortly after this occurred the Wilson Act of 1894 was enacted. This period is not unknown to a large majority of the gentlemen that are here to-day.

I remember from my own experience the condition of the times during Grover Cleveland's administration. I remember distinctly as a boy of having worked all summer long on the farm, my father having told me that if anything could be laid by that summer I might have it to go off to school on. Though we raised bountiful crops, after the expenses were paid and with the little that I had personally laid by, my father was scarcely able to raise $125, which amount was thought to be sufficient to give me a year in the normal school.

I remember distinctly the day we started. Shortly after boarding the train, the conductor came around and solicited us to travel on the railroad he was working for, from the next junction point to our destination, and in his conversation said, "Every other railroad in the State is in the hands of a receiver; and while we ought to be, we are struggling to keep out." I want to say to you, gentlemen, right here, that when a conductor engages in soliciting patronage for his road things are certainly quiet. I remember distinctly on that trip of seeing Coxey's army, or a similar aggregation of men, tramping through the country, without work, greatly dissatisfied, and clamoring for something to do to make an honest dollar.

The people soon discovered their mistake, and in 1897 the Dingley tariff bill became a law. The effect of this act was more rapid than had been anticipated; great prosperity soon ensued, and continued.

A revision of the tariff was had in 1909 by the Payne Act, and in 1913 again, not willing to let prosperity reign, not willing to let well enough alone, a Democratic Congress enacted the Underwood Tariff Act, another one of those things they call tariff for revenue only.

I have not forgotten the old song down in the cotton country, where I came from, "Buy a bale." I think President Wilson bought one, if I remember correctly. Cotton went down to practically nothing. I did not buy a bale, because I had four or five that I had raised on my own land. I remember I stood them in the barn and let the rats and mice chew on one end of them and the chickens roost on the other. [Applause.]

Bankruptcy cases were being filed daily, and this decline in business and the financial condition of the country was only arrested by the European war. Soon the countries of the East began clamoring for raw material and manufactured products; they were not only buying goods for immediate use but laying in their supplies for future contingencies. Immediately after the close of the war the effect of the Underwood tariff law became apparent. Prices began to fall, and the same decline in business was again experienced.

I did not intend, when I began, to go into the history of the tariff to the extent that I have. As stated, to begin with I am for a protective tariff, but I am exceedingly anxious that when we enact this law—and I know we are going to enact it—that the tariff is properly apportioned. Through the instrumentality of a number of the southern Republicans, of which number I am proud to be one, we have asked to amend the bill to include a tariff on hides, cotton, and petroleum. It is said we do not import a great amount of cotton, but that is not correct.

According to the Department of Agriculture here at Washington, in 1920 the United States produced 1,400,000 bales of cotton with lint over an inch long; Egypt, Peru, and the islands produced 1,465,000 bales of cotton with staple—lint—over an inch long; and of the cotton produced outside of the United States there were imported into the United States in the neighborhood of 450,000 bales, being between one-third and a half of all of

that class of cotton raised outside of the United States. It stands to reason that if we imported that amount of the foreign production we certainly use a vast majority of our own production.

As a matter of fact, we manufacture more than half of all this class of cotton produced, and the statement that we are a great exporting nation is not altogether correct. But it is urged this is all long-staple cotton, or cotton over an inch long. I shall not go into all the details about exports and imports; suffice to say that the Bureau of Markets advises me, under date of July 7, 1921, that over 105,000 bales of cotton were shipped into this country from China and Mexico alone during the year 1920, and that the length of the staple was from five-eighths to three-fourths of an inch in length.

Cotton and hides are two of the main products of my country that still remain on the free list. They are produced by the farmer.

The interest of the manufacturer has been taken care of, as you will notice if you will look at the schedule; you will see where every manufactured cotton article you can conceive of is dutiable, from the garters on your legs to the bed sheet that goes over you when you retire at night [applause]; not a thing escaped. While these duties are not great, they are a source of protection to the manufacturer. The wheat and corn farmer's crops are protected.

I am asking you to-day, gentlemen, to vote for the amendments laying a duty upon hides and cotton. I am speaking to you on behalf of the producers of these two great commodities; I am addressing you in behalf of the cotton farmer, the man that begins his crop on the 1st day of January, and whose work on that crop does not end until the last day of the following December; the man who ends his year's work in the last days of the year on his knees in the cotton patch, with cracked hands and frost-bitten fingers, picking the last remnant of a none too profitable crop. [Applause.]

Gentlemen, you can not afford to turn him down. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Indiana [Mr. WOOD] 15 minutes.

Mr. WOOD of Indiana. Mr. Chairman and gentlemen of the committee, I think it unfortunate that since the beginning of this Government the discussion of the tariff question has always been approached with bitter partisanship. There were just two subjects at the beginning that seemed to invoke this character of partisanship. One was the tariff and the other was the banking system of the United States. That section of the country which then inveighed the loudest against the national banks then and now continues to inveigh the loudest against the protective tariff system. It finally succeeded in killing the national banks and with it killed the credit and the industrial prosperity of this country. From this disaster came our present permanent national banking system. I dare say that there is now no one, either upon the Democratic or the Republican side, of this House, who would raise his voice against the national banking system, and I believe that the time is not far distant when the protective tariff policy will be just as firmly established as a part of the policy of this Government of ours as the national banking system is now firmly established as a part of our industrial and economic life.

I listened the other day to the gentleman from Pennsylvania [Mr. WATSON] when, with commendable pride, he pointed to the fact that the great State of Pennsylvania has long been one of the foremost pioneer protective tariff States of the Union, and that by reason of protection to her industries and her natural resources that great Commonwealth has been made one of the richest, if not the richest, in this Union of ours, so that to-day it pays at least as much internal-revenue tax as one-half of the States south of the Mason and Dixon line which are inveighing against the very protective tariff that has made Pennsylvania what she is. The same influences that have made Pennsylvania great might have been exerted in some of those other States that have the same natural resources, that have the same advantages of climate, that have all the natural conditions and resources that are now prevailing and that have prevailed in the State of Pennsylvania.

Take the great State of Virginia, which for a long time was the greatest of all the Commonwealths, richer than the State of New York by far, richer than the great State of Pennsylvania, which had a larger representation in the House of Representatives than either of those Commonwealths. She has all the mineral deposits that Pennsylvania has. She has all the climatic conditions to her advantage that Pennsylvania has. She has all along had every possibility, if she had improved it, to make herself continue to be the greatest Commonwealth in all the United States. What is true of Virginia, in this respect, is also true of Tennessee, Alabama, and other Southern States. I think the greatest drawback to the South to-day is the fact that her Members of Congress stand almost in solid phalanx against the protective tariff policy, and if there is one section of this country above another that needs protection more than any other it is the South, for there you find the greatest amount of undeveloped resources, both agricultural and mineral. There you find the possibilities for the establishment of those industries that need protection and that in other places have flourished under protection and made rich the communities in which they have been builded.

A few years ago I had an opportunity to see a little bit of the practical workings of this free-trade idea when applied to the South. Prior to 1913, when the present tariff law was enacted, and during the period of time when there was protection for the Southland as well as the Northland, there sprang up all over the State of Texas rice mills and sugar mills. In 1916, in company with some gentlemen from this House, I went down into the State of Texas, into the Brazos and Colorado River country, and we saw there thousands and thousands of acres that had been growing rice during the protective period that were idle so far as the raising of rice was concerned, for they were not raising rice; and there were dotted all over that section of the country rice hullers, every one of them still, not a wheel turning in a single one of them. There was but one sugar mill in all that great section of cane-raising country, and that was at Sugarland. I was told by the superintendent of that mill that it was not possible to get enough sugar cane raised in that community to supply their demand for more than one-third of the year. I asked him where they got the rest of it and he said it came from Cuba. I asked him what was the reason for all this, when, as he said, it was possible to raise abundant cane of splendid quality in Texas. He said, "It is because of the present free trade in sugar." That shows what it has done, if you please, to the State of Texas, and it has likewise put its blighting touch upon every other section of that land. Yet in the face of all this indisputable evidence the great majority of this membership from Texas in this House will vote against this measure and in favor of the continuance of a policy that they know has brought financial ruin and distress to a large section of their great State.

So that I repeat if there is one section of this country above another that needs the fostering care of the protective tariff it is the undeveloped South. I listened to-day, as you all did, to the charming speech made by the gentleman from New York. We are always charmed in listening to the gentleman from New York [Mr. COCKRAN], but in order to enjoy fully the speeches of the gentleman we must not be too critical with reference to his logic and not look too closely for accurate statements of fact, for if we do we will be sorely disappointed. The gentleman from New York belongs to the old school of free traders. From the beginning there have been those who would have the customhouses razed in this country. They call those who operate them a gang of thieves and they refer to the tariff as a robber. The gentleman from New York still insists that if he had his way there would be no tariff; that there would be absolute free trade throughout the world. He made bold to state that every step toward a protective tariff was a backward step toward savagery and that every step toward free trade was a step to a higher civilization. If that is so, why is it that the Democratic Party through all these years has been advocating a tariff for revenue only? Somebody has to pay that kind of a tax, and if it is passed on to the consumer, why do you put this burden on the laboring men?

If free trade is such a civilizer, so elevating to all classes of our people, and especially so beneficial to the working masses, why is it that the party of Mr. COCKRAN, when in power, has provided for the raising of any portion of our revenue through customs duties? If the raising of revenue in such a way is demoralizing and inimical to the best interests of the United States the Democratic Party has been remiss in the performance of its duty every time they have had the making of a revenue law since the beginning of our Government.

Strange to say, Mr. COCKRAN thinks that England's system of raising customs duties is preferable to ours. England he declares to be the model free-trade country, and in consequence her system more civilizing and a nearer approach to the ideal. Notwithstanding this great compliment to England, I wish to call the gentleman's attention to the fact that England to-day is raising more money per capita through her customhouses than the United States is raising through such source, and in 1911, when the United States was operating under a protective-tariff policy and England under her free-trade policy, England through her system raised $3.63 per capita, while the United States raised but $3.30 per capita. Will the gentleman please

explain how these figures can support his argument and prove a blessing to Great Britain?

I was amazed the other day when the gentleman from Texas, Mr. HARDY, interrupted his colleague, Mr. GARNER, with a statement that a very small per cent of the cost of any manufactured article is traceable to the labor necessary in making that article. This demonstrates how uninformed the free-trade adherents in this body are. The fact of the business is that 90 per cent of the manufactured articles, taken altogether, represents the part contributed by labor. Take iron ore, for instance. As it lies in the ground it is practically worthless. It takes labor to pick it out, to mold it into the myriad forms to which its use is subjected, and practically all there is of value to this product is traceable to labor. Take the wood that grows in the forest. It is of but little value, but when it is transposed into the 10,000 articles of use into which it is transposed you will find that its transposition is nearly all due to labor and represents the price of labor.

To my mind the wage earners are more vitally interested in a protective tariff than are either the manufacturers or producers of raw material. All will admit that he is better conditioned in this country than in any other country on earth. He is better paid, better fed, better clothed, and lives in a better house than like workmen anywhere else. If this condition is not due to the protective tariff policy I would like to have some of my Democratic friends tell me what causes it. What is it that induces thousands upon thousands of workingmen each year to leave the land of their birth to cast their lot on our shores? Why is it, if protection is a curse and leads to savagery, that this horde of men and women voluntarily leave the countries that invoke the civilizing and benign influences of free trade or a tariff for revenue only. The fact that they have been doing this thing for years and years brands as false the contention that workmen are better off in free trade countries than they are in countries where a protective tariff policy obtains.

For 140 years we have been raising revenue through customs duties, one-third of the time under free trade and the remaining two-thirds of the time under a protective policy. Never but twice during the free-trade periods of this country has there been a semblance of prosperity; one of these was during the Crimean War, made not by the then tariff law, but by reason of the war; the other was during the late World War, and you are all cognizant of this fact. Following in the wake of the Crimean War came disaster to this country that always comes in periods of free trade, just as they have come before and since that period. You all know full well the condition that the country was in in 1914, when the war broke out in Europe. We were then working under the practical application of the present tariff law. We had 4,000,000 men out of employment at that time. We have got a like number now, it is said. During the campaign of 1914 I spoke in soup houses in the greatest steel-industry town in the United States, the town of Gary. The steel mills there were closed save for a few hands to keep the machinery from rusting. Men by the thousands gathered each morning in front of the great gates, hoping that they might get a day's work or a few hours' work, in order to earn enough to satisfy the hunger of themselves and families.

In March, 1916, our imports amounted to $214,000,000. This is $31,500,000 more than the imports of March, 1914, before the war commenced and immediately after Mr. Wilson's administration had thrown open the tariff floodgates. The amount of the imports in 1916 represented $55,000,000 more than they did in March, 1913; $74,000,000 more than in March, 1911; $81,000,000 more than in March, 1909; and $125,000,000 more than in March, 1908. Every dollar of this excess importation that came as a result of the tariff-for-revenue-only act of 1913 meant the displacement of a dollar's worth of American-made goods and represented the displacement of a dollar's worth of labor that should have been given to American workmen and which would have been given to them if the protective policy immediately preceding had been continued.

Again, we are rapidly approaching this same condition. Why? Because, forsooth, the country is being flooded now as it was then with goods made by the labor of cheap hands in foreign countries. It may be amazing to some gentlemen to learn that Germany is sending into this country to-day 60 per cent of the volume of goods that she was sending in prior to the war. How is she doing it? By working almost day and night, paying her laboring men what is equivalent in gold to 15 or 20 cents an hour, while we are paying for the same class of labor a dollar an hour. They are working 10, 12, and 14 hours a day, while our laborers work 7½ and 8 hours a day. How long will this continue without disaster coming to the laboring man and coming to the business industries of the United States?

It is the contention of the opponents of this measure that a protective tariff law is for the benefit of the few and to the detriment of the many, that it makes the rich richer and the poor poorer. Never was there a greater mistake, and if the history of the past teaches anything, it proves conclusively that a protective tariff protects the manufacturer and the producer and the consumer as well, and on the other hand, I think it may conclusively be proven that a tariff for revenue only, or free trade, which is destructive of the best interests of our producers and manufacturers, is likewise inimical to the best interests of the consumer. We have numerous examples showing that the manufacturer of foreign goods by cheap labor has destroyed his competitor in this country, only to raise the price of his commodity to a point higher than was ever charged by an American manufacturer under protection. On the other hand, we have numerous examples showing that through American competition, commodities have been furnished to our consumers at a price less than the duty imposed. A striking illustration is furnished in the item of wire nails. Some years ago, under protection, they sold at 1¾ cents per pound, while the duty on the same at this very time was 2 cents per pound. Another illustration is steel rails. They were protected by a duty of $28 per ton, and at the same time were selling at $28 per ton. In 1914, after the tariff had been taken off steel rails and the great steel-rail mills of Indiana were closed, Canada, whose rails were admitted into this country duty free, was laying down rails within 6 miles of the great steel mills at Gary, Ind., at $4 per ton less than they could be manufactured for at Gary.

Germany long ago realized the value of a protective-tariff policy. In 1871, after the close of the Franco-Prussian War, when the German Empire was formed by combining the different German and Prussian States, they realized that something had to be done in order to keep their people at home and to keep them employed. That old wise seer Bismarck set about to discover some way whereby this might be done. Prior to that time he had paid no attention to economics. He had devoted his time to other pursuits pertaining to statecraft. But when he turned his attention to this subject, he soon accomplished results. I call your attention to how he did it and what he had to say at that time.

It is well for us to consider now the advice he gave his country then, and apply it and see whether or not like results will be produced for us.

He said—

> Through the widely opened doors of its import trade the German market has become the mere storage space for the overproduction of other countries. * * * Were the perils of protectionism so great as sometimes painted, France would long ago have been ruined, instead of which she is more prosperous after paying the five milliards than Germany is to-day. * * * The success of the United States in material development is the most illustrious of modern times. The American Nation has not only successfully borne and suppressed the most gigantic and expensive war of all history, but immediately afterwards disbanded its Army, found work for all its soldiers and marines, paid off most of its debt, gives labor and homes to all unemployed of Europe as fast as they arrive within the territory, and all by a system of taxation so indirect as not to be perceived, much less felt. Because it is my deliberate judgment that the prosperity of America is mainly due to its system of protection laws, I urge that Germany has now reached that point where it is necessary to imitate the tariff system of the United States. * * *

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. WOOD of Indiana. Mr. Chairman, will the gentleman yield me five minutes more?

Mr. FORDNEY. Mr. Chairman, I yield two minutes more to the gentleman.

Mr. WOOD of Indiana. Mr. Chairman, if the Democratic policy of a tariff for revenue only had been carried out from the beginning, as advocates on the Democratic side would now have us begin to carry it out, I am of the very firm belief that instead of the great World War resulting in a victory for us and the Allies, it would have been a victory for the Central Powers, and why? If the Democratic policy had been in vogue all of these years, there would not have been in all this land of ours a steel mill to furnish the steel with which to build a ship or a cannon. If it had not been for American steel, Germany would have won the war and would have won it before we ever got into it, for long before we got into it we were furnishing the Allies the steel that made it possible for them to survive until we did get into it. When we did get into it the great steel mills of this country, that were built solely through the fostering care of the Republican Party, redoubled their efforts and furnished the material that won the war, and without which it would have been lost. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

Mr. FORDNEY. I yield 20 minutes to the gentleman from Maine [Mr. HERSEY].

Mr. HERSEY. Mr. Chairman, a few weeks ago when the emergency tariff bill was under consideration in the House I expressed my views upon the necessity of a protective tariff so high as to exclude from this country the vast quantities of importations of agricultural products and foreign-made goods that had destroyed our home markets for our own people and had brought despair and ruin to the producers and farmers of this Nation.

At the outset of the present debate upon this bill for a permanent protective tariff I did not intend to discuss further the value of the policy of protection or the necessity of enacting a temporary measure into permanent law. After listening patiently for seven days to the many delusive arguments in favor of free trade and against protection to American industries and labor, I could not longer remain silent, but feel it my duty to meet and answer the unfair and fallacious arguments of the enemies of the policy of protection, a policy that has made this Nation the most prosperous and happy of all the peoples of the earth.

In this closing hour of seven days' debate, when we are all so weary from the strain of a great contest, is it too much to ask that for a short time I may have your undivided attention?

Brander Matthews, the well-known American author, has written a very interesting book entitled "Illusions of History." He has shown conclusively that many so-called historical events never happened; that much of the romance of history that has made of certain characters heroes and martyrs are myths and delusions. He has robbed us, of course, of our youthful faith in the William Tell adventures, George Washington hatchet stories, but he has left us truthful history for our own practical guidance in the business of the world.

I wish to call your attention to some of the illusions of free trade. It, too, has its myths, fallacies, delusions, and deceptions. Its followers have always surrounded it with the phantoms of false hopes, with deceptive visions of industrial prosperity, with a romance that has at times deluded the American people.

While the free-trade Santa Claus no longer deceives the experienced statesman and its fairy tales are not believed by those who have been properly educated, yet many a youthful Democrat born in a free-trade atmosphere and educated in a partisan household still clings to the old free-trade superstition and carries in his pocket the tariff-for-revenue-only rabbit foot to ward off financial and industrial disaster.

I wish to disabuse the minds of such that the age of superstition and mythology is gone and that we are living in a practical age, where true history has been written for our benefit, and the experience of the last 100 years ought to set at rest forever the minds of those who still cling to the superstition and illusions of free trade.

The gentleman from New York [Mr. COCKRAN], the "boy orator" of Democracy, this afternoon gave a very interesting political talk, in which for two hours he attempted to set forth some of the illusive arguments for free trade. I remember when a boy of going with my father to see a sleight-of-hand performance by one who had charmed many an audience with his art of legerdemain. I was much astonished, amused, and interested in the many tricks that he could do to deceive the eye with a magic that to my ignorant mind was real and true, but I was still more astonished when my father informed me that there was nothing to it; that all those tricks could be explained by the man who did them; and that those who made up the audience of older men knew his wonderful performance was a delusion.

And when the gentleman from New York for two hours to-day stood before us and amused us, all of us—both Republicans and Democrats—knew that he was indulging only in illusions; that there was nothing to it. From his word pictures it might seem real to those who did not understand, but as the man my father took me to see could deceive the eye with the quickness of his hand, so the gentleman from New York, before a thousand audiences for the last 30 years, has been practicing that same free-trade speech which he delivered to-day, and no doubt it still deceives the unwary.

On April 14 last, just three months ago to-day, the House had under consideration the emergency tariff bill, and the gentleman from New York [Mr. COCKRAN] on that occasion gave the same free-trade arguments that he has so eloquently declaimed to-day. We had with us then the genial and beloved Member from Illinois, the late "Uncle Billy" Mason. He answered the deceptive arguments of the gentleman from New York, and among other things he said:

Mr. Chairman, I am glad to follow the distinguished statesman and orator who, as I did, served in this body some years ago, and I want to get you friends of mine on this side of the Chamber to know him well and not judge him entirely by his remarks of to-day. [Laughter.] When you hear his silvery tones and witness his magnetic presence pleading for self-determination, you will get his real spirit and the breadth and depth of his heart and conscience. But he flounders some when he attempts to reestablish the doctrine that he used to maintain years ago, that the way to make people happy in this country and the way to give employment to the farmer and the laborer is to buy what they make and produce from some other country. [Applause on the Republican side.] We tried his policy. As he remembers, I voted for the McKinley bill; that gave prosperity. There were no farmers burning corn under the McKinley bill. The men in the towns were busy, and their stomachs were full, because they had a job and could buy what the farmer was producing. You can not help the man in the factory without helping the man on the farm, and you can not help the man on the farm without helping the man in the factory. [Applause.]

But they rejected the McKinley bill temporarily and put the Wilson bill in place of it. That was when Grover Cleveland, the great statesman, became the great smoke extinguisher of this country. All the fires went out. The farmers might as well have burned their corn in Illinois and Iowa, as they had no market for it. Why? Because the factories were idle. Men were hungry, because they did not have the price to pay for what the farmer raised. Those were days in which the farmer was not prosperous. Those were the days that my dear old friend and my honored colleague is pleading shall come back again, when you shall make the farmer happy by encouraging the shipment of farm products of other countries into this country and make the shoemaker happy by buying shoes somewhere else.

These few words of wisdom and experience from our beloved dead are a complete answer to the two hours of Democratic free-trade fairy tales told by the gentleman from New York. Let it be inscribed upon the monument of "Billy" Mason, "He was never for a moment deluded by the fallacies of free trade."

This Nation was never established for free trade. Its natural situation among the nations of the earth makes it imperative that protection should be its foundation stone, and it should stand forever unique among the nations of the earth. The New World was placed, it seems, by Divine Providence, between two great oceans on the east and on the west, between the frozen north and the tropical south, that it might be a land of independence.

Having within its borders every soil and climate under the sun, having within its extensive domains such natural resources, such matchless opportunities, that we are able to grow, produce, and manufacture everything for our needs and to supply the wants of all our people independent of every other nation under the sun, and when anyone says that we are dependent upon any other nation for any of the necessities of life he has not read aright his country's history and is ignorant of the resources and industries of this great land.

The men who founded this new world, the fathers of the Republic, had no delusions as to free trade. It was not to them a party question. It received from them no partisan support. They stood for protection as the foundation principle of prosperity in the building up of this Nation, and the arguments they used in the early days of the Republic for protection to American industries and American labor are the same arguments that the Republican Party use to-day, and have never been refuted by the logic or experience of the past.

Washington, Adams, Jefferson, Calhoun, Monroe, Hamilton, Clay, and Jackson had no delusions as to free trade. They believed it to be a mockery that could bring no good to the American people. The first law passed by an American Congress was a tariff law protecting American industries and labor. The preamble to that law reads:

Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and the encouragement and protection of manufacturers that duties be laid on goods, wares, and merchandise imported.

Henry Clay, the idol of democracy, away back in 1824 in the American Congress discussed the value of protection. His language then sounds like a high tariff speech from the Republicans of to-day. He said:

This transformation of the conditions of the country from gloom and distress to brightness and prosperity has been mainly the work of American legislation, protecting American industry, instead of allowing it to be controlled by foreign legislation.

* * * What would be the condition of this Union if Pennsylvania and New York, those mammoth members of our Confederacy, were firmly persuaded that their industry was paralyzed and their prosperity blighted by the enforcement of the British colonial system under the delusive name of free trade? They are now tranquil and happy and contented, conscious of their welfare, and feeling a salutary and rapid circulation of the products of home manufactures and home industry throughout all their great arteries. But let that be checked; let them feel that a foreign system is to predominate and the sources of their substance and comfort dried up; let New England and the West and the Middle States all feel that they, too, are the victims of a mistaken policy, and let these vast portions of our country despair of any favorable change, and then, indeed, might we tremble for the continuance and safety of this Union.

Gen. Jackson, in a letter to Dr. Coleman, of North Carolina, dated Washington, August 26, 1824, said:

* * * Heaven smiled upon and gave us liberty and independence. The same Providence has blessed us with the means of national independence and national defense. If we omit or refuse to use the gifts which He has extended to us, we deserve not the continuance of His blessing. He has filled our mountains and our plains with minerals—with lead, iron, and copper—and given us a climate and soil for the growing of hemp and wool. These being the great materials of our national defense, they ought to have extended to them adequate and fair protection, and our manufacturers and laborers may be placed in a fair competition with those of Europe, and that we may have within our country a supply of these leading and important articles so essential to war.

In short, sir, we have been too long subject to the policy of British merchants. It is time we should become a little more Americanized, and instead of feeding paupers and laborers of England, feed our own; or else, in a short time, by continuing our present policy, we shall be paupers ourselves.

It is, therefore, my opinion that a careful and judicious tariff is much wanted to pay our national debt, and to afford us the means of that defense within ourselves, on which the safety of our country and liberties depend; and last, though not least, give a proper distribution of our labor, which must prove beneficial to the happiness, wealth, and independence of the community.

I am, very respectfully, your obedient servant,

ANDREW JACKSON.

Thomas Jefferson, speaking of the importance of protection of American industries, said:

Experience has taught me that manufacturers are as necessary to our independence as to our comfort. The duties we lay on all articles of foreign manufacture which prudence requires us to establish at home, with the patriotic determination of every good citizen to use no foreign article which can be made at home, secure us against a relapse into foreign dependency. My own idea is that we should encourage home manufacturers to the extent of our own consumption.

George Washington in his address to Congress December 7, 1796, said:

Congress has repeatedly and not without success directed its attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuance of its efforts in every way which shall appear eligible.

* * * Ought our country to remain in such cases dependent on foreign supply, precarious because liable to be interrupted? If the necessary article should in this mode cost more in time of peace, will not the security and independence thence arising form an ample compensation? Establishments of this sort, commensurate only with the calls of the public service in time of peace, will in time of war easily be extended in proportion to the exigencies of the Government and may even perhaps be made to yield a surplus for the supply of our citizens at large, so as to mitigate the privations from the interruption of their trade.

Up to the Civil War the tariff had not been made a party question. At the Republican national convention that nominated Lincoln in 1860 the Republican Party adopted as one of its principles protection to American industries and labor by these words in its platform:

While providing revenues for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imports as to encourage the development of the industrial interests of the whole country.

Lincoln, the candidate of the Republican Party for President, said:

I do not know much about political economy, but I do know that when we purchase a ton of steel rails from Great Britain for $100 we get the rails and Great Britain gets the money, and when we produce the rails from our own mines and in our own mills we have both the money and the rails.

Lincoln during the campaign further said:

When you buy goods made abroad you have the goods, but some one else has the money. When you buy the goods at home we have both the goods and the money.

The Democratic Party has always been a party of negation, of denial, of opposition. When the Republican Party has taken a position upon any public question the Democratic Party takes the opposite, and so knowing the Republican Party had in its first platform indorsed and approved a high tariff for protection, the Democrats in their national convention in 1868 on the question of tariff approved—

* * * a tariff for revenue upon foreign imports, and such equal taxation under the internal-revenue laws as will afford incidental protection to domestic manufacturers, and as will, without impairing the revenue, impose the least burden upon and best promote and encourage the great industrial interests of the country.

This, you will notice, was mild protection, and an attempt of the Democrats to disagree somewhat with the Republicans and yet not to antagonize their country which was strongly for protection. The Democrats then, as they always have been, while standing for free trade were making a false show for protection.

Mr. WINGO. Will the gentleman yield?

Mr. HERSEY. I can not, as I have not the time.

Mr. WINGO. I wanted to get some information.

Mr. HERSEY. If the gentleman from Arkansas will listen, he will get the needed information. [Applause on the Republican side.]

In 1815, after the War of 1812 with England, that free-trade nation attempted to break down protection in America and obtain an advantage to England. In the House of Commons, in 1815, Lord Brougham, in announcing the policy of England in its trade with America, urged that England must flood America with its goods, and laid down the British policy, which has since been followed, in these words:

It is well worth while to incur a loss upon the first importation, in order by the glut to stifle in the cradle those rising manufactures in the United States which the war has forced into existence contrary to the natural course of things.

In spite of these warnings the Democratic Party succeeded in repealing protection and enacted a low tariff bill. The result of that low tariff was graphically set forth in President Buchanan's message to Congress in 1857, when he said:

With unsurpassed plenty in all the productions and all the elements of natural wealth, our manufacturers have suspended; our public works are retarded; our private enterprises of different kinds are abandoned; and thousands of useful laborers are thrown out of employment and reduced to want. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interest, is in a deplorable condition.

Horace Greeley, in speaking of the curse of free trade in America, wrote:

Our years of signal distress and depression have been those in which our ports were more easily flooded with foreign goods—those which intervened between the recognition of our independence and the enactment of the tariff of 1789; those which followed the close of our last war with Great Britain and were signalized by immense importations of her fabrics; those of 1837–1842, when the compromise of 1833 began to be seriously felt in the reduction of duties on imports; and those of 1854–1857, when the Polk-Walker tariff of 1846 had had time to take full effect.

The Republicans again succeeded in repealing free trade and enacting high protection and the country again returned to prosperity.

In 1876 the Democratic Party made a desperate effort to capture the Government by naming Tilden and the placing of the following plank in its platform:

We demand that all customhouse taxation shall be only for revenue.

In the meantime events had occurred in Europe that demonstrated the wisdom of the Republican Party in standing for the protection of American labor and industries. I have only time to give one illustration:

On May 2, 1879, Bismarck, the empire builder, said in his speech before the Reichstag:

"One thing is clear, that through the widely open doors of its import trade the German market has become the mere storage space for the overproduction of other countries. We must, therefore, shut our gates and take care that the German market, which is now being monopolized by foreign wares, shall be reserved for native industry. Countries which are inclosed have become great, and those which have remained open have fallen behind. * * * The question before us is not a political but a financial one, and we should put all personal sensibility behind."

In 1882 Bismarck, then the great military leader and statesman of Europe, before his congress, the German Reichstag, said:

The success of the United States in material development is the most illustrious of modern times. The American Nation has not only successfully borne and suppressed the most gigantic and expensive war of all history but immediately afterwards disbanded its Army, found work for its soldiers and marines, paid off most of its debt, given labor and homes to all the unemployed of Europe as fast as they could arrive within the territory, and still by a system of taxation so indirect as not to be perceived, much less felt. Because it is my deliberate judgment that the prosperity of America is mainly due to its system of protective laws, I urge that Germany has now reached that point where it is necessary to imitate the tariff systems of the United States.

The German people followed his advice, and imitated the tariff system of the United States, and protection in Germany has made that little country, no larger than our State of Texas, a great world power that is able to-day to withstand in a great war, by its wealth and resources, those free-trade nations, England, France, Italy, and Russia.

Germany was only finally defeated by the high-tariff Nation, the United States.

A well-known historian, in speaking of Germany's prosperity under high protection, said:

In 1878 Germany's import of industrial articles alone was 570,000,000 marks. The year following the introduction of the new tariff the import of these articles totaled 395,000,000 marks, a reduction of 31 per cent, while for the same period industrial exports rose from 1,026 to 1,368 millions, an increase of 34 per cent. In 1880 the United States imported $52,000,000 worth of all kinds of goods from Germany, and so rapidly did industrial Germany develop under protection that 34 years later, in 1914, our imports from that country had grown to $190,000,000, mainly manufactured articles. At the same time Germany had been extending her commerce in a still more marked degree throughout the world. She had reached a dominating position in South America, and she was raising havoc even in the home market of free-trade England, whom she had grievously crippled in foreign and colonial trade.

In 1884 the Democrats succeeded, through free-trade illusions and delusions to convince the people that they should again try free trade, and the people, deluded by its false visions and fallacies, returned the Democratic Party to power in both Houses of Congress, with a Democratic President in the chair.

They at once enacted a Democratic free trade bill, with 40 Democrats, led by Randall, in opposition. Mr. Randall—Democrat—had been twice chosen Speaker of the House and was at this time chairman of the Committee on Appropriations. He took the floor of the House against free trade and said:

This mode of laying discriminating duties on our imports has supported our Government, paid the debts of three wars, given employment to men, women, and children numbering, in 1880, many millions, increased the investment of capital to the enormous sum of three thousand millions of dollars, and consumed more than three thousand million dollars' worth of the products of agriculture, mining, lumbering, fishing, and other industries of the country; and, more than all, it has rendered us as a Nation independent of the world. It has paid about one-half our debt contracted during our Civil War. These results are surprising in their grandeur of achievement and equal, if they do not surpass, any financial policy ever before witnessed.

This free trade bill was passed in spite of Randall and his followers. Its passage was followed by terrible disaster to the country. Coxey's army made its march on Washington; free soup kitchens were established everywhere; the railroads could not meet their obligations and were forced into the hands of receivers. There came at once 60,000 failures, and President Cleveland in his message to Congress in 1893 stated the situation as follows:

With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise, suddenly financial fear and distrust have sprung up on every side. Numerous moneyed institutions have suspended. * * * Surviving corporations and individuals are content to keep in hand the money they are usually anxious to loan. * * * And loss and failure have involved every branch of business.

The people of the country rose up in their might, removed from power a Democratic administration, and established a Republican Congress and President, which continued for many years under McKinley, Roosevelt, and Taft.

These were years of the greatest prosperity in this country. Under the high protection of McKinley, Dingley, and Payne this Nation built up its manufactures until it became the greatest manufacturing Nation under the sun. We built up all our industries to great prosperity. We erected public buildings all over the Nation. We made great improvements in our waterways and harbors. We built and completed the Panama Canal, a feat that other nations said could not be accomplished. We had in our Treasury a surplus so large that the Democrats declared it was a danger and a menace to the Nation. Our credit was the best in all the world, and everybody was prosperous and happy.

People in prosperity grow careless of their interests and their rights. "Eternal vigilance is the price of liberty," and the American people relaxed their vigilance to divide into factions in a political contest for political power. President Taft, after his inoculation with the reciprocity delusion, attempted to secure a renomination and reelection. Ex-President Roosevelt made himself the spokesman and leader as a candidate for President of the dissatisfied elements in his party that wanted certain alleged progressive reforms in government, and the Republican Party was hopelessly divided when it came to the polls, not on the tariff question, but it was a contest between two presidential candidates for political power.

The Democrats, taking advantage of this division of the Republican Party, met in national convention and nominated as a candidate for President that well-known Democratic politician, the late President Wilson, on the following delusive platform, which gave them an opportunity to again deceive the American people. Its fallacies were set forth in the following romantic and visionary language:

The high Republican tariff is the principal cause of unequal distribution of wealth. It is a system of taxation which makes the rich richer and the poor poorer. Under its operations the American farmer and laboring man are the chief sufferers. It raises the cost of the necessaries of life to them, but does not protect their product or wages. The farmer sells largely in free markets and buys almost entirely in the protected markets. In the most highly protected industries, such as cotton and wool, steel and iron, the wages of the laborers are the lowest paid in any of our industries. We denounce the Republican pretense on that subject and assert that American wages are established by competitive conditions and not by the tariff.

We favor the immediate downward revision of the existing high and in many cases prohibitive tariff duties, insisting that material reductions be speedily made upon the necessaries of life. Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put upon the free list.

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

This delusive platform while catching many Republicans and deceiving many voters was not wholly the cause of the election of President Wilson. The result of the election showed that a majority of the country were for the Republican Party and Republican protection. Wilson was a minority candidate by over 1,216,000 votes. This was no indorsement of the Democratic platform on the tariff.

The Democratic Party was able, however, through a divided Republican Party, to elect as President Woodrow Wilson, a theorist, pure and simple, and to also elect a House of Representatives and a Senate that were willing to carry these theories into practice, and to-day we witness the awful results of this political folly. Wilson had a beautiful theory that free trade would lower the high cost of living, and at the same time would give to the producer high prices for what he had to sell; to the consumer low prices for what he had to buy; to the employe of labor cheap wages; to the wage earner a big pay envelope, and he attempted to put such wild theories into practice, and the world witnessed the result.

Some years ago in one of our American colleges a certain professor in chemistry attempted to work out a beautiful theory. He claimed that by the combination of certain liquids and chemicals he would evolve an elixir that would revolutionize the world. While experimenting with these chemicals there was a loud explosion and he lost both his eyes, and ever since that he has wandered blindly through the world.

Shall the Democratic Party longer follow their late blind leader?

Both President Taft and President Roosevelt in the campaign of 1912 advocated the doctrine of Republican protection. To show they were not divided upon the tariff I herewith quote the words of Roosevelt in that campaign. He said:

If a community were in favor of protection, but nevertheless permitted all the governmental machinery to fall into the hands of importing merchants, it would be small cause for wonder if the latter shaped the laws to suit themselves, and the chief blame, after all, would rest with the supine and lethargic majority, which failed to have enough energy to take charge of their own affairs.

President Wilson, in his first message to Congress, said:

The object of the tariff duties henceforth must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

We all remember how when Wilson was a candidate the first time he promised to take the tariff off of sugar in order to spare the "poor man's breakfast cup" the burden of taxation. And yet at that time we could buy 25 pounds of sugar for a dollar.

Some beautiful free-trade theories were overthrown and demolished during the Wilson administration. That free trade would lower the high cost of living has been shown to be a fallacy and a delusion, that free trade would destroy trusts an empty vaunt. The Beef Trust simply bought up the cattle on a thousand hills in South America and formed a great trust outside of the United States, not subject to the Sherman law or to any law except tariff regulations.

Free trade in sugar destroyed the cane industry of the South and the beet-sugar industry of the West. Sugar under free trade was all imported, and so-called English and American capitalists bought up all the sugar plantations in Cuba and in the Indies and formed a great Sugar Trust outside of the United States, which can not be destroyed by any law passed by an American Congress. President Wilson finally recognized that fact, for he afterwards recommended that the present protective tariff should be retained on sugar.

The Democratic Party, much against their best judgment, were forced in 1913 by President Wilson to enact the Underwood free trade bill, which was not a measure for revenue, because it failed to secure sufficient revenue to take care of the needs of the Government. Its importations under that bill have not paid the expense of running the customhouses and has given no actual revenue to the Government. Its enactment again involved this Nation in trouble, economical and industrial suffering and prostration. It was only in force 10 months when the great World War came and closed our ports against the menace of free-trade importations. Canada sent her surplus agricultural products to the mother country. The German factories and mills and industries could not reach us with their products. The war operated as an embargo and high tariff which saved the Nation from industrial bankruptcy.

During the first 10 months of the Underwood bill—

Sugar factories closed down or produced a reduced output. Steel mills drew their fires. Woolen mills retrenched. Many cotton mills were forced out of business. Factories that managed to keep open reduced their output. Dividends were passed. Industrial stocks depreciated at the rate of $1,000,000 per day for 10 months. Three hundred and fifty thousand freight cars were idle. Railroad gross earnings dropped $10,000,000 in 10 months. Sixty per cent of all railroad mileage went into receivership. Three million wage earners were jobless. The losses to American business interests were estimated at over $22,000,000 per day. Bread lines were the longest ever known.

I have not time to further set forth the awful results of free trade to this country under the Underwood bill during the 10

months prior to the European war. It will ever remain a hateful memory in the minds of the American people.

After the armistice in November, 1918, there was again a short period of reprieve to the industries of the Nation. The free-trade nations were engaged in getting back again to trade and commerce, preparing to make another assault upon the American market and rehabilitate themselves from their deplorable financial condition, and slowly and surely they resumed their exports into this country, which have been constantly increasing down to the enactment of the late emergency tariff.

Canada, our nearest neighbor on the north, adopted a high protective tariff and at the same time made a brave attempt and succeeded in capturing the American market for all her products. I herewith append a table showing the exports of Canadian products to the United States by main subdivisions for February and the 11 months ending February, 1921:

Exports of Canadian products to the United States by main divisions for February and 11 months ended February, 1921.

	Month of February, 1921.	11 months ended February, 1921.
Vegetable products	10,557,738	137,780,450
Animal products	4,260,948	71,265,253
Fibers and textile products	616,337	6,736,719
Wood, wood products, and paper	12,135,794	201,090,335
Iron and its products	323,847	19,122,411
Nonferrous metal products	2,040,265	28,419,914
Nonmetallic mineral products	1,130,231	20,788,515
Chemical and allied products	783,270	10,039,408
Other commodities	668,905	11,982,995
Total exports, Canadian	32,497,325	507,232,009
Foreign exports	921,532	17,262,331
Total exports	33,418,857	524,494,340

We consume every year 650,000,000 bushels of wheat in the United States. Canada had surplus wheat from her 1920 crop of 221,000,000 bushels. We imported from Canada during the month of October last 9,784,307 bushels of wheat.

For the first 10 months of 1920 we imported from Japan goods to the value of $387,000,000. During the past year we have imported from abroad 150,000,000 pounds of fresh meat, 25,000,000 pounds of condensed milk, 5,000,000 gallons of fresh milk, 1,000,000 gallons of honey, 2,000,000 bushels of beans, 60,000,000 pounds of currants, 40,000,000 pounds of figs, 3,000,000 pounds of raisins, 1,553,374 boxes of lemons, 600,000,000 pounds of nuts, and $75,000,000 worth of eggs.

Butter has come in at the rate of 3,000,000 pounds per month. Wool enough has been imported during the past year to supply all our needs had we not a single sheep. The total foodstuffs imported for 1920 reach the almost unprecedented value of $1,816,000,000, while our total importations amount to $5,238,000,000.

I have not time to go over these importations in detail. The following items, however, taken from the New York Evening Post of November 27 last, show the cotton situation:

Lancashire cotton manufacturers have had a very successful year shipping goods to the United States. For the nine months ended September shipments of cotton cloth amounted to over 91,000,000 square yards, against less than 22,000,000 yards in the same period of 1919, and less than 30,000,000 yards in 1913. Shipments of yarn in 1920 amounted to 8,322,000 pounds, against 2,384,000 pounds in 1919 and 4,136,000 pounds in 1913.

We imported last year 690,000 bales of long-staple cotton valued at $159,918,000. No wonder Herbert Hoover, Secretary of Commerce, recently exclaimed:

The United States is the dumping ground for the entire export world!

Did these vast importations lower the high cost of living to our people? No. On the contrary, the cost of living during this period was the highest ever in time of peace. Chairman FORDNEY, of the Ways and Means Committee, in a discussion of the effect of these importations upon the markets of this Nation, said, April 15, 1921, page 333 of the RECORD, of wheat as follows:

Mr. FORDNEY. Was the price of bread at Duluth and Minneapolis any lower than it was in Indianapolis or in Little Rock, Ark.? No. But while you pay the price of bread made from American flour, the Minnesota miller paid the foreign price for Canadian wheat and took the difference out of the bread eaters of this country. [Applause.] It did not lower the price of bread a penny, although the Minnesota millers purchased wheat at 66 cents a bushel less than our farmers sold wheat for abroad. How much difference does that mean on a barrel of flour? Four bushels and 40 pounds of wheat make a barrel of flour of 196 pounds. There are 84 pounds of offal, bran, and middlings. Fifty cents a bushel on 4 bushels and 40 pounds is more than $2 per barrel to those profiteers at Duluth and Minneapolis, who grind Canadian wheat into flour and sell it to our consumers and make them pay the price that they would pay if it were made of American wheat purchased at a higher price.

In an attempt to save the American market, the American farmer, the American manufacturer, and producer from irretrievable ruin the Republican Party during this special session has enacted an emergency tariff which has restored confidence to the country which now awaits with hope the enactment of the Fordney permanent tariff bill. I am much pleased with the present Fordney bill as far as it goes. As a protectionist from the State of Blaine, Reed, and Dingley, I believe the bill ought to be more highly protective, so as to operate as an embargo against all importations of foodstuffs and against the importation of every article that can be produced or manufactured in sufficient quantities in this country. [Applause on the Republican side.]

I am more than pleased with the provision in the Fordney bill that goods imported must be valued for duty at the port of entry. While the Democrats oppose this home valuation and are in favor of the valuation fixed by foreign countries, they have no real argument why this benefit should be given to the importer. On the contrary, all experience is against the foreign valuation.

In 1820, Henry Baldwin, of Pennsylvania, chairman of the House Committee on Manufactures, said:

The mode of ascertaining the value of goods on which a duty is to be assessed has been attended with much difficulty and almost constant war between the merchants and the officers of customs and has been often changed. The original mode of assessing the value at the time and place of importation prescribed by the act of 1790 was the fairest and most equitable; as an ad valorem duty it was, in fact, what it purported to be, so much per cent on the value.

In April, 1830, Roland C. Mallory, chairman of the Committee on Manufactures at that time, said:

You can not reach the person who swore falsely to an invoice in a foreign country. There he is perfectly safe. The truth is, sir, that the foreign valuation is the rotten part of our system.

During the debate on the tariff bill of 1833 Henry Clay offered an amendment that after 1842 the duty should be assessed on—

A valuation made at the port in which the goods are first imported.

Mr. Clay at that time stated:

Now, the valuation is made in foreign countries. We fix the duties, and we leave our foreigner to assess the value on articles paying an ad valorem duty. This is an anomaly, I believe, peculiar to this country. It is evident that the amount of duty payable on a given article subject to an ad valorem duty may be affected as much by the fixation of the value as by the specification of the duty. And, for all practical purposes, it would be just as safe to retain to ourselves the right to declare the duty and to allow him the privilege of assessing the value. Now, sir, it seems to me that this is a state of things to which we should promptly apply an efficient remedy; and no other appears to me but that of taking into our hands both parts of the operation, the assessment of value as well as the duty to be paid on the goods. If it is said that we might have in different ports different rules, the answer is that there could be no difference any greater than those to which we are liable from the fact of the valuation now being made in all the ports of foreign countries from which we make our importations, and that it is better to have the valuation made by persons responsible to our Government and regulated by one head than by unknown foreigners standing under no responsibility to us.

In 1850, President Fillmore, in his first annual message to Congress, said:

As before stated, specific duties would, in my opinion, afford the most perfect remedy for this evil—speaking of undervaluation—but if you should not concur in this view, then, as a partial remedy, I beg leave to especially recommend that instead of taking the invoice of the article abroad as a means of determining its value, where the correctness of which invoice it is in many cases impossible to verify, the law should be changed so as to require a home valuation or appraisal, to be regulated in such manner as to give, as far as practicable, uniformity in the several ports.

Republican Members of Congress are pledged to vote for and support the Fordney tariff bill under the command given by the tremendous majority at the last election and by their party platform, and, further, by the position of our President. The Republican platform for 1920 pledges the party to enact this bill by the following plank:

Revision of the tariff is necessary for the preservation of a home market for American labor, agriculture, and industry.

President Harding in his first message to Congress, April 12, 1921, defined the duty of Congress in dealing with this great question. He said:

One who values American prosperity and maintained American standards of wage and living can have no sympathy with the proposal that easy entry and the flood of imports will cheapen our costs of living. It is more likely to destroy our capacity to buy. To-day American agriculture is menaced and its products are down to prewar normals, yet we are endangering our fundamental industry through the high cost of transportation from farm to market and through the influx of foreign farm products, because we offer, essentially unprotected, the best market in the world. It would be better to err in protecting our basic food industry than paralyze our farm activities in the world struggle for restored exchanges.

The maturer revision of our tariff laws should be based on the policy of protection, resisting that selfishness which turns to greed, but ever concerned with that productivity at home which is the source of all abiding good fortune. It is agreed that we can not sell unless we buy, but ability to sell is based on home development and the fostering of home markets. There is little sentiment in the trade of the world.

It is utterly useless for the Democrats to claim that the reelection of Wilson in 1916 was any indorsement or approval of the Underwood bill. It is well known that the tariff was not an issue in the 1916 campaign. Hughes was defeated by the Democratic deceptive war cry, "He kept us out of war, and if reelected will continue to keep us out of war."

Since the war every great nation in the world has adopted the principle of protection to its industries and has closed the doors against importations of anything that can be produced in their own countries. England, the most noted free-trade nation in the world, has adopted a high tariff. Sir Guilford L. Molesworth, a great English financial authority, in a letter made public a few months ago says:

Supplies of all kinds are now pouring into England from Germany and other countries, which, if taxed, would produce a magnificent revenue; but this measure has not been adopted owing to the prevailing fallacy that it would increase the cost of imported articles.

If you wish it, I shall be glad to furnish you with overwhelming evidence that when a duty has been imposed, if not prohibitive, it has fallen on the foreign importer or his agent and not on the consumer and that the cost of the articles taxed has diminished instead of increasing.

Mr. John Hodge, minister of labor in Great Britain, says:

If Germans had been wise and had simply carried on their industrial war, we should have been played out in the next 20 years. Before the war, like the silly beggars we were, we thought free trade meant the prevention of war; that so long as we had the "open door" Germany would never risk the loss of her trade by indulging in war. We wanted cheap commodities; but I think the war has dropped the scales from our eyes. Once we were blind, now we see. Three million tons of steel were coming into this country from Germany. I am having that leakage stopped now. I am going to have no more German steel in this country while there is an idle furnace in this country. When every furnace here is occupied, then I might let a bit in. How silly we were in the past to have an open door as against a closed door. I think we want to give them tit for tat in future. It used to be said that no trade-union leader believed in a policy of that kind. We can not say that to-day. Australia is a protected country, and the standard of living there is the highest in the world. So-called tariff reform does not mean the lowering of the standard of life, as some people seem to assume. If I only get the whole-hearted support of capital and labor, there is little doubt as to the great success that we will achieve.

Russia, now demoralized, was before the war a free-trade nation. It was dependent upon Germany before the war for foodstuffs and goods. Russia had been selling her raw material to Germany, and when the war came she was helpless and had to surrender to high protection Germany.

Even the South, that has always remained a distinct part of the United States wedded to the delusion of free trade, has at last recovered from its visions, superstitions, errors, and delusions and has refused longer to be satisfied by the fairy tales of Democratic free traders. The Southern Tariff Association has sent to this Congress a memorial from 57 southern industries favoring the present tariff. In this memorial they say, among other things:

We favor, therefore, the immediate enactment of such tariff schedules as will equalize the cost of production in this country with that of foreign countries and that will take up the differentials, now favorable to foreigners, in exchange and transportation costs so far as may be consistent with the public welfare, such schedules to be so placed as to distribute fairly the burdens and benefits among all industries without discriminating against any section, class, or product, to the end that there may be maintained American standards of living in every line of effort.

When the emergency tariff bill was before the Senate January 27, 1921, Senator RANSDELL, Democrat, from Louisiana, said:

If agriculture be destroyed, if it becomes so unprofitable that the people abandon the farms in very much greater numbers than they have in the past, if they flock into the cities in such large numbers that the productive capacity of the farms is very seriously reduced during the next 12 months, then, I ask Senators, what will happen? We will produce less food than we are obliged to have for the consumption of the people; we will bring about a most unfortunate state of affairs. There must be a balance between the country and the city—between the country producer and the city consumer—and if we are going to permit by our failure to legislate a state of affairs in our great Republic so unfortunate to the producer that he can not earn a decent living or get a fair return for his labor, then, sirs, he is going to abandon the farm. That is what I believe this bill is calculated to prevent.

Vice President Marshall, who presided in the Senate during the country's experience under the Underwood bill, said a few days ago:

Time was when, theoretically, I was a tariff-for-revenue Democrat; practically a free trader; but every principle known to economic man has been jostled out of position by the war, and I find myself very much in hopes that the Tariff Commission, while refraining from giving bonuses for service unperformed by the manufacturers of the country, will take care to see that they have an even start in the race for the commercial supremacy of the world.

Congressman HUDSPETH, Democrat, of Texas, voicing the views of many of that delegation, said a few days ago:

Talk about party traditions. The Democratic Party has never succeeded when it declared for free raw materials. It went to overwhelming defeat in 1894. Following the passage of the Wilson-Gorman bill it went to overwhelming defeat, and there were fewer Democrats in the House, not excepting the Civil War period or to-day. Mr. Bryan at that time declared for a tariff for revenue and a tariff for raw products and was defeated by only 500,000 votes. In 1908, when the party did not declare specifically on that question, Mr. Bryan was defeated by a million two hundred thousand. So, if you refer to the elections in the past, you will see that the people of the Nation have never stood for the doctrine of free raw materials.

* * * * * * *

This measure and the passage thereof means the survival of an industry particularly fitted to certain portions of the great West and South. When I say the South I include the cotton farmer and the grain producer, as this bill carries a duty upon the importation of foreign cotton and grain. The peanut grower is included, the vegetable-oil producer and a number of other products of the farm. Unless some relief is given to these people that will benefit the live-stock and the wool producer and the farmer those great industries can not survive. When the wool business is destroyed do you believe the wool producer of Australia and New Zealand and the other foreign countries will send his wool to Boston when he has no competitor in this country and sell at the price that he is selling for to-day? No, my friends, unfortunately human greed controls largely the acts of many men; and immediately when his competition in this country is destroyed the foreign producer will raise his wool and sell at 500 per cent higher if he is permitted to do so. You do not want to destroy, as was suggested by a certain Senator when this measure was before the Senate last session, the great wool-producing industry of this country.

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Our learned and beloved leader, and my friend, Mr. KITCHIN, stated the other day that the tariff was not an issue in the last campaign. I humbly ask to differ from the judgment of our leader and state that I think that it was a material issue, and that the overwhelming defeat of the Democratic Party was occasioned largely by the failure to declare equal rights to the producer, and that the production of his hand and brain should not be discriminated against in favor of the manufacturer of New England and to emphatically declare against the monstrous doctrine of free raw materials. I know, gentlemen, that it was an issue in my State, and I believe that the slump in the great and usual Democratic majority in that State was occasioned by the farmers and the ranchmen believing that they had been discriminated against by Democratic Congresses of the past.

John H. Kirby (Democrat), president of the Southern Tariff Association, speaking of the operation of the Underwood bill and of the necessity of the South joining hands with the North and East and West in the enactment of high protection, says:

The whole Southern territory is now in the throes of an economic disaster of unparalleled intensity. Agriculture, the great basic industry, lies prostrate. The acres are among the most fertile on the earth, but the owners of them are besought by bankers and by merchants, by statesmen, and by economists, to let lie fallow the lands that for a hundred years have clothed the world. With unanimity they are advised against the vast production of which they are capable. The wealth that can be created must not be created because there is an economic status which impoverishes a whole people as a penalty for thrift in the fields. Thousands of farms have been abandoned. Innumerable mines are shut down and factories that thrilled with life a year ago are deserted. It is as if an epidemic, contagious and infectious, paralyzing all enterprise, initiative, and progress had swept over the land.

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The action of the Democratic caucus in opposing relief measures through tariff legislation was unwise politically and unsound economically. There is a silent and tremendous conflict now going on throughout the South between the political and economic influences on national tariff policies which will end with a complete rout of the free traders.

The Southern Tariff Association considers the tariff an economic question. The South is in distress and our producers are suffering from free-trade competition with the pauper labor of all the world. The misfortunes of war-stricken Europe are being visited upon us through channels of unrestricted commercial intercourse.

Under these circumstances it is unfortunate that Southern Representatives should inject partisan politics into relief legislation. I am a Democrat and I challenge the authority of Democratic Representatives to commit the Democratic Party to a policy of free raw materials, especially at a time when it means ruin to the South. There is no precedent to warrant such action, no condition that justifies it.

There are a few Democrats in Congress that are now engaged in a desperate attempt to save to the party the old political slogan of free trade for future political purposes. They have found it necessary to attempt to coerce their own party members in Congress to keep them in line by the party whip; these Democrats have held a caucus, pledging its members to vote against the Fordney bill to save the party.

Minority Leader KITCHIN, on behalf of the Democrats, has read out of his party all Congressmen who favor protection. He says:

If there is a Democrat in Congress or elsewhere who is fooling himself into the belief that by our embracing the doctrine of protection, or his vote for protection, though it be on his home industry, he is going to keep within the folds of the Democratic Party or bring into its ranks the men who favor such protection, then he should at once undeceive himself. A sensible protectionist will go to the party that has taught and practiced protection for 50 years, and not to the party that has always opposed it.

Senator HARRISON (Democrat), of Mississippi, a few days ago said:

And, oh, that some of our present-day Democrats, who, in their selfish desire to enrich a few at the expense of the many, protect one section to the detriment of another, who have joined the ranks of those who believe in a protective tariff, would read and memorize that part of the Confederate constitution that condemned in the strongest possible language a protective tariff and unanimously laid down the rule that the passage of any such law was forever prohibited by the Confederate Congress.

Even the sacred memory of the Confederate constitution is not strong enough to-day to hold all southern Democrats for free trade.

The principles of the Fordney bill have been indorsed by the farmers of the country. The National Grange at its last convention stated its position as follows:

So long as a protective tariff remains the policy of the Government the grange demands that in whatever readjustment of tariff schedules is made agricultural products shall be given the same degree of protection as other commodities.

Labor also stands for the Fordney bill. William C. Hutcheson, international president of the United Brotherhood of Carpenters and Joiners—a Democrat—says:

This is not only among the workers in the building trades but in all production. The membership of the American Federation of Labor and its affiliated unions is not composed of workers on the farms, but those in every line which enters into manufacturing production, including the mines and the factories.

We must compete with foreign-made goods made by cheaper hands.

We must keep up as high as possible our wage scales.

We can not possibly do that, except perhaps in time of war, unless we have protective tariff laws which will make the duty so high on foreign goods that they can not really compete at all.

It is useless to talk about theories. We are American workmen, and we must protect America first.

The irresistible logic has been forced upon labor everywhere that the American laborer is dependent upon a high protective tariff, that to maintain the American standard of wages and of living we must have the protection set forth in the Fordney bill, that Democratic free trade would naturally result in lowering the American standard to the level of cheap foreign wages and miserable standards of living.

Marquis Okuma, one of the leading statesmen of Japan, in discussing a short time ago Japan's economic policy, said:

We can get raw materials from near countries such as China, India, and the South Seas, and we can reexport manufactured articles to the same near countries. Thus we need not pay the Suez Canal dues. In addition, we have cheap labor, though it may be somewhat lower in efficiency than that of America or Europe. In America and Europe labor union wages prevail, irrespective of the degree of skill, and the working hours are fixed at eight hours. But relations between capital and labor are different here in Japan; they are based upon friendship and mutual trust. It is a time-honored custom that apart from legal obligations, capitalists give workmen due care and comfort out of sympathy, while laborers are in turn quite obedient to their employers and ready to work extra hours. The cost of production is thus low, on the one hand, and our market lies near, on the other.

In consequence, we shall be able to compete with European and American countries, even if our goods are inferior to those manufactured by them.

The Democrats in this debate still put forth the old delusions and illusions and also new fallacies of free trade, but they can not deceive the American people. The Democrats say that in order to get a settlement of the ten to fifteen billions of dollars due this country from European nations the American people must permit these foreign countries to ship more goods to us than we ship out; that we must have free trade and the creation of a balance of trade against us or else we will be unable to collect our interest or any part of the principal. Let it be understood once and for all that these foreign loans have been made to foreign nations and not to individuals; that the importation of foreign goods is made by individuals and not by the foreign nations, as those nations own no goods and do not trade with us as a nation; that free trade is for the benefit of the foreign importer and the American banker; and that it is absurd to say that we must enrich at the expense of the American people these foreign importers and American bankers before we can get our pay from foreign nations.

Henry Clay in 1824, in the House of Representatives, fully answered this Democratic free-trade argument that unless we buy from Europe we can not sell to them. He said:

The argument is that Europe will not buy of us if we do not buy of her. The first objection to it is that it calls upon us to look to the question and to take care of European ability in legislating for American interests. Now, if in legislating for their interests they would consider and provide for our ability, the principle of reciprocity would enjoin us so to regulate our intercourse with them as to leave their ability unimpaired. But I have shown that in the adoption of their own policy their inquiry is strictly limited to a consideration of their peculiar interests, without any regard to that of ours. The next remark I would make is that the bill only operates upon certain articles of European industry which it is supposed our interest requires us to manufacture within ourselves; and although its effect will be to diminish the amount of our imports of those articles, it leaves them free to supply us with any other produce of their industry. And since the circle of human comforts, refinements, and luxuries is of great extent, Europe will still find herself able to purchase from us what she has hitherto done and to discharge the debt in some of those objects. * * *

There can be but little doubt but that she now resorts to us because we can supply her cheaper and better than any other country. And it would be unreasonable to suppose that she would cease, from any pique toward us, to pursue her own interests. Suppose she was to decline purchasing from us. The consequence would be that she would lose the market for the £20,000,000, which she now sells other foreign powers, or enter it under a disadvantageous competition with us or with other nations who should obtain their supplies of the raw material from us.

The attempt of the American importer to obtain free trade is for his own interests. He wants free trade because thereby he can make a profit on both the foreign manufacturer and producer and our own people. He desires to obtain cheap goods from abroad that he may drive out of the market American goods and American products, and then, having accomplished that, he has the American people at his mercy in prices, and so obtain profits from both abroad and at home.

The question before this House is, Shall foreigners make the goods, get the wages, and throw the American workmen out of employment, or shall the American laborer make the goods, get the wages, keep the money in America, and spend the money in America? The Fordney bill says, "Make the goods here, pay the wages here, keep the money here, and spend the wages here." [Applause on the Republican side.]

These Democratic politicians attempt another delusive argument for free trade, a fallacy that has long ago been exposed to all the people. They say that the tariff will be added to the price to the consumer and the poor man will have to pay, and so forth. All the history of protection has shown that the tariff is paid by the foreigner and not by the American; that it is not added to the price, and that protection is as much a benefit to the consumer as it is to the producer and the manufacturer.

No one to-day believes in the old Democratic fiction that free trade would give us high prices for everything that we have to sell and low prices for the things we have to buy. I am reminded of a little illustration that perhaps is old, but it applies at the present time in this debate. I take the illustration from a past discussion of the tariff in this Congress. It is as follows:

There was a certain professor in my county, a theorist of the first water, a man who does not know any more about the practical tariff than I know about the Hebrew that he is well acquainted with. This professor came up into a large manufacturing village in my county to make a theoretical speech, such a one as my friend from Ohio [Mr. Hurd] delights in. There was a farmer standing by a post in the lecture room, and the professor thought he might be a good subject to operate upon, so he said to him, "My friend, you are a farmer?" "Yes." "You live here?" "Yes." "Do you know these manufacturers in this village are robbing you?" "Why, no; I do not know it. How can they rob me? I came here 10 years ago with $500; I bought a farm, running in debt $2,500 for my farm and stock. I went to work raising truck for this village. I paid my debt and have got money in the savings bank and do not owe any man a dollar. How have they ruined me?" The professor said, "Well, it appears you have been a hard-working man and have lived it through. But you pay 6 cents a yard duty for the very cloth your shirt is made of." "Well, professor," replied the farmer, "you may think so, but you can not prove it by your algebra or your logarithms; you can not prove it unless by Æsop's fables, for I did not give but 5 cents a yard for the cloth." [Great laughter.]

The late President McKinley, in a speech November 19, 1891, so fully covered the arguments made against the present Fordney bill that I wish to quote from his remarks. He said:

A protective tariff, as an agent for raising revenue for the National Treasury, does everything which a revenue tariff would do, and does more. While it raises all the needed revenue, it encourages and builds up the industries of our own country, and protects our own labor and our own skill against the underpaid labor and skill of every other country of the world. A revenue tariff never built a factory in the United States. A revenue tariff never opened a mine in the United States. A revenue tariff never built a fire in a furnace in the United States; a revenue tariff has more than once extinguished the fires which had been built in the furnaces under a protective tariff.

A revenue tariff encourages the foreign shop and the foreign laborer and discourages the domestic shop and the domestic laborer. For you just remember that a revenue tariff is for revenue, and for revenue only, and you can not have revenue in large volume unless you have large importations, and you can not have large importations of competing foreign products without displacing to that extent domestic products. And, to the extent that you displace domestic products by foreign products, you displace American labor and diminish the demand for American workingmen in the United States and increase the demand for workingmen in foreign shops. The laboring man knows the blessings of a protective tariff from work and wages; the farmer knows its blessings from the most magnificent home market for his products that can be found anywhere in the world, and the great consuming class of the United States knows of its blessings in cheaper products than they ever enjoyed under a revenue tariff.

Our opponents say that a protective tariff keeps us out of a foreign market. If there is anything in the world that delights the free trader it is something on the other side, something foreign, something abroad. For me and mine, there is no place like home. This is the best country in the world, and people come here and never go away because it is the best country in the world. And it is our business to keep it the best country in the world. The principle upon which the law of 1890 was made permitted everything to come into this country free which we could not make or did not propose to make, except luxuries, and we put the tariff upon the foreign products that compete with the American products, to the end that we might encourage American production and American labor. And there is not a line of that law which is not American; there is not a page of it which is not patriotic; there is not a paragraph that is not dedicated to the American home.

I will tell you when we can have free trade. Whenever the nations of the world will bring their condition up to ours; whenever they will pay to their labor the same wages that we pay to ours. When they will do that, we will meet them in the neutral markets of the world, and it will be the survival of the fittest. But, so long as the workingmen know the power and the majesty of the ballot, we will never bring our conditions down to theirs. A revenue tariff levels down; a protective tariff levels up. A revenue tariff would cheapen products by cheapening men; a protective tariff would cheapen products by elevating men and getting from them their best skill, their best genius, their best invention.

In 1881 Hon. Justin S. Morrill, of Vermont, speaking in the Senate of the United States, said:

If there must anywhere be rusty plows, blown-out furnaces, idle looms, unemployed men, and rugged tramps, then let the Old World retain these wretched evidences of hard times as long as a protective tariff will exclude them from our shores.

Protection will give American industries the highest place among all the industrial nations. It will enable our people to manufacture and produce all the necessities and luxuries of life. It will give us the command of our own American markets; it will give us the most improved machinery and stimulate inventive genius and opportunity. It will increase the skill of our own mechanics and enable them to compete in all the markets of the world. It will prevent the invasion of our markets, our mines, and mills by pauper labor. It will protect the farmer from foreign competition and establish the farm as the basis of prosperity. It will pay the great war debt of this Republic. It will restore us again to the great prosperity enjoyed under the Republican Party. In the words of President Harding:

I do not care how much men may sneer at it. I do not care how much men may say that the old American protective idea is a thing of the past—I warn you now that if we expect to maintain American eminence we must still cling to the policy which made America eminent.

[Applause on the Republican side.]

Mr. FORDNEY. Mr. Chairman, I yield 10 minutes to the gentleman from New Hampshire [Mr. BURROUGHS].

Mr. BURROUGHS. Mr. Chairman, I have been very much interested in this debate. I am very much interested in the bill. The district that I have the honor to represent is one of the very largest of the manufacturing districts in New England. Indeed, I may say, it is one of the very largest manufacturing districts in the United States. The census figures show that in the last 10 years the manufactured products of that district constitute about one-eightieth of all of the manufactured product in the United States. Probably one-third of the inhabitants of the district which I represent are dependent for a livelihood, either directly or indirectly, upon the manufacturing industries there located.

The American protective-tariff doctrine has played a most important part in the political history and in the economic development of the United States. It formed a part of the political philosophy of George Washington and Alexander Hamilton. It was written into the first tariff law ever enacted in this country. For many years it had a most eloquent and sturdy champion in Henry Clay. It has been a most important, indeed, a most fundamental and vital tenet of Republican faith from the days of John C. Fremont and Abraham Lincoln to the present hour. Garfield and McKinley and Blaine and Dingley and Payne and Dalzell and a score of others equally eminent have been its apostles and strong defenders on this floor. It is to such a company that we are now adding the name of the present distinguished and much-beloved chairman of the Ways and Means Committee, Hon. JOSEPH W. FORDNEY, of Michigan. [Applause.]

Protection has never been held as a principle, but rather as a great fiscal policy. It is a means, a method, an instrumentality, by which, and largely because of which, America has been able to achieve to a greater extent than any other nation in the world here economic independence. Like any other doctrine or policy, it has under wise leadership been able to adjust itself in such a manner as to meet the ever-changing economic conditions throughout the world. Under wise leadership, it is able to do that to-day in the face of conditions unexampled in the world's history.

The Republican Party, as I understand it, has never stood, and most certainly does not now stand, for a prohibitive tariff. It has always stood and most certainly stands now for an adequate tariff. We are not seeking to build any Chinese wall around the United States. We are not seeking by this legislation to prevent Europe from coming into this market with her goods. What we are seeking, however, and what we intend to accomplish by this legislation is to prevent the foreigner from coming into this market with any advantage over the American producer. What we are seeking by this legislation is to see to it beyond all question that the American producer may maintain American standards of living and American scales of wages, and not be put out of business in his own market by a foreign competitor whose production costs are far lower than ours. [Applause.]

We believe that duties should be adequate, and by that we mean that they should be high enough so that our manufacturers can fairly compete with the foreign product.

The Republican protective-tariff doctrine, as I understand it, has never meant and certainly does not now mean duties so high as to enable American manufacturers to drive out the foreign article entirely, enjoy a complete monopoly of the trade, and regulate the price as they please.

James A. Garfield in the House of Representatives, as long ago as June 4, 1878, fairly stated what I believe is still good Republican protective-tariff doctrine, in these words:

I would have the duty so adjusted that every great American industry can live and make fair profits; and yet so low that, if our manufacturers attempted to put up prices unreasonably, the competition from abroad would come in and bring down prices to a fair rate.

And he added, which I think it also still true:

Such a tariff, I believe, will be supported by the great majority of Americans.

Ex-President Taft, who has recently, with the approval of the entire country, been made Chief Justice of our Supreme Court, speaking at Indianapolis on July 4, 1911, said:

The sound Republican doctrine has become the imposition of duties only where the conditions are naturally unequal and where duties are necessary in order to enable our manufacturers and other producers to meet on a level the competition of foreign producers. The inequality of condition is generally in the cost of labor. The present doctrine of protection, therefore, does not require or call for duties in excess of those which will secure equality of condition.

The rates in the pending bill are in general substantially lower than under the so-called Payne law. This has been abundantly shown by the able speeches of the chairman and other majority members of the committee. The American system of valuation, under which duties are imposed upon the value of goods of like quality and character in this country, instead of on foreign valuation, constitutes to my mind a notable advance in tariff legislation. While such a system may involve at first some difficulties in the way of administration, the undoubted advantages that will accrue to the Treasury of the United States because of it will more than offset them. Under this system the American customs official will at last have jurisdiction over both the goods and the person, thereby, in my judgment, making it much easier for him to detect and prevent undervaluation and gross frauds upon the Government.

While I believe that the bill as a whole is a good one and am ready to give it my support, there are still some features of it that I can not approve. Such features I hope to see cured by amendments either in this House or in another body before the bill shall finally become law.

I refer particularly to the proposed duties on oil and crude petroleum and to the provisions found in paragraph 27 of the bill providing for an embargo on dyestuffs.

The committee, as I understand it, at the eleventh-hour conference just before the release of the bill, introduced a tax on imported petroleum amounting to 25 cents per barrel on fuel oil and 35 cents per barrel on crude oil. It is because I believe the imposition of such a duty upon this product at this time is contrary to sound economics and constitutes a most unwise national policy that I shall vote against it. I sincerely trust it will be stricken from the bill. No doubt there is a present oversupply of oil in this country. The demand for petroleum products during the war and the still greater demand that arose during 1919 and 1920 because of the great afterwar revival of business created the situation in which the then available supply of crude oil closely approached and threatened to become less than the demand. This condition, of course, stimulated the price of all petroleum products and crude oil. The greatly increased production occurred about the same time that the present business depression set in, with the result that there has temporarily been an oversupply of petroleum. This relation between supply and demand did not make itself felt very much until the beginning of 1921, and then came a precipitous drop in the price of oil and oil products. The production, however, continued to increase until within the last few weeks. It is quite apparent, however, that it is only a question of a few months until the oil industry will again reach equilibrium if not interfered with by legislation.

The proposed tariff will have its effect at the present time almost exclusively on oil imported from Mexico, as there is no crude oil imported from any other country in any substantial quantities. The Mexican Government, probably largely because of the agitation in the United States for an import tax on Mexican oil, has recently more than doubled the Mexican export tax on its oil and by so doing has already put upon Mexican oil so great a burden that the importation of it is already greatly restricted.

From the standpoint of national policy the argument against this proposed oil tax is even stronger. During the past few years all nations have been seeking to maintain their oil reserves as one of the most important assets for the future. Great Britain has sought in every way to obtain control of oil fields wherever they may be found. Our own country has recently awakened to the seriousness of this matter. My understanding is, from sources that I believe to be entirely reliable,

that the oil supply in the United States, taking into account any reasonably to be expected discovery of new fields, will be entirely exhausted within the next 20 years. Certainly it is of very limited duration. Under such circumstances it would seem as though an export tax would be more in our interest and more in the interest of the oil industry in this country than any tax whatever on imports of this product. Such is apparently the view of the President who, according to published reports of a recent letter to Chairman FORDNEY of the committee, said that—

To levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interests.

All the evil effects of the proposed oil tariff will be visited on New England in a degree much greater than on any other part of the United States. This is due to its remoteness from both the oil and the coal fields of the country. Many of our industries, wearied with being robbed beyond all endurance by the coal barons, have in recent years equipped their plants with oil-burning machinery. It has been done at very large expense. I have in mind at the moment one plant in my district that has recently protested to me against this proposed duty, saying that it involved to them a substantial loss of a plant recently completed at a cost of a million dollars.

I am opposed to this oil tariff then because it is not good business; it is not sound national policy. I am opposed to it further because as a Representative from one of the principal industrial districts in New England I do not wish to see my section of the country deprived of the only advantage she has, namely, her location upon tidewater, to offset her disadvantage on account of remoteness from the source of her fuel supply. I shall reserve my remarks on the dyestuffs schedule until the bill is considered under the 5-minute rule. [Applause on Republican side.]

Mr. WYANT. Will the gentleman yield?

Mr. BURROUGHS. I will.

Mr. WYANT. Has the entire letter supposed to have been sent by the President to Chairman FORDNEY been published?

Mr. BURROUGHS. I have not seen the original, but I have the newspaper copy.

Mr. FORDNEY. I did not hear the gentleman.

Mr. BURROUGHS. I have what I understand is a copy of the entire letter.

Mr. WYANT. I have not seen a copy of the letter. Has it been published in full?

Mr. FORDNEY. What letter?

Mr. BURROUGHS. The letter of the President to the gentleman from Michigan.

Mr. FORDNEY. The letter received by me has not been published.

Mr. BURROUGHS. I have what purports to be a copy——

Mr. FORDNEY. What the gentleman saw in the papers was not a copy of the letter received by me from the President, but what the gentleman quoted was correct.

Mr. COLLIER. I yield 30 minutes to the gentleman from Arizona [Mr. HAYDEN]. [Applause.]

Mr. HAYDEN. Mr. Chairman, the tariff is a tax. The tax upon any commodity is paid by the ultimate consumer. A consumption tax operates through the purchases made by all the people to supply their wants and can never be as fairly administered as an income tax, which is based upon ability to pay.

Customs tariffs have been levied from the foundation of the American Government as one means of taxation, but it has also been recognized from the beginning that a duty collected at the customhouses on any article has more or less effect upon the prices of similar articles produced in the United States. If the duty is so high that all importations cease, the American producers or manufacturers will have exclusive control of the American market and no revenue will accrue to the Treasury. If the tariff is made high enough to greatly curtail importations, the customs receipts will decline and the benefits obtained from the higher prices paid by the public will, to a large extent, go to the producers and manufacturers of the country.

It has been found to be possible in many instances to levy duties at such rates that considerable sums of money have been paid into the Treasury while at the same time an open and competitive market on the dutiable commodities has been maintained. It is a tariff of this character that the Democratic Party has always advocated. We have not favored free trade so long as revenue actually needed for the support of the Government could be obtained by a tariff described by the Democratic platform of 1904 as "so levied as not to discriminate against any industry, class, or section, to the end that the burdens of taxation shall be distributed as equally as possible." Upon the other hand, the Democratic Party has always asserted that it was morally wrong to tax the many to enrich the favored few. We have repeatedly denounced high tariffs as the principal cause of the unequal distribution of wealth and that such "protection" was but another name for legalized robbery.

WHY NOT HAVE A TARIFF ON ALL IMPORTS.

This question has been asked on the floor of the House: If the Democratic Party stands for a tariff for revenue only why should there be different rates on different commodities and why should certain articles be upon the free list? The answer is that the Democratic Party has always recognized that our system of tariff taxation is intimately connected with the business of the country and therefore that in collecting revenue consideration must be given to the economic effect of the duties imposed.

The first Democratic exception is that articles entering into trust-controlled products should be placed upon the free list. The need for revenue will never be so great that the tariff be used as a shelter for monopoly. Another well recognized distinction is that luxuries may properly be taxed at a higher rate than the necessities of life. That is why bread is on the free list and jewelry is taxed. A third rule is that there should be no duty upon articles competing with American manufactures which are sold abroad more cheaply than at home. This is the reason why sewing machines, and agricultural implements and barbed wire were placed upon the free list in the Underwood law.

THE LOCAL ASPECT OF THE TARIFF.

The effect upon any State in this Union of a general increase in the tariff on imports depends largely upon the industries in which its people are engaged. One of the best ways of determining the relative importance of the various industries within a State is to compare the valuations fixed for purposes of taxation. The total assessed valuation of all property in the State of Arizona for 1920 was $889,719,263, the principal items of which were as follows:

Mines, smelters, and other property used in connection with the mining industry	$470,850,902
Irrigated, dry farming, grazing, and other lands	103,188,332
Live stock of all kinds	41,808,486
City and town lots and improvements	91,548,417
Railroads	100,985,637
Banks, stocks of merchandise, fixtures, etc	44,641,044

From these figures it goes without saying that mining is the basic industry of the State of Arizona and that her people are immediately and vitally interested in the passage of any legislation by Congress which either advances or retards the production of the minerals that are taken from the ground in that State. Copper, gold, and silver are our principal mineral products, and all of them are on the free list in this bill. Copper is the principal product, 558,256,302 pounds, valued at $100,086,757, being produced in Arizona in 1920. The values in gold and silver were $4,786,122 and $5,837,280, respectively.

COPPER.

Copper is on the free list because, like short-staple cotton, it is a commodity of which about twice as much is ordinarily produced each year as is used in the United States, the remainder being exported as raw material for manufacture abroad. The total production of copper in 1920 was 1,209,061,000 pounds, but only 551,226,000 pounds were exported, as compared with 1,030,779,000 pounds in 1917, when 1,886,120,000 pounds were produced.

Since there is no way in which the copper-mining industry can be directly benefited by tariff legislation it follows that the industry is injured if a high-tariff wall is erected, which has the effect of increasing the price of the materials or commodities that are used in mining operations. And that is exactly what this bill does as reported to the House. The Committee on Ways and Means has recommended that an import duty be collected on fuel oil. The tariff rates are materially increased on all articles such as pipe, rails, drills, machinery, and so forth, made of iron and steel, vast quantities of which are used in the metal-mining industry. The same is true of almost everything else in the way of mine supplies, except explosives and mine timbers, which remain on the free list. But, worst of all, this bill is especially designed to keep up the cost of living for the men employed by the mining companies of Arizona, for most of the things they and their families eat or wear are to be taxed even higher than under the Payne-Aldrich law.

NO EXPORTS WITHOUT IMPORTS.

The copper-mining industry of my State could probably survive the handicaps that I have just stated, but this bill, which is avowedly designed to reduce importations, deals it a much more serious blow. The only way to restore prosperity in the copper camps is to find a market for all the copper that can be produced. The demand in the United States does not equal more than half the supply. How are the people of other nations to pay for the other half which must be sold if our copper mines

are to have full pay rolls and the smelters are to be operated to their capacity? They have no gold, and we will not take their depreciated paper money. They can only pay by sending us manufactured products for our raw materials, and this bill is expressly designed to prevent such an exchange. No nation can long enjoy a large volume of exports without imports. The world over, the two must balance or commerce dwindles and prosperity departs. There can be no other conclusion than that the enactment of this bill into law, with its high rates of duty on all manufactured products, postpones the time when the copper-mining communities of Arizona will again enjoy real prosperity. [Applause on the Democratic side.]

THE NECESSITY FOR A TARIFF COMMISSION.

It is not difficult to ascertain what rate of duty will produce the most revenue on articles not produced in quantity in the United States. Experience has taught us, for instance, that to levy a greater rate on diamonds than 20 per cent ad valorem leads to extensive smuggling and a net loss of customs collections. The difficulty comes when we are called upon to determine the proper rate of duty upon commodities which would be imported under free trade but which are also extensively produced or manufactured in the United States. Whenever tariff legislation is under consideration all those who would be benefited by making importations more difficult immediately become interested and seek to have the tariff wall built as high as possible. That is the reason why the Democratic Party insists that every tariff revision shall be based upon "the intelligent research of a nonpartisan commission rather than upon the demands of selfish interests."

There was a time when Republicans generally asserted that the foreigner paid the tariff tax, but that argument has long since been abandoned as a fallacy. The modern protectionist admits that the tariff is a tax which is passed on to the consuming public but is firmly convinced that the people can afford to be thus taxed if new industries are thereby created. But he is wise enough to admit that protection can only be justified in the case of infant industries and that the time will arrive when the temporary tariff stimulant must be discontinued.

The trouble is that these industrial infants are like Peter Pan who never grew up. At least, they rarely admit the fact when questioned about tariff schedules affecting their business. A notable and recent exception is the shoe and leather trade which has been pointed to with pride in the course of this debate as an example of an American industry which was nurtured and sustained during its infancy by a protective tariff, but is now full grown and needs no further help, provided, of course, that hides remain upon the free list.

A TARIFF FOR POLITICS ONLY.

No honest protectionist, however staunch he may be in the faith, will seriously say that a tariff of high or low degree can be of any material benefit if levied on commodities that are produced in the United States to such an extent that the American market is completely supplied and there remains an exportable surplus. Yet I regret to say that there are numerous paragraphs in this bill which carry duties of that character that can only be accounted for on the theory that the Republican majority in this House believes in a tariff for politics only. [Applause on the Democratic side.]

In the schedule which deals with agricultural products are to be found some of the worst examples of the evil influence of political expediency upon Republican Congressmen whose honesty and integrity is otherwise beyond reproach. An examination of the facts will demonstrate that the presence of many of the items in schedule 7 can be explained in no other way than that they represent an attempt to fool the farmers and swindle the stockmen into the belief that they will get enough benefit out of this bill to fully compensate them for the higher prices that they must pay for all the manufactured goods upon which high protective and even prohibitive duties are levied in this measure.

CATTLE.

The first item in that schedule is "cattle, less than 2 years old, 1 cent per pound; 2 years and over, 2½ cents per pound." The census of 1920 shows that there were 31,386,000 dairy cattle and 35,424,000 stock cattle in the United States, a total of 66,810,000. The total imports of live cattle for that year, principally from Canada, were 379,114. By what stretch of the imagination can anybody make himself believe that collecting a cent or a cent and a half per pound at the customhouses on a number of cattle equivalent to a small fraction of over one-half of 1 per cent of the total number of such cattle in the United States will have any effect whatever upon the general level of cattle prices? Even a faint hope that levying such a duty would accomplish any real benefit to the American stock growers is not the motive which has caused this action. The real reason behind it is purely political. If there should be a general improvement in business conditions between now and the next election and if, along with other things, the market price of cattle should advance—and no one can more devoutly wish it than I—the Republican politicians want to be in position to say to the stockmen, "We placed a tariff on cattle, since which the price has advanced. You owe all that you have gained to the Republican Party."

SHEEP AND GOATS.

Sheep and goats are dutiable at a cent a pound. I have been unable to get exact figures on the number of goats, but the number imported was comparatively small. There are 45,067,000 sheep in the United States, and only 172,905 head were imported last year, or an importation equivalent to about 0.004 per cent. Consequently, all that I have said about this transparent effort to deceive the cattle growers applies with equal force to these bogus duties on sheep and goats.

SWINE.

Swine are to receive "protection" to the extent of a half cent a pound. The American people now own 865,633,000 hogs, and only 1,096 were imported in 1920. The obvious object of this tariff is to convince some man who owns a pig that for that reason he should vote the straight Republican ticket. I doubt, however, whether even one man so foolish can be found within the confines of the continental United States. [Applause on the Democratic side.]

POULTRY AND EGGS.

There are approximately 360,000,000 hens in the United States, which lay over 1,650,000,000 dozen eggs each year, so one might naturally expect that an effort would be made to placate the poultrymen by a pretense of protection. Great alarm has been expressed by some Republican Congressmen because during the year 1920, 1,708,701 dozen eggs in the shell and 29,022,577 pounds of eggs in bulk—equivalent to 21,505,700 dozen—were imported from foreign countries. Again, seeking for the relative proportions of this foreign competition, we find that it amounts to 0.014 per cent. The arrival of a cargo of Chinese eggs at a Pacific coast port may have a depressing effect on the local market, but surely no one will contend that a tariff of 6 cents a dozen or 4 cents a pound on so comparatively small an importation will have any appreciable effect on the price of eggs generally. The tariff of 2 cents a pound on live poultry and 4 cents on dead, if subjected to the same analysis, will be found to be equally futile, and after it goes into effect the American poultryman will soon realize the measure of this political deception.

CONDENSED MILK.

Condensed milk is another glaring example of a deliberate attempt to delude the dairymen. According to the Bureau of Markets, the total production of condensed milk in 1919 was 1,925,000,000 pounds, and 1,578,015,000 pounds in 1920. The imports of that commodity in 1919 were 16,268,949 pounds, and 22,903,145 pounds last year. Comparing the domestic production with the imports for 1920, we find that the latter equaled a little over one-tenth of 1 per cent. The Republican Party now offers its standard panacea for all business ills by fixing a duty of 1 cent per pound on this infinitesimally small amount of condensed milk from abroad, and if it advances in price will promptly claim all the credit. The question is, Will the American dairymen believe it?

BUTTER AND CHEESE.

Creamery butter to the extent of 863,577,000 pounds was produced in the United States in 1920. Adding 675,000,000 pounds made on farms, we have a total butter production of 1,538,577,000 pounds. The total importations of butter and butter substitutes for that year were 37,454,172 pounds, or equivalent to about two-tenths of 1 per cent. The imports of cheese in 1920 amounted to 15,933,725 pounds, or about 0.004 per cent of the American production of 362,431,000 pounds. These figures prove that proposed tariff of 8 cents a pound on butter and 5 cents a pound on cheese can not and will not have any noticeable effect on the average price of these commodities. Only those who believe that the moon is made of green cheese will still think so after this bill becomes a law.

HONEY.

Next we come to honey, which has declined in average price from 17 cents a pound a year ago to about 6 cents to-day. Some of the apiary owners asked for a duty of 5 cents a pound, but are granted 2½ cents in this bill. Owing to improved methods, the production of honey in this country has more than doubled in the past 10 years, and the Department of Agriculture estimates that over 300,000,000 pounds were made available for use last year. This commodity was among the first to feel the effect

of the "return to normalcy," but the honey producers were made to believe that foreign importations were the cause of the decline in price. The truth is that only 9,067,933 pounds of honey were imported in 1920, or 0.003 per cent of the home production, not taking into account 1,030,364 pounds which were reexported. Most of it came from Cuba and Santo Domingo, and the menace of increased importations is neither immediate nor serious. Honey will advance in price whenever we have general prosperity in the United States, and all this tariff tinkering is only to bamboozle the beekeepers.

HAY.

Some Republican Congressman must have said, "I have discovered that 202,648 tons of hay were imported last year, for which $2,081,537 in good American money was paid. If the hay growers should learn of this menace to their prosperity the Republican Party is ruined. Quick, raise the duty higher to protect them." And the majority of the Ways and Means Committee, appreciating the political emergency, fixed the rate at $4 a ton.

Fifty thousand acres of irrigated land in Maricopa County, Ariz., produced an alfalfa hay crop in 1920 worth $4,670,000, or over twice the value of all the hay imported during that year. I dare say that this is the first time that any man within the sound of my voice ever heard that statement, and no one seems to be wildly excited about it. It is equally true that not one hay grower out of ten thousand ever gave a moment's thought to the need for a protective tariff on hay. He does not need it. He does not care anything about it, and he will only jeer when some Republican spellbinder proudly boasts of this exhibition of love for the farmer. The facts are that last year 91,193,000 tons of hay, valued at $1,846,083,000, were cut and cured in the United States, and the importations equaled 0.0002 per cent of the total.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. HAYDEN. With pleasure.

Mr. CLARKE of New York. Was not there a tariff in the Underwood bill on hay?

Mr. HAYDEN. Yes. I voted for a tariff of $2 a ton on hay in the Underwood bill and I could vote for $4 or $6 per ton or for whatever rate will produce the most revenue. But no Democrat ever asserted that such a tariff extended any protection to the hay growers and no Republican should have the temerity to make such a claim.

OATS AND BARLEY.

A tariff on oats and barley was also carried in the Underwood law and has produced some revenue. In the name of "protectection" the duties have been increased in this bill. According to the Department of Agriculture 1,526,055,000 bushels of oats were grown last year and 6,728,200 bushels were imported. The exports were 55,294,479 bushels. Of barley the American production was 142,931,000 bushels; the imports were insignificant, being only 14,941 bushels; the exports were 17,854,227 bushels. A glance at these figures should convince any disinterested grain grower that even an absolute embargo on oats and barley would be of no benefit to him.

CORN.

Now, let us examine the much-talked-of tariff of 15 cents a bushel on corn and see whether partisan politics had anything to do with its appearance in this bill. Our total production of corn last year was 2,858,509,000 bushels, of which 16,728,746 bushels were exported. The imports for that year were over three times the imports of 1919 and amounted to 10,283,730 bushels. Anyone who knows how to divide one set of figures into another can readily determine that the total imports were but thirty-six hundredths of 1 per cent of the American corn production. In the face of these facts can it be seriously contended that the American corn growers are in the slightest danger of competition at home with foreign corn? The statistics that I have given conclusively prove that not a bushel of foreign corn competes with a bushel of corn raised in the United States, for we send abroad vastly more corn than we ship in.

WHEAT.

The proposed duty of 25 cents a bushel on wheat smells so rank that perhaps what it needs is a post-mortem examination with a dissecting knife. After we have cut away the political camouflage with which it is covered and get inside of the carcass we find that the wheat from abroad which competes with that grown by the American farmer amounts to fifty-one one hundredths of 1 per cent of the American production. The American wheat crop for 1920 aggregated 934,265,000 bushels and the imports amounted to 5,495,516 bushels, of which 151,816 bushels were reexported. The exports of American grown wheat were 219,864,549 bushels, or over 23 per cent of the crop, which conclusively proves that the price of wheat is fixed in the markets of the world and that no pop-gun paragraph in any Republican tariff bill can have the slightest perceptible effect on the price that the American farmer will receive when he drives up with a load of wheat to the grain elevator. Nothing but purblind politics could cause a denial that what I have said is true.

Mr. BACHARACH. Will the gentleman yield?

Mr. HAYDEN. Certainly.

Mr. BACHARACH. The gentleman states that he is in favor of a tariff for revenue only. The Underwood bill, which we are now still living under, was enacted into law at a time when the Government was expending about a billion dollars a year, and at the same time the Government indebtedness was about a billion dollars. To-day with $24,000,000,000 indebtedness and expenditures of $4,000,000,000, on the gentleman's theory it seems to me he should be in favor of even higher rates than those carried in the Fordney bill.

Mr. HAYDEN. I fully realize that there is greater need for revenue to-day than when the Underwood bill was passed. Since more money must be obtained to maintain the Government I am perfectly willing to raise a part of it at the customhouses, provided that in doing so the tariff favors extended do not greatly exceed the amount of revenue received. Any Democrat who stands squarely on the doctrine of a tariff for revenue only can cheerfully vote for practically all of the duties imposed by this bill upon the articles that I have mentioned. Many of these same commodities are dutiable under the existing Democratic tariff law. They are revenue duties and give protection to nobody. All talk about any real protection being extended to wheat or corn or any of the rest of them is pure piffle.

The majority report states that the object of a tariff on cattle and corn and wheat, and the other farm and range products that I have mentioned, is to stabilize the market price for such commodities. The idea is all very fine in theory, but it does not work in practice. A considerable number of farm products were dutiable under the Payne law, but the panic of 1907 occurred when that act was in full force, and those engaged in agriculture suffered like everybody else. The emergency tariff has now been in effect for about two months but has proved to be of little or no assistance to the stockmen or farmers. The average price of agricultural commodities has gone down instead of advancing, as was promised. The truth is that these duties were placed in this bill solely for political purposes in the hope that whenever prosperity returns the political party responsible for this legislation will be in position to claim the credit whether the facts justify it or not.

We have been told that the majority would submit figures showing the amount of revenue that will be produced by the various items in this bill, but that has not been done. I have endeavored to make some figures of my own, based upon the rates in this bill as applied to last year's importations and find that the revenue collected in driblets from these sources when added together makes up a considerable sum, which the Treasury needs and which I am glad to see collected in this way. The items as I have tabulated them are as follows:

Live stock	$400,000
Poultry and eggs	1,390,000
Butter	2,500,000
Condensed milk	225,000
Cheese	800,000
Honey	225,000
Hay	810,000
Oats and barley	65,000
Corn	1,540,000
Wheat	1,370,000
Total	9,825,000

There are a considerable number of other paragraphs in this bill which are legitimate revenue producers and for which a Democrat could vote with a clear conscience. Let me cite some instances where it is apparent that the larger part of the tax as levied will be collected at the customhouses for the use of the Government.

OLIVE OIL AND OLIVES.

One of the best examples is the duty on olive oil. Thirty million eight hundred and thirty-eight thousand pounds of such oil were shipped into the United States last year while we produced only 1,134,000 pounds. The proposed tariff varies according to the containers in which the oil is shipped from 6½ to 7½ cents a pound but at an average rate of 7 cents the aggregate amount of this tax will be $2,238,040 of which the Government will receive revenue to the extent of $2,158,660, and the producers and manufacturers of this oil will obtain $79,380.

While not in the same ratio we find a similar state of facts with respect to olives of which 4,777,975 gallons were imported in 1920. The total American production for that year is estimated by the Tariff Board at 1,500,000 gallons. At 20 cents per

gallon the total tax on the American consumers would be about $1,255,000, of which approximately $955,000 would be paid into the Treasury and $300,000 would go to the olive growers.

FIGS.

What I have said of olives is true in a varying measure of a number of semitropical fruits, of which figs are an example. Thirty-one million four hundred and thirty-seven thousand four hundred and thirty-eight pounds of that fruit were imported last year, and the domestic production was about 15,000,000 pounds. The tariff of 2 cents a pound on figs will levy a total tax of $920,000, approximately two-thirds of which will be revenue for the Government and one-third will be paid to the producers.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. HAYDEN. Certainly.

Mr. GREEN of Iowa. Is the gentleman in favor of a tariff on cotton for revenue only or for protective purpose?

Mr. HAYDEN. I propose to discuss that question from the revenue point of view in a few moments.

Mr. GREEN of Iowa. The gentleman is not able to answer now?

ALMONDS.

Mr. HAYDEN. A third example is almonds, where the importations for 1920 were 18,150,000 pounds, and about 11,000,000 pounds are grown in the United States. The figures I am giving are based on shelled almonds, and at 8 cents per pound the aggregate tax would be $2,532,000, divided between the Treasury and the growers in the proportion of $1,652,000 and $880,000.

RAISINS.

The best figures that I could obtain show that 336,000,000 pounds of raisins or dried grapes were produced in the United States last year, of which 53,312,126 pounds were exported. The imports were 4,639,169 pounds, so that here is another case where a little revenue can be collected by a tariff duty with practically no effect upon the price of domestic raisins.

ASBESTOS.

A good illustration of the discrimination in this bill in favor of the manufacturer and against the producer of raw materials is found by examining the free list, where we find unmanufactured asbestos, asbestos crudes, fibers, stucco, and sand admitted free of duty. Now turn to the sundries schedule, and the very first paragraph shows specific duties on manufactures of asbestos varying from 1½ cents per pound on short-fiber asbestos paper and millboard to $1.68 per pound on the finer grades of asbestos yarn. An examination of the hearings will show that this paragraph was written in exactly the form desired by the manufacturers. The rates of duty are slightly below what was requested, but are evidently high enough to afford ample protection.

The American production of asbestos in 1920 was 1,710 tons valued at $1,154,000, the mines being located in Arizona, Georgia, California, Idaho, and Vermont. The imports of asbestos for that same year, principally from Canada, were 149,605 tons valued at $9,120,253, so that a revenue duty of 20 per cent ad valorem would have produced nearly $2,000,000. The demand for asbestos products is increasing and such a tariff would annually produce a tidy sum which the Treasury sadly needs. Then why is there no duty on asbestos? The only answer is that the manufacturers asked that it be kept upon the free list. They want to buy their raw materials as cheap as possible, but every article they make is to be sold to the American people at a high price by reason of the protection afforded to them in this bill.

THE WAR MINERALS.

Chrome ore is also on the free list at the request of those who use it, but some revenue could be derived therefrom with but little incidental protection because the imports were 150,275 tons and the domestic production for 1920 was only 2,502 tons.

As a Democrat, I can support an import duty on manganese and tungsten ores. Only 767,000 tons of manganiferous ore was produced in the United States last year while 12,230,922 tons were imported. Tungsten ores are in a similar situation with 216 tons produced and 1,740 tons imported. These are among the so-called war minerals and are in a class by themselves, as was recognized by the late Secretary of the Interior, Franklin K. Lane, who urged their production in the United States as a measure of national defense.

LEAD AND ZINC.

The American production of lead for 1920 was 955,698,000 pounds, and the lead content of the ores imported that year was 125,592,419 pounds, so that the importations equaled over 13 per cent, which is enough to affect the American market. The people of the United States are the largest consumers of lead metal which causes a conflict between their interests and the desire of the lead producers for a high price whenever the tariff rates are changed. In the case of zinc, about 900,000,000 pounds were produced while the imports were only 44,974,000 pounds, so that the foreign competition does not have a great effect on the price. The zinc producers consequently have less interest in a tariff on this commodity than they have been led to believe.

CRUDE OIL.

The tariff on crude oil as proposed in this bill can not be justified from a revenue point of view. The latest figures I could obtain show that during 1920, 443,402,000 barrels of crude petroleum were produced in the United States, and that 106,175,000 barrels were imported during that year. The tariff of 35 cents per barrel will lay a tax of $192,351,950 on the American users of petroleum and its products. The division of the proceeds of this tax between the Federal Treasury and the American oil producers is a typical instance of an import duty taxing the American people $5 in order to obtain $1 of revenue, the apportionment being $37,161,250 to the Government and $155,190,700 to the oil interests.

There is another fundamental objection to a tariff on crude petroleum. Whether they are correct or not, the best geologists assert that there is a limit to the amount of oil that can be found in the United States, and following their advice Congress passed an oil leasing bill to conserve the oil resources of the public domain. It is therefore manifestly unwise and improvident to artificially stimulate the production of oil in this country. Instead of doing so this Government should encourage Americans to go into foreign fields and develop additional supplies of petroleum for industrial uses in the United States.

COTTON.

There has been considerable discussion about a tariff on cotton. The latest figures from the Census Bureau give the total crop of 1920 as 13,439,603 bales of 500 pounds each. The Department of Agriculture states that the American production of cotton having a staple 1 1/16 inches long or longer amounts to about 500,000 bales. A duty on short-staple cotton can not be justified from any standpoint, for it will neither provide revenue nor afford protection. In ordinary years this country exports more than half of the cotton produced, and the lack of a market abroad for the 1920 crop is one of the chief causes of the present distressing financial situation which affects the prosperity of all of our people.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. HAYDEN. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. Where does the gentleman get those figures?

Mr. HAYDEN. From the Bureau of Crop Estimates.

Mr. GREEN of Iowa. Five hundred thousand bales of cotton?

Mr. HAYDEN. Having a staple of 1 1/16 inches or longer.

Mr. GREEN of Iowa. I thought you said 1⅛. I misunderstood the gentleman. You produced in Arizona last year only about 100,000 bales.

Mr. HAYDEN. The total importations of cotton in 1920 were 682,911 bales, of which about 500,000 bales was long-staple cotton having a fiber of 1 1/16 inches or more. Any kind of a duty on short-staple cotton would result in most of it being shipped direct to Europe, so that but little revenue would be derived therefrom. Five hundred thousand bales of domestic production, weighing 500 pounds each, makes a total of 250,000,000 pounds, so that the imports and the domestic production are about equal. By adding together the American production and the imports of long-staple cotton we find that if a duty of 10 cents a pound, as recommended by the Department of Agriculture last April, was levied, the total tax on the American consumers would be $50,000,000, of which $25,000,000 would be paid into the Treasury and $25,000,000 would go to the American producers.

REVENUE FROM TARIFF ON EXTRA LONG-STAPLE COTTON.

If it is the desire of Congress to levy a duty on cotton which will bring in more revenue to the Treasury than the growers would receive it is necessary to specify that imported cotton having a length of staple of 1⅛ inches or more shall be taxed. Of that kind of extra long-staple cotton 126,868,000 pounds were imported from Egypt last year and 46,280,000 pounds were produced in the United States. Egyptian cotton is principally used in the manufacture of high-priced products, such as cord automobile tires, fancy dress goods, and fine thread. A tax of 20 cents a pound could reasonably be imposed, which would amount in the aggregate to $34,629,000, of which $25,373,000 would be revenue for the Government and $9,256,000 would be an indirect subsidy to the American growers of the Egyptian type of cotton.

A duty of 20 cents per pound on cotton having a staple of 1⅛ inches or longer can be fully and completely justified from a revenue standpoint. Large quantities were imported at an average value of a dollar a pound to supply a demand principally created by the manufacture of automobile tires in which America leads the world. If the tire makers could afford to pay that price for such cotton during the war they can well afford to pay half as much in peace times. This extra long staple cotton can be profitably produced in Egypt for 30 cents a pound under normal conditions. A tariff of 20 cents would make this cotton cost the American manufacturers 50 cents per pound. Everyone agrees that the growers of short-staple cotton in the South must have a minimum price of 20 cents a pound and that if at least that much is not obtained for it their farms had better be planted in other crops. All those who use it also agree that for manufacturing purposes cotton of a staple of 1⅛ inches or over is intrinsically worth two and one-half times as much as cotton of 1 inch staple or shorter. This ratio, based upon short-staple cotton at 20 cents, makes the long-staple cotton of which I am speaking worth 50 cents a pound.

VALUE DEPENDS ON LENGTH OF STAPLE.

Let me digress long enough to impress the House upon the marked difference in value made by a sixteenth of an inch in the length of staple. The New Bedford Standard of June 12 contains this statement in its cotton market report:

Based on strict middling white cotton classed as to staple on a very high standard of stapling, market levels for the week are as follows:
Inch and an eighth, 18 to 20 cents.
Inch and three-sixteenths, 21 to 24 cents.
Inch and a quarter, 24 to 26 cents.
Inch and five-sixteenths, 26 to 29 cents.

During that same week sea island cotton having a staple of 2 inches or over sold at from 40 to 45 cents per pound, while middling upland cotton having an average staple of three-fourths of an inch sold at 11¼ to 11½ cents. The cry of distress which has gone up from the South by reason of this price for short-staple cotton makes it certain that the southern people will greatly curtail their production if 20 cents a pound or more can not be obtained.

MANUFACTURE OF CORD AUTOMOBILE TIRES.

I said that the tire manufacturers could afford to pay 50 cents a pound for extra long staple cotton. Let me prove it. A few months ago one of the large tire companies issued a statement that with an average of 33,000 employees they had a daily output of 30,000 tires, so that the labor cost per tire was only 10 per cent above the average daily wage as then paid. The distribution of the cost of materials for a 30 by 3½ inch cord tire was said to be as follows:

5¼ pounds of long-staple cotton	$5.50
Crude rubber	5.35
Short-staple cotton in fiber	1.00
Miscellaneous pigments	.70
Total cost of materials	12.55
Manufacturer's price for tire	28.45
Value added by manufacturer	13.90
Labor cost per tire (estimated)	8.00
Manufacturer's profit	5.90

With the labor cost reduced 20 per cent and the raw materials reduced 50 per cent and with no reduction in the manufacturer's profit this same tire could be sold at $10 less than it was a year ago, but the reduction in price has not been that great. The prices of the raw materials have all declined more than 50 per cent as is thus shown:

	March, 1920.	June, 1921.
Long-staple cotton, per pound	$1.26	$0.31
Short-staple cotton, do	.41	.11
Crude rubber, do	.49	.16

The figures that I have quoted will convince any fair-minded man that the American tire manufacturers can pay 50 cents a pound for long-staple cotton and 20 cents a pound for short-staple cotton and still successfully compete with all the world. But they are not required to do that, because this bill as now written gives them protection against tires made in foreign countries by a duty of 20 per cent ad valorem and more automobile tires are used in the United States than in all the rest of the world combined. Neither would the New England makers of tire fabrics be injured by having to pay 50 cents a pound for long-staple cotton, because they have likewise been cared for with a duty on their product of 25 per cent ad valorem.

MANUFACTURERS OF FINE FABRICS PROTECTED.

Objection will, of course, be made by those who manufacture fine fabrics out of long-staple cotton, but anyone who reads the cotton schedule in this bill will readily see that this protest has been answered in advance. Every kind of cloth made of long-staple cotton is given not only a high duty per pound but additional protection is afforded by a tariff based upon the thread count and a double cinch is added to this protection saddle by providing that in no event shall the duty be less than an ad valorem rate which goes as high as 33⅓ per cent, based upon American valuation. Long-staple cotton of the Egyptian type is best adapted to mercerizing and other processes which give finish to cloth and cause it to resemble silk. Its exceptional clearness as well as its capacity for taking dyes fits it for mixing with silk and for filling sateen, India linen, and similar goods having a brilliant surface. All such goods are semiluxuries which can stand a substantial tax. The Federal Treasury was never in greater need of funds, so that any Democrat can unhesitatingly support the tariff of 20 cents a pound on extra long-staple cotton that I have proposed.

Mr. LAZARO. Will the gentleman yield for a question?

Mr. HAYDEN. With pleasure.

Mr. LAZARO. We have heard short-staple cotton discussed for some time. What is the gentleman's opinion as to the duty on Asiatic oil that comes in competition with cottonseed oil?

Mr. HAYDEN. I have not had time to study the figures of the domestic production and the importations and for that reason I can not make a comparison as I have in other cases to ascertain whether a tariff on Asiatic oils would be of more benefit to the Treasury of the United States than to the American producers.

Mr. LAZARO. The gentleman knows that every cotton grower who sells a bale of cotton weighing 500 pounds has 1,000 pounds of cotton seed to sell, and the price of cotton seed, of course, is based largely on the price of cottonseed oil, is it not?

Mr. HAYDEN. Certainly. But the difficulty is that one vegetable oil may be substituted for another and even for animal fats and oils, so that the whole subject is quite complicated. Time has not permitted me to make a complete analysis of all the factors which must be weighed and considered if a proper conclusion is to be reached.

I now want to briefly discuss the effect of a tariff tax upon a number of commodities with respect to which there is an honest difference of opinion among Democrats. These divergent views are principally caused by the fact that in many cases the relationship between the volume of imports and the domestic production is such that it is hard to determine whether more incidental protection is granted than revenue is obtained. It is over articles in this twilight zone that a large part of the tariff debates of the past have been devoted.

HIDES.

One of the schedules of the bill which has been opened to amendment by the grace and condescension of the majority is that relating to a duty on hides. It is difficult to get exact figures, but the Bureau of Animal Industry estimates the average animal production of American cattle hides for the past 10 years at 627,769,000 pounds and the average importation for the same period at 445,133,000 pounds. I do not know what kind of an amendment will be offered by those who are in control of the procedure of the House, but consistency would require that they at least fix the duty at the same rate whether the hide came into the United States on the back of a live steer or whether the steer was skinned in some foreign country. In that event the tariff would be a cent a pound. Adding together the total average production and the total imports we find that the total tax would be $10,729,000, which can be roughly divided as four-tenths to the Treasury and six-tenths to the American producers.

I am frank to confess that from a revenue point of view such a tax is of doubtful virtue. At least it is in the doubtful class where a Democrat must stretch his conscience somewhat if he voted for it as a part of a general bill where revenue and not protection was the prime object. But as a part of this bill, which in many instances grants $5 of protection to where $1 is collected in revenue, a duty on hides of much more than 1 cent per pound might be truthfully held as a paragon of moderation.

Mr. GREEN of Iowa. Will the gentleman yield there?

Mr. HAYDEN. Certainly.

Mr. GREEN of Iowa. Does the gentleman favor that kind of a tariff?

Mr. HAYDEN. I shall vote for a reasonable tariff on hides as a part of this bill, but I am opposed to any duty on shoes or leather, because practically none are imported, and therefore no revenue would be collected.

FRESH MEATS.

The tariff of 2 cents a pound on fresh beef and veal will probably be looked upon with favor by the cattle growers of the United States provided, however, that it results in a proportional increase in the price of live cattle. I understand that about 7,500,000,000 pounds of fresh beef and veal are annually produced in this country, and 89,649,140 pounds of fresh beef were exported in 1920, together with about three times that much of other beef products. The imports of beef and veal for that year were only 50,182,105 pounds, so that it is hard to see how this change in the tariff will have any material effect upon the cattle prices.

MUTTON AND LAMB.

The duty of 1½ cents per pound on fresh mutton and 2 cents on fresh lamb may be of benefit to sheep owners, but that remains to be seen. Last year about 600,000,000 pounds of American mutton and lamb were made available for consumption in this country and 101,168,319 pounds were imported in a frozen state. This was over five times as much as the ordinary importations. Two cents a pound is $1.40 on a 70-pound spring lamb, *if the flockmaster gets it.* We must not forget that the meat packers are the first to be directly shielded from foreign competition in the sale of frozen carcasses of mutton and lambs, and that the American producer can obtain no more of this protection than the packers pass on to him. We can only judge the future by the past, and will anyone be bold enough to say that the business history of the packing-house industry warrants the simple faith that any profit will be voluntarily shared with the stock growers?

WOOL.

When the Underwood bill was under consideration I voted against placing wool upon the free list. I could not see then and I do not see now any good reason for collecting revenue on woolen manufactures and refusing to do so on raw wool. Particularly is this true when more incidental protection is afforded to the manufacturer than to the woolgrower. The total consumption of wool in the United States for 1920 was 715,821,028 pounds, of which 301,516,331 pounds were produced in this country and 414,304,697 pounds came from foreign countries. A duty of 10 cents a pound on wool in the grease, which is about the average rate proposed in this bill, would lay a total tax on the American consumers of $71,582,000, of which $41,430,000 would be paid into the Treasury for the support of the Government and $30,151,000 should accrue to the American flockmasters. The Tariff Commission states that the duty of 11 cents per pound in the Payne law had the effect of making American wool sell on the average of 8 cents a pound more than the price of similar wools in the English markets, so that the actual subsidy to the woolgrowers would not be as great as $30,000,000. It is certain, however, that a much larger subsidy than that will accrue to the American manufacturers of woolens under the terms of this bill.

THE AD VALOREM JOKER.

The woolgrowers of the West have discovered the joker contained in paragraph 1102, which first levies a duty of 25 cents per pound of clean content and then provides that the duty shall not be higher than 35 per cent ad valorem. The report of the Tariff Commission states that during the past six years the average shrinkage of Arizona wools has been 64 per cent. This leaves 36 per cent of scoured wool per pound on which the tariff is 9 cents, as compared with 15 cents in the emergency tariff act and 11 cents in the Payne law. The proviso limits the total duty to 35 per cent of the American price of wool, so that protection to the extent of 9 cents is granted when Arizona wool is selling for 26½ cents or more. But if the market price should be but 20 cents, for example, the duty would be reduced to 7 cents per pound.

WOOLEN MANUFACTURERS PROTECTED.

By reason of the American valuation provisions of the bill the customs duty on woolen manufactures are equivalent if not higher than the rates provided in the Payne Tariff Act of 1909. The principal schedules per pound are as follows: Waste, 25 cents; noils, 16 cents; shoddy, 14 cents; yarn, from 20 cents and 15 per cent ad valorem to 30 cents and 20 per cent ad valorem; woven fabrics from 30 cents and 22 per cent ad valorem to 36 cents and 27½ per cent ad valorem; blankets from 20 to 30 cents and 20 per cent ad valorem; clothing from 20 cents and 25 per cent ad valorem to 36 cents and 30 per cent ad valorem. The authors of this bill were careful to make sure that the woolen mills of the East were fully protected from foreign competition, but fixed a limit on the benefit to be conferred upon the American producers of raw wool.

LEMONS.

The tariff on lemons has been the subject of much dispute and the Underwood rates are to be increased by this bill. The estimated production of lemons for 1920 was 6,000,000 boxes, valued at $17,400,000. The lemons exported were valued at $1,371,848 and the imports were worth $2,437,802 or equal to about 14 per cent of the American crop. Undoubtedly the importations are large enough to affect the lemon market in this country to some degree, but it is doubtful whether the lemon growers will benefit to the extent that they were led to believe by this increase in the tariff. The chief handicap under which they labor is the high railroad rates that must be paid to reach the eastern markets. I am sure that much more good will come from the establishment of a line of refrigerator ships to be operated via the Panama Canal than from this raise in the tariff, which if it accomplishes what was promised, levies a tax upon the American consumers of $7 in order to collect $1 of revenue. Any industry that can not exist without such a subsidy is in a precarious situation, because, even under the Republican tariff theory, the time must eventually come when it will no longer be an "infant." If the American people are prosperous they will pay a good price for lemons. If times are dull the opposite is true. The lemon growers should not delude themselves into the belief that a tariff bill which is bad for the country as a whole will be particularly beneficial to them.

NO INFORMATION FURNISHED BY THE MAJORITY.

I have experienced no little difficulty in compiling the figures on the several duties that I have discussed. They were obtained from various governmental sources. As to their accuracy I can only say that I have exercised as much care as was possible in a limited time, and I am sure that in most cases the statistics given are correct. It is to be regretted that the majority of the Committee on Ways and Means, with the larger facilities at their command, did not see fit to furnish the House with more information.

Read the justification for schedule 7 of this bill entitled "Agricultural products and provisions," search it with a microscope if you will, and no man can find a comparison in figures showing the total quantity of any farm or range product with the importations and exportations of the same. The only figures on the three pages, which teem with expressions of sympathy for the farmer, are at the very beginning, wherein it is stated that 30,000,000 of our people are engaged in agriculture. The first thought of the authors of the report was of the number of people who might be made to believe that they should support the Republican Party by reason of the favors granted in this bill. The concrete facts that would justify such a course of conduct on election day are conspicuous by their absence.

I regret that the limitations of time and human endurance have not permitted me to go further into the details of this bill, but I can assure gentlemen on the Republican side of the House that whatever tariff law is finally enacted will be thoroughly examined into so that the American people may know who gets the white meat, who gets the drumstick, and who gets the neck when this protection chicken is carved and the portions passed around. [Laughter.]

MANUFACTURING STIMULATED AT THE EXPENSE OF AGRICULTURE.

Republicans boast of the great industrial benefits that have been conferred by the protective tariff laws that were in force from 1865 to 1913, except during brief periods. But what has been the larger effect upon the country? It is true that manufacturing has been artificially stimulated, but there was free trade in labor during all that time, with the result that millions of foreigners came to the United States who are yet far from being Americanized. The cities have expanded in population by this influx. Millions of people have been crowded together in industrial centers, and vast numbers of them are compelled to live in insanitary tenements. The high standards of American citizenship have been lowered, and political corruption is common as a result of these conditions.

In the meantime agriculture has not prospered as it should. A large proportion of the young men and women of America has been lured away from the farm to the factory to become wageworkers, dependent upon the bounty of an employer, and haunted always with the fear that they may lose their jobs. The people of the United States have at last awakened to the seriousness of this menace. The production of foodstuffs has not kept pace with the increase in population, and unless some radical change takes place the time is not far distant when America can not feed herself. I ask in all seriousness, Will the passage of an old-fashioned tariff bill which extends much

protection to manufacturing and but little or none to agriculture be helpful or harmful to the country as a whole?

A TARIFF FOR ALL OR A TARIFF FOR NONE.

I think I know the attitude of the average American farmer and stockman toward the tariff. He has been repeatedly told that it was good public policy to tax all of the American people in order that manufacturing might flourish. That in some way, not exactly clear to him, he would ultimately get his fair share of the industrial prosperity thus artificially created. But he does not get his share. For a long time he accepted these conditions. Now he has united with millions like him in the demand that if there is to be a tariff for one, there must be a tariff for all. He will not be content with the crumbs upon the plate when the protection pie is passed around. And no political party can long deceive him with talk when he is looking only to results. One of two things is going to happen. Either that third of our population which is engaged in agriculture will actually secure the same measure of protection for themselves as has been heretofore granted to the manufacturers or they will tear the whole scheme to shreds and tatters and nobody will have any of it.

The authors of this bill have not been entirely blind to this change in sentiment. The bill is constructed along the old lines which make it easy to fix the duties so that the manufacturers are satisfied, and here and there they have added rates of duty which they fondly hope will likewise satisfy the producers of raw materials. But time will soon disclose the utter futility of attempting by a tariff to boost the price of wheat or corn or short-staple cotton and the numerous other farm and range products where the importations are negligible and the surplus must be sold abroad.

The farmers and stock growers of America are on the alert. They are perfectly willing to give this bill a fair trial, but if it ends in a fizzle, as the emergency tariff act has done, this will be the last one of its kind that will ever appear upon the statute books. [Applause on the Democratic side.]

The Republican policy of protection is based upon granting favors by law to a part of the people. If everybody received a square deal, if absolute equality in the measure of protection were possible nobody would gain any advantage. But under the business and economic conditions as they actually exist, and will continue to exist, such equality is impossible. The gentleman from Michigan [Mr. FORDNEY] gave a good illustration the other day when he said that a tariff of $10 a pair would not raise the price of shoes. Of course, it would not, because we export more shoes than we import. My only other comment is that he should bear the same thing in mind when he talks of a duty on wheat.

Protection as applied in this bill means that the majority shall be taxed for the benefit of the minority, and the time is at hand when most of the people are going to find it out. When they do they can reach no other conclusion than that the proper use of the customhouse is to collect revenue and that any scheme which taxes the people from three to ten dollars in order to get one dollar into the Treasury can bring no real or lasting prosperity to the great mass of American citizens.

The Democratic Party has shown in the past and will demonstrate in the future that it can enact tariff laws which are fair to the Nation as a whole by living up to the eternal principle that it is wrong to tax all of the people for the benefit of a part of the people. "Equal rights to all, special privileges to none" is a platform based upon common honesty. As a political party it will live and administer the Government when the party of protection has gone the way of all others who forgot the many to serve the few. [Loud applause on the Democratic side.]

Mr. COLLIER. Mr. Chairman, I yield 30 minutes to the gentleman from Kentucky [Mr. BARKLEY]. [Applause.]

Mr. BARKLEY. Mr. Chairman and gentlemen of the committee, I do not know that I shall occupy the entire time allotted to me at this hour. I appreciate the fact that it is quite an imposition on the patience of the House to ask it to listen to anybody speak at this time in the evening. But I desire to call the attention of Members to some of the incongruities contained in this measure, and I offer that as a reason for taking the floor at this time.

In my opinion there has never been a tariff bill—and I doubt if there has ever been any sort of bill—presented to this House for consideration which was so little understood by the average Member as the bill now under consideration. The bill was brought in about the 1st of this month, after about three hours consideration by the Republican conference, which is the only consideration the average Republican Member was permitted to give to it, and it was brought in under such circumstances that no Member has had time to digest it, to do more than merely read or to find out what the various schedules are or what effect they will have upon the business and the welfare of the masses of the Nation.

The bill apparently has been framed by throwing together a sort of crazy-quilt arrangement of taxes and duties which may appeal to various local communities of the United States, the design being to secure the unanimous support upon the Republican side and to toll off as many Democratic votes as possible. But three or four years ago President Wilson made a statement that the Republican Party had not had a new idea in 30 years. He might have made that statement still broader. He might have said it had not had a new idea since the Civil War, for without regard to the evils, without regard to the character of ills that beset the Nation, the Republican Party always comes forward with the same remedy—a high, prohibitive, protective tariff. It does not yet realize that the world has undergone a tremendous change. It does not realize that our position as a nation has been reversed from a commercial standpoint, and that we are a great creditor Nation, with other countries indebted to us enormously, and with no power to pay that indebtedness except by the exchange of their goods for ours, or for cash.

In the past, it mattered not whether the country needed currency reform or amendments to our antitrust laws or any other legislative need to cure specific evils, the Republican Party has always come forward with the same remedy, no matter what the ill might be. Mark Twain said that back in Hannibal, Mo., where he lived when a boy, the physicians always practiced by the year. They practiced in a family for $25 a year, sick or no sick, and the remedy for all diseases was a dipperful of castor oil, followed by a gourd full of New Orleans molasses to take the taste out of the patient's mouth.

Now, I am not a physician nor a prognosticator nor a diagnostician, but I will make the prediction that if the same remedy is applied to take the taste out of the mouths of the American people after this bill is enacted, our Louisiana friends need have no worry on account of their losses from sugar, for they will make up on New Orleans molasses all the losses they have sustained on account of sugar. [Laughter.]

We have just come out of a world crisis, and we have come out of that world crisis a very different Nation from what we were prior to 1914. We were and always had been hitherto a debtor Nation. Our financial institutions were required to go to Europe in order to obtain the finances with which to expand our business and add to our facilities for the employment of men in the United States. But since that war has been fought and won we are no longer a debtor Nation. No longer do the representatives of our banks and our railroads and our great manufacturing institutions travel across the Atlantic Ocean to borrow money from the financiers of the Old World, but on the contrary all the nations of the Old World are coming to the United States to borrow money with which to add to their facilities for expanding their industry and giving employment to their men.

To such an extent has this been true that I have been repeatedly told—and of course it is true—that the Old World owes the United States over $14,000,000,000, more than $10,000,000,000 of it being represented by loans made to them by the Treasury of the United States and $4,000,000,000 being represented by money due to the business institutions of the Nation from similar institutions in foreign countries.

We have repeatedly asked the gentlemen on the Republican side, How is Europe to be expected to pay this enormous debt unless Europe is permitted to ship its commodities to the United States? But to this good hour no man has answered that inquiry. Up to this hour nobody has explained how this is to be done. But when we have pressed the question for an answer, gentlemen who have spoken on the other side trying to defend this measure have said they would rather see the entire debt of Europe to this Nation canceled than to see our markets opened to European goods. And I see, or think I see in that, the beginning of a propaganda on the part of the Republican Party in favor of the cancellation of the allied debt which European nations owe to the United States. If the $10,000,000,000 now due to the Government of the United States from foreign Governments, a debt on which not a dollar of interest has been paid for four years, were paid by the European nations, it would result in the reduction by that much of our bonded debt at the present time, and if the interest were paid, it would result in the reduction by more than $500,000,000 a year in the taxes of the people. That would be the result if Europe were enabled to pay this debt to the United States.

How long will it take, I ask our Republican friends, under this bill, which has been presented here as a remedy for all the evils that beset the Nation at this time—how long will it take under that measure for the American laboring man to make

more money in the aggregate than he is able to make now in order to make up the $14,000,000,000 that you express such a willingness to see canceled?

I do not know when this bill will become a law. I doubt seriously if it ever does. Last year we had an election. I dare say the tariff was not discussed in one out of any hundred stump speeches made in the United States. It was an unusual campaign. You won by an enormous majority, because you not only took advantage of, but encouraged, every disgruntled, dissatisfied, and disloyal element in the United States, and where you did not openly encourage it, you winked and nodded at it, as much as to say, "If you put us in power we will remedy the thing you are sore about, no matter what it may be." [Applause on the Democratic side.]

And so you appealed to every discredited, disgruntled, dissatisfied, and restless element in the Nation, not on the theory of the tariff. You did not promise them this bill. You promised them an indefinite and inchoate change, and by reason of the reaction growing up as a result of the war you won by an enormous majority; and the very first thing that the American people expected of you, and the thing that you promised them more definitely than anything else in that campaign, was a substantial reduction in the cost of Government and a substantial reduction in the internal taxes that are now being levied upon the people. Notwithstanding the fact that the world is in confusion, notwithstanding that the world wants peace, notwithstanding that the world wants a cessation of the senseless waste in the expenditure of governmental funds, you come in after four months of the extra session with this old stalking horse, this same old dipperful of castor oil, to be followed by something else later in an effort to take the taste out of the mouths of the American people. [Applause.]

How are you going to do it? We have been told in a sort of indirect and circumlocutory way that this bill is to be sidetracked when they get it over in the Senate and that you are going to bring in a revenue bill. When this bill gets into the Senate, I wonder if the President is going to march in, like Napoleon returning from Elba, and order the Senate committee, after it has worked two or three months on this bill and is in the act of considering it on the floor of the Senate—I wonder if he is going to march in at the psychological moment, when the morning hour has expired and the hour for the unfinished business arrives, and order the Senate to recommit this bill to the Committee on Finance, as he did the other day with respect to the bonus bill?

And I remember another issue that you raised in the last campaign. That was the so-called one-man government. From one end of the land to the other you rung the changes on one-man government, on one-man power; and I recall that the President himself, who was then the candidate of the Republican Party, made a speech during that campaign in which he said that if elected President of the United States he proposed to put an end to one-man government in this Nation. And he now puts an end to one-man government by entering into a debate on the floor of the Senate and giving his instructions from the Vice President's stand to recommit a bill which had been almost unanimously reported from the Finance Committee, and which, with a vote of only 3 or 4 against it, had been made the unfinished business of the Senate. He ordered the Senate to recommit that bill to the Committee on Finance.

While President Wilson came before Congress many times to recommend legislation or legislative action, I challenge any Republican to point to any message of his, or any deliverance of his, or any message of any other Democratic President since the foundation of the Nation, that was so unusual, so exceptional, and so arbitrary as the performance of President Harding in the Senate only day before yesterday.

And then we have our Ways and Means Committee of this House, after much deliberation and considerable mental travail, no doubt, among the Republican members, voting for a tax on oil, by a vote of 9 to 8. By a vote of 9 to 8 you recognized the fact, which I suppose nobody will dispute, that while six months ago crude oil in Oklahoma and Texas was selling for $3.75 a barrel it is now selling for about 75 cents a barrel. And immediately after the Ways and Means Committee had voted a tax of 35 cents a barrel on crude oil and 25 cents a barrel, I believe, on fuel oil the State Department was persuaded that oil is a very important matter in our diplomatic relations, and it was urged to protest to Mexico against a levy by the Mexican Government of a tax of 25 cents a barrel on export oil from Mexico. Then, we have rumors that there has been a letter written to the chairman of the Ways and Means Committee since that committee put this tax on oil. I do not know how that letter came to be written. The President had a right to write it; but some time back in June the chairman of the Ways and Means Committee made a trip to the White House to confer with the President on the subject of lumber. Nobody knows just what happened in that conference except as the gentleman from Michigan [Mr. FORDNEY] himself gave it out. The Washington Herald reported the interview between the President and Mr. FORDNEY something like this:

President Harding will stand back of the permanent tariff bill as drafted by the Republican members of the House Ways and Means Committee, Chairman FORDNEY of the committee declared last night after a talk with the President.

The conference resulted from an interview obtained by members of the Minnesota congressional delegation with the President earlier in the week to protest against the duty on finished lumber as incorporated in the bill now under preparation. At that time Mr. Harding promised to consult with Representative FORDNEY relative to the matter.

While Mr. FORDNEY would not disclose just what the President said to him with reference to the duty on lumber, he made it plain that he expected no trouble from the White House on that score.

"The President told me that he is with me on everything I do," said Mr. FORDNEY.

One of the things he did was to put a tariff of 35 cents a barrel on oil. We know that after the Ways and Means Committee reported this bill we find the President writing a letter to the chairman protesting against one of the things he had done, to wit, the taxation of oil coming in from Mexico to the United States. I wonder how many other things the President will disagree to before this bill becomes a law?

Mr. WINGO. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. WINGO. They seem to be puzzled down in Mexico as to what the policy of the administration is. You say the President has abandoned Brother FORDNEY on oil?

Mr. BARKLEY. Yes; on the ground that whereas we used to have dollar diplomacy we have now oil diplomacy.

Mr. WINGO. Is the gentleman sure that he will stand hitched? I see by the paper that Brig. Gen. Sawyer rode a saddle horse this afternoon and he had not been on one for 35 years. Does the gentleman know whether there was any connection between that——

Mr. BARKLEY. I think the whole world will sympathize with that animal.

The action of the Republican Party in this emergency establishes the fact that there is no mental vision or elasticity in the party. It knows but one thing to do, no matter what the character of the trouble. Pass a tariff bill and claim to have rescued the country. Has wheat gone up anywhere in the United States by reason of the tariff on wheat in the emergency tariff bill? You placed a duty on corn. Has anybody been able to discover any increase in the price of corn in the United States? Let us see about the corn situation, and in order that I may emphasize what the gentleman from Arizona said a while ago, let me say that last year we produced in the United States 2,850,000,000 bushels of corn.

Do you know how much corn has been imported into the United States from 1867 to 1920? From 1867 to 1920 the total amount of corn imported into the United States was 46,933,000 bushels. Last year alone we produced in the United States more than 2,800,000,000 bushels, and since 1867 we have only imported 46,000,000 bushels into the United States. From 1867 to 1920 we have imported into the United States altogether 99,000,000 bushels of wheat. From 1867 to 1900 is 54 years, and you have imported into the United States in that time 99,000,000 bushels of wheat, and yet we raised 934,000,000 bushels of wheat last year. Anyone who will take those figures and tell the farmers of the United States the literal truth will demonstrate that by this tariff the farmer is, as usual, being seriously buncoed by the Republican Party.

Mr. WINGO. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. WINGO. I remember when the emergency tariff bill was under discussion they assured the wheat grower that the emergency bill would make the price of wheat go up, but the other day the gentleman from Kansas [Mr. TINCHER] said that they did not expect it to go up, but they prevented it from going down. I would like to have them advise me whether or not they expect the price of any article covered by the tax in this bill to go up or remain as it is now or reduce the price. I do not know what their theory is.

Mr. BARKLEY. I have listened patiently to all the speeches made by the Republicans on this bill, and I must confess that my mental processes are not equal to finding out what they expect. Their theory is that they claim when the bill is being passed that it will raise the price of the product to the farmer, and then when it fails they claim that it kept it from going down. Their theory is that they will be able to increase the price of the raw product of the farmer and by the same process reduce it to the consumer. The gentleman from Michigan in his speech complained that wheat is selling for $1.10 a bushel and

that he had to pay $10 or $12 a barrel for flour. He complained that there is too much margin between the price of wheat and the price of flour, and when asked by the gentleman from Texas [Mr. GARNER] what the Republican Party had done to remedy that situation, the gentleman from Michigan held up this bill and asked the gentleman from Texas if he had ever seen it, amid great Republican applause.

This bill puts a tariff of 25 cents a bushel on wheat and 50 cents per 100 pounds on flour. If the Republican theory is correct, then the price of wheat ought to advance by just 25 cents a bushel and the price of flour ought to advance about $1 a barrel. How do you expect the consumer to be benefited by that process? How do you expect to bridge the chasm between the price of flour and the price of wheat, to make them come closer together, by raising the price of each in the same proportion? But every honest man knows that your tariff on wheat will not help the farmer, but your tariff on flour will hurt the consumer.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. GREEN of Iowa. How much wheat did the gentleman say had been imported since 1867?

Mr. BARKLEY. Ninety-nine million four hundred and ninety thousand seven hundred and forty-four bushels.

Mr. GREEN of Iowa. Is the gentleman aware of how much was imported from Canada alone in the last 11 months ending with May?

Mr. BARKLEY. I have not those figures ending with May.

Mr. GREEN of Iowa. Over 50,000,000 bushels.

Mr. BARKLEY. Where did it come in? It is an unusual thing that in 54 years we have been able to import from all the world only 99,000,000 bushels and in the last 11 months there have been brought into the country from Canada 50,000,000 bushels.

Mr. GREEN of Iowa. I said in the 11 months ending in May.

Mr. BARKLEY. That is not a year.

Mr. GREEN of Iowa. It is one month less than a year.

Mr. BARKLEY. I still maintain that it is a remarkable thing that half as much wheat was brought in in those 11 months as was brought in during the 54 years prior to that time. And, in spite of the fact that during the past 54 years only 99,000,000 bushels have been imported, you have tried to fool the farmer by placing a tariff on wheat.

Mr. GREEN of Iowa. Here is the official report for it.

Mr. BARKLEY. And here is the official report about the whole period of 54 years, taken from the Statistical Abstract of 1920, prepared by the Department of Commerce.

Mr. GREEN of Iowa. But it did not take into consideration recent conditions.

Mr. BARKLEY. How much has been coming in since the 1st of May? How much since you enacted your so-called emergency tariff?

Mr. GREEN of Iowa. I can give the gentleman the amount for May, but I can not give the gentleman the amount in the last month because that has not been returned.

Mr. BARKLEY. The gentleman has no information, then, and can not tell whether the emergency tariff law has helped the people of the United States by keeping wheat out.

Mr. GREEN of Iowa. I have not the figures of the importations, but I do know that wheat went up when the emergency law went into force.

Mr. BARKLEY. What is the price now compared with the price on the day the President signed the emergency tariff act? Does the gentleman know?

Mr. GREEN of Iowa. The price now is about $1.24 a bushel, instead of $1.10 a bushel, as the gentleman stated.

Mr. BARKLEY. I was quoting the gentleman from Michigan when I said $1.10. He stated in his speech a day or two ago that wheat was selling for $1.10 per bushel.

Mr. WINGO. Mr. Chairman, I have in my desk a market report, a clipping from a newspaper, not over a week or ten days after the emergency law went into effect, which shows the wheat market broke from 9 to 22 cents a bushel. I called the attention of one of my Republican friends to that, and he said if it had not been for the emergency tariff law there was no telling how far it would have broken. He said that the law kept it from breaking.

Mr. BARKLEY. That confirms what I said a little while ago.

Mr. Chairman, I desire to call attention to another joker, for this bill is made up of a lot of jokers which are thrown together in a sort of crazy-quilt formation. I want now to talk about the American valuation plan. I have not time to talk about it very much, and I would like to talk about a lot of things in this bill, this dye embargo, this calcium carbide schedule, this furniture schedule, the clothing schedule, and many others, and all of the jokers that are jumbled together to make up a sort of universal remedy for all the evils that confront the people of the Nation. Heretofore if a man went to Europe and purchased a bill of goods to be imported into the United States he paid a certain price in Europe which was supposed to be the market price, and he knew then just exactly the tariff that he would have to pay to come into the United States, because the tariff was based upon the European valuation.

The merchants of this country have to buy their goods months ahead. They go to Europe and order their goods six months ahead. They can not tell six months in advance what the American price is going to be on any commodity, so we will have the American merchants going to Europe and buying European commodities to be shipped to the United States without any knowledge as to what the market value of that product will be in the United States, and we all know that the wholesale prices of commodities vary according to location. It will not be the same in New York as it is in San Francisco. It will not be the same in Chicago as it will be in New Orleans, because the transportation charges all have to be considered in the determination of the fair wholesale price of any commodity in any particular port of the United States. So that when he gets into the United States with his product, if he enters the port of New York he will pay a different tariff upon the identical article there from that which he will have to pay in the port of New Orleans, and if it is to be carried inland and to be determined by the wholesale price in Chicago, then there will be the question of transportation, of the duties he paid upon it, which must be considered in determining the tariff which is to be levied under the American valuation, and if there is no American product that is in competition with the foreign product that is being imported so there can be no fair market value of that product or its equivalent in the United States, then in order to determine what that value is he must figure the cost in Europe, figure what the probability would be of the cost of manufacturing the same thing in the United States, and he must also pay the cost of transportation across the ocean and from the port of entry to the wholesale market which is to be the standard of price. No man, not even Solomon himself, would ever be able to know in advance what the tariff rate on any particular article that he imports into the United States would be.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. BARKLEY. I will yield.

Mr. CONNALLY of Texas. Is not that in keeping with the purpose of the gentleman from Michigan who stated to-day that the object of this bill was to keep out imports?

Mr. BARKLEY. Yes, of course.

Mr. CONNALLY of Texas. Does it not accomplish its purpose?

Mr. BARKLEY. Yes; that will accomplish it. Every provision, either temporary or permanent, every artificial barrier that is placed around the United States that tends to keep out importation to that extent encourages and creates monopolies.

Now, I want to discuss another phase of this measure. A good deal has been said here about free trade. Every time the gentleman from Michigan and some of the other members of the Committee on Ways and Means got up they talked about free trade of the Democratic Party. There has not been uttered during this debate one single syllable by any Democrat in favor of free trade. There has not been a speech made that even by the imagination of the chairman of that committee could be construed to be in favor of free trade, and the gentlemen who talk about the Democratic Party being a free-trade party are simply trying to do what they did last year more successfully than they will ever be able to do again, and that is hoodwink and fool and blind the American people as to the real facts. [Applause on the Democratic side.]

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. BARKLEY. I will yield.

Mr. GREEN of Iowa. I never have spoken of the Democratic Party as being a free-trade party, but if that speech made by the gentleman from New York [Mr. COCKRAN] to-day, that two hour and a half speech, was not a free-trade speech I do not know how it could be construed.

Mr. BARKLEY. I am sorry the gentleman's mental process could not comprehend that speech. I am not responsible for it; the Lord is. Now, let us consider the markets of the world for a moment. Gentlemen on that side of the House seem to assume we are a self-sufficient Nation. That is the whole trouble with the world to-day and particularly that is the thing that is gnawing at the very vitals of our own life. Your party last

year in its campaign and every action that has been taken by your party since the 4th of March has assumed ours as being a self-sufficient Nation and that we should pursue our own course without regard to the broad field of humanity that stretches out beyond the borders of our Nation.

We are not a self-sufficient Nation, no matter how powerful we may be, or how rich we may be, or how self-centered we may be, or how selfish we may be; we are not a self-sufficient Nation. We are no more a self-sufficient Nation than we are individually self-sufficient men.

And if you were to erect a wall around the United States so high that no import could ever get in the result would be political, economic, industrial, and intellectual stagnation.

Now, we raise about 40 per cent more of agricultural products than we consume. We have about on the average 40 per cent surplus of agricultural products in the United States. We have about 25 per cent surplus of our manufactured products. Suppose this tariff works in harmony with the desires of the gentleman from Michigan, because he is practically a protectionist to the extent that he would keep out any imports that could compete with anything manufactured in the United States. Suppose we are able to do that; suppose we put up the bars so high that nothing can come in in harmony with that theory, the result will be that we must either curtail our agricultural products or have 40 per cent of them rotting in the fields or in the warehouses of the Nation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARKLEY. Will the gentleman from Mississippi give me 10 minutes more?

Mr. COLLIER. I will yield to the gentleman 10 minutes.

Mr. BARKLEY. Likewise we must curtail our manufactured products down to 75 per cent of what they are now in order that we may be able to consume all that we manufacture and produce. Would anybody with any sense, would anyone with any conception of world problems, would anybody with the feelings of morality that ought to exist between nations recommend such a curtailment of our own production when the world is yearning for the products of our industry and genius? You say you want to keep these products out because they interfere with our markets. The world must work. Men must work in order that they may eat, and there is a certain amount of work required in the world in order that the world may eat and live.

Mr. McSWAIN. And if this theory of noncommunication prevails, what use would we have for the merchant marine that we have built up?

Mr. BARKLEY. We would have none. It would disappear from the sea, which has always occurred under Republican administrations.

You say if you keep the foreigner out of the United States with his product we will protect our own country. The contrary will happen. We will pauperize and stagnate our own country. Now, we have got to have a market for 40 per cent of our agriculture and 25 per cent of our manufactures, and yet European nations can not sell to the United States; they must sell somewhere else, and if they must sell elsewhere they will go to South America, they will go to Russia, they will go to Japan and China and to all the nations of the Orient, and take from the United States the markets that our genius and our favored conditions entitle the American merchant and workingman to a share in, and therefore you will have done the American manufacturing and laboring men and exporters infinitely more harm by shutting out their foreign markets than you will by enabling them to enjoy a share of our own commerce while they at the same time enjoy a share of the commerce of the other nations of the world. And that is the correct moral principle upon which every nation ought to proceed.

We are not a provincial nation. At the end of the Spanish-American War the Republican Party boasted of the fact that we were a world power; that we had ceased to be provincial, and that we had embarked upon a world career as a world nation, recognizing our duties and obligations and privileges that we enjoyed as a world power and world nation.

Mr. KETCHAM. Will the gentleman yield?

Mr. BARKLEY. I have only a few minutes. I beg the gentleman's pardon.

At the end of the World War we had ascended to a higher pinnacle, we were more respected and more revered and more loved by the nations of the earth than we had been in all the history of the United States, infinitely more so than at the end of the Spanish-American War, and yet we have by our humiliating course since the close of the Great War lost the respect and admiration which was ours at the end of the war, and now by this tariff you are undertaking to do for us commercially what you had already done for us politically and internationally, and that is to lose the respect and reverence of the nations of the world. You are seeking to dwarf our great industrial and commercial influence throughout the world just as you have dwarfed our political and moral influence. You may succeed for a time, but the hour of judgment will come, and when it comes the wrath of a righteous and indignant peole will destroy you and all your works. [Applause on the Democratic side.]

Mr. GREEN of Iowa. Mr. Chairman, I will inform the gentleman from Mississippi that I have only one more speaker. Shall I proceed?

Mr. COLLIER. Yes.

Mr. GREEN of Iowa. Mr. Chairman, I yield to the gentleman from Ohio [Mr. RICKETTS] such time as he desires to use to close the argument.

The CHAIRMAN. The gentleman from Ohio is recognized for 10 minutes.

Mr. RICKETTS. Mr. Chairman and gentlemen of the House, the privilege of closing the debate upon this great legislation is an honor which I deeply appreciate.

The spirited debate on the tariff bill for the past several days would indicate to one not familiar with the subject that the question of tariff is a new issue; but such is not the case. The tariff question is as old as the Government; in fact, it commenced with the first administration of Washington. It is a very perplexing question. The two dominant parties have disagreed as to its effect upon our country's welfare. There are those who believe in no tariff, or rather free trade; there are those who believe in a tariff for revenue only, and there are those who believe in a high protective tariff.

The Democratic Party is divided on the tariff question. Those belonging to the old school of economics believe in free trade; those who belong to the new school of economics believe in a tariff for revenue only. There is but little difference, if any, between the two theories. They both spell destruction to American industries and to American labor.

The peculiarity of the tariff question is that it is difficult for a theorist to discuss it to a clear and definite conclusion, and the best way to determine which of the tariff theories is best for the country is to try them out, put them into operation, and let the American people decide which they prefer.

In the last half century six distinct and separate tariff measures have been brought to the attention of Congress, five of which have been enacted into law. The Democratic Party in that time, having had a majority in Congress, introduced three bills, the Mills bill, the Wilson-Gorman bill, and the Underwood-Simmons bill. Two of these bills, the Wilson-Gorman bill and the Underwood-Simmons bill, have been enacted into law. The Republican Party during this period, having a majority in Congress, introduced three bills also, the McKinley bill, the Dingley bill, and the Payne-Aldrich bill, all of which were enacted into law.

These various tariff bills, five in number, have been tried out in the United States, and the people acting as a jury have decided during the life of each bill whether or not the same should be continued.

Our industries and our resources have shown the greatest development in the past 60 years, and during 47 years of that time we have had a protective tariff law, and with it prosperity unprecedented. For 13 years of that time we have had free trade and a tariff for revenue only; during these 13 years the people of the United States have experienced unprecedented hard times.

The tariff was an issue in the last political campaign, and the world knows the result.

The reason for tariff revision at this time is well known. The present law—the Underwood-Simmons Act—is wholly inadequate. It has been a miserable failure as a revenue measure and a sad disappointment to its most ardent proponents. Its failure is recognized beyond a reasonable doubt. The prophecies of its proponents have proven false. The framers of the Underwood-Simmons Act contended that lower rates would reduce production cost and enable America to capture foreign trade, with resulting industrial activity and general prosperity. From the date of the enactment of the low rates, however, until the outbreak of the war in Europe exports did not increase, but declined with rapidity and alarming regularity, while imports steadily increased.

America did not capture foreign markets, but foreigners have captured American markets. The industries of this country were greatly crippled and unemployment prevailed throughout the country. Had it not been for the intervention of the World War this country would have suffered the greatest calamity in its history. The war checked the flood of foreign goods into this country and created a demand for war supplies of every description, and the adverse conditions of the fall and winter of 1913 and the spring and summer of 1914 were, to a very

large extent, forgotten during the continuation of hostilities. With the end of the Great War and the resumption of production in Europe foreign competition is once more being keenly felt. Industry and trade in the United States is at a very low ebb. This industrial depression is the inevitable result of the offering of foreign goods on the American markets at less than the cost of production in America.

OUR TARIFF HISTORY.

There can be no intelligent discussion of the present tariff measure without, at least, some knowledge of our tariff history, and, to be practical, this tariff history should give the actual tariff rates on the leading commodities as they have been taxed for about 132 years. By giving the general average of the different bills and the exact rates on many articles we can form a splendid judgment of the tariff acts of the past. With this in mind, we are vastly more competent to pass upon the tariff bill now before the House and upon the merits of the whole protective-tariff theory. In the readjustment of the business of this country some one must take the time and have the patience to examine into the utmost detail of important things. This is an important matter, probably the most important legislation ever before Congress, for it will have to do with the future business of this Nation.

The following represents practically all the tariff in our history. The rates under each tariff law are taken directly from the original bills. This method enables us to follow the history of the tariff on the leading articles and products for more than 130 years. It must be borne in mind that we have had a tariff law of some kind, either for protection or for revenue only, since the commencement of Washington's administration. Washington was inaugurated President of the United States on April 30, 1789, and on the 4th of July, 1789, the following tariff bill was enacted by Congress:

TARIFF OF 1789.

[Approved July 4, 1789, by George Washington.]

		Cents.
Distilled spirits, Jamaica proof	per gallon	10
Molasses	do	2½
Brown sugar	do	1
Loaf sugar	do	3
All other sugars	do	1½
Coffee	do	2½
Boots	per pair	50
Shoes, slippers, etc	do	7
Nails and spikes	per pound	1
Salt	per bushel	6
Manufactured tobacco	per pound	6
Indigo	do	16
Black teas	do	10
Hyson teas	do	20
Looking-glasses, window glass, china, stone, and earthen ware, gunpowder, paints ground in oil, knee buckles	per cent	10
Cabinet wares, buttons, saddles, leather gloves, men's hats, ready-made clothing, iron castings, rolled iron, leather manufactures, ready-made millinery, jewelry, and plated ware, anchors, wrought, tin, and pewter wares	per cent	7½
Raw cotton	per pound	3
Cotton goods	per cent	5
"All other goods, wares, and merchandise"	do	5

Average of all tariff duties, about 6.5 per cent.

While the introduction to the bill declared its purpose to be "for the support of the Government, for the discharge of the debts of the United States, and the encouragement and protection of manufactures," it is interesting to know that the fathers regarded an average duty of 6½ per cent ample to "protect" them against all of the world. This was at a time when this Nation was in its infancy. This tariff law was not only enacted for the purposes of creating revenue but for the further purpose of encouraging and protecting American manufactures.

The following are the tariff measures which were enacted into law down to the Dingley bill, and it is not necessary to follow our tariff history further by schedule:

THE TARIFF OF 1812.

[Approved July 1, 1812, by James Madison.]

This tariff act increased all existing duties 100 per cent, bringing the average rate up to about 13 per cent.

It was enacted at a time when there were "wars and rumors of wars." The Napoleonic wars of Europe had been going on for 12 years. They did not end till the Battle of Waterloo in June of 1816. The War of 1812 between England and the United States was in progress at the time the bill was passed.

THE TARIFF OF 1816.

[Approved Apr. 27, 1816, by James Madison.]

Dyes, jewelry, watches, gold and silver, lace and embroidery, precious stones and pearls, laces, lace shawls, etc	per cent	7½
Gold leaf and all articles not free	per cent	15
Hempen cloth, woolen or cotton stockings; printing types, and all articles manufactured from brass, copper, iron, steel, pewter, lead, or tin; brass wire, cutlery, pins, needles, buttons, and buckles of all kinds; gilt, plated, and Japan wares; cannon, muskets, firearms, etc.; chinaware, earthen and stone ware, porcelain, and glass manufactures	per cent	25
Woolen manufactures	per cent	25
After three years	do	20
Cotton manufactures, first three years	do	25
After three years	do	20
Umbrellas, parasols, women's bonnets, caps, fans, feather ornaments, etc.; men's hats and caps; painted floor cloths, cabinet wares, saddles, bridles, harness, and ready-made clothing	per cent	30
Boots, per pair	dollars	1.50
Cheese, per pound	cents	9
Chocolate, per pound	do	3
Iron in bars and bolts, per 100 pounds	do	45
Iron in sheets, rods, and hoops per hundredweight	dollars	2.50
Indigo, per pound	cents	15
Playing cards, per pack	do	30
Lead in pigs, bars, or sheets, per pound	cent	1
Red and white lead, per pound	cents	3
Molasses, per gallon	do	5
Nails, per pound	do	3
Salt, per bushel	do	20
Shoes and slippers, per pair	do	25

This was also a tariff looking toward protection. It placed an average tariff on foreign goods of 20 per cent. The making of pig and bar iron was not protected in this tariff measure, but it has been under protection in each tariff bill since. The theory at that time was that the protective tariff was necessary to national safety. If the theory of national safety was good then, it is good now. Even the Colonies, before the Declaration of Independence was declared, had their tariff walls—before the establishment of a central government. Each sought to protect itself against the other.

The measure was framed under the guidance of Henry Clay. It was the first enunciation of the "American system."

TARIFF OF 1824.

[Approved May 22, 1824, by James Monroe.]

Tariff on woolen goods raised from 25 to 33⅓ per cent.

Raw wool raised from 15 to 30 per cent.

Manufactures of cotton, flax, or hemp, 25 per cent.

Worsted goods and blankets, 25 per cent.

Brussels, Turkey, and Wilton carpets, per square yard, 50 cents.

Venetian and ingrain carpets, per square yard, 25 cents.

TARIFF OF 1828.

[Approved May 29, 1828, by John Quincy Adams.]

Iron in bars or bolts, made by rolling, per ton, $37.

Iron or steel wire, per pound, from 6 to 10 cents.

Lead in pigs, bars, or sheets, per pound, 3 cents.

Red or white lead, dry or ground in oil, per pound, 5 cents.

Raw wool, per pound, 4 cents, and in addition 40 per cent, to steadily increase to 50 per cent.

Manufactures of wool, except carpets, blankets, etc., 45 per cent.

Ready-made clothing, 35 per cent.

On Brussels, Turkey, and Wilton carpets, per square yard, 70 cents.

Venetian and ingrain, per square yard, 40 cents.

All other carpets of wool, flax, hemp, or cotton, per square yard, 32 cents.

Patent printed floor oilcloth, per square yard, 50 cents.

Floor mattings, per square yard, 15 cents.

Unmanufactured hemp, per ton, $45.

Cotton bagging, per square yard, 5 cents.

Unmanufactured flax, per ton, $35.

Both hemp and flax to advance $5 a year to $60 per ton.

Sail duck, 9 cents per square yard, to advance to 12½ cents.

Molasses, per gallon, 10 cents.

Duty on indigo to steadily advance to 50 cents per pound.

This bill imposed an average tariff of 49 per cent. It was the highest known in this country before the McKinley Act of 1890. It was the first time compound duties were levied—specific and ad valorem combined. This bill was the high mark of all tariff measures enacted into law up to that time.

THE TARIFF OF 1832.

[Approved July 14, 1832, by Andrew Jackson.]

Raw wool, worth less than 8 cents per pound, free.

Exceeding 8 cents per pound, 4 cents per pound, plus 40 per cent.

Worsted stuff goods, shawls, and other manufactures of worsted, 10 per cent.

Woolen yarns, 4 cents per pound, and 50 per cent.

Gloves, binding, blankets, hosiery, and carpet (except Brussels, etc.), 25 per cent.

Brussels, Wilton, and treble ingrain carpets, per square yard, 63 cents.

All other ingrain and Venetian carpeting, per square yard, 35 cents.

Woolen blankets, worth less than 75 cents each, 5 per cent.

Flannels, bocking, per square yard, etc., 16 cents.

Merino shawls and other manufactures of wool, 50 per cent.

Ready-made clothing, 50 per cent.

Manufactures of cotton, 25 per cent.

Stamped, printed, or painted floor oil cloth, per square yard, 43 cents.
Bar and bolt iron, rolled, per ton, $30.
Iron in pigs, per pound, one-half cent.
Vessels of cast iron, per pound, 1½ cents.
Iron or steel wire, per pound, 5 to 9 cents.
Wire covered with thread, 12 cents.
Axes, hatchets, scythes, spades, tools, screws, etc., 30 per cent.
Steel, per pound, 1½ cents.

TARIFF OF 1833.

[Approved Mar. 22, 1833, by Andrew Jackson.]

This act sought by gradual reduction of 10 per cent per year until all tariff rates had been reduced to 20 per cent. Many modifications ensued, reduction was slow and difficult, but by 1842 they had reached 24 per cent.

TARIFF OF 1842.

[Approved Aug. 30, 1842, by John Taylor.]

This tariff made a thorough revision. It imposed an average duty of 32 per cent. Thus far iron rails had been coming in free. They were now given a protection of 32 per cent. This was the last of the Whig tariff acts. They were for protection.

WALKER REVENUE TARIFF.

[Approved July 30, 1846, by James K. Polk.]

We now come to the new order of things. This was brought about by the "Walker revenue tariff." It was named after Robert J. Walker, Secretary of the Treasury, who framed the bill. He is the only man not chairman of the Ways and Means Committee that ever had a tariff bill named after him.

SCHEDULE A.

	Per cent.
Brandy, and other distilled spirits and spirituous beverages	100

SCHEDULE B.

Ornaments, sardines, refined camphor, cloves; articles of furniture; fruits preserved in sugar, brandy, or molasses; dates, figs; cut glass; manufactures of cedar, rosewood, etc.; prunes, raisins, cigars, wines	40

SCHEDULE C.

Ale, beer, and porter; German silver, ornaments, cosmetics, baskets, bracelets, braids, chains, suspenders, brooms and brushes; canes, hats, caps, muffs, gloves, stockings, shirts, drawers, carpets, rugs, cheese, clocks, carriages, ready-made clothing, and wearing apparel of every description; harness, cotton, cords, cutlery, diamonds, gems, and pearls; earthen, china and stoneware, furniture, glass tumblers, hats, and bonnets; iron in bars, blooms, bolts, etc.; cast iron, scrap iron, jewelry, etc.; marble and marble paving tiles; rubber shoes, soap, sugar, sirup, manufactures of tobacco, umbrellas, etc	30

SCHEDULE D.

Borax; buttons; flannels; floor cloths; calomel, camphor; cotton laces, insertings, and trimmings; feather beds; unmanufactured jute; manufactures composed wholly of cotton, mohair, silk; china; floor matting, etc	25

SCHEDULE E.

Acids, bacon, bananas, barley, beef, blankets, lumber, timber, blue vitriol, woven shirts and drawers; furs, hats, leather, lead, linen, marble in the rough, musical instruments, oats and oatmeal; oils, opium, oranges, lemons and limes; roofing bricks and tiles; rhubarb, ripe, Roman cement, rye and rye flour, window glass, etc	20

SCHEDULE F.

Arsenic; Peruvian bark; brimstone, crude, in bulk; tow of flax or hemp; glaziers' diamonds; flax, unmanufactured; gold and silver leaf; steel in bars, casts, sheer, or German; Terne tin plates; tin in plates or sheets; tin plates, galvanized, zinc, in sheets	15

SCHEDULE G.

Ammonia, bleaching powder; books, magazines, illustrated newspapers; building stones; cocoa; diamonds, gems, and rubies in the rough; engravings; fuller's earth; unmanufactured rubber; pumice; watches and parts of watches	10

SCHEDULE H.

Old bells and bell metal; berries, nuts, and vegetables used in dying; brass in pigs or bar; copper in pigs or bar; ivory; lasting for boots and shoes; ground matter; manufactures of mohair cloth; nickel, mother-of-pearl; raw hides and skins of all kinds; nitrate of soda, tin in pigs, bars, or block	5

The average duties under the Walker tariff were 25 per cent. It remained in force until 1857.

TARIFF OF 1857.

[Approved March 3, 1857, by James Buchanan.]

This act reduced the average tariff rate to about 18 per cent.

THE WAR TARIFFS.

In March, 1861, was passed the first of the war tariffs. They had for their purpose "revenue only." They invariably levied an internal revenue to balance the external revenue. In fact, they usually laid the internal revenue first.

(a) *Internal duties.*

Pig iron, $2 a ton.
Railroad iron, $3 a ton.
Sugar, 2 cents a pound.
Salt, 6 cents a hundredweight.
Raw cotton, 2 cents a pound.
This made an average for internal duties of 15 per cent.
General tax on all manufactured products, 5 per cent.
But this was repeated in almost every stage of production.

(b) *External duties or tariffs, 1862.*

Average duties, 37 per cent.
The tariff of 1864 increased this to an average rate of 47.6 per cent.
The tariff on foreign goods was understood to help compensate the manufacturers for the high internal duties which the war had levied upon them.

TARIFF OF 1867.

[Approved March 2, 1867, by Andrew Johnson.]

Wool was divided into three classes:

CLASS 1.

Clothing wools: All wools from sheep of Merino blood, imported from Buenos Aires, New Zealand, Australia, Russia, Great Britain, etc.

CLASS 2.

Combing wools: All combing wools of English blood, and all hair of the alpaca, goat, and other similar animals, Leicester, Cotswold, Lincolnshire, down combing wools, etc.

CLASS 3.

Carpet wools: Wools imported from Turkey, Greece, Egypt, Syria, etc.

This classification was continued down to the Underwood tariff.

Tariff rates on wools of class 1:
Worth 32 cents a pound or less, 10 cents plus 11 per cent.
Worth over 32 cents a pound, 12 cents a pound plus 10 per cent.
Tariff rates on wools of class 2 (same as class 1).
Tariff rates on wools of class 3:
Worth 12 cents a pound or less, 3 cents a pound.
Worth over 12 cents a pound, 6 cents a pound.

The tariff of 1872 reduced this total rate 10 per cent.
The tariff of 1883 made 30 cents, instead of 32, the basis of comparison, and retained only the specific duties.
The McKinley bill, the Dingley bill, and the Payne bill each made a straight 11 cents per pound specific duty, without regard to value.
They did the same for wools under class 2, but made the rate 12 cents a pound instead of 11 cents.
The McKinley tariff put a tax of 32 per cent on all wools of class 3 worth 13 cents a pound or less and a tariff of 50 per cent on all wools of this class worth over 13 cents a pound.
The Dingley tariff made 12 cents the basis of value instead of 13 and levied 4 cents a pound on all wools of class 3 worth 12 cents a pound or less, and 7 cents a pound on all wools worth more than 12 cents.
The same rates were made in the Payne tariff.
The Wilson and the Underwood bills put all wool on the free list.
The tariff of 1867 practically doubled the rates on wool of 1864.
Woolen cloths, shawls, etc., 30 cents per pound, plus 25 per cent.
Flannels, blankets, hats, knit goods, yarns, etc., value not exceeding 40 cents per pound, 30 cents a pound.
Abcve 60 cents per pound, 40 cents a pound.
Above 80 cents per pound, 50 cents a pound.
And in addition to the specific duties, an ad valorem duty of 35 per cent.
Saxony, Wilton, and Tournay velvet carpets, per square yard, 70 cents.
Brussels carpet, per square yard, 44 cents.
Patent velvet and tapestry velvet, per square yard, 40 cents.
Tapestry Brussels carpets, 28 cents.
Treble-ingrain, three-ply, and worsted chain Venetian carpets, 17 cents.
Yarn Venetian and two-ply carpets, 12 cents.
And in addition an ad valorem duty of 35 per cent.
Hemp or jute carpeting, per square yard, 8 cents.
Oilcloths for floors, 35 to 60 per cent.
Women's and children's dress goods, per square yard, 6 cents plus 35 per cent.
Valued above 20 cents a square yard, per square yard, 8 cents plus 40 per cent.
Burlaps of flax, jute, or hemp for bagging cotton, 30 per cent.
Emery ore, per ton, $6.
Tin plates or tin plate, 15 per cent.
Galvanized iron or tin plate, 15 per cent.
Tartaric acid, per pound, 15 per cent.
Gallic or tannic acid, per pound, $1.

TARIFF OF 1870.

[Approved July 14, 1870, by Ulysses S. Grant.]

Teas of all kinds, per pound, 15 cents.
Coffee of all kinds, per pound, 3 cents.
Ground or prepared cocoa, 5 cents.
Chocolate, per pound, 7 cents.
On all molasses, per gallon, 5 cents.
Raw sugar, from No. 7 to No. 16, Dutch standard, per pound, 1¾ to 3¼ cents.
On granulated sugar, loaf and lump sugar, per pound, 4 cents.
Wines, per gallon, 25 to 60 cents.
Ground ginger, per pound, 5 cents.
Cinnamon and nutmegs, per pound, 20 cents.
Cloves, per pound, 5 cents.
Corset and corset patterns, 35 per cent.
Flax, not hackled or dressed, per ton, $20.
Flax, dressed, per ton, $40.
Hemp, manila, etc., per ton, $25.
Tow of flax or hemp, per ton, $10.
Jute sunn, coir, etc., per ton, $15.
Jute butts, per ton, $60.
Cotton bagging or other manufactures composed of hemp, jute, flax, gunny bags, per pound, from 2 to 3 cents.
Iron in pigs, per ton, $7.
Wrought scrap iron, per ton, $8.
Hair cloth (seating), per yard, from 30 to 40 cents.
Hairpins, 50 per cent.
Silk buttons and ornaments, 50 per cent.
Nickel, per pound, 30 cents.
Watches, cases, movements, etc., 25 per cent.
Live animals, 20 per cent.
Oranges, lemons, grapes, and pineapples, 20 per cent.
Flaxseed and linseed oil, per gallon, 30 cents.
Steel rails, per ton, $28.

TARIFF OF 1872.

[Approved June 6, 1872, by Ulysses S. Grant.]

Bituminous coal, per ton, 75 cents.
Salt in bags, barrels, etc., per 100 pounds, 12 cents.
Potatoes, per bushel, 15 cents.
Tanned and dressed calkskins, 25 per cent.
Saw boards of whitewood, sycamore, and basswood per 1,000 feet, $1.
All other varieties of sawed lumber per 1,000 feet, $2.
If planed and finished on both sides, per 1,000 feet, $3.50.
Furniture, cabinet wares, etc., 35 per cent.
Wood casks, barrels, boxes, 30 per cent.
Ground ginger, per pound, .03 cent.
The law made a horizontal reduction of 10 per cent on all raw wools and manufactures of wool and cotton, india rubber, glassware, etc. It removed the duties on teas, coffee, wines, sugar, molasses, and spices.

TARIFF OF 1883.

[Approved Mar. 3, 1883, by Chester A. Arthur.]

This was the first complete revision of the war tariff of 1864.

This was the first tariff to give the present arrangement of 14 schedules. They are numbered by letters, running from A to N. In addition comes the free list. It was the first to use the words "free list."

It was the first tariff to put a big list of farm products in the tariff schedules.

It increased the duties on woolen dress goods.

It raised the duty on cotton, hosiery, trimmings, and so forth, from 35 to 49 per cent.

It did the same with the finer grades of woolen dress goods.

It laid a duty of 75 cents a ton on iron ore.

It increased the duty on many forms of iron products.

It reduced the duty on pig iron from $7 to $6.72.

It lowered the duty on copper from 5 cents a pound to 4 cents a pound.

THE MILLS TARIFF BILL.

No tariff bill was passed during the administration of Grover Cleveland in 1884. Morrison, of Illinois, introduced a bill in the House proposing a horizontal reduction of 20 per cent, which was defeated. The Democrats had a big majority in the House, but the Republicans controlled the Senate. This explains why the Cleveland administration was unable to pass a free trade tariff bill.

In 1888 the Mills tariff bill passed the House, but was defeated in the Senate.

THE M'KINLEY TARIFF.

[Approved Oct. 1, 1890, by Benjamin Harrison.]

The tariff was the issue in the campaign of 1888. Harrison defeated Cleveland, the New York vote going to him.

Then came the McKinley bill, the highest known up to that time. William McKinley has been called the "high priest of protection."

It raised the average duties above 50 per cent.

The McKinley tariff advanced the rates on the following farm products: Horses, cattle, hogs, sheep, barley, beans, peas, beef, mutton, pork, buckwheat, butter, cheese, eggs, hay, hops, milk, poultry, flaxseed, vegetables, potatoes, flax, hemp, hides, wool, and tobacco.

Under this bill the following rates obtained:
Corn and oats, 15 cents per bushel.
Rye, 10 cents per bushel.
Wheat flour, 25 per cent.
Dried apples, 2 cents per pound.
Beef, mutton, pork, and lard, 2 cents per pound.
Corn meal, 20 cents per bushel.
Wheat, 25 cents per bushel.
Apples, 25 cents per bushel.
Bacon and ham, 5 cents per pound.

THE WILSON TARIFF.

[Effective August 28, 1894, Grover Cleveland, President.]

Republicans charge that the Wilson tariff caused the panic of 1893.

This bill provided the following rates:
Raw wool, free.
Leading classes of woolen goods, 50 per cent.
Cheaper woolen blankets, 25 per cent.
Cheaper fabrics for men's and women's clothing, 40 per cent.
Leading articles in men's and women's clothing, 50 per cent.
Abolished specific duties on carpets, but retained the ad valorem duty provided in the McKinley bill, 40 per cent.
On finest cotton goods, 40 per cent.
Cotton, 35 per cent.
Knit goods, 50 per cent.
Certain forms of silk goods, 50 per cent.
Other forms of silk goods, 45 per cent.
Dressed flax, 1½ cents per pound.
Unbleached and unprinted cotton goods, 1 cent per yard.
Bagging of jute, flax, or hemp, free.
Duty on coal, 40 cents per ton.
Iron ore, 40 cents per ton.
Pig iron, $4 per ton.
Steel rails, $7.84 per ton.
Tin plate, 1¼ cents.
High grades of chinaware, 35 per cent.
Cheaper chinaware, 30 per cent.
Glassware, 40 per cent.
Raw sugar, 1 cent per pound.
Refined sugar, one-eighth of 1 cent per pound.
Candy and confectionery, 35 per cent.
The average rate of the Wilson tariff was 39 per cent.

The Mills tariff bill of 1888 was a Democratic measure intended to produce revenue only. It passed the House but failed to pass the Senate. The House at that time was largely Democratic but the Senate was Republican. This bill failed in the Senate because it spelled ruin to the industries of this country and was ruinous to labor.

In the campaign of 1888 the tariff was the issue between the two dominant parties, and Benjamin Harrison, of Indiana, was elected to the Presidency. He and his party stood for protection, and as a result the McKinley tariff bill was enacted into law on October 1, 1890. The McKinley bill provided for protection to the manufactures, industries, and labor of this country. It had but little more than a year to run until election time, and had not been given a fair trial and was not clearly understood by the American people. It protected the tin-plate industry in this country, which was then in its infancy. The object of the bill was to promote and develop this industry in the United States. Time has proven the wisdom of the provisions of the McKinley tariff law with reference to the protection of tin plate. It is to-day one of the greatest industries of this country, giving employment to thousands of laboring men.

The tariff was made an issue in the presidential campaign of 1892. English capitalists, through Democratic political agents in the United States, played a great part in the deceptive campaign that was waged against the McKinley bill, and the Democratic candidate, Grover Cleveland, was elected to the Presidency. A Democratic House and Senate were also elected, and on August 28, 1894, the McKinley tariff bill was repealed and the Wilson-Gorman tariff bill, another Democratic free-trade measure, was enacted into law, and every American citizen who is old enough to remember this infamous bill is a

living witness to its disastrous effect upon the manufactures, industries, and labor of the United States.

This bill wrought ruin to our industries. There were bank failures, business depression, degradation, poverty, misery, bread lines, soup houses, bankruptcy, penury, stagnation, dissatisfaction, turmoil, and every other imaginable calamity that could have been visited upon the American people. Our export trade was destroyed. Importations from every country on the face of the earth poured into our ports, and the United States was flooded with goods and products of every description, meant and intended to destroy business and industry in this country. [Applause.]

Mr. WINGO. Mr. Chairman, will the gentleman yield for a question?

Mr. RICKETTS. I will yield for just a question.

Mr. WINGO. Does the gentleman recall the date when the Wilson-Gorman bill was signed by the President and how many days it was in effect in 1894?

Mr. RICKETTS. I do not remember the exact date. I have it in my brief and will give it to the gentleman later. But in 1894 and 1895, as the gentleman certainly remembers, there were bankruptcy and poverty and degradation and misery throughout this whole country. You know that as well as I do. The period between 1894 and 1896 is one of the black spots in American history. The Democratic Party had been howling loud and long since the passage by the Republican Party of a protective tariff law in March, 1861. They had denounced protection in unmistakable terms. They proclaimed then as they do now that protection tended to encourage monopoly. On the contrary, a protective tariff law has protected the industries and labor of this country and has assisted the American people to develop their resources and to build up one of the greatest countries on the face of the earth. [Applause.]

A great deal has been said during the debate on this bill about international trade. Of course, the United States wants to interchange commodities with foreign countries, but we do not want to do so at the sacrifice of our own industries. I believe it to be the primary duty of Congress to protect and stabilize the business of our own country first. We are now suffering from the aftermath of war, and the business of our country is unsettled, as has been the result of all wars in which the United States has been engaged. This is the time to readjust the affairs of the country, and one of the most effective steps to be taken in that direction is the enactment into law of a good, stiff protective tariff.

What class of individuals in the United States is opposed to protection? This country has had eight years of practical free trade under the provisions of the Underwood-Simmons Act. It has proven a complete failure even as to the production of revenue, to say nothing of protection. It is a sad disappointment to its most ardent proponents. During the normal period when this law was in operation our exports decreased and our imports increased amazingly.

We have three glaring examples in our national history of tariff legislation under Democratic régime for revenue only, namely, the Mills bill, the Wilson-Gorman bill, and the Underwood-Simmons bill. Is there a Democrat in this House who has the nerve or the gall to attempt to justify these measures as a source of revenue to this Government? It can not be done. Two of these laws have been tried out, and have fallen far short of their purpose.

The electorate of this country just last year denounced tariff legislation for the purpose of revenue only by the unprecedented plurality of over 7,000,000 votes. Is there anyone in this House who will deny that fact? [Applause.]

I think our Democratic friends on that side of the aisle should be convinced by this time that their ideas of tariff legislation, which have been incorporated in two different bills, one of which was in full operation for a period of three years and the other for a period of eight years, demonstrate clearly the complete repudiation of their theory of a tariff for revenue only. President Cleveland was compelled to issue bonds while the Wilson-Gorman bill was in full force and effect, in order to secure sufficient funds with which to run the Government.

The Underwood-Simmons tariff bill, during the life of it prior to the war, did not produce the revenue that its authors and those favoring its passage claimed it would produce. The taxpayers of the United States have been required to take from their pockets and pay into the Treasury of the United States a sum of money sufficient to liquidate the deficit caused by the failure of this law to produce revenue. This is the time and the place to correct the evils of this law.

Under the provisions of the Fordney bill a revenue of about $700,000,000 per year will be produced and paid into a depleted Treasury.

THE FORDNEY TARIFF BILL.

I shall not undertake to discuss the duties, either ad valorem or specific, imposed by this bill. I have not had the time to give its provisions the necessary consideration to enable me to discuss intelligently the rates of duty. No man in the House is able to do that except the members of the great Ways and Means Committee who were present at the various hearings held and who participated in the discussions as to the rates provided in the bill. Other Members of the House have not had an opportunity to study and investigate the provisions of the bill, for the reason that the Ways and Means Committee only reported this bill to the House on the 29th day of June last. I have read the bill as carefully as I know how, and some parts of it I have read a number of times. I am especially interested in the wool schedule and the schedule pertaining to agricultural products.

WOOL, SCHEDULE K.

The sheep and wool growing industry of this country has been practically destroyed for lack of protection, and the rates provided for in this bill are not as high as I would have made them, but I take it that the committee thoroughly investigated this matter, and, of course, I am willing to accept their judgment. However, I want to make the following observation as to the rates of duty between the Underwood bill and the present bill. Under the provisions of the present bill the duties are as follows:

Unmixed wool, 28 per cent ad valorem up to 7 cents per pound;
Underwood law, free.
Wool on the skin, 24 per cent up to 6 cents per pound;
Underwood law, free.
Other wool and animal hair, 25 cents a pound, clean content, up to 35 per cent;
Underwood law, free.
Waste, 25 cents a pound;
Underwood law, free.
Noils, 16 cents a pound;
Underwood law, free.
Shoddy and wool extracts, 14 cents per pound;
Underwood law, free.

Under the provisions of the Underwood-Simmons bill wool was put on the free list, and our home markets were thrown open to foreign producers of wool, and the foreign producers of wool have flooded our markets and the wool and sheep industry in this country has been ruined. Take, for instance, the imports into the United States during the month of May, 1921, of wool of classes 1, 2, and 3, which totaled 14,744,598 pounds.

The annual wool crop of the entire world is 2,800,000,000 pounds. Of this amount, the United States produced 11.2 per cent, or 314,000,000 pounds; Australia, New Zealand, and contiguous countries produce 26.4 per cent, or 740,000,000 pounds; South America, 16.8 per cent, or 470,000,000 pounds; the other countries of the world produce 45.6 per cent, or 1,276,000,000 pounds.

The United States is the chief wool market of the world to-day. In the campaign last fall it was my good fortune to address a large number of wool-growing farmers at Junction City, Ohio, in the eastern part of the district which I have the honor to represent. I asked them, collectively, the question: "Have you sold your wool crop this year?" and one grand chorus of "No's" went up; and I asked them "Why not?" and they said they had no market for it. Now, why was it that they had no market for their wool? Why was it that they could not get an offer for it? Simply because the foreign wool of the world had flooded our home markets in the United States, and the supply was greater than the demand, and consequently our own woolgrowers at home were the losers. This industry must be restored, and it can only be done by passing a tariff bill with rates high enough to protect our own wool industry. [Applause.]

WHEAT.

In the 11 months ending May, 1921, there was imported into the United States 50,914,217 bushels of wheat.

This wheat was imported by Canada, Mexico, Argentina, Australia, and other countries.

There was imported into the United States free of duty 1,414,576 barrels of wheat flour.

CORN.

Corn under the Underwood Act is duty free. The present bill provides for a duty on corn or maize, including cracked corn, of 15 cents per bushel of 56 pounds.

There was imported into the United States by Mexico, Argentina, Venezuela, Japan, and other countries free of duty during the 11 months ending May, 1921, 5,725,769 bushels of corn.

CORN MARKET.

Where are the producers of corn to find a market for their product this year? Corn production this year is estimated at 91 per cent in the United States, as compared with a 10-year average in the United States of 84 per cent. In my home State of Ohio last year the corn raisers produced 141,608,000 bushels, and there was produced by the farmers of this country 2,798,000,000 bushels. A dependable forecast is hardly possible in this early stage in the growth of corn in the United States this year, but on the basis of conditions on July 1 and on the presumption of average conditions through the growing season the indications are that the corn growers of the United States will produce this year 3,123,000,000 bushels. Where is this corn to be marketed if the home markets of the United States are to be flooded with corn from foreign countries?

CATTLE RAISING.

We talk about a tariff, at least, of sufficient amount to equalize the cost of production here and abroad. Who knows or can find out the exact cost of production in any other country than our own? Take the cattle business in our own country, for example. It costs less to produce a beef in Texas than in Nebraska, and less in Kansas than in Illinois. One year it can, and does often, cost 25 to 50 per cent more to care for an animal than the previous year or the year following. Hence, the cost of production varies in the United States according to local conditions.

It is my judgment that we should place a tariff sufficiently high upon live stock and the products of live stock to cover the cost of production, compared to that of foreign countries, and at the same time not so high as to create a monopoly.

It is asking no favor to put the producers of this country on an equal footing with foreign producers and importers, and when the producers of this country do not receive that consideration from Congress, then the favor is extended to the foreign producers of raw material and not the home producers, which is absolutely unfair.

Argentina has more than 4 cattle and 10 head of sheep per capita, while the United States has but little more than half a beef per capita, and less than half a mutton per capita.

The great markets of this country are in large cities, most of which can be reached by water transportation; in other words, at least one-third of the American people can be reached from foreign countries by water transportation, and when the great canal is built which will connect the Great Lakes with the Atlantic Ocean, thus permitting ocean-going ships to reach Chicago, one-half of the American people can be fed by water transportation from foreign countries.

From the Pan American Union statistics it develops that farm laborers in Argentina receive from $10 to $20 per month and board. It should also be considered that these competitive countries still have enormous tracts of free range and the cost of raising cattle is much less under such conditions. Land values and pasture charges are much lower than in this country, and there is hardly an item of expense incident to the live-stock business that is not very much less in competitive countries than here.

Live-stock receipts at market centers declined more than 10 per cent in 1920, as compared to 1919. On such a decline in receipts, why did not cattle, hogs, and sheep increase in price? The answer is, imports of meat, free of duty, in various forms took up the slack and prevented the advance, and, on the contrary, pressed the market downward. Cattle led in the decline of agricultural products in 1919.

Out of $4,000,000,000, estimated to be necessary to run this Government for one year, only 15 per cent of this vast sum is collected at the customhouses on import duties; the balance, or 85 per cent, is raised from internal revenue. This is the result of the workings of the Underwood bill. Under the Payne-Aldrich bill 65 per cent of all the revenue necessary to run this Government was collected at the customhouses on import duties; the balance of 35 per cent was collected from some internal source, a great deal of which was from whisky and tobacco tax. However, it required only about $1,000,000,000 then to run the Government as compared with $4,000,000,000 to-day.

During the 12 months ending June 30, 1920, there were imported, free of duty, 16,358,299 pounds of mutton and lamb, and during the succeeding four months the imports of mutton and lamb, free of duty, amounted to 64,623,777 pounds. Total, 80,982,076 pounds. During the last four months of this period there were practically four times as much of these imports as in the previous 12 months.

Gentlemen of the House, how do you expect American markets, flooded with foreign imports, to take care of the products of the American farmer, for domestic use?

Mr. WINGO. Will the gentleman yield for a question?

Mr. RICKETTS. Please pardon me. I have but little time. I am sorry I have not more time.

Mr. WINGO. I am, too.

Mr. RICKETTS. I would be glad to yield to the gentleman.

Mr. WINGO. I was going to ask you how you were going to get rid of that surplus.

Mr. RICKETTS. You can not get rid of the surplus if you throw open the markets of this country to foreign products. Any man knows that who knows anything, and that is the trouble with this country to-day; and I will say to the gentleman and to other gentlemen from the Southern States, that down in those States you have more men, both Democrats and Republicans, who are in favor of protection than ever before in the history of this country.

A great deal has been said on the floor of this House, during this session, concerning the establishment of foreign trade for the United States. It strikes me that the prudent thing for the American Congress to do in the way of legislation is to first stabilize the business of our own country, and when we have taken care of the industries and business of this country, there will be ample opportunity to establish American trade with foreign countries. Let us, first, put our own house in order. [Applause.]

You can scarcely think of a crop produced in other countries that has not been imported into this country. We have an underconsumption in the United States. Why? Because our home markets are flooded with foreign products. There will be produced this year the third largest wheat and corn crop in the history of the world. The United States has abundant crops, but our difficulty is going to be to market these crops if our own home markets are flooded by the influx of foreign products.

FARMERS.

There are 3,925,090 farms in the United States operated by their owners, according to the census report of 1920. Of that number 2,074,734 are free from mortgage, while 1,461,113, or 41.3 per cent, of these farms are under mortgage. To my mind this shows conclusively the effect of eight years of the Underwood tariff. Many of the farmers were unable to carry on the farming business in the United States without placing a mortgage on their farms. When are these mortgages to be paid and how are they to be paid if the ports of the United States are to be thrown wide open to importations from foreign countries? I think it is about time for us to wake up, Democrats and Republicans alike, and take care of our own country by the enactment of a tariff law that will protect our industries. [Applause.]

FARM DEBT.

The number of farms operated by their owners for which the amount of mortgage was reported in 1920, according to the Fourteenth Census, was 1,193,878, as compared with 1,006,511 in 1910.

The amount of debt reported was $4,012,711,213 in 1920, as against $1,726,172,851 in 1910. The increase in the amount of debt amounted to $2,286,538,362, or 132.5 per cent, while the value of the mortgaged farms increased 117.6 per cent during the decade and their number 18.6 per cent.

This shows conclusively the effects of the Underwood law. The farmers of the country could not meet their obligations. Is it any wonder that the Republican Party was swept into power last year by a plurality of more than 7,000,000 votes? The people are the jury to determine whether or not they want a tariff for revenue only, which is free trade in effect, or whether they want a protective tariff. They have had an opportunity to pass upon each of the tariffs of the two dominant parties. They have tried them out and they are no longer willing to stand for a free trade tariff. They want protection and they want it badly, and they are going to get it by the passage of the Fordney bill. In the future they will have protection for their industries, and prosperity is sure to follow if we protect our own industries and our own markets against the imposition of foreign products and imports.

OUR FOREIGN DEBT.

A great deal has been said about the balance of trade being in our favor. Our Democratic friends maintain that the allied nations owe us something like $15,000,000,000, including principal and interest; that the only way this Government can secure payment of that enormous sum is to turn our markets open to foreign producers and thereby destroy our own industries and our own home markets for our own home people. Is it not strange that this Government under the Democratic administration would advance about $9,000,000,000 to foreign countries without taking any security whatever therefor? If the United States Government desired to borrow $9,000,000,000, would it ask any foreign country to advance the money without any security whatever? And if it did, do you suppose any nation

on the face of the earth would advance the money without legal evidence of indebtedness? Would not the United States issue its bonds and offer them for sale, or issue Treasury notes for the money? Why did William Gibbs McAdoo, Secretary of the Treasury, loan foreign countries the enormous sum of $9,000,000,000 of the people's money without taking any security whatever therefor?

Our Democratic friends want to compel the United States Government to accept the products of foreign countries and give foreign countries credit for the goods that they send here on the loan that they obtained from this Government without security. This is so highly fallacious as to be unreasonable. It will not bear the searchlight of investigation. It is actually ridiculous.

GERMANY.

Some of our Democratic friends insist that Germany will not be able to import goods into this country; that she is loaded down with a great indemnity debt, almost so heavy as to crush her industries; and that therefore we need not expect any great competition from that country. Before the war Germany exported 850,000,000 tons of pig iron. She is now an importer. The war cost her 40 per cent of her iron ore, but the gap is being rapidly filled up. Shrewd observers in Germany believe that she is preparing for a great age for electricity, and is planning an industrial revolution.

And note this fact, too: In no other country are the home farmers so absolutely sure of their home market. Germany is thrice protected, namely, by her rate of exchange—which alone is equal to a high protective tariff—by her customs, and by her import license system. The latter prevents anything being brought into the country which will injure its economic position.

Germany is now importing raw materials. This great home market creates a sure basis upon which to build up a great productive organization to conquer foreign markets. She has, also, the enormous advantage of being next door to the only country (Russia) which requires only manufactured goods and gives raw materials in return. Do not worry about Germany not being able to take care of herself. She always has been able to do so in peace times, and she will be able to do so in the future.

Under the present Underwood law commodities and manufactured articles of every description have been pouring through our ports and into our warehouses and markets, free of duty in most instances, until the markets of this country are flooded and overstocked with foreign goods. The result is that the producers of this country have no market for their products. The manufacturers of this country have no market for their manufactured articles. More than 3,000,000 of men and women are thrown out of employment by reason thereof.

We have an overproduction and an underconsumption due to this very condition. What Congress must do is to protect the farmers, the industries, and the labor of this country, and I believe that the Fordney bill will go a long way in this direction, and I shall therefore support the same. [Prolonged applause.]

Mr. COLLIER. I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, we are closing a seven days' debate. I feel unworthy of this great honor of closing the debate for our side. When this debate opened seven days ago the leaders of the Ways and Means Committee, aided and abetted by the Rules Committee, were much in evidence in this House. When it comes to competing with the majority leaders of the Ways and Means Committee, and the majority generally, in smoke screen, secret intrigues, and in barrages and hidden ambuscades and masked batteries and that kind of thing, we Democrats are at a disadvantage; but when it comes to a question of physical endurance, if you please, we are with you, because now at this late hour of the night the Rules Committee have disappeared, the great chairman of the great Ways and Means Committee [Mr. FORDNEY] has disappeared, the gentleman from New York [Mr. MOTT], a member of the Ways and Means Committee, has disappeared from the Chamber. The gentleman from Massachusetts [Mr. TREADWAY], a member of this committee, is conspicuous by his absence.

The gentleman from New York [Mr. HOUGHTON], a member of the Ways and Means Committee, is not here. Mr. HAWLEY is not here. Mr. YOUNG is not here. Mr. FREAR is not here. Mr. BACHARACH is not here. Mr. HADLEY is not here. Mr. TIMBERLAKE is not here. Mr. BOWERS is not here. Mr. WATSON is not here. Mr. CHANDLER of Oklahoma is not here. The gentleman from Chicago [Mr. MADDEN], the leader of the steering committee, and his aider and abettor, the gentleman from Illinois [Mr. COPLEY], are not here. And, last but not least, the main "papa leader of the whole herd," the distinguished gentleman from Ohio [Mr. LONGWORTH], has permitted the seductive down of a comfortable pillow for his tired head to lead him away and influence him more than even the interest of his pet dye schedules, and with them disappeared their orange-colored protection drink, so universally and constantly used by them all in this debate.

One by one they have all gone away and they have left us Democrats in charge of the Chamber——

Mr. GREEN of Iowa. And I would get away if I could. [Laughter.]

Mr. BLANTON. Only you and Brother TILSON, from Connecticut, are here. The balance of your warriors have become weary and discomforted, and are now seeking repose to ease their consciences. But unless constant wearing has seared them too much, I predict that they will toss and roll all night.

They have left us here in charge to close the debate, and the people of America now have a chance to get their own. [Laughter.] But the chance is very small, as the Rules Committee has hamstrung and hogtied us Democrats by the special rule passed so that we can not function. But for this fact, we would now get busy and reframe and pass this bill before morning to benefit the masses.

Mr. Chairman, in the back of yesterday's RECORD appears the speech made on July 12, 1921, by the distinguished gentleman from Ohio [Mr. LONGWORTH]. I presume that he withheld it from earlier printing so that he could leisurely revise it to suit his exact views in every respect. Let me quote from page 3618 the following colloquy:

Mr. CAREW. Will the gentleman be kind enough to tell us how he was able to know how much reduction to make on these ad valorem rates if he was not able to make any comparison between American and foreign values? Previous tariff rates were always based, at least ad valorem rates were always based, on a certain per cent of the foreign value. This proposition is to base them on a certain percentage of the American value. Now, it is said the American value is higher. How much higher I am sure I do not know, but it seems to me it would be necessary, in order to make a proper reduction in the rates, that we ought to know what at least is the difference in the American value and the foreign value. [Applause on the Democratic side.]

Mr. LONGWORTH. Well, if there is any gentleman seated on that side who framed the ad valorem rates in the Underwood law, I would like to ask him what the foreign valuation of those goods were.

Mr. CAREW. Well, of course, we are not going to deal with what gentlemen did in 1913; we would like very much to know what the gentleman is doing to-day. [Applause on the Democratic side.]

Mr. LONGWORTH. If the gentleman will inform me as to the foreign valuation of the goods provided for under the Underwood law, I will inform him of the American valuation provided for under this law. Of course, on the face of it the question is absurd, because no one knows what the value of anything is until the value is determined——

Mr. CAREW. Then how in the name of God could you reduce these rates proportionately?

Mr. LONGWORTH. I appreciate the opposition of the gentleman to this very safe and sound method of obtaining values.

You will note, Mr. Chairman, that the gentleman from Ohio [Mr. LONGWORTH] conclusively asserted that the American valuation system is "a very safe and sound method of obtaining values."

The other day, when speaking on this measure, I used the following expressions advisedly:

When, Mr. Chairman, opposing nations are grappling at the throats of each other in deadly warfare there is some excuse for resorting to camouflage, smoke screens, barrages, hidden batteries, and purposed deceit; but there is no excuse whatever, Mr. Chairman, for any party in control of Congress attempting to deceive the people of the Nation.

The evidence demonstrates that this bill was conceived and born in secret intrigue, that it reached this Committee of the Whole House behind a purposed smoke screen of deceit, and that in camouflaging it the Ways and Means Committee was aided and abetted by the Committee on Rules.

* * * * * * *

In secrecy these 17 Republican Congressmen have spent weeks and months in framing this "measure of protection," and no Democrat was permitted to see any paragraph of any schedule until the other day, when this mandate was printed and ordered to be passed.

Now, I am going to convince you that on this "American valuation system" the Republican leaders of the Ways and Means Committee have indulged in just as much secrecy, and have kept the remaining 425 Congressmen in the dark and refused to take them into their confidence, just as much as they have with respect to the other provisions of the bill.

Here is a copy of a little booklet, which I procured from the Government Printing Office, which was printed in behalf of the Ways and Means Committee, yet such committee has not yet shown a single copy of it to a single minority member of the committee.

The first page of this booklet reads as follows:

Tariff information, 1921. Comparison of foreign selling prices and landed costs with American selling prices. Printed for use of the Ways and Means Committee, House of Representatives.

And note that it has the Government seal, and the following:

Washington, Government Printing Office, 1921.

Showing conclusively that this "American valuation" data was printed by the Government Printing Office for the use of the Ways and Means Committee.

Now let us read the second page, which contains the following:

COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, SIXTY-SIXTH CONGRESS, THIRD SESSION.

Joseph W. Fordney, Michigan, chairman; William R. Green, Iowa; Nicholas Longworth, Ohio; Willis C. Hawley, Oregon; Allen T. Treadway, Massachusetts; Ira C. Copley, Illinois; Luther W. Mott, New York; George M. Young, North Dakota; James A. Frear; Wisconsin; John Q. Tilson, Connecticut; Isaac Bacharach, New Jersey; Lindley H. Hadley, Washington; Charles B. Timberlake, Colorado; George M. Bowers, West Virginia; Henry W. Watson, Pennsylvania; Claude Kitchin, North Carolina; Henry T. Rainey, Illinois; Cordell Hull, Tennessee; John N. Garner, Texas; James W. Collier, Mississippi; Clement C. Dickinson, Missouri; William A. Oldfield, Arkansas; Charles R. Crisp, Georgia; John F. Carew, New York; Whitmell P. Martin, Louisiana; Ernest W. Camp, clerk.

Now, all of the above were members of the Ways and Means Committee up to March 4, 1921, and this document shows on its face that it was printed in the year 1921, yet up to this hour the leaders on the Ways and Means Committee have not shown this important document to any Democratic member of said committee. Now, let us read page 4, which is a key or explanation to the tables which follow, to wit:

COMPARISON OF FOREIGN SELLING PRICES AND LANDED COSTS WITH AMERICAN SELLING PRICES.

Table No. 1 shows for specified merchandise the landed cost (1) under existing law, (2) with duty based on American selling price for similar domestic merchandise without any deductions for duty, (3) with duty based on American selling price for similar domestic merchandise with a deduction of an amount equal to duty, (4) the percentage increase in duty over present duties if basis is (*a*) American selling value including duty or (*b*) American selling value less duty.

Table No. 2 shows for specified merchandise (1) the rate of duty under existing law, (2) the rate of duty on the basis of the foreign market value of such articles if (*a*) the basis of assessing duties is the American selling value including duty or (*b*) the American selling value excluding duty.

Table No. 3 shows for specified merchandise (1) the American selling price of the domestic article, (2) the landed cost (*a*) under existing law, (*b*) based on American selling value without allowance for duty, (*c*) based on American selling value with allowance for duty, and (*d*) including existing duty and a 50 per cent maximum.

Now, here is Table No. 1, printed on pages 4 and 5 of this booklet:

TABLE NO. 1.—*Foreign selling prices and landed costs compared with American selling prices.*

Merchandise and country.	Price paid.		Price for foreign home consumption.		Present duty.		Approximate freight and packing.		Present landed cost without addition for general expenses and profit.	American price for similar domestic article.	Duty on gross American price.		Landed cost without addition for general expenses and profit.	Duty on American price, less duty.		Landed cost without addition for general expenses and profit.
	Foreign value.	United States value.	Foreign value.	United States value.	Per ct.	Amount.	Per ct.	Amt.			Amount.	Per cent increase		Amount.	Per cent increase	
Lamp shades, 10-inch, green glass, per doz., Germany.	210 mks.....	$3.38.....	170 mks...	$2.74.....	45	$1.23	45	$1.49	$6.10	$13.80	$6.21	403	$11.08	$4.28	248	$9.15
Hatter's fur, bon extra, unpulled, France.	38 fr. per kilo	$1.18 per lb.	38 fr. per kilo.	$1.18 per lb.	15	.177	2½	.03	1.39	1.72	.258	46	1.47	.225	27	1.44
Carpeting, England:																
Chenille Axminster, per sq. yd.	26s. 6d. plus packing.	$5.17.....	26 s. 6d. plus packing.	$5.17.....	35	1.81	10	.70	7.68	9.50	3.33	84	9.20	2.46	35	8.33
Inlaid linoleum, quality A.	10s. 6d. less 25 and 2½ p. ct., plus packing.	$1.53 net, packed.	.....	.....	35	.54	5	.10	2.17	1.60	.....	.....	.....	.....	.....	.....
Straw hats, per dozen, England.	68s. less 3½ p. ct., plus packing.	$12.76 net.	.....	.....	40	5.10	15	1.91	19.77	24.30	9.72	90	24.39	6.94	36	21.61
Do.....	78s. less 3½ p. ct., packed.	$14.68 net.	.....	.....	40	5.87	8	1.17	21.72	21.60	8.64	47	24.49	6.17	5	22.02
Rattan reeds, prime No. 3, per pound, Germany.	.....	$0.38.....	.....	.....	10	.038	5	.02	.44	.78	.078	105	.48	.07	84	.47
Embroidery machine needles, Germany:																
System 8548, per M.	.....	$15.12.....	294 mks...	$4.73.....	20	.95	8	1.20	17.27	12.60	2.52	165	18.84	2.10	121	18.42
System 292, per C.	.....	$1.33.....	47.5 mks..	$0.76.....	20	.15	8	.10	1.58	1.90	.38	150	1.81	.32	113	1.75
Canned tomatoes, 24 cans per case, No. 3, Italy.	288 lires per 100 tins.	$1.41 per doz.	.....	.....	25	.35	17	.24	2.00	1.20	.....	.....	.....	.....	.....	.....
Artificial silk, 150 denier, per lb., England.	12s. 6d.....	$2.44.....	.....	.....	35	.85	1	.025	3.32	2.55	.89	4	3.35	.66	.....	3.12
Artificial silk, 150 denier, per lb., Italy.	90 lires.....	$1.68.....	.....	.....	35	.59	2½	.025	2.30	2.55	.89	52	2.59	.66	12	2.36
Jointed doll, 19-inch, fine quality, Germany.	.....	$18.86.....	660 mks...	$10.63.....	35	3.72	50	9.42	32.00	34.50	12.07	224	40.35	8.94	140	37.22
Barmen lace, per doz. yds., Germany.	14.10 mks. less 5 p. ct. net.	$0.214.....	.....	.....	35	.075	87	.017	.306	.322	.113	50	.344	.083	11	.314
Portuguese sardines, ¼-lb. tin, per case, Portugal.	.....	$8.....	.....	.....	25	2.00	12½	1.00	11.00	12.00	3.00	50	12.00	2.40	20	11.40
Huntley & Palmer tea biscuits, per lb., England.	1s. 10d., tins and packing extra.	$0.36.....	.....	.....	25	.09	10	.036	.486	.32	.....	.....	.....	.....	.....	.....
Shirt collars, outside linen, England.	12s.....	$2.35.....	.....	.....	30	.70	5	.115	3.17	4.25	1.27	81	3.73	.98	40	3.45
Silk velvet, per meter, France.	55 fr., 2 p. ct.	$3.48 per yd. net.	.....	.....	50	1.74	3	.10	5.32	5.81	2.90	67	6.48	1.93	11	5.51
Marine oil engine, 160 B. H. P., 2-cylinder, Sweden.	21,500 crowns, plus 175 p. ct., less 25 and 2½ p. ct.	$10,063....	.....	.....	20	2,010.60	5	500.00	12,563.00	13,421.00	2,684.00	33	13,237.00	2,237.00	9	12,790.00
Nottingham cotton lace, per great yd., England.	15s. less 20, 2½, and 1½ p. ct.	$2.26 net..	.....	.....	60	1.35	5	.11	3.72	3.37	2.02	50	4.39	1.26	[1]7	3.63
Swiss cheese, Switzerland.	758 fr. per 100 kilo.	$0.59 per lb.	438 fr. per 100 kilo.	$0.34 per lb.	20	.08	2	.018	.68	.57½	.....	.....	.....	.....	.....	.....
Machine embroidery cotton, St. Gall, Switzerland.	0.55 fr. per meter.	$0.087 per yd.	0.55 fr. per meter.	$0.087 per yd.	60	.052	7	.006	.145	.23	.138	165	.231	.086	65	.179

[1]Decrease.

TABLE No. 1.—*Foreign selling prices and landed costs compared with American selling prices*—Continued.

Merchandise and country.	Price paid.		Price for foreign home consumption.		Present duty.		Approximate freight and packing.		Present landed cost without addition for general expenses and profit.	American price for similar domestic article.	Duty on gross American price.		Landed cost without addition for general expenses and profit.	Duty on American price, less duty.		Landed cost without addition for general expenses and profit.
	Foreign value.	United States value.	Foreign value.	United States value.	Per ct.	Amt.	Per ct.	Amt.			Amount.	Per cent increase		Amount.	Per cent increase	
Milk chocolate, Switzerland.	5.40 fr. less 8 per cent, 2 lbs.	$0.3775 per lb.	5.40 fr. less 2 per ct., 2 lbs.	$0.40 per lb.	25	$0.10		$0.016	$0.493	$0.60	$0.15	50	$0.543	$0.12	20	$0.513
Paper, Germany:																
Glassine, 24-inch, 25 lbs.		$0.117 per lb.	13.50 mks. per kilo.	$0.008 per lb.	35	.034	8	.009	.16	.148						
Grease-proof, 500 sheets, 25 lbs.		$0.09 per lb.	11.50 mks. per kilo.	$0.084 per lb.	35	.029	8	.007	.126	.139	.048	67	.145	.036	24	.133
Clothes baskets, Belgium.	140 fr. per doz.	$10.18			25	2.54	8	.80	13.53	14.25	3.56	40	14.54	2.85	12	13.83
High-speed steel, England.	4s. less 5 p. ct.	$0.745			15	.112	3	.022	.88	[1] 1.90	.135	20	.902	.117		.884
Wool yarn, 20s., 2-fold quality, 3/8s; English 56s., England.	4s. 2d. per lb.	$0.816			18	.147	5	.04	1.00	1.30	.234	59	1.09	.198	34	1.05
Pipes, B. B. B., England.	48s. per doz.	$9.36			50	4.68	3	.28	14.32	19.00	9.50	103	19.14	6.33	35	15.97
Magnesiagas-mantle rings, Germany.		$2.25 per M	90 mks. per M.	$1.45	20	.29	10	.225	2.77	5.00	1.00	245	3.48	.83	186	3.30
Cup and saucer, Japan.	1.12 yen per doz. unpacked, packing 13 p. ct.	$0.728, packed.			55	.40	6	.034	1.16	1.45	.797	100	1.56	.51	27	1.27

[1] Quoted $1.05.

And, Mr. Chairman, the following is Table No. 2, printed on page No. 6 of this booklet:

TABLE No. 2.—*Comparison of rate of duty based on foreign-market value under several plans.*

No.	Merchandise.	Rate, act of 1913.	Rate of duty on basis of foreign market value if basis is—	
			American selling value, including duty.	American selling value, excluding duty.
		P. ct.	*Per cent.*	*Per cent.*
1	Lamp shades, 10-inch, green glass, per dozen	45	226+	156+
2	Hatter's furs, bon extra, unpulled	15	23	19
	Carpeting:			
3	Chenille Axminster, per square yard.	35	64+	47+
4	Inlaid linoleum, quality A	35		
5	Straw hats, per dozen	40	76+	54+
6	do	40	58+	42
7	Rattan reeds, prime No. 3, per pound	10	20+	18+
	Embroidery machine needles:			
8	System 854S, per thousand	20	53	44+
9	System 292, per hundred	20	50	42+
10	Canned tomatoes, 24 cans per case, No. 3.	25		
11	Artificial silk, 150 denier, per pound	35		
12	do	35	53+	39+
13	Jointed doll, 19-inch, fine quality	35	113+	84+
14	Barmen lace, per dozen yards	35	52+	38+
15	Portuguese sardines, quarter-pound tins, per case	25	37+	30
16	Huntley & Palmer tea biscuits, per pound	25		
17	Shirt collars, outside linen	30	54+	42
18	Silk velvet, per meter	50	83+	55+
19	Marine oil engine, 160 B. H. P., two-cylinder	20	26+	21+
20	Nottingham cotton lace, per yard	60		
21	Swiss cheese	20		
22	Machine embroidery, cotton, St. Gall	60	159	99
23	Milk chocolate	25	57+	30
	Paper:			
24	Glassine, 24-inch, 25 pounds	35		
25	Grease-proof, 500 sheets, 25 pounds	35	58+	43
26	Clothes baskets	25	35	28
27	High-speed steel	15	18	15+
28	Wool yarn, 20s, two-fold quality; 3/8s; English 56s	18	28+	24+
29	Pipes, B. B. B	50	101+	67+
30	Magnesia gas-mantle rings	20	09	57+
31	Cup and saucer	55	110	69+

And the following is Table No. 3, printed on page 7 of this booklet:

TABLE No. 3.—*Comparison of American selling value with landed cost under several plans.*

No.	Merchandise.	American selling price of domestic article.	Landed cost.[1]			
			Present.	Based on American selling value without allowance for duty.	Based on American selling value with allowance for duty.	Including existing duty and a 50 per cent maximum.
1	Lamp shade, 10-inch, green glass, per dozen	$13.80	$6.10	$11.08	$9.15	$7.15
2	Hatter's furs, bon extra, unpulled	1.72	1.39	1.47	1.44	1.48
	Carpeting:					
3	Chenille Axminster, per square yard	9.50	7.68	9.20	8.33	8.59
4	Inlaid linoleum, quality A	1.60	2.17			
5	Straw hats, per dozen	24.30	19.77	24.39	21.61	22.32
6	do	21.60	21.72	24.49	22.02	24.66
7	Rattan reeds, prime, No. 3, per pound	.78	.44	.48	.47	.46
	Embroidery machine needles:					
8	System 854S, per thousand	12.60	17.27	18.84	18.42	20.86
9	System 292, per hundred	1.90	1.58	1.81	1.75	1.83
10	Canned tomatoes, 24 cans per case, No. 3	1.20	2.00			
11	Artificial silk, 150 denier, per pound	2.55	3.32	3.35	3.12	3.75
12	do	2.55	2.30	2.59	2.35	2.60
13	Jointed doll, 19-inch, fine quality	34.50	32.00	40.35	37.22	38.18
14	Barmen lace, per dozen yards	.322	.306	.344	.314	.343
15	Portuguese sardines, quarter-pound tins, per case	12.00	11.00	12.00	11.40	12.00
16	Huntley & Palmer tea biscuits, per pound	.32	.486			
17	Shirt collars, outside linen	4.25	3.17	3.73	3.45	3.52
18	Silk velvet, per meter	5.81	5.32	6.48	5.51	6.19
19	Marine oil engine, 160 B. H. P., two-cylinder	13,421	12,563	13,237	12,790	13,568
20	Nottingham cotton lace, per great yard	3.37	3.72	4.39	3.63	4.40

[1] The landed cost figures do not include any addition for general expenses or profit.

TABLE NO. 3.—*Comparison of American selling value with landed cost under several plans*—Continued.

No.	Merchandise.	American selling price of domestic article.	Landed cost.			
			Present.	Based on American selling value without allowance for duty.	Based on American selling value with allowance for duty.	Including existing duty and a 50 per cent maximum.
21	Swiss cheese	$0.575	$0.68			
22	Machine embroidery, cotton, St. Gall	.23	.145	$0.231	$0.179	$0.171
23	Milk chocolate	.60	.403	.543	.513	.543
	Paper:					
24	Glassine, 24 inches, 25 pounds	.148	.16			
25	Grease-proof, 500 sheets, 25 pounds	.139	.126	.145	.133	.144
26	Clothes baskets	14.25	13.52	14.54	13.83	14.79
27	High-speed steel	.90	.88	.902	.884	.935
28	Wool yarn, 20s, two-fold quality; 3/8s; English 56s	1.30	1.00	1.00	1.05	1.07
29	Pipes, B. B. B	19.00	14.32	19.14	15.97	16.66
30	Magnesia gas-mantle rings	5.00	2.77	3.48	3.30	3.16
31	Cup and saucer	1.45	1.16	1.50	1.27	1.36

Mr. Chairman, these tables speak for themselves. Why has the Ways and Means Committee not given us the benefit of this information. Why has it not informed the Democrats on said committee of the information which it contains? This document was printed at the Government Printing Office and paid for with the public money out of the Treasury. It is now nearly midnight of the seventh day of continuous debate on this bill, and I am now making the last speech to be made under general debate, and yet the Ways and Means Committee has made no move to acquaint us with these facts. Why? I will tell you. This data, compiled at great expense, shows that under this American valuation system the duty on lamp shades from Germany is an increase of 403 per cent. It proves conclusively the opening argument made by my colleague from Texas, Mr. GARNER, that on straw hats—item 5, Table No. 1—under the American valuation system, the present tariff under the Underwood bill is increased 90 per cent on English hats.

How do the balance of you Republican brothers feel when you now see that a few of your leaders on the Ways and Means Committee are keeping all of the balance of us in the dark?

Mr. Chairman and gentlemen of the House, before I conclude this debate let me mention one or two other matters. In his speech this morning our distinguished friend and colleague from New Jersey, Mr. BACHARACH, intimated that I was the friend of the rich man's boy, because I had denounced the Surgical and Dental Instrument Trust, and had shown that the unconscionable rates of duty prescribed by this bill would make every young medical and dental student pay a tribute of $25 each to this giant trust. This was merely one of the hundred resultant evils. Why, Mr. Chairman, every doctor and every dentist in the United States is enslaved by this trust, and under the terms of this bill is required to pay into its pockets an enormous tribute, and in turn this expense is passed as a further burden over upon the now already overburdened shoulders of every poor family in America. Let me say to my friend from New Jersey that he is mistaken if he thinks that only sons of rich men go to college. I earned myself every cent of money that paid my way during five years at my State university. Hundreds of other poor boys were there with me, earning and paying their way. Thousands of poor boys each year from humble homes in the United States enter college and stay there as long as they can meet expenses until they graduate. Is the gentleman from New Jersey against a boy because his father is rich? Is he going to penalize a boy for having a rich father? Could the boy have helped it? I am the friend of every boy alike, rich or poor, and while my sympathies are stronger for the poor boy with less opportunities, I am not going to condemn a boy to everlasting and eternal damnation just because his father is rich. If the gentleman from New Jersey does not believe that the Surgical Instrument Trust is one of the many great monopolies in this country, just let him interrogate the doctors and dentists of his own State, or of any other State of this Nation.

But let him read the following letter which I have just this night received from the director of one of the industrial schools of his own State of New Jersey, dated at Trenton, July 13, 1921, to wit:

DEAR SIR:

In your deliberations on the pending tariff bill I respectfully suggest that you give serious consideration to a part thereof that is of vital importance to all schools teaching mechanical drawing.

The part referred to relates to what are known as the mechanical drawing instruments. It has come to my notice that it is contemplated increasing the duty on these instruments to such a figure that it will increase the wholesale cost from 60 per cent to 100 per cent.

Sets of mechanical drawing instruments selling at a reasonable figure (from $2 to $5 per set) have not and are not now manufactured in this country, and can not be on account of the high cost of American labor. The cheapest sets manufactured in this country retail for about $25. These are for draftsmen, not for students.

This school, and all other schools of like character, have worked at a great disadvantage during the entire war period with second-hand or temporary instruments, because sets within the means of our students, being manufactured abroad, were not obtainable.

Prior to the war it was possible to import instruments, well adapted to their use, for about $2. These, under after-war conditions, cost $5.50 for the same grade. Increasing this cost 100 per cent, or even 60 per cent, would make their cost prohibitive to students.

As you no doubt know the great majority of students who attend technical schools must consider the cost of their education, while to practically all of the men and boys who attend evening technical schools the cost of their working materials is a most serious matter.

They can not pay $25 for the American instruments; they can not pay $10 for imported instruments; approximately $5 is a figure within their means.

If the duty on cheap, imported instruments is raised it will so increase their cost to the men and boys who wish to attend evening technical schools that they will be unable to take advantage of the instruction given, and technical education, so badly needed in this country, will be seriously handicapped.

If an extra duty must be placed on drawing instruments to protect American manufacturers, why not, as the American manufacturer produces nothing less than a $25 set, increase the rate on such sets of drawing instruments as retail for $25 or over?

Very truly,

FRANK F. FREDERICK,
Director the School of Industrial Arts of the City of Trenton, N. J.

Again, Mr. Chairman, let me ask my friend from New Jersey, Mr. BACHARACH, why he is against the duty of 35 cents per barrel on crude oil? The great Standard Oil Trust, whose home is in the State of New Jersey, and its subsidiary corporations, such as the Texas Co., the Prairie Oil Co., the Magnolia Co., and the many others too numerous to mention, owns and controls practically all of the big oil fields of Mexico. There, to a large extent, it uses peon Mexican labor. It can produce oil in Mexico for one-fifth of the expense that it costs our little independent companies now trying to develop Texas and Oklahoma. If the Standard Oil Trust can get its unlimited production of oil from Mexico into the United States free, it can run every independent company out of business, and then, as it always does, it will put the price of oil up so high that a Texas gin nor other business enterprise can use it. It is to protect the great Standard Oil Co. of New Jersey that my friend from New Jersey is so much concerned about, is trying to get this duty out of this bill. Let me talk to some of our colleagues with whom to-day an attorney representing Standard Oil interests has pleaded with to vote against said 35 cents duty.

But, Mr. Chairman, this memorable debate must close, for it is now approaching midnight, hence I will not inflict my colleagues further than merely to say that this bill as a whole, if passed into law, will be a dangerous menace to the rights and interests of the masses—the so-called common people—who, after all, are the backbone of America's population.

Mr. GREEN of Iowa. Mr. Chairman, I believe that there are no further speeches on either side, and I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456, the tariff bill, and had come to no resolution thereon.

Mr. GREEN of Iowa. Mr. Speaker, I understand that all the copies of the bill have been exhausted. Of course, we will have to have more copies for consideration under the 5-minute rule. I ask unanimous consent that there be printed 500 more copies.

Mr. CONNALLY of Texas. Reserving the right to object, how many were printed originally?

Mr. GREEN of Iowa. Quite a large number, but they were for the folding room, in order that Members might send them out to parties interested.

Mr. WINGO. The gentleman does not intend to print the regular bill, but that document, which would be a good deal cheaper?

Mr. TILSON. It will be necessary to have the bill printed in the regular form, in order that Members may follow it.

Mr. BLANTON. Mr. Speaker, it is nearly 12 o'clock, and I object.

ADJOURNMENT.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 20 minutes p. m.) the House adjourned until to-morrow, Friday, July 15, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

193. Under clause 2 of Rule XXIV, a letter from the Secretary of State, transmitting copy of a dispatch from the American legation at Stockholm, transmitting a circular from the Swedish group of the Interparliamentary Union to the presidents of the interparliamentary groups of the union, regarding the conference to be held at Stockholm, August 17–19, 1921, was taken from the Speaker's table and referred to the Committee on Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. COLE, from the Committee on Indian Affairs, to which was referred the joint resolution (S. J. Res. 59) authorizing the Secretary of the Interior to protect certain restricted members of the Five Civilized Tribes, and for other purposes, reported the same without amendment, accompanied by a report (No. 264), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

Mr. LUCE, from the Committee on Elections No. 2, submitted a report (No. 265) on the memorial of John P. Bracken, of Pennsylvania, claiming to have been elected to the House of Representatives for the Sixty-seventh Congress, which said report was referred to the House Calendar.

Mr. ROGERS, from the Committee on Foreign Affairs, to which was referred the joint resolution (S. J. Res. 36) authorizing the appointment of a commission to confer with the Dominion government or the provincial governments of Quebec, Ontario, and New Brunswick as to certain restrictive orders in council of the said Provinces relative to the exportation of pulp wood therefrom to the United States, reported the same with amendments, accompanied by a report (No. 266), which said joint resolution and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 5453) granting a pension to Carrie C. Fry, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SCOTT of Tennessee: A bill (H. R. 7760) authorizing the appointment of a deputy clerk of the United States district court for the eastern division of the western district of Tennessee; to the Committee on the Judiciary.

By Mr. DALLINGER: A bill (H. R. 7761) to amend the Revised Statutes of the United States relative to proceedings in contested election cases; to the Committee on Elections No. 1.

By Mr. SUTHERLAND: A bill (H. R. 7762) to provide for soldiers' and sailors' homestead entries in Alaska; to the Committee on the Public Lands.

By Mr. STEAGALL: A bill (H. R. 7763) to amend section 32 of the act of Congress approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

By Mr. ACKERMAN: A bill (H. R. 7764) authorizing the accounting officers of the Treasury to adjust certain accounts of certain diplomatic and consular officers; to the Committee on Foreign Affairs.

By Mr. RAKER: A bill (H. R. 7765) to amend section 5 of the act approved March 2, 1919, entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes"; to the Committee on Mines and Mining.

By Mr. CABLE: A bill (H. R. 7783) to appropriate additional sums to aid the States in the construction of rural post roads, and for other purposes; to the Committee on Roads.

By Mr. BECK: Memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to pass the farmers' export financing corporation bill; to the Committee on Foreign Affairs.

By Mr. COOPER of Wisconsin: Memorial of the Legislature of the State of Wisconsin, urging the Congress of the United States to pass the farmers' export financing corporation bill; to the Committee on Foreign Affairs.

By Mr. WRIGHT: Memorial of the Legislature of the State of Georgia, urging the Congress of the United States to pass certain laws providing for the reclamation of swamp and waste lands; to the Committee on the Public Lands.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CABLE: A bill (H. R. 7766) for the relief of Eliza C. Jewett; to the Committee on Claims.

By Mr. GOLDSBOROUGH: A bill (H. R. 7767) to carry out the findings of the Court of Claims in the case of Thomas B. Steele; to the Committee on Claims.

Also, a bill (H. R. 7768) for the relief of the Davis Construction Co.; to the Committee on Claims.

By Mr. HERSEY: A bill (H. R. 7769) granting a pension to Melvin F. Wyman; to the Committee on Pensions.

By Mr. IRELAND: A bill (H. R. 7770) granting a pension to John R. Coleman; to the Committee on Pensions.

Also, a bill (H. R. 7771) granting a pension to Matilda Marshall; to the Committee on Invalid Pensions.

By Mr. JONES of Texas: A bill (H. R. 7772) for the relief of Robert Browning; to the Committee on Military Affairs.

By Mr. KEARNS: A bill (H. R. 7773) granting a pension to Clara A. Young; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 7774) granting a pension to Freeland H. Dam; to the Committee on Pensions.

By Mr. NOLAN: A bill (H. R. 7775) for the relief of S. A. Schwartz; to the Committee on Claims.

By Mr. SCOTT of Michigan: A bill (H. R. 7776) to correct the naval record of Garnet A. Sylvester; to the Committee on Naval Affairs.

By Mr. SNELL: A bill (H. R. 7777) granting a pension to Anna M. Hay; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 7778) granting an increase of pension to Winnie Alexander; to the Committee on Invalid Pensions.

By Mr. TYSON: A bill (H. R. 7779) authorizing the Secretary of War to donate to the city of Florala, Ala., one German cannon or fieldpiece; to the Committee on Military Affairs.

By Mr. VESTAL: A bill (H. R. 7780) for the relief of G. Fred Roach et al.; to the Committee on the Public Lands.

By Mr. VOIGT: A bill (H. R. 7781) granting an increase of pension to Albert Luck; to the Committee on Pensions.

By Mr. WILLIAMS: A bill (H. R. 7782) granting an increase of pension to Monroe Cole; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1977. By the SPEAKER (by request): Petition of Olaf Nooskog and 59 others of North Dakota, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1978. By Mr. BARBOUR: Telegram from Reedley Post, No. 35, of the American Legion, Department of Agriculture, in support of legislative program of American Legion in behalf of ex-service men; to the Committee on Interstate and Foreign Commerce.

1979. By Mr. DALLINGER: Petition of citizens of Massachusetts, favoring recognition of the Irish republic; to the Committee on Foreign Affairs.

1980. By Mr. HARRISON: Petition of congregation of the Gravel Springs Evangelical Lutheran Church, Star Tannery, Va., urging relief for peoples of the Near East; to the Committee on Foreign Affairs.

1981. By Mr. KEARNS: Resolutions adopted at mass meeting held at Portsmouth, Ohio, June 28, 1921, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1982. By Mr. KISSEL: Petition of Association of Importers and Distributors of Chinese and Japanese Floor Coverings, New York City, N. Y., relative to the tariff; to the Committee on Ways and Means.

1983. By Mr. KRAUS: Petition of sundry members of Bethel Methodist Episcopal Church, of Logansport, Ind., and of sundry members of Anoka Methodist Episcopal Church, of Logansport, urging the passage of House joint resolution 159; to the Committee on the Judiciary.

1984. By Mr. LINTHICUM: Petition of Purchasing Agents' Association of Baltimore, protesting against duty on manganese contents; also, petition of the Muskin Shoe Co., of Baltimore, Md., protesting against duty on hides; to the Committee on Ways and Means.

1985. Also, petition of the American Asbestos Dealers' Association, represented by Wallace & Gale Co., of Baltimore, Md., in opposition to paragraph 1401 on subject of asbestos products; also, petition of the Baltimore Dry Docks & Shipbuilding Co., Baltimore, Md., protesting against import duty of 35 cents a barrel on crude petroleum; to the Committee on Ways and Means.

1986. By Mr. MACGREGOR: Petition of New York State Association of Real Estate Boards, favoring the repeal of the excess-profits tax and kindred legislation; to the Committee on Ways and Means.

1987. By Mr. POU: Petition of residents of Raleigh, N. C., protesting against the enactment of House bill 4388; to the Committee on the District of Columbia.

1988. By Mr. YATES: Petition of J. H. Wood, J. G. Benson, and Ed Kittilsen, requesting support of pension bill (H. R. 4); to the Committee on Pensions.

1989. Also, petition of Pitkin & Brooks Co., of Chicago, protesting against American valuation plan; to the Committee on Ways and Means.

1990. Also, petition of F. C. Zellman, manager Illinois Automotive Trade Association, requesting support of Townsend bill; to the Committee on Roads.

1991. Also, petition of N. G. Moore, of Chicago, protesting against passage of Senate bill 657; to the Committee on the Judiciary.

1992. Also, petition of Walter S. Bogle, protesting against passage of Frelinghuysen bill; to the Committee on Interstate and Foreign Commerce.

1993. Also, petition of J. K. Dering Coal Co., protesting against passage of Frelinghuysen bill; to the Committee on Interstate and Foreign Commerce.

SENATE.

FRIDAY, *July 15, 1921.*

(Legislative day of Tuesday, July 12, 1921.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

Mr. HARRISON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ball	Gerry	La Follette	Sheppard
Brandegee	Gooding	Lodge	Shortridge
Cameron	Hale	McCormick	Sterling
Capper	Harris	McKellar	Trammell
Culberson	Harrison	McKinley	Underwood
Cummins	Heflin	McNary	Walsh, Mass.
Curtis	Jones, N. Mex.	Moses	Warren
Dial	Jones, Wash.	Nelson	Watson, Ga.
Edge	Kellogg	Norbeck	Willis
Ernst	Keyes	Norris	
Fernald	Knox	Oddie	
Fletcher	Ladd	Robinson	

Mr. CURTIS. I wish to announce that the Senator from Pennsylvania [Mr. PENROSE], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Vermont [Mr. DILLINGHAM], the Senator from Utah [Mr. SMOOT], the Senator from Indiana [Mr. WATSON], the Senator from West Virginia [Mr. SUTHERLAND], the Senator from Mississippi [Mr. WILLIAMS], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Missouri [Mr. REED] are absent in attendance on a hearing before the Committee on Finance.

Mr. STERLING. I wish to announce the absence of the Senator from Iowa [Mr. KENYON] and the Senator from Arkansas [Mr. CARAWAY] on business of the Senate.

The PRESIDENT pro tempore. Forty-five Senators have answered to their names. There is not a quorum present. The Secretary will call the roll of absentees.

The reading clerk called the names of the absent Senators, and Mr. BROUSSARD, Mr. MYERS, Mr. NICHOLSON, Mr. WADSWORTH, and Mr. WALSH of Montana answered to their names when called.

Mr. BURSUM, Mr. CARAWAY, Mr. NEW, Mr. STANFIELD, Mr. CALDER, Mr. SUTHERLAND, Mr. KING, Mr. SMOOT, Mr. REED, Mr. SIMMONS, Mr. WATSON of Indiana, Mr. WILLIAMS, Mr. SWANSON, Mr. MCCUMBER, Mr. HARRELD, Mr. DILLINGHAM, and Mr. STANLEY entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Sixty-seven Senators have answered to their names. There is a quorum present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

ADDRESS BY THE VICE PRESIDENT.

Mr. WALSH of Massachusetts obtained the floor.

Mr. SHORTRIDGE. Mr. President, will the Senator yield to me for just a moment?

Mr. WALSH of Massachusetts. Certainly.

Mr. SHORTRIDGE. Recently at Niles, Ohio, the Vice President delivered an address concerning matters which I think are of very general public interest. In form and substance the address is altogether admirable. I ask unanimous consent that it may be printed in the RECORD.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

ADDRESS OF HON. CALVIN COOLIDGE, VICE PRESIDENT OF THE UNITED STATES, AT NILES, OHIO, JUNE 18, 1921.

At Niles, Ohio, June 18, at 4 p. m., at the unveiling of a bust of President Harding, the Vice President, CALVIN COOLIDGE, spoke as follows:

"Mr. Chairman, about us speaks the very spirit of America. The advancing pioneer, the conquered wilderness, the abode of sterling character, the youth to genius born, the surging tide of progress, the divinely directed leader of the people, the mortal called to immortality, the imperishable influence still working on—all these are here, calling into being not only forms of beauty adorned with increasing memorials to those who have so loyally lived and wrought together for the greatness of the Nation, but transmitting to all posterity examples of true patriotism, gleaming forth in word and deed, alike an admonition and an inspiration to their countrymen forevermore. While these survive, while these mementos of the living and the dead, these bronze and marble representations of great principles and great men continue to hold the adoration of the people, our country is secure. But the evidence of that adoration must lie not merely in the expression of a blind satisfaction with the past; it must lie in the living testimony of a people dedicating themselves to a continuing sacrifice, from which alone can come the security and progress of the present and the future. These monuments have been reared to sacrifices made. They are vain things unless there abide in the soul of the people the purpose and courage for sacrifices to be made.

"Men are always influenced by their environment. The life and history of each individual is what it is, in part, because of the surroundings into which he was born and lived. There is the corollary to this. The history of localities is what it is because of the character of the people who have lived there. The little promontory of Greece has a meaning for us, a place in history, that is born of the spirit of the people who dwelt there more than 2,000 years ago. Caesar could not have been Caesar had his earthly lot been cast in the city of Pekin. Our own Lincoln, great as he was, would have been something far different had he been living in Paris in the days of the French Revolution. This locality has cast its influence over the people who have lived here, and they in turn have wrought their character into its history.

"This valley, now the scene of so much industrial activity, so typically American, was beyond the frontier in the days of the Revolution. It was only after the peace had been declared, only after the Congress had by ordinance provided for its well-being, that settlers came here in profusion. They were of the stock that fought the Revolution. I believe it can safely be asserted that no body of men of equal numbers ever wrought so wisely or so effectively upon the history of mankind as the Revolutionary patriots of America and their descendants. They bequeathed a continent to freedom, showered a Nation with untold riches, and finally saved civilization. Such was the blood that settled here, American through and through. Wherever they go the world knows the influence they wield, what they have done, are doing, and will do. No people ever exhibited a like enterprise for business or a like genius for government. Along this valley those powers have found full expression.

"It is not my purpose to dwell upon the industrial development of this locality except to point out that it is the result of the American system as applied by American statesmanship. It is true that the raw materials are here and the skill to form and fashion them for use, with the enterprise to organize for such purpose. But it is doubtful if these would ever have been

able to contribute in their full measure to our national diversification of industry and to our increased production without the fostering encouragement and support of that system of protection proposed by Alexander Hamilton, under which they have continually grown in prosperity and in independence. This has been a mighty contribution to our national strength.

"From this blood, from these surroundings came that great American to whom this stately memorial was reared. There is that in the present condition of our country which admonishes us to remember William McKinley. He was wiser than his critics. He was gentler than his friends. He was firmer than his party. He found the Nation depressed and distraught; he brought it prosperity and contentment. He led the people not from afar off, where his influence could not be felt, but from near at hand, directing their course but yet with them. It is little wonder that men loved him.

"From the time when as a boy in his teens he had shouldered a musket and fought his way up from a private to the rank of major in the War between the States he had been almost continuously a public servant. Through years he had been trained in the service of his country. Through years he had studied her needs and perfected himself in the ability to meet them. He knew the course that events must finally take; he knew the principles that must finally prevail, but he was content to hold to that course and maintain those principles in the face of temporary defeat.

"No man of late years has seen his course so justified by events. From a wavering adherence he saw the people turn to a determined maintenance of the Nation's financial integrity. He saw the reestablishment of the protective policy followed by a period of great prosperity. He saw the western world cast off a medieval colonial policy and freedom granted to the islands of the eastern seas. All this he saw ratified by the people under the solemnity of a national election in which he triumphed with the causes which he had advocated and which the Congress had adopted.

"He was an American. He believed in America. He advocated first and last American policies. He established a thoroughly American system. Yet he was something more. He was the first to recognize that the Spanish War had made us a world power with world responsibilities. He was not a man to shirk responsibilities. He did not believe that his country which he had seen rise to the sacrifice involved in the solution of a world problem would shirk its responsibilities. He knew that this country which he had seen on so many occasions true to itself would not be false to any other people. He had abundantly demonstrated that 'the free can conquer but to save,' but he looked beyond conquest. In his last public utterance he besought his countrymen—

"'Let us ever remember that our interest is in concord, not conflict, and that our real eminence rests in the victories of peace, not those of war.

"'Our earnest prayer is that God will graciously vouchsafe prosperity, happiness, and peace to all our neighbors and like blessings to all the people and powers of earth.'

"Those were the words of a man who had labored all his life to promote the well-being of his fellow countrymen and who, when President, had seen his country, against its desire and against his own, forced to go to war, more for the sake of others than for itself, and who had seen victory bring not spoils but new and increasing obligations. After a period only 20 years in length, but which in events marks a whole epoch, it is with an increasing emphasis that their truth comes back to us, and with a wonderful correctness expresses the belief and hope of him who now bears the burdens and responsibilities once borne for us by William McKinley.

"Nations do not stand still. They advance or they recede. America goes forward. It would have been in vain that this monument were built to a great son of Ohio, who had grown to hold in his vision a strong and righteous Nation, desiring the welfare of humanity, if he were to have no like successor, no representative of kindred mind to take up and carry on the ever-unfinished task of serving the world most by serving America best. Your hope is being realized, your faith is being justified. In the light of experience you build and go on building not merely for the past but for the future, confident that as the succession has not failed it will not fail. As there have come those who have been raised up to serve the Nation in time of need, so they come now, so they will come. In those who have in the past been honored here, in him who to-day is honored, this promise stands fulfilled. And what a grand fulfillment in William McKinley and Warren G. Harding.

"It is needless in this presence for me to say much about the Ohio life of our President. You know it better than I, without doubt. But there are certain characteristics of life which challenge notice. To pass them by, to leave them unrecorded, would be to disregard true worth. Besides, the foundation of all that he is or will be was laid in Ohio. Wherever he goes there goes the State of his birth. He, too, represents that strong strain of Revolutionary stock that went into her settling and upbuilding. Here he has been a dutiful son, a loyal and helpful brother, an affectionate husband, a kind neighbor, and always a Christian gentleman. These virtues come from the home, without which there is no greatness. President Harding was always a home maker, as every one who ever visited him knows. He and Mrs. Harding have made a national home of the White House and grounds, to which there is a regular neighborly welcome for the public.

"You knew how that would be, you who have seen him rise from station to station, still cherishing his friends with the same unaffected kindness, still always thinking of others more than himself.

"It were enough to say of any man that his countrymen had chosen him the President of the United States of America. But to be chosen to that office by a majority of seven and one-half million votes is a distinction that never came to any other President. Of itself it has a deep significance. It means that President Harding represents the common aspirations, the general ideals of his countrymen. There is that in him which responds to the universal impulse of humanity, which recognizes but one rank—the common brotherhood of all mankind. To have that is to be a great American. The world holds no greater praise.

"It is this broad sympathy which is responsible for the most outstanding fact of the present administration, the marvelous personal affection in which the President is held by all those who come in contact with him, most especially marked in those who, for a better term, we call the common people. This affection has grown from the day he was nominated until it has become a fashion among all classes. The people have seen him cheering with them at the ball park and the polo field; they have seen him enraptured at the singing of 50,000 children on the Ellipse; they have seen him weeping in the presence of 5,000 flag-draped caskets bearing the remains of our soldiers who died overseas; and in mutual understanding of each other have found mutual love and affection. The open White House gates are but the symbol of the open heart of him who wishes his every approach open to the people.

"This disposition has been manifest in the coordinating harmony of all Government activities. In fact, the American Government is now in contact with itself, in contact with our own people, and in contact with other nations. There is a harmony in the Cabinet and in the Congress, bred not of coercion, but of cooperation. There has been established at Washington a Government of the people.

"The confidence of South American Republics is being restored. The terms on which commercial relations with Russia can be entertained have been stated. The existing differences between this country and Mexico have been at last clearly defined. Invitations to meddle in Europe have been refused, but the obligation to make reparations in accordance with stipulated agreements has been expressed in a way most effective in preserving peace. Contact with the allied nations has been resumed that with direct knowledge of all proposed actions every American interest may be fully protected and every American obligation may be fully discharged.

"The attitude of the President has been a far greater influence than is yet realized in pacifying Europe, not through entanglements but by holding to that strictly American policy so well expressed in the dispatches to foreign Governments. If by the meeting of their obligations to the best of their ability the German people shall be restored and a stabilized Europe shall again take up the burdens of civilization to the relief of our own Nation, great credit will be due the present administration. That this work of pacification and restoration may proceed unhampered by any preventable Government expenditure here or abroad there has been started a plan for a conference of leading nations to consider a reduction of armaments.

"He has started a new administration of the shipping interests of the Nation. He has speeded up the extending of relief to disabled soldiers through both the war-risk insurance and provision for better hospitalization. Encouragement has been rendered agriculture, industry, and employee through the emergency tariff law and the drastic restriction upon immigration. Transportation has been encouraged to settle its own difficulties that there may be a readjustment of rates, and private enterprise has been induced to extend relief to the cattle industry of the West.

"In a series of statesmanlike addresses to the Congress and the people the President has laid out a wise course in relation

to both foreign and domestic policy. That course is being followed to the great benefit of the Nation at home and abroad. It is bringing about readjustment and realignment to a stabilized basis in our internal affairs and a restoration to respect and leadership in the world. The great obligations of Government have been courageously taken up and will go firmly forward. There will be no recession.

"There are in this country as in every other two contending forces which, reduced to their lowest terms, represent reaction on one hand and revolution on the other. It is not unfair to characterize both as radical. President Harding leans neither to the reactionary line nor to the revolutionary line; he holds to the rational line. If there shall be those who expect to see in him the development of a reactionary tendency they will meet disappointment. He will not only support the achievements of all truly humanitarian progress, but he will go forward on the firm foundation of realities. Whatever sacrifice may be necessary to maintain his ideals, that sacrifice he will continue to make.

"To such a leader, granted again by Providence, giving such wise counsel, inspiring such great confidence, accomplishing such results, holding the promise of such future benefits, we dedicate this day a memorial made in his likeness. But in what spirit do we dedicate it? How can we worthily consecrate it? How can we approach to that high standard here so nobly represented? There is but one method, already indicated, the price of continuing sacrifice.

"As these men whom we here honor have made their sacrifices for the public welfare, so we, the people of the Nation, must make ours. The great burden of the hour is not the needs of the people. They are not measurably greater than before the war. The burden of the hour is the needs of the Government. It is that need which must be met by the people. It is not by adding to the requirements of Government, but by taking from them that the burdens of the people can be lightened. There are readjustments to be made. There is reconstruction to be done. There is restoration to be effected. From these the Nation can not escape. Each must bear his part. The appeal to duty never went unheeded by America. In this dedication, in this consecration, let us pledge ourselves, in private industry and public calling, to take up and discharge in the spirit of such great examples every burden of civilization, every duty of Americans.

"The Nation needs patience, pacification, and harmony; the world needs patience, pacification, and harmony, under righteousness. Let us hallow the memory of him who so greatly desired these in the past by supporting the leadership of him who is so effectively establishing them in the present."

RECLASSIFICATION OF POSTAL EMPLOYEES—CONFERENCE REPORT.

Mr. MOSES. Mr. President, I submit the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to House bill 6573, which I ask may be printed.

The PRESIDENT pro tempore. The conference report will be received and printed.

The report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

The conferees have not agreed to the amendment of the Senate numbered 3.

GEO. H. MOSES,
THOMAS STERLING,
KENNETH MCKELLAR,
Managers on the part of the Senate.

H. STEENERSON,
W. W. GRIEST,
THOS. M. BELL,
Managers on the part of the House.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for the veterans of the World War, and for other purposes, the pending question being on the motion of Mr. PENROSE to recommit the bill to the Committee on Finance.

Mr. JONES of New Mexico. Mr. President, I present sundry telegrams from citizens of my State with reference to the motion which is now before the Senate to recommit the pending bill. I ask that they may be printed in the RECORD.

There being no objection, the telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

EL VADO, N. MEX., *July 12, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

El Vado Post, American Legion, requests your active support of compensation bill. Press reports credit Secretary Mellon as stating that passage at this time would jeopardize financial condition of country. We believe this position to be entirely unwarranted. It ought not to be necessary to mention it, but you are reminded that veterans of war not only jeopardized their financial future but also their lives and did not ask the Government to postpone the war and wait for their services until a more convenient time. Apparently the only opposition to the bonus is from big business interests and we view with apprehension the apparent tendency of the Senate to side with this opposition. Compensation has been hanging fire long enough. Kindly let us know whether we may count upon your active support of this measure.

DON MARTINEZ POST, AMERICAN LEGION.

CLOVIS, N. MEX., *July 12, 1921.*

Senator A. A. JONES,
Room 343, Senate Office Building, Washington, D. C.:

Consider financial situation expressed in letter of Secretary Mellon attacking adjusted compensation bill absolutely unfounded. Message promised by President on this subject may effect bill. We are asking that bill be acted upon at once and not referred to Finance Committee.

DEAN LUCAS POST NO. 25, AMERICAN LEGION.

SANTA FE, N. MEX., *July 11, 1921.*

ANDRIEUS A. JONES,
United States Senate, Washington, D. C.:

New Mexico Department, American Legion, demands Senate bill 506 be acted upon at once and not referred to Finance Committee. Please wire me what action you are taking on same at present and whether you favor its passage as it now stands.

HERMAN G. BACA.

SANTA ROSA, N. MEX., *July 12, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

The Santa Rosa Legion Post members demand adjusted compensation bill be acted upon at once and not referred back to Finance Committee. Let the post know how you stand; acknowledge.

CHARLES GERHARDT,
Post Adjutant.

ALBUQUERQUE, N. MEX., *July 12, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

Hugh A. Carlisle Post, American Legion, requests you support adjusted compensation bill and same be acted on at once and not referred to Finance Committee. What is your attitude toward this bill?

F. O. WESTERFIELD.

SPRINGER, N. MEX., *July 12, 1921.*

Hon. A. A. JONES, *Senator, Washington, D. C.:*

The American Legion of Springer request that immediate action be taken upon adjusted compensation bill and not referred to Finance Committee. Please advise your attitude in this matter.

I. C. FLORSHEIM, *Post Commander.*

LAS CRUCES, N. MEX., *July 13, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

American Legion post here request you work for prompt action on adjusted compensation bill, and that it not be delayed longer by being referred to Finance Committee. Men here looking to you to put bill through. Let us know how you stand on this bill.

J. W. LOWE, *Acting Post Adjutant.*

LOS CERRILLOS, N. MEX., *July 13, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

Griffiths and Ramiers Post, No. 32, American Legion, demand immediate action by you as one of our Senators on adjusted compensation bill. This bill is just and should be passed by all means. Advise at once how you stand on it, whether for us or against us.

H. E. AMES, *Post Commander.*

HAGERMAN, N. MEX., *July 12, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

Hagerman Post, No. 43, American Legion, requests that soldiers' adjusted compensation bill be acted upon at once and not referred to Finance Committee.

H. R. MILLER, *Commander.*
D. P. WARD, JR., *Adjutant.*

TUCUMCARI, N. MEX., *July 12, 1921.*

Senator JONES, *Washington, D. C.:*

Request your influence be used in having compensation bill acted upon at once and not referred back to Finance Committee.

LEE RHOADES POST, AMERICAN LEGION,
By H. K. GRUBBS, *Post Commander.*

CARLSBAD, N. MEX.

Senator A. A. JONES, *Washington, D. C.:*

The members of the Bryan Mudgett Post, American Legion, desire your support and demand that the adjusted compensation bill be acted on and not referred back to Finance Committee.

CHAS. RAREY, *Adjutant.*

HILLSBORO, N. MEX.

Senator A. A. JONES, of New Mexico,
Washington, D. C.:

This American Legion post would like to see you act favorably on the bonus bill now before Congress and do what you can to have this bill passed. We do not care to have same referred to Finance Committee but to be acted upon at once by Congress. Please acknowledge.

FRED C. CONNISS,
Finance Officer American Legion.

ARTESIA, N. MEX.

Senator A. A. JONES,
Room 343, Senate Office Building, Washington, D. C.:

We the undersigned members of Clarence Keppel Post, American Legion, urge that the adjusted compensation bill be acted on at once and not deferred, and ask that you do all in your power to pass this bill. Wire how you stand on same.

H. S. Widney, W. A. Bishop, Fred Brainard, W. M. Linell, Rufus Rowan, W. C. Cunningham, Albert Vogel, H. D. Klopfenstein, John Runyan, Fred Cole, F. Hendrichson, Max Rodey, Victor Buel, Ara Buel, Ralph Rogers, A. A. Davis, W. A. Anderson, Homer Dunnigan, Roy Sloan, S. V. George, Dr. H. A. Stroupe, Lewis Story, B. F. Pior, Albert Richards, Earl Collins, R. L. Miller, Harold Keinath, K. Funkhouser, J. R. Brown, Glen Obannon, R. E. Bruer, J. B. Munsey, Jas. P. Bates, J. D. Edmundson, Judson Doss, M. G. Smith, Jerry Hale, S. Stenwein, C. L. Proctor, R. F. Schenk, Edw. Soloman, Oscar W. Samelson, Post Commander.

AZTEC, N. MEX., *July 12, 1921.*

Senator A. A. JONES,
United States Senate, Washington, D. C.:

Members this post demand adjusted compensation bill be acted upon at once and not referred to Finance Committee. We desire to know your stand on the bill. Acknowledge.

C. N. HATFIELD,
Adjutant San Juan Post, No. 9.

ROSWELL, N. MEX., *July 14, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

Feeling that the financial situation as set forth by Secretary Mellon in attacking the adjusted compensation bill is absolutely unfounded, the Chas. M. Debremond Post, American Legion, asks that you act favorably on this most reasonable bill at once, and see that it is not referred to the Finance Committee. This post appreciates your past efforts in behalf of the ex-service men and wish to assure you that these efforts will not soon be forgotten.

CHAS. M. DEBREMOND POST, AMERICAN LEGION.

FORT BAYARD, N. MEX., *July 13, 1921.*

Senator A. A. JONES,
United States Senate, Washington, D. C.:

Five hundred twenty members Chester L. Thompson Post, American Legion, Fort Bayard, N. Mex., desire immediate action toward passage of adjusted compensation bill, and that it be not referred to Finance Committee. We do not concur in attitude of Secretary Mellon regarding financial situation. Please wire your attitude regarding bill.

ALLEN J. ROBINSON,
Commander.
B. F. BRATCHER,
Assistant Adjutant.

GALLUP, N. MEX., *July 13, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

Palmer Ketner, jr., Post, No. 8, American Legion, urges you use every effort at your command for passage of soldiers' adjusted compensation bill. Your position on matter requested.

L. F. BYUS, *Adjutant.*

EAST LAS VEGAS, N. MEX., *July 13, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

Local post favors and urges passage of adjusted compensation.

TOM TRUDER, *Post Commander.*

ROY, N. MEX., *July 13, 1921.*

Senator A. A. JONES, *Washington, D. C.:*

The American Legion will expect and appreciate your continued support to adjusted compensation bill.

A. P. BRANCH.

Mr. WALSH of Massachusetts. Mr. President, I am opposed to the recommitment of the soldiers' adjusted compensation bill to the Finance Committee. In addition to voting against such action on the part of the Senate I feel that as a member of the Finance Committee, one who served on a subcommittee of which the able Senator from North Dakota [Mr. MCCUMBER] was chairman, and assisted in the drafting of the bill now pending before the Senate, I should not only vote against such action but that I should state my reasons for opposing the motion of the Senator from Pennsylvania [Mr. PENROSE].

THE PRIMARY OBLIGATION; CARE OF WOUNDED.

I have been convinced since the termination of the World War that the first and most serious obligation demanding the immediate attention of Congress was that of providing sufficient financial resources to care for, hospitalize, and rehabilitate, as far as humanly possible, our incapacitated veterans; closely following the fulfillment of this obligation, our Government should lose no time in offsetting the legalized injustice perpetrated upon our ex-service men in general because of the inadequacy of the compensation which was paid them.

There is, I think, a unanimity of feeling throughout the country in favor of the appropriation of all moneys necessary to provide generously all the facilities essential to the speedy restoration to health, happiness, and employment of the unfortunately disabled war veterans. It is only fair to state at the outset that our Government has been most generous in providing the necessary funds to do this work. I wish I could say with as much pride that our Government has administered the funds at its disposal in such a manner as to have prevented the general spirit of dissatisfaction among service men and their friends in regard to the inefficiency of the departmental agencies intrusted with the funds to do this work of mercy. Indeed, if a small part of the complaints made of neglect and inadequate hospitalization, of procrastinations in the granting of compensation are true, then a condition has existed that has amounted to almost criminal negligence.

Mr. President, I appreciate that in such a situation as we have been confronted with it is very easy to refer to and dwell upon the shortcomings, mistakes, and abuses that have grown up and to overlook the fact that there have been many thousands of cases entitled to compensation adjusted satisfactorily and that there are many hospitals giving most useful and satisfactory service to our disabled soldiers; but there have been altogether too many abuses; there has been altogether too much unnecessary red tape, irritating delays, and unsympathetic officialdom.

VETERANS HAVE NOT ABUSED BENEFITS.

But this is not the time or occasion to dwell upon this phase of the treatment of our soldiers. However, before passing from the question of whether or not our soldiers have been properly hospitalized and their compensation claims speedily and impartially adjudicated and the benefits of vocational education prudently extended, I want to remove the false impression that has gained considerable support in the Senate and outside to the effect that our ex-service men have been unreasonable in their demands and have abused the benefits and privileges extended to them in the form of hospitalization and compensation under the law.

An answer may well be made to the inuendoes that have appeared in the discussion of this question of adjusted compensation to the effect that the facilities which we have extended to our veterans for hospitalization and for compensation have been abused and that there have been large numbers of cases presented for treatment and for compensation that were without merit; that the Government is already extending by the wholesale medical and financial assistance of our ex-service men.

Mr. President, to the credit of this splendid body of patriotic men let it be said that there is a less number of them seeking and obtaining hospitalization from their Government than a like number of men compelled to take hospitalization treatment in many other avocations of life. It will be interesting to know that the number of persons insured by the Metropolitan Life Insurance Co., and seeking hospitalization is one in fifty—that is, 2 per cent are hospitalized. In the Navy out of every thousand men 2 per cent of them are sick at any given time. The same ratio is true of the Army. In France, when the armistice was signed, one man in ten of the American Expeditionary Forces was in the hospital. Yet at the present time from among the millions of men entitled to hospital care under existing laws there is only one man in every two hundred, or one-half of 1 per cent of all our men in the hospital.

Now, let me present some figures to show what percentage of ex-service men have taken advantage of existing law to obtain compensation, insurance benefits, and vocational training from the Government. I have before me statistics upon this subject prepared by the Director of the Bureau of War Risk Insurance, which deal with the extent and number of claims for compensation pending, allowed, and disallowed, and the number of beneficiaries receiving insurance in district No. 1, which is the New England district, and comprises all the New England States except Connecticut, with headquarters at Boston.

I think it fair to assume that the same ratio will prevail throughout the country. These figures show that the percentage of service men drawing compensation is 4.38. The percentage of service men and their beneficiaries drawing insurance is 3.01. The figures further show that only about 30 per cent of those who filed claims are now receiving compensation. At one time or another 50 per cent of the claims have been allowed. The number of claimants now actually receiving compensation is about 30 per cent, while the number of claims disallowed has been about 33 per cent. These figures certainly do not tend to prove that any great percentage of the service men of the World War are receiving or have sought the benefits provided for incapacitated service men under existing laws.

HOSPITAL FACILITIES INADEQUATE.

Another possible false impression that was given support and force by the utterance of the President in his address to the Senate on Tuesday was the hospitalization situation.

The President in enumerating what the Government had done for the incapacitated veterans in need of hospitalization treatment made this remarkable assertion:

In Government-controlled hospitals to-day there are 6,000 available beds without occupants.

Mr. President, the clear inference from that statement is that we have met all the demands for hospitalization and that these demands have been met in a satisfactory and proper manner. Indeed, the sentence following the reference to the number of beds available confirms this view. He says:

I have already dwelt upon the progress made toward the construction of additional hospitals, not because we are not meeting all demands but to better meet them and, the better to specialize in the treatment of those who come under our care.

I challenge the statement that there are 6,000 available beds fit for the treatment of incapacitated ex-service men. I shall not rely upon my own information to prove this assertion is not accurate, but I shall rely for the proof of the inaccuracy of the President's statement upon the evidence of men appointed to public office and to the public service by the President himself.

What I am going to say on this subject I beg you to note is not the utterance of any Senator or any enthusiastic and overzealous officer of the American Legion, or of any irresponsible philanthropic person interested in the care of our disabled soldiers, but the statement of no less a department than the Bureau of War Risk Insurance and made since the reorganization of this bureau by the President.

The statement which I quote was made on June 10 during the debate on the Sweet bill in the House of Representatives and was contained in an official communication from the Bureau of War Risk Insurance. It is as follows:

There is no record in the Bureau of War Risk Insurance of the number who are entitled to care and treatment under the war risk insurance act, but who have either not made claim or applied for medical treatment, or have declined such facilities as the Government has been able to offer in its own or contract hospitals.

It has been estimated that a third more than have been hospitalized for mental and nervous diseases would have accepted hospital care if the facilities offered had not in so many instances been in hospitals for paupers, indigents, criminal insane, etc.

Similarly patients who are entitled to hospital care or for whom hospital care has been urged by the medical examiners of this bureau for pulmonary tuberculosis have preferred to provide care at their own homes or in boarding houses or at their own expense rather than to enter sanatoria such as have been available in some districts or to submit to the necessary restraint of responsible medical hospital control.

This is not a yellow-sheet journalistic statement. It is a deliberate written statement from the Bureau of War Risk Insurance, and if it means anything, it means that some of the facilities which ex-service men have been obliged to accept from the Government were in hospitals for paupers, indigents, and the criminal insane.

The same Dr. Salmon, referred to earlier, in his testimony given on July 6 last, and no man in this country has given more time to the inspection and study of this problem of hospitalization than he, says:

Anyone who says that we are overhospitalized, that there are vacant beds for these patients not now being used, have not taken the trouble to read the official record of their own department.

Further in this connection as to whether or not we have hospital facilities I want to quote the testimony of Dr. Salmon in regard to his own district, the second New York district, which comprises New York, New Jersey, and Connecticut.

He states:

This district contributed 410,000 men to the war. In that whole district there is not a single bed to which a mental case can be sent for observation to determine the disease from which he suffers. He must go direct to a State hospital before anybody has a chance to study him or he must remain at home without any treatment at all. He must be sent direct to the Manhattan State Asylum on Wards Island or to the asylum in Brooklyn, or go to his home. There is no provision even for out-patient treatment for these men suffering from mental diseases.

This same Dr. Salmon told your committee a pitiful tale of the neglect of ex-service men suffering with mental and nervous diseases and states that so depressed did these men become because of want of proper hospitalization facilities and treatment that over 400 ex-soldiers committed suicide in New York in the year ending June 30, 1921. Indeed, he offered to give us the name and address of each of these cases.

In commenting upon this testimony he stated—I quote his words:

These 400 men who committed suicide are dead and we can do no more for them than we can do for the tuberculosis cases who gave us all when they went over, but we must now endeavor to provide proper facilities so that 400 more men may not commit suicide next year.

I will not take the time of the Senate to reiterate the testimony given by Dr. White and Dr. Barrows, both members of the White committee engaged in the task of designating where and how the $18,600,000 appropriation by Congress should be expended for further hospital facilities. This testimony I presented Wednesday during the debate.

LET US ADMIT FAILURE IN CARING FOR DISABLED.

I for one do not propose to deny the fact that we have failed miserably to speedily and properly extend adequate hospital facilities for the care and treatment of our disabled soldiers. I do not mean by this that there are not many excellent hospitals where thousands of incapacitated men are receiving excellent treatment and care, but I do mean to say that the record of neglect and the failure to have grappled with this problem earlier and more effectively is a disgrace to the Nation.

Mr. President, we are not going to win back these men and their buddies and sympathizers throughout the country who know the true story by denying the real situation, so I propose to lay bare the whole story and then to set about, in so far as I can, to influence my Government to let it be known that the failures of the past are ended, that the consciousness and realization of our mistakes is to serve as an incentive to more strenuous efforts to make the future record so glorious and so replete with generous, whole-hearted, wholesome, and satisfactory care and treatment that the past will be soon forgotten.

One would think from the constant reiteration of what "we," the Government, have done for these men that "we" had extended some special favor, some exceptional and unnecessary service for which they should be everlastingly grateful.

Mr. President, I refuse to consider the action of our Government in hospitalizing and paying compensation to the disabled men in the light of a special favor or gratuity for which we are to be commended.

COMMON DECENCY COMPELLED CARE OF WOUNDED.

Common decency and self-respect for our national honor compelled us to bind up the wounds and to feed and care for the physical wrecks among the manhood of this land caused by the war. In what we have done we have only paid the most imperative obligation and debt that a nation could owe its defenders. Not to have done what we have attempted to do would be putting ourselves in the class of men who rob the alms of the poor and steal the mites of widows and orphans. Let us stop boasting and bragging, therefore, about what we did in discharging an obligation that was as important as the obligation of raising money to pay the expenses of the war or of giving loyalty and devotion to our country during the period of the war.

Even had we lost the war, common decency and the lowest degree of gratitude existant in human nature would have forced us to beg and starve ourselves to take care of our wounded, injured, maimed, and broken-spirited and broken-bodied soldiers.

Therefore when we come to discuss any general debt of obligation toward all our ex-service men as a result of this war, or when we come to consider whether we have rendered full justice to all our service men as a class, I refuse to accept as an answer to any inquiry or investigation into these questions, a recitation of the amount of money we spent to bandage the bleeding and to comfort the bedridden.

All that I have said thus far has related to the first obligation of caring for the incapacitated and homeless and assisting in recouping the financial losses of those who were injured and diseased as a result of the war.

THEORY OF ADJUSTED COMPENSATION BILL.

Mr. President, I come now to the consideration of the merits of the soldiers' adjusted compensation bill. Upon what theory is it proposed? Briefly, this measure acknowledges that the wage contract which the Government made at the outset of the war with that class of citizens who were to be intrusted with the defense and preservation of our Government was, in the light of what we now know happened in America during the war, inadequate, unfair, and unjust.

This measure undertakes to do what just governments and all grateful people should do after a victorious war has been waged which has resulted in preserving a government and its people in the enjoyment of liberty and happiness through the sacrifices and bravery of its fighting defenders. After having bound up the wounds of the injured and relieving as far as possible the pains and anguish of the war victims, our Government should turn to its returning war heroes, to the men who were willing to give, not money or services at home in coordinating the productive forces of the country, but their very life's blood, and in addition to cheers and applause frankly ask in their presence,

"What do we owe you?" To be sure, no amount of money can pay patriotic service of such lofty and inspiring character as that of the heroes of the battle field, but what material sacrifice ought we in justice now make to equalize their sacrifices during the war.

VETERANS ENTITLED TO MATERIAL AS WELL AS SPIRITUAL REWARD.

Mr. President, it is at this point that the dividing line in our ranks on this question appears. All of us agree in recognition of the fact that the highest, noblest, and holiest service man can render is that which was rendered by the manhood of America in the recent war. We all agree that their service is not and never can be paid in dollars and cents, and that they shall forever enjoy the reward that comes from the consciousness of having rendered honorable and patriotic service to their country in its hour of need; that their reward is the spiritual consciousness of having done what was their duty, and of having done it generously and bravely.

Yes; we all agree that no man can give or take from these war heroes the spiritual triumphs that are theirs. But at this point the division in our ranks appears. We who are contending for this soldiers' adjusted compensation bill are not satisfied or content to permit our soldiers to go back to civil life merely in the full enjoyment of the spiritual reward that is theirs. We can neither give nor take that from them. We who favor this measure propose, contend, and will ultimately demand that these service men shall have also some share in the material rewards that were so profusely scattered among the stay-at-homes here in America during the war. You who oppose this measure say spiritual consciousness is their reward. We who contend for this measure say that spiritual consciousness is not contributed by a nation to its war veterans; it is inherent in the very nature of the service itself. We say, I repeat, no man can give and no man can take away from them their spiritual reward, but we, as public servants, have the power to give or take away from them some material rewards.

The whole case of the opposition is answerable in this statement: You say to our veterans the honor and glory of your patriotic services is your compensation. We say to them, in addition to that which no man can give or take from you, we propose also to bestow upon you material compensation, which in justice and equity is your due.

Those who support this measure, not forgetting, yet turning from the sentimental side of our soldiers' patriotic service, ask themselves: Was there any injustice, inequality, perhaps of necessity at the time, imposed upon our war veterans? Did we in a material way extend to them the same standards of wage and of material comforts that were extended to others who were within their very same class of military age? Let us see.

WHY READJUSTMENT IS NECESSARY.

Twenty-four millions of men were within the draft age. Three millions of them up to the time the war ended had been drafted into the service because of the exceptional value in time of war of their service to the military forces by reason of their youth, health, strength, and soundness of body. Twenty-one millions were permitted to remain behind to enjoy the comforts and pleasures of home, the society of friends and loved ones, and to receive higher wages than were ever before paid in America. They read of the horrors of the war; they sympathized with those called to service, but yet they remained at home, safe and comfortable. The 3,000,000 draftees were compelled to leave home, loved ones, their occupations and professions, and enter the military service—a service fraught with long marches, monotonous drills, exposure, disease, and finally places in the war zone where death stalked mercilessly and continuously.

Now, let us assume that no compensation or wage whatever was paid to these 3,000,000 men. What would you say? Outrage, disgrace, injustice, inconsistent with democratic doctrines and ideals! But they were given compensation. What standard was used in fixing this compensation? We had no standard at the time of the outbreak of the war. We did not know but that every man, woman, and child in America would be drained of their last dollar, and that we would all have to take our places in the bread line and labor for no compensation whatever in order that we might produce the money and munitions necessary to assist our men at the front.

Very well, the war is now over and no such sacrifices were necessary. We know now that those who remained at home within the class from which our service men came were paid exceedingly high wages, enjoyed more of the comforts of life than ever before; and we now know the plain truth—let us not fear to speak it—that the poorest paid wages and smallest compensation given to any person in the employ of the Government or any private employer in America was paid to the men whose labor was the hardest, whose dangers were the greatest, and whose trials were most severe—the military forces of our country. Upon what theory of honesty or justice can you justify this course? Upon what theory can you turn a deaf ear to the claim of these men and to their friends that in the light of what we now know happened in America during the war their compensation was inadequate? In the face of these cold facts what can you expect but strong derision from these men at the suggestion that their spiritual reward is their compensation? Will spiritual reward buy them and their dependents the clothing and the comforts which they gave up during the war? Will spiritual reward be a substitute for the wages and careers which they lost and the stay-at-homes received?

Mr. President, these men very properly and rightly ask us to help them get back some of the things they sacrificed—wages, positions, comforts that only money can provide, and which their fellow citizens enjoyed during their absence in the service of our country. Mind you, they do not ask us to consider in the adjustment of their compensation the dangers, risks, and trials of military service, but they ask us to consider giving them a compensation comparable to that paid the lowest-paid laborers in the United States by the meanest and poorest private employer during the war.

They ought not to have to come to us. Our first thought, after the dead had been buried, their dependents provided for, and the wounded and diseased given every means to restore themselves to health and their former occupations, should have been to show our appreciation of the victory they won for us by voluntarily adjusting their compensation, at least on a basis with the lowest paid of those who remained at home.

BASIC DEMOCRATIC TRUTHS JUSTIFY READJUSTED COMPENSATION.

Let us digress a moment to discuss some basic truths underlying this question. We live in a democracy, a Government that exists and functions through the consent of the governed, and the governed are the whole people. Our Government guarantees to all equal opportunities, equality before the law, equal enjoyment in the use and benefits of our free institutions.

I contend that all who in time of peace enjoy equally the blessings of free government should as far as humanly possible in time of war bear equally the burdens and trials and sacrifices of war. I recognize the impossibility of working out this principle satisfactorily. I am well aware of the adage that old men or men beyond military age decree wars while young men bear the burdens and fight the battles. But we did undertake to place equally the burdens and trials upon one class, namely, those of that age which alone could stand the strain physically and who were possessed of the proper zeal, courage, bravery, and fearlessness of death—namely, the youths of the land.

How did we do it? We rewarded certain elements of that class who encountered none of the dangers of military service with substantial and high wages. We did it by rewarding the weak and physically unfit, by exempting them from the dangers of active service and by paying them substantial wages. Yes, we did it by punishing the physically fit, by giving them all the dangers and paying them the lowest compensation paid to any person in America.

Mr. REED. Mr. President——

Mr. WALSH of Massachusetts. I yield to the Senator from Missouri.

Mr. REED. I know that the Senator means to state the case accurately, and yet I think his phrase "The contract" is misleading.

Mr. WALSH of Massachusetts. I think possibly it is—yet I do not know what else to call it.

Mr. REED. These men made no contract; they had nothing to say.

Mr. WALSH of Massachusetts. I stated that fact earlier in my address, that it was a one-sided contract made under duress, and I stated it was the only contract made during the whole war under duress, and it was an agreement by the Government to pay the poorest paid wages in America to its military defenders.

Mr. REED. But I do not think it is a contract at all, just to make that distinction. A man was ordered into the service.

Mr. WALSH of Massachusetts. It was something stronger than a contract, because it was a draft, a conscript.

Mr. REED. He was ordered into the service. The Government said, "we are going to pay you a certain amount of money." The Government was then under obligation to pay it, but it was not a contract because the soldier never signed it and never had anything to do with it. If the Government had said 5 cents a day, he would have had to take it.

Mr. WALSH of Massachusetts. We do not disagree on that.

Mr. REED. No; I know we do not.

Mr. SHEPPARD. Mr. President, what I understand the Senator to say is that those opposing the bonus claim that these men made a contract.

Mr. WALSH of Massachusetts. Yes; and they say it has been paid in spiritual benefits.

Mr. SHEPPARD. Exactly.

Mr. WALSH of Massachusetts. We say yes, they have been paid in spiritual benefit, a benefit that we could neither give nor take from them, that is inherent in the human race, but in addition to these spiritual blessings, whatever they are, we say we want to give you a little material assistance and a share in the prosperity we enjoyed while you were defending us.

Mr. SHEPPARD. I agree with the Senator.

Mr. WATSON of Georgia and Mr. STANLEY addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield, and if so, to whom?

Mr. WALSH of Massachusetts. I will yield to the Senator from Georgia, who, I think, rose first.

Mr. WATSON of Georgia. Mr. President, a great deal has been said in favor of land settlement and against cash settlement. I would like to hear the Senator from Massachusetts explain to the Senate, in a legal way or any other way, what is the difference in principle between a thousand dollars' worth of land and a thousand dollars' worth of money.

Mr. WALSH of Massachusetts. It can be explained in one brief sentence. There is absolutely no difference.

Mr. WATSON of Georgia. None at all. It is a subterfuge.

Mr. WALSH of Massachusetts. Mr. President, I ask upon what theory of justice can the Government put its hand upon the shoulder of one youth and say, "Because you have weak lungs, because you have flat feet, because you have poor teeth, because you have lost one of your fingers, you shall remain at home, work in a munitions factory and receive $6 to $10 per day or occupy a desk in the office of some Government department and help to keep the military files and be paid $5 or more per day," whereas it puts its hand to the shoulder of another boy physically fit and says, "Because you are well, because your health is good, you can fight in the trenches for $1 a day"?

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Ah, we have not dealt justly with these men. We know it. We can not defend a course of action that compensates a man on the fighting line infinitely less than that paid to the office clerk writing out the military record of his companions in the camps and trenches.

I am not arguing now that all the men put in this class should have been conscripted and paid exactly the same wages whether they worked in munitions factories, private employment, or in a department of the Government, but I am urging that those in the class that entered the military service of the country should be paid as near as is humanly possible the same compensation as those of their class that remained at home in the employ of the Government. There is no satisfactory answer that can be made to that proposition.

PEOPLE APPROVE READJUSTED COMPENSATION FOR VETERANS.

Mr. President, our people recognize the justice of this adjusted compensation plan. In every State of the Union where our people have had a chance to pass upon the question of giving State aid to our service men the vote has been overwhelmingly in the affirmative.

In nine States, on a referendum vote, the people by an average vote of nearly 3 to 1 have cheerfully and willingly accepted the tax burden involved by the extension of State compensation. In five additional States the legislatures have voted State aid to the soldiers.

Congress has recognized the justice of this measure. The House in May of 1920, by a majority of 218 passed this measure. The New York Herald recently polled the Senate, and stated that this measure would pass the Senate by a majority of 49 votes.

IMPOSSIBLE TO DEFEAT BILL.

The Finance Committee, after delaying action for over a year, by substantially a unanimous vote agreed on two different occasions, last February and again in June, to recommend this measure, and now it is proposed, after months and years of hesitation, to kill this bill. Not to vote upon its merits, but to kill it by a subterfuge; not by having a roll call on whether this measure should be adopted or not, but by the indirect method, that the unwary may be deceived, of recommitting it to the Finance Committee.

Mr. President, let us be honest with ourselves. The method now being employed to defeat this measure is for the purpose of permitting Members of this Chamber to go before their constituents and say, "Yes; I favor the adjusted compensation bill, and never voted against it and never intend to. But I did vote to recommit it to the Finance Committee for the purpose of having it perfected and improved and its scope enlarged and its benefits increased." You may think, Senators, you are fooling the American people, but I tell you you are not deceiving these patriotic ex-service men, who by reason of their close contact with their Government in the military service are familiarizing themselves with the operation of this Government, with the questions pending before Congress, and with the attitude of public men upon the various problems of our day.

Kill this adjusted compensation bill? You can never do it. You may postpone it, you may delay it, but be certain of this, the American sense of justice will triumph just as sure as the sun shines. Some day some Congress will do justice to these men and pass this measure.

You thought you could kill by delay and postponement woman suffrage; you thought you could kill by delay and postponement the income-tax amendment to the Constitution; you thought you could kill by delay and postponement the prohibition amendment; you thought you could prevent the election of United States Senators by popular vote. Did you succeed? No; because there was a moral force behind these movements in America that did not know defeat, and they triumphed because the American people, regardless of our individual views and opposition, passed on the merits of these propositions and demanded that they should become part of the organic law.

Similarly, there is a moral force behind this adjusted compensation measure. Added to that moral force is the desire of our people to equalize as far as possible the burdens of this late war, and as far as possible to bestow every material benefit a grateful people can give to its war heroes.

Yes, Mr. President, Senators will succeed in delaying this measure, in postponing it, but it will also put you in a position of explaining and apologizing every day that you live because of your vote on this measure, for when the adjusted compensation bill becomes the law of the land there will rise up no human being to denounce it as unjust. It will be universally accepted as fair, right, and just.

NATURE OF THE OPPOSITION.

Who is opposing this measure? The common people of America? No. The labor forces, organized and unorganized, have made no protest against it; the farmers, organized and unorganized, have made no protest; the small home owners and business interests of this country have made no complaint. Tangible property will not be reduced in valuation one dollar by the Government's acceptance of this burden. There is one class, however, who are opposing, and vigorously opposing, this measure; it is the big money-holding class. In addition, of course, the holders of speculative securities are opposed. Indeed, all who profited most and enjoyed excessively large incomes and exorbitant profits during the war are crying out with alarm. In a word, this measure is being opposed by those forces in this country who put the stability of the dollar above principles of justice; by those men who see in every question its temporary effect upon their financial holdings rather than the general welfare of the country.

I stated that the large financial interests were opposed to this bill. I should have included—because they themselves would have little influence—the powerful agencies and the large army of satellites throughout the country who are aligned with them. The same class that have opposed every financial proposition and denounced every plan to promote the happiness and welfare of our people are found to be still loyal to the dictates of their financial masters.

I regret to find, however, such an organization as the United States Chamber of Commerce, that could be such a powerful influence in bringing about a better understanding between the forces of greed and selfishness on the one hand and those forces which, perhaps, go too far in seeking paternalistic legislation, arrayed in opposition to these measures. Its position,

however, is not inconsistent with the attitude which it has taken recently on other public questions. As proof that the service men of the country are well aware of the nature of the opposition, let me read and have inserted in the RECORD an extract from a letter received from the chairman of the national legislative committee of the Veterans of Foreign Wars:

It is truly surprising in these strenuous times to note the enormous cost that the publishing and mailing broadcast of this pamphlet must have entailed in the United States Chamber of Commerce's endeavor to carry on its propaganda of ingratitude for the ex-service men and women who gave up everything to go forth and offer, if necessary, their lives to protect the people of this land, including the conscientious (?) profiteers which the chamber of commerce seems to champion and protect. This amount of money might have been spent to better advantage to the men and the community in some relief measure rather than in an attempt to belittle the ex-service men and their service.

It is very easy, indeed, to sit back and clamor about expenditures and throw up a barrage of enormous and horrible figures. It would be more pertinent, I believe, if the United States Chamber of Commerce would devote its energies at this time to developing ways and means for the relief of the economic, financial, and industrial situation of the country rather than an attempt to dip into reactionary measures.

SECRETARY OF THE TREASURY OPPOSITION UNTENABLE.

On the eve of the passage of this measure new opposition appears. The Secretary of the Treasury now opposes this measure. He says the finances of the Treasury will not permit the passage of this law, but he places his opposition also, if I interpret his language correctly, upon another ground. He attacks—indirectly, to be sure—the merits of the proposition itself. The closing sentence of his letter concerning this matter reads as follows:

I can not bring myself to believe that this would be adjusted compensation for a service that was performed as the highest duty of citizenship and a sacrifice that never can be measured in terms of money.

Mr. President, if I interpret his language correctly, he does not believe in the theory behind this bill, that it is adjusted compensation. He brands it as a bonus, and indirectly opposes the principle. Of course, if he clearly and definitely and unmistakably took that position, as he had a right to do, it would be unnecessary for me to say more than I have in answer to him, for I have heretofore in my address presented the arguments which seem to me to justify this legislation.

I shall not take the time of the Senate to discuss what seems to be an unwarranted assumption that the Treasury of the United States can not bear the burden that this measure would place upon it. The able Senator from New Mexico [Mr. JONES] has presented that phase of this question admirably.

Two facts, however, are outstanding. First, that our Treasury has passed the peak of all war financial burdens; that we are steadily and surely meeting our obligations, reducing our indebtedness, and that we can look forward to a constant, steady decline in our debt. If we can not meet this obligation now, at what period and at what date in the future will our finances justify this expenditure? Another outstanding fact is the exaggerated burden that the operation of this law will place upon our Treasury. Taking the table, which the Treasurer himself believes is likely to be the one that will best reflect the payments the Government will be called upon to make by reason of the probable options selected by the service men, we find that the highest sum in any one year, with the exception of the year of maturity, that the Government will be called upon to pay is in the year ending June 1, 1924, and will amount to $478,000,000, in round figures. Only during two other years is the sum required by the Government to be paid more than $50,000,000.

Mr. President, we can afford to pay, in order to adjust the compensation of our ex-service men, for the next 20 years a sum averaging one-fifth of the amount we appropriated for our Army and Navy for the present fiscal year in order to get ready for future wars. The estimates asked by the Army and Navy for the year commencing July 1 were reduced by Congress by a sum equal to twice the annual levy the adoption of this legislation would make upon the Treasury in a given year.

NOT A GRATUITY OR A BONUS.

In addition to the ninth-hour opposition of the Secretary of the Treasury is the opposition expressed by the President of the United States in his able message delivered in this Chamber on Tuesday last. Therein he bases his opposition, first, upon the state of the Treasury, and, second—and I am not quite sure but that it is his real opposition—he uses language indicative of his opposition to the principle of the bill, or perhaps I should say to the theory of the bill. He refers to this expenditure as a gratuity. Let me quote his language:

In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action, if it is taken. Even without such reservation, however, a modified view would be wholly justifiable at the present moment, because the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligations to those we must not fail to aid.

Mr. President, this is not a gratuity measure. Our service men want no gratuities. They resent the suggestion of gifts, bonuses, or gratuities. The Finance Committee, in its report favoring the passage of this measure, refutes the suggestion of gratuities in this very strong language:

Any discussion of this bill, its provisions, and purposes would be lacking in fairness and justice if it failed at the outset to correct a general misnomer of the bill itself. This proposed legislation is generally referred to as the "soldiers' bonus bill." No name could be applied that would be more irrelevant. It is worse than erroneous. It stamps upon a just and unquestioned national moral obligation the designation "gratuity." The purpose of this bill in no sense seeks to express a national gratitude by money gift to our soldiers. It is not so intended by its supporters and the veterans of the World War would not so accept it. It is just what its title reads, "A bill to provide adjusted compensation for the veterans of the World War." It is not a bonus bill, and fairness to country and soldier alike requires that we should exclude the word "bonus" in referring to it.

In simple, plain English, the purpose of this bill is to give to the soldier who offered his life and his services a compensation that will more nearly approach that of the laborer who remained at home, secure from danger, etc.

Mr. President, I am opposed to the granting of gratuities or bonuses by this Government to anybody—soldier or civilian. The soldiers have no more right to a bonus as such—the word "bonus" means to me "something to the good"—than those employed at home. They have a right—and that is what this measure seeks to assure—to receive additional compensation adjusted in the light and with the knowledge of the economic benefits to those who remained at home and the economic losses to those who served their country in the military service.

WE CAN AFFORD TO PAY THIS OBLIGATION.

Mr. President, can we afford to pay this money? Can the richest country in the world afford to pay its military service men a wage approaching that of the lowest-paid employee in the country? Can a country which increased the number in its millionaire class by more than 23,000 during the war afford to adjust its service men's compensation? Can a country whose people increased during the war their savings-bank deposits on the average of $400 per depositor afford to meet this obligation? Can a country that was intoxicated with material prosperity during the war afford to adjust the compensation of those who were denied any share or part in that prosperity? Can a country whose corporations increased their combined stock by more than ten billions during the war afford to adjust the compensation of its protectors? Can a country that has made advances in one form or another to the railroads of the country since the war of nearly four billions bear this new financial obligation? Will a country that can afford to allow the interest due it from foreigners on a debt of approximately $10,000,000,000 be postponed from time to time without requesting payment refuse to assume the consequent burdens of this legislation?

Mr. President, Senators may be convinced by what has been said here about the inability of our country to assume such financial obligation at this time, but one thing is certain, that very respectable class who bore the burdens of this war will not be convinced that the men of big possessions are acting unselfishly or gratefully by coming forward now and refusing to meet their share of a war debt—a debt, though unrecorded in the Treasury office, with more merit to it than any recorded debt.

HUMILIATION OF FINANCE COMMITTEE.

I have refrained thus far from discussing another aspect of the situation, which up to this time, I confess, has been almost incomprehensible to me. Other Members of the Senate besides myself may have noticed the fact that this bill was considered by the Finance Committee in all of its aspects, financial as well as sentimental, reported to this body for action, and was just about to be voted upon before any substantial opposition to it developed.

It seems pertinent to inquire whether the members of the Finance Committee were really in possession of sufficient information about the status of the United States Treasury to make them capable of determining whether the passage of this bill at this time would break the Treasury. It seems pertinent also to ask if the Secretary of the Treasury alone had in his possession the facts about the financial condition of the United States Treasury, and if men who have served here for a decade or more as members of the Finance Committee were not as well informed about the financial status of the Treasury as a man who has been in office only a few months.

In my knowledge of legislative affairs I have never witnessed a more humiliating spectacle than that about to be performed when the roll is called to-day. You may please by your

vote and receive commendation from the Chief Executive of the country, but let me tell you your vote will mark you as unsuited and unfitted for responsible public trust, for it will amount to a confession and an admission that you deliberated upon an important public measure, that you voted upon it, that you brought it into the Senate for action twice, once during the last session, where it remained on the calendar at adjournment on March 4, and again in this session, and now you confess that it was all done without proper study of the financial condition of the country, and that it remained for the Secretary of the Treasury, only four months in office, to enlighten you regarding this matter.

Senators, your action will live long after this day. It will be hailed on every platform in America as an indication of your stupidity and irresponsibility and evasiveness in handling the public affairs of the Nation. I need not add that I intend to vote against this measure, and that regardless of the decision reported here to-day I propose to leave no steps untaken to urge upon my fellow countrymen the necessity and the justice of inducing our Government to give to our war veterans the just compensation which I believe the overwhelming sentiment of the American people demands.

Mr. NEW obtained the floor.

Mr. MOSES. Mr. President, will the Senator yield to me?

Mr. NEW. For what purpose?

Mr. MOSES. I wish to ask unanimous consent to proceed with the consideration of the conference report on the bill for the reclassification of postal employees.

Mr. ASHURST. I object.

Mr. NEW. If there is to be any discussion of the question, I can not yield.

Mr. ASHURST. Will the Senator yield to me for just a brief statement? I believe the matter could be compromised if the previous unanimous-consent agreement can be amended so that hereafter speeches on this subject until 3 o'clock shall be limited to 20 minutes. I think then all Senators might be accommodated.

Mr. MOSES. I do not understand that there is any objection to the consideration of the conference report.

Mr. JONES of Washington. I object, in order to save time.

Mr. NEW. Mr. President, I had not thought to say anything on the subject of this bill; but I have heard so many fallacies advanced, or what I certainly regard as fallacies, in the course of this so-called debate within the last two or three days that I feel impelled to occupy a few moments of the Senate's time to explain why I intend to vote to recommit the bill to the committee.

Mr. President, I yield to no man in my devotion to the soldier and his cause. I have voted for every pension measure, every measure that has been presented to this body since I have been a Member of it, that was intended for the relief of the soldier and his dependents. Before I came here, as an editor of a responsible newspaper I also consistently and persistently favored the most liberal pension legislation. I expect to continue to favor a most liberal treatment of the soldiers of this country. I would extend that treatment to every man who has worn the uniform of his country in time of war, and to his dependents.

Mr. President, I believe there are one or two things that this Congress should do, and should do without delay. It should make the most ample provision, omitting nothing that is required for the hospitalization, for the care and comfort in the most approved and perfect manner of every man who has suffered wounds or disability because of his service during the war. I believe, too, that we can afford to return to the soldier who advanced money from his own pay for the care of his family the sums that he did advance for that purpose.

All that I believe, Mr. President; but several times in the course of the last two or three days I have heard references to how much this country made during the war, to how rich it is. Well, now, let us see. How much did we make out of the war, anyhow? Did we make anything? I have not heard any of the economists on the other side of the aisle who have made that declaration furnish any proof of their claim of how much money we made out of it, and I should like to know on just what they base it.

During the war it was true that nearly everybody in this country thought he was making money. The farmer of the North thought he was making it when his wheat sold at $2.25 a bushel. He thought it when his corn sold at $1.75. The cotton planter thought he was making money when his cotton went up to 42 cents. The wool dealer thought so when his wool went up to 80 cents, and upon those figures he based his estimates of what he had made. He thought he had the wealth of Midas; but let us see about that.

Since those fat years the price of wool, for instance, has gone down, so that you could not sell the whole clip from the biggest ram owned by the senior Senator from Wyoming for enough to make a mitten for a one-armed doll. You could scarcely sell the hide of the biggest steer owned by the junior Senator from Wyoming for enough to pay for a pair of leather shoestrings at the price he would have had to pay for them three years ago; and when the owner strikes a balance between what he made or what he thought he made on his wool at 80 cents a pound and on his hides at the price for which they sold on armistice day with the shrinkage in value that has come to him since then—a price to-day of 12 cents a pound for his cotton in New York, for instance, which means that in Georgia and in North Carolina he is probably getting 7 or 8 cents a pound for it; and it means that out of the 15 cents that he is getting for his wool in the Boston market, certainly the Wyoming and the Montana and the Oregon woolgrower are getting very much less than that on the range—as I say, when he strikes a balance between what he thought he had and what he gets to-day he will find that instead of making money he has lost money on account of the war.

He is not worth as much money to-day as he was on the 6th day of April, 1917, when the Senate passed the joint resolution which made us a party to the conflict.

Mr. President, that state of affairs extends to nearly every man in the United States who is doing business to-day. I will admit, of course, that there were some people who made money out of the war. Some of them were in high places, too, if report is to be in any way believed. They were speculators, and it is to their shame and discredit that they made it; and if I could raise the money for this purpose by taxing them and letting the man who is to-day at grips with the sheriff go free from this taxation, I would vote for this bill in a minute, and gladly. But, Mr. President, it is not upon the speculator that the tax must fall. It must fall upon your man from Georgia who is to-day broke, and in painful realization of the fact. It must come from that woolgrower; it must come from that farmer; it must come from the small business man as well as the big business man.

Why, Mr. President, such is the condition, and there is not a Senator on this floor who knows anything about business who does not know it to be the condition. It is not singular to Indiana; it is not limited to New Jersey; it is not confined to Nebraska or to Georgia or to Mississippi or to Arkansas or to Alabama, but it includes every one of them, your woolgrower, your cotton grower, your farmer, your shoe manufacturer, your woolen manufacturer, and everybody else. We are all in the same boat, and it is a pretty leaky boat, and a long ways from shore right now, too, and it is a good thing, Mr. President, not to rock it, and a good thing not to overload it.

This is true, and every Senator here knows it, that during the war the manufacturers bought their stocks of raw material at war valuations, and they went to the banks and borrowed money. They got their credits on their inventories at those war valuations, and now they are called upon to pay. They put up those stocks as collateral for loans, and at the time they were regarded by the bank as ample collateral, but to-day they have to sell to pay the banks, and they have to sell at present-day prices. They have to sell at prices that will not pay the notes, which means, of course, that they can not pay at all.

It may be, Mr. President, that the banks are liberal because they realize that they can not collect. Perhaps it is because they have to be; perhaps it is because they realize that they can not get blood out of a turnip; they can not make their customers pay because it is beyond their present ability to pay. Or perhaps it is because the banks are liberal from other motives. Let those who want to give them credit, and let those who wish to condemn them for not being more liberal. But that is not the point. The fact is that if the banks to-day were to try to close in on business and collect, this country would be in the hands of a receiver before sunset. Everybody knows that.

Mr. JONES of New Mexico. Mr. President——

The PRESIDENT pro tempore. Does the Senator from Indiana yield to the Senator from New Mexico?

Mr. NEW. Mr. President, I would rather not yield. I shall occupy a very few minutes' time. I can not yield.

Mr. JONES of New Mexico. I am very sorry, Mr. President.

The PRESIDENT pro tempore. The Senator declines to yield.

Mr. NEW. Mr. President, in the course of one set of his remarks a day or two ago the Senator from Alabama [Mr. HEFLIN] grew characteristically generous. He not only wanted to pay the 4,000,000 soldiers but he wanted to go out and help the people of the West and South, 50,000,000 of

them. He says, "We can give a billion to the railroads; we can reach down and help 50,000,000 people in the West and the South." Mulberry Sellers redivivus! There was not a dream of Mulberry Sellers that surpassed the dream the Senator from Alabama had in his talk a day or two ago.

"Mulberry Sellers's Oriental Eye Ointment. Four hundred million people in Asia with sore eyes. Eight hundred million sore eyes, and a bottle to each eye. There's millions in it! Millions in it!" That was the spirit of that dream.

Mr. President, who is to furnish the money to relieve all these 50,000,000 people? The other 50,000,000? The Senator divides us into about two equal camps, one of which is to carry the other. But that, to my mind, is a dream and a fallacy.

It is an utter impossibility, and the sooner the people of this country, soldiers and all, realize the utter economic impossibility of that kind of thing the better it will be for the soldier, the better it will be for the business man, and a good deal the better it will be for the Members of the Senate; and, as the Senator from New Jersey [Mr. FRELINGHUYSEN] interposes, a good deal quicker will business be restored.

Mr. President, the truth is that we are face to face with a great temporary economic emergency. It is a great emergency. It is a poor time, but a rare opportunity, for the soap-box man and the demagogue, and I have no doubt that in every quarter they will take full advantage of it.

But when speaking of business, Mr. President, I am not speaking of the Steel Corporation, I am not talking of Standard Oil, I am not talking of the railroads; I am talking of the small business man, if you please, the average business man, who has to be regarded as the business man of this country and of every community. The condition I have described extends to him just as well as it relates to what some may be pleased to call "big business." I have not any relation to, concern for, or interest in any big business. I do not own a dollar of stock, and never did that I know of, in any one of the big businesses of this country, and I am not particularly interested in them. I am interested in the small fellow, who is struggling, and who has to have a chance to get his feet in the sand some way or other, and get a start, and who can not at this time stand the weight of an additional burden.

Mr. President, nobody knows, as a matter of fact, just where this particular bill is going to lead us, and I agree absolutely with what the Senator from Minnesota [Mr. KELLOGG] said in his remarks here yesterday morning, that when we pass an adjusted compensation bill, or a bonus bill, call it by any name you please, we ought to be courageous enough to provide right in the body of the bill for the method of raising the money to meet it and not leave things in the altogether indefinite way this bill leaves them.

The truth, too, is that if we are to concede the obligation to be settled by the passage of this bill, the corporation doing business under the title of the United States of America finds itself compelled to do just what other concerns are doing—it must ask to be permitted to renew its note. It must ask an extension of time.

Mr. President, as I said, I myself am a friend of the soldier and I have confidence in the good judgment of the soldier; I have confidence in his good faith; I have confidence in his Americanism. I have confidence in his being patriotic in time of peace just as much as I have in his patriotism in time of war. I believe in his mental capacity to distinguish between political bunk and horse sense. I expect at some time—and at no distant time—to be able to cast my vote for some measure, in some degree comparable to this, for the benefit of the American soldier. I can not look my conscience in the face; I can not weigh my judgment of the business conditions of this country to-day—and those conditions include the interest of the soldier—and vote for the passage at this moment of this bill, and I shall therefore vote to recommit it to the Committee on Finance.

Mr. DIAL. Mr. President, my position on the bonus was made known over a year ago. In June of last year I made a speech on the bonus question, and nothing has transpired since that time to persuade me to change my mind. If it were not such a serious matter, it would be amusing to me to see the predicament in which the Republican Party has gotten itself. After these long years during which it has been whetting the appetite of the American soldier for a pension, now they have gotten to such a point that they have to back track.

I have just looked at the figures of the pensions paid to veterans of some of our past wars. In 1916 the pensions paid on account of the War with Spain were $3,800,000, leaving off the fractions. In 1920 they had grown to be $4,624,000.

In 1916 the pensions paid for the War of 1812 amounted to $18,000, and in 1920 to $21,000.

In 1916 the Mexican War pensions amounted to $803,000, and in 1920 to $676,000.

In 1916 the Indian war pensions amounted to $475,000, and in 1920 to $1,746,000.

Mr. President, I am not saying anything about pensions to disabled soldiers. I think, perhaps, the principle of paying them is all right, when they are disabled. But when it comes to paying bonuses to able-bodied soldiers I am satisfied the principle is wrong.

In 1866 there were 126,722 Civil War pensioners and the pensions paid amounted to $15,450,549. The list grew, until in 1902 there were 999,446 pensioners, greater than at any time before or since that time. In 1919 the number of pensioners was 624,427, and the amount of money appropriated was $222,159,292. That shows, Mr. President, how pensions will grow. Therefore, this is a proposition which deserves the very serious consideration of this Congress.

I am also delighted to know the position which the South Carolina branch of the American Legion takes. I believe, perhaps, it is the only branch in the United States which passed resolutions against the cash bonus. Our boys have the right conception, Mr. President, of their duty to themselves and to this country. I am prouder of them every day of my life.

Our duty is first to the disabled soldier, and I think the cry which has been raised as to the neglect of him has been much exaggerated.

I know of no intention on the part of Congress to neglect them, and if there is, of course, it should be remedied. I think every effort is being made, and should be made, and should continue to be made, to relieve them as much as possible. But the time has not come when we should vote a blanket bonus to able-bodied soldiers, irrespective of their condition.

If the financial condition of the country and the Government was explained fully to the soldiers, I do not believe a very large number of them would press for any bonus at this time. Anyway, the finances of this Government are in such a condition that we would not be justified in granting a cash bonus, and I am glad that the prospect is that this bill will be recommitted. The Government will have to refund over $7,000,000,000 within two years.

If we would listen to some of our friends we would think the whole country is subsisting upon the proverbial milk and honey. I read yesterday in Commerce and Finance an article entitled "Grubstaking the cotton farmer," by Gibbons Poteet, cashier of the First National Bank of Roxton, Tex. Among other things, speaking of credits that were being extended to the farmers of the country, he said:

> A white man came in, making a 20-acre crop of cotton on the halves—has a wife and nothing more—nothing at home to eat at all. We allowed him $6 per month for the five months, and we are not sure he can pay this back and live.
>
> Another white man with 11 in family, most of them nearly grown, making a good-sized crop on the halves. He gets $25 per month—that's right—$25 per month for 11 people, and they have nothing except what they can buy with that $25. We figure it out for them and show them something like this for the monthly allowance for a man getting $25 per month:

3 bushels meal	$4.50
1 sack flour	2.75
3 gallons lard	3.30
3 gallons molasses	3.00
Coffee	1.00
Sugar	1.00
Beans	2.00
Rice	1.00
Meat (maybe)	2.00
	20.55

> That will leave $4.45 to buy little things that may be absolutely needed, like medicine or baking powder and soda and garden seed. Of course, they are permitted to vary the "menu" if they desire.

Can you imagine any condition more depressing and distressing?

This condition exists all over the country. Agriculture is in distress, and it is no time now to be voting additional taxes upon an already overburdened people.

Something has been said about the foreign debt——

Mr. JONES of New Mexico. Mr. President, will the Senator yield?

Mr. DIAL. Certainly.

Mr. JONES of New Mexico. I rose awhile ago when the Senator from Indiana [Mr. NEW] was making some statements along the same line which the Senator from South Carolina is now offering. I did it for the purpose of calling attention to the fact that the people of the country who are in such dire distress as those now referred to by the Senator from South Carolina and those referred to by the Senator from Indiana are not the ones who pay these bills. If the Senator from South Carolina will examine the estimates of the Secretary of the Treasury as to the sources of the expected revenue he will at once under-

stand that the bankrupt people of the country, the people who have no net incomes, are not the ones who pay the bills, but the Treasury is to be supported by those who still have net incomes even in these hard times.

I submit that if we distribute some of those incomes throughout the country it will aid the very people to whom the Senator from South Carolina has just made reference; and that those people, the people who are selling cotton for less than it cost to raise it, those who are selling cattle for less than they cost to raise, the merchant writing down his inventory, the manufacturer writing down his inventory, will not pay one dollar of the bill nor be called upon to do so. It will still be paid by those who, notwithstanding these adversities of our country, are still reaping their enormous net incomes.

Mr. DIAL. If I had my way and could pay these taxes out of the pocketbook of the profiteer I would perhaps be willing to vote for a bonus—not this kind of a bonus—to some soldiers. I know of no tax that eventually is not paid by the people at large. It does not matter where it is levied, it will eventually have to be paid by the toilers of the country.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. DIAL. Certainly.

Mr. KING. In part by way of reply to the suggestion of the Senator from New Mexico, may I submit an observation for the attention of the Senator from South Carolina? In a recent work published by Prof. W. I. King, in which he deals with production and cognate questions, he states, as I recall, that the aggregate earnings of all of the people of the United States were approximately $40,000,000,000. This was immediately before the war. His figures showed that the value of all products and all labor and all services of all the people of the United States was something under $40,000,000,000 per annum. In the production of this aggregate there was consumed all but $5,000,000,000. In other words, after totaling the values of all products and deducting therefrom the costs incurred in their production there was left but $5,000,000,000, which was represented in improvements, houses, factories, or securities and money and credits. That amount represented the savings of all the people of the United States for the year. Whatever there was for investment came from the $5,000,000,000 of national profits for the year. Our houses and railroads and factories and shops, indeed whatever was left and endured, came from the $5,000,000,000. It is apparent that the prosperity of a community depends upon the savings—the amount available for investment purposes. If we consume all that we produce, then there is no prosperity, and business and industrial stagnation ensue. We must have capital for investment, and capital for investment only results from savings. If by taxation we invade the field of what we call savings, then we strike at the prosperity of the people. We are levying heavier taxes now than were imposed at the time Prof. King wrote. It is doubtful whether during the coming year, in view of the great slump in business, there will be five billions of values left after expenses and consumption have been met. Indeed, with the heavy taxes which are being imposed by the Federal Government, as well as by States and municipalities, there will probably be but a small margin of profits or savings available for investment purposes. That will mean fewer homes and but little improvement in railroads, few, if any, new factories or enterprises. Indeed, it will mean demoralization in business and a persistence of financial distress. Prosperity to the farmer, to the cotton grower, to the producer of live stock, and to the laboring man depends upon there being money for investment, and there will be no money for investment unless there are savings, and there will be no savings if high taxes persist.

When we destroy by taxation whatever is available for investment then we are striking at the farmer and the stockmen and all classes of our people. It is an economic heresy preached here and elsewhere that the strong arm of the Government may take away the income of those who might save for investment purposes without there being unfavorable reaction upon all classes of the people. If the Government takes away all the income of the people and all the savings, whether the people be rich or poor, then industrial activity and progress is arrested. When it is claimed that we can take from the rich all their earnings and savings under the guise of taxation we are advocating a policy which will injure the workingman and indeed all classes of society.

Of course wealth must bear the great burden of taxation, and incomes and business profits must prove the principal fountains from which will flow Federal taxes. But I can not approve of the thought that we can seize all the earnings upon capital for taxation purposes, and that in so doing we are not affecting or injuring the great mass of the people, and particularly those who are not called upon to make direct contributions to the Federal Treasury. What is needed now is a reduction in taxes. The greater the amount of unconsumed wealth at the end of the year the greater will be the amount available for investment, and the more we have for investment the greater will be the general prosperity. If Rockefeller or rich corporations have large sums at the end of the year resulting from their investments, these sums are available for further investments. They go into the banks and become the basis of loans and investments in bonds and stocks and securities and houses and railroads and those material things which further increase the wealth of the Nation and add to the general prosperity of the people.

We must encourage savings and not pursue a policy which will compel the strong arm of the Government to be laid upon every dollar of savings or earnings for taxation purposes.

Mr. DIAL. Unfortunately, in my part of the country our money will be on the other side of the ledger and we will not have anything to invest.

Something has been said about the foreign debt. For one, I believe this ought to be refunded and it ought to be collected within a reasonable time; as soon as possible. I can see no objection to the interest being deferred or refunded in bonds which will draw interest, but I am not now willing and have never been willing to say that the debt should be canceled. I think we have done our part toward our allies and that they should have a reasonable time in which to pay, but they should also have a warning to go to work and begin to pay interest at least. I feel that what this country and the world needs is more work; to produce more. Our allies ought to be put upon notice that we expect to collect and that we will collect as soon as they get into condition to pay.

Mr. President, I happen to know a little about taxes and about the condition of the country. It was brought to my attention the other day through an enterprise where the national taxes alone were something over 8 per cent upon the capital stock of that enterprise. I know of people who wish they had their money out of investment, and if we keep on piling up taxes, taxes upon top of taxes, we will have no one who will care to invest money to develop the resources of the country and give employment to labor.

I have this morning read a letter from the American Legion. I do not agree with all that the letter contains, but a part of it struck me as a very just complaint. That portion of the letter reads as follows:

> The soldier returned to find himself economically handicapped by reason of not having received the high pay which his brother who remained at home received, and, further, economically handicapped by being under the necessity of reattaching himself to industrial life when others had taken his job and advanced in the industrial scale. Our Government drafted the soldier, but did not draft labor.

I feel that is one reason why the soldiers are here now. It is because of the action of our Government in paying such enormous wages to labor in this country, pay that was not justified even by the circumstances. I feel that we should have corrected that condition as soon as possible; but instead of doing so last year we passed the Esch-Cummins bill, and we perpetuated in that law the national wage scale which has continued until recently, and perhaps a good deal of it is in force at the present time. One of our first duties should have been to readjust those matters, so that the whole country might have become normal as nearly as possible, and so that no one should have received pay out of proportion to services rendered.

So far as I am concerned, I feel that that is a thing which is urging the soldiers on—the present unjust basis of those rates of compensation. I took occasion a short time ago to make some inquiries with reference to the matter. I have here a letter in reply to one which I wrote, from which I wish to read as follows:

> In 1917 we paid our car cleaners, most of whom were women, 11 cents per hour, and they worked over a spread of about 12 hours, and when I say "spread," I understand that sometimes they had work to do and sometimes they did not. Their work was hardly more difficult and not nearly so expert as that of the average cook, who gets breakfast around 8 o'clock and supper about 7 o'clock. Now, we are paying these same cleaners 51 cents an hour for eight hours' work and time and one-half after eight hours, including also time and one-half on Sundays and holidays; cars must be cleaned on both.
>
> If we worked our car cleaners the same number of hours that we worked them in 1917, under the present rates per hour and the working conditions they would be paid around $180 per month.
>
> Our car repairing forces, consisting of capable carpenters and, as you can well understand, many who need not know more than to drive a nail or to saw a plank, etc., in 1917 were paid from 24½ cents per hour to about 35 cents or 40 cents per hour. Now, all of them are paid, though, as I have said, many of them are little more than ordinary day laborers, 80 cents per hour and time and one-half on and after eight hours and on Sundays and holidays.

We have Negro trainmen, paid in 1917 around $50 per month, now paid from $160 to $250, owing to the spread of hours and overtime made; firemen, paid in 1917 from $75 to $100 per month, now paid from $200 to $325 per month, owing to the spread of hours, overtime, etc.

We have an engineer on a certain run who goes to work about 7 o'clock in the morning and gets off about 7 in the afternoon, who is at home for breakfast, dinner, and supper, and who is off about three hours at noon, who earns by the 22d of the month some $400, and who is then relieved by another engineer—this in accord with the wage agreement in order to keep him from making a grotesque wage. This engineer is paid time and one-half after eight hours; in other words, he is paid for nearly two days in one, although his actual hours of service is probably eight or nine.

Carmen from shops sent out on the road in charge of wrecking outfit cars are paid time and one-half, or $1.20 per hour, for the first 24 hours they are out, and after that 80 cents per hour for all hours until they return to the shops. Recently in clearing up a freight wreck the wrecking derrick was out five or six days, and the foreman of the wrecking derrick, who, while a carman, performs only the work of firing a stationary boiler, was paid $28 for the first 24 hours, although he worked some five or six days, and was then paid every hour that he was out, although he worked eight hours per day, and was paid and housed at the company's expense.

We should repeal at least a part of the Esch-Cummins law. The freight charges are paralyzing the business of the country. It is practically running the people off the farms in the South. We have heard here of many cases where vegetables and all kinds of truck in the South when shipped to the North did not bring enough to pay the freight charges. Just yesterday I received a telegram from one of my constituents in South Carolina, who stated that he had seen a bill for a car of vegetables shipped to New York. He said the price was satisfactory, so far as the sale of the goods was concerned, the carload having brought $696, but that the freight bill was $408.

I feel that one of the greatest benefits that we could bring to the soldiers and to the whole people of the country would be to investigate the railroad situation and readjust those matters to get them upon a business basis. The roads should be forced to economize in every way. They should be allowed to make contracts with their employees like other people and the Interstate Commerce Commission should authorize reasonable rates of freight and say to the railroads that they must make their expenses and profits if they can make any, and if they can not they should fail like other people. I feel that it is a mistake to have two boards controlling the situation, one to regulate wages and the other to regulate the freight rates. I do not believe such a system will be a success. I feel that that one act of ours has caused more dissatisfaction than any other half dozen laws on the statute books.

It is time now for Congress to come together on these business matters and allow business to adjust itself, to let business alone, and let the people know they have got to go back to work. If business is a failure, it will be a sad country for the soldier as well as for everyone else.

Before the Committee on Commerce the other day a gentleman appeared representing a shipping company as their attorney and told of an incident where a ship arrived in a certain city at 9.30 o'clock at night. They needed an inspector. They asked the Government to send them one inspector. Instead of sending one they sent three, and the pay dated back to 5 o'clock in the afternoon, and those three inspectors got pay for five hours at that rate at that time in the day, which amounted to pay for two and one-half days each at the regular rate. They used three inspectors in that case instead of one.

Can you imagine any greater folly? How can we build up a merchant marine under such conditions?

Give everyone an equal chance under the law, then dissatisfaction will cease.

Let us eliminate all these unbusinesslike methods from the operations of the Government and give everyone in this country an opportunity to work.

Some reference has been made to idleness in this country. So far as I know, there is not very much idleness in my section of the country. I believe if there are many people who are out of employment it is their own fault. They can get employment if they want to go to work.

As I have previously said, I have the highest regard for the soldiers, and we should do everything which it is in our power to do for the maimed and the disabled amongst them—nothing is too good for them—but I feel, certainly at the present time and until disarmament may properly be brought about, until we can reduce our war expenses and other taxes, and can restore our country to a prosperous condition, that this bill should be recommitted to the Committee on Finance.

Mr. PITTMAN. Mr. President, I intend to be very brief in the remarks which I shall now make, for I realize that there are other Senators who desire to discuss the question and who necessarily must speak in the limited time which now remains.

I had occasion on the 7th of July last briefly to present my reasons for supporting the pending bill and those reasons largely apply to my opposition to the motion now to recommit the bill. On the 13th of July I asked unanimous consent to have read from the Secretary's desk two telegrams from representatives of the American Legion, but the Senator from Kansas [Mr. CURTIS], the "whip" on the other side of the Chamber, interposed a parliamentary objection, which has up to this time prevented those telegrams from being read. I shall use my privilege to read them a little later on.

Mr. President, the issue that is brought about by the motion to recommit the pending bill is simply this: Can the Government of the United States afford to do for the ex-service men that which the bill requires? It is not a question of remodeling the bill. No one here has suggested any amendment of any serious import to the bill embodying any proposition which has not existed in the pending or in former bills on the same subject. None of those who have spoken in favor of the recommitment of the bill have suggested any changes which they desire in the bill. The President in his message laid down the real issue in this matter. He said that it would break down the Treasury of the United States.

Those who believed that the passage of the bill would break down the Treasury of the United States and bring disaster to the country have a right to vote against the bill; those who do not agree with the President and the Secretary of the Treasury in that regard have an equal right, and in my opinion it is their duty, to vote for the bill; and the only way they can vote for the bill is to vote against the motion to recommit it to the Committee on Finance.

The Senator from Indiana [Mr. NEW], who has recently spoken, said that he would vote for the bonus bill if he could think of any way by which the profiteers during the World War could be made to pay for the obligations which it would impose. The House of Representatives in the bill pending there at the last session suggested a method by which those who made profits out of the war would be compelled to pay those obligations. The committee of the Senate considered that proposition and deliberately struck it out.

The Senator from Idaho [Mr. BORAH] and the Senator from Iowa [Mr. KENYON] have said that they would like to see some real land-settlement proposition in favor of the soldiers adopted. A land-settlement provision was considered by the House of Representatives for a year; it was adopted by the House of Representatives at the last session; the bill came to the Senate committee; they considered that proposal and reported it favorably; but what happened? The same committee in this bill proposes to strike out the land-settlement proposition. I have proposed an amendment to restore the land-settlement provision to the bill. If the Senator from Idaho and the Senator from Iowa want the land-settlement proposition restored to the bill the way to restore it is to keep the bill on the floor of the Senate and not to recommit it to a committee which we know will not report it back.

It would be an absurd proposition to recommit the bill to the Committee on Finance with instructions that they report it back. Such action would contravene the very purpose which the President has in view. The President in his address said:

> It is unthinkable to expect a business revival and the resumption of the normal ways of peace while maintaining the excessive taxes of war.

Do Senators expect "the excessive taxes of war" to end in a few days? Does anyone expect any particular change in the financial condition of this country in the near future? The President goes on further in his address and says:

> Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans?

The Senator from Iowa [Mr. KENYON] has an amendment to offer to instruct the committee to report the bill right back. When do Senators expect the question of the foreign loans to be settled? The Senator from Utah [Mr. SMOOT], one of the leaders of the Finance Committee, has said that it would be very disastrous right now to demand even the interest on loans due by foreign Governments. The President further says:

> The United States participates in none of the distributable awards of war, but the world owes us heavily, and will pay when restoration is wrought. If the restoration fails world bankruptcy attends.

The President asks the Republican majority not to act on this bill until world restoration has been accomplished; the President asks the majority on the other side of the Chamber not to increase the taxes by passing this adjusted compensation bill until world restoration has been accomplished. Then, how absurd it is for Senators on this floor to offer amendments embodying instructions that the bill shall be considered by the Finance Committee and reported right back. If that is their object, if they think that all that is needed is some reformation of the bill, let them vote to keep it before the Senate for a few days at least, and let us offer the amendments which we desire to offer, and let us debate those amendments. Therefore, I say that the issue is whether or not the Government can

afford to pay its defenders a just compensation; that is the only issue. The motion to recommit this bill is based upon the fear that there is no amendment that can possibly be made to the bill that will not add to the taxation of the people. The President says the country can not stand that taxation until there is world readjustment and restoration.

We know that nearly every Senator on the other side has received hundreds of telegrams from responsible citizens petitioning them to vote against the motion to recommit. Where are those telegrams to-day? Have any of them been presented on the other side and read before the Senate?

Is not this the first time in history when any great issue was before this body that Senators did not present petitions from constituents to be read to the public and to the Senate? Why do they not present them? Is it because they are afraid of the influence of those petitions? I repeat, this is, perhaps, the first occasion on which they have refused to come forward with and present such telegrams and petitions.

There are numerous Senators on the other side who would like to find refuge in any excuse rather than to vote to recommit the bill, because they know that they are wrong in killing the bill; but the President has demanded it, and they are following that demand. However, give them a loophole, give them any plausible excuse or subterfuge, such as a motion to recommit to the committee with instructions to come back with it to-morrow—just one day will help them—or in two days or in a week, anything to lessen their difficulty, and they will vote for it.

I am going to vote against recommitting the bill. I am going to vote against recommitment with instructions of any kind, but I know that Senators on the other side are going to recommit the bill. Then, as the weeks and months go by and we hear nothing from it, we will see the Senator from Iowa rise in his place and ask if the committee have not as yet nearly completed their labors in reforming the bill. He will find out they are doing nothing, and then we who are determined to force a vote upon this measure at some time will protect our rights by moving to discharge the committee, so as to bring the bill back to the floor of the Senate. So I say that any Senator who is sincerely in favor of this bill should not be led astray to vote for any kind of a substitute motion, such as a motion coupled with instructions, for we can protect ourselves in other ways. We should vote against everything in the nature of a recommitment; we should vote against everything except such motions as will tend to keep the bill before the Senate under debate.

The Senator from Idaho is an idealist; he frequently carries idealism beyond the point of practicability. He feels that it would be an insult to our soldiers to pay them wages. He asked, "Is it possible to compensate these men who gave their health and their lives to save this country?" No, Mr. President, it is not within our power to compensate them adequately; there is nothing that we can do adequately to compensate them; there is nothing that we can do adequately to compensate Gen. Pershing for his magnificent services and his patriotism, and yet our Government did not think it was insulting Gen. Pershing when it created an office for him and gave him a greatly increased salary. It was not adequate compensation for his services and patriotism, but it was a compensation that, whether it did the heart of Pershing good or not, did our hearts good.

Two dollars a day for the services our soldiers rendered over there would not be adequate; no, $100 a day would not be adequate; but, as we did for Pershing, as England did for her great generals and great admirals, as every country has done for its soldiers, we should say, "While there is no adequate compensation for what you have done, we will ease our conscience and our souls by doing all that we can do for you."

Did any Senator ever raise his voice in this body to say it was an insult to Gen. Pershing to give him a little increased salary? Did any Senator ever say that it was an insult to Gen. Haig to give him an enormous sum of money? Never in the world has such a statement been made. The difference between the Senator from Idaho and the Senator from Nevada is that he believes because we can not give them adequate compensation we should not give them any compensation; that is all. Why, in the name of Heaven, did we pay the soldiers a dollar a day over there? Was that an insult? Why did we not pay them 50 cents a day?

Do you suppose that the families of some of the Senators who have now passed away and who ended their lives earlier by the patriotic work they did in this body during the war could ever be compensated? Never in the world; and yet when they died we gave their widows $7,500. Was that an insult to the family of the deceased? Was that an insult to the memory of the Senator? Adequate compensation? Is $7,500 adequate compensation for a man who gave his life working in this body night and day for several years on behalf of his country? No. The Senator from Idaho simply does not draw the distinction between the impossibility of compensation for patriotism and the inadequate but just compensation for valiant services rendered.

They can not find the money to pay these boys, and yet there were $7,000,000,000 of excess profits made during the war—$7,000,000,000 of excess profits! Tell me, was there any greater obligation on behalf of these 4,000,000 boys to give their lives in defense of this country than there was on behalf of the 106,000,000 people left in this country? Why is it that those 4,000,000 boys should give all on God's earth they had to defend this country and there was no obligation on anyone else?

A war such as we had, a war to the finish, a war for the life of the Nation, is a war of every man and woman in the country, and it is not merely a war of soldiers. What we should have done was to draft every man in this country, every man, and make a soldier or an officer of him. Oh, they could not give as much as those boys gave; no. Why?

A man 60 years of age can not go upon the battle front and fight like a man 18 years of age. Therefore they had to go where they could give their best; but the great manufacturer, the great chieftain of a great steel works, could do as much for this country in time of war if he gave his services like those boys gave their services. Did they do it? They did it in a few instances. Did their corporations do it? No; their corporations did not do it, or there never could have been $7,000,000,000 of excess profits in this country—never.

Why, if those corporations had been drafted, if the managers of those corporations had been drafted, you would not have been whining to-day that you did not know how to get the money out of these profiteers. You would have it. You would have at least $7,000,000,000 on hand now, and business would have been running as it was. You could now draft those excess profits and compensate these boys, but you will not do it. You would not do it during the war, and you never will do it.

It is strange to me that everyone thinks it was incumbent alone on those 4,000,000 soldiers to fight this war. They do not conceive that there was any responsibility or that there was any demand for sacrifice on behalf of the other 106,000,000 men and women. Oh, many of them sacrificed voluntarily, but I am talking about those who made a profit out of the misery of the soldiers, out of the misery of this country, and who have done things that helped to bring it to the miserable condition it is in now, where a President of the United States, after his party has been in power for nearly three years, has to come down and say: "We are so poverty-stricken, we are so helpless, that we can not pay $200,000,000 a year as a compensation to these boys,"

There is a constitutional way to get after the profiteers, and no one denies it. It is within the taxing power of this Government to reach them, but the administration has not tried to reach them. They are afraid they will have to try to get after them unless they can kill this bill, and the only way they can kill it is to get it off of this floor forever, and the only way they can do that is to recommit it. Whether it is recommitted with instructions or without instructions amounts to nothing. When they get it off this floor, the bill is dead. When I am urged to vote for instructions, I say this: It does no good to instruct an adverse majority. They can surround themselves with protection. I can accomplish the same purpose by a motion to discharge the committee, and I will make a motion to discharge the committee at frequent intervals.

Now I ask that the telegrams which I send to the desk be read.

The PRESIDING OFFICER (Mr. SMOOT in the chair). Without objection, the telegrams will be read.

The reading clerk read as follows:

CARSON, NEV., *July 13, 1921.*

Hon. KEY PITTMAN,
United States Senator, Washington, D. C.:

American Legion of Nevada stands 100 per cent favor adjusted compensation measure and requests your most earnest and aggressive support to prevent recommitment bill or any move which will prevent its immediate passage.

AMERICAN LEGION, DEPARTMENT NEVADA,
H M. PAYNE, *Commander.*

—

RENO, NEV., *July 12, 1921.*

Senator KEY PITTMAN,
Washington, D. C.:

American Legion, Department of Nevada, appreciates very greatly your active and earnest efforts on behalf of adjusted compensation bill. We agree with you that recommitment or delay now is equivalent to defeat. We therefore watch your efforts on our behalf with keen interest.

T. L. WITHERS, *Department Adjutant.*

CARSON, NEV., *July 12, 1921.*

Hon. KEY PITTMAN,
United States Senator from Nevada, Washington, D. C.:

Use every effort to prevent recommitment soldiers' adjusted compensation bill. Am wiring national commander and State Legion departments asking reply to amazing and misleading statements made public by President and Secretary of Treasury regarding matter.

J. G. SCHUGHAM,
National Vice Commander American Legion.

Mr. STANLEY. Mr. President, I am old-fashioned enough to believe that executive encroachment upon the legislative branch of the Government is as much a peril to the liberties of a free people now as in the past. I still believe, Mr. President, in the balancing of the powers of the Government—a legislative, an executive, and a judicial branch, each coordinate and inviolable.

It is true now, as in the past, that a people's liberties may be overthrown by the arts of a Pisistratus or a Cæsar, by a Cromwell or a Bonaparte. It is the duty of patriotic men, it is the duty of courageous Representatives in this or in the other branch of the Federal Congress, to raise their voices in protest the instant an ambitious or a designing Executive attempts to use the tremendous powers of his office to imperil the liberties of a people. It is, Mr. President, a crime akin to treason for any man placed in that high station, vested with greater authority than any king or emperor on the reeling earth, with patronage unlimited, a power appalling to many conservative critics, to exercise that power in a bald appeal, not to the patriotism, not to the reason, but to the avarice or the fear of men dependent for their political lives upon his partial favor.

Mr. President, if a former President of the United States was guilty of that offense, he deserved the condemnation he received. If he did attempt, for personal or political advantage, to dominate the Federal Congress without regard to the good of his country, if he did attempt cunningly and insidiously to encroach upon the constitutional rights of this body, he deserves to be, as he will be, pilloried by the impartial historian of the future.

That, Mr. President, is the grave charge made against President Wilson. That is the charge that has been reiterated upon the floor of the Senate, in the House of Representatives, on the hustings, in State and national conventions. The people were called upon not so much to reverse party policies as to overthrow a personal master and an aspiring tyrant. Venomous, unrelenting political hate inspired the blows that were struck from in front and struck from behind. "Down with Wilson the autocrat! Down with one-man power! Down with this solitary and aspiring egotist, who, like a second Augustus, surrounding his throne with darkness, concealing his irresistible powers, proclaimed himself the accountable minister of a congress 'whose supreme decrees he dictated and obeyed'!"

In the great convention that nominated the present President of the United States this language was used by its temporary chairman, the learned leader upon the floor of the Senate:

To maintain law and order—

Said Senator LODGE—

and a stable government where justice rules and the rights of all men, high and low, rich and poor, shall be protected, we must have a government of the people—

"Must have"? That implies that there is no government of the people at the time he makes the statement—

we must have a government of the people, duly chosen by the people, and never must there be permitted any government by a single man—

What man? Need I ask the question?

Or by a group of men or by an organized minority. Tyranny lurks in them.

That is strong language.

Tyranny lurks in them all and true freedom withers when they ascend the throne.

Freedom has withered, tyranny lurks, democratic and republican institutions are about to totter. Why? Because the President of the United States in person urged Congress to do certain things. The head and front of his offending hath this extent, no more.

Ah, "he talked with certain Senators." The RECORD is full of instances where Members upon this side of the Chamber were catechised in the open Senate, grilled as to when and under what circumstances they saw the President touching pending legislation, until the Senator from Virginia [Mr. GLASS], an ex-Secretary of the Treasury, in righteous indignation thus denounced the practice:

To me it is most extraordinary that a Senator should be put under espionage and his goings and comings reported on the floor of the Senate.

I will read you what the present President said touching this practice of telling the Senate in person the Executive's idea of pending legislation. He drew with perfect clearness and accuracy the distinction between recommendations on the state of the Union at the opening of a session of Congress, between calling the attention of the Congress to certain matters of importance, leaving their determination to the discretion of that body, and making direct and specific recommendations. Said President Harding:

No man is big enough to run this great Republic. There never has been one.

Of course, with characteristic modesty, present company, I assume, was excepted in that instance.

Such domination was never intended. Tranquillity, stability, dependability—all are assured in party sponsorship, and we mean to renew the assurances which were rended in the cataclysmal war.

Said the leader of the majority of the House, Mr. MONDELL, on June 5, 1920:

The Senate of the United States has as a body and an institution one time or another been under the fire of severe criticism, but its attitude of courageous refusal to surrender the views and convictions of its Members, and the independence and sovereignty of the Nation at the behest of the Executive, places the Nation and the world under profound obligations to those Members of the Senate who declined to become the recording instruments of the Executive mandate.

I appeal to Senators upon the other side of the Chamber to make good the big words of the leader of the Lower House still to deserve that gratitude, still to hold inviolate that dignity and that honor, worthy of their Roman forbears in their proudest days. Let them rise now, with their togas draping their manly forms, like the folds of some classic statue; let them again express their superb indignation that their dignity is invaded, that the stability of the Government is about to be destroyed, that Senators are made puppets by the mandate of an aspiring autocrat; and if they can not do it, then in common decency, for the sake of that lowly virtue, consistency, let them rise in their places and ask permission to expunge all this camouflage from two years of the CONGRESSIONAL RECORD.

Is this a place for honest, sober, sincere discussion of the great questions of state, for the solution of the mightiest problems ever imposed upon the intellect of mortal men, or is it an arena for political battledore and shuttlecock, conscienceless and shameless play for some petty partisan advantage, without regard to the honor of Presidents or the integrity of Senators?

The Senator from Connecticut [Mr. BRANDEGEE], able, proud, and eloquent, thus voices his scorn of a great President and his practices. Said Mr. Brandegee on October 11, 1920:

The President of the great Republic of France has almost no power. The power of France is exercised by the Chamber of Deputies, by their bureaucracy, and by their departments. I mention this for the purpose of showing that in other countries the power of the executive is a mere fraction of what it is in this country; and I mention it for the purpose of showing that more and more America, the freest democracy there is in the world, is coming to familiarize itself with if not consent to the theory that the President has all the power there is in the country, except where Congress may intervene to check it. That is not a good thing to get abroad; it would not have been tolerated 50 years ago; but in the language of the old poet:

> Vice is a monster of so frightful mien,
> As to be hated needs but to be seen;
> But seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

I watched the Senator from Connecticut when another President assumed, not a similar but a more astounding rôle. I expected to see him veil his modest and comely countenance and flee from the apparition, lest, "too familiar with its face," his virgin political chastity might be polluted by the embrace of an aspiring President of his own faith. But he did not blush. He appeared sublimely oblivious of the ominous peril he himself had so vividly described.

Were you sincere in your condemnation of a Democratic President? What did he do? He followed the example of the Father of his Country, he who sleeps yonder at Mount Vernon, within the shadow of this Capitol's dome, whose name is as secure from calumny as that of the Father of us all. He delivered in person messages to the Federal Congress. Why did President Wilson come? First, to insist, with his learning, with his experience, with his courage, with his genius for government, upon a program of constructive legislation that will live, the wonder and the admiration of all free peoples, even after the marble columns of this edifice are dust. He came to insist that a rotten and worthless financial structure be transformed into the most sound and most efficient banking system known among the children of men.

He came to insist that this Government extend its great and benevolent arms into the bowels of the earth and protect from danger and hardship and peril those who risked their lives to warm us in the midst of winter and set the wheels of industry ahum from the rising to the setting of the sun.

He came to urge you to improve and to develop better roads. He came to bring prosperity and security to every avocation and to every walk of life, to all our industrial, our moral, and our spiritual activities, in so far as this Government can minister unto them; and he left behind him a code of laws that even this Congress will not dare to amend or repeal.

That was his sin in time of peace. In war you intrusted him with autocratic powers. It devolved upon him and those about him in the twinkling of an eye to transform the multitudinous enterprises of peace into the invincible enginery of war that was to strike across an ocean and to shatter the hopes of an oligarchy that threatened the peace of the world.

Did he do right? If he did, I am surprised and grieved. I am amazed to hear a Senator from Iowa, a Senator noted for his sincerity, for his altruism, for his freedom from partisan bias—proclaimed even by himself—and at times when he wants our votes over here almost free from any partisan allegiance. Yet the Senator from Iowa [Mr. KENYON] said, "We have been lambasting you for eight years about presidential dictation. Senators on the other side are entitled to lambast us now. Go to it; it is all right." What did he mean? Does he mean to say that he justifies a libel upon the President of the United States? Does he mean to say that it is an honorable and a patriotic thing to intimate that the President, not of a party but of a Nation, is a deliberate, premeditated criminal, that in his heart he fosters designs for which Cæsar was stabbed and Napoleon and Cromwell should have been shot? If the President attempted to destroy the liberties of the people, it is treason, nothing more and nothing less. Does he mean to say that a President can be lightly charged with treasonable designs?

And if the charge be true will he now submit to that monstrous crime rather than raise his voice against the authority of his party's boss when he endangers the liberties of his country?

A short time ago that man, now broken in body but not in spirit, turning serenely to those who assailed him, sublime, serene, undaunted, in the face of their pitiless anathema, said, "I appeal to the verdict of mankind."

But to-day by this performance you place the seal of your eternal approval upon that thing you most bitterly denounced in Woodrow Wilson or you place the seal of cowardice and infamy upon yourselves. Either Wilson was right, and you called him all but traitor, or he was wrong. If he was right the charge should never have been made, and if he was wrong there is no excuse for your base submission to a similar wrong on the part of your own President.

Mr. President, this is a most astounding thing, a most unprecedented performance. It is the province of the President to advise Congress in the beginning of its deliberations. It is his province at any time to call to their attention needed legislation. It is his province after that legislation is enacted to veto it. This was neither. This was an almost impudent impeachment of the integrity or the intelligence of the Senate.

If there is one part of this august body which more nearly approaches political infallibility than another, it is the Finance Committee of the Senate. Learned, experienced, able, they and their confrères of the House Ways and Means Committee for more than a year have studied the effect of this legislation upon the finances of the country.

Tell me that FORDNEY and PENROSE and the learned occupant of the chair at this moment [Mr. SMOOT] and their colleagues would consider the appropriation of $5,000,000,000 and never think once whence it was to come or what would be the effect of such legislation upon the people? I used to suspect that they had no definite idea of any limitation upon the people's power to pay when they were making a protective tariff bill, but I never dreamed they would deliberately appropriate $5,000,000,000 without even stopping to cogitate for one little moment where the money was coming from, anyway. What is the truth about it? They either knew or they did not know where and how they would raise this bonus fund. If they did not know, then this body should join me at the conclusion of my brief remarks in singing "Praise God, from whom all blessings flow," that the Republican Party has a Moses in the White House who can lead them out of such a pathetic wilderness of incompetence. If they had no idea, after all these conferences, after all these discussions, who can blame the Chief Executive for showing as little respect for the wisdom of that body as I have for a last year's bird's nest? Who can blame him at this late hour for telling them to undo all they have done, admit their political imbecility, and let him save them from the consequences?

This question should be met. Why, it is not necessary to know what your revenues will be at the end of a year. The bill covers 20 years. You know it now as well as you will ever know it. Send it back to the committee? Do you believe that in the next six months the Senator from Pennsylvania [Mr. PENROSE] or the Senator from Utah [Mr. SMOOT] or any of their colleagues upon that committee will know more about finance than they know now?

If they have reported this bill without consideration and on the spur of the moment, do you believe that six months from now they will pay any more or greater attention to a matter of such vital importance?

Ah, there is but one explanation—a glittering bauble, a munificent reward one year ago was held out to 4,000,000 men, and they were assured that "If you will but trust to the great and only conservators of prosperity, the men who filled all the empty dinner pails and made good times, who have the occult power of making men rich by taxing one man for the benefit of another. Just as soon as the Republican Party begins to operate on an unlimited scale prosperity will come in great chunks, and we can let you have a few billions, without taking a second thought at the breakfast table. In the meantime do not forget on the day of election that it is a Republican House and a Republican Senate that will do the work."

They have delivered the goods and now is the time, as gracefully as you can, to back out behind the sheltering skirts of the Chief Executive, following humbly in the path, in so far as that path is visible, of his great predecessor, but unfortunately allowing the exigencies of the hour to make him out-Herod Herod, to do a thing which neither Wilson nor any of his Democratic predecessors would have dared to do. In the meantime look longingly back upon the high place you once adorned. Never again as long as you live think of talking about pigmies or rubber stamps or automatons or other puny little things that dance when somebody pipes or whistles, or who lie down and roll over, or jump through a hoop when somebody cracks a whip, jingles a bag, or distributes an office.

Mr. President, I ask permission to incorporate in the RECORD an editorial from the Stars and Stripes without reading.

The PRESIDING OFFICER. Without objection, permission is granted.

THE PRESIDENT AND THE BONUS.

[From the Stars and Stripes, Saturday, July 16.]

Placing his administration in one of the most ridiculous tangles in modern American political history, the President of the United States has, at the eleventh hour, thrown his personal power, influence, and popularity against the soldiers' bonus bill and forced the leaders of his party in the Senate to reverse themselves flatly and deliberately almost overnight, break their promises and their near promises, and altogether perform like frightened schoolboys.

Disgusted as ex-service men must be at this performance, which proves either that the political leaders of the Nation have been playing horse with the veterans for months past or that there is a strange lack of unison, policy, or leadership in the present administration, we must nevertheless admit that in it all President Harding has at least demonstrated a certain degree of courage not entirely shared by his late colleagues in the Senate. He has come out against the bonus bill; and while it is true that he apparently camouflaged his position on the measure for a good many months, he at least faced the music when his advisers told him that he, and he alone, could now defeat or delay the measure. He did not, like some Senators, leave town to avoid a record vote.

Further than for his courage there is little to commend either in the President's last-minute stand against a bill which he had given many persons to understand he favored nor in the wording of his message. Admitting that there is some honest ground for difference of opinion about the merits of the bill, veterans will not very readily admit that the President used the best or most honest arguments against it.

He argued chiefly on two points—that it would strain the Treasury and that it would imperil the welfare of the disabled veterans. The first argument has the word of the Senate Finance Committee against it. It has the willingness of his own administration to vote millions or billions for the railroads against it.

The second point President Harding argued just as lamely and just as aimlessly as the old Waldo or Stimson committees argued it, just as lamely as the Chamber of Commerce of the United States argued it. In fact, he did not urge it in any logical manner whatever. Like others who have used the disabled as camouflage against the bonus, the President merely dealt in glittering generalities about the alleged theory that we must not allow a bonus to interfere with our duty to the wounded and disabled. But not a word did he utter to show how, in any way whatsoever, the bonus bill would interfere with any legislation for the disabled. He referred to the need for passing the Sweet bill, but had no word to show any possible reason why the bonus bill in any smallest particular affected the Sweet bill.

Ex-service men will, of course, be sorry that the President is against them on this measure. They will be sorry also that he has not offered any better reasons for being against them than his message contains. They will be willing to believe that he is honestly against the bill, although they will probably feel that his reasons are not those contained in the hasty, illogical, and obviously makeshift message which he read to the Senate. He stands before them bravely doing an unpopular thing which somebody has told him is right or necessary, bravely saying that he will take the responsibility, but wholly unable to make it plain to anyone why he should engage in such courageous folly and wholly unable to convince anyone that the bill is not a right and just measure.

In fact, President Harding in his message was half a dozen times close to the point of saying that he believed in adjusted compensation. One can not help feeling that he does believe in it, believes in it as a square

deal for those who fought and are suffering loss of position and opportunity by reason of their service to their country. One can not help feeling that he would like to say he is for it, but that the maze of political and financial problems attending the conduct of the Nation at this time has got him all mixed up in so many other matters that he has to get rid of some of his problems and has picked this one to get rid of.

Unquestionably this bonus fight has been the first bad break in the administration of President Harding. Unquestionably the whole matter was politically mismanaged, as was evidenced by the Senate agreeing to consider the bill at the very time that LODGE was at the White House being told not to consider it. And out of the mess the President has not even the satisfaction of having killed the bill, for every veteran and every veterans' organization is more solidly committed to it than ever before, and every Senator and every Congressman is going to hear a lot more about it until it is honestly taken up and honestly acted on.

Maybe the President is so far committed in opposition that he will veto it even if it is passed by Congress. But the more one studies the presidential message on the subject the more one feels that it was a piece of expediency coming from the hand but not from the heart of the Chief Executive, and that, in good old Army slang, "He may be sorry when he gets sober."

Mr. TRAMMELL obtained the floor.

Mr. SWANSON. Mr. President, will the Senator from Florida yield to me?

Mr. TRAMMELL. Certainly.

Mr. SWANSON. On yesterday there was printed in the RECORD——

Mr. NORRIS. Mr. President, I am going to object to the Senator from Florida yielding to have something else brought up.

ADJUSTMENT OF FOREIGN LOANS.

Mr. SWANSON. I merely desire to ask unanimous consent to have printed in the RECORD the reply of Secretary Houston on March 1, 1920, to the proposition submitted through Mr. Lindsay by the British Government for the remission of the entire allied debt. The letter, before being sent in reply to a letter received from the British Government to Mr. Lindsay, was shown to President Wilson and was sent with his approval. It was overlooked several days ago in presenting similar letters with reference to the same subject, and in justice to Secretary Houston I think it should be printed at this time.

Mr. NORRIS. I have no objection to that, of course.

The PRESIDING OFFICER (Mr. SMOOT in the chair). Without objection, the letter will be printed in the RECORD. The Chair hears no objection, and it is so ordered.

LETTER OF SECRETARY OF THE TREASURY HOUSTON, OF MARCH 1, 1920.

"Your recent message through the British Embassy in which among other things you suggest a general cancellation of intergovernmental war debts has been received, and Rathbone has transmitted a copy of the communication sent him by Blackett dealing with the funding of the demand obligations of the allied Governments held by the United States and England respectively, in which the same subject is raised.

"I concur with your view that the financial and economic problems of all the world are closely connected and that Great Britain and the United States naturally look with concern upon the difficulties which confront continental Europe. The United States Treasury has been greatly interested in information reaching it concerning the situation of Great Britain and has viewed with pleasure and satisfaction the progress which your Government has been making toward a return to a peace basis. While we are at present confronted with difficult problems, our financial situation is not at all critical. On the contrary, it is such that I have reason to think that credits from private sources may be made available to continental Europe on sound and adequate security and on terms which recognize the world-wide shortage of capital resulting from five years of warfare.

"Funding of the short-term obligations into long-term obligations is a matter as to which no question has been raised by our Congress, and there should be no difficulty in dealing with this phase of the proposed arrangements in the matter outlined by Rathbone. As you have no doubt heard from Mr. Rathbone, it may be impossible to reach without congressional approval a final settlement in respect to the interest accruing during the next two or three years.

"I regret that conditions are such as to cause you concern in respect to the Anglo-French loan maturing this fall, and sincerely hope you will have no difficulty in making satisfactory arrangements to take care of it.

"As to the engagement of the British Government in respect to advances for the purchase of silver under the Pittman Act, this matter is being dealt with by Mr. Rathbone, who undoubtedly will give full consideration to any proposal that you have to make in that connection. It is unfortunate that the Indian Government has not seen fit to take steps to limit the importation of gold into India. Failure to do this is making heavy demands on our gold reserves. If continued, this is likely materially to impair the ability of our financial markets to assist Europe.

"As to the general cancellation of intergovernmental war debts suggested by you, you will, I am sure, desire that I present my views no less frankly than you have presented yours. Any proposal or movement of such character would, I am confident, serve no useful purpose. On the contrary, it would, I fear, mislead the people of the debtor countries as to the justice and efficacy of such a plan and arouse hopes, the disappointment of which could only have a harmful effect. I feel certain that neither the American people nor our Congress, whose action on such a question would be required, is prepared to look with favor upon such a proposal.

"Apparently there are those who have been laboring for some time under the delusion that the inevitable consequences of war can be avoided. As far back as January a year ago, before it could possibly be foreseen whether any measures were necessary other than the adoption of sound economic policies, various schemes, including that of a cancellation of intergovernmental war debts, were launched. Of course, I recognize that a general cancellation of such debts would be of advantage to Great Britain and that it probably would not involve any losses on her part. As there are no obligations of the United States Government which would be canceled under such a plan, the effect would be that in consideration of a cancellation by the United States Government of the obligations which it holds for advances made to the British Government and the other allied Governments, the British Government would cancel its debts against France, Italy, Russia, and her other allies. Such a proposal does not involve mutual sacrifices on the part of the nations concerned. It simply involves a contribution mainly by the United States. The United States has shown its desire to assist Europe. Negotiations for funding the principal of the foreign obligations held by the United States Treasury and for postponing or funding the interest accruing during the reconstruction period are in progress. Since the armistice this Government has extended to foreign Governments financial assistance to the extent of approximately $4,000,000,000. What this Government could do for the immediate relief of the debtor countries has been done. Their need now is for private credits.

"The indebtedness of the allied Governments to each other and to the United States is not a present burden upon the debtor Governments, since they are not paying interest, or even, as far as I am aware, providing in their budgets or taxes for the payment of their principal or interest. At the present time the foreign obligations held by the Government of the United States do not constitute a practical obstacle to obtaining credits here, and I do not think that the European countries would obtain a dollar additional credit as a result of the cancellation of those obligations. The proposal does not touch matters out of which the present financial and economic difficulties of Europe chiefly grow. The relief from present ills, in so far as it can be obtained, is primarily within the control of the debtor Governments and peoples themselves. Most of the debtor Governments have not levied taxes sufficient to enable them to balance their budgets, nor have they taken any energetic and adequate measures to reduce their expenditures to meet their income. Too little progress has been made in disarmament. No appreciable progress has been made in deflating excessive issues of currency or in stabilizing the currencies at new levels, but in Continental Europe there has been a constant increase in note issues. Private initiative has not been restored. Unnecessary and unwise economic barriers still exist. Instead of setting trade and commerce free by appropriate steps, there appear to be concerted efforts to obtain from the most needy discriminatory advantages and exclusive concessions. There is not yet apparent any disposition on the part of Europe to make a prompt and reasonable definite settlement of the reparation claims against Germany or to adopt policies which will set Germany and Austria free to make their necessary contribution to the economic rehabilitation of Europe.

"After taking all the measures within their power, one or more of the debtor Governments may ultimately consider it necessary or advantageous to make some general settlement of their indebtedness. In such a case they would, I presume, propose to all creditors, domestic and foreign, a general composition which would take into account advantages obtained by such debtor country under the treaty of peace. How the American people or the American Congress would view participation in such a composition I can not say. It is very clear to me, however, that a general cancellation of intergovernmental war debts, irrespective of the positions of the separate debtor Governments, is of no present advantage or necessity. A general cancellation as suggested would, while retaining the domestic obligations intact, throw upon the people of this country the exclusive burden of meeting the interest and of ultimately extinguishing the principal of our loans to the allied Governments.

This Nation has neither sought nor received substantial benefits from the war. On the other hand, the Allies, although having suffered greatly in loss of lives and property, have under the terms of the treaty of peace and otherwise acquired very considerable accessions of territories, populations, economic and other advantages. It would therefore seem that if a full account were taken of these and of the whole situation there would be no desire nor reason to call upon the Government of this country for further contributions."

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 506) to provide adjusted compensation for veterans of the World War, and for other purposes.

Mr. TRAMMELL. Mr. President, I have always felt that if there was ever a time in which a person should not desert a friend or one who has rendered a meritorious service either to him personally or to his country, it is in the hour when others are deserting and forsaking him.

What a different spectacle do we witness to-day from that which we witnessed when the young manhood of this country was called to arms to go forth and defend America and uphold her traditions and to safeguard her against the perils then facing the Nation. The call went forth, and the young manhood of the Nation responded to the call with a bravery, a fidelity, and courage which has never been excelled by the soldiers of any land or of any country. As the loyal Americans accepted thus their duty to defend the Nation and went forth to the field of carnage, they suffered the hardships and the responsibilities and won the victory for their country. They again sustained America's reputation as being a Nation of stalwart, brave, loyal, and patriotic men.

We know that there has been more or less discussion in the Old World at least that America was commercial, that her people were money mad, and that the Nation would not sacrifice its blood or its substance in defense of its rights. But once again it has been established that those upon whom fell the responsibilities of defending the honor of America, to resent insults, responded with the loyalty which won not only the plaudits of the American people themselves but of the peoples of the world.

There was a great unanimity of support for the war on the part of the American people. Never in the history of any nation has the civilian population rallied more quickly to the call of its country. With but few exceptions the people who contributed to the financial burdens responded nobly and willingly to the support of the armed forces and the expense of the maintenance of the war and of the Government during that crucial period in the life of America; yet during that time, when patriotism should have throbbed within the breast of every American citizen and when that patriotism should not have been effaced with selfishness and greed, we had at least a few in this country who practiced profiteering and others who were guilty of tax dodging. That may be referred to as having been most conspicuous in the practice which was adopted by many of the large corporations of the country in dodging the income tax by passing over to capital-stock account their profits instead of distributing them in the way of income. It is said that probably some $8,000,000,000 of profits were placed in capital stock in the way of a redistribution of stock for the purpose of evading the income tax law.

There is no question, Mr. President, that the large financial interests of the country were prosperous as never before in the history of the Nation during the time that the Nation was bended under the burden of war, their excess profits running into the billions, aggregating six and a half billions it is stated at this time. Not content with having enjoyed prosperity and a great increase of income during the time when the soldiers of this Nation were serving their country patriotically and loyally and for a mere pittance, we find to-day many of those who by their greed and by their practices, many of which were questionable, accumulated their millions during the war, have the audacity and effrontery to oppose making any contribution or giving any recognition to our soldiers who defended the Nation in its hour of need and peril.

Mr. President, I am proud of the fact that I represent in part in this body a State whose people take pleasure in paying honor and tribute to those who have fought in behalf of their section of the country in days gone by. From the early days of my public career in Florida it has been the policy of that State to pay recognition to the Confederate soldiers in the nature of a pension. Entertaining, as I did and as I do, a great respect for and honoring, as I do, the Confederate soldiers, I have always taken the position in that State that those soldiers should be recognized and should be given the pension which is given to them by the State. I have even, for about 20 years, advocated a more liberal pension policy in behalf of the Confederate soldiers. Our legislature many years ago imposed a tax of 4 mills for the purpose of raising a pension fund. Instead of the manhood of that State thinking that it was an unjust burden imposed upon them, they felt it an honor to contribute of their substance to the Confederate soldier. I recall when our taxes in Florida were 6 mills for State purposes that 4 mills of it were for pension purposes for the Confederate soldier. Who would dare say that the men of the South and those who have come to that section to join us and to live amongst us, and whom we gladly welcome, regard it as being a reflection upon the patriotism of the Confederate soldiers because the State recognizes them and gives them a pension of $25 a month?

No distinction can be drawn between the policy of paying recognition to the soldiers who fought the recent World War, and the policy of recognition on the part of the Southern States to the Confederate soldier, and the policy on the part of the Federal Government in paying recognition in the way of a very substantial pension to the Union soldier. Whoever attempts to draw a distinction makes a distinction without a difference. Why do Senators do it? Senators look back and say, "Here are men who served their country or the section of the country which recognizes them; they sacrificed; they endured hardships; they served their country when the country called for their services; and, as a grateful people, we now are going to pay them a little tribute, or we are going to give them a little recognition and make grateful acknowledgment of the valuable services that they have rendered to their country."

Then, there is talk about the question of land grants. If we are going to give any recognition at all to the soldier, if this Nation has given any recognition at all to its soldiers—and it has—we can not by some mysterious tweedledee and tweedledum made a difference or a distinction as to the question of principle and policy involved on the part of our Government in according that recognition.

Mr. President, I know that two wrongs do not make a right; and if the policy has been wrong, then it should not be repeated; but in considering this subject we must view a little the trend of the thought and the mind of those directing the affairs of Government through the Congress.

Shortly following the call to arms the Government found that it was necessary to survey the business of this country and, more or less under governmental direction, to reorganize that business. What was the policy of the Government? Was there any disposition on the part of the Government to commandeer capital? Was there any disposition on the part of the Government to commandeer labor? The records fail to disclose any such policy; but the incident to which we may point as being most conspicuous in that governmental policy was that of taking over the control and the direction of the railroads. The railroads were not commandeered, although the action of the Government might have amounted to that technically or in legal operation; but the railroads of the country had reached a point where they could not much longer maintain themselves satisfactorily. They were unable to care for the demands upon them in furnishing transportation and efficient service. So it was quite an agreeable affair, so far as the owners of the railroads were concerned, for the Government to assume control. The Government did assume control of the railroads. Did the Government say to the railroads, "We will operate your railroads and will give you the proceeds that are left after the expense of maintenance and operation have been settled"? No; the Government did not say that; the Government said, "You need us and we need you." That is really about the substance of it, in the language of the street. "We will take over your railroad properties; we will operate them; and we are going to give you an income based upon the income received by you during the three years preceding the war"; those being the basic years upon which the income was to be fixed, and those years, it happened, were the most prosperous in the history of railroad operations in this country.

The Government operated the railroads—operated them at a loss—and, so far as those who are opposing additional compensation being given to the soldiers of the Nation to-day are concerned, I do not recall one of them who raised his voice in opposition to returning the railroads in statu quo, so far as their income was concerned; nor have I heard any of them oppose the paying of the railroads the deficit which accrued during the operation of that time, running into not only millions but into more than a billion dollars. That is just one example of the policy of the Government in that direction.

I am not commenting upon the question of whether that was right or wrong. I may say, however, as a Member of the Senate, I opposed the idea of guaranteeing the railroads the

income which they had received on the average during the three previous years. I felt that there was no reason why the Government should make such a guaranty; but, as a result of this policy, the Government at the close of the war seemed to think that it had not contributed quite so much as it should have contributed in the way of maintaining the railroads in their former status and in the way of keeping their income up to the previous high standard. So the Government turned back the railroads to their owners with a guaranty for a period of six months upon the same basis of income which they had been receiving.

I am also very glad that I voted against the measure providing for that guaranty. Not only was there provided a guaranty of the return, but also the railroads were practically given power of taxation, in that they were allowed to prescribe rates which would earn 5½ per cent, or at least that much. What was the result? The American people were required to contribute probably half a billion dollars more on account of the guaranty and an increase of transportation charges which have been very detrimental to the business of this country. In my own State the freight rates on the products of the farm and the grove have been increased about 67 per cent. The present rates are outrageous and unreasonable.

Mr. President, where were these defenders of the Treasury when all this was going on? Where were those who thought the Government would be wrecked, the vaults of your Treasury thrown open and depleted, when this was going on? I should like to know where these patriots were in those hours when the Treasury of the country was being threatened.

Why, I read only this morning that the railroads had filed claims amounting to $365,000,000 for undermaintenance account. Those claims have gone to the Interstate Commerce Commission, they have gone to the Railroad Administration, and we have not heard of Mr. Mellon or of Mr. Harding, our President, sounding a note of warning that those administering this function of the Government should be careful on account of the Treasury and should scrutinize these claims very closely. Instead of them sounding a note of warning, we noticed in the papers a few days ago that Mr. Mellon was paying the railroads one-half billion dollars on claims.

We passed laws providing for the adjustment of all contract claims, which amounted to over a billion dollars, I understand, in the War Department and in the Navy and in some other branches of the Government. Now, I do not say that that was an erroneous policy, but I cite those instances in support of the proposition that this Government endeavors to be just in dealing with the business concerns of the Nation. I think we have gone just a little too far in some of these settlements; but as I review the history of the policy of the Government following the war I find no instance where a deaf ear has been turned or where there has been a disregard of justice, except when it comes to the question of dealing with the American soldier.

One Senator here said that he felt that it would dim somewhat the glory of the American soldier to give him a cash bonus. I say, Mr. President, that it will take from the glory of our Nation if the American people shall show that they are ungrateful to those who defended this country and its flag, and stayed the hand of the foe, and beat back the enemy, and preserved our Republic from defeat.

Senators talk about casting reflections on the soldiers. I think, Mr. President, that you can cast no greater reflection upon the soldiers, nor can you do anything that will be more discouraging to them, than to say that we are going to submarine this bill, we are going to get it out of the way, we are going to scuttle the ship, we are going to bury it with the committee. That is what it means. There is no use of trying to use any camouflage in this matter. I admit that the battle is on, but that kind of camouflage is not going to work. It is not going to deceive the American soldiers, and it is not going to deceive the fathers and mothers and sisters and brothers of those who responded to this Nation's call.

It is all right, you know, for us who enjoyed the peaceful walks of the private citizen during the war to say now, in the fields of peace and in the forum, that these men received their pay, and some have deigned to argue that they received all they were worth. They have practically argued that they received all that they were worth—$30 a month! But, Mr. President, if we are going to put this matter down upon a pure basis of dollars and cents, if we are going to look not beyond the vision of the dollar—and I am afraid that is what is actuating some of the opponents of this bill entirely too much; they are putting the dollar against the gratitude of the Nation, and putting the dollar against justice—but if we are going to view it from the standpoint of the dollar and the value of service rendered, then I say, viewing it from that cold-hearted standpoint, the Nation owes these soldiers something more.

You take the young manhood of this country, going along as they were in their peaceful pursuits, some of them fired by ambition to gain an education, pursuing their studies in the schools and the colleges of the country; others, inspired to business success, in their humble way trying to build up a little business for the future; others, back upon the farm, encouraged by a loving mother and an ambitious father to build a little home in the country for themselves; others found in the counting room, where they hoped some day to occupy a position of importance in the commercial and business affairs of their country; then others, perchance, struggling along upon a pittance which they themselves had earned to gain a professional education. Taking them as we did from all walks of life, we see the Government just by one act of Congress, by one stroke of the pen, gather them in from their various pursuits, not to serve the Nation in building ships at excellent wages, not to go into the counting room and enjoy salaries far in excess of those that they earned as soldiers, but to take up the task of warfare, to become the soldiers of their Nation.

They responded without a murmur. They did not desert their Nation; and, Mr. President, as far as I am concerned, I do not believe that these brave boys should be deserted in this hour of need and hour of their peril. They sacrificed, a great many of them, the opportunity of education. They sacrificed the opportunity of obtaining a business start in life, and many of them sacrificed a great discrepancy between the salaries or the wages they were receiving and those received as soldiers fighting for their country. Yet some would say that this great, just, and wealthy Nation must throw its protecting arms around the railroads of the country; we must keep them secure; we must throw the protecting arms of the Government around all the business concerns that worked for the Government during the war; we must do justice by them; but as far as these soldiers are concerned, as some Senators here deigned to say, "You came back better citizens than you were when you went away." We are going to give them the wonderful recognition of the fact that we think their service made better citizens of them than they were when they went away. "Forsooth, you are a better citizen than you were when you went away, and therefore we are going to scuttle an effort to do something for you by recommitting the bill to the committee."

Mr. President, with the exception of a few of the taxpayers of our country who bow down and worship at the image of the almighty dollar, and place that above justice and right and the gratitude of the Nation, he who thinks that the American people are opposed to recognizing our soldiers will awaken some day, and in the not far distant future, to the fact that he is mistaken.

Take the action on the part of the different States of the Union. The legislatures of those States know something of the sentiment regarding the subject we have before us. They have given them different amounts; and something has been said here to the effect that the Federal Government should not compensate the soldiers because you would pyramid the benefits to these boys who served their country, and perchance they would get too much. I do not see why anybody should worry about that. If we want to pass legislation in their behalf, all we have to do is to state that the amount they received from the State shall be deducted, and that the amount shall be refunded to the State. That is a very simple and easy way to adjust that.

Mr. President, so far as the details of this bill are concerned, I do not approve of some of them in detail. I should like very much to see the bill amended in some respects, but I am not going to vote to have it recommitted to the committee. I know, and everybody knows, that the purpose and the object of recommitting this bill is absolutely to defeat it. That is all there is to it.

The Senator from Indiana [Mr. NEW] this morning said he did not believe some people had much idea about business. He had decided that some of the Senators here did not. Well, I had not spoken then, so he was not referring to me; but I think that some of our friends upon the other side only received their enlightenment about business very recently, because they were in favor of the bill as the committee reported it out until Mr. Mellon and the President came in with their opposition; so they have been taking some lessons in business sagacity very recently.

Mr. CARAWAY. Mr. President, will the Senator yield?

Mr. TRAMMELL. I only have a minute or two, and other Senators want to speak, if the Senator will pardon me.

Mr. President, I would like to see something done for the soldiers who served their country, and served it well and patriotically. I believe the Nation owes them some recognition. I am not going to support a motion which means absolutely the defeat of anything in behalf of our ex-service men. The whole

object and purpose of sending the bill back to the committee is to defeat it. Of course, some people promise what they will do in the future; but that is purely a matter of tactics for the purpose of defeating the measure.

There has been talk about the financial condition of the country. The financial condition of the country will not be any better in two or three years than it is now, so far as that is concerned. All this talk about the finances and the taxes will not prove a bugaboo to the people of the country who acquaint themselves with its finances, and who consider the facts in connection with the situation.

The estimates made for the Army and the Navy amounted to something like a billion dollars for the next year, and if those who are opposing this adjusted compensation bill could have succeeded in their efforts, the Government would have been pledged to something like a billion dollars for the support of the Army and the Navy during the next fiscal year. But it just happened that there were some Senators who said that as the Republican Party, which is now in power, had gone around over the country talking of economy, they would start in on the Army and the Navy, and as a result something like $333,000,000 were trimmed off the estimates of those two items. But we never heard of anybody at that time thinking it necessary to intervene to keep the Treasury from being wrecked.

On the other hand, some of the interests in this country that are opposed to giving further recognition to the soldiers are heartily in accord with the idea that we should have big navies and big armies. Of course, if they had to be taxed for that, a great many of them would get back what they paid. There are $333,000,000 trimmed off there, most of it by the men who think the soldiers ought to have some recognition; and there will be other economies which will assist in carrying on the finances of the Government successfully so that our Republic can give proper recognition to its soldiers.

I would not wreck the Treasury to assist the soldiers. I would not overtax the Government in its finances for any purpose. I would not, Mr. President, favor imposing undue taxes upon the people and overburdening them with taxation; but, in the light of the history of this country and in the light of the policy of the Government very recently in dealing with different problems, I am unable to take seriously to the idea that this is a case where the protection of the Treasury makes it necessary to withhold from the soldiers of the country a proper token and recognition of the services they rendered during the hour of peril of the Nation.

I think the bill could be improved, but so far as the matter of burying the measure by referring it to the Committee on Finance is concerned, I am going to oppose that motion.

Mr. LA FOLLETTE, Mr. FLETCHER, and Mr. FRELINGHUYSEN addressed the Chair.

The VICE PRESIDENT. The Senator from Florida.

Mr. FLETCHER. Mr. President, I desire to say just a few words in giving the reasons which prompt me in opposing this motion to recommit. I shall be very brief, because I know the time is limited.

I regret that I am unable to agree with the conclusions announced by the President in his splendid address last Tuesday. It was very forceful, very earnest, and I do not see how it could be improved upon, either in substance or delivery, from his standpoint. There were in it just three points urged by him and stressed by those who favor recommitting this bill, and I will refer to them in a condensed sort of way.

First, the motion is supported on the proposition that to pass this bill at this time would mean to imperil the financial stability of the country.

Second, that action upon the pending measure should be postponed until the tariff bill has been enacted, and until the internal revenue laws have been modified or revised, with the idea of reducing taxes; and

Third, action upon a measure of this sort ought to await the settlement of the foreign loans.

Considering them very briefly and finding myself, to my regret, unable to agree in the conclusions reached regarding these points, I would say, first, that the settlement of the foreign loans ought to be reached before July, 1922, if the matter is given faithful and diligent attention.

Second, that it is logical and sound, in my judgment, to contend that the tariff bill, which is intended, in part at least, to raise revenue for the Government, and the action upon the modification or revision of the internal revenue laws, ought to be disposed of after this kind of legislation has been enacted. In other words, before we send the tax gatherers out to gather in the revenue, we ought to know what the obligations of the Government are going to be, and therefore, it seems to me, the argument that we ought to await the enactment of those measures, is wholly unsound, and that all the strength of the argument is in favor of enacting a law of this kind before the tariff law and the revision of the internal revenue laws shall have been disposed of.

As to imperiling our Treasury, it seems to me a very gloomy picture of this country has been presented by those who favor the motion now made. The Senator from Indiana [Mr. NEW] challenged the statement this morning that this country was resourceful and wealthy and powerful, and could stand the further burden this bill, if enacted, would impose, and demanded some sort of proof to substantiate that claim. I have not time to go into a discussion of that, but we must not forget the indisputable fact that the United States, for instance, comprises about 6 per cent of the world's population and about 7 per cent of the globe land area; that we contribute to the agricultural products of the world more than one-fourth, and that we contribute one-third to the manufactured products of the world, and one-third of all the minerals of the world. It must not be forgotten that in 1914 we owed foreign nations $5,000,000,000. We have paid that all back, and foreign Governments owe us to-day $10,000,000,000, and the people of the foreign nations owe the people of this Nation over $5,000,000,000 more.

It must not be forgotten that we have on deposit in the banks of the United States billions of dollars more than the deposits amount to in all the banks of the world outside of the United States. So, I can not concur in the contention that we would break down the Treasury of this Government if we enacted this piece of legislation.

Mr. President, the soldiers' adjusted compensation bill was very carefully considered by the Committee on Finance of the Senate, and favorably reported on June 20. In its report the committee stated:

> The purpose of this bill in no sense seeks to express national gratitude by a money gift to our soldiers. It is not so intended by its supporters, and the veterans of the World War would not so accept it. It is just what its title reads, a bill to provide adjusted compensation for the veterans of the World War. It is not a bonus bill, and fairness to country and soldier alike requires that we should exclude the word "bonus" in referring to it.
>
> In simple, plain English, the purpose of this bill is to give to the soldier who offered his life with his services a compensation that will more nearly approach that of the laborer who remained at home, secure from danger, and whose compensation increased from 200 to 300 per cent, and, measured by the amount of labor actually performed, far beyond those figures
>
> * * * * * * *
>
> The committee, recognizing the rights of the veterans to this adjusted compensation, feel sure that they in turn will recognize the condition of our national finances, and, with the same patriotism which impelled them to war, will cheerfully acquiesce in the extension of time for the beginning of the installment period.
>
> Under the present depressed industrial and financial conditions of the country, with the Treasury facing a deficit for the fiscal years 1921 and 1922, any proposal calling for a considerable outlay should show not only a most satisfactory justification for the proposition, but should also present to the country as definitely as possible what the total cost of the proposed legislation will be and what must be appropriated each year during its continuance.
>
> All these matters have received careful consideration by the Committee on Finance in reporting this bill for favorable action.
>
> The general assumption that the enactment of this bill into law will immediately load upon the backs of an already excessively tax-burdened public an immense additional liability is unwarranted.
>
> It will be seen that no payment of importance will be required until after July, 1922, giving ample opportunity to adjust the estimated Treasury deficits and, by reasonable economy, to meet the added liability incurred by this legislation without any increase in taxation.
>
> The payments to be made after July 1, 1922, will be so divided as to add a comparatively small sum to our national expenses for each year.

This bill has the unanimous indorsement of the national legislative committee of the American Legion, who assisted the Finance Committee in framing and reporting it.

So far as I am advised, this bill meets the unanimous approval of every American Legion Post in my State.

I am informed that the Legislature of Florida memorialized Congress to enact legislation providing for additional compensation to those who served during the World War.

I have received numerous letters and telegrams favoring the passage of the pending bill, but only three in opposition.

It is my purpose, in these circumstances, to vote against the motion to recommit the bill. I believe the pending bill should be disposed of immediately, and if finally passed and approved by the President, Congress would then be in position to determine what changes, if any, it will be necessary to make in the present revenue laws.

I ask permission, Mr. President, to insert in the RECORD a letter from the department commander of the American Legion of Florida as a part of my remarks.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
DEPARTMENT OF FLORIDA,
OFFICE OF THE DEPARTMENT COMMANDER,
Tampa, Fla., July 2, 1921.

Hon. DUNCAN U. FLETCHER,
Washington, D. C.

DEAR SIR: I beg to acknowledge receipt of your letter assuring me that you will give Senate bill No. 506 careful consideration when it comes before that body.

This bill has been very carefully thought out by the Legion national legislative committee, and it has the unanimous indorsement of the service men of the State of Florida. At the Orlando convention this bill received the indorsement of the convention, and both houses of the legislature passed a bill memorializing Congress for the passage of Senate bill No. 506.

I know that there was a good deal of opposition to the cash feature of the adjusted plan when the bill was first agitated in Congress, but the fact that the cash payment is to be made on the installment plan nearly all those who objected to the feature have withdrawn their objection.

From information I can gather by talking with ex-service men in all parts of the State shows that the sentiment has crystallized in favor of the passage of this bill.

I sincerely trust that you will give this measure favorable consideration when it comes up for vote in the Senate.

With kindest regards, I am,

Yours, very respectfully, SUMTER L. LOWRY, Jr.,
Department Commander.

Mr. FLETCHER. I realize, Mr. President, that the stage is all set, that this motion will be carried, and that the bill will be recommitted. But, in the language of the world's greatest leader, "I would rather be defeated in a cause that some day will triumph than triumph in a cause that some day will be defeated."

Mr. PITTMAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Gilbert Bettman, chairman National Legislative Committee, American Legion, and also three telegrams in relation to the so-called soldiers' adjusted compensation bill.

There being no objection, the letter and telegrams were ordered to lie on the table and to be printed in the RECORD, as follows:

ADJUSTED COMPENSATION BILLS (H. R. 1 AND S. 506).

THE AMERICAN LEGION,
NATIONAL LEGISLATIVE COMMITTEE,
Washington, D. C., July 8, 1921.

The Hon. KEY PITTMAN.

DEAR SIR: The American Legion calls upon Congress to now pass the adjusted compensation measure for the benefit of those who were in the service of the United States during the World War.

THE AMERICAN LEGION AND ADJUSTED COMPENSATION.

The Legion has not, and does not now, come to Congress in the spirit of a selfish lobbyist for its own interest, but rather to aid Congress in the solution of its problem of how best to meet the just demands of the service men consistently with the country's welfare. At the Legion's first convention, November, 1919, the following resolution was unanimously passed: Be it

"*Resolved*, That while the American Legion was not founded for the purpose of promoting legislation in its selfish interest, yet it recognizes that our Government has an obligation to all service men and women to relieve the financial disadvantages incidental to their military service—an obligation second only to that of caring for the disabled and the widows and orphans of those who sacrificed their lives, and one already acknowledged by our allies—but the American Legion feels that it can not ask for legislation in its selfish interests and leaves with confidence to Congress the discharge of this obligation."

Prior and subsequent to the above action there had been introduced in Congress some 75 bills bearing upon the question of soldier beneficial legislation, all of which were referred to the Committee on Ways and Means, and the Legion was advised that this committee desired the judgment of the Legion on what form of legislation would best meet the needs of the service man. In order to concretely answer this inquiry a Legion committee on soldier beneficial legislation drafted what became known as the fourfold optional plan of adjusted compensation, providing adjusted pay at $1.50 for each day of service, if taken in cash, or about 30 per cent additional if taken in vocational training, home or farm aid, or as participation in land-settlement projects. This bill so drafted was introduced in the House by Chairman FORDNEY and later became the foundation of H. R. 14157, passed by the House in May, 1920, and was reported favorably in February, 1921, by a majority of the Senate Finance Committee. Upon reintroduction into the Sixty-seventh Congress as H. R. 1 and S. 506 this measure received the approval of the Senate Finance Committee subcommittee (Rept. 133) June 20, 1921.

JUSTIFICATION OF ADJUSTED COMPENSATION.

Adjusted compensation is due the service man, not as a bonus or gratuity for military service rendered but as an approximate adjustment of the economic losses he sustained by reason of his service. Congress drafted the soldier and ordered him to serve at $1.25 a day. Wages during the war period doubled and trebled. Savings accounts increased on an average between $300 and $400. The soldier returned to find himself economically handicapped by reason of not having received the high pay which his brother who remained at home received, and further economically handicapped by being under the necessity of reattaching himself to industrial life when others had taken his job and advanced in the industrial scale. Our Government drafted the soldier, but did not draft labor. Granting the soldier a basic adjusted pay at the rate of $1.25 a day is, therefore, not a bonus for military service, but an approximate adjustment of the economic loss suffered by the service man because of his days in service.

ACTION OF OUR ALLIES AND THE STATES.

Our allies have recognized their obligations to adjust the compensation of their service men. For example, France with twice the net war debt of the United States, has paid her men $233.58; Great Britain, with a war debt more than that of France, has paid adjusted compensation ranging from $140 for privates to $7,290 for major generals; and Canada has paid privates $600, major generals, $4,578. Thirteen of our own States have enacted adjusted compensation measures. Whenever the question has been put to a vote of the people by referendum, it has uniformly been approved, and this despite the fact that our soldiers were in the service of the United States, and not the separate States.

SMOKE SCREENS.

Opponents of adjusted compensation have raised certain smoke screens which should be dispelled:

A. INCREASE OF TAXES.

It is argued that though the claim be just, the Nation can not afford to pay it. This argument is a confession of national bankruptcy. All other war debts are being paid. Had the war gone on one and a half more months, the expense would have equaled that of the adjusted compensation bill. Surely the Nation would have met that expense. Moreover, is it just that the Nation should allow the service men to bear alone this particular war debt, while all other war debts are spread over the entire Nation? But the argument is cogently answered by the report of the subcommittee of the Senate Finance Committee, No. 133, that "if the debts due this country from our war associates should be funded into long-time, interest-bearing bonds, the interest thereon will far more than take care of the obligations created by the bill, without any increase whatever in our taxes." Surely, if our late allies can afford to adjust the compensation of their soldiers, it is not too much to require them to pay their debts to this country, the interest on which "will more than take care" of the adjusted compensation of our own soldiers.

B. CARE OF THE DISABLED.

Opponents argue that no bill granting adjusted compensation should be passed until the disabled are cared for. In reply it is unnecessary to say that the American Legion's first concern has been and now is for the disabled, and the prime energy of the Legion has always been directed to those measures of legislation and administrative reform designed to see that this obligation is met. But the Nation's obligations to the disabled and the nondisabled are not successive, but contemporaneous, obligations. It will be a generation and more before the last disabled soldier is cared for. Needed legislation for the disabled is in sight. Congress should now meet the Nation's obligation to the nondisabled.

C. LACK OF PATRIOTISM.

Opponents argue that it is unpatriotic for the service man to accept pay for military duty performed. The answer lies in this: The adjusted compensation measure does not provide a gratuity for military risks taken, but an adjustment of compensation for economic disadvantages suffered. The soldier should bear the military risk, but why should he bear the economic loss as well? Adjusted compensation will be given only upon application. Those who do not need it or who deem its acceptance unpatriotic need not apply.

D. THE LEGION UNANIMOUS.

Some propagandists against the bill have stated that it "represents the desires and determination of a highly organized and active minority." Congress will act upon established fact, not inspired rumor. The American Legion at its last national convention, September, 1920, approved H. R. 14157 without a dissenting vote. Undoubtedly here and there members of the Legion and service men will be found who, lacking information on the broad national scope of this measure, express a contrary opinion, but whenever the question has come to a vote in any department of the Legion at national executive committee meetings or at national conventions the vote is practically unanimous. The Legion and the service men are as unanimous upon this question as it is possible for a healthy organization to be upon any question. On June 14, 1921, the national executive committee unanimously passed the following resolution:

"*Resolved*, That whereas the accomplishment of the American Legion legislative program in behalf of our disabled comrades, so dear to the heart of our beloved departed commander, due to his unceasing efforts, is now in sight; and

"Whereas, in the words of our late commander, 'There still remains another class of disabled, the financially disabled, who have patiently waited until their physically disabled buddies should be cared for'; and

"Whereas, whenever in any State of the Union the question of adjusted compensation for the service men has been submitted, it has met the approval of the people: Now, therefore, be it

"*Resolved*, by the national executive committee of the American Legion, that we now urge upon Congress the immediate passage of the American Legion fivefold optional plan of adjusted compensation."

The adjusted compensation measure with its provisions for home and farm aid, its insurance and vocational training benefits, and its land-settlement features, constitutes a piece of constructive legislation of nation-wide interest. To view it merely as a measure giving a cash gratuity to soldiers is not only unfair but erroneous. The number of service men who will avail themselves of the home-aid, land settlement, and insurance options will be surprisingly large. The American Legion has pledged itself to make known to its members and the service men generally the advantages to them of these more productive options. By failing to pass this measure Congress will leave unsatisfied a just demand of the Nation's soldiers. By passing the bill Congress will not only have effected payment by the Government of its just obligations to the veterans of the World War, but will have done so in a manner to benefit the Nation at large by the establishment of hundreds of thousands of veterans as home owners and as settlers upon the land. The American Legion urges Congress to pass this measure without delay.

Respectfully, yours,

GILBERT BETTMAN,
Chairman National Legislative Committee.

Indorsed:
JOHN G. EMERY, *National Commander.*

FALLON, NEV., *July 1½, 1921.*

Hon. KEY PITTMAN,
Washington, D. C.:

Expressing our appreciation of your support of the American Legion four-way bill, this post urges you to do everything in your power for the bill when it comes up for a vote Friday.

CHURCHILL POST, NO. 16, AMERICAN LEGION,
HAROLD BELLINGER, *Post Commander,*
J. B. LAVEAGA, *Post Adjutant.*

WINNEMUCCA, NEV., *July 14, 1921.*

Hon. KEY PITTMAN,
Washington, D. C.

We know we can rely on you to support the compensation bill.
VERNON ROBINS POST, AMERICAN LEGION.

RENO, NEV., *July 14, 1921.*

Hon. KEY PITTMAN,
Washington, D. C.

Telegram from all over State being sent ODDIE urging he support you in fight against recommitment of adjusted compensation bill. All posts notified telegrams to you unnecessary, as you are actively fighting for bill.

T. L. WITHERS.

Mr. WALSH of Massachusetts. I ask unanimous consent to have inserted in the RECORD a communication from the Veterans of Foreign Wars.

There being no objection, the communication was ordered to be printed in the RECORD, as follows:

NATIONAL LEGISLATIVE COMMITTEE,
VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D. C., July 14, 1921.

The Hon. DAVID I. WALSH,
United States Senate, Washington, D. C.

MY DEAR SENATOR: The following telegram received from the commander in chief of the Veterans of Foreign Wars of the United States is transmitted to you for your information and guidance:

Capt. EDWIN S. BETTELHEIM, Jr.,
339 Metropolitan Bank Building, Washington, D. C.:

Serve notice on Senate that a vote to recommit will be considered by us as a vote against the adjusted compensation bill.

R. G. WOODSIDE,
Commander in Chief Veterans of Foreign Wars of the United States.

It expresses the sentiment of the ex-service men, especially those who were overseas, and is the result of an executive meeting representative of the veterans of the entire country.

It is urged that it be given your careful and earnest consideration.

Very truly, yours,

EDWIN S. BETTELHEIM, Jr., *Chairman.*

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Frelinghuysen	McCormick	Simmons
Ball	Gerry	McCumber	Smoot
Borah	Glass	McKellar	Stanfield
Brandegee	Gooding	McKinley	Stanley
Broussard	Hale	McNary	Sterling
Bursum	Harreld	Moses	Sutherland
Calder	Harris	Myers	Swanson
Cameron	Harrison	Nelson	Trammell
Capper	Heflin	New	Underwood
Caraway	Hitchcock	Nicholson	Wadsworth
Culberson	Jones, N. Mex.	Norbeck	Walsh, Mass.
Cummins	Jones, Wash.	Norris	Walsh, Mont.
Curtis	Kellogg	Oddie	Warren
Dial	Kendrick	Penrose	Watson, Ga.
Dillingham	Kenyon	Pittman	Watson, Ind.
Edge	Keyes	Poindexter	Weller
Elkins	Knox	Reed	Williams
Ernst	Ladd	Robinson	Willis
Fernald	La Follette	Sheppard	
Fletcher	Lodge	Shortridge	

The VICE PRESIDENT. Seventy-eight Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from Pennsylvania [Mr. PENROSE] to recommit the bill.

Mr. KENYON. Mr. President, as an amendment to the motion in the nature of instructions I offer the following, which I send to the desk.

The VICE PRESIDENT. The amendment will be reported.

The ASSISTANT SECRETARY. The Senator from Iowa moves to amend the motion by adding:

And that the Committee on Finance is instructed to report on or before the first Monday in January, 1922, a new adjusted compensation bill.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. HARRISON. The first vote will come on the amendment?

The VICE PRESIDENT. It will.

Mr. HARRISON. And that carries with it the proposition that the bill shall be recommitted to the committee?

Mr. KENYON. It leaves a vote on both propositions.

Mr. HARRISON. May I ask unanimous consent that the vote shall first come on the motion to recommit, and if the motion to recommit prevails, then we can settle the question of instructions and vote on the proposition suggested by the Senator from Iowa?

The VICE PRESIDENT. The vote comes first on the amendment offered by the Senator from Iowa.

Mr. KENYON. On that amendment I demand the yeas and nays.

Mr. KNOX. Mr. President, a parliamentary inquiry. Is the motion to amend debatable?

The VICE PRESIDENT. The debate is closed.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. McCUMBER (when his name was called). On this question and all matters pertaining to the bill I have a pair with the senior Senator from Tennessee [Mr. SHIELDS]. Not knowing how he would vote upon this amendment I withhold my vote.

Mr. MYERS (when his name was called). I have a pair with the Senator from Connecticut [Mr. MCLEAN]. In his absence I transfer that pair to the Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. NORBECK (when his name was called). I have a pair with the Senator from Louisiana [Mr. RANSDELL], which I transfer to the Senator from Missouri [Mr. SPENCER] and vote "nay."

Mr. SIMMONS (when Mr. OVERMAN'S name was called). My colleague is absent from the Senate on account of illness in his family. He has a general pair with the Senator from Wyoming [Mr. WARREN]. If my colleague were present and permitted to vote he would vote "nay."

Mr. REED (when his name was called). On this vote I am paired with the Senator from Michigan [Mr. NEWBERRY] and am therefore not permitted to vote. If I were permitted to vote I would vote "yea."

Mr. TRAMMELL (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence, being unable to obtain a transfer, I withhold my vote. If permitted to vote I would vote "nay."

Mr. WARREN (when his name was called). On the statement of the Senator from North Carolina [Mr. SIMMONS] concerning his colleague [Mr. OVERMAN], with whom I have a general pair, I vote "nay."

The roll call was concluded.

Mr. DIAL (after having voted in the negative). I desire to announce my pair with the Senator from Colorado [Mr. PHIPPS]. I understand if he were present he would vote as I have voted, and therefore I let my vote stand.

Mr. UNDERWOOD. I was requested to announce that the Senator from Ohio [Mr. POMERENE] is paired with the Senator from California [Mr. JOHNSON] and that if present the Senator from Ohio would vote "nay"; that the Senator from Tennessee [Mr. SHIELDS] is paired with the Senator from North Dakota [Mr. MCCUMBER] and if present the Senator from Tennessee would vote "nay"; and that the Senator from South Carolina [Mr. SMITH] is paired with the Senator from Connecticut [Mr. MCLEAN] and if present the Senator from South Carolina would vote "nay."

Mr. EDGE (after having voted in the affirmative). I have a general pair with the senior Senator from Oklahoma [Mr. OWEN]. I have already voted, and in order that my vote may stand, I transfer my pair to the senior Senator from Colorado [Mr. PHIPPS].

The result was announced—yeas 7, nays 69, as follows:

YEAS—7.

Harreld	Kenyon	Shortridge	Willis
Kendrick	McNary	Stanfield	

NAYS—69.

Ashurst	Fernald	La Follette	Simmons
Ball	Fletcher	Lodge	Smoot
Borah	Frelinghuysen	McCormick	Stanley
Brandegee	Gerry	McKellar	Sterling
Broussard	Glass	McKinley	Sutherland
Bursum	Gooding	Moses	Swanson
Calder	Hale	Myers	Underwood
Cameron	Harris	Nelson	Wadsworth
Capper	Harrison	New	Walsh, Mass.
Caraway	Heflin	Nicholson	Walsh, Mont.
Culberson	Hitchcock	Norbeck	Warren
Cummins	Jones, N. Mex.	Norris	Watson, Ga.
Curtis	Jones, Wash.	Oddie	Watson, Ind.
Dial	Kellogg	Penrose	Weller
Dillingham	Keyes	Pittman	Williams
Edge	King	Poindexter	
Elkins	Knox	Robinson	
Ernst	Ladd	Sheppard	

NOT VOTING—19.

Colt	McLean	Phipps	Smith
France	Newberry	Pomerene	Spencer
Johnson	Overman	Ransdell	Townsend
Lenroot	Owen	Reed	Trammell
McCumber	Page	Shields	

So Mr. KENYON'S amendment to add instructions was rejected.

The VICE PRESIDENT. The question now is on the motion of the Senator from Pennsylvania [Mr. PENROSE] to recommit the bill.

Mr. LA FOLLETTE. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. EDGE (when his name was called). Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. McCUMBER (when his name was called). On this question I am paired with the senior Senator from Tennessee [Mr. SHIELDS], who would vote "yea." If I were permitted to vote I would vote "nay." Therefore I withhold my vote.

Mr. MYERS (when his name was called). I make the same announcement as to the transfer of my pair as on the last vote and vote "yea."

Mr. NORBECK (when his name was called). Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. SIMMONS (when Mr. OVERMAN's name was called). I again announce the absence of my colleague [Mr. OVERMAN] on account of illness in his family. He has a general pair with the senior Senator from Wyoming [Mr. WARREN]. If my colleague were present he would vote "nay."

Mr. NICHOLSON (when Mr. PHIPPS's name was called). I wish to announce that my colleague [Mr. PHIPPS] if present would vote "yea."

Mr. BROUSSARD (when Mr. RANSDELL's name was called). I have been requested by my colleague [Mr. RANSDELL], who is unavoidably absent, to announce that if he were present he would vote "nay."

Mr. REED (when his name was called). I have a pair with the Senator from Michigan [Mr. NEWBERRY] which precludes me from voting. If permitted to vote I would vote "nay."

Mr. TRAMMELL (when his name was called). Making the same announcement as on the previous vote in regard to my pair, and still being unable to secure a transfer, I withhold my vote. If permitted to vote I should vote "nay."

Mr. WARREN (when his name was called). I have a general pair with the Senator from North Carolina [Mr. OVERMAN], which I transfer to the Senator from Vermont [Mr. PAGE] and vote "yea."

The roll call was concluded.

Mr. DIAL. Making the same announcement as to my pair and its transfer, I vote "yea."

Mr. UNDERWOOD. I wish to announce that the Senator from Ohio [Mr. POMERENE] is paired with the Senator from California [Mr. JOHNSON], and if present the Senator from Ohio would vote "yea"; that the Senator from Tennessee [Mr. SHIELDS] is paired with the Senator from North Dakota [Mr. MCCUMBER], and if present the Senator from Tennessee would vote "yea"; and that the Senator from South Carolina [Mr. SMITH] is paired with the Senator from Connecticut [Mr. MCLEAN], and if present the Senator from South Carolina would vote "yea."

The result was announced—yeas 47, nays 29, as follows:

YEAS—47.

Ball	Frelinghuysen	McNary	Smoot
Borah	Glass	Moses	Stanfield
Brandegee	Gooding	Myers	Sterling
Calder	Hale	Nelson	Swanson
Cameron	Kellogg	New	Underwood
Cummins	Kenyon	Nicholson	Wadsworth
Curtis	Keyes	Norbeck	Warren
Dial	King	Oddie	Watson, Ind.
Dillingham	Knox	Penrose	Weller
Edge	Lodge	Poindexter	Williams
Ernst	McCormick	Shortridge	Willis
Fernald	McKinley	Simmons	

NAYS—29.

Ashurst	Gerry	Kendrick	Stanley
Broussard	Harreld	Ladd	Sutherland
Bursum	Harris	La Follette	Walsh, Mass.
Capper	Harrison	McKellar	Walsh, Mont.
Caraway	Heflin	Norris	Watson, Ga.
Culberson	Hitchcock	Pittman	
Elkins	Jones, N. Mex.	Robinson	
Fletcher	Jones, Wash.	Sheppard	

NOT VOTING—19.

Colt	McLean	Phipps	Smith
France	Newberry	Pomerene	Spencer
Johnson	Overman	Ransdell	Townsend
Lenroot	Owen	Reed	Trammell
McCumber	Page	Shields	

So the bill was recommitted to the committee.

Mr. McCUMBER, Mr. REED, and Mr. NORRIS addressed the Chair.

The VICE PRESIDENT. The Senator from North Dakota.

Mr. MOSES. Mr. President, will the Senator from North Dakota yield to me, to enable me to ask unanimous consent to call up the conference report on the Post Office reclassification bill?

Mr. McCUMBER. I will not take more than 5 or 10 minutes at most, and I will ask the Senator if he will not withhold the conference report until I am through.

Mr. President and Senators, by a vote of 47 to 29 the soldiers' compensation bill has just been recommitted to the Finance Committee. This has been done because of the urgent request of the President of the United States and the Secretary of the Treasury for more time. The reasons which induced the head of the Nation and the head of the Treasury Department to make this request have been clearly stated by the President in his address to the Senate and by the Secretary of the Treasury in a letter which has been read into the RECORD.

Several days have been consumed in debate as to whether the fears expressed by the President and the Secretary of the Treasury are well founded. On this question each Senator holds his own individual views. I am satisfied, however, that many Senators who voted for a recommittal of the bill to the Finance Committee did so more in deference to the earnest wishes of the President than because of any deep-seated conviction that the enactment of the bill at this time would have as serious an effect on the Treasury and the country as that indicated in the Secretary's letter. While I may not be convinced that any grave and dangerous results would follow the enactment of the bill at this time, I recognize that the President and the Secretary of the Treasury are charged with the protection of the National Treasury and the maintenance of the national credit, and that it is most natural that great deference and consideration should be given to the anxieties and fears of these two guardians of our Federal bank account.

Therefore, Mr. President, while I regret that it is thought necessary to recommit this bill, and while I am unable to bring my judgment into exact agreement with that of the President and the Secretary of the Treasury as to the effect of this proposed legislation on any funding or refunding of the national obligations or debts due to the country, I have risen rather to correct an entirely erroneous impression as to what effect the action of the Senate in recommitting the bill will have on the bill itself. Several Senators have declared that it means the death of the bill. Telegrams from posts in my State indicate a like fear on the part of the beneficiaries of the bill.

Mr. President, while I can not join the chairman of the committee in a vote to recommit the measure, let me say most earnestly and positively to every veteran of the World War that no such result will follow. The bill will not be defeated. On a yea-and-nay vote to take up this bill and make it the unfinished business, the vote was 46 for to 4 against.

Mr. ROBINSON. Mr. President——

Mr. McCUMBER. I will not yield now, Mr. President. This vote very accurately, in my judgment, shows the proportion of those who favor the legislation to those who oppose it, and when 46 Senators favor the enactment of a proposed measure as against only 4 who oppose it, can anyone think for a moment that those 46 will not see to it that the legislation will ultimately be enacted? What effect, then, will its recommitment have on the status of the proposed legislation? Will it delay its enactment into law? Will it postpone the time within which in its present form the legislation would become effective? I assume, Mr. President, that these questions are now being asked by the American soldier, and I answer both questions: The recommitment will, of course, delay the date on which the compensation bill would in all probability have become a law. The recommitment, however, will not, in my opinion, postpone the time at which the legislation proposed will become effective.

Under the terms of the bill, the cash payment and the insurance plans are to come into effect as of July 1, 1922. Long before that date the bill, in its present or amended form, will be placed upon the statute books of the country.

The President, upon information furnished him by the Secretary of the Treasury, has asked that Congress defer action for a time on this bill. "How long defer?" you may properly ask. I answer, "Until the tax bill and the tariff bill are enacted into law, and the foreign indebtedness to the United States has been funded."

In the matter of the foreign debt, the President in his address to the Senate states:

> Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it is able to bestow.

In a nutshell, the President asks us to hold this matter in abeyance until we fund these foreign obligations; and, as I have said before, the interest on these obligations will more than doubly take care of the highest annual payment which will accrue when the bill becomes a law.

We will, of course, pass both the revenue and the tariff bills at this special session. A bill is now before the Finance Committee giving the Secretary of the Treasury all needful authority to fund into long-time bonds the principal and interest due us from foreign countries. That authority will be given. I can, therefore, see no reason in the world why this funding settle-

ment should not be completed by the time we have passed the other two bills.

So I can say with absolute assurance to the American people and the American soldier that this bill will be enacted into law, and I am certain that it will be enacted into law in sufficient time that the date at which it becomes effective will not have to be extended; in other words, that the delay will not deprive the veterans of a single important right they would otherwise obtain under the bill.

Mr. President, the justice of this measure is most strongly impressed upon my mind, as I know it is on the minds of the vast majority in both branches of Congress, irrespective of political affiliation, and I shall not abate my efforts to crystallize the bill into law at the earliest possible date.

So I plead with all the veterans of the World War for that soldierly patience which they have exemplified in camp and on battle plain, and all will end well.

During the delivery of Mr. MCCUMBER's speech,

Mr. ROBINSON. Mr. President, I rise to a parliamentary inquiry.

Mr. McCUMBER. I have declined to yield at this time.

Mr. ROBINSON. The Senator is compelled to yield to a parliamentary inquiry.

Mr. McCUMBER. I am not compelled to yield.

Mr. ROBINSON. I rise to a point of order, then.

Mr. McCUMBER. That is a different proposition.

Mr. ROBINSON. I demand the regular order, Mr. President. I make the point of order——

Mr. McCUMBER. I have the floor, and I decline to yield.

Mr. ROBINSON. Mr. President, I make the point of order that there is no business before the Senate.

Mr. McCUMBER. I am giving the Senate some business now, Mr. President.

Mr. ROBINSON. It is very poor business; the Senator is arguing against the vote that he cast a moment ago.

Mr. McCUMBER. I decline to yield for a discussion of the merits of the matter; I merely yielded to the Senator to submit a point of order.

Mr. ROBINSON. I make the point of order that the Senator from North Dakota is proceeding to address the Senate without any measure of business coming before the Senate and that he is out of order. He can only proceed by unanimous consent, and he has not secured unanimous consent to address the Senate.

The VICE PRESIDENT. There is no business before the Senate.

Mr. ROBINSON. Mr. President, I move that the Senate proceed to the consideration of executive business.

Mr. NORRIS and Mr. STERLING addressed the Chair.

Mr. McCUMBER. I will not yield for a motion.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. ROBINSON. I make the point of order that the Senator from North Dakota is out of order. There being no business before the Senate, the Senator from North Dakota can only proceed by unanimous consent, and that unanimous consent has neither been asked for nor given. I move that the Senate proceed to the consideration of executive business.

Mr. McCUMBER. Mr. President, I have not yielded the floor.

Mr. HARRISON. I ask for the yeas and nays on the motion of the Senator from Arkansas.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. WATSON of Georgia. He has no right to the floor.

Mr. McCUMBER. I decline to yield.

Mr. ROBINSON. The Senator from North Dakota has no right to the floor.

The VICE PRESIDENT. The floor can not be taken away from the Senator for the purpose of making a motion.

Mr. WATSON of Georgia. I make the point of order that the Senator from North Dakota has no right to the floor.

Mr. ROBINSON. I insist upon the point of order that the Senator from North Dakota is out of order. There is no business before the Senate; he has not the floor. He has not secured the right to take the floor to make a speech, and he has no more right to the floor than any other Senator.

The VICE PRESIDENT. The Chair has already ruled that there is no business before the Senate.

Mr. NORRIS. Mr. President——

Mr. REED. I should like to be recognized.

Mr. NORRIS. I move that the Senate proceed to the consideration of calendar number 207, being Senate bill 1915.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

Mr. NORRIS. But there is no business before the Senate.

Mr. McCUMBER. I do not yield for any purpose at the present time.

Mr. NORRIS. The Senator can not hold the floor.

Mr. ROBINSON. Mr. President, if the Chair will hear me for just a moment. The Chair has held that there is nothing before the Senate, and yet the Chair has impliedly held that the Senator from North Dakota has the floor. The Senator from North Dakota can not have the floor when there is nothing before the Senate. That is the point of order that I make. I demand the regular order.

The VICE PRESIDENT. The Senator from North Dakota rose to address the Chair, and the Chair had every reason to suppose that he was proceeding by unanimous consent.

Mr. ROBINSON. The Chair may very well have supposed that until a Senator objected, but I made objection; I make objection now.

The VICE PRESIDENT. The Senator from North Dakota distinctly and plainly asked that he might address the Senate for a few minutes. No one objected. The Senator from North Dakota then proceeded for two or three or four minutes, when the point of order was raised that he was not proceeding in order. The Chair believes that the point of order comes too late. The Chair feels that, in all fairness, consent had been given the Senator from North Dakota.

The Chair is advised that the Vice President preceding the present incumbent universally held in such cases that silence had given the consent asked for, and that he defended Senators in their right to the floor in several instances when questions exactly similar to that now raised were presented.

The Chair has not been in the habit always of asking the Senate if its consent was given. It has been taken for granted that the consent was given where no Senator interposed an objection.

The Chair believes that the Senator, under the recent practices of the Senate, was entitled to proceed until he had concluded.

Mr. REED. Mr. President, the Chair will hardly say that unanimous consent was given.

The VICE PRESIDENT. The Senator from North Dakota asked at the outset that he be given a few moments to address the Senate, and was doing so without objection.

Mr. ROBINSON. I object, Mr. President.

Mr. LODGE. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. LODGE. Mr. President, the Senator from North Dakota was recognized. Undoubtedly objection could have been made then, but equally undoubtedly no objection was made, and he was allowed to proceed by unanimous consent, and objection can not now be made.

Mr. ROBINSON. Upon that theory, Mr. President, under the Senator's point of order, if the Senator from North Dakota should choose to continue his speech indefinitely, then the Senate would be at his mercy and could not transact any business. The motion of the Senator from Nebraska is clearly in order, there being no business before the Senate. The motion that I made to proceed to the consideration of executive business is clearly in order, being a privileged motion. Does the Chair hold that, with nothing before the Senate, a Senator can take the floor and speak indefinitely, and that the Senate has no power to relieve itself from that absurd position? The Senate is entitled to proceed to its business, the Chair having held—and rightly so, in my opinion—that there is nothing before the Senate. We foreclosed debate on this bill by a unanimous-consent agreement two days ago, and the Senator from North Dakota now, without the consent of the Senate, is seeking to consume the time of the Senate in apologizing for his vote. I make the point of order that the Senator from North Dakota is out of order.

Mr. LODGE. Unanimous consent, when it has once been given, can not be taken back at the pleasure of any one Senator.

Mr. ROBINSON. Mr. President, the request for unanimous consent was never submitted to the Senate, and the Chair can not preclude the Senate from its right to transact business by himself giving consent to a Senator to address the Senate. Any other ruling would make the Senate powerless to have business before it.

Mr. REED. Mr. President——

The VICE PRESIDENT. It has been ruled that silence gives consent in a case of that kind.

Mr. REED. Mr. President, there was no other kind of consent asked for or given in this case than occurs when any Senator rises and addresses the Senate. The Senator from North Dakota merely stated that he desired to address the Senate for a few moments, having first addressed the Chair. If that

amounts to unanimous consent, then any Senator who gets the floor and holds it for a moment is proceeding by unanimous consent. Personally, I am entirely willing for the Senator to continue his remarks, but it will never do to establish the rule in this body that any Senator who can address the Presiding Officer and get his eye and say "I desire to address the Senate" is thereby proceeding by unanimous consent. That has not been the rule. The only way in which this body can grant unanimous consent is to have the question put to it. The question was not put to the body; and if the Chair adheres to the ruling made we will establish a new precedent, and one which I am sure the Chair would not want to establish if it was revolutionary in its character.

I am quite willing that the Senator from North Dakota shall proceed with this canned funeral oration. It ought to be delivered at some time, and I am just as willing that he shall do it at this time as at any other time; but it is not in order.

Mr. McCUMBER. Mr. President, I think I have the floor yet, and if Senators are going to discuss the merits of this matter, I want to discuss it.

Mr. ROBINSON. Mr. President, I appeal from the decision of the Chair.

Mr. McCUMBER. Otherwise, I should like the ruling of the Chair.

Mr. WATSON of Georgia. Mr. President, it has been the custom in this Chamber for the Chair to ask if any Senator objects, and this time that question was not put. The cowardice with which the soldiers have been treated on this bill does not authorize the acting chairman who has charge of this bill, and who for two days has been out of sight, to proceed at this time. The cowardice with which he would kill this bill, if it had been displayed on the battle fields of France, would have led to defeat instead of to the victory of our soldiers. This bill has been killed by cowardice.

Mr. ASHURST. Mr. President, we can not hear a word that is being said.

Mr. ROBINSON. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. Senators will be seated.

Mr. ROBINSON. A parliamentary inquiry.

The VICE PRESIDENT. Senators will be seated.

Mr. ROBINSON. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. Senators will be seated.

Mr. ROBINSON. Mr. President, I rise to a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state his parliamentary inquiry.

Mr. ROBINSON. A few moments ago I made a motion that the Senate proceed to the consideration of executive business. Did the Chair hold that that motion was out of order?

The VICE PRESIDENT. The Chair ruled that the Senator could not get the floor at that time for the purpose of making that motion because it would take the Senator from North Dakota off the floor.

Mr. ROBINSON. Then I respectfully appeal, Mr. President, from the decision of the Chair, and on that appeal I demand the yeas and nays.

The yeas and nays were ordered.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. The Secretary will call the roll.

Mr. NORRIS. Mr. President, I have a right, I think, to debate the motion. It is a debatable question.

The VICE PRESIDENT. It is debatable.

Mr. NORRIS. Now, Mr. President——

Mr. McCUMBER. Mr. President, I have not yielded, and until I do, I do not think there can be any question before the Senate.

Mr. NORRIS. Mr. President, there is an appeal pending, and I have obtained recognition on that appeal.

I want to state, particularly to the Senator from Arkansas, that I think the Senator from Arkansas was perfectly right when he made the point of order that the Senator from North Dakota could not proceed except by unanimous consent. There was no motion pending. There is not any doubt but that if objection is made no Senator has a right to make a speech unless there is something pending that is debatable. I have no objection to the Senator from North Dakota consuming an hour. I should be perfectly willing to submit the question of unanimous consent, and agree to it, and let him proceed as long as he wants to. It is not that I want to take the Senator from North Dakota off the floor, but it is a question of establishing a precedent.

The Presiding Officer had a right to recognize the Senator from North Dakota. He had a right to assume that he was going to make a motion. There were several of us trying to get recognition. He selected the Senator from North Dakota. When, however, it becomes apparent that the Senator is not going to make a motion, and is trying to make a speech when nothing is pending, then it is the privilege and the right of any Senator to object to it, if he wants to, for the reason that there is not anything pending.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. In just a moment. That being the case, if the Chair had sustained, as he ought to have sustained, the objection, then the Senator from Arkansas had the right to make his motion. So it does not follow that he is making it when some other Senator had the floor, because nobody had the floor legally.

I now yield to the Senator from Idaho.

Mr. BORAH. Mr. President, as I understand, there is an appeal from the decision of the Chair.

The VICE PRESIDENT. That is the case.

Mr. NORRIS. Yes.

Mr. BORAH. Is that a debatable proposition?

The VICE PRESIDENT. It is.

Mr. BORAH. Very well.

Mr. NORRIS. That is what I was debating.

Mr. McCUMBER. Mr. President, I have the floor. I would just as soon finish what I have to say upon that question as upon any other.

Mr. NORRIS. Mr. President, I have the floor, as a matter of fact.

Mr. McCUMBER. I think not.

Mr. NORRIS. It is going to depend on whether the Chair is overruled as to whether or not the Senator from North Dakota is entitled to the floor.

Mr. McCUMBER. Not at all.

Mr. NORRIS. The pending question is going ultimately to determine that proposition.

Mr. President, I wanted to make it clear that I had no objection to the Senator from North Dakota making his remarks; but I do not want, in order to give my consent to his making his remarks, to trespass upon a well-recognized principle of parliamentary law that will come home to plague us if we violate it now.

Mr. McCUMBER. Mr. President, if the appeal is now debatable, I shall proceed to give my reasons why I think the Chair should be sustained, and why I should be allowed to explain to the American people and the American soldiers at this time just exactly what effect this recommitment will have.

Mr. LA FOLLETTE. It will take the Senator quite a while.

Mr. REED. Mr. President——

Mr. McCUMBER. Mr. President, I submit that I have the floor.

Mr. WATSON of Georgia. That is all the Senator has.

Mr. McCUMBER. If this question is now debatable, I am ready to debate it. The Senator from Nebraska did debate it.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Missouri?

Mr. REED. A question of order. I am not asking the Senator to yield. I am raising a question of order, and I want to submit the rule to the President of the Senate.

The VICE PRESIDENT. The Senator will state his point of order.

Mr. REED (reading):

> If any Senator, in speaking or otherwise, transgress the rules of the Senate, the Presiding Officer shall, or any Senator may, call him to order; and when a Senator shall be called to order he shall sit down, and not proceed without leave of the Senate, which, if granted, shall be upon motion that he be allowed to proceed in order, which motion shall be determined without debate.

The Senator has been called to order, and he should sit down.

Mr. McCUMBER. Mr. President, I call the Senator from Missouri to order for discussing a matter that is not now before the Senate, according to the ruling of the Chair. The ruling of the Chair is that the question is upon the appeal, and not what the Chair should have done with the Senator from North Dakota, who will probably take care of himself.

Mr. REED. I should like to have a ruling on this matter.

Mr. McCUMBER. Now, Mr. President, I desire to go on in my own way, as soon as the Senator from Missouri will do me the kindness to allow me to do so without further interruption.

Mr. REED. I do not desire to interrupt the Senator. I simply want the rules of the Senate conformed to, and the Senator can proceed in order at the proper time. I submit that when a Senator has been called to order, and it has been insisted

that he is not entitled to the floor, he is guilty of an infraction of the rules of the Senate if he proceeds.

Mr. McCUMBER. Mr. President, I raise the point of order that that matter is not now before the Senate and can not be discussed, and I refuse to yield for that purpose. I raise that point of order.

Mr. REED. Mr. President——

The VICE PRESIDENT. The Senator was not called to order by the Chair.

Mr. REED. He can be called to order by any Member.

The VICE PRESIDENT. The Chair does not understand that the rule has that application.

Mr. REED. "The Presiding Officer shall, or any Senator may, call him to order," is the language of the rule.

Mr. McCUMBER. Mr. President——

Mr. BRANDEGEE. Mr. President, I want to call the attention of the Chair to the fact that the Senator from North Dakota says he is addressing the Chair on the question of the appeal from the decision of the Chair, and was recognized by the Chair. Therefore he has the floor.

The VICE PRESIDENT. He is recognized for that purpose.

Mr. REED. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator can not obtain the floor for that purpose.

Mr. McCUMBER. Mr. President, it is impossible for me to yield to several Senators at the same time, and I will not yield for any purpose.

The VICE PRESIDENT. The Senator from North Dakota has the floor.

After the conclusion of Mr. McCUMBER's speech,

Mr. ROBINSON, Mr. REED, Mr. STERLING, and Mr. MOSES addressed the Chair.

The VICE PRESIDENT. The Senator from Arkansas.

The question is on sustaining the point of order. On that the yeas and nays have been ordered.

Mr. ROBINSON. Mr. President, a unanimous-consent agreement was entered into two days ago by which all debate on the adjusted compensation bill after 3 o'clock p. m. to-day was precluded. The Senate proceeded, in pursuance of the unanimous-consent agreement, to vote upon the motion to recommit the bill, and the bill was recommitted to the committee.

Immediately following that action the Senator from North Dakota [Mr. McCUMBER] took the floor and announced that he desired to submit some remarks to the Senate. The Chair did not submit the request to the Senate for its consideration and action, and the Senator from North Dakota proceeded for some moments, when an objection to his further proceeding was made on the ground that there was nothing before the Senate and that he was proceeding out of order.

It frequently happens, Mr. President, in the practice prevailing in the Senate, that a Senator takes the floor, is recognized by the Chair, and proceeds to deliver an address. Prior to the time that the matter is submitted to the Senate for a unanimous-consent agreement as to whether the Senator who has taken the floor may proceed, any Senator, according to the universal practice in the Senate, may object, and when an objection is made the Senator can not proceed further without the consent of the Senate. Any other rule would put the Senate at the mercy of any Senator who got the floor in any way whatever, and began an address about anything, and thus prevent the Senate indefinitely from transacting business.

The fact that the Chair permitted the Senator from North Dakota to proceed to discuss a matter that was not in order, a subject that was not before the Senate, could not preclude the Senate from its right to say that the time to talk on the subject had passed, and that the Senate would proceed to the consideration of business.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Tennessee?

Mr. ROBINSON. I yield.

Mr. McKELLAR. I merely rose to ask the Senator if he thinks this rule goes so far as to prevent a Senator from preaching a funeral oration over a bill that has just been killed?

Mr. ROBINSON. It has not done it. Mr. President, the Senator from North Dakota is familiar with the rules. The Chair held that there was nothing before the Senate. Any Senator, then, by motion, had the right to bring something before the Senate, and any other rule is absurd, and violative of every principle of parliamentary law.

I made a motion to proceed to the consideration of executive business, and the Chair held that, notwithstanding the fact that there was nothing before the Senate, no motion could be made because the Senator from North Dakota had chosen to take the floor to apologize for the defeat of a bill, when debate on that bill had been precluded by unanimous action of the Senate.

Who ever heard of such a proposition anywhere except in the United States Senate? A debating society composed of boys would know that when there was no business before the society any member could move to bring business before the assembly.

The absurdity of the parliamentary ruling is thus disclosed by the proceedings following the ruling. The Senator from Nebraska [Mr. NORRIS] made a motion to proceed to the consideration of an important bill. I sought to preserve the parliamentary issue by trying to ascertain whether, if there was no business before the Senate—and the Chair had held that there was none—a privileged motion of the highest order could be made, and the Chair said no, because the Senator from North Dakota had the floor, without the express consent of the Senate, and no power but the Almighty, impliedly, could deprive him of the floor; and, of course, considering the nature of the transaction, the Almighty was not going to take any interest.

What was the situation? On an appeal being taken from the decision, the Senator from Nebraska [Mr. NORRIS], who served in the body at the other end of the Capitol for a long period and has served in the Senate for many years, said, "Why, of course, the ruling is wrong. Of course the Senator from North Dakota could not keep the floor over an objection of a Senator who wanted to proceed to business." Of course, everybody familiar with parliamentary practice knew that to be true.

Then the Senator from North Dakota [Mr. McCUMBER], who had stood like a rock in a desert land insisting all the while that, come storm, come calm, he had the floor, proceeded to discuss the appeal from the decision of the Chair; and what did he do? He read from a manuscript, prepared some time ago, apologizing for the action of the majority in burying the adjusted compensation bill.

Ah, he said, the recommittal of the bill does not mean the defeat of the measure, because 46 Senators voted to consider the bill the other day, and only 4 against it; and yet of that 46 who voted to consider it, a large number voted to recommit it.

I said in this Chamber, immediately following the President's address on the subject, that nobody need be deceived by the nature and effect of the motion to recommit. It means the death of this bill, at least until the next congressional election is approaching in the United States, when it may be reported and held over for action until after the next election.

I now ask the Senator from North Dakota, in charge of this bill, who made a gallant fight until the last minute and then quietly and gently surrendered and gratified his love of valor by rising at the funeral and delivering a eulogy of the measure, which, by his indifference, he had assisted in killing—I ask the Senator from North Dakota when it is expected that this bill will be reported?

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. ROBINSON. I yield to the Senator for an answer.

Mr. McCUMBER. If the Senator from Arkansas had listened to my statement he perhaps would not have had to ask the question, because I framed the question and gave the answer. I will give it again for the Senator if he will listen to me.

Mr. ROBINSON. I will listen a reasonable length of time, but I can not concede that the Senator has the floor.

Mr. McCUMBER. If the Senator does not want me to answer, all he has to do is to say so. If he wants me to answer, I am right here to answer this very minute.

Mr. ROBINSON. Mr. President——

Mr. McCUMBER. I do not intend to remain sitting while answering; I shall have to take the floor to do it.

Mr. ROBINSON. Mr. President, I yielded to the Senator to answer my question, and I am wondering why he does not do it. When does the Senator expect the bill to be reported for action?

Mr. McCUMBER. I will answer when the Senator stops talking and gives me a chance.

Mr. ROBINSON. I will stop any minute, if the Senator will pledge himself to bring that bill back into the Senate and give the Senate an opportunity to vote on it.

Mr. McCUMBER. Now, just wait until I can answer. I stated but a few moments ago that undoubtedly this would be delayed until we passed the tariff measure and the revenue bill, and undoubtedly until we secure the refundment of our foreign debts. I also told the Senator in my opinion how long that

would take. I have not the slightest doubt but what it will be reported probably before this session is over.

Mr. ROBINSON. Mr. President, I have the floor.

The VICE PRESIDENT. The Senator from Arkansas has the floor.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Missouri?

Mr. ROBINSON. I yield.

Mr. REED. What I want to say is this, that the Secretary of the Treasury has discussed the question of a limitation of time in which to make these settlements and has said that he thought that anything under five years would be too short a time.

Mr. ROBINSON. Mr. President, I think, in the interest of harmony, that harmony which prevails among brethren here, I shall proceed a little in my own time.

The Senator from North Dakota seemed to become somewhat incensed because I asked him when he expected this bill to be reported from the committee. He could have answered that by saying the 1st of January, or, if he had in his mind a definite date, whatever that time was. But his answer was so indefinite as to give support to the statement that I made and the statement made by the Senator from Missouri [Mr. REED].

The Senator from Nevada [Mr. PITTMAN] this afternoon pointed out the fact that the purpose of recommitting this bill is not to perfect the bill. No one has suggested a very important amendment to it, although amendments of importance might have been suggested. But the purpose of recommitting the bill was to get it out of the way, to kill it for the present and for an indefinite time.

The answer which the Senator from North Dakota makes is that when we pass the tariff bill and the tax bill and adjust our controversies respecting foreign loans with other Governments, then the question may be brought to the front again. The Senator from Missouri has stated that the Secretary of the Treasury has no idea how long that latter performance will require, and thinks it might require as much as five years. I have no disposition to enter into any controversy as to veracity between my colleagues, but I know that the Senator from Missouri believed that statement to be true when he made it, and if we wait until our foreign loans are adjusted to bring out this bill, I now call on any Senator to say approximately when that will be.

Mr. STANLEY. Mr. President——

Mr. ROBINSON. I yield to the Senator from Kentucky.

Mr. STANLEY. I think the Senator from Arkansas is taking the statement of the Secretary too seriously, that he will agree to allow this bill to come out in five years. That is too short a time. Those who are best advised would put that estimate at about 50 years.

Mr. ROBINSON. Mr. President, I am serious about this matter. I think there is bound up in the action of the Senate on this subject something in the nature of the enactment of a tragedy, and the manner in which the display or performance has been made in my opinion does not reflect great credit upon the Senate. For a year and a half the Congress has been studying this question and the result of its deliberation is the bill reported by the acting chairman of the Committee on Finance, the amiable Senator from North Dakota [Mr. McCUMBER]. When the first mutterings of opposition to the measure were heard in this Chamber, he acted as a gallant knight. He stood in his place and challenged the opposition to the bill, and since the President left the White House and came to the Senate and told Senators how to vote on the bill, instructed them to reverse their action and vote against the bill, which they were committed in honor to support, the Senator from North Dakota had courage enough to say he would support the bill and he went on until he was defeated. It is now said that the bill will soon come out just as it was and that then the Senate will be permitted to vote on the bill.

Mr. REED. What will be the change in the financial situation in the meantime?

Mr. ROBINSON. What will be the change, suggests the Senator from Missouri, in the financial ability of the United States between now and January 1 to meet the obligations created by the bill, particularly in view of the fact that the obligations do not mature or begin to mature for practically a year from this date?

Mr. JONES of New Mexico. Mr. President——

Mr. ROBINSON. I yield to the Senator from New Mexico.

Mr. JONES of New Mexico. I call the attention of the Senator to one or two sentences in the letter of the Secretary of the Treasury which seem to me to have some bearing upon this question. I read those sentences:

> Nor could the vast payment required by the bill be financed without introducing grave complications into the refunding obligations which will be necessary within the next few years.

Mr. ROBINSON. That statement would imply that it must be postponed for a few years, and that is about as definite as the statement of my amiable friend, the Senator from North Dakota [Mr. McCUMBER].

Mr. JONES of New Mexico. Another sentence I read:

> I know of no one thing, for example, that would so greatly strengthen the market for Liberty bonds as the assurance that Congress had once and for all given up consideration of the soldiers' bonus.

Mr. ROBINSON. Mr. President, that is highly illuminating. The opposition to the bill first began to take form in the Senate upon receipt of the letter a part of which has just been read by the Senator from New Mexico. I wonder whether the friends of the bill are being deceived by this motion to recommit and the action that the Senate has taken.

I do not care to enter into the realm of prophecy, but in view of the indefiniteness of the date fixed by the acting chairman of the committee at which the Senate may again be permitted to consider the bill, I repeat a statement that has been already made in the press of the country, in many newspapers and magazines, that the recommittal of the bill means that it will not be brought out until the next congressional election is near at hand and votes are needed to carry that election. Let us wait and see.

In attempting to answer the very able argument of the Senator from North Dakota on the legal question before the Senate, I myself have been compelled to reply, or attempt to reply, to statements made by him which everybody knows have no relevancy to the point of order before the Senate. I leave the legal question involved in the matter on the very necessity for overruling the decision of the Chair, which is to the effect that if there is no business before the Senate and a Senator rises and states that he wishes to make an address and proceeds without immediate objection, that no objection can thereafter be made. I say that the rule of law, held by thousands of precedents, is to the effect that an objection may be made at any time before a request for unanimous consent has been submitted and agreed to by the Senate.

Mr. WATSON of Indiana. Mr. President, I move to lay the appeal on the table.

Mr. REED. On that I demand the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. MYERS (when his name was called). I transfer my pair with the Senator from Connecticut [Mr. McLEAN] to the Senator from South Carolina [Mr. SMITH] and vote "nay."

Mr. REED (when his name was called). I transfer my pair heretofore announced to the Senator from Texas [Mr. CULBERSON] and vote "nay."

Mr. TRAMMELL (when his name was called). I transfer my pair with the senior Senator from Rhode Island [Mr. COLT] to the junior Senator from Rhode Island [Mr. GERRY] and vote "nay."

Mr. WARREN (when his name was called). I transfer my pair with the Senator from North Carolina [Mr. OVERMAN] to the Senator from Maryland [Mr. FRANCE] and vote "yea."

Mr. WILLIAMS (when his name was called). First transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Ohio [Mr. POMERENE], the Senator from Pennsylvania being unavoidably absent, I vote "nay."

The roll call was concluded.

Mr. EDGE (after having voted in the affirmative). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from Michigan [Mr. TOWNSEND] and let my vote stand.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Missouri [Mr. SPENCER] and vote "yea."

Mr. MYERS (after having voted in the negative). I learn that I am not permitted to transfer my pair on this vote to the Senator from South Carolina [Mr SMITH]. I am not able to get another transfer and therefore ask leave to withdraw my vote.

Mr. DILLINGHAM. I transfer my pair with the junior Senator from Virginia [Mr. GLASS] to the junior Senator from Vermont [Mr. PAGE] and vote "nay."

Mr. JONES of Washington (after having voted in the affirmative). Has the senior Senator from Virginia [Mr. SWANSON] voted?

The VICE PRESIDENT. That Senator has not voted.

Mr. JONES of Washington. The senior Senator from Virginia stated that he might be called away necessarily on official

business and I agreed to take care of him with a pair. I find, however, that I can transfer that pair to the Senator from New York [Mr. CALDER], which I do and allow my vote to stand.

Mr. DIAL (after having voted in the negative). I have a general pair with the Senator from Colorado [Mr. PHIPPS]. Being unable to obtain a transfer of that pair I withdraw my vote.

Mr. CURTIS. I wish to announce that the Senator from South Dakota [Mr. NORBECK] is paired with the Senator from Louisana [Mr. RANSDELL].

The result was announced—yeas 36, nays 27, as follows:

YEAS—36.

Ball	Fernald	Lodge	Poindexter
Brandegee	Frelinghuysen	McCormick	Smoot
Bursum	Gooding	McCumber	Stanfield
Cameron	Hale	McKinley	Sterling
Capper	Harreld	McNary	Sutherland
Curtis	Jones, Wash.	Moses	Wadsworth
Dillingham	Kellogg	Nelson	Warren
Edge	Keyes	New	Watson, Ind
Elkins	Ladd	Oddie	Willis

NAYS—27.

Ashurst	Heflin	Norris	Trammell
Broussard	Hitchcock	Pittman	Underwood
Caraway	Jones, N. Mex.	Reed	Walsh, Mass.
Fletcher	Kendrick	Robinson	Walsh, Mont.
Glass	King	Sheppard	Watson, Ga.
Harris	La Follette	Simmons	Williams
Harrison	McKellar	Stanley	

NOT VOTING—32.

Borah	Gerry	Nicholson	Ransdell
Calder	Johnson	Norbeck	Shields
Colt	Kenyon	Overman	Shortridge
Culberson	Knox	Owen	Smith
Cummins	Lenroot	Page	Spencer
Dial	McLean	Penrose	Swanson
Ernst	Myers	Phipps	Townsend
France	Newberry	Pomerene	Weller

So Mr. ROBINSON'S appeal from the decision of the Chair was laid on the table.

Mr. STERLING, Mr. NORRIS, and Mr. REED addressed the Chair.

The VICE PRESIDENT. The Senator from South Dakota.

Mr. STERLING. I move that the Senate proceed to the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

The VICE PRESIDENT. The question is on the motion of the Senator from South Dakota.

Mr. REED obtained the floor.

Mr. FRELINGHUYSEN. Mr. President, will the Senator yield to me? I am compelled to leave the Chamber and I merely wish to make a request for unanimous consent.

Mr. REED. I yield to the Senator if I may do so without losing the floor.

Mr. FRELINGHUYSEN. I ask unanimous consent to have printed in the RECORD certain resolutions adopted by an American Legion post of my State.

The VICE PRESIDENT. Without objection, it is so ordered.

The resolutions referred to are as follows:

Resolved, That Ambulance Company Thirty-three Association and its members go on record to this effect: "We, as veterans who have seen actual combat service in each and all of the three major offensive operations of the American Expeditionary Forces in the War with Germany, hereby demand that those branches or agents of the Federal Government responsible for the care of the men who were disabled as a result of the war be empowered and directed immediately to make sure that these men receive adequate and complete medical attention and just compensation. In consideration of the satisfaction of this equitable demand, be it further

"*Resolved*, That we, the aforesaid members of Ambulance Company Thirty-three Association, do hereby declare that it is the consensus of opinion of this association that the proposition of a Federal bonus for able-bodied veterans of the War with Germany is neither necessary nor desirable, for the following reasons:

"We realize the purposes for which our Government entered the war; and as we enlisted in the Army in support of those purposes and with a vision of the high and true meaning of personal liberty and democracy, we do not wish to have this patriotism of ours assessed at such and such a valuation per month of blood money, because we believe that the work which we did is above all price or power of money to repay. We do not wish to hamper our fathers or our children with irksome taxation to pay for a bonus for us. We earnestly desire that our country speedily shall return to a normal, productive state, which we believe can be hastened in some small measure by this action of ours. And we believe that all sound and sensible men who have served in the military and naval forces of the United States neither require nor desire a bonus from the Federal Government."

Mr. STERLING. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from South Dakota?

Mr. STERLING. A parliamentary inquiry, Mr. President.

The VICE PRESIDENT. The Senator will state it.

Mr. STERLING. I do not yield the floor unless the Senator from Missouri desires to speak on the pending motion, which I made, to proceed to the consideration of the bill H. R. 7294, supplemental to the national prohibition act.

The VICE PRESIDENT. The Senator from South Dakota made a motion. The Chair stated the motion and then recognized the Senator from Missouri. The question is on the motion of the Senator from South Dakota.

Mr. REED. Mr. President, the vote just taken, the ruling of the Chair, and the conduct of the Senator from North Dakota [Mr. MCCUMBER], to my mind, present a very serious situation. I wish in advance to exculpate the President of the Senate from any purpose or thought of violating the rules of the Senate or setting aside its precedents. Any Presiding Officer, called upon suddenly to make a ruling, may make a mistake, but the Senate has deliberately, by practically a strict party vote, ratified that mistake.

I inquire how many votes there were on the Republican side against the motion?

Mr. LA FOLLETTE. There were at least two.

Mr. REED. It was almost a strict party vote to ratify the ruling of the Chair. It therefore becomes a precedent of the Senate, and it is important that the facts now should be stated, so that we may understand the precedent and know how to govern ourselves accordingly.

Mr. BRANDEGEE. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. REED. I yield for a question.

Mr. BRANDEGEE. It is for that purpose I desire to interrupt the Senator from Missouri. I wish to ask the Senator what he understood the question was when we voted on the motion to lay the appeal from the ruling of the Chair on the table. From what ruling of the Chair was the appeal taken, in his opinion?

Mr. REED. I was about to state the facts as I understand them. The facts are that the Senate was proceeding under a unanimous-consent agreement which bound the Senate to dispose of the soldiers' bonus bill without further debate at 3 o'clock. That bill being disposed of, there was no business before the Senate. Thereupon the Senator from North Dakota [Mr. MCCUMBER] arose in his place, addressed the Chair, and remarked in the beginning of his speech, "I desire to address the Senate for a few moments in regard to the future disposition of the bill." That is not his exact language, but that is the import of it. He then proceeded without any further action by the Chair, without any statement being made to the Senate, without any request for unanimous consent being made or granted, to proceed to make a speech.

In a short time a Senator observing that the Senator from North Dakota was making a general speech while no business was before the Senate rose to a point of order, and thereupon the Chair ruled that there was no question before the Senate, but he also ruled that the Senator from North Dakota had the floor. He subsequently ruled that the Senator from North Dakota had the floor by unanimous consent, although no request for unanimous consent was made, none had been submitted to the Senate, and none had been granted. That presents this situation——

Mr. BRANDEGEE. Mr. President, does the Senator understand that that was the ruling from which the appeal was taken?

Mr. REED. Absolutely.

Mr. BRANDEGEE. Mr. President, I will not interrupt the Senator if he objects to my stating my understanding of the ruling from which the appeal was taken, in order to show the Senator that there is a misunderstanding, as there very clearly is, between him and me as to the parliamentary situation.

Mr. REED. I shall not object to the Senator stating his understanding.

Mr. BRANDEGEE. I agree entirely with the Senator from Missouri that when the Senator from North Dakota proceeded with his remarks he did not in the formal, technical method known to the Senate for obtaining unanimous consent to proceed have such unanimous consent, because the question was not asked the Senate whether there was objection or not. The Chair stated, as I remember—and if I am at fault the RECORD will, of course, show that I am mistaken—the Chair stated that he had assumed from the fact that nobody had objected, the Senator from North Dakota did have unanimous consent. I do not agree with the Chair that he had unanimous consent, although I think it has been more or less loosely true in the Senate that where there was no objection when a Senator announced he wanted to make a short statement it has been assumed that unanimous consent has been given. However, I would not support that ruling as the action of the Senate.

But my understanding of what took place was this: The Senator from Arkansas, making a point of order against the procedure of the Senator from North Dakota, and doubting the

accuracy of the ruling of the Chair, then moved that the Senate proceed to the consideration of executive business. The Chair ruled that the Senator did not have the floor; that he had not recognized him for that purpose, and that he could not make such a motion without being recognized. Then it was that the Senator from Arkansas appealed from the decision of the Chair, and that is the appeal on which I thought I was voting, and, according to my understanding, that was the parliamentary situation.

Mr. ROBINSON. Mr. President, will the Senator permit a supplemental statement?

Mr. BRANDEGEE. Subject to the permission of the Senator from Missouri of course I yield.

Mr. ROBINSON. The Senator from Arkansas also made the point of order, which was sustained by the Chair, that there was nothing before the Senate. When the Chair sustained that point of order the Senator from Arkansas then moved, as he thought he had a right to move, that the Senate proceed to the consideration of executive business; and, as stated by the Senator from Connecticut, the Chair held that the motion could not be made because the Senator from North Dakota had the floor.

Mr. BRANDEGEE. That is the very point, Mr. President. I do not doubt that the Senator has stated his recollection of the occurrence, but mine differs from his. I am inclined to think I should agree with the Senator if I thought he was correct in his statement; but the Senator moved to proceed to the consideration of executive business, and the Chair ruled that he was out of order because he did not have the floor, and he had not been recognized. It is simply a question as to what the status was.

Mr. ROBINSON. But the Chair held that he could not recognize the Senator from Arkansas because the Senator from North Dakota had the floor. That was the whole subject matter of the discussion from beginning to end.

Mr. BRANDEGEE. That may be so.

Mr. ROBINSON. And in order to test the legality of the ruling I made a privileged motion which the Chair must have entertained, in my view of the matter, if there was nothing before the Senate.

Mr. REED. Mr. President, of course, it comes to this, and in my judgment this is fundamental:

If there was nothing before the Senate, then the Senator from North Dakota was out of order in delivering an address. When the Senator from Arkansas rose and raised that question of order, and when the Chair declared that there was nothing before the Senate, the Senator from Arkansas then had the right, having the floor and it being the duty of the Chair to recognize him because he had the floor, under the rules of the Senate, to make the motion he did make.

Mr. NORRIS. Mr. President, will the Senator permit an interruption there?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. REED. Yes.

Mr. NORRIS. Perhaps I am repeating, but it seems to me this decision comes to this: Under the decision of the Chair that has now been affirmed by the Senate, when the Senate convenes at its next meeting, before any motion is made, if some Senator gets recognition and commences to talk, and nobody objects when he starts, he can talk for 10 days, if he can sustain himself that long, and no Senator can object; no Senator can get the floor, no Senator can make a motion, and nothing can be done. That is what the Senate has decided.

Mr. ROBINSON. If the Senator will permit me, that is exactly the application of the precedent. Of course, the Senate will not adhere to it in a case where it does not find it convenient to do so.

Mr. REED. That is exactly the point to which I was coming. I have been anticipated in making it, but that is the place at which we have arrived. It amounts to this: If a Senator gets the floor and is recognized—and, of course, he is always recognized if he rises when some one else is not demanding the floor—and begins his remarks with the statement, "I desire to address the Senate for a few moments," and nobody instantly objects, the Senate is then foreclosed.

I care nothing about the matter of this afternoon. I did not care whether the Senator talked or did not talk, but I am interested in maintaining the rules and maintaining the orderly procedure of this body. I have seen it happen I think I can say without indulging in hyperbole a thousand times that a Senator has been proceeding to make a speech, the question has been raised by some other Senator that there was nothing before the Senate, and immediately the ruling has been made that the Senator was out of order and that he could not proceed until some business had been laid before the Senate.

The pitiable part of it is to see a party vote, or almost a party vote, cast on a question of this kind. It is true that there is a majority upon the other side of this Chamber, and it is true that if it sees fit to act arbitrarily it can ride roughshod over the rules of this body. It can disregard anything, any precedent, any custom; but is it a wise thing to do? Is it a decent thing to do? Is it a manly thing to do? Does it reflect any credit on the Senate or upon the Senators who indulge in the practice?

I say it is disgraceful, and I say that if it is pursued this body will lose its present high standing before the people of the United States and the peoples of the world. We ought to adhere to our own rules. We ought to respect our own laws. If we expect the people of the United States to respect the laws passed this body and obey them, we ought to obey our own laws.

Mr. President, I hope that this precedent will be repudiated by the Senate, so that it will not stand here—I am referring to the ruling on this point of order—and that we shall know in the future that if any Senator is proceeding when there is no question before the Senate, at any time, unless unanimous consent has been expressly granted, that Senator can be called to order and the business of the Senate proceeded with.

Just a word further, Mr. President.

The Senator from North Dakota had prepared his address which he delivered. It was typewritten, and all he had to fill in was the vote, and we pretty well knew what the vote was to be. It is intended to go to the country as an assurance that there will be speedy action on the soldiers' bonus bill. That statement ought not to go to the country without reply.

To begin with, let it be remembered that it was not proposed in the present bill that payment should be begun until some time in the future. Will some Senator tell me the exact date?

Mr. McCUMBER. July 1, 1922.

Mr. REED. The 1st of July, 1922. Accordingly, all the time between now and the 1st of July, 1922, to wit, 12 months, lacking about 11 or 12 days, remains in which to adjust the finances of this country, if there is any purpose to adjust them. All of that time remains in which to adjust our foreign loans, if it is expected that they will be adjusted within a reasonable time.

The Senator from North Dakota states that he thinks this bill can be passed next January, which now is only about five months away. If it could be passed next January and become effective next July, what is the difference between that and passing it in this month of July to become effective next July?

The cold truth about the matter the people of this country are entitled to, and it is this: That under the present bill it was not proposed to pay any money out for a year's time, and the postponement of the passage of the bill must be regarded in the light of the declarations of the President and of the Secretary of the Treasury. Nearly all of them have been put into the RECORD, but my attention has been called to an additional statement by the President. I quote from his message:

> If this measure could be made effective at the present time without disaster to the Nation's finances and without hindrance to imperative readjustment of our taxes it would present an entirely different question than that which is before you.

A little later he made this statement:

> In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action, if it is taken. Even without such reservation, however, a modified view would be wholly justifiable at the present moment, because the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligations to those we must not fail to aid.

Mr. President, that language is susceptible of only one construction, and that is we should not pass this character of legislation, if we ever pass it, until all of the difficulties of the war, the readjustment of our domestic finances, the readjustment of our tax system, the readjustment of all of the finances of our Government, have taken place, and, on top of that, until there has been a readjustment of our business with all of the nations of Europe.

It is objected to by the President and, as I construe the language, by the Secretary of the Treasury, because it will interfere with the settlement of what European nations owe us. Indeed, it has been stated upon the floor of the Senate by those high in authority in the Finance Committee that we can not proceed with this until the refunding operations are over; that is to say, until we have settled our debts with Europe.

I would like to know what the settlement of the indebtedness with Europe has to do with this bill if they intend to collect the money from Europe and do it in a reasonable time in the future; I mean the interest, not the principal. It therefore must be in contemplation that there shall be a long delay in the matter even of the collecting of interest from those

foreign powers, and we are thus told, in effect, that the soldiers of the land shall await money due them until the convenience of foreign countries is consulted, and that we shall incur no obligation to them lest it might place us in a position to insist upon payment by foreign countries.

I want to state as accurately as I can my conversation with the Secretary of the Treasury, which I do not regard as in any sense confidential. It was being talked over whether a limitation of time within which the settlement should be made with foreign countries might not be inserted in this bill, and as I understood the Secretary of the Treasury the suggestion of five years' time seemed to him to be the limit that ought to be fixed.

When are we to expect these loans to be settled and how? There is correspondence that I think I shall lay before the Senate on another occasion; I am not going to hold the Senate in session to-night, and I am not certain, until I examine it, that I am at liberty to read it. But some part of the correspondence was made public, and I can comment upon that.

It has been made public that Great Britain did seriously suggest to the United States that she should entirely forgive her indebtedness, the proposition being that Great Britain would then in turn forgive debts of other countries. That that was seriously proposed there is no doubt.

Mr. LA FOLLETTE. Both by Chamberlain and Lloyd-George.

Mr. REED. It was proposed by two great British premiers. It is also true, and it ought to be said now—because the papers gave some statements about it this morning which seem to indicate that he had been saved from that disaster by the present Secretary, Mr. Mellon—that his predecessors in office repudiated that proposition. I think Mr. GLASS did. I know that Mr. Houston did.

Mr. LODGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. REED. I yield.

Mr. LODGE. The Foreign Relations Committee had a hearing on this subject, at which Mr. Houston was present, and at his request it was not made a public hearing, but the refusal to entertain the proposition of the cancellation of the debt was made by Mr. Houston, and I think I am correct in saying, speaking from memory, with the approval of President Wilson, if not by his direction. They took the same ground that has been taken by the present administration.

Mr. REED. I am glad to know that, and I simply state that as a matter of justice to President Wilson and to both of the Democratic Secretaries of the Treasury.

But I inquire again, When will the settlement be made? I am not at all easy about that when I find that on the 13th day of May, in a statement regarding the reduction of public expenditures, a statement which I have, and which bears the title, "Reduction of public expenditures—Copy of Treasury Circular, dated the 13th of May, 1921, relative to securing a large reduction in the estimates for the financial year 1922–23, presented to Parliament by command of His Majesty," I find this statement:

> We have to provide next year for one considerable item not included in this year's estimates, namely, interest on our debt to the United States of America, which, at par of exchange, amounts to over £40,000,000 a year.

This is what I am calling attention to:

> It is possible that we may not require to provide more than half the whole year's interest on our debt to the United States Government in 1922–23.

Now, that would seem to indicate that instead of our proceeding to collect the interest that is due for the present year, it is not expected to pay it, and there is no item of that kind carried in the budget, but that the British Government hopes at least, and I presume it has something upon which to base that hope, that it will only be expected to pay one-half of its interest next year. That is a very significant thing. If the payment of interest by Great Britain is not to be expected for the current year, and then if there are negotiations pending looking to the collection of only one-half of it in the year 1922–23, I am wondering when this resurrection of the soldiers' bonus bill is going to take place. It seems to me that those who wait at the sepulchre until that occurs are liable to be old gray-haired men and gray-haired women, and that the wreaths which are being hung by the tomb to-day will have been withered and scattered to the winds.

This is what I have to say about the payment of interest by foreign Governments: I grant fully that the United States probably would not be justified in demanding the principal of these debts, and I suppose there are some of the smaller countries absolutely unable at the present time to pay their interest; but I insist first that every one of these countries shall put its indebtedness in the form of a bond. It was required in the original act authorizing the loans that before the money should be paid over there should be deposited with the Treasury of the United States bonds similar in character and terms and times of payment to the bonds which the United States issued for the purpose of procuring the money to loan to the foreign countries, with the further provision that if the United States thereafter had to pay a larger rate of interest the rate of interest on the foreign bonds should be correspondingly increased. If that provision had been carried out in accordance with the law, there would be no question of adjustment remaining now except merely a question as to when the interest would be paid.

Mr. LA FOLLETTE. Mr. President——

Mr. REED. I will yield in just a moment. But we have no such bonds; not a single foreign bond written in accordance with this law lies in the Treasury of the United States to-day. In lieu of that there is a general agreement that these countries shall issue bonds in accordance with the terms of the Liberty loan act, and now when we come to ask for those bonds there has been a delay, first and last, of nearly three years' time.

I now yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Touching the matter of the deferred payment of interest, I merely wish to suggest to the Senator, who was absent from the committee meeting this morning, that he obtain a copy of the original notes of the testimony taken by the stenographer of the Committee on Finance to-day as bearing upon this question, not only deferred payments for the smaller nations that are debtors to the United States Government but for Great Britain, France, and Italy. I think he will find that the Secretary of the Treasury was reluctant to say that there might not be conditions and representations presented to this Government which might make deferment for 15 years a matter for consideration.

If the Senator will permit me further——

Mr. REED. Certainly.

Mr. LA FOLLETTE. There was read to the Secretary in connection with the hearing this morning the dispatches which appeared, as I now remember, in some London paper, which were presented to the Senate at its session yesterday by the Senator from Idaho [Mr. BORAH] and which led to the interrogatories to which I direct the Senator's attention.

Mr. REED. Mr. President, the question occurs to me, if the soldiers' bonus bill is a just measure and is to be passed, should it be deferred in order to accommodate these countries? Is it true that we can not pay our soldiers because it is desired to help the foreign countries get over their present financial difficulties? In my judgment, we ought to look after our own before we look after anybody else's. The soldiers of the United States ought not to be compelled to await whatever is justly coming to them in order that these other countries may do three things:

First, look after their own soldiers, and they are all doing it. Canada, I believe, paid a very large bonus to her soldiers, and England and France, of course, are providing for theirs as they should; but shall we hold ours back from that which the Senator from North Dakota asserts to be just until the others have all been taken care of? Shall we await the collection of these moneys in order that they may be able to take care of their soldiers? If there is any soldier who is to await the day of just settlement, let not the American Senate be responsible for picking out the American soldier as that one.

The second proposition seems to be——

Mr. WATSON of Indiana. Mr. President, will the Senator yield?

Mr. REED. Certainly.

Mr. WATSON of Indiana. Has any statement been made by anyone before the Finance Committee at any time to the effect that no disposition will be made of the bonus bill until all these foreign matters are settled?

Mr. REED. Why, Mr. President, the statement has been made upon this floor. The statement has been made, as I construe his remarks, by the Secretary of the Treasury. As I construe the remarks of the President, which I have just read, we should postpone action upon the bill until there is an adjustment or a refunding of the foreign loans. When we come to discuss the time when the foreign loans shall be refunded, when foreign nations will begin to pay, it occurs that the lapse of time will be anywhere from 2 or 3 years to 15 years, the circumstances being found in these documents which I have read, one of which I just read a moment ago in which Great Britain expresses the hope that she will not have to pay more than half of her interest in the year 1922–23.

Mr. WATSON of Indiana. The Senator will recall that the Secretary of the Treasury fixed no limitation of time as to when this might be accomplished. He will also recall that the President of the United States said that the matter should be postponed until the debt could be refunded. Does the Senator think that is going to take four or five years or any such period of time?

Mr. REED. I do not know. Funded how? Why shall we wait until it is funded? Let us be fair about that.

Mr. WATSON of Indiana. Certainly.

Mr. REED. We know the debt exists. They have not yet repudiated it absolutely. Nobody asserts that they will not give us bonds for it. Therefore, the only reason for awaiting the funding is to await the fixing of the terms. It must be in contemplation that the terms of payment will be of such a character that we can not pay these soldiers, and hence the necessity for awaiting the fixing of the terms. There is no other reason for awaiting the funding.

If the debt is to be paid, if there is no dispute about it, if the interest is to be collected, if it is all to be done promptly, then why should we await the terms? The only reason why we need to know the terms before we dare incur any liability is because the terms may be so fixed that we will get but a part of this money or we will not get it for a long time in the future. There is no use quibbling about this matter.

Mr. WATSON of Indiana. Mr. President, I have no desire to interfere with the Senator unless he is willing to yield.

Mr. REED. Oh, certainly, I yield to the Senator from Indiana.

Mr. WATSON of Indiana. The sole object of having the proposition recommitted to the Finance Committee is simply that the money could not be paid at this time out of the Treasury without creating great and additional burdens. We did not have the money. It was not desired to raise the money by additional taxation at this time, but that if this foreign debt is funded and placed in the shape of bonds, when it begins to draw interest and that interest is being paid, then in a measure at all events it will enable us to have the money out of which this bonus shall be paid, or at least a portion of the money, and relieve the great pressure that is on the Treasury.

The Senator understands well the situation as to our finances. He sat on the committee day after day and knows the amount of money we had in the Treasury, knows what our obligations are, knows the amount of money that is coming in, knows the amount of money that is going out, knows the amount of money that must be spent in the days that are to come. He knows it requires the very closest economy, unless we resort to additional burdens of taxation in order to meet the current expenses of the Government.

Therefore, no soldier can be injured by the postponement of this bill until those debts are funded. Not a dollar of this money was to be paid before July of 1922, and I have every reason to believe, and I believe the Secretary believes, and I believe the President of the United States believes, and they all believed when these statements were made that the funding will occur before that time, and that we shall have reason to know where we are with reference to the finances of the Government before that time.

Mr. REED. If the funding is going to occur before that time, why do we not pass the bill now?

Mr. WATSON of Indiana. Because we do not know, and on a money question we must know. It is not a question for speculation.

Mr. REED. No; we do not know. All these facts the Senator has referred to were known to the Finance Committee and were known to him when the bill was reported to the Senate, when it was debated in the Senate, and the change came over the spirit of their dreams when the Big White Chief walked in and said to them, "You do what I tell you to do." There was not a man in this body convinced by any of the arguments produced there. They had all been heard on the floor of the Senate.

Mr. WATSON of Indiana. If the Senator will again permit me——

Mr. REED. Certainly.

Mr. WATSON of Indiana. The statement of the Secretary of the Treasury was the first notice that the great body of Senators had as to the real financial condition of the Treasury. It was not universally known throughout the country what the condition of the Treasury was, and that caused every Senator to pause and reflect upon the situation.

Mr. REED. Does the Senator say the Finance Committee did not have these figures?

Mr. WATSON of Indiana. It has been said that President Harding came up here like President Wilson used to come. I do not care to reflect upon that proposition or touch upon it. However, there is this difference between the two. President Wilson used to think out in the recesses of the White House what he wanted to have done up here, and come up and tell the Senators; but the real fact about the present situation is that Senators here, after many conferences and after much consultation and coming together on this proposition and realizing the situation, after the letter of the Secretary of the Treasury had been read, went to the White House and insisted that the President should come here and make the statement to the country. That is the difference between the two.

Mr. REED. I am glad to observe the difference, but first let me take these matters in order.

The condition of the Treasury had been reported and was known; the condition in regard to the foreign loans had been under investigation by two committees—the Judiciary Committee and the Foreign Relations Committee—and that was very well known. There was not anything new about it until the Secretary of the Treasury came in here and practically put the administration into this battle.

The Senator says that President Wilson used to think out a proposition and come and tell us about it. Well, the difference seems to be, as the Senator now puts it, that Senators thought out a proposition and then went down and told the President about it, and asked the President to come up here and tell them about it. If Senators had gone down and told the President about it again and he had come back and told them about it again, I suppose at the end of that performance, it being carried on long enough, we should have had a great deal of wisdom. If the Senate thought this out and agreed to this, why did they need the President to come and tell them? What was the necessity of the President coming to tell them?

Mr. WATSON of Indiana. I can answer that question, if the Senator will permit me.

Mr. REED. Certainly.

Mr. WATSON of Indiana. The President of the United States and many Senators on this side at some time during the campaign said that they favored a bonus to the soldiers. This bill was brought out here, I need not say by the entire Finance Committee, but those of us who were present on the occasion of its having been reported out, acting together in the spirit of harmony, as we ought to have done, and must do, if we are to get anywhere with legislation, after the Secretary had sent his letter of warning to the Senate we had many conferences about the questions. We then went down and talked it over with the President, as we had the right to do, and as he ought to have permitted us to do. Then we insisted that the President of the United States should come up here and make a statement to the country—not to the Senate, for we knew the situation—with reference to that condition and situation.

The President, largely in obedience to the request of those Senators, came and made a statement. I submit that it was an open, frank, manly statement. There was not anything secret about it. It was precisely a statement of the exact situation.

Mr. REED. An open statement is hardly ever a secret statement.

Mr. WATSON of Indiana. I say it was an open statement; there was nothing secret about it; there was nothing secret about the way in which it was accomplished. It was a statement by the President of the United States, made not alone to the Senate of the United States, but through the Senate of the United States to the country, on a very vital situation. Certainly there was nothing extraordinary about that.

Mr. REED. Oh, Mr. President, I am not discussing whether it was extraordinary or ordinary; but it now appears that this thought, this idea, was conceived in the brain of certain Senators. They had pledged themselves to vote for a bonus bill, and they arrived at a certain conclusion, which had never even occurred to the President or dawned upon him, and they went down and said to him, "Now, you must come up here and say something to the country to excuse us for failing to carry out our pledges." It was not very generous to President Harding to put him in the breach and make him stand as Horatius at the bridge, when the Senator from Indiana and so many other gallant Senators might have filled that breach.

Mr. President, I should like to ask the Senator from Indiana if there were any other negotiations; if there was not some word that came from the White House to certain Senators that this bill had to be stopped; if that did not stir the waters and trouble them; and then the Senators went down to talk the matter over, and then the President came over here and made his speech? Is not that just about what happened?

Mr. WATSON of Indiana. No; that is not what happened.

Mr. REED. Then the newspapers were at fault when they reported that Senators were going down to the White House for advice.

Mr. WATSON of Indiana. Senators did go down there; and I trust there will be no time during the present administration when Senators will not go down there. I trust they will go on their own initiative and on their own notion and that they will go after being invited by the President to come; not alone Senators on this side of the Chamber, but on the other side of the Chamber as well. I hope that during all of this administration the Senate of the United States will act in cooperation and in sympathy with the President of the United States.

Mr. REED. I, too, hope so.

Mr. WATSON of Indiana. Certainly. We all hope so.

Mr. President, the truth about the matter is that when the letter of the Secretary of the Treasury came here Senators on this side who did not know about the financial condition of the country were startled into action. As a result conferences were held. Then Senators began to go to see the President. I do not say that the President did not send for certain Senators, for I do not know. I know that I went to the White House to talk to the President personally, and I know that other Senators went there to discuss the matter with the President personally, as they had the right to do. There were conferences at the White House about the situation. It was a real, vital, pressing matter before us, and we had to deal with it. We thought we took the best method of dealing with it in a patriotic manner. There was not anything unusual about it; certainly there was nothing reprehensible in regard to it. It was simply the President of the United States and the majority party cooperating on a proposition that was before us for immediate action, a proposition which had to be settled at once.

Mr. REED. Mr. President, the Secretary of the Treasury had known about this legislation; the President had known that it was pending before committees and before Congress; the fact is that somebody convinced the Secretary of the Treasury that this bill ought to be killed. He sent his letter; it produced consternation; and then there may have been, I do not know how many, consultations with the President, but at last it was necessary to bring the President here to get the votes in this body, and everybody knows it.

Mr. President, there is another observation which I desire to make. I have been led a little aside from my line of thought. Are we to postpone doing what the Senator from North Dakota insists is an act of high justice—and the Senator from Indiana seems to echo the sentiment—until foreign countries shall do certain other things? Shall we postpone it and postpone the collection of the interest on the foreign debt when Great Britain is expending, according to the best estimates I can get, over $700,000,000 a year to increase the size of a navy that is now nearly equal to the combined navies of the earth—increasing the size of her navy for what purpose and to fight whom? Austria has been dismembered; Germany is prostrate and her last vessel taken from her; France has a navy of not great size; and certainly Great Britain will not claim she is arming against France. Japan is building a navy, but Japan and England have an alliance which ties them together in a way that, as a Member of this body, I do not like to see. For whom, then, is this vast armament prepared? For what potential rival in world trade is it prepared? Why is it necessary for her to increase her fleet? Does she fear the United States? Does she believe that this country, that engages in no wars of conquest, that seeks to seize no territory, that undertakes the domination of no protesting people, will ever attack her? Why should it require long conferences to determine whether she is to expend $700,000,000 this year on a navy, and yet not pay to the United States the interest due? I put it to you again, Senators, are the soldiers of the United States to wait for justice for themselves, first, until the bonds have been issued, and, second, shall they wait until Great Britain has completed her navy? Shall we forgive debts or postpone the payment of interest in order that the anvils may ring and the trip hammers may sound as they pound out the steel slabs for more English floating fortresses?

I say that this method of dealing with foreign countries smacks too much of favoritism to suit me. I think our Government should insist that any country that is able to build men-of-war ought to be able to pay the interest on its debts, and that our American soldiers should not be sidetracked in what is admitted by those who sponsored this bill is justice to them in order that navies may be completed or military programs carried out.

Mr. WATSON of Georgia. Mr. President——

Mr. REED. I yield to the Senator from Georgia.

Mr. WATSON of Georgia. I wish to suggest to the Senator from Missouri that our debtor nations are at greater expense in carrying on the dozen wars which they are now waging extensively in Europe, Asia, Africa, and Oceania than they are in building up their navies.

Mr. REED. I was just coming to that question. Sir, since the last battle flag was furled upon the frontier of France, since we set up by our ipse dixit, if you please, in connection with Great Britain and other countries, Poland, that country, as British statesmen have finally said, in violation of its obligations to those who had created it, without warrant, without right, invaded Russia for 300 or 400 miles, expended huge sums of money, kept her soldiers in the field and away from productive activities. To carry on that war we directly contributed in supplying the civil population of Poland with from something like $57,000,000 to $60,000,000 worth of goods. How much we contributed indirectly through the sale of war supplies I am unable to state. I say that it is time to tell the countries of Europe to quit fighting and to begin paying.

Greece obtained from the United States just 90 days ago, and under the present administration, the payment of over $18,000,000. It was claimed that there was an old commitment. It is admitted that in that joint commitment were France and England, and that France and England refused to put up their part of the money, but we put up $16,000,000. The Secretary of the Treasury now states he does not intend to pay the remainder of it because the terms of the loan have not been met.

But we paid that money; and what is Greece doing, pray, with that money? With that money, or other money of which it takes the place, Greece is keeping armies in the field, trying to enlarge her territory, trying to extend her domains, trying to take some more land from somebody. It costs money to organize armies to go out and take land; and so we have had troubles in other parts of the world that I am not going to weary the Senate at this late hour by discussing.

As long as we sit by and say to these people, "You need not pay us what you owe us," as long as we continue to contribute to them credit, so long they will continue in a state of turmoil. I am not in favor of postponing the payment of that which is just to the soldiers of the United States in order that we may continue a policy that was a mistake in its inception, has been a mistake all along the line, and is rapidly approaching a tragedy.

Moreover, while we are talking about paying our soldiers or not paying them, while those who sponsor this bill say that the debt is a just one and is immediately due and that it should be paid, we find that we must await the funding of foreign loans, and those loans are due from nations one or two of which have been loaning large sums of money to foreign Governments for the purpose of extending their own trade in those foreign countries and taking away a part of the legitimate trade of the United States.

Mr. President, how long can we continue that sort of policy? This much I want to say in concluding what I am talking about this afternoon. It is time to bring these questions of our foreign relations down to practical settlement, to insist upon the obligations being delivered, to insist upon payment as rapidly as it can be made, to demand that foreign Governments shall cease the expenditure of vast sums of money in creating armaments, and to conclude the transactions, so that we shall know exactly where we stand with reference to them; and I see no reason why we should postpone action upon this bill in order that we may get a settlement from abroad.

Mr. JONES of New Mexico. Mr. President, if the Senator will yield, I have heard some references in the debate to-day to the question of forgiving the indebtedness of the debtor nations to the United States, and the public press, I believe, has carried some articles or headlines which would indicate that an attempt was being made by the foreign Governments to get the United States to cancel the indebtedness, and that that was an open question until this administration took charge of governmental affairs.

I desire to call attention to the fact that the Senator from Virginia [Mr. GLASS] to-day asked to have printed in the RECORD, and it will be printed in the RECORD upon his request, a letter from Secretary Houston dated March 1, 1920, in which all idea of canceling such indebtedness was denied.

Mr. CURTIS. Mr. President, that letter was printed in the RECORD either this morning or last night.

Mr. JONES of New Mexico. I am just stating that it is in the RECORD to-day; but I merely wanted to call attention to it, as the Senator from Virginia, at the time he offered it for printing in the RECORD, had no opportunity to make any statement with reference to it.

Mr. REED. Mr. President, I shall conclude, in a very few minutes, what I have to say this afternoon.

A great deal of reference has been made to the fact that the President came here in person. I regret that fact. I regret the fact that the precedent established by Thomas Jefferson so many years ago has ever been violated. I am at liberty to make that statement from this side because I expressed the

same views when President Wilson reversed precedent and went back to the original custom; but I can see no greater objection to President Harding appearing in this body than I could to President Wilson appearing in this body. Neither can I see that there is any greater offense in asking the Senate to defeat a measure than in asking the Senate to pass a measure. To my mind, the distinction between the two propositions is absolutely immaterial; but this is the regret I feel now, and it is not the first time I have felt that regret.

I regret the spectacle of an independent, coordinate branch of the Government, charged with the high responsibilities and duties that are vested in this body and in the House of Representatives, subordinating its own judgment and its own opinion to the opinion of the Chief Executive. When this Government was founded, our fathers who created it were speaking from the very shadow of the thrones of despots. They had felt upon their backs the lash of autocratic power. They surveyed the then present history as well as the ancient history of the world, and they knew that power feeds upon power, and that there was no man ever born of woman so good that he could be trusted with unlimited power. They understood, also, that the Executive naturally draws to himself power, because, being a single individual, he acts with certainty and with full knowledge of his own purposes and intents, whereas a great legislative body is made up of a division of counsels and of numerous men; and so they gave to the Executive exceedingly limited powers.

They did not give him authority to originate a single act of legislation. They took away from him every kingly prerogative. They created a body of representatives, one branch of which must respond to the people once in 24 months, and pass their judgment at an election. They gave that body the sole power of originating legislation, the sole power of passing legislation, and they gave to the Executive only two powers with reference to legislation. One was the mere right to send or deliver a message to Congress, and the other was the right of veto. Then they provided that the veto could be overruled by a two-thirds vote of the respective bodies. They gave him no power to issue decrees. They made him the mere executor of the laws passed by their representatives. They did not give him power to raise an army. Not a soldier can he raise. That power is vested in Congress. They made him Commander in Chief of the Army, but Commander in Chief of the Army that Congress created, and that he could not create. They gave him no power to declare war. They vested that authority in the Congress of the United States, and by so doing they took away from the Executive the chief authority and the chief power that kings had exercised for the oppression of their people. They gave him no authority to spend a dollar of money until it had been appropriated by Congress, and they vested in Congress the sole power and authority to raise revenues for the support of the State; and yet, sir, with all the safeguards that they created, who is there, witnessing the history of this country for the past few years, who has not constantly seen the growing aggression of the Executive and the concentration of power in his hands?

The country will be safe only so long as the three coordinate branches function independently and within the limits of the Constitution. This body has no more right to coerce the President than the President has the right to coerce, directly or indirectly, the judgment of the Members of this body; and there has been presented all through the long course of the years no more pitiable spectacle of complete legislative subserviency, of legislative truckling, of legislative crawling upon the belly at the feet of a master and licking the boots of authority, than is presented in this body by the action it has taken to-day.

Whenever the legislative bodies of this country cease to function independently, exercising their own judgment unawed by authority and unseduced by patronage, the liberties of the people of the United States will be in peril. In part, we have been contributing largely to the present condition through creating powers in the President. Congress, for seven, or eight, or ten years, has been creating boards to be appointed by the President, to function under rules prescribed by those boards. Those rules have been construed by the courts, and sustained, and they almost amount to a delegation of legislative authority, as the courts have sustained those rules. I protest against any further march in that direction. I hope that the President of the United States—for whom I entertain the warmest personal friendship and the highest respect—will, in the future, communicate with this and the other body by written message. We can all read; we can all understand the English language; and there can be but one purpose in any President appearing before these bodies, and that is to throw into the balance personal influence, if not personal authority.

Mr. President, I have said this much, and a good deal more than I intended to say. So far as I am concerned, I do not propose that my action in this body shall ever be changed by the mere appearance of an Executive in it.

Mr. LODGE and Mr. KING addressed the Chair.

The VICE PRESIDENT. The Senator from Massachusetts.

Mr. KING. Mr. President, will the Senator yield for one moment?

MESSAGE FROM THE HOUSE.

A message from the House of Representatives by Mr. Overhue, its enrolling clerk, announced that the House had receded from its disagreement to the amendment of the Senate No. 3 to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, and that the House had concurred therein.

ADDRESS BY SENATOR POMERENE.

SEVERAL SENATORS addressed the Chair.

Mr. LODGE. Mr. President, the hour is now late and I was about to move to adjourn. I do not want to yield for business that will give rise to any debate.

Mr. KING. Mr. President, the Senator from Ohio [Mr. POMERENE] delivered an address this morning in Cleveland, Ohio, before the Ohio State Bankers' Association, upon the Federal Reserve Board, its functions and activities. It is a very excellent address, I think we shall all be glad to read it, and I ask that it may be inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SENATOR POMERENE'S ADDRESS BEFORE THE OHIO STATE BANKERS' ASSOCIATION, CLEVELAND, OHIO, JULY 15, 1921.

READJUST AND HAVE FAITH.

Senator ATLEE POMERENE said:

"To-day if I were to echo the prophecies which were made by bankers concerning the Federal reserve act in 1913 when it became a law, I would be compelled to report that the Federal reserve system is a dismal failure; but if I were to make that statement it would not be true to history.

"In 1913, from a standpoint of scientific banking, the United States was the last in the list of commercial nations. Now in this year 1921 it stands first among all of the banking systems of the world.

"In 1913 we were a debtor Nation. Now we are a creditor Nation.

"On June 30, 1913, the entire gold supply of the United States was $1,870,762,000. On June 30, 1921, it was $3,223,352,000.

"I am not here to-day to say that the Federal reserve system is the last word in banking, but it is so much better than any system we have ever had in the United States that the American people will require strict proof before they will consent to any fundamental changes. A banking system which was able to finance the industries of the United States, and the operations of the Government during the great World War, and to loan $10,000,000,000 to our allies, without asking aid from any other nation, must have been well conceived and well administered. Under it bank failures have been comparatively few.

"During the fiscal year ending October 31, 1918, only one bank failed. During the fiscal year ending October 31, 1919, two banks failed. During the fiscal year ending October 31, 1920, five banks failed. Since October 31, 1920, the number of failures have increased. Up to the present date there have been 26 failures, all of them small. Only three of the banks, two in Idaho and one in California, had a capital of $100,000 each. Each of the others had a capital stock ranging from $25,000 to $50,000.

"In its early days we heard many complaints of its expense and of the large amount of reserves required. Many thought this reserve system unnecessary. They preferred to carry their own reserves in private banks where they could draw interest. Our experience during the war and since has changed the views of the most credulous.

"I have in mind the president of a large and well-managed bank in Ohio who criticized the law severely because he could no longer draw interest on his reserves. When I called his attention to the reduced reserves he was required to carry, the opportunities for rediscounting, and the protection the system was to every bank, he condemned rediscounting. He said he had no occasion to resort to rediscounting, as he had more funds in his bank than he could loan. That 60 per cent of the member banks have availed themselves of the privilege of rediscounting during the past year is a sufficient answer to his objection.

"Another big banker said if the bill became a law he would lose one-third of his deposits. Two years later I saw the finan-

cial statement of his bank. His increased deposits were twice what he predicted his loss would be.

"But while I have thus called attention to some of the objections made to the system by the bankers themselves when it was adopted, I want here to-day to pay my tribute to them for their splendid efforts toward making it a success and for the loyal and patriotic services they rendered in helping this Government to finance its great war operations. The Federal reserve system has been tested in the crucible of the World War and its aftermath. It is found to be pure gold and little dross.

"It has served the financial needs of the Government and of our people. It has never been the victim of political manipulation, and I shall never forgive nor forget either the person or the party that will ever attempt to lay political hands upon it. It must continue the servant of the Government and the whole people without fear or favor.

"One of our difficulties in the past has been that neither the bankers nor the country ever realized the extent of our resources or the strength of our credit when it was organized into one great system.

"Shortly after Secretary McAdoo issued his call for the first Liberty loan of $2,000,000,000 a leading banker of the country, one known to most of you, called at my office in Washington to tell me of a meeting of the representative bankers of the United States, held the day before in New York, to canvass the situation and to make preliminary arrangements to aid the Government in placing this loan. He said: 'Senator, after going over the situation very carefully, we have come to the conclusion that we can not raise two billions of money. The best the bankers can do is to raise one billion, and we want you to go to the Secretary of the Treasury and ask him to limit the call to one billion.'

"My faith in my country was 'even as a grain of mustard seed.' I replied: 'More loans must follow this, and if we can not raise more than one billion now we had better stop the war, and at once.' The result—instead of $1,000,000,000 only being subscribed, the total was $2,800,000,000—thanks to the patriotism of the whole people.

"The trouble with all of us is we do not appreciate our national strength.

"One of the primary purposes of the Federal reserve act was to give the country an elastic currency which would respond to the demands of the commerce of the country. This is secured to the public by the system of rediscounting by the Federal reserve banks and by the issuance as needed of Federal reserve notes. Necessarily, the maximum of service consistent with safety requires the Federal Reserve Board, the Federal reserve banks, and the member banks to view financial problems from both sides of the counter. Too much inflation is perhaps worse than too great deflation.

"The member banks are the agencies of the system which serve the borrower and the depositor. The wisdom or the unwisdom of making loans lies with them. If credit has been too much curtailed in any given locality, it is the member bank that is primarily to blame, not the Federal reserve bank or the Federal Reserve Board. The Federal reserve bank is the immediate guardian of the reserves of the member banks. They rediscount the eligible paper of the member banks much the same as a member bank discounts the paper of the borrower. The sound discretion which controls the member bank in making loans in order to conserve the interest of the stockholders and depositors must control the Federal reserve banks when they rediscount the eligible paper of the member banks or call for the issuance of Federal reserve notes.

"The member bank owes it to its community to loan the necessary money for its financial needs to proper persons within reasonable limits, and in order to keep within the limit of safety it must have due regard not only to the credit of the borrower but to his collateral as well. Loans which it could make with safety on a rising market must be made with caution on an unsettled or a falling market. If a man by reason of his holdings is entitled to a line of credit of $10,000 to-day and the values are actually rising, it may be increased. If the increase is purely speculative, or consists merely of book profits, an extension of the line of credit would be fraught with danger not only to the bank but to its depositors and the community as a whole. I know this thought is elemental with bankers, but some people do not seem to understand it. Some officials in Washington do not seem to understand it. Some of them never will be satisfied until the Federal Reserve Board installs a printing press and operates it according to the rules laid down by Lenin and Trotski. They seem to think the more money the borrower wants the more the bank should lend him, and the more uncertain the value of the security the longer the loan should be extended.

"The same elements of caution must be exercised by the Federal reserve banks and the Federal Reserve Board in rediscounting paper of the member banks and in the issuance of Federal reserve notes. On the one hand they must have due regard to the community which the member bank serves and for which rediscounts are desired, but they must also have an eye to the safety of the member bank, its depositors, and the entire financial system of the country.

"REDISCOUNT RATES.

"The rediscount rate before the war was, I believe, 4 per cent. Still later this rate was increased to 4½, 6, 6½, and at times 7 per cent. Now it is 6 per cent, except in two banks where it is 6½ per cent. In several of the districts the rate for a time was graduated. The purpose of increasing the rediscount rate was not to make money for the Federal reserve banks. It was to prevent further inflation. The more money some men could borrow the more they wanted to borrow. They thought they were making money basing their estimates on book values. Many were so eager to invest further that they could only see the sun of rising prices. It dazzled their eyes and befogged their judgment. They forgot that the economic history of the world records that every era of inflated prices is always followed by deflation. Before some of them realized the danger confronting them they were on the brink of the precipice of declining prices. Men of this type are never ready for pay day, and it often happens that they forget the favors of past loans, only to complain because they can not get further loans.

"Let me not be misunderstood. Of course, I will be reminded by those who believe in approaching unlimited rediscount privileges and the unlimited issuance of Federal reserve notes that the Federal reserve banks can only rediscount 'notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used or are to be used for such purposes, the Federal Reserve Board to have the right to determine or define the character of the paper thus eligible for discount within the meaning of this act.'

"True, the act requires the further definition that this language shall not be construed to prohibit such 'notes, drafts, and bills of exchange secured by staple agricultural products or other goods, wares, or merchandise from being eligible for such discount, but such definition shall not include notes, drafts, or bills covering merely investments or issued or drawn for the purpose of carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States.'

"The real purpose of this language which the Congress, the Federal Reserve Board, the Federal reserve banks, the member banks, and every sound-thinking man must have in mind was and is to prevent the using of these agencies of the whole people for purposes of speculation or investment.

"We must remember that the speculator or investor is not limited to the narrow confines of Wall Street. He may be the man who bought or held cotton during or after the war, hoping to unload it upon the European Governments at an exorbitantly high price, only to find that foreign exchange was so low in value that he could not sell much of it except at a loss. He may be the wheat broker in Chicago who bought at high prices the wheat of the country, anticipating that he, too, could sell it to the starving millions of Europe, but forgot that they had no gold, and he would not take their depreciated currency. He may be the man engaged in any line of industry who thought that the rising market was going to continue, only to learn later that there would be a buyers' strike and he could not unload at a profit that which he had accumulated for speculative or investment purposes.

"Let me go a step further. Whether a man raises or purchases wheat or corn or cotton or wool or live stock, whether a man fills his warehouses with his finished product, or whether a man mines and stores his coal and does all of these things without regard to the current demands of the country, it is speculation just the same. The difference is in degree and not in kind. It is the voice of Jacob, but it is the hand of Esau.

"I am not referring to these facts for the purpose of picking quarrels. I refer to them only to point out the truth that adorns the tale.

"PURPOSE OF FEDERAL RESERVE SYSTEM.

"The Federal reserve act created a Federal reserve system, and its ultimate aim was to aid agriculture, industry, and commerce. It was not intended to enable those who have to hold to an unreasonable extent or for an unreasonable time, though the entire country may suffer thereby. The Federal reserve system can and ought to take care of the legitimate needs of

the country. It is not an investment institution. It was never intended to, and it can not take care of the speculative demands of the country. No banking system can be devised that is bombproof against speculation.

"No member of the Federal Reserve Board, no director of a Federal reserve bank, and no president or cashier of a member bank has a right to jeopardize the financial condition of the country or the safety of the individual depositors by loaning without limit to those who speculate on values in an uncertain or a falling market.

"Some of my friends in the Senate have complained because the Federal Reserve Board approved certain increases in the rediscount rates. Of course, unreasonable increases might have curtailed credit, enforced sales, and thereby depressed prices. But while these distinguished gentlemen have been pointing out that the increases in the rediscount rates were concurrent with declining values they make bold to say they caused the declining values.

"The truth is that before these increases in the rediscount rates were made the inflation had been continuing for a period of months increasingly at an angle of 45 degrees. If the bank authorities had permitted this inflation to continue for a few months longer, our Federal reserve bank system would have been ruined and we would have approached the conditions prevailing in Germany, France, and other European countries. The truth is that at the very period that complaint was made that this deflation was going on there was no deflation. The Federal Reserve Board simply reduced the angle of inflation from 45 degrees to 2 degrees.

"On September 15, 1919, the invested assets of the Federal reserve banks amounted to $2,350,000,000. Bank credits were constantly expanding. The discount rate continued at 4 per cent until December, 1919. Early that month it was advanced to 4½ per cent. During the latter part of January, 1920, the rates were advanced to 6 per cent.

"On January 23, 1920, the total rediscounts and earning assets of the Federal reserve banks amounted to $3,300,000,000, an increase since September 15, 1919, of $950,000,000.

"Gov. Harding is my authority for the statement that after the discount rates were raised to 6 per cent in January, 1920, the loans and invested assets of the Federal reserve banks continued to increase until November 5, 1920. This increase was steady and gradual by about $400,000,000. The volume of Federal reserve notes in circulation increased during the period from January 16, 1920, to December 24, 1920, from $2,800,000,000 to $3,400,000,000, or about $600,000,000.

"Wholesale prices began to decline about the middle of May, 1920. At that time they had reached about 272, as compared with a basic price of 100, for the year 1913. After the middle of May wholesale prices declined steadily, although the loans of the Federal reserve banks and the Federal reserve note issues increased until November 5 and December 24, respectively—six months after the great price reactions began.

"THE PROPOSED 5 PER CENT REDISCOUNT NOSTRUM.

"Many nostrums have been proposed to control those who are responsible for the sound administration of our finances, and to grant supposed relief to their constituencies. It is urged with very great earnestness that the rediscount rate should be limited to 5 per cent. It is then explained that the money thus obtained can be loaned to the member banks at 6 per cent.

"There are 10 States in the Union in which the interest rate is 12 per cent. There are 12 States in the Union in which the interest rate is 10 per cent. Some of our friends who are urging the 5 per cent rediscount rate come from these States. If they would cast their eyes toward the capitals of their own States and urge their legislatures to reduce the local rates to 6 and 8 per cent, they would in truth be granting a real service not only to their own people but to their own bankers as well. Of course, every one realizes that if we were to fix the rediscount rate arbitrarily at 5 per cent, it would have three effects.

"First, it would permit unreasonable inflation and consequent ruin.

"Secondly, it would withdraw one of the safeguards from our gold reserves.

"Thirdly, it would permit the bankers in these States to make the difference between the 5 per cent rediscount rate and the 10 or 12 per cent at which they loaned their money to the suffering farmers and stock raisers of the country. No farmer or business man in normal times can afford to pay such exorbitant rates.

"Again, even if the Federal reserve banks were to rediscount additional paper on the condition that it would only be loaned by the member bank at 1 per cent in advance of the discount rate, except in rare cases, the money would not be accepted. It stands to reason that if a bank loans $500,000 to its clients at 10 or 12 per cent, it would not loan the proceeds of rediscounted paper at 6 per cent in the same community, to the same class of people, on the same security, at the reduced rate. That is too plain for argument.

"It may be that the Federal reserve banks and the Federal Reserve Board have made mistakes. I assume they have, but the finances of the country are now better managed than they would have been if they had been left to the wisdom of Congress.

"It may be that some banks have not done their full duty toward their respective communities in the way of financial aid. I can not pass judgment upon them. I do not know the conditions surrounding them. Sixty per cent of the member banks during the past year have availed themselves of the rediscount privilege. Forty per cent have not. But who shall say that they ought or ought not to have done it? If they have not done it, it is neither the fault of the Federal Reserve Board nor for the most part of the Federal reserve banks.

"Rediscounting has increased tremendously under the present reserve system. In the panic of 1907 the national banks rediscounted or borrowed only 1¼ per cent of their total loans. In 1914 they rediscounted or borrowed only 2¼ per cent of their total loans. On June 21, 1921, the total rediscounts carried by the Federal reserve banks for the 60 per cent of the member banks which were rediscounting, equaled 15 per cent of the total loans and discounts of all the member banks.

"CAUSES OF PRESENT CONDITIONS.

"First. It can hardly be said that present conditions are due to a lack of currency. In 1896 the per capita circulation was $21.44. In 1917, during the war, it was $45.74. On July 1, 1921, it was $53.42. And we must always remember that under the present system our credits are better assembled, and, if I may use the term, more liquid, so that barring the increase in values less currency is required to finance a given unit of a business than formerly. I am firm in the faith that the Federal Reserve Board is not responsible for the present decline of values unless to borrow a figure of speech it can be proven that giving the signal against the consequences of undue inflation is itself the cause of a storm. And if the Federal Reserve Board had failed to give a gentle warning and investors or speculators had lost by reason thereof, they would have accused the Federal Reserve Board with equal agility for not giving them timely admonition.

"Second. They are not due to the policy of the Federal reserve banks. I now speak generally. The rediscounting was theirs primarily to do and my belief is for the most part they acted with entire fidelity and with great intelligence in the administration of their trust.

"Third. They may be due, in part, whether rightly or wrongly, to the fact that 40 per cent of the member banks did not avail themselves of the rediscount privileges and thereby limited the extension of their usefulness in their communities. But no man can safely pass judgment upon these banks until he is put in possession of all the facts.

"Fourth. The primary cause, in my judgment, is due to the fact that prices have gone so high that whether voluntarily or involuntarily consumers, domestic and foreign, refused to buy. In other words, they struck.

"Fifth. Some member banks, particularly in the West and the South, exhausted their loaning ability by extending large loans to the buyer of land, of cotton, wool, wheat, corn, live stock, and other commodities, who were engaged in speculation, and as a result it curtailed their ability to extend further financial aid to the farmers and stock raisers who needed it.

"Sixth. But more than this: When prices were rising, or beginning to fall, many of the farm papers of the country were urging the farmers to hold on to their cotton, their wool, their wheat, their corn, their live stock, for a rise in the market, when every sign of the times indicated to the intelligent mind an approaching falling market. Certainly all such papers must bear their share of responsibility. Let me be specific.

"The editor of the Nonpartisan Leader, Minneapolis, September 20, 1920, speaking of declining prices, said:

"Farm organizations of Nebraska, Kansas, Oklahoma, and Missouri also are distributing literature showing that the cost of raising wheat in these United States is $2.77 per bushel, and urging farmers not to sell until they get that price and enough additional to give them 23 cents a bushel profit.

"In other words, they urged holding for $3 wheat. This is splendid advice. But how many farmers have storage facilities?

"Wallace's Farmer, October 8, 1920, says:

"About the only thing the farmer can do under present conditions is to avoid dumping his crop on the market in the time-honored way. The financial and business interests of the country will do everything they can still further to break prices of farm products during the next

six months, and the only way the farmer can meet this is by holding back his crops, most of which are already selling at less than the cost of production.

"In other issues it advises the farmers to hold.

"The Courier-News, Fargo, N. Dak., October 12, 1920, quotes from the Fargo Forum the following:

"Since you advised the farmers to hold their wheat when it was selling 60 to 70 cents higher than it is now, what advice have you now to give to the farmers who followed your previous advice? Should they continue to hold? Or should they take their loss and sell out now?

"And then the Courier-News answers these questions in these words:

"Our advice, in one word, is 'Hold.'

"An examination of agricultural and other papers will indicate that this counsel was pretty generally given by those who were advising the farmers. It would be good advice if it saved the farmer. It will prove bad advice if it results in greater losses to him.

"Seventh. Some of the loss is due to men in public life and others who advised against selling, anticipating, as they thought, a rise in the market instead of a fall that was bound to come in the proper readjustment in the financial and economic conditions from a war to a peace basis. I have in mind at the present moment one Senator who had a very substantial amount of cotton raised on his own plantation. He could have sold it at 40 cents a pound. He consulted an eminent friend in the South, who was both a manufacturer and a planter. He was advised to hold his cotton, because all of the signs of the times pointed to the fact that it would advance to 50 cents a pound. Cotton is now, I believe, 12 or 15 cents a pound, and he is still holding. He is a good friend. I hope he may get his 50 cents. But I am afraid he was badly advised.

"RAILROAD FINANCES.

"And may I, in this connection, say a word concerning our railroads, because they are so intimately related to our readjustment problem?

"I am not unmindful of the many well-founded criticisms which are laid at the doors of our transportation system, but if at the same time we will compare it with the railway systems of the Old World, we are bound to pronounce it the best system in the world, furnishing transportation at the cheapest rates per ton or per train-mile in the world, and with the best paid labor in the world.

"In dealing with this subject we must bear in mind that the war reduced the morale of the railroads quite as much, if not more, than it did private industry. That it was necessary for the Government to take over and operate the railroads, I have no doubt. The entire activities of the country were organized into one great war machine. The problem was to hurry up the manufacture and transportation of war supplies for the boys who were on their way to the front to fight the battles of democracy and world freedom.

As a result of Government control, notwithstanding the increases in traffic rates, the railroads were left with a known and conceded deficit of over $1,200,000,000, part of which has been and all of which must be paid out of the Public Treasury. This does not include most of the claims for depreciation. Many have been filed, and if the claims of the railroads which are not yet filed shall be proportionately as large as those already filed, the total of unliquidated claims will amount to between $1,500,000,000 and $2,000,000,000 additional. Of course, it would be but a wild guess to state what part of this amount must ultimately be paid. Enough is known, however, to make us realize that it will be no inconsiderable sum.

"It must be borne in mind that during the period of Government operation the Government fixed both the expenditures and the rates of traffic upon which the railroads were dependent for their receipts. That very substantial increases in wages were necessary all fair-minded men will admit. That increases in traffic rates were necessary, too, must also be conceded. Sound business judgment would have suggested that traffic rates should have been increased in anticipation of the increased scale of wages. Instead, the director general increased the wages and dated them back to the 1st of January, 1918, but the traffic rates were not increased until July 1, so that there were 12 months' increase in expenditures and only 6 months' increase in income.

"Time will not permit going into details. Suffice it to say that the Government itself is largely to blame for present conditions, and not the railroad executives, even if the present management may be guilty of shortcomings.

"According to the best estimate of the Interstate Commerce Commission the investment value of the railroads as determined for rate making was fixed at $19,200,000,000. In determining the rental value to be paid the railroads the average earnings for the years 1915, 1916, and 1917 were used as a standard of return. This average amounted to 5.24 per cent. The guaranty period was extended from March 1, 1920, the day on which private control was resumed, until September 1, 1920, for the very reason that the scale of wages was likewise continued and most of the expenditures for equipment and supplies had already been incurred under Government control.

"In the transportation act, approved February 28, 1920, the Congress of the United States sought to stabilize the finances of the railroads by laying down a rule for rate making. It provides for a 'fair return' on the railroad property, and during the two years beginning March 1, 1920, and ending March 1, 1922, Congress directed the commission to take as such 'fair return' a sum equal to 5½ per cent of the aggregate value of the railroads, but in its discretion the commission might add thereto one-half of 1 per cent of such value to provide for improvements, betterments, and equipment. It could not, however, under any circumstances be distributed as net earnings among the stockholders.

"Critics of the transportation act charge that the present high traffic rates are due to this provision. I can say to you that the Interstate Commerce Commission raised the rates last year because increased expenses, largely due to the advance in wages, required it, and without any regard whatsoever to the rate of return fixed in the transportation act. I have no doubt that the same rates would have been fixed under the old law if the rule of rate making had not been changed.

"FINANCIAL CONDITION OF RAILROADS VISUALIZED.

"Railroads, like every other industrial activity, have felt the effect of economic conditions, both in the volume of their traffic and in their financial returns. In weighing this subject remember that the average earnings of the railroads on the book investment for the years 1910 to 1916 was only 4.94 per cent. I have told you that the average earnings during the test period of three years was 5.24 per cent, but during the calendar year 1920 the entire net earnings of all the railroads of the country were only $61,926,626 available for interest on bonds and dividends on stock, or less than three-tenths of 1 per cent. For the first year after their return by the Government, from March 1, 1920, to March 1, 1921, the net earnings of the railroads were less than three millions of dollars, or about one-twentieth of three-tenths of 1 per cent. It will be remembered that during most of this time wages and other expenses were at their peak.

"Let me see if I can visualize to you the financial condition of the railroads in another way. The total hours of duty of all employees in 1920 were only 7.68 per cent larger than in 1916, but the total wages paid in 1920 was 151.82 per cent greater than in 1916. The revenues received in 1920 over 1916 were 71.58 per cent greater, but the total expenditures increased 141.71 per cent.

"Or, let me state it in another form: The total operating revenue of 1916 was $3,596,865,766. The net operating income for that year applicable for interest, dividends, and other corporation charges was $1,040,084,517, the best recent year in the history of railroading.

"The total increase in revenue in 1920 over 1916, due both to increased traffic and increased rates and charges, aggregated $2,574,627,535. But total wages increased $2,229,639,957. The cost of fuel increased $729,452,416. The total increase in expenses was $3,411,321,601, or an increase in expenses in 1920 over 1916 in excess of increase in revenues of $836,694,066. From this amount must be deducted the increase in taxes, hire of equipment, rent, etc., $141,461,825, leaving the net operating income in 1920 available for interest and other corporate purposes, as I have heretofore stated, $61,928,626, as compared with that earned in 1916 of $1,040,840,517.

"How absurd, therefore, for anyone to attempt to say to the public that the present high traffic rates are due to the alleged guaranty in the transportation act. In truth there is no guaranty. Congress simply provided for a rule of rate making, which the Interstate Commerce Commission was instructed to have before it for the period of two years ending March 1, 1922, and this term will expire in seven and one-half months. And even if the railroads would have earned 5½ per cent on the total investment, who would say this is excessive in view of the fact that the Government of the United States is now obliged to pay 5¾ per cent interest for short-time loans to take care of our floating indebtedness?

"Or let me put the railroad problem up to you in still another form.

"The ratio of operating expenses to operating revenues for the year ending December 31, 1916, was 65.64 per cent; for the year ending December 31, 1917, 70.48 per cent. At the suggestion of Senator CUMMINS the figures were readjusted so as to make the year end with February. Thus readjusted, for the year 1918 the ratio of operating expenses to operating revenues

was 73 per cent; for 1919, 82 per cent; for 1920, 85 per cent; and for 1921, 94 per cent.

"I hope my discussion thus far has demonstrated the necessity for readjustment in every branch of our economic activities. I mean to apply this to every individual and to every class.

"CAPITAL AND LABOR.

"We are prone to divide human activities into two classes, capital and labor. In one sense—a very general sense—this is correct, but it leads to confusion of thought.

"I think we will all be better able to understand the economics of the present industrial crisis if we forget that distinction and remember that in another sense we are all capitalists, and in still another sense we are all laborers.

"The man who has saved some money organizes a bank, puts his money into it, and invites his neighbors and friends to deposit their savings with him so that they may be loaned out to another member of the community, who has a little manufacturing plant; surely he is laboring. And the manufacturer who borrows that money so that he can buy and assemble his raw material in order to fill the orders he has solicited, surely he is laboring just as certainly as the man in the shop who strikes his anvil with his hammer or rips the board with his saw. They are all laborers earning their bread by the sweat of their brow.

"But on the other hand and in another sense they are all capitalists, too. The skilled hands, the strong muscles, and the clear head of the workman form his capital, and when he contracts to use them in a shop he is contributing his capital to the enterprise just as surely as is the man who owns the plant, buys the raw material, and sells the finished product. And, again, this manufacturer with his investment is just as much a capitalist as is the banker who loans the money for the conduct of the business.

"War creates an abnormal condition. Labor and capital are both diverted from their usual routine. Their activities in war for the most part are of little value in time of peace. After the war comes readjustment for peace conditions. The unity of purpose which existed during the war is now dissipated. Each man and woman seeks to return to normal activities. It takes time for readjustment. All recognize the necessity of it. The basic trouble is few are willing to take the lead. Patriotic duty requires that every man and woman shall lend themselves to a proper readjustment with the same patriotic purpose which inspired their activities in time of war against the common enemy. Capital and labor, employer and employee, must remember that they are a part of the whole. They must not be antagonistic. They must do teamwork. Any man who in the name of capital or in the name of labor seeks to create an antagonism between the two is not the friend of either but the foe of both.

"Fundamentally, our country is as solid as the rock of Gibraltar. Our troubles are subjective rather than objective. They are from within ourselves rather than from without. A little common counsel will bring us together.

"We have gone through the biggest war of all civilization. We won the struggle not solely for our country but for humanity. As unitedly we won the war, so unitedly must we win the peace. As all stood shoulder to shoulder then, so must we stand shoulder to shoulder now. As every man made sacrifices then, so must he make sacrifices now. As no man had his way then, so no man shall have his way now. As no class ruled then, so no class shall rule now. Men who have studied the psychology of our country know without my telling them that no autocrat, whether he is of the capital, labor, or any other class, can rule for any length of time in this country. He may for a time gain temporary control, but it will be only temporary. He even will be rejected by his own class. The vast majority of all classes are fairminded. Their instincts are just. Some may for a time make exactions to which they are not entitled, but their purpose will be fathomed and their rule will be ended.

PRICE READJUSTMENT MUST COME.

"Let these facts be borne in mind, and we will have little difficulty in solving present problems. What is needed now more than anything else is a reasonable readjustment of prices. This applies to every man who has anything to sell, whether it is product or labor.

"I realize very fully that the readjustment of wages so as not to do an injustice must be made with great care. This for the very good reason that ordinarily when there is an advance in the cost of living wages unfortunately are advanced last. Justice requires that with the advancing cost of living, wages ought to advance first, but in the case of falling prices wages should be the last to fall. Nevertheless, they must rise and they must fall in proper proportion as the cost of living rises and falls. And in whatever observations I may have made on this subject, it is with this thought, thus expressed, always in mind.

"During the war we were in a rising market. There was more of demand than there was of supply, and in the rising markets the seller's demands are limited only by his desires. Not so in a falling market. War prices can not obtain in peace any more than peace prices can obtain in war. There is only one way to keep up with high prices, and that is to bring on another war. Who wants that?

"Readjustment of prices is the first step to be taken in making the return to normal activity. This means, not that I must adjust my prices, or that you must adjust your prices. It means you and I must adjust our prices. This applies to every individual and to every class; and when this readjustment comes, prosperity will be here. Products which are made out of high-priced material and high-priced labor must be sacrificed, if not to-day, then to-morrow. Procrastination in price cutting now is the thief of our prosperity. The public will not continue to buy goods at war prices. They would not if they could. They could not if they would. It is better for the merchant—and for the community—to sell his high-priced merchandise at a small profit, or at no profit, than to keep it in his store until it is shelf worn, at a high profit on his stock books, without being able to sell it. It is better for him to have many sales at small margins than no sales at high book margins.

"The same principle applies to labor. It is better for the laboring man that he have work 300 days in a year at a reasonable wage than to have work part time each year at an extravagantly high wage. To the laborer no work at high wages means starvation for him and his family. Work at reasonable wages means comfort and happiness to him and his household. Intelligent men know these facts. Honest men admit them.

"To-day the one obstructor in the way of prosperity is he who is unreasonably keeping up high prices, whether it be of product or of labor, and the man who continues to preach against reasonable reductions in the prices of either is the worst enemy that labor or the country has.

"No man ever heard me say aught against a just wage. I believe not only in a fair wage, but in a good wage. I want our labor to continue to be the best-paid labor in the world. I love to see the workers' families well clothed, well fed, well housed, well educated.

"I have always felt, and I feel now, that the average man, whether he be of one class or another, wants to be just. I can not believe that as a citizen of this country he is going to allow his duty to it to be controlled by a selfish spirit.

"On the other hand, no employer is justified in taking advantage of labor's necessities in order to dictate to him the amount of his stipend. Wages should be determined by a reasonable adjustment between reasonable men, not by unreasonable exactions on one side or the other. No man and no set of men ought to be at the mercy of any other man or any other set of men. And neither shall the unorganized public be at the mercy either of capital or of labor. The public wants, and I want, every man and every class of men to have their due. More than that no man or any class of men has any right to expect, and they can not have more than their due unless it is at the expense of the public.

"Less of arbitrariness and more of justice will bring the country to the right goal. I know this is what honest labor and honest capital want. It is what the reasonable employee and the reasonable employer want, and those who are unreasonable enough to want anything else will be run over by those who are reasonable. If during the coming winter there shall be suffering in this country, it will be the unreasonable employer and the unreasonable labor leader who will be responsible for it.

"I am not referring to present conditions in a faultfinding way. I know that during the period of the war the morale of the country was so disturbed that no one man or any one class of men was responsible for the conditions. All must accept their responsibility. It is one of the misfortunes that must be charged to war. I am referring to conditions with the hope I may help all classes to see conditions as they are and in order that we all may determine what should be done under present conditions.

"As I have stood in the past for reasonable increases in wages in order that justice should be done to those who were underpaid, so I feel it my duty to them, as well as to the public, when I am convinced that present high prices are retarding the industry of the country, to plead in the name of the whole country for reasonable and only for reasonable readjustments. The sooner they come the sooner the whole country will return to its activi-

ties with a smile, and the sun of prosperity will begin to shine again.

"Everyone admits that during the war there was an undue inflation of prices, but that was not all. There was an undue inflation of ideas also. The individual thinks in hundreds. He used to think in tens. The Nation as a whole thinks in billions. It used to think in millions. The Government at Washington used to be shocked when our appropriations reached $1,000,000,000. Now the Federal Government is operating at an annual expense of $5,000,000,000. What is the trouble?

"Some weeks ago in order to help my study of our economic problems I sent out a questionnaire to the chambers of commerce and to the central labor organizations in every city of Ohio having a population of 10,000 and over, as well as to some others. I inquired among other things about industrial conditions, the state of unemployment, and the causes therefor. I received many answers. They were all helpful. One man in his answer gave the cause more tersely and more forcefully than all the rest. He said the explanation of present conditions is 'the country is just getting over a big drunk.' I am afraid he told the truth. Whether we are of the employer or the employee class, whether we belong to the idle rich or to those who are objects of charity, let us all take a strong cup of coffee, sober up, and work and save. It will clear our vision. It will help solve the problems that confront us. They will not be half so big as they now seem if we all accept a give-and-take policy in the spirit of the Golden Rule."

Let us readjust; work and have faith.

PETITIONS AND MEMORIALS.

Mr. CUMMINS presented a communication from Edwin S. Bettelheim, jr., chairman national legislative committee, Veterans of Foreign Wars of the United States, which was ordered to lie on the table and to be printed in the RECORD, as follows:

NATIONAL LEGISLATIVE COMMITTEE,
VETERANS OF FOREIGN WARS OF THE UNITED STATES,
Washington, D. C., July 14, 1921.

VICE PRESIDENT OF THE UNITED STATES,
United States Senate, Washington, D. C.

SIR: It is respectfully urged that the following telegram, received from the commander in chief of the Veterans of Foreign Wars of the United States, be brought to the attention of the Senate and placed on record for the Senate's information and guidance:

PITTSBURGH, PA., *July 14, 1921.*

Capt. EDWIN S. BETTELHEIM, Jr.,
319 Metropolitan Bank Building, Washington, D. C.:

Serve notice on Senate that a vote to recommit will be considered by us as a vote against the adjusted compensation bill.

R. G. WOODSIDE,
Commander in Chief Veterans of Foreign Wars of United States.

This telegram is the result of an executive meeting representative of the ex-service men, especially those who saw duty in France, throughout the country.

Trusting that the matter be given kind and due consideration,
Sincerely, yours,

EDWIN S. BETTELHEIM, Jr.,
Chairman.

Mr. MOSES presented a memorandum in the nature of a memorial of sundry citizens and organizations of citizens of Ukrainian ancestry, of Manchester, N. H., remonstrating against alleged Polish atrocities and persecutions in East Galicia and praying that the United States appoint a special commission to investigate conditions in East Galicia, and also that the United States, as one of the sovereigns of East Galicia, demand that the Poles evacuate East Galicia without delay, which was referred to the Committee on Foreign Relations.

Mr. LODGE presented a memorial of sundry members of the medical profession of Boston, Mass., and vicinity, remonstrating against the enactment of legislation supplemental to the national prohibition act, and also remonstrating against present onerous Federal restrictions on the manufacture, prescription, and sale of alcoholic beverages for medicinal purposes, and stating that in their opinion beer and wine have valuable medicinal qualities, etc., which was ordered to lie on the table.

Mr. CAPPER presented a resolution of the Women's Auxiliary, American Legion, of Russell, Kans., favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

Mr. GERRY presented a memorandum in the nature of a memorial of sundry citizens and organizations of citizens of Ukrainian ancestry of Woonsocket, R. I., remonstrating against alleged Polish atrocities and persecutions in East Galicia, and praying that the United States appoint a special commission to investigate conditions in East Galicia, and also that the United States, as one of the sovereigns of East Galicia, demand that the Poles evacuate East Galicia without delay, which was referred to the Committee on Foreign Relations.

Mr. HARRIS. Mr. President, I ask unanimous consent to have printed in the RECORD two resolutions adopted by the legislature of my State in regard to legislation now pending before the Senate.

The resolutions were ordered to be printed in the RECORD and referred as indicated:

To the Committee on Irrigation and Reclamation—

A resolution.

Whereas one of the greatest needs for the development of Georgia is the reclamation of its swamp and low lands and the irrigation of the arid or semiarid lands; and

Whereas the immense cost of such a proposition is a heavier burden than the State can assume without Federal aid and cooperation; and

Whereas the reclamation of the waste lands of the State would mean the addition of hundreds of thousands of dollars of taxable property, and would materially increase the value of the holdings of every landowner in the State, and would mean the practical elimination of malaria and swamp fevers now prevalent in some sections of the State; and

Whereas there are now three bills pending before the Congress of the United States providing for Federal aid and cooperation with the States in the reclamation of swamp and waste lands; in the irrigation of said lands, and in the reforesting of cut-over lands, being House bills Nos. 3726, 6048, and 119: Therefore be it

Resolved by the house (the senate concurring), That the Congress of the United States be requested and urged to pass said bills at the earliest practical moment and that the Senators and Congressmen from Georgia be requested to lend their efforts in securing their passage: Be it further

Resolved, That a copy of this resolution be sent to each of the Senators and Congressmen from this State.

To the Committee on Banking and Currency—

A resolution.

Whereas the agricultural interests of the United States are facing bankruptcy on account of the scarcity of credits; and

Whereas it is of the utmost importance to the whole people of the United States who depend upon the farm for food and raiment that the farmers continue to produce, which is impossible unless financial aid is granted; and

Whereas the Federal farm loan act was enacted for the purpose of affording financial credit to the farming interests of the United States; and

Whereas Hon. GORDON LEE, Member of Congress from Georgia, has introduced a bill to authorize the Secretary of the Treasury to loan to the Federal Farm Loan Board the sum of $200,000,000 to aid the farmer: Now, therefore, be it

Resolved, That the General Assembly of Georgia hereby urges the passage of the said bill and requests the Members of Congress from Georgia to support the said bill; be it further

Resolved, That a copy of these resolutions be sent to the Hon. GORDON LEE, Member of Congress, at Washington, D. C.

REPORTS OF COMMITTEES.

Mr. WARREN, from the Committee on Appropriations, to which was referred the resolution (S. Res. 109) to provide for payment of expenses of Joint Committee on the Reorganization of the Administrative Branch of the Government out of the contingent fund, reported it without amendment.

Mr. JONES of Washington, from the Committee on Commerce, to which was referred the bill (H. R. 1269) to make a preliminary survey of the Calaveras River in California with a view to the control of its floods, reported it without amendment and submitted a report (No. 227) thereon.

AMENDMENT TO NATIONAL PROHIBITION ACT.

Mr. WADSWORTH submitted an amendment intended to be proposed by him to the bill (H. R. 7294) supplemental to the national prohibition act, which was ordered to lie on the table and to be printed.

AMENDMENT TO TARIFF BILL.

Mr. MOSES submitted an amendment intended to be proposed by him to the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

RECLASSIFICATION OF POSTAL EMPLOYEES—CONFERENCE REPORT.

Mr. MOSES. Mr. President, I ask that the Senate proceed to the consideration of the conference report on the bill H. R. 6573, an act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

The VICE PRESIDENT. The Secretary will read the report.

The Assistant Secretary read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same.

GEO. H. MOSES,
THOMAS STERLING,
KENNETH MCKELLAR,
Managers on the part of the Senate.

H. STEENERSON,
W. W. GRIEST,
THOS. M. BELL,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. NORRIS. Mr. President, has the conference report been printed in the RECORD?

The VICE PRESIDENT. It is in the RECORD.

Mr. NORRIS. Has the report been acted on by the House?

Mr. MOSES. It has.

The VICE PRESIDENT. It has been acted on by the House of Representatives.

Mr. NORRIS. I would like to inquire of the Senator from New Hampshire what amendment numbered 1 is?

Mr. MOSES. Amendment numbered 1 is the amendment offered by the Senator from Tennessee [Mr. MCKELLAR] with reference to restoring to the classification and former pay the postal cashiers and money-order cashiers.

Mr. NORRIS. Was that the amendment which it was claimed would result in including under the bill a large number of employees and increasing the expense?

Mr. MOSES. Yes; it is the item which the Senator from Georgia [Mr. WATSON] insisted would increase the expense $600,000 a year.

Mr. NORRIS. That has been eliminated?

Mr. MOSES. It has been eliminated.

Mr. NORRIS. What is amendment numbered 2?

Mr. MOSES. Amendment numbered 2 is one including the laborers with clerks to receive the compensation for overtime work performed between June 5, 1920, and July 1, 1920.

Mr. NORRIS. That was a Senate amendment?

Mr. MOSES. It was a Senate amendment.

Mr. NORRIS. The effect of the Senate amendment was to include laborers as well as clerks?

Mr. MOSES. Yes.

Mr. NORRIS. The House has agreed to that?

Mr. MOSES. It has.

Mr. NORRIS. What is amendment numbered 3, which is still in disagreement?

Mr. MOSES. Amendment numbered 3, Mr. President, was an amendment to authorize the representation of this Government at the International Postal Conference, which opens in Buenos Aires on the 10th of August. It comprises a bill which had been passed previously by the Senate unanimously, but had not been acted on by the House, and in order to get action upon it it was put on as an amendment, a practice with which the Senator is thoroughly familiar.

Mr. NORRIS. That was a Senate amendment?

Mr. MOSES. It was a Senate amendment.

Mr. NORRIS. It provides that there shall be appointed by the Government of the United States delegates to this international conference?

Mr. MOSES. Two delegates.

Mr. NORRIS. Does the Senator know the objection made by the House?

Mr. MOSES. It was because of the rules of the House. But the House has now concurred in that amendment.

Mr. NORRIS. Then, it is not in disagreement?

Mr. MOSES. It is not now, because the House, by a separate action, has announced its concurrence.

Mr. NORRIS. The President will not be able to appoint all the conferees as delegates to this conference.

Mr. MOSES. If he appointed one of the conferees he will decline the honor, I will say to the Senator.

Mr. NORRIS. So I understood, and I was wondering, if that had not been passed upon, if we ought not to increase the number in order to provide a place for each one of the conferees.

Mr. MOSES. I know nothing as to that.

Mr. NORRIS. If this report is agreed to, the legislation will be completed?

Mr. MOSES. It will.

Mr. NORRIS. Have we received official notice from the House that they have receded on amendment numbered 3?

Mr. MOSES. We have. The House have now concurred in that amendment.

The VICE PRESIDENT. The question now is on agreeing to the conference report.

The report was agreed to.

The VICE PRESIDENT. The action of the House on amendment numbered 3 will be read.

The Assistant Secretary read as follows:

CONGRESS OF THE UNITED STATES,
IN THE HOUSE OF REPRESENTATIVES,
July 15, 1921.

Resolved, That the House recedes from its disagreement to the amendment of the Senate numbered 3 to the bill (H. R. 6573) entitled "An act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes," and concurs therein.

ADJUSTMENT OF FOREIGN LOANS.

Mr. GLASS. Mr. President, if the Senator will yield to me just for a moment to make a statement which I did not feel at liberty to make at a more opportune time, there have been several references made in the Senate to the attitude of the previous administration upon the question of forgiving foreign indebtedness, and the Senator from Massachusetts [Mr. LODGE] made a brief statement to the effect that he thought the former President of the United States and a former Secretary of the Treasury opposed that.

Mr. LODGE. What I said was that Secretary Houston I knew had opposed it, and I thought it was on the direction of the President.

Mr. GLASS. I happen to know that the letter of Secretary Houston was submitted to the President before it was sent.

I will detain the Senate only a moment to read a cablegram which was sent from Paris December 23, 1918, by President Wilson to me, as Secretary of the Treasury, in response to a cable from me protesting against this talk of forgiving the foreign indebtedness. The President's cablegram reads:

I am trying to keep a close watch on the verdicts, plans, and maneuvers about the loans to which you refer and shall continue to do so with the distinct determination that none of the things to which you refer shall be accomplished. I am confident it will be possible to prevent them. Many such things have once or twice to be exposed to be disposed of. There can be no proper basis for a discussion of our foreign loans in connection with the peace conference.

WOODROW WILSON.

I desire to read also a cable that was sent to the finance minister of a foreign nation under date of March 8, 1919, by me, as follows:

I have to state most emphatically that the Treasury, which, as you are aware, is clothed by the Congress with full authority to deal with foreign loans which it has made, will not assent to any discussion at the peace conference, or elsewhere, of any plan or arrangement for the release, consolidation, or reapportionment of the obligations of foreign Governments held by the United States. You will appreciate also that the Treasury can not contemplate continuance of advances to any allied Government which is lending its support to any plan which would create uncertainty as to its due repayment of advances made to it by the United States Treasury. I should be obliged if you would communicate to your Government the views of the Treasury as expressed above.

CARTER GLASS.

Mr. President, I wanted these to appear in order to complete the record as showing that both the President of the United States, under the former administration, and the Secretary of the Treasury, as early as 1918, opposed any such adjustment of the indebtedness of foreign Governments as has been suggested.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

Mr. MCCUMBER. Mr. President, I would not take a moment's time at this late hour were it not that I think there should be a little correction made in a statement in the RECORD, and that it should be made to-day, inasmuch as we shall not meet to-morrow. The Senator from Arkansas [Mr. ROBINSON] I know will not prolong the debate if I ask for a correction of one statement that I understood he made, namely, that after the Secretary and the President had been here I had lost interest in the matter of the soldiers' bill.

I think it was the very next day after the Secretary sent in his letter that I spoke about two hours and a quarter, presenting every argument I knew against the theory taken by the Secretary of the Treasury in reference to the dangers that would follow. I want to say that I was not consulted by those Senators who took the matter up with the President, as my views were well known, and perhaps consultation with me would not have served any useful purpose.

But, Mr. President, knowing that the bill would be recommitted, for it was known several days ago, through a poll of the Senate, I thought many queries would come to me, as I had charge of the bill before, as to what I purposed to do now, and also as to what I thought the prospects of the final passage of the bill would be, and I felt it incumbent upon me at this time to make that statement, and I proceeded to make it, little

expecting that there would be objection on the part of any Senator because of the time taken when it was made.

I simply wanted to make this statement in order that my own attitude might not be misunderstood.

Mr. ROBINSON. Mr. President, I have no disposition to define the attitude of the Senator from North Dakota. He has always been able, and is still able, to define his own attitude. I recall that subsequent to the delivery of the message of the President he did deliver a lengthy address in support of the bill. I do think, however, that the statement which the Senator made to-day, following the defeat of the bill, would have accomplished more good, if it could have accomplished any good at any time, if it had been made before the bill was recommitted to the committee.

Mr. MCCUMBER. I think, Mr. President, if I had said before that a recommittal would not injure it, there would have been more votes to recommit.

ADJOURNMENT TO MONDAY.

Mr. LODGE. I move that the Senate adjourn until Monday next at 12 o'clock.

The motion was agreed to; and (at 6 o'clock p. m.) the Senate adjourned until Monday, July 18, 1921, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, *July 15, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Gracious God, through Thy loving providence Thou hast given unto us the opportunity of another day. Grant that our bodies may be strong, our hearts brave, and our pleasures unclouded. May our daily walk be simple and sincere, free from useless discontent, idle fears, and foolish doubts. We thank Thee for a share in common life, common joy, common labor, common burdens, and even for a portion in common pain, for in all of these we shall find a compensation that shall make us rich, indeed. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

RECLASSIFICATION OF POSTMASTERS—CONFERENCE REPORT.

Mr. STEENERSON. Mr. Speaker, I call up the conference report upon the bill H. R. 6573, to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Minnesota calls up a conference report and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 1.

That the House recede from its disagreement to the amendment of the Senate numbered 2 and agree to the same.

The conferees have not agreed to the amendment of the Senate numbered 3.

H. STEENERSON,
W. W. GRIEST,
THOS. M. BELL,
Managers on the part of the House.
GEO. H. MOSES,
THOMAS S. STERLING,
KENNETH MCKELLAR,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying report as to each of said amendments:

On amendment No. 1: Added a proviso at the end of section 2 of the bill to restore money order and postal cashiers at offices of the first class having receipts of $500,000 or less per annum and pay them the minimum salaries provided for such positions. The Senate recedes.

On amendment No. 2: Simply adds laborers to clerks and carriers, so as to include all cases intended to be provided for. The House recedes.

On amendment No. 3: Carries an appropriation of $5,000 to pay the expenses of two delegates to the Pan American Postal Congress, to be held at Buenos Aires, Argentina, beginning August 10, 1921. On this amendment the managers were unable to agree because of clause 2 of House Rule XX.

H. STEENERSON,
W. W. GRIEST.
THOS. M. BELL,
Managers on the part of the House.

Mr. STEENERSON. Mr. Speaker, I move the adoption of the conference report.

The motion was agreed to.

Mr. STEENERSON. Mr. Speaker, I move to recede and concur in Senate amendment No. 3.

The SPEAKER. The gentleman from Minnesota moves to recede and concur in Senate amendment No. 3, which the Clerk will report.

The Clerk read as follows:

Senate amendment 3.

Page 4, after line 6, insert:

"SEC. 10. That the Postmaster General be, and he hereby is, authorized to appoint two delegates to the Pan American Postal Congress, Buenos Aires, Argentina, beginning August 10, 1921, and for the purpose of paying the expenses of such delegates the sum of $5,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended in the discretion of the Postmaster General and to be accounted for on his certificate, which certificate shall be conclusive on the accounting officers of the United States."

The SPEAKER. The question is on the motion of the gentleman from Minnesota to recede and concur.

The motion was agreed to.

On motion of Mr. STEENERSON, a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

REPRINT OF TARIFF BILL.

Mr. FORDNEY. Mr. Speaker, I ask unanimous consent to have 500 copies of the tariff bill, H. R. 7456, printed for the use of the House.

The SPEAKER. The gentleman from Michigan asks unanimous consent that 500 additional copies of the tariff bill be printed for the use of the House. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object, I call the gentleman's attention to the fact that this bill contains 346 printed pages; that there are just five small items in all this whole bill that the Committee on Rules, our masters, permits us to consider. Why not ask unanimous consent to have merely those five items printed, and thus save the immense expense of printing 500 of this 346-page bill?

Mr. FORDNEY. I shall do nothing of the kind. The gentleman may object, if he desires.

Mr. BLANTON. Then, Mr. Speaker, I object.

Mr. FORDNEY. The Members of the House will be deprived of the opportunity to have the bill before them when it is being read for amendment because of the gentleman's objection.

Mr. MANN. Mr. Speaker, will not the gentleman from Texas reserve his objection for a moment?

Mr. BLANTON. Certainly.

Mr. MANN. The rule under which we are considering the bill authorizes the Committee on Ways and Means to offer an amendment at any part of the bill. As far as I am concerned, I have a copy of the bill in my office, but if an amendment be offered by the Committee on Ways and Means——

Mr. GREEN of Iowa. And there will be a great many of them.

Mr. MANN. Members will want to have the bill before them so that they may know what they are voting on.

Mr. BLANTON. While the leaders of the great Ways and Means Committee have that privilege, yet the distinguished gentleman from Illinois [Mr. MANN], who is not only the best-posted man in the House but the best-posted man in the Nation, has not that privilege, and he can not offer a single amendment, and none of the balance of the 400 Congressmen not on that committee can offer amendments.

Mr. MANN. That is true; but when an amendment is offered by the committee I shall be called upon to vote on it, and I shall

want to know what it is and where it comes in the bill. I can not do that without having the bill before me. I hope the gentleman will withdraw his objection.

Mr. BLANTON. Mr. Speaker, the majority party is so used to spending the public money extravagantly that, to obviate the necessity of the Rules Committee bringing in another special rule, I withdraw the objection.

The SPEAKER. Is there objection?

There was no objection, and it was so ordered.

CALL OF THE HOUSE.

Mr. GARRETT of Tennessee. Mr. Speaker, can the gentleman from Michigan [Mr. FORDNEY] inform the House at this stage what will be the first thing taken up after we go into the Committee of the Whole?

Mr. FORDNEY. I understand that under the rule hides, being the first thing specified in the rule, will be considered, and that we will take up the five in their order. That would be my way of doing it. First, of course, we will begin the reading of the bill, but in the offering of amendments I would think that amendments would be offered first to those five propositions set out in the rule.

Mr. GARRETT of Tennessee. Mr. Speaker, I am inclined to think that we ought to have a quorum present if we are going to take up the consideration of amendments.

Mr. FORDNEY. I think we will have a quorum in a few minutes.

Mr. GREEN of Iowa. Will not the gentleman wait a little and see if a quorum does not come in before he takes any action in that respect?

Mr. GARRETT of Tennessee. Of course, a quorum in the committee is only 100. Of course, I have no desire to delay the matter at all.

Mr. FORDNEY. In order to save time, we will send word to the Members to come, if that is agreeable to the gentleman. I want a quorum present as much as does the gentleman.

Mr. GARRETT of Tennessee. Mr. Speaker, the bill is going to be taken up at once for amendment, and I think the Members of the House will be interested in being here from the beginning of the amendment proposition. I make the point of order that there is no quorum present.

The SPEAKER. The gentleman from Tennessee makes the point of order that there is no quorum present. Evidently there is not.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move a call of the House.

The motion was agreed to.

The doors were closed.

The Clerk called the roll, and the following Members failed to answer to their names:

Anderson	Gallivan	Lee, N. Y.	Rucker
Anthony	Garrett, Tex.	Lehlbach	Ryan
Arents	Graham, Pa.	Lineberger	Sabath
Beedy	Griffin	Linthicum	Shaw
Blakeney	Haugen	McClintic	Sisson
Bland, Ind.	Hawes	McLaughlin, Pa.	Slemp
Brennan	Herrick	Maloney	Stiness
Britten	Hicks	Mead	Sullivan
Buchanan	Hill	Michaelson	Sumners, Tex.
Burke	Hogan	Mills	Taylor, Ark.
Cantrill	Hudspeth	Moore, Ill.	Taylor, Colo.
Chalmers	Jefferis, Nebr.	Moores, Ind.	Ten Eyck
Chandler, N. Y.	Jeffers, Ala.	Morin	Thomas
Clark, Fla.	Johnson, S. Dak.	Mudd	Thompson
Classon	Jones, Pa.	Nelson, A. P.	Tinkham
Codd	Kahn	Nelson, J. M.	Vaile
Cramton	Keller	Nolan	Vare
Curry	Kelley, Mich.	O'Brien	Volk
Davis, Tenn.	Kendall	Patterson, N. J.	Volstead
Dunbar	Kennedy	Perlman	Ward, N. Y.
Dunn	Kiess	Rainey, Ala.	Wheeler
Echols	Kindred	Reavis	Williamson
Edmonds	King	Reber	Winslow
Elston	Kitchin	Reed, W. Va.	Wise
Fess	Knight	Riordan	Wood, Ind.
Fitzgerald	Kreider	Robsion	Woods, Va.
Flood	Kunz	Rose	Zihlman
Focht	Larson, Minn.	Rosenbloom	
Funk	Layton	Rossdale	
Gahn	Lee, Ga.	Rouse	

The SPEAKER. Three hundred and eleven Members have answered to their names. A quorum is present.

Mr. CAMPBELL of Kansas. Mr. Speaker, I move that further proceedings under the call be dispensed with.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

Mr. CRISP. Mr. Speaker, I ask leave to extend my remarks in the RECORD by printing a speech I had prepared on the Borah amendment.

The SPEAKER. The gentleman from Georgia [Mr. CRISP] asks unanimous consent to extend his remarks in the RECORD by printing some remarks he has prepared on disarmament. Is there objection? [After a pause.] The Chair hears none.

THE TARIFF.

The SPEAKER. Under the rule the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc.—

TITLE I.

DUTIABLE LIST.

SECTION 1. That on and after the day following the passage of this act, except as otherwise specially provided for in this act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, and the islands of Guam and Tutuila) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

Mr. CHANDLER of Oklahoma. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Oklahoma rise?

Mr. CHANDLER of Oklahoma. I have an amendment which I wish to offer under the rule.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment under the rule, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CHANDLER of Oklahoma: Page 195, lines 12 and 13, strike out paragraph 1582 and insert, on page 109, between lines 17 and 18, the following:

"PAR. 782. Hides and skins of all kinds—raw, green, dried, pickled, or prepared, or perserved in any manner—15 per cent ad valorem."

Mr. BLANTON. Mr. Chairman, a point of order.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent——

Mr. BLANTON. Mr. Chairman, a point of order. I think that comes before unanimous consent.

The CHAIRMAN. The gentleman from Tennessee was on his feet. For what purpose does the gentleman rise?

Mr. GARRETT of Tennessee. I was on my feet to make a point of order that the amendment is not in order. Under clause 3 of Rule XXI it is provided that amendments shall not be in order except as they are germane to the item in the bill. That part of clause 3 is not modified by the special rule and is not applicable to amendments of these five subjects, and I do not think the gentleman can offer an amendment to strike this out and at the same time offer an amendment to transfer it to another section.

Mr. BLANTON. Mr. Chairman, I make the further point of order that under the rules of the House, and the rule from the committee has not abrogated such rules, an amendment to a later paragraph in a bill is not in order until that paragraph has been reached.

The CHAIRMAN. The Chair overrules that point of order.

Mr. LONGWORTH. Mr. Chairman, I desire to address myself to the point of order made by the gentleman from Tennessee.

The CHAIRMAN. The Chair will hear the gentleman from Ohio.

Mr. LONGWORTH. Mr. Chairman, in the rule under which we are proceeding the following paragraph occurs——

Mr. MANN. May I make the inquiry, What is the point of order pending? We could not hear.

Mr. LONGWORTH. The gentleman from Tennessee [Mr. GARRETT] makes the point of order that under the rule this amendment is not privileged to be offered at this time to this particular portion of the bill.

Mr. MANN. I understand that; but what is the point of order?

Mr. GARNER. That is not it entirely. The gentleman did not make that point of order as I understood it.

Mr. GARRETT of Tennessee. I made the point of order that under clause 3 of Rule XXI amendments were not in order. Clause 3 of Rule XXI provides that an amendment must be germane to the item in the bill. The gentleman's amendment is a doubled-barreled amendment, but it is offered as one amendment to strike out and insert at another point in the bill.

Mr. MANN. What point is not germane?

Mr. GARRETT of Tennessee. The second part.

Mr. LONGWORTH. Mr. Chairman, were we not operating under a special rule the point of order made by the gentleman from Tennessee would, of course, be good, but in the rule occurs the following paragraph, the third paragraph:

Thereafter the bill shall be considered for amendment under the 5-minute rule, but committee amendments to any part of the bill shall be in order any time, and also amendments to paragraph 1582 (hides).

And certain other paragraphs which are made preferential in this rule. In the next sentence occurs this—

That said specified amendments shall take precedence of committee amendments to other paragraphs.

In another paragraph it is provided that clause 3 of Rule XXI shall not apply to committee amendments, and it must necessarily be inferred that under this rule, which makes amendments relating to hides, oil, dyestuffs, cotton, and asphalt preferential even over committee amendments, every privilege which attaches to committee amendments also attach to these preferential amendments. Were that not so, Mr. Chairman, a situation might arise, during the course of the next five days, where it may not be found possible to complete the reading of the bill, in which case the amendment of the gentleman from Oklahoma could never be offered to the bill if the Chair should take the view of the gentleman from Tennessee.

It is the clear intent and purpose of this rule, Mr. Chairman, that any Member of the House may at any time offer one of these preferential amendments at any portion of the bill. It is so specifically provided with regard to committee amendments, and even committee amendments have less privilege than these amendments, for it is provided that said specific amendments shall take precedence of committee amendments. Therefore the amendment offered by the gentleman from Oklahoma [Mr. CHANDLER] is of the highest privilege possible under this rule. It takes precedence over any amendment that could be offered on the floor by a Member; it takes precedence over any amendment that could be offered by the committee as a committee amendment; and the rule specifically provides that the committee may offer amendments at any time to any portion of the bill and that clause 3 of Rule XXI shall not apply. Therefore, Mr. Chairman, it is my contention that under the clear intent of the House touching this rule the amendment offered by the gentleman from Oklahoma to paragraph 1582, which might possibly never be reached in the regular course, is in order at this time.

Mr. GARRETT of Tennessee. Mr. Chairman, I think it will not be forgotten that at a certain period in the discussion of this matter the suggestion was made that the word "committee" be stricken out where it reads that "Clause 3 of Rule XXI shall not apply to committee amendments." But the word "committee" was not stricken out. I assume that the Committee on Rules in not striking it out intended that it should mean exactly what it says. The rule says that "Clause 3 of Rule XXI shall not apply to committee amendments." It does not say that it shall not apply to these five classes that are thrown open to other than committee amendments. If it had been intended that it should apply to them, I have no doubt the Committee on Rules would have said so.

I said in the discussion of this rule on the floor that it was not drawn by a novice. It was not. The only preference which it was intended to give to these five classes was that they should have precedence over committee amendments in point of time of offering. I do not think it was intended to extend the privilege to these amendments that was extended to committee amendments in regard to clause 3 of Rule XXI. I feel sure if it was so intended the intention failed in the language used.

Mr. TOWNER. Mr. Chairman, I can hardly follow the logic of the gentleman from Tennessee [Mr. GARRETT]. The rule as it stands has no limitation. It would allow any amendment or any substitute in the form of an amendment to the provision of the bill that has reference to hides. There is no question whatever as to the right under a rule reported by the Committee on Rules to modify or change any existing standing rule of the House in a particular case. That is the function, the purpose, the thing for which the committee is really constituted. Now, in this case the rule provides that the amendment may be made; the bill shall be open at any time during the progress of the proceedings for any amendment or any substitute in the way of amendment that may be offered with regard to the provision in reference to hides. Gentlemen seem to place by implications some restriction upon that right. I suggest to the Chair that he would not be justified in doing that. The plain language of the rule should govern, and the proposition involved here is whether or not we shall follow the rule or whether we shall follow the standing rule which is modified by the rule. I can really see no justification for the proposition that is advanced in support of this point of order.

Mr. MONDELL. Mr. Chairman, the rule makes amendments of certain schedules preferential. The first schedule with regard to which the rule provides for a preferential vote is that which places hides on the free list. There could have been but one purpose in the adoption of that provision of the rule, and that to give the House an opportunity to determine whether or no hides were to remain on the free list or go on the dutiable list and at what rate. Otherwise, a vote on the question of hides would have been idle and purposeless. Now, while the rule refers to the paragraph of the free list where reference to hides now occurs, if there is to be an expression of the opinion of the House as to whether or no there shall be a duty on hides, it will be necessary to have an amendment offered placing hides in the proper place on the dutiable list. There are very good reasons why the preferential motions were not included in the language which has been referred to to the effect that clause 3 of Rule XXI shall not apply to committee amendments. That provision was necessary, because the character of the committee amendments that might be made were not known and were not specified. But as to the preferential motions proposed and set out, they were included in the rule in order to give the House an opportunity to vote on the subject matter referred to, the subject matter in this case being hides. Certainly the House would not have done so futile and useless a thing as to have specifically provided a preferential motion on the question of hides and so limited the right of action in the committee as to have prevented the offering of a motion to place hides on the dutiable list. The right to do this is the absolutely necessary inference from the language used. It is therefore necessary to have an amendment of this sort offered in order to carry out the purpose of the rule. Otherwise the purpose of the rule would be defeated.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MONDELL. I yield.

Mr. GARRETT of Tennessee. Mr. Chairman, I direct the attention of the gentleman and the Chair to the fact that it seems to me his argument fails, because this rule goes so far as to mention the specific paragraph to which it may be offered, to wit, 1582, and that is the only paragraph that is mentioned in connection with it, namely, as to hides. It means the paragraph specifically. It does not mention any other paragraph to which an amendment can be offered.

Mr. MONDELL. There is only one way, Mr. Chairman, whereby the status of an article on the free list can be changed, and that is by a motion to place it on the dutiable list. And the motion that has been offered is the only motion that could be offered, or, rather, it is in the only form in which a motion could be offered to carry out the will and purpose of the House as expressed in the rule.

The CHAIRMAN. The Chair is prepared to rule.

Mr. MANN. Mr. Chairman, I dislike to interrupt the Chair if he is prepared to rule, but I would like to say a word in view of what has been said.

The CHAIRMAN. The Chair will be glad to hear the gentleman from Illinois.

Mr. MANN. Mr. Chairman, the gentleman from Tennessee makes the point of order, as I understand it, that the amendment is not in order because it is not germane to the paragraph in the bill, in that it provides for placing a duty upon an article which in the bill is on the free list. Under the rulings, after that special provision was inserted in the rule by the Democratic majority of the House to prevent the House having a chance to vote upon tariff propositions, I think the contention of the gentleman from Tennessee would be correct as to ordinary amendments offered from the floor.

We are now operating under a special rule of the House. What does that rule do? It first provides that a preferential amendment may be offered by any Member of the House as to certain paragraphs of the bill. Take the paragraph as to hides, for example. In the bill hides are on the free list. The rule attempts to give to us the first right to vote in the committee on the question whether hides shall be on the free list or not. It seems to me perfectly plain that the purpose of the rule thus indicated is to permit the committee to vote whether hides shall be on the free list or whether they shall be on the dutiable list at a specified rate of duty. Of course, if hides should be stricken off the free list without any other provision in the bill, they would become dutiable, I assume, under the basket clause of the bill. But clearly it was not the intent of the rule to say that the House or the committee should have no opportunity to vote on the rate of duty if the committee should determine that there should be any rate of duty.

Now, the embarrassing question which the gentleman from Tennessee [Mr. GARRETT] raises is that the rule specifically provides that such amendments, now contrary to the provisions

of clause 3 of Rule XXI, will remain subject to the provisions of that clause unless they are committee amendments.

But, Mr. Chairman, the provision of the rule that that clause shall not apply to committee amendments was inserted because the committee may offer amendments to any part of the bill. The provision in reference to these five paragraphs of the bill is carried by the rule itself. My contention is that those specific items are subject to amendment from the floor in any form which will bring the matter before the House, regardless of clause 3 of Rule XXI. But if clause 3 of Rule XXI remained applicable, it would remain applicable to the committee amendments to other parts of the bill. Therefore the rule endeavored to provide, and did provide, that the committee might offer amendments to any part of the bill without violating any part of the provisions of clause 3 of Rule XXI, while this part of the rule specifying the items authorizes an amendment striking it out of the free list and putting it on the dutiable list regardless of that clause of the rule.

The CHAIRMAN. The Chair is ready to rule. This bill is being considered under a special rule adopted by the House for that purpose. At the conclusion of the reading of the first paragraph of the bill the gentleman from Oklahoma [Mr. CHANDLER] offered the following amendment:

Page 195, lines 12 and 13, strike out paragraph 1582 and insert, on page 109, between lines 17 and 18, the following:
"Paragraph 782. Hides and skins of all kinds—raw, green, dried, pickled, prepared, or preserved in any manner—15 per cent ad valorem."

If it were not for the following paragraph in this rule that amendment would not have been offered:

Thereafter the bill shall be considered for amendment under the five-minute rule, but committee amendments to any part of the bill shall be in order any time, as shall also amendments to paragraph 1582 (hides, etc.)—

The paragraph to which the amendment relates.

To this amendment the gentleman from Tennessee [Mr. GARRETT] makes the point of order that it is not in order because it is not germane to the paragraph to which it is offered in the bill. It would not be germane, under the general rules of the House, to the paragraph referred to, but the rule adopted by the House for the consideration of this bill makes this amendment in order by special reference. It would not be urged seriously, I take it, that the House could not function because the rule does not provide all particular details for members of the committee or Members of the House in offering these preferential amendments. Much has been left, of course, to parliamentary law and to proper interpretations of the rule as it has been agreed to.

Attention is called to the fact that the Committee on Rules in preparing this rule provided specifically that clause 3 of Rule XXI should not be applicable to committee amendments. The Chair does not draw the interpretation from that part of the rule that is drawn by the gentleman from Tennessee. That part of the rule applies to committee amendments which may be made necessary during the consideration of the bill. If the amendment offered by the gentleman from Oklahoma [Mr. CHANDLER] is agreed to it may be necessary to offer a new schedule to the bill, which would not be in order if it were not for the exception made in this special rule as to clause 3 of Rule XXI.

The Chair thinks the House clearly provided for the consideration of the preferential amendments at any time and at any place in the bill, and that the amendment offered by the gentleman from Oklahoma is within the rule, and therefore overrules the point of order made by the gentleman from Tennessee.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that the time to be occupied in discussing this amendment may be equally divided, and that I may control one half of it and that the gentleman from Texas [Mr. GARNER] may control the other half; and if that is agreeable, I want to ask the gentleman as to what length of time we can agree upon for the discussion.

Mr. GARNER. Mr. Chairman, with reference to that, let me make a brief preliminary statement with reference to the agreement as to the length of time and in regard to these special amendments under the rule. The gentleman will recall that in the discussion of the rule it was suggested by the gentleman from Tennessee [Mr. GARRETT] and by the gentleman from New York [Mr. COCKRAN] and others that the intention of this rule was to prevent the House from having an opportunity to consider this bill under the 5-minute rule with the right of offering amendments. If I agree to the gentleman's proposition, as suggested a moment ago, for four hours' debate on this amendment, to be controlled half by myself and half by himself, I would only affirm the policy pursued by his side of the House to consider these five amendments, with committee amendments, to the exclusion of the reading of the bill or the offering of any other amendments. For instance, you have five specified privileged amendments, and in addition to that you specify that the committee shall have the prior right to offer amendments to the bill under the rule.

Now, if you take up the entire day on this amendment, and if you take up another day on each of the other amendments and on those that the committee may suggest, you will not have a single hour which can be devoted to the reading of the bill and the offering of amendments under the general rules of the House. Under such a condition I can not agree to delay in the consideration of the bill, or to delay in the opportunity to consider it under the 5-minute rule, by agreeing to four hours or any other prolonged discussion on these special amendments. [Applause.] If we consider these amendments under the rules of this committee, 10 minutes' debate will be all that can be had on this amendment; and I want to suggest to the gentleman that if he and his side of the House are prepared to vote on these amendments as they are offered, under the rule of the committee which provides for five minutes on a side, this side of the House is ready to vote and go on with the consideration of the bill under that rule. [Applause.] For the present I shall be compelled to object to the request for unanimous consent made by the gentleman from Michigan.

Mr. FORDNEY. Mr. Chairman, I have talked with the gentleman about agreeing to time. I will say that the Members on this side of the House are divided on this amendment, as were the members of the committee, and we believe it proper and advisable to give Members of the House an opportunity to settle this question rather than to have it settled by the committee, as the committee is nearly evenly divided on the question. For that reason this rule has been brought into the House in this way, providing for the consideration of these five important measures.

Now I want to say to the gentleman from Texas that it is not my purpose to take up the time of the House during the consideration of this bill under the 5-minute rule on these five propositions. I do believe there should be more debate allowed on the question of a duty on hides and on the question as to whether or not a duty shall be placed on cotton than on any of the other items. For that reason I would like to have more time for the consideration of this amendment and others, and so I have asked for more time.

Mr. HARDY of Texas. Will the gentleman yield for a question there?

Mr. FORDNEY. I yield to the gentleman from Texas.

Mr. HARDY of Texas. There is another matter about which your side as well as ours may be divided, and that is the question of free lumber. You have got that on the dutiable list——

Mr. FORDNEY. Not at all. I am not doubting at all the sincerity of the gentleman's statement, but he is wholly in error when he says there is a duty on lumber. There is none.

Mr. HARDY of Texas. Have you not got——

Mr. FORDNEY. Lumber is on the free list from top to bottom, with the single exception of mahogany and such cabinet woods as that.

Mr. HARDY of Texas. Have you not got a provision here for a duty on wood from Canada, for instance?

Mr. FORDNEY. No duty at all. It is all on the free list. What the gentleman has in mind, if he will permit me to inform the House, is the proviso. We place lumber upon the free list; but let us discuss that a little later. I ask the gentleman from Texas [Mr. GARNER] to agree to four hours' general debate on hides.

Mr. GARNER. Let me suggest to the gentleman from Michigan that we go ahead under the 5-minute rule that applies to this amendment. The gentleman from Oklahoma [Mr. CHANDLER] is entitled to five minutes, and some one who is in opposition to the amendment is entitled to five minutes; and if any gentleman should see proper to offer an amendment to the amendment he would be entitled to five minutes, and some other gentleman in opposition to that amendment to the amendment would be entitled to five minutes. Let us try out the temper of the Committee of the Whole, and at the end of that time if the gentleman from Michigan wants to ask to allow any gentleman to proceed for five minutes longer, or that some other gentleman may have five minutes, I shall be perfectly willing to agree to that.

Mr. FORDNEY. If the gentleman does not want to agree to time, there is nothing else to do. Does the gentleman object to agreeing to time?

Mr. GARNER. I do.

Mr. FORDNEY. All right, Mr. Chairman.

Mr. HARDY of Texas. Will the gentleman yield for a question? Paragraph 401 does put a duty of one-half of 1 per cent on logs. Will the gentleman yield for a question?

Mr. FORDNEY. No; not now. I prefer to discuss that when we come to it.

Mr. MANN. Mr. Chairman, I suggest that there is nothing before the committee except the amendment of the gentleman from Oklahoma.

The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes.

Mr. CHANDLER of Oklahoma. Mr. Chairman and gentlemen of the committee, I have offered this amendment which has been reported to you for the reason I am a consistent protectionist. I believe in protecting the industries and the products of the United States against foreign competition. The hides mentioned in the proposed amendment are the finished product of the farmer and the stockman, and should have protection, the same as the finished product represented in the coat on your back, which is the finished product of the tailor here in the United States. While the bill was in committee I urged the committee to report a similar provision in the bill, but by a very close vote my request was denied, and hides were placed upon the free list.

If there is any industry in the United States that needs protection at the present time, it is the stock industry. Within the last few days we have noticed in the press the statement that the Government is depositing funds in western banks and in banks in the central part of the United States for the purpose of making loans to take care of the stock interests of the United States, and with stock selling at from 3 to 7½ cents a pound there is no question but what the cattle industry needs all the protection that can be had. We have placed meats upon the dutiable list. We have placed all of the products of a steer upon the dutiable list except hides, horns, and hoofs, which are carried in the free list. Cattle are on the dutiable list, and I wish to call your attention to the inconsistency of the provisions carried in the bill. If the owner of a steer on the south side of the Rio Grande desires to bring him into Texas, he must pay a duty upon him at 1½ cents a pound. The steer is weighed on this side and that duty is paid. He has his hide on him, and the owner must pay the duty upon the hide. But if that owner desires to kill that steer on the south side of the Rio Grande he pays a duty upon all of that steer that he brings in except the hide, hoofs, and horns. Is not that inconsistent? Should we not have a duty upon the hide as well as upon the rest of the steer?

Mr. SNYDER. Will the gentleman yield?

Mr. CHANDLER of Oklahoma. I yield to the gentleman from New York.

Mr. SNYDER. I should like to ask the gentleman in this connection if in case this amendment prevails there will be a corresponding duty put upon leather?

Mr. CHANDLER of Oklahoma. In reply to the gentleman I wish to say that I can speak only for myself, and that I am a consistent protectionist, as I said in the beginning of my remarks, and I am in favor of placing a duty not only upon hides but upon all the products of hides.

Mr. SNYDER. I think it would make considerable difference to the Members of the House if the House understood that there would be an effort made to put a corresponding duty on leather if hides are put on the dutiable list.

Mr. YOUNG. Will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. YOUNG. Was it not the understanding in the committee that if the House should vote on this question and the duty was put on hides there would be a corresponding duty on leather goods, boots, and shoes?

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CHANDLER of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. CHANDLER of Oklahoma. In the committee, when this matter was under discussion, the question arose as to whether there should be a duty on leather and leather products in case hides were put on the dutiable list. I will say frankly that the subcommittee that handled leather and leather products had placed them on the dutiable list, but when the committee by a bare majority vote decided to put hides on the free list I moved to strike leather and all leather products from the dutiable list and transfer them to the free list, and my motion carried.

Mr. BANKHEAD. Will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. BANKHEAD. Will the gentleman inform us what ad valorem in the subcommittee was agreed upon on leather goods?

Mr. CHANDLER of Oklahoma. I can not be sure, but I think it was 5 per cent. We had so many matters before the committee that it is impossible to remember all the duties that were proposed.

Mr. FORDNEY. Will the gentleman yield long enough for me to say that I believe the committee will give careful consideration to a reasonable compensatory duty on leather goods if the duty is placed on hides?

Mr. BANKHEAD. Was not there an agreement to that effect?

Mr. FORDNEY. There is no agreement; but the bill was brought in with hides on the free list, and if they are placed on the dutiable list there should be a compensatory duty on leather goods.

Mr. CHANDLER of Oklahoma. In reply to the gentleman from Alabama, I wish to say that I know of no agreement to place a compensatory duty on any product made out of hides. However, I am in favor of it if hides are placed on the dutiable list. When this matter was under consideration a lot of boot and shoe men, as well as tanners, came before our committee and discussed this question very thoroughly. They insisted that hides should go on the free list and that leather and leather products, including boots and shoes, be placed on the dutiable list. I frankly told them that I was opposed to such a procedure; that as far as I was concerned, if hides went on the free list, every article manufactured from hides should be on the free list.

Mr. WYANT. Will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. WYANT. Upon what theory was a tariff placed on the carcasses of beef and not on the hides?

Mr. CHANDLER of Oklahoma. The gentleman will have to ask the chairman of the subcommittee. I did not raise that question when we were discussing this proposition before the committee. I did not ask the chairman of the subcommittee why he made a report placing hides on the free list.

Mr. LINTHICUM. Will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. LINTHICUM. Suppose they place a duty on hides and a compensatory duty on leather goods, what effect will that have on the cost of shoes to the consuming public?

Mr. CHANDLER of Oklahoma. I do not think it will have a particle of effect on it. The fact is that the prices of shoes are so high now that you can not get them any higher; if they do, the people will not buy them.

Mr. LINTHICUM. Is not the object to get the price lower?

Mr. CHANDLER of Oklahoma. I think this will help it. It has been the experience of this country that many things are cheaper to the consumer when you get a duty on them. For instance, when we were purchasing tin and tin products from England, I remember very distinctly that I was running a little 2 by 4 grocery store and was selling the ordinary tin cup for 10 cents apiece. They cost at wholesale about 95 cents a dozen. I remember that the salesman came one day and wanted us to load up on tin products as the duty was going on and he said they would be selling for 25 cents apiece in a short time.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. CHANDLER of Oklahoma. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent that the gentleman have 15 minutes.

Mr. OLDFIELD. I think I shall have to object to an extension of 15 minutes.

Mr. TREADWAY. The gentleman has been continually interrupted by questions, and I think it is only fair that he should have a chance to make his statement.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma for five minutes more?

There was no objection.

Mr. CHANDLER of Oklahoma. The salesman insisted that we would be selling tin cups in a little while for 25 cents apiece. Inside of a year I was selling tin cups two for a nickel.

Mr. LINTHICUM. And I also remember that the roof got pretty bad after the tariff on tin. The tin roof that you get now does not last more than two years, and certainly not five.

Mr. CHANDLER of Oklahoma. Is that the fault of the manufacturer?

Mr. LINTHICUM. Is the gentleman in favor of placing a tariff on boots and shoes?

Mr. CHANDLER of Oklahoma. Certainly.

Mr. LINTHICUM. And the gentleman does not think that will raise the price of shoes?

Mr. CHANDLER of Oklahoma. No; because we manufacture all the shoes in the United States that are needed, in addition to exporting large quantities.

Mr. LINTHICUM. If that will not raise the price of shoes, hides, and leather, why do you want to put a tariff on them and on wheat?

Mr. CHANDLER of Oklahoma. For the same reason that you want to put a tariff on manufactures, which is your finished product. These are all finished products of the farms of the West. As far as I am concerned, if you do not put a tariff on everything produced in this country, I am in favor of putting everything on the free list.

Mr. LINTHICUM. Mr. Chairman, the gentleman remembers that after we passed the emergency tariff bill for the relief of the farmer wheat went down in price.

Mr. CHANDLER of Oklahoma. We are not discussing wheat. Everything went down, and wheat did not decline as much as some other products of the United States.

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. LAZARO. Does the gentleman know what the duty is on leather and manufactured leather in the Underwood law?

Mr. CHANDLER of Oklahoma. They are all on the free list, if I remember correctly. They are carried on the free list in this bill. So far as I know hides have always been on the dutiable list until the Payne law, and then hides were placed on the free list, but a duty was carried on leather and leather products. That was one of the stumbling blocks the Republican Party ran up against in the election following. The party was not consistent, had not carried a duty on all products, and unless we are consistent in writing this bill we will run up against the same kind of a proposition in the next election.

Mr. LAZARO. Then, if I understand the gentleman, he wants protection on basic products in proportion to protection on manufactured products.

Mr. CHANDLER of Oklahoma. Certainly I do.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. BLANTON. During the year ending June 30, 1920, 439,461,092 pounds of cowhides alone were shipped into the United States duty free, and of calf hides 68,000,000 pounds. During the months of July, August, September, and October, 1920, just preceding the first passage of the emergency tariff law 80,032,347 pounds of cowhides and 10,000,000 pounds of calf hides were shipped into the United States absolutely duty free.

Mr. CHANDLER of Oklahoma. Yes; but they are stopped now, and shoes are a little cheaper than they were then. There is one thing that I always believe in, and I say this in reply to the gentleman from Texas. I not only want the products of my part of the country protected, but I am willing to grant protection in the same way to the products of other sections of the country. I do not ask that hides be placed on the dutiable list for the sole reason that they are produced in my country. I wish to say that a hide to-day is selling from 4 to 10 cents a pound, and the whole hide will bring from $1.50 to $5 each on the markets out West, where the farmers and the stockmen sell them. Those hides make 12 pairs of shoes each, and shoes are selling at war prices; have not declined materially, although the manufacturer buys his raw product for a price that is a big loss to the producer. All we ask is that a duty be placed on hides in order to at least equalize the difference in the cost of those hides here and the cost of Argentine hides. [Applause.]

Mr. OLDFIELD. Mr. Chairman, I do not think I shall take as much as five minutes on this proposition, and I hope gentlemen on both sides of the aisle will not take so much time on this matter, so that we may have an opportunity to discuss other matters in the bill. I am opposed to this duty on hides. I do not believe it would benefit the stock raisers of the country, for this reason: They have only one purchaser for their hides in this country, and that purchaser is the packers of the country. The packers of this country are shipping hides from South America into this country. Therefore if anyone would be benefited by a duty on hides it would be the great packing institutions of the country and not the farmers and the producers of hides. The gentleman said that if we put a duty on hides he is perfectly willing to vote for a compensatory duty on leather goods, harness, saddlery, boots and shoes, and he says it will not increase the price of those products to the consumer. If that is true, then why put any compensatory duty on manufactured leather goods? You start out by saying that it will increase the price of these hides to the manufacturers. If it will do that, how do you say, then, that it will not increase the price of leather goods, boots and shoes, saddlery, harness, and so forth, that the people of the country have to buy? I am utterly opposed to any duty on hides, because I know that when you do that you are going to place a compensatory duty on manufactured leather goods which will unjustly take money out of the pockets of the consumers of those goods. [Applause.]

Mr. GARRETT of Tennessee. Mr. Chairman——

Mr. HAWLEY. Mr. Chairman——

Mr. GARRETT of Tennessee. I do not claim recognition over the gentleman from Oregon. He is a member of the committee, and I suppose he rises on behalf of the committee. I am opposed to the amendment, but I am not a member of the committee.

The CHAIRMAN. The Chair will recognize the gentleman from Tennessee.

Mr. GARNER. Mr. Chairman, will the gentleman from Tennessee yield for a moment so that there may be no partiality shown? In the future it will be the policy, at least of the membership of the minority of the committee, not to permit any extension of remarks beyond that authorized under the 5-minute rule.

Mr. STAFFORD. Will the gentleman permit, with the permission of the gentleman from Tennessee?

Mr. GARRETT of Tennessee. If my time is not running.

The CHAIRMAN. It will not be taken out of the time of the gentleman from Tennessee.

Mr. STAFFORD. Does the gentleman think it fair, after having granted the gentleman from Oklahoma 15 minutes to present argument in favor, to limit the gentleman from Oregon [Mr. HAWLEY], a member of the committee, who wishes to present arguments in opposition to the amendment, to five minutes?

Mr. GARNER. If the gentleman from Tennessee will permit, I will say this: Under the rule adopted by the House a yea-and-nay vote can be had in the House on this amendment, and it makes no difference what the result in this committee may be. We may talk about it here from now until Thursday of next week, because then we are to vote on these amendments. What is the use of fooling——

Mr. STAFFORD. Should not the argument of the gentleman from Oklahoma be met by argument from a member of the committee who desires to present the position of the committee?

Mr. GARRETT of Tennessee. Mr. Chairman, I have never been certain in my mind as to whether from a protective standpoint a duty on hides was worth anything to the producer of the hides—that is, to the farmer or ranchman who raises the cattle—or not. I want to try to approach these few amendments that we are going to have an opportunity to vote upon with intellectual integrity. We can not intelligently consider the amendment offered by the gentleman from Oklahoma unless we have connected with it the committee amendment that will inevitably follow its adoption, stating to us what the compensatory duty will be upon shoes and upon harness and upon leather, and all those things. I feel absolutely certain in my mind that if there be some slight benefit by way of the raising of the price to the producer of the hides, then under the compensatory duties, which the committee will offer in the event that the amendment of the gentleman from Oklahoma is adopted, every farmer, for the profit he will get on the hides by reason of the duty, will pay an infinitely greater tax by reason of the compensatory duty that will be laid upon the harness, the shoes, the saddles, and all classes of leather articles that he will have to buy. Therefore I shall vote against the amendment offered by the gentleman from Oklahoma. And I may say now I do not know that I shall take any opportunity to discuss any of the other schedules; I intend to follow that principle through every amendment that may be offered. [Applause on the Democratic side.] I do not propose to vote for any of these amendments that are offered putting articles now on the free list on the dutiable list, because it is impossible for a man to vote intelligently upon them unless he can know at the same time how it is to be balanced, what the compensatory duty is going to be, and what its effect is going to be upon the various manufactures that are to be made from those products. There might be a justification from a revenue standpoint for a duty on hides. As I say, I have always been in doubt whether it was of even incidental value as a protective measure or not. I do not know how that is, and, as I say, I want to approach these things with intellectual integrity; but I could not, even if I favored a duty on hides, putting it upon a revenue reason, intelligently vote for this 15 per cent ad valorem unless I knew what the compensatory duties were going to be, and the same thing is going to be true of the cotton schedule when we come to that, and all these dutiable schedules.

Mr. LINTHICUM. Will the gentleman yield for a question?

Mr. GARRETT of Tennessee. I will.

Mr. LINTHICUM. Has there been any agreement by the committee as to what compensatory duties would be put on leather goods if this were adopted?

Mr. GARRETT of Tennessee. I do not know. Of course, the gentleman understands I am not a member of the committee. I do not assume there has been any agreement at all; there may be a private understanding on the part of some individual members of the committee, but I am certain there has been no committee agreement, for the full committee has not met since the bill was reported out.

Mr. HAWLEY. Mr. Chairman and gentlemen of the committee, in five minutes I can only summarize.

I believe in placing a protective duty on competitive articles imported into this country when it will benefit our producers and also result in an economic advantage to the people generally. But a tariff on hides is not such a duty, when it carries with it, under Republican policy, compensatory duties for manufactured products when the raw materials are made dutiable. In my judgment free shoes and other manufactures of free hides are for the benefit of every and all the people.

Hides and skins are placed in this bill on the free list on the ground and for the reason that the manufactures of hides and skins—including leather, saddlery, harness, and shoes—are placed and are to be kept on the free list. I thought at first when the agricultural schedule was under consideration that there should be a duty on hides and skins, but after an investigation extending over a month I became convinced that there should be no duty on hides and skins or on the products of hides and skins. Hereafter in these remarks when the word "hide" is used it will refer to the proposal in the amendment for a duty on both hides and skins. The American production of hides is about 850,000,000 pounds and the imports are about 700,000,000 pounds annually. The total consumption of hides in this country is about 1,550,000,000 pounds.

The imports of hides and skins for the last 11 years amounted to about 6,311,868,663 pounds, valued at $1,660,116,447, which shows that they have been imported at the rate of 26 cents per pound, and a duty of 15 per cent ad volorem would be 4 cents a pound on the imported raw hides. If this duty is supposed to be laid for the benefit of the farmer and is to benefit him to the full extent, then every pound of hide taken off in this country must be advanced 4 cents a pound, or stabilized to obviate a decline of that amount, and I am stating the case on the basis most advantageous to the farmer.

Mr. WHITE of Kansas. Will the gentleman yield?

Mr. HAWLEY. I am sorry that I can not do so. If I had more time I would gladly yield to the gentleman.

One billion five hundred and fifty million pounds at 4 cents a pound would amount to $62,000,000—the increase at the full amount of the duty. Of this the farmer would get 4 cents on 850,000,000 pounds, or $34,000,000, if he obtained the full benefit of the duty all the time.

Now, there are in the United States 6,800,000 farm operators, according to the 1920 census report. The average family is 4.5 persons. The farm population is 30,600,000 people. Each person uses 2.5 pairs of shoes annually. That is, about 76,500,000 pairs of shoes are bought by farmers yearly. The experts of the Tariff Commission, after a long examination—and we had experts sent out into the field to ascertain the facts—said that each cent a pound on hides meant 10 cents additional on each pair of shoes on the average. So 4 cents a pound on hides would be 40 cents additional on the average pair of shoes, and 40 cents on 76,500,000 pairs, or $30,600,000, would be the additional cost to the farmers for their shoes over what would otherwise be paid, and the other leather they use would cost them $8,000,000 additional. That is, they would get, at the outside, if they received all the benefit of the duty on every pound of hide and skin taken off by anybody in this country, $34,000,000, and they would pay for the products of the leather they bought $38,600,000 more than they would otherwise pay, or $4,600,000 more for the manufactures of leather they bought than all they could possibly get out of the duty on hides and skins if they received every cent of the duty on every hide and skin taken off anywhere in the United States and the duty was in every instance either added to the price or prevented a decline in price equal to the amount of the duty.

The duty on hides will affect the prices of shoes and leather products in two ways: It will either increase the price or will prevent the normal decline which would naturally result in the general readjustment and in the establishment of the new normal level.

But there are 203,500,000 pairs of shoes used by other people in this country, and at 40 cents a pair it would cost the rest of the people of the United States $81,400,000. So that in order to give a benefit of $34,000,000 to farmers by reason of a duty on hides and skins in this country, it would cost the farmers $4,600,000 more for their leather products than the duty would amount to, and cost them and the rest of the people $86,000,000 more than the duty would bring to the farmers. This increase over what the people would otherwise pay is not justified by any benefit to the producers of hides and to the people generally.

Suppose, however, that the duty of 15 per cent on raw hides and skins should be equivalent to only 3 cents per pound by reason of a decline on the import price or for any other reason. Three cents per pound on a total consumption of hides is $46,500,000, to be added to what would otherwise be paid, for, as stated above, if the duty is to be effectual as claimed by its advocates, it must either increase the price or prevent its decline by that amount. It may only partly do these things, and hence only partly realize the intended results. But in order to make the best case for the duty, suppose it increases the price 3 cents per pound. The producers would receive 3 cents per pound on 850,000,000 pounds, or $25,500,000 at the most, and on the supposition it is possible for them to benefit by every hide taken off in this country either by themselves or others. On the other hand, under the same conditions 3 cents per pound would be 30 cents more than would otherwise be paid on the average pair of shoes. The farmers buy 76,500,000 pairs. Thirty cents additional cost per pair would amount to $22,950,000; adding to this $6,000,000 paid for other leather articles used by them more than they would otherwise pay, the amount is $28,950,000, and taking from this $25,500,000 of possible benefit the disadvantage to the producer is $3,450,000. To this must be added $61,000,000 to be paid by the rest of the people more than they would otherwise pay for the products of leather.

The farmers would never benefit by the full extent of the duty, for such duties do not always affect prices. The effect on prices depends on the market conditions. At times the full effect will be felt, at others only partially or not at all. This will modify the figures given above as to the benefits and disadvantages derived from the duty, but to the greater disadvantage of the farmer, as agricultural products more slowly rise in price and more quickly decline under changed market conditions than do the prices of manufactured products.

Under Republican, Democratic, or any other economic theory a proposed duty that does not benefit the man you propose to benefit, and is an economic disadvantage to all others, is not a sound policy. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWLEY. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent for five minutes more. Is there objection?

Mr. OLDFIELD. I object, Mr. Chairman.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that debate on this amendment is exhausted.

Mr. WURZBACH. Mr. Chairman, I realize that I have made myself pretty much of a nuisance on the subject of a tariff on hides. I have talked hides in the Republican conferences, I have talked hides in the cloakrooms, and I am going to talk hides again to-day. The cattlemen of Texas and of the South and of my district lie close to my heart, they are the "salt of the earth," they are big hearted, they are true, and they constitute the bone and sinew and the backbone of our Texas citizenship, and they are vast contributors to Texas prosperity. If any class of American citizenship is entitled to and needs the benefits of a protective tariff it is they. It is impossible for the Texas cowman to compete with the cattle raisers of South America. Cattle can be raised in the Argentine and shipped to American markets for one-half of what they can be raised in Texas. This is due to the fact that the labor cost is less than one-half in South America than it is in Texas, and the same free range conditions exist in South America to-day that existed in Texas a hundred years ago. Unless a protective tariff is placed upon hides they can be produced in America only at a loss. There is the same reason for placing a duty upon the importation of hides as to place a duty upon beef, and in fact the same reason as for placing a protective duty on any American product, raw or manufactured. I have heard a few Republicans oppose a tariff on hides, but I have not heard a single argument advanced by such Republicans, that is not the identical argument advanced by Democrats against the entire protective tariff policy of the Republican Party. [Applause.]

Our policy is based upon the plain principle that our Government owes it to the American producer that he shall have an equal chance in the American market with the foreign producer, and that the foreign producer, producing under a lower wage scale and lower standard of living than ours, shall be required to pay a duty in tax equal to the difference in domestic production cost and foreign production cost, for the privilege of selling his goods in the American market in competition with

the American producer. This is a sound American principle and is the rock upon which we Republicans have built our tariff policy. This is a solid foundation and the only foundation upon which we can safely and securely stand against all attacks, political or economical. In other words, the Republican Party believes in giving the American producer of raw material and manufacturers a square deal in his own—the American—market. If this is the correct principle, then I challenge any Republican to give a valid reason why the live-stock man of the South and West is not entitled to a protective tariff upon his product. [Applause.]

Two-thirds of all the cattle and hides consumed in this country are produced here and the other one-third imported, principally from South America. My State, the Lone Star State, is the greatest cattle-producing State in this Union and naturally I am deeply interested in the welfare and prosperity of the cattlemen of Texas. There is no class of producer in this country to-day that needs more the helping hand of the Republican Party by means of a protective tariff than do the producing classes of the South. The tariff policy of our party must be applied as a national and not as a sectional policy. It is more difficult for the southern farmer to compete with the cheap labor of the Orient, and more difficult for the southern stock raiser to compete with the cheap labor and cheap grazing lands of South America than it is for your northern manufacturer to compete with the cheap labor of Europe. Therefore the South needs a protective tariff more than does the North. The people of both sections are beginning to realize this fact and I would not be greatly surprised if within the next 10 years a great reversal of sentiment and political belief and affiliation should take place in America, and the South become the great protective tariff section and the North the free-trade section of the Nation. I fear that the South will see where its material interests lie when too late, and only after the northeast section—the New England States—has abandoned its support of a protective tariff policy.

You must put a tariff on the cattleman's products or he will be forced out of business. One or the other. [Applause.] The Democrats have shown us no solution of the problem. Under their policy of free trade—their nonprotective policy—the American producer, whether he raises cattle or whether he is a manufacturer, has got to do one of two things. He must either reduce his standard of living and scale of wages to the foreign standard, or he must go out of that particular business. I challenge the successful contradiction of that proposition. He will not and can not lower himself to the foreign standard of wage scale or standard of living, and you will not and can not permit him to surrender production to the foreign producer.

It has been said on the floor of this House that the farmer and stockman do not want a tariff on hides. I want to hear the farmer and stockman say that. I have letters and telegrams in my pocket here now from farmers and from farm organizations and from live-stock men and live-stock organizations from all sections, saying that they do want a tariff on hides, and no man on this floor has a right to say that the cattle raisers do not want a tariff on hides, unless he is authorized to speak for the cattlemen.

The statement has been made on the floor of the House that the inclusion of hides in the protected list would benefit only the packers and not the farmers and stockmen, and they base this statement on the fact that a large proportion of the cattle of the country ultimately go into the hands of the packers. Would any gentleman seriously contend that the stock raiser would not ask for more and receive more, and the packer offer more and pay more for a steer that had on its back a hide weighing say 50 pounds—worth 15 cents a pound—than for a steer having a hide of the same weight, but worth only 5 cents a pound? Such a contention is nothing less than ridiculous. The packer has been brought into the tariff discussion at this time merely as a bug-a-boo, and to prejudice a few against the just cause of the rancher and the farmer.

The hide amendment to the Fordney bill, as reported by the Ways and Means Committee, ought to pass, and I believe it will pass. I hope that a majority of the members of my party will vote for the amendment, so that should it fail to pass the blame will rest upon the Democratic side of the House.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Miss ROBERTSON, Mr. SNYDER, and Mr. MONDELL rose.

The CHAIRMAN. The Chair will recognize the lady from Oklahoma. [Applause.]

Miss ROBERTSON. Mr. Chairman, I think I am a very brave woman to stand up here and call attention to my age [applause], for I go back to a time since which the cattle industry has altogether changed from what it was then. I wonder if any of you men of Texas remember the old longhorns? In my little girl days when I was growing tall—oh, so very tall—I used to stand up beside a pair of those horns, and I wondered if I should ever grow so tall I could reach with my hands to the top of it. [Laughter.]

Were there any markets in those days for the meat products of the cattle? Do you really remember as far back as I can, when these wonderful, tawny-hued, sleek, shining, Texas longhorns—creatures agile as the wild deer—moved over the plains and had to be kept out of the forests because their horns were as fatal to them among the boughs as Absalom's hair was to him? Then, the value of the steer was in horns and hides and tallow, for the button makers and the shoemakers and the soap makers. Buzzards were very well fed in Texas then, for meat was plenty, and years later there came a prosperous industry in selling the bleached bones of the departed longhorns.

What about the cattle now? With the longhorns gone, where great seas of grass no longer reach from horizon to horizon, where are cattle raised now? I lived in Indian Territory when I was a girl, where the rich men among the Indians were those who had great herds of cattle on free ranges. If there was not a very hard winter they were still well-to-do next summer, but if there was a very hard winter the cattle perished in great numbers and the Indian traders dickered for their hides.

Only at times was there milk and butter on the ranches, and the condensed milk can was ever present. Now, the methods of marketing are as changed as those of breeding and raising. The longhorn is followed by the shorthorn—the bony, skinny, wild, practically milkless cow by the gentle Holstein and Jersey. A few ship from modern farms and ranches; the farmer sells his surplus to local middlemen. Practically all go to the packer.

Heretical though it may be for one born and raised in a cow country, for one who loves the farmers better than any other class of the American people, for they are the backbone, the very life of our country—I say as one who has Yankee farm blood back of me, kin to New England farmers who, to make a better living, went West and gave way to a manufacturing population who must be fed from States of more fertile soil and more propitious climate as their successors—I tell you that I am going to vote for free hides. [Applause.] It is because I love the farm children better than the packers. [Renewed applause.]

Where do farmers get their meat nowadays? From the home butcher or the village meat market supplied from the packers. Last year in Oklahoma on my farm for dinners at thrashing time the meat came from the packers' supplies to the town meat market.

Mr. HARDY of Texas. Mr. Chairman, will the lady permit an interruption right there?

Miss ROBERTSON. Yes; if you please.

Mr. HARDY of Texas. In correspondence with what the lady has just said about the farm children, James G. Blaine wrote this in 1890 as to putting hides on the taxable list:

> It will benefit the farmer by adding from 5 to 8 per cent to the price of his children's shoes.

[Applause.]

Miss ROBERTSON. I thank you.

You know the cattle now go by trainloads to the packers, and the packers simultaneously fix the prices everywhere, and you can not get a cent more than their agreed price. You remember when the packer bill was before you and you urged control to help the farmer? How about it now? You know it used to be said that the packers in their plants used everything in by-products except the dying bellow of the steer. Now, I understand, they have started a fashion in music and introduced that bellow into jazz records, so that nothing is lost now. [Laughter and applause.]

We want a tariff on oil down in my country, and up in New England, where they want free leather—and I am going to vote for them to have it—they are paying 30 cents a gallon for gasoline, just the same, with oil for $1 a barrel, as when oil was $3.50 a barrel. Now, I would like to help these shoe people up in New England, the bleak country my ancestors left, so that all those Yankee people may prosper, together with the game people in the West, because we are all one people, and what is of the greatest good to one section of our country must be the greatest good to all. I mean the "common" people who toil, to whose class I belong—I except the packers and the oil monopoly. We common people can not go into competition with the packers and the oil monopoly. I hope the New England factory people will make so much money with free hides making American shoes for American people, for whom none but American shoes are good enough, that every workman can afford to buy a "flivver." But if through no tariff—paradoxical

though it may sound—you turn petroleum over to the monopolies the "flivvers" will do the factory workmen little good, because they will have no more gasoline for their "flivvers" at the price it will cost than the foolish virgins of Scripture had oil for their lamps when they were called to the bridal procession after shopping hours.

The CHAIRMAN. The time of the lady from Oklahoma has expired. Does the gentleman from Wyoming [Mr. MONDELL] desire recognition?

Mr. MONDELL. The gentleman from New York [Mr. SNYDER] desired recognition before I rose.

Mr. GARRETT of Tennessee. I make the point of order that debate on the amendment to the amendment is exhausted.

The CHAIRMAN (Mr. MANN). The question is on the motion to strike out the last word.

The question being taken, the motion was rejected.

Mr. MONDELL. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from Wyoming is recognized for five minutes.

Mr. MONDELL. Mr. Chairman, it is the duty of some of us to follow the committee, and if the committee had been practically unanimous on the question of placing hides on the free list, while I should not have opposed, I might have felt it my duty to vote with the committee. But the understanding is that the committee are quite evenly divided and that the members of the committee are themselves anxious to have the judgment of the House relative to the duty on hides. We have arranged for a preferential motion so all may express their view and judgment in the matter, and my judgment is that if it is not logical to have a duty on hides, then it is not logical to believe either in a tariff for revenue or a tariff for protection. [Applause.]

A duty on hides is justified from the standpoint of a revenue tariff, because we import 40 per cent of the hides we use, and that being true, it is right and proper and just to say to the foreigner who seeks our markets but makes no contributions to the upkeep of our country that he shall seek our market under conditions that we see fit to fix. From the standpoint of a revenue tariff we are justified in levying at least a 15 per cent duty on hides. [Applause.] From the standpoint of protection the argument is even stronger. [Applause.] For if we may properly levy a duty on cattle, on calves, on cows, on steers; if we may logically levy a duty on the meat of these animals when slaughtered, where is the logic in refusing to levy a duty on the hide of these animals? [Applause.] I regret to differ from so good a friend and a man whose judgment is generally so sound as the gentleman from Oregon [Mr. HAWLEY], but I can not follow his logic. If I were to follow his logic in the speech he just made I should find it difficult to be a protectionist. [Applause.] His logic is that the duty levied on all articles is reflected inevitably and always in the price of those articles and exactly to the amount of the duty; and, furthermore, that if a duty is levied upon a basic article of manufacture the amount of the duty follows right through all the processes of manufacture and is reflected in enhanced costs on every article made of a like substance sold anywhere in the country at any time. If that were true it would be difficult to defend the protective policy. [Applause.]

Mr. HAWLEY. Will the gentleman yield?

Mr. MONDELL. I yield to the gentleman from Oregon.

Mr. HAWLEY. I do not think the gentleman intended to misquote me. I spoke at length on that the other day, and I said if the duty was to benefit the farmer it would have to be applied, and I proceeded to argue on that point in order to make the best case I could for the producer of the hides.

Mr. MONDELL. What I fear is that my friend, in arguing his case, used arguments that he is not prepared to defend when carried to their logical conclusion. The gentleman's argument is perhaps permissible as an illustration of a theory, but as a proposition of the effect of protective tariff rates the gentleman's argument is not sound. As protectionists we have abundant experience of the fact that the amount of the protection laid upon an article is not always reflected in the price of that article, much less reflected in manufactured products. We have an instance right now in the price of wheat—wheat going down as the tariff is placed upon it. That is not an argument against the tariff on wheat, but it is an illustration of the fact that the duty is not always reflected in the price.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. I ask for five minutes more.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent to proceed for five minutes more. Is there objection?

Mr. GARRETT of Tennessee. I regret, but, according to the notice given by the gentleman from Texas [Mr. GARNER], I suppose I shall have to object. The gentleman from Texas is temporarily called from the Chamber.

The CHAIRMAN. The gentleman from Tennessee objects.

Mr. BIXLER. Mr. Chairman, for many weeks our Ways and Means Committee has been working day and night on the tariff bill which is now before this House for consideration. Hearings have been held before the committee in order that all those having vital interests at stake might lay their facts before the committee to aid them in framing the schedules. As a new Member, these hearings have been a great help and have tended to bring to light new conditions that have arisen as a direct result of our participation in the World War activities. For this reason, I am informed, the committee has worked harder on this bill than any other tariff committee in the past.

Gentlemen, this bill has been brought in by the committee, and is the product of their best thought and knowledge of the tariff situation. They have been keen to realize the need of revenue for our Treasury and certain protection for the preservation of our new industries. We must have a tariff which will not prohibit all importations, but will so restrict it as to give American agriculture and industry and labor a predominating place in our own markets. Just because we are a credit Nation is no reason why we should throw down the bars to let England, France, Italy, and all other countries who owe us pay us with $10,000,000,000 worth of goods and keep our industries idle. The bill was drafted with a twofold purpose in mind—protection to our industries and revenue to meet the expenses of our Nation.

I wish to say right here, gentlemen, that I am heartily in favor of this bill as reported to the House, without amendments. If we are to come before the House now and open up each one of these schedules for debate and amendment, we will subject the whole bill to dangerous punctures and possibly avert the real purposes of the measure. There may be a few items in the bill that do not meet with my entire approval, but on the whole the bill is the product of a careful study of all the schedules and the impartial classifications of those articles that should be on the taxable and free lists.

It has been called to my attention by some of the Members of the House that an amendment will be offered to place a tax on hides. Hides are admitted free in this bill, and I think correctly so. About 45 per cent of all the hides tanned in the United States are imported from Argentina, Brazil, India, Mexico, South Africa, and Uruguay. These hides are treated mostly by our independent tanneries, many of which are in the district I have the honor to represent. Hundreds are employed in this work, and their products are used for making shoes, belting, leather goods, and other similar necessities, and some of these are shipped abroad again.

Of the hides yielded in this country, about 65 per cent of them are "packer" hides, sold with the cattle and steer. They are tanned and marketed by the packing companies, who, to a large extent, control the leather market and the price of leather products. I am a farmer, and I have voted for every measure since here that I thought was to their interests and gave them rightful protection. The trouble with the western farmer to-day, as I understand the situation, is that the cattle-raising industry ceases to be the great business that it once was. The great fertile plains of the West which were once so productive for cattle and stock raising has now been devoted to the more profitable business of wheat and other grain growing, and as a consequence the stock raising has been driven to South American countries. A tariff on hides will not change the condition. Then why should we be compelled to pay a duty on them? Gentlemen, this is a tariff in favor of the packers. To-day they are fast buying up the independent tanneries, and when once these independents are absorbed, then we will see their next move—that of the manufacture of leather. Were it not for our independent tanneries, who get a part of the domestic work and most of the imported hides for tanning, leather would be much higher than it is now. We all know the unprecedented conditions that existed during the war and the prices exacted for all leather products.

All our great tariff experts have been unalterably opposed to a tax on hides. Among them were Blaine, Dingley, McKinley, and Payne. They realized the need for leather in this country, and that if a tariff was placed on hides we would lose the advantage of such importations which we so greatly needed. As importations seek a free market, so with a tariff on hides this process of tanning would go abroad.

Our national loss would be appalling; thousands would be out of work; leather would be much higher in price; and the

revenue derived from the small importations would be comparatively negligible. It is conservatively estimated that the increased cost to the consuming public with a tariff on hides would be more than $20,000,000 per annum. Most of this leather is used in shoes, harness, suit cases, and other leather goods, and the burden of this would all fall on those least able to bear it. The increased cost to the individual would be much more than the revenue would reduce his taxes. We all know this from our observations during the war.

Now, gentlemen, let us see how this tariff on hides would affect the farmer. A tariff was placed on hides during the period of 1897 to 1909, mainly in the guise of aiding the farmers and securing a higher price for his hides. With this tariff in effect we imported far less hides than when the importations were free. When hides were high in value steers sold at a low figure. The farmer raises cattle, not hides. Hides are a by-product. The value of the hide had no additional consideration to the packer, who bought most of the cattle. Being but about one-fifteenth of the weight of the carcass, the value of the hide was of little consideration, and with a duty of 15 per cent on this it is even more clearly seen that the increased value to the hide is practically nil. The tariff on hides was subsequently removed.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that the gentleman is not discussing the amendment pending before the committee. The amendment is to strike out the last two words.

Mr. SANDERS of Indiana. The last two words of the pending amendment.

Mr. BUTLER. Mr. Chairman, may I ask a question? Is the gentleman going to hold the gentleman strictly to the rule? If he is, I give notice that everybody else will be held strictly to the rule.

Mr. BANKHEAD. That is our purpose, if it is possible to secure it.

Mr. GARNER. I hope the gentleman will join us in that.

The CHAIRMAN. The gentleman from Pennsylvania will proceed.

Mr. BIXLER. With the tariff on hides it is clear to me that this would just add to the monopolistic control of hides by the packers and drive our independent tanneries out of business. They could not thrive on the 35 per cent of the domestic hides they tan, and the price of leather would then be entirely up to the packers. We need importations of leather, our supply at home is not sufficient for our requirements, and why should we not encourage importations rather than limit them by a tariff?

I believe, therefore, that the action of our committee is correct, and hides should be admitted free. It is to our advantage every way we look at it.

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Ashland Leather Co., Ashland, Md.
Carroll Oak Tanning Co., Tannery, Md.
Junaluska Tanning Co., Hazelwood, N. C.

MORRIS & CO. PLANTS.

W. F. Mosser & Co., Richwood, W. Va.
W. F. Mosser & Co., Westover, Pa.

I am in receipt of a personal letter from one of my friends who has a complete knowledge of the hide situation and the disastrous effect of duty on hides to the independent tanning industry in America. I wish to append this statement to my remarks, as I believe the information is of the utmost value in the consideration of the hide schedule:

Hon. HARRIS J. BIXLER,
House of Representatives.

DEAR SIR: The outstanding facts with regard to the question of a duty on hides are as follows:

1. For many years the United States has been an importer of large quantities of hides and must so continue if its domestic industries are to supply our people with their needs of shoes, harness, and other leather products of everyday necessity.

2. Imports of hides, a basic raw material not taxed to-day by any industrial nation, are a necessity to the life of our export trade in leather and its manufactures, employing thousands of skilled American laborers earning high wages. This trade and this employment at these wages would be absolutely lost if hides are taxed. During the existence of the Dingley tariff, when hides were taxed, American shoe manufacturers had a compensating advantage through the use of American shoe machinery. This advantage no longer maintains, by reason of the fact of the manufacture and use of this same machinery now in foreign countries. Under to-day's conditions higher cost material—i. e., leather—would more than offset the superior skill of the American worker and make impossible competition in neutral markets.

3. Of every hundred hides used in our country experience shows we produced 55 and need to import 45. Of the "domestic" hides—those from cattle killed in this country—65 per cent are "packer" hides; i. e., hides taken off by the big packing plants, and 35 per cent are "country" hides; i. e., hides taken off by small butchers and others. The "packer" hides, because of their quality and weight, are largely used in the making of sole leather for the better grades of all classes of shoes. Imported cattle hides go into these same uses, and with "packer" hides make up almost the entire supply of sole leather for the huge volume of shoe repairing done throughout the whole country. Certain kinds of imported hides furnish the sole leather for the workmen's cheap shoes.

4. "Packer" hides—or their equivalent, foreign hides—therefore hold an indispensable place in the shoe supply of this country to-day. A close control of these hides will automatically carry with it the same control of the supply of sole leather and a governing influence if not a full control of the future shoe needs of the country.

5. This control of these hides, the necessary raw material of leather and shoes, is largely in the power to-day of the big packers. This control will be reenforced and made complete if their only competition—foreign hides—is eliminated by the imposition of a duty on imported hides.

6. For it must be realized that an entirely different condition exists to-day from that prevailing in the past. The packer to-day is also a tanner, owning and producing at the present time not less than 60 per cent of the sole leather being tanned in this country. This condition did not prevail during the time of the Dingley bill, the principal effect of which was to give the packer a price for his hides greater than the world price by the amount of the then duty. Any duty to-day will operate as just so much subsidy to the packer-tanner, make certain his control of the leather business of the Nation, and open wide his way to the control of the manufacture and distribution of shoes. Owning his raw material and with adequate facilities for tanning all of it, the packer will be in a protected position in the manufacture of leather that will make competition with him impossible. This would result in the elimination of all competitive buying of "country" hides, the control of leather prices, with its effect upon the cost of shoes, and the natural development of a monopoly of a common, everyday necessity of every man, woman, and child in this country.

7. Present conditions in the leather and shoe trades are highly competitive, 1,400 shoe manufacturing concerns aggressively competing to produce and sell their product at the lowest prices possible.

8. No direct or indirect advantage can come to the farmer through a hide duty. The farmer raises cattle, the hides of which are a by-product falling to the packer or butcher. A heavy duty on hides will immediately establish packer-tanner monopoly of the hide markets as well as of the leather markets. A duty that might afford some little chance of the continued existence of competitive hide buying and tanning would have to be so small that it would mean less than five one-hundredths of a cent per pound on the live animal. Such insignificant and indirect benefits are not passed on to the farmer when he offers his cattle for sale.

9. Under a high tariff on hides there would be no revenue whatever from this source; it would be prohibitive of importations. Such a duty would merely at once establish the absolute control of all domestic hides by the packer-tanner, permit his control of the leather and shoe businesses, and enable him alone to determine whether any hides should be imported to supply possible leather needs in excess of that supplied by leather tanned from domestic hides.

Under a low tariff on hides the possible revenue would be so small it would be not worth while. It is possible a revenue of $1,000,000 might be obtained for the Government, but to obtain this it would cost the people of this country not less than $50,000,000 in their larger shoe and harness bill. If this full million dollars could be passed on to the farmers, which it will not be, they still would be the loser, for they are approximately one-third of the population, and their increased shoe and harness bill because of the duty would figure $15,000,000, a loss to them as a class of $15 for every $1 gained, and that one not at all likely to reach them.

10. The American tanning industry is the greatest industry of its kind in the whole world. The American shoe industry is the greatest industry of its kind in the whole world. Working together with true American industry, initiative, and resourcefulness, and without unnatural handicap, they can maintain the place they have gained and now hold in the domestic markets and in the foreign markets. Some leather has always been imported, as some shoes have been imported, but for every dollar's worth of leather imported there have been $20 worth exported, and the same is true of shoes. Burdened with an unnatural handicap, such as a duty on its basic raw material, with the consequent and inevitable monopoly control, and these industries will degenerate into the opposite condition, where we shall import $20 worth of leather and shoes for every dollar's worth we shall export.

KISTLER LEATHER CO.

NEEDED DUTY ON OIL.

A most depressing situation has developed by reason of the importation of crude oils into this country, when we have plenty to supply our own consumption. During the last five years these importations have increased over 600 per cent, with the result that our operators are forced to the wall, and if a tariff on oil is not approved with this bill thousands of small wells producing high-grade oils will be abandoned and ruined.

The tariff bill places a duty of 35 per cent a barrel on crude oil, and while this is not as high as it might be for the protection of our operators and refiners, it will go a long way to stimulate the production at home and only admit the better grades of oil from Mexico and other countries. At the present

time, by reason of the great supply of oil in Mexico and the low gasoline test of the product, approximately 300,000 barrels a day are being shipped into this country. This has resulted in our pipe lines containing high-grade oil becoming so overstocked that further production is impossible until this oil is refined and distributed. Our oil industry has become so demoralized that it has caused untold injury to every producing company in this country. The price of domestic oil has dropped in price so much that it is impossible to operate at a profit, and hundreds of thousands of men are being thrown out of employment. A protective tariff is the only remedy. We have plenty of oil in this country for our needs, and the quality is much better than the Mexican oil. The somewhat low production of gasoline is attributed to the low gasoline content of the Mexican oil, while our own product contains a much higher percentage of gasoline.

Throughout Pennsylvania and my district hundreds of wells are producing from one-eighth of a barrel to four barrels a day, and this oil is of the very best produced in the United States. Tiona oil, for example, is a premium oil and used to mix with lower grade oil for the purpose of refining. If they are closed for the present they will fill with water, and it is probable that many of them will not be operated again. However, with the tax on imported oil, these small operators may be able to survive the oil depression and meet the foreign competition that is now so active and will always be while on the free list. Sixteen thousand independents have been producing about half of the total output of the United States, and it is imperative that they live in order to keep down the price of oil products when oil prices reach an equilibrium.

The Ways and Means Committee, with this information at hand, and after giving it thorough investigation, has placed this tax on imported crude oil. I think it is a fair proposition that the cheap oil from Mexico should pay a proportionate share of our taxes, just the same as the small producers pay their tax to the Government. The tax is small, but it will go a long way to stabilize the oil industry and provide needed revenue. To permit this importation without a tariff would be a gross folly, and be a great blow to our economic problems.

Gentlemen, I can clearly foresee the result if the tariff as recommended by the committee is changed and oil placed on the free list. To begin with, we will lose millions of dollars in needed revenue. The price of oil three to six months from now will be the same regardless of this protection. We must find a market for our domestic production and the industry must be thrived. The price of Mexican oil will in a very short time become high enough to permit selling of domestic oil at a reasonable profit. Mexican producers will benefit by this additional amount, which otherwise might go into the Treasury of the United States. In fact, Mexican oil would stand a much higher tariff than reported by the committee. Before long we will see the independent oil operators in the United States gradually forced out of business, and erelong the price of oil and oil products will not be regulated by the demand.

Mr. TINCHER. Mr. Chairman, I move to strike out the figures "15" and substitute the figures "16," so that it will read "16 per cent ad valorem."

Mr. Chairman and gentlemen of the committee, of course, I am in favor of a tariff on hides. I want to say that I have taken the trouble to bother the Committee on Ways and Means on this matter, and I shall address my few remarks to the situation as it relates to the hearings. First, I want to say that no one appeared before the Committee on Ways and Means opposing a tariff on hides except the manufacturers of shoes. Second, I want to say to you that the manufacturers of shoes admitted before the Committee on Ways and Means that the reason that they were opposed to a tariff on hides was that they could not charge the extra price up to the consumer of shoes. That is in the present hearings, and is not denied. Oh, they put out the propaganda to the farmer that we want to give you a tariff on your products, but we can not do it. Why? Why, you own every hide in the United States to-day, and you are selling them, but we can not protect you because the packers will not give you the benefit of that protection. I say to you that every man in the cattle section knows that if you have a steer with the hide on him, that is protected while it is your property and you will get the benefit of the protection in the sale of that steer. You talk about its being reflected in the price of shoes. I call your attention to the testimony before the committee of a shoe manufacturer who said that they could not reflect that in the price of shoes. Who owns the hides coming to this country from South America; who butchers the cattle in South America and, therefore, owns the hides? The five big packers of America. All of the packers are not engaged in tanning. Thanks to Congress, we have a bill pending in conference to regulate the packers, and henceforth the farmers will not be satisfied with the statement that "we would like to give you protection on your products, but you know that we can not do it, because the packers will not give you the benefit of it." Thank the Lord that the time is coming when the farmer will not be satisfied with such talk as that. I am for protection and I want my people to have it. Forty per cent of the hides manufactured in this country are imported. No man on the face of the earth is having a harder time to-day than the man that is producing the other 60 per cent of these hides. [Applause.]

Mr. WHITE of Kansas. Mr. Chairman, I would like to offer a substitute for the amendment of the gentleman from Kansas. I move to strike out "16" and insert "17."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. WHITE of Kansas: In the last line strike out the figures "15" and insert the figures "17."

Mr. MANN of Illinois. Is that a substitute?

The CHAIRMAN. That is offered as a substitute.

Mr. WHITE of Kansas. Mr. Chairman, I desire to discuss this amendment for five minutes from the viewpoint of the agricultural producer of hides, cattle, wheat, and corn, and to say to the manufacturers of Pennsylvania and New England—and I address myself to Republicans, for I have no disposition to enter the domain of the sophistry of free trade—I want to say to you that the producers of cattle, wheat, corn, and grain of all kinds are asking to-day for a fair consideration and square deal, and no more. As to what the effect may be upon the price of shoes I do not know exactly nor can any man say, but I do say to you that this is the only country in the world to-day where nobody goes barefooted. I say to you that if the products of agriculture are stabilized, the farmer is always supplied and keeps his family in comfort.

Forty-one million people on the farms are the customers of the manufacturers of New England and Pennsylvania, are they not? And are they not the best customers you have to-day? Where will you find a market for the products of your factories when the dwellers on the farm are sunk in adversity, when their business is depressed and destroyed, when their ability to purchase the products of your factories is gone? John Bright said in 1845 that there can never be prosperity in any country where the numerous dwellers on the farms and those engaged in agriculture are permanently depressed. This question of the decadence of agriculture is not a new one. The Roman Republic and the Empire were destroyed simply because the Government confiscated large quantities of wheat from the subjugated Provinces and distributed largess, which caused a trend of the population toward the cities. There is no wiser, saner, safer policy for the manufacturer of New England and Pennsylvania and of the Middle East to pursue than to encourage agriculture and give us a square deal.

The gentleman from Massachusetts [Mr. TREADWAY] yesterday said that the readjustment in the price of shoes had not been relatively what it should have been in comparison to the readjustment of the prices of agricultural products. It goes without saying that the manufacturer of shoes and boots and leather goods is in a better position to stabilize his prices. I do not charge that there is any monopoly, that there is an agreement, but I do say that there is a common understanding and a common purpose which enables the manufacturer to stabilize the price of his products, and power to do it, that is not within the domain of the farmer and the producer of cattle and grain. For these reasons and for many other reasons, among others that we have $79,000,000,000 of investment to-day in the United States in agriculture, in stock, and other agricultural property, that I think we are entitled to this as a matter of a square deal.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. BLANTON. Mr. Chairman, I rise in pro forma opposition to the amendment of the gentleman from Kansas [Mr. WHITE] merely to obtain recognition. Every one of us will admit that it is necessary for our Government to collect through the customhouses at least $500,000,000 annually. It is necessary for us to raise that amount of revenue through the customhouses. That $500,000,000 must be levied in duties upon some articles, and when levied creates incidental protection to the same. That being the case, I am one Democrat who is in favor of so distributing that $500,000,000 upon the commodities that come into this country from foreign nations that the incidental protection which is made necessary through the collection of that amount of customs shall be placed, first, upon all of the products of the farms and ranches to the extent of equalizing their cost of production in this as against that of foreign countries, so that the standards of living in America may be upheld.

[Applause.] But I am different from my colleague from west Texas [Mr. WURZBACH]. He is willing to place this little incidental protection where it is needed, for instance, upon hides, and anyone who knows anything about the cattle business knows that it is needed. The gentleman from Oregon [Mr. HAWLEY] admits that it is needed; and then Mr. WURZBACH, my colleague, after placing that where it belongs will follow the gentleman from Massachusetts [Mr. TREADWAY], the gentleman from Connecticut [Mr. TILSON], the gentleman from Oregon [Mr. HAWLEY], and others from New England, in placing a compensatory duty of 10 cents a pair on every pair of manufactured shoes. Is it necessary? Does the shoe industry need it in order to exist? If it does, I would be willing to vote with him, but such a contention is absolutely absurd. My friend, WURZBACH, is willing to put $30,000,000 in the cowmen's pocket down around San Antonio, Tex., and the other cattle-raising sections in the United States, and then take out of their other pocket $34,000,000. In other words, he is to take $4,000,000 more away from these men each year than he gives to them. What benefit do you accord them when you do that? He does it to help the Shoe Trust manufacturer who takes a $2 Texas cowhide and makes 12 pairs of high shoes out of it, and yet while they are making 12 pairs of shoes out of a $2 hide we are charged now $10 for a pair of low-quarter shoes, and they are getting so that, like the most fashionable ladies' costumes, they cut them mighty low, too. I am not willing to go with the gentleman from southwest Texas in that respect. Brother WURZBACH, I am not going to vote with you on that compensatory duty to the Shoe Trust manufacturer proposition, and I shall meet you on the hustings anywhere in Texas before the San Antonio cowmen and farmers and fight that proposition out. I am going to vote for this reasonable and just duty on hides, but when you try to put a compensatory duty on manufactured leather shoes to benefit these Shoe Trust manufacturers who in the war charged us $20 for a pair of shoes and who are now charging us $10 for a pair of low-quarter shoes worth less than $5, I am going to quit you and vote against it. And the intelligent Texans in your district will commend me for it.

Mr. SNYDER. Mr. Chairman, a few weeks ago, when we had our first conference on the tariff bill, I listened with a great deal of interest to the argument of the gentleman from Oregon [Mr. HAWLEY]. I listened again with a great deal of interest to his argument to-day and, while what he says may all be true, there would not be sufficient time before we next elect a Republican Congress to explain that argument to the farmer. My thought about it is that when the farmer is forced to pay $8 for a pair of boots and compelled the same day to sell 10 calfskins for $3.50 it will be difficult to make him believe that if you do not have a duty on either one it will make no difference to him. I am a protectionist and have always been, and I shall probably vote for everything in this bill that carries a duty. I shall certainly vote for this duty on hides.

Mr. ANDREWS. Mr. Chairman, will the gentleman yield?

Mr. SYNDER. Not now. I know of one large tannery which is tanning 50,000 hides a week, every one of them coming from outside of this country, and I know that American hides are being offered, calfskins, to that tanner to-day and he is paying for them 25 cents to 35 cents apiece. I also will favor a duty on leather, because I know of my own knowledge that the duty charged upon that leather will never be reflected in the price of the goods to the purchaser of the shoe. Take the situation of the shoe industry. Every one of us knows that when we buy a shoe to-day we are paying the retailer at least 100 per cent more than the manufacturer gets for that shoe. The manufacturer has no difficulty in compensating himself for a small duty that might be put upon leather. The tanner is up against a very serious proposition to-day from Germany. Right now, to-day, leather is being imported into this country from Germany at 52 and 55 cents a square foot, which is costing to produce in this country 75 to 80 cents a square foot. That is a proposition that we are coming up to on all of the provisions in this bill. There is no doubt in my mind that if we put this 15 per cent ad valorem on hides it will reflect to the benefit of the farmer and it will not reflect to the disadvantage of anyone else.

It will give him the right to believe that he will receive that additional amount for his cattle when he disposes of it. There can not be, to my mind, any serious argument about that, and if it has the effect of holding out of this country some of the hides now coming it can not but help to improve business conditions of this country, because the farmer will then be able to sell his calfskins and cowhides at reasonable prices to the tanner. I am interested in this subject to the extent that I have a large tanning interest in my district, one of the largest tanneries in the country. These men will get along all right if 15 per cent is put upon hides. There has not been a time in the 35 years I have resided there beside them that they have not desired free hides and a duty on leather. There has not been a time when they have not been very successful and have made more money in proportion than the farmer makes in my community. Therefore, I believe if it should reflect a little against them they will get along without failing or without moving out of the community.

I asked the question of one member of the committee if there would be a compensatory duty put upon leather, and I was assured that it would be. Because, as I said in the beginning, I am a protectionist, I believe in placing a duty upon the hides, but I am not interested as to whether or not you put a duty on the articles manufactured of leather. I do not believe it will make one dollar of difference if you put 25 per cent duty upon the manufactured shoes or harness; it would not increase the price to the American user of shoes or harness in any way. Competition in this country between the manufacturer of shoes and the manufacturer of harness will put those commodities in the hands of the users at a proper price—that goes without saying. There is so much competition in the country to-day that almost everybody is out of business. In my own business I expect to try to start up some of our factories within a week or two, and I am putting my goods on the market, notwithstanding the fact that the rate of wages we will be paying will be more than 100 per cent above the prewar price, yet we are putting our goods out and hope to sell some of them at practically the prewar price.

Mr. FREAR. Mr. Chairman, I did not intend to speak upon this branch of the bill, and yet I feel that as a member of the Subcommittee on Agriculture that sat with the gentleman from Oregon [Mr. HAWLEY] I might explain to you briefly why a large number of the committee came to the same conclusion that I did. I am not going to pronounce any eulogy on agriculture. It is unnecessary. Agriculture we have to have with us, and we have got to have it prosperous if the rest of the country is prosperous, but I want to ask you as thinking men to see the position in which we found ourselves in this committee. We are bringing in our cattle from Mexico, cattle which are being pastured on land at 5 cents an acre, whereas in this country—in Montana, Texas, and elsewhere—it is practically 25 cents an acre, or five times as much. We are paying more to the men who have charge of cattle in this country, more by far than they are paying in Mexico. We are placing a duty, as the chairman of the subcommittee has told you, on what? On the horns, on the hoofs, on the hides, and on the dressed meat of the steer itself. Now, on what ground can we say that the moment you get the hide off the steer that it shall not be subject to a duty, although it is dutiable when the cattle come in on a live steer? There can not be any distinction. If your protective duty is right, or a tariff for revenue is right, there can not be any distinction, when you put a tariff on dressed meat, as we have put a tariff on the steer from the tail to the nose in this bill, to say now that when the hide is taken off we will place no duty on that. What has been the effect? We have had an example of this duty under the Dingley law. We put a 15 per cent tariff on hides at that time. The exports of shoes increased to $11,000,000; the imports of shoes were $160,000, or about 1 per cent. During the last two years we have watched hides drop, drop constantly; for three or four years they have gone down as low as 31 cents. They are worth less now than before the war, if I remember correctly. Shoes went up over 100 per cent in price during the same period. The manufacturer of shoes got all he could out of it. Now it is suggested that the amount of duty is going to govern the price of the shoe. That is not my understanding of it at all; because I insist that if you put 15 per cent duty upon your hide, as proposed here, it will not affect the price of shoes one iota, because competition is going to regulate it. No compensatory duty will be reflected in the price, in my judgment, because no shoes will be imported, because we manufacture shoes cheaper than anywhere else in the world.

Mr. ANDREWS. Will the gentleman yield?

Mr. FREAR. I will.

Mr. ANDREWS. Did not the gentleman from Oregon [Mr. HAWLEY] base his argument as to the increased price of shoes upon the figures furnished by a free-trade Tariff Commission?

Mr. FREAR. I do not want to be placed on record on what the gentleman from Oregon did. I am satisfied with this, after long acquaintance with him, that his motives are sincere whatever the information was. I wish to say, however, that you as Members of Congress can not distinguish between hides and between dressed meats, not for a moment, when levying a duty on the farmer's finished product. This amendment is just and right and should be agreed to.

Now, the question as to whether or not there should be a compensatory duty, I am not fearful about. Put on your com-

pensatory duty if you want to, because we are going to ship shoes anyhow. We manufacture more shoes than any country in the world, and we are going to send them out, and it will not make any difference if you put up the compensatory duty at over 100 per cent, in my judgment, although I am going to vote against any compensatory duty, because it is not needed and will be ineffective. If needed for protection, I would support it. However, the committee will place it in the bill without doubt, providing the duty is placed on hides.

Mr. STRONG of Kansas. Mr. Chairman, one reason why I have always been a Republican is because I believe in protection. I do not believe you can maintain a high standard of living and a high wage scale in this country against a low standard of living with a low wage scale in Europe without some barrier between the two, any more than you can have water higher in one end of a watering trough than it is in the other unless you have a petition of some kind. The barrier that the Republican Party believes in erecting between this country and Europe for the protection of the American laboring man and the American market is a protective tariff. But I believe in protecting all the markets and all classes and all interests of America. I believe in protecting the East, the West, the North, and the South. And I am going to vote with these southern friends of mine for a duty on cotton, I am going to vote with them for a duty on hides, and I am going to vote with them for a duty on oil. [Applause.]

We in the Middle West do not like the idea of protecting a certain section only. We did not like the Democratic policy during the war of setting a price on our agricultural products and not setting a price on the cotton and tobacco and rice of the South. We do not like the policy of Brother GARNER of putting a tariff on Angora wool grown in his State and not protecting the wool grown on the backs of the sheep in the North, as was done under the Underwood tariff bill. And I am just wondering now how many "JACK GARNER" Republicans there are going to be on the Republican side of the House. I heard a "JACK GARNER" Republican from Massachusetts the other day say that we ought to have free crude oil. He wants a tariff on everything that his manufacturers produce but he wants the Standard Oil Co. to go through the oil fields of Kansas, Oklahoma, and Texas down into Mexico and bring in annually 150,000,000 barrels of free oil in order that his factories may have a little cheaper fuel. And I heard a "JACK GARNER" Republican from Ohio say that he wanted a high tariff on dyes but he does not want us to have a tariff on hides. He wants the hides to be brought in from Mexico and from South America free—40 per cent of all that are used in this country. He does not want the farmers of Kansas, Nebraska, Oklahoma, and the great West to have the protection that he asks for; and I would like to have these men of the East——

Mr. LONGWORTH. Did the gentleman ever hear me make any such statement?

Mr. STRONG of Kansas. I heard that the gentleman was against a tariff on hides.

Mr. LONGWORTH. Did you ever hear me say so?

Mr. STRONG of Kansas. No; I have not, but I heard you intended to vote against us.

Mr. LONGWORTH. From whom?

Mr. STRONG of Kansas. From gentlemen in the House that were working for a tariff on hides. If it is not so, I am glad to apologize, because I am glad that the gentleman who is so strong a tariff Republican is also consistent, as all Republicans ought to be.

I want to ask you men who have profited by protection all these years to vote with us for protection on hides. We of the Middle West believe in protection, because we want the goods we need and buy made by American laboring men in American factories. We want them to be well paid. We want them to be able to buy our farm products. We believe in such American cooperation, but we want you to reciprocate. We want the same protection on agricultural products for the protection of our farmers that we give to you.

Abraham Lincoln is said to have made this speech on the tariff. He took off his hat and said:

> I do not know much about the tariff schedules, but I do know this, that when I pay $5 for a hat and buy it from an English or European factory, I have got the hat and the European manufacturer has got the money; but when I buy a hat from an American manufacturer, America has got both the hat and the money.

[Applause.]

And I want to ask you, the Members of this House, to make it possible that when you buy leather or shoes or any product made from hides, that the hides are purchased from the American farmer and stockman, so Americans can have both the goods and the money. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, with no desire whatever to infringe on the province of the chairman of the committee, but in order to have the opportunity to consider some other items in the bill, I move that all debate on this amendment and all amendments thereto be now closed.

Mr. GREEN of Iowa. Mr. Chairman, I move to amend the motion of the gentleman from Tennessee that all debate on this paragraph and amendments thereto be closed in two hours.

The CHAIRMAN. The gentleman from Tennessee moves that debate be closed now. The gentleman from Iowa offers an amendment to that motion by moving that it close in two hours from now.

The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. GARRETT of Tennessee. Division, Mr. Chairman.

The committee divided; and there were—ayes 88, noes 38.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for tellers.

Tellers were ordered; and Mr. GARRETT of Tennessee and Mr. GREEN of Iowa took their places as tellers.

The committee again divided; and there were—ayes 99, noes 40.

So the amendment was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee [Mr. GARRETT] as amended by the motion of the gentleman from Iowa [Mr. GREEN].

The motion as amended was agreed to.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that during those two hours the time may be equally divided between those for and those against the amendment.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the time be equally divided between those favoring and those opposing a duty on hides, and that the time be equally divided by the Chair.

Mr. LONGWORTH. I will modify my request and ask that the time be controlled by the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER].

The CHAIRMAN. The gentleman modifies his request and asks unanimous consent that the time be controlled by the gentleman from Michigan and the gentleman from Texas. Is there objection?

Mr. GARNER. Reserving the right to object, Mr. Chairman, I want to say to the gentleman from Ohio that I expect to vote for the amendment. Would it not be rather unfair? I presume the gentleman from Michigan [Mr. FORDNEY] intends to vote for the amendment, although I do not know; but if unanimous consent is given, I want the privilege of transferring some of my time to gentlemen on this side who are opposed to the amendment.

Mr. FORDNEY. That is all right.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio? [After a pause.] The Chair hears none, and it is so ordered.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. CLOUSE].

The CHAIRMAN. The gentleman from Tennessee is recognized for five minutes.

Mr. CLOUSE. Mr. Chairman, for more than a century the tariff question has been a dominant subject of political discussion in both the Halls of this Congress and upon the political platforms of America. It has been discussed as both a national and a local issue; as both a political and economic question. Debates have in fact extended over such a long period of time as the memory of this generation runneth not to the contrary, yet, astonishing as it may seem, there is a small group across the aisle who apparently have been inoculated with a remarkably strange serum which immunizes them from the slightest infection of wholesome ideas of constructive legislation.

The seriousness of their condition becomes all the more alarming when we impartially investigate American history and find its pages replete and resplendent with innumerable examples of progress and prosperity following in the wake of the enactment of a protective tariff law, and view the pictures of poverty, want, and misery that has inevitably and immediately followed the enactment of every tariff for revenue law that was ever placed on the statute books of the United States. Surely this generation has not forgotten the records of the indescribable misery and suffering of the American laborer and of those near and dear to him following the enactment of the free-trade legislation of 1816, nor has it forgotten the deplorable condition of humanity that followed the free-trade legislation of 1833, 1872, and 1894, when millions of honest sons of American toil were marching up in the bread line to receive their morsel of food for themselves and families at the hands of charity. This untold suffering of American mothers and babes was not due to wanton

idleness on the part of American breadwinners, but was the direct and inevitable result of tariff legislation that opened the ports of America to the markets of the world and closed the doors of American industry to the honest sons of American toil.

Ah, but there is another picture, the staging for which was set in the more recent past and the scenes of which are vivid in the memory of this generation. That picture was painted under and by virtue of the authority of a Democratic Congress in the enactment of the so-called Underwood tariff bill of 1913, and which, lest we forget, brought financial disaster to American industry, to American labor, and brought forth from that administration the pitiful appeal of "Buy a bale of cotton" and save the American farmer in his dire distress.

If we, the Representatives of the American people, are to profit by the lessons of history, by our own individual experience and observation, then I say, in the name of Almighty God and modern civilization, shake from your eyes the slimy scales of party prejudice, arise to the foursquare of American manhood, and vote for the passage of this bill putting a duty on hides and cotton, and then go back to your constituency and say, "Let others do as they may, but for me and mine I am determined to stand for America." To you gentlemen across the aisle, what are you going to say to the farmers of the South when you go back home for another commission to represent them in the Halls of this Congress? With raw hides bringing them to-day the enormous sum of a nickle a pound on account of the importation of 40 per cent of all hides used in America coming in from other countries duty free, and with cattle and swine and sheep dragging on the low level of a destructive market due to the importation from foreign countries, how, oh, how, can you muster courage to go back and look them in the face as an honest man should and plead with them to commission you to came back to Washington as their Representative? If you can muster sufficient courage to do this then I shall be forced to confess that the gall of man surpasseth human understanding.

Oh, you may say that the Underwood tariff law had nothing to do with importation of live stock into this country, but I want to say that while you may fool some of the people all of the time, you can not fool all of the people all of the time. Let us see and be fair with the facts of this matter. In the year 1913 the Underwood bill was passed, but did not take effect until late in that year. During that year, however, we only imported 1,547 head of hogs, but with the Underwood bill in full sway in the year 1914 and after you had by its provisions removed the duty of $1.50 per head on swine from foreign countries our imports leaped from the small number of 1,547 to 96,429 head for the year, and I for one believe that had the war in Europe been postponed for another year or two foreign competition would have driven the stock raiser of America entirely out of business. Some one asks, What was the effect of the Underwood bill on the importation of cattle? Why, sir, the increase in the importation of cattle for the first year of the Underwood bill amounted to 446,847 head, valued at $18,742,908. This condition of affairs will in time of peace bring the American stock raiser to poverty and bankruptcy, and why? Because in Argentina, Australia, New Zealand, Paraguay, Uruguay, and Mexico the stockmen can graze their cattle practically the entire year and can hire pasturage at 5 cents per month and employees and herdsmen at from 6 to 16 cents a day, whereas the American farmer can not graze only but for a certain period of the year, when he is required to feed grain the remainder of the season, and in every case is required to pay far more for his pasturage and necessary help. Then, in the light of these figures, are you willing and ready to turn over the markets of America to the producers of the world? I can only answer for myself; but with all of the emphasis of my soul I say that I shall with all my strength, my zeal, and my ability fight every scheme that would betray the American farmer for a mess of pottage.

Mr. Chairman, I have for the past several days listened here very attentively to the arguments both in favor of and against the present bill, but I want to say frankly that I have heard nothing said in debate here that has changed my mind upon any provision in the bill.

I want to say further that, so far as the bill goes, I heartily approve every provision in it. But in order to be consistent I say that the bill should go further, and when it comes up for final passage it should have incorporated in it a duty on hides and cotton. [Applause.]

Why, do you know that when we go back and look to history we find the greatest strides of national progress have always taken place under a protective tariff? We have heard the argument advanced here in debate, and we read in history of former debates, where it was said that the tariff was for the protection of American industry and American labor. Well, I think that is true. But I want to say to you, gentlemen of this committee, that the American farmer is as much an American laborer as the man who works in the mill or the workshop, and when we legislate in the Halls of this House I say we should be as zealous of the rights and interests of that farmer as we should be of the man who toils in the factory or the shop.

When we look back only a few brief years in history—and we would not need to go back further than the passage of the Underwood bill in 1913—we shall find that owing to that bill the farmers of America in the brief period of eight years reduced the number of sheep in America 20,000,000; and now, gentlemen, are you going to put hides on the free list and reduce the cattle of America in the same proportion? And would you have us importing from Mexico and Portugal and other countries all the animals that we consume here as food?

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield for a question there?

Mr. CLOUSE. Yes.

Mr. COOPER of Ohio. Is it not a fact that under the Underwood bill, when hides came in free of duty, shoes were never so high in price? That has been the case in the last eight years.

Mr. CLOUSE. That is true. And, gentlemen, when hides came in free of duty under the Underwood bill we were paying the highest prices for the finished product that were ever known to the American citizen.

Mr. KNUTSON. And is it not a fact that hides under the Underwood bill have been cheaper than ever before in the history of the country?

Mr. CLOUSE. Well, I will say to the gentleman that in my district—and it happens to be a district where thousands of cattle are raised—raw hides are bringing only 5 cents to the pound to the farmer, and if we ever had hides that low under a protective tariff I have never seen it recorded in history.

Now, gentlemen, I say to you that in the passage of an important act like this I look beyond the confines of my own individual district. I am looking to the interests of America as a whole, not alone to the American farmer and to the American manufacturer but to the American laborer as well. I ask you gentlemen who come from the congested centers of civilization, from the great industrial centers, what are you going to do if you are protected in the manufacture of products and do not grant protection to the producers of products that are not classed as manufactured?

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent that the gentleman from Tennessee may have five minutes more. Is there objection?

Mr. FORDNEY. Mr. Chairman, we have a list of 12 men on each side, five minutes each. If we yield more time to the gentleman, it must be by unanimous consent, because under the order we have only an hour on a side. I will yield to the gentleman three minutes of my time. I wanted five minutes, but I will yield three minutes to him.

Mr. CLOUSE. I thank the gentleman.

I want to ask you gentlemen who come from the manufacturing centers of America this question: If the farmers of America are not protected and are not enjoying this same degree of prosperity under these laws that you are enacting, what good will protection avail you? I ask you this because your constituents must depend upon the American farmers, that constitute the mass of the citizenship of this country, the bone and sinew of civilization, for a market for their manufactured products. [Applause.]

I was reared in the South, and I tell you, Mr. Chairman, the day is soon coming in the South when there will be more men in the Halls of this Congress than there are to-day who share the same opinions that I do upon the tariff question. I say to you that one of the greatest setbacks to the farmer of the South has been in sending men here who did not believe in protecting their industry and protecting them in the products of their farms. But to-day, lo, the sentiment is changing, and there are millions of men in the South that were a few years ago free traders who now believe in the principle of protection. And to you gentlemen on that side of the aisle, let me serve notice again that when you go to your people again and try to defend your record here in keeping the products of the farmer on the free list, in my judgment you are going to find it pretty rough sailing. [Applause.]

I have in my possession hundreds of letters from southern Democrats who are appealing for protection on cotton and hides,

and believing in the principle of protection and in the faith that this membership has in that time-honored principle, I hope that when this matter comes to a final vote it will be put in the bill for the benefit of the farmers of America. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TAGUE].

Mr. TAGUE. Mr. Chairman and gentlemen of the House, during this debate some of the gentlemen who have addressed the House would have you believe that the only people to be considered are the farmers of the country. I come from one of the most thickly congested districts in the United States, and I would like to know where your farming districts would be if it were not for the fact that you have these congested districts to use up the products of your farms? Gentlemen on the other side of the aisle find themselves in a rather delicate position to-day because the theory of their protective tariff has fallen flat, as judged by the arguments they are using upon this amendment. Even the majority members of the Committee on Ways and Means—for the minority members of the committee claim no connection in any way, shape, or form with this bill—find themselves divided on the question of a tariff for the protection of industries. One of the most successful industries in this country to-day is the shoe industry. That industry has been successful because the raw product that it has to use is on the free list. No class of mechanics in the country receive better wages or have better hours than the shoe manufacturers.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TAGUE. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Will the gentleman inform the House how it is that shoes under the Underwood bill are higher than they have ever been before, and hides cheaper?

Mr. TAGUE. Mr. Chairman, if time would permit I would say that I could prove my proposition to the gentleman, and I could tell him the reason. I would prove it first by taking the statement made in the course of his remarks by the gentleman from Kansas [Mr. TINCHER], who made practically the same statement that I made yesterday upon this floor, when I said that the imports of hides and the imports of meat were being brought into this country by the packers, who are the same men who control the price that the farmer in this country receives for his cattle. I make this statement upon the authority of men with whom I have come in contact, and on the authority of speeches I have heard upon this floor by men who produce the cattle, who say that the price of their commodity, the price of their hides, and the price of their cattle is made almost exclusively by the beef packers and Leather Trust of this country. The Leather Trust and Meat Trust set the price on hides, and they have been higher to the manufacturers in the last few years than they have been for a long time. The price paid on shoes is higher because the people of this country are easy enough—if I may use that expression—to pay to the retailers of shoes any price that they choose to ask.

Mr. DENISON. Will the gentleman yield?

Mr. TAGUE. I yield to the gentleman from Illinois.

Mr. DENISON. Let us suppose that the manufacturers of shoes did need protection and were asking for it, would the gentleman from Massachusetts favor that?

Mr. TAGUE. Positively not. I would not vote for protection.

Mr. DENISON. Not even for the industries of his district?

Mr. TAGUE. No; and the best answer to that is that the industry to which we are referring here, the shoe industry, is on the free list and it is in a flourishing condition and needs no protection. The shoes that we produce are like every other commodity that the manufacturers and mechanics of this country can produce. We can supply the world with shoes, and we are supplying a good part of the world with shoes. The raw material of the shoe manufacturer is leather, and the shoes he makes from the leather are on the free list.

Mr. DENISON. But suppose we could not do that.

Mr. TAGUE. But we are able to do it, and you can only answer for the condition by what it actually is.

Mr. DENISON. I want to get the gentleman's views on this thing.

Mr. TAGUE. I have only 10 minutes.

Mr. DENISON. Suppose we had keen competition from Great Britain or some other country where they had cheaper labor. Would the gentleman under those circumstances be in favor of protecting our labor?

Mr. TAGUE. I would not be in favor of protecting any industry when I know the mechanics of this country to be far superior to the mechanics of any other country in the world. Yesterday a statement was made here that we could not compete with the Germans in the manufacture of dyes. I believed then and I believe now that that is one of the most absurd statements that I ever heard and is a reflection upon the intelligence of the chemists of this country. We have proven in every case that we could not only compete with them but could when tried produce dyes and chemicals superior to anything that the German chemists had ever produced. And so it is with this product or any other industry where American genius and ability have been tested.

Mr. DENISON. Will the gentleman yield?

Mr. TAGUE. I have only a few minutes. So it is with this product of the farm that we hear so much about to-day. I do not believe a tariff on hides would benefit the farmer one farthing. I do not believe that a tariff on hides is going to increase the price of shoes. I believe that the shoes manufactured in this country are so far superior to those of any other country that the world demands them and proves our claim that the mechanic and the laborer of the United States can compete in the markets of the world.

Mr. TINCHER. Will the gentleman yield?

Mr. TAGUE. I yield to the gentleman from Kansas.

Mr. TINCHER. Why do you not think that the farmer would get any benefit from the tariff on hides?

Mr. TAGUE. I want to say that I take it for granted that the men who produce cattle know something about them. Yesterday I quoted from a speech delivered in the Sixty-fourth Congress on the floor of this House by Mr. Stephens of Nebraska, a man who is recognized as one of the large cattle producers of the West. He recited at length in a speech to this House the treatment that the cattle producers were receiving from the packers of this country, and he very emphatically showed that the price they would receive on their cattle and their hides was absolutely made by the men connected with the great leather and meat-packing industries of this country, and that the farmer himself had little or no voice in the price that he was to receive for his cattle or his hides.

Mr. TINCHER. I understand, then, that the gentleman's idea is that if we give the producer a tariff on hides, the packer will take advantage of him and take it away from him and he will not receive it?

Mr. TAGUE. The gentleman's own argument a few moments ago answers that, when he said that the great majority of the hides brought in are brought in by the packers.

Mr. TINCHER. I am not saying that they are not naming the price.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. WATSON].

Mr. WATSON. Mr. Chairman, I am a strong protectionist, but when a protective policy closes some of our industries I am then opposed to protection. If we place a duty on hides it will mean that every independent tannery will be obliged to close. Half of the independent tanneries in the United States are located in Pennsylvania, and search is made the world over for hides. We only produce about 60 per cent of all the hides needed, and if a duty is placed the packers of the United States will practically obtain free hides delivered at their abattoirs, which gives them great advantage over the independent tanners.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. WATSON. Yes.

Mr. GREEN of Iowa. As I understand, the independent tanners have only two sources to get hides, one from the packers and the other to import them.

Mr. WATSON. Yes.

Mr. GREEN of Iowa. And if they get their hides from the packers they will have to pay whatever the packers ask.

Mr. WATSON. Yes.

Mr. GREEN of Iowa. And if a tariff is put on hides and they import them, they will have to pay more than the packers will, and consequently they can not compete with the packers, and they will have to go out of business.

Mr. WATSON. Yes; the independent tanners could not compete.

Mr. TINCHER. Will the gentleman yield?

Mr. WATSON. Yes.

Mr. TINCHER. In view of the fact that the packers only take 42 per cent of the hides in the United States, what becomes of the other 58 per cent? Do not the independent tanners have a chance at those hides? Does not the gentleman know that the hides that come from South America are taken off the animal by the packer?

Mr. WATSON. Not all of them, because the independent tanners go all over the world and buy them.

Mr. TINCHER. And buy them of the packers, as the gentleman from Oregon [Mr. HAWLEY] stated.

Mr. WATSON. Let me say to the gentleman that within two years the Armours have bought 24 independent tanneries in the country and 6 or 8 in Pennsylvania. This shows that the independent tanners could not exist in opposition to the packers.

Mr. GREEN of Iowa. Will the gentleman yield further?

Mr. WATSON. Yes.

Mr. GREEN of Iowa. As I understand, the independent tanners can not compete with the packers, and then they sell out.

Mr. WATSON. Yes; it is impossible to compete. Not only that, but we all know that the Armours have a great many by-products, and it has been stated that if a duty is placed on hides they will manufacture shoes and other commodities made from leather.

Mr. TINCHER. Will the gentleman yield further?

Mr. WATSON. Yes.

Mr. TINCHER. Although the gentleman is a Pennsylvania protectionist, with the situation that exists with reference to the independent tanners and the price of shoes and leather under the Underwood tariff law he thinks that should be made the policy of the Republican Party.

Mr. WATSON. We have enough leather in the country.

Mr. KNUTSON. Will the gentleman yield?

Mr. WATSON. Yes.

Mr. KNUTSON. Does not the gentleman think if we made the raising of hides profitable that that would relieve the situation?

Mr. WATSON. How are you going to make it profitable? The gentleman lives in the West—how will he make it profitable?

Mr. KNUTSON. Give us a tariff.

Mr. WATSON. You have a tariff on cattle now. Do you suppose for one moment that if you send 100 cattle to Chicago that the packers are going to give you anything extra for the hides?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GARNER. I yield 10 minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman, this proposition is a temptation held out to some people to induce them to depart from the principles they have contended for all their lives. Let me say in answer to the gentleman who said that protection had made this country prosperous and low tariff had closed up business and brought disaster, that it is strange that the same medicine has had such opposite effect on other countries. They have a high tariff in Japan, and yet the protectionists call Japan a country of pauper labor.

The gentleman from Michigan the other day named a number of countries in the Old World which had higher tariffs than we. He did this when he was refuting the idea that the prohibitory duties and provisions of this law would provoke retaliation against us and cripple us in our efforts to find foreign markets for our products. But now he and those with him refer to those countries as cheap-labor countries with whom we can not compete.

A high tariff is levied by Germany, and nobody ever dreamed of the prosperity in Germany that we have here. A high tariff is levied by France; yet France is a low-wage country. Italy is a high-tariff but very poor and low-wage country. The truth of the business is that the prosperity of this country has been in spite of the tariff, and because among our hundred millions of industrious people here there has been absolute free interchange of products. Never in the history of the world has there been anywhere at any time so great an aggregation of virile people who enjoyed absolute and unrestricted freedom of interchange of the products of their labor. If Europe should ever profit by our example and tear down the tariff walls between her States, as we tore down the tariff walls between our States when we framed our Constitution, her peoples would be all the more prosperous.

But I want to discuss now this question of hides. This country to-day even under this bill will have left one blessing, and that is free leather products, free shoes, free harness, free things made of leather that the farmers and the people generally all over the United States will use.

But we are warned that if we put a duty on hides back goes the duty on shoes and leather products of all kinds, and where I have a population in my county of 60,000 inhabitants there are probably 500 of them who would get a modicum of benefit if there is any increase in price caused by the tariff on hides, while there are 55,000 of them who would receive no benefit. We might possibly receive from the increased price of hides $1,500 for the whole county, and yet James G. Blaine years ago said that the duty on hides would add to the cost of shoes from 5 to 8 per cent, and 60,000 people in my county would pay 5 per cent more on all their leather goods that they wear because of the compensatory duty that will be added to the finished product when we put hides on the dutiable list. Let me read you what Mr. Blaine said April 10, 1890, in a letter to William McKinley:

DEAR MR. MCKINLEY: It is a great mistake to take hides from the free list, where they have been for so many years. It will benefit the farmer by adding 5 to 8 per cent to the price of his children's shoes.

Mr. Blaine knew what the compensatory duty would add to the price of shoes. But that is not all. The gentleman from Kansas [Mr. TINCHER] a moment ago said that 50 per cent of the leather products of this country were exported. To be accurate, he said 44 per cent of them are exported. Now, if you put this duty on hides, not only will it be followed by a compensatory duty on leather products now on the free list, but the drawback comes into play. What happens? Your exporters, your packers, who both import the hides and tan them into leather, when they export the leather and its products, go to the Treasury and get a drawback of 99 per cent of all of the tariff they have paid, so that, knowing that all the tariff paid would be refunded to them when they exported leather, I doubt if it would interfere at all with their imports or benefit any small cattle grower at all.

The men who import the hides could go to the Treasury of the United States when they exported 44 per cent of all the leather made in this country, which is more than all the leather made of imported hides, and get a drawback of 99 per cent of the tax that they have paid, and the Treasury would be out more expense in levying and collecting the tax first and then repaying it next than if they left hides on the free list. Yet Mr. Manufacturer holds on to his compensatory duty and raises the price of shoes. You do not help the Treasury, you do not help the farmer, but you give an excuse to put shoes back on the tax list, and you give an excuse and the opportunity and the power to increase the price of every product of hides in every form of leather that is manufactured by the manufacturers in this country. You must get up mighty early in the morning if you are going to get the better of the manufacturer. He protects himself against protection. He has taken the motto, "He that provideth not for his own house is worse than an infidel," to heart and is never guilty of infidelity or weak in the faith, and every man who has advocated a duty on hides, except one, says that he will vote to put a compensatory duty on the finished product.

Gentlemen must know, if they know anything about the history of tariff legislation, that when you put a duty on raw materials you always put a compensatory duty on the finished products. There never has been an exception in all the history of the tariff, since the doctrine of compensatory duty was first discovered. It is always added. My friend may wish to put a duty on the raw material and then kick when it comes to a compensatory duty, but if he knows anything he knows that his kick will be helpless and useless, because a compensatory duty comes just as sure on top of a duty on raw material as that the sunrise follows the sunset.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. TINCHER. A compensatory duty does not affect anything but the imports—that portion of the product that is imported.

Mr. HARDY of Texas. A compensatory duty does affect the manufacturer of the finished product, whether he makes that finished product out of the imported material or out of similar material produced here. Put a duty on imported hides, a compensatory duty is laid upon leather. It does not make any difference whether the leather is made out of imported hides or domestic hides. The duty on leather is what is compensatory.

Mr. TINCHER. Then it would apply only to such leather as is imported into this country.

Mr. HARDY of Texas. Oh, you can not put a duty on anything that is not imported, but when you put a duty on imported leather you enable the home manufacturer to raise the price of his home-manufactured leather by the same amount.

Mr. TINCHER. But suppose there was not much imported.

Mr. HARDY of Texas. It does not make any difference whether there is much or little imported or whether there is a pound of it imported. It enables the domestic manufacturer to raise the price of his domestic products up to the foreign price plus the duty or to what the foreign product would sell for after you add the duty to the foreign price. It is the same in that as in everything else. The gentleman must have forgotten what the tariff is. Put a tariff on anything that is coming into the United States, and it is for the protection of the

home manufacturer, and he is enabled thereby to raise the price of his home product up to the margin where he will not be driven out of the market by the importation of the foreigner after he has paid the tariff.

I was glad to hear the gentleman from Massachusetts [Mr. TAGUE] say that America can compete. America always has competed when she had to. We were told for years that the Steel Trust could not compete in the manufacture of steel-ship building material, but when we put the steel-ship building material on the free list our steel manufacturers did compete, and our shipbuilders did not go abroad to get any of their material. It took hard fighting and long years to get Congress to put shipbuilding steel and iron on the free list. Our shipbuilders said they could build ships in competition with the world if they had as cheap building material as their competitors. Well we gave them that by putting the material on the free list, and now we have the anomaly of shipbuilding materials on the free list, but the ship built in America protected by an absolute prohibition against any other ship flying our flag. If Republican policies in regard to ships and shipbuilding and American registration of ships is returned to, I look to see our American flag again vanish from the ocean in a few years.

We have always competed when we had to do so. We never could compete when we got a tariff or some embargo to keep it from being necessary to compete. We compete all over the world, and the very fact we are trying to spread our commerce now really means that if you let us alone we can compete, but if you tie the hands of domestic industry by the imposition of burdens and by the preachment of our imbecility and incapacity you will do with the other industries like we did with the merchant marine. We coddled them by restriction, we coddled our shipbuilders by a limitation on the importation of ships built anywhere else, so that they did not believe that we could compete and probably under those circumstances they could not. They were charging 50 to 100 per cent more for their products than foreign shipbuilders, and so it is here in this matter of hides and shoes. Give them an opportunity to put the tariff back on shoes and they will charge more for shoes here than shoes cost abroad. Keep hides and keep shoes on the free list, as we have them now, and our shoe manufacturers will continue to do as they are doing now, to make shoes for us to the total exclusion of foreign shoes and at the same time to export millions of shoes all over the world.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. Does the gentleman from Michigan want to use any time now?

Mr. FORDNEY. I will yield five minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and members of the committee, as I understand the proposition before us, it is not one of what shall happen to leather or what shall happen to shoes or what shall happen to any other product of leather. The immediate proposition before us is, What shall happen to the American farmer in reference to hides? I think that the distinguished chairman of the Committee on Agriculture, when he presented the very able argument the other day with reference to agricultural schedules, made use of the statement that the time when the farmer needed protection was in the time of his crisis. And may I say to you, gentlemen of the committee, if there ever was a time when this theory announced by the chairman of the subcommittee had special application it is at this moment when the record is that man after man who produces hides is scarcely able to get the cost of the hides because of the transportation and commission charges and the low market price. Having in mind this critical situation of the American farmer as to hides, and with it the statement of the distinguished chairman of the subcommittee that the proposed rate on hides will add $34,000,000 to the farmers' income, I submit that here is an opportunity for relief which ought not to be passed over in these days of distress and discouragement in the cattle industry. [Applause on the Republican side.]

Another gentleman has said something in reference to the effect that a protective tariff is designed to be of advantage to those who labor and to those who manufacture. In this connection, gentlemen, I beg leave to point out now that the American farmer is at the same time a laborer and a manufacturer, and if the protective tariff is deserving of consideration by sane, level-headed Republicans in a bill that is designed to help both those who labor and those who manufacture, then in a double sense favorable consideration should be given the American farmer at this particular time and in connection with this particular item of this schedule.

Mr. McDUFFIE. Will the gentleman yield?

Mr. KETCHAM. I am sorry, but I can not yield. Another argument which has been presented very ably, I believe, by the proponents of this bill is that the justification of a protective tariff is that we do not force our American manufacturers to compete on equal terms with those of foreign countries. Will you listen, gentlemen, while I ask a plain question? Ought we not to tackle courageously one of the greatest problems before our people—that of production cost for farm products? Ought not this House to attempt to secure conditions for the American farmer that will enable him to secure the cost of production on what he produces? Certainly no one will argue seriously that the American farmer is receiving this cost of production, to say nothing of profits, for the work he performs. For this reason I beg of you gentlemen that you will give favorable recognition to this proposition to give a tariff on hides.

I have time but for one further point, and in this I speak not to those on the right of the aisle but to my fellow Republicans. Upon whom do you depend for votes in the hours that are critical in our party? Where do you seek assistance when the outcome is uncertain? I tell you plainly that you go out to the farmers of the country and say to them that when the Republican Party returns to power conditions will improve and advantage will come to them. They take you at your word and rally to your call. [Applause on the Republican side.] In the close campaign of 1918 the farmers of Michigan overcame the adverse majorities in most of the cities of the State and thereby made it possible for the Republican Party by a single vote to organize and control the United States Senate. In the face of this are you going to desert the American farmer on the first test vote of this important bill? With desertion of friends are you going to couple abandonment of the protective tariff policy for local advantage and so bring joy to every free trader's heart? If not, vote for this amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I shall yield five minutes to the gentleman from Ohio [Mr. BURTON], who wishes to speak against the amendment. [Applause.]

Mr. BURTON. Mr. Chairman and gentlemen of the committee, in opposing the duty on hides I am acting in harmony with the predominant opinion of protectionists from the very beginning of the Government and also in harmony with the great Republican leaders. The history of the duty on hides is an exceedingly interesting one. From 1789 to 1842 this article was on the free list.

In the basket clause of the act of 1789, imposing a duty of 5 per cent on articles not elsewhere enumerated, an express exception was made of hides, the idea being to build up an industry here and give free entry to the raw material of leather. Not until 1842 was a duty imposed, that of 5 per cent. That was continued until the act of 1862—with a duty of only 4 per cent from 1857 to 1861—when under the stress of war, and a demand for greater revenue, the 5 per cent was increased to 10. All of these duties may be regarded as having been adopted for revenue rather than for protection. The last-named rate was continued until 1872, when hides were placed on the free list. The act of 1883—both of these last two being Republican measures—also placed hides on the free list. In the discussion in the year 1890 of the McKinley tariff bill there was very careful consideration given to this subject, and no duty was imposed. In the Dingley Act of 1897 the bill as it passed the House placed hides on the free list. The Senate imposed a duty of 20 per cent, and in the conference a compromise was had, making it 15 per cent. In the year 1909 hides were placed upon the free list by the action of the House. The Senate sought to establish a duty, but in conference it was thrown out. So that from 1883 until the present, with the exception of the 12 years under the Dingley law, hides have been on the free list.

In 1890 Mr. James G. Blaine, whose standing as a protectionist no one can question, strongly opposed placing a duty on hides. Mr. McKinley acquiesced in the opinion, as did Mr. John Sherman, of Ohio. Mr. Dingley also favored free hides in 1897, and Mr. Payne in 1909. Why? Because it is perfectly manifest that only a part, a very trivial part, of that duty inures to the benefit of the farmer.

If this duty of 15 per cent, or any other duty, would confer any substantial advantage upon him, a different question would be presented here, but I am satisfied it will not. The gentleman from Oregon [Mr. HAWLEY] has treated this subject so intelligently that it is hardly necessary to add anything to what he said.

In the first place hides are a by-product or an incident; the days when the principal value of the steer consisted of the horns and the hides have long since passed. Cattle that are

brought to the slaughterhouse are sold for the value of the meat; again, an increasing share of the cattle slaughtered is killed in the establishments of the packers, and their organizations have also an increasing share of the business of the tanning industry in the country.

There is another aspect even more objectionable to this duty when viewed from the standpoint of the farmer; in an important sense every producer is also a consumer; the farmer must have his leather, his saddles, his boots and shoes. If a compensating duty is imposed upon leather and shoes, indeed without a compensating duty by reason of the increased cost of hides, the added cost to the farmers will be more than any increased price which can be obtained from a duty on hides. I can see my way clear to vote for duties on wheat and cereals because of the almost unprecedented disadvantage to which the agriculturists of the country have been subjected in the last year or more.

But distress and depression do not rest upon the farmers alone; the country is passing through a crisis, and, while we hope that the turn will soon be reached, no one can be sure. The statistics of the unemployed in industry and the general condition of the people emphasize the fact that the present hard times do not rest upon any particular element in our population.

I would warn the Members of the House against relying too much upon the benefits which may accrue from the passage of this bill; a tariff act may aid, but it can not cure the present situation. Only time, patience, economy, and recuperative forces, which are sure to be at work, can bring us back to normal conditions.

There has seemed to be a general demand for duties upon everything; this is not consistent with a well-adjusted tariff system drafted for the promotion of industry.

Mr. TINCHER. Will the gentleman yield?

Mr. BURTON. Excuse me, please.

I think some duties in this bill are out of line; some others are too high.

The relation between raw material and the finished product seems to me badly adjusted in some schedules of this measure. I call attention to the duties on alloys used in the manufacture of steel. These alloys are absolutely essential for improving the quality of the varied classes of this metal. The supplies of alloys in this country furnished with supreme effort in the time of war are scanty, and while there is much force in the argument that in the exigency of war the Government encouraged the mining of manganese, tungsten, silicon, and so forth, there is even a question whether it would not be best to pay compensation to those who sought to develop production of these commodities rather than to impose these duties. The duties provided in the bill will cause a serious wrench in the manufacture of articles essential to our prosperity in this business, which is suffering from a depression perhaps the most serious ever known. I am this morning in receipt of a letter from a manufacturer who was one of the first to send the finer grade of tools abroad; the head of an establishment which has done very much to promote a trade which has reached to almost every country in the world. He states the present price of tungsten is 12½ cents to 15 cents, and the duty imposed in this bill is 45 cents—an increase of approximately 300 per cent—and that with this duty it will be impossible to compete with German manufacturers in this important line of business, a business which affords employment for thousands of men. A 15 per cent compensatory duty on alloys can not overcome this handicap.

There is another duty carried in this bill which I can hardly understand; it is apparently a trivial item, but in the Dingley and Aldrich bills there was a duty of one-half a cent on unshelled and 1 cent on shelled peanuts. In the Underwood bill these rates were reduced to three-eighths and three-fourths of a cent, respectively. In this bill there is a duty of 3 cents on unshelled and 4 cents on shelled, an increase of 300 and 500 per cent over the Payne and the Dingley bills; indeed, the rate is considerably higher than on products made from peanuts as a raw material.

I am afraid of this American valuation, but in view of the peculiar condition in regard to foreign exchange and unequal values on goods sent here by exporters from different countries, I say try it. There are arguments for it as well as against it. But I have especially noticed in this debate how many of the arguments have been based upon locality. My colleagues, let us avoid that which is provincial and local, and in the framing of this most important measure let us have national thoughts and look at this question from a national standpoint. [Applause.] It is a great industry which depends upon hides, that of leather. It is one of the most prosperous and profitable——

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Arkansas [Mr. WINGO].

Mr. WINGO. Mr. Chairman, I always listen with a great deal of interest to the gentleman from Ohio when he takes the floor, because he is not only an interesting man and a great student of economics, but he is a man whose every action demonstrates that he tries to base his political conduct on his fundamental convictions. But I am afraid his appeal to his Republican brethren to get a national mental viewpoint when they are considering a tariff bill is rather a vain appeal. Why, the gentleman from Michigan [Mr. FORDNEY] in opening the debate on this bill said the committee had not tried to think about the selfish interest of localities, but of the whole national interest. Technically he may be correct. Generally it is not so much a question of locality as it is of classes and industries. The greatest pork barrel bill on earth is a tariff bill. It is log rolling. I sat over here as an innocent bystander trying to avoid the proverbial fate of the individual bystander as I noted the quarrel amongst the gentlemen. My genial young friend who sits in front of me, and who preceded the gentleman from Ohio, said something about the farmers' hides. He is a great deal older than I am, but I have been in Congress longer, and I offer this suggestion to him: That he will understand what the Republican Party does to the farmer's hide when he has been here as long as I have fighting for the interests of the American farmer. And if this bill should pass, if the Republican Party should be so unfortunate as to let this bill get through, there will not be much left of the hide of the American farmers to protect one way or another.

Now, let us see about this. You want a duty on hides. And do you know, one of the most amusing things I heard was from my distinguished friend from Kansas [Mr. TINCHER] and the Republican whip [Mr. KNUTSON]. They always appear up the stage whenever something is up, and both of them assured the House, in substance if not in specific terms, that under the Democratic tariff bill shoes have always been high and hides have been low, while under a Republican tariff bill hides have been high and shoes have been low. That is silly to a man who knows the facts, and I saw a smile on the face of the gentleman from Ohio [Mr. BURTON]. He has just shown you that the Republican tariff policy is free hides, and everybody in the country, except the gentleman from Kansas [Mr. TINCHER] and the gentleman from Minnesota [Mr. KNUTSON], knows that free hides is a fundamental part of the Republican policy of protection. How on earth did they reach the conclusion that the Democratic tariff always made shoes go up and hides go down when under both laws both shoes and hides are on the free list? The gentleman from Ohio called attention to the fact that only during a short period of protection have you put a tariff on hides. If you put a tariff on hides you have got to place a compensatory tax on leather goods. The gentleman has faith in humanity, but I wish I had as much faith in the Republicans as he has. My dear sir, if you have got a tariff on hides and you escape without a compensatory duty on leather goods the newspapers of the country will herald it as an extraordinary precedent, a thing that never happened under a tariff bill of the Republican Party.

A protective tariff policy is a manufacturer's policy, and every time you give the farmer or anybody else anything at all they always "raise the ante" a little bit in favor of the man who makes the manufactured finished product. I challenge you to show me in the McKinley bill or in the Dingley bill or in the Payne-Aldrich bill or any bill that the Republican Party has ever written where they did not follow that policy. They always do it.

The gentleman says it is not a question of shoes or of leather, but it is a question of the farmer's hides. I wish that were all that there is in it. I know, as the gentleman from Ohio [Mr. BURTON] knows, that a tax on hides will not help the cattle grower, but it will give you an excuse to put a compensatory tax on leather goods.

Right here I want to ask my friend from Michigan [Mr. FORDNEY], Is this bill going to raise the price of articles that are protected or is it going to decrease the price of the articles protected? Does the gentleman think it will? I would like to know. Does the gentleman think that by putting protection on an article it will have any other effect than to raise the price?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. COLLIER. Mr. Chairman, I yield to the gentleman five minutes more.

The CHAIRMAN. The gentleman from Arkansas is recognized for five minutes more.

Mr. WINGO. Is there any Republican here now that believes that by putting these articles on the protected list or

increasing the tariff on articles on the dutiable list he is going to increase the price? Is that your intention? Do you hope to do that? Is that the reason why you are doing it? Is there any Republican here who can answer?

Wonderful! Do you expect to maintain the present price? Does anybody hold to that view? Do you expect to decrease the present price? You do not know. You are telling the protected industries that it will enable them to pay a higher price to American labor. All right. If the argument of the gentleman from Kansas [Mr. TINCHER] and that of the gentleman from Minnesota [Mr. KNUTSON] is correct, that by putting a tariff on hides you will increase by $40,000,000 the amount of money that the American farmer will get for his hides, I want to know if you predict along with that contention that the price of shoes will go down? Are you promising a reduction in the price of shoes by this bill?

Will any man on this side tell me of one provision in this bill by which you say you will reduce the cost of living?

The gentleman from Michigan [Mr. FORDNEY] the other day said the object of the bill was to cover that discrepancy, and he used as an illustration the case of wheat. He said the farmer to-day was getting too little for his wheat and the miller was getting a high price for his flour, and that the price charged for the flour did not show any reduction because of the reduction in the price of wheat. And the gentleman from Texas [Mr. GARNER] asked him what he was going to do to correct that. In answer the gentleman from Michigan held up this tariff bill in his hand, stating that that would be corrected by the bill. Do you propose to hold prices where they are now? Do you propose to prevent them from dropping?

Mr. FORDNEY. I will say to the gentleman that for six days past we have explained our position. Do you wish us to stand here and explain it for six days more?

Mr. WINGO. No; of course not, but I ask you, Do you expect this bill to raise prices on any article? Do you expect this bill to increase the selling price of any article in it?

Mr. FORDNEY. We expect this bill to do just what it says. If the gentleman will read it, then he will know all about it.

Mr. WINGO. Do you expect that this bill, by increasing the present duties, will decrease the price of articles to any consumer?

Mr. FORDNEY. It has been done in the past under a protective tariff. But have your free-trade measures brought down the cost of living in this country?

Mr. WINGO. Do you intend to do that?

Mr. FORDNEY. Answer my question.

Mr. WINGO. I will ask the gentleman to answer mine.

Mr. FORDNEY. I have asked you a question. I asked you a fair question. Has the Republican tariff raised prices? And has the cost of living gone down under your free-trade bill? I will tell the gentleman all about it if he will only listen.

Mr. WINGO. I always treat the gentleman with the respect to which his age and character entitle him, but I decline to get away from the simple question I asked him.

I have heard the argument of the gentleman from Kansas [Mr. STRONG]. The inference from his statement was plain. He says the Underwood bill was the cause of the high price of shoes. In other words, free trade increases prices—strange for him. Gentlemen get up here and discourse about "the American doctrine." If there is anything you gentlemen like to dwell upon more than any other it is the old sloppy statement that you make when anybody asks you for specific information, that you intend to maintain the American market and maintain a high wage standard to American labor. You did not answer when I asked you if this bill is intended to raise prices, a question so simple that a schoolboy could answer it. You avoid answering by asking another question. You have promised to reduce taxation and to reduce the cost of living, but you have not done a single thing since you have been in power except to increase the number of offices, to increase the expenditures, and to increase the taxes. And here to-day you bring in a bill that adds a burden to the back of the American taxpayers of at least three and one-half billion dollars if your theory is correct. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. BANKHEAD].

The CHAIRMAN. The gentleman from Alabama is recognized for five minutes.

Mr. BANKHEAD. Mr. Chairman and gentlemen of the committee, I opposed the extension of the debate on this question of free hides to four hours, but I now feel that from some of the information that we have received on this question, especially from gentlemen who have spoken on the Republican side of this House, it has justified the time that we are taking in its discussion.

The gentleman from Oregon [Mr. HAWLEY], a man who has frequently been referred to in the course of this debate as a very serious, capable, honest, conscientious member of the Committee on Ways and Means, has presented for the consideration of this committee and of the country facts upon this question of taxed hides and of its proposed benefits to the producers of hides that are absolutely unanswerable; and I want to reiterate it so that there may be no misunderstanding of the real effect of this proposed legislation; its effect not only upon the farmers who produce hides in this country, but upon the great masses of consumers, all of whom in all sections of the country have to wear shoes and use leather goods, the effect that the adoption of this amendment will have upon them in dollars and in cents.

Bear in mind, gentlemen of the committee, that the figures given by the gentleman from Oregon [Mr. HAWLEY], a Republican member of the Ways and Means Committee, are not his figures. So great was the interest in arriving at a correct decision upon this question of free hides or taxed hides that not only did the committee make an independent investigation of the facts, but in order to be absolutely sure of their ground before undertaking to pass upon this question they passed it up to the Tariff Commission, a nonpartisan body of men, to make a full and complete investigation in the field, and the figures presented by the gentleman from Oregon [Mr. HAWLEY] are not Republican figures; they are not individual figures; they are the figures of a body authorized by Congress to determine the truth of contested issues and to furnish Congress with reliable information. Those figures show, according to the statement of the gentleman from Oregon [Mr. HAWLEY], based upon the average importation of hides for the last 11 years, that the effect upon the farmers and cattlemen who are supposed to benefit by the levy of a tax of 15 per cent upon hides would be a detriment to them, as it would to the masses of the consumers of this country by the placing of a tax upon hides.

Here is a summary of the figures prepared by the Tariff Commission, presented by the gentleman from Oregon [Mr. HAWLEY] in earnest protest upon the part of some Republicans against this iniquitous levy of a tax on hides. He says that the report shows that the tax on hides would amount to about $68,000,000, and that the farmers whose interests are sought to be protected here by the gentlemen from Kansas and Texas, and other advocates of this proposition, would receive by reason of the tax $34,000,000, and that the farmers would pay out $38,000,000 more for their shoes and leather and harness than the tax would bring them, so that they would lose $4,000,000, even conceding that they should get this proposed duty upon hides. These figures of the Tariff Commission further go to show that the people of the country as a whole, not only the farmers' children so eloquently referred to by the lady from Oklahoma [Miss ROBERTSON], but the people in the cities and everywhere else where they do not manufacture shoes, the people of this country upon this one item of taxed hides would pay $86,000,000 per annum more than the farmers of the country who produced them would receive by way of benefit. Now, gentlemen, are you going to adopt that proposition in the face of these indisputable figures? The gentleman from Kansas [Mr. TINCHER] asked the gentleman from Massachusetts [Mr. TAGUE] why he opposed the levy of a duty upon hides. I will answer that question. I will tell him that I opposed it, and our party opposes it, and the consumers of this country oppose it, and the great leadership of the Republican Party, as suggested by the distinguished gentleman from Ohio [Mr. BURTON], for generations has opposed it, upon the proposition that instead of benefiting the farmers who raise the hides it is not only to their detriment, but it imposes an aggravated and tremendous additional burden upon the other consumers of shoes and leather commodities in this country. Is that a sufficient answer to the gentleman from Kansas? It is on the evidence of one on his own side of the House, and any Republican here might well take the advice of the distinguished gentleman from Ohio, Judge BURTON, and stand with Blaine, Sherman, McKinley, and Payne, and Aldrich, and Dingley, and BURTON upon this matter of free hides, as opposed to the advice of WURZBACH, and TINCHER, and WHITE, and other new proponents of a new Republican doctrine here in this House.

And what will be the compensatory duty upon manufactured leather that you fix? I asked the proponent of this amendment, the gentleman from Oklahoma [Mr. CHANDLER]. He said that in the subcommittee it was proposed, that some suggestion was made. He said possibly it might be tentatively agreed upon at

5 per cent compensatory duty to be given to the manufacturer. I asked him if he could confirm that. He said no, that he could not confirm it, because I imagine Brother TREADWAY and Brother WALSH and the other representatives of the great New England manufacturing establishments have not told him yet what duty they propose to levy.

These manufacturers of shoes and leather goods very frankly tell us that they do not need and are not asking for any tariff on shoes or leather. But they say if you put a duty on hides we will of course have to have a compensatory duty on shoes. What does that mean? It means that the farmer will get about 30 cents more for a hide, and that hide will make 10 pairs of shoes, and the manufacturer and shoe retailer will use it as an excuse to add on at least a dollar a pair, or $10 to the hide, and the farmer will get 30 or 50 cents extra for his hide and pay probably ten or twelve dollars extra for shoes for his entire family.

That is great protection to the raisers of hides!

Mr. CHANDLER of Oklahoma. I think the gentleman is misquoting me.

Mr. BANKHEAD. What did the gentleman say about 5 per cent duty?

Mr. CHANDLER of Oklahoma. I said, to the best of my recollection, that it was 5 per cent.

Mr. BANKHEAD. Of course; and that is what I said you said.

Mr. CHANDLER of Oklahoma. I did not have the figures here with me

Mr. BANKHEAD. Does the gentleman know now, and can he tell us now?

Mr. CHANDLER of Oklahoma. No; I have not looked it up.

Mr. BANKHEAD. Has the gentleman consulted with Brother TREADWAY and these other New England shoe manufacturers?

Mr. CHANDLER of Oklahoma. Certainly not.

Mr. BANKHEAD. I want to serve notice on the gentleman that he had better get in conference with them, because they are older at this game than you western Republicans, and if you do not look out they are going to deal from a cold deck and from the bottom of the deck when you sit in with them and they deal you a hand. [Laughter.]

Mr. CHANDLER of Oklahoma. The boys from the West have always been able to take care of ourselves, and we will try to do it in the future. [Applause.]

Mr. BANKHEAD. No; you can not tell. This committee does not know, and the gentleman from Tennessee [Mr. GARRETT] said upon general principles he opposed all these amendments because we were absolutely in the dark as to what compensatory duty would be put on where articles were taken off the free list. When the psychological moment comes, if you get enough assistance on that side to put through a duty on hides, do not forget that the New England manufacturers have been burning the midnight oil on this matter of a compensatory duty, and they have already got it prepared, but they have not taken you into their confidence, Brother CHANDLER, and you Brother TINCHER, and you do not know, and you will only have a few minutes here to consider their schedules when offered, but you, by your admissions and arguments here, have estopped yourselves from opposing the levy of a compensatory duty, and you are practically turning over to those gentlemen who are most to be benefited by it the fixing of the amount of the tax. [Applause.]

I wish to repeat that, in my judgment, it is not only a blunder but it will be a congressional crime to pass this bill. The plain people of this country are now groaning almost to the point of desperation on account of high taxes, depressed industry, the high cost of living, and unemployment. There are 5,000,000 workers out of employment now. Their funds are exhausted. The inevitable effect of this bill will be to put still higher the cost of everything they have to consume. Instead of lightening their burdens you propose to increase them. Instead of giving to them the hand of help and hope, you propose to add to their helplessness and despair.

If there ever was a time in the history of mankind when trade and commerce, domestic and international, should be unshackled and liberated from repression and selfishness, that time is now.

This bill will not make for the common good; it is the handmaiden and servitor of special interests and unrestrained greed. It is not for the man in the street or in the furrow; it is a document of the counting room and directors' meeting.

Gentlemen, I ask you in all solemnity, how do you expect this Government to endure? By having the people to love it or to hate it?

Love is not engendered by acts of repression of studied indifference to the people's woes, by withholding the expressions of sympathy and justice, but hate breeds from just those causes.

I want my Government to endure. I can not by voting for this measure add to the maledictions of the multitude.

Mr. COLLIER. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, the gentleman from Michigan [Mr. KETCHAM] appealed awhile ago for the farmer on the ground that the farmers in five counties in Michigan saved the Republican majority in the United States Senate a year or two ago, and therefore they needed protection. According to what is very popularly admitted now and what has even been written in the records of the courts of this country, I take it for granted that if the Republican organization was saved by the farmers, and they got what they had a right to expect, that organization turned them over $300,000, and they do not need any help from Congress now. [Laughter and applause on the Democratic side.] If that is the basis for taking control of the United States Senate, it is the most stupendous corruption of an election ever put forth in this country, and if the farmer is responsible, God knows they ought to be satisfied to take off the duty on their hides. [Laughter and applause on the Democratic side.]

The gentleman from Minnesota [Mr. KNUTSON] asked a question of the gentleman from Massachusetts. He said, "Is not it true that under the Underwood law shoes have been higher than they ever have been before?" Yes; that is true. Now, let me ask the gentleman a question: Is not it true that during the Underwood law wheat has been higher than it ever has been before? Why, it was dancing a tango with the stars; there has never been such a record high price for wheat in this country. Does the gentleman claim that the Underwood tariff bill is responsible for that? Has there ever been such a price for corn in the history of this Nation as it has been under the Underwood law? Is it the Underwood tariff that made that high price? Is it the Underwood tariff that made the high price of shoes? If so, it is strange that these protectionist gentlemen are trying to repeal it.

Mr. KNUTSON. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. KNUTSON. What we object to in the Underwood bill, so far as hides are concerned, is that the law permits hides to be brought in from other countries, depressing the price of hides here and forcing the American farmer to sell or practically give his hides away.

Mr. STEVENSON. Did not it do that under the Payne-Aldrich law? Did not it do it under the McKinley law?

Mr. KNUTSON. No; Argentina had not developed the industry at that time. Hides were protected under the Payne-Aldrich law.

Mr. STEVENSON. The gentleman heard a moment ago the statement of the gentleman from Ohio [Mr. BURTON], who has forgotten more about the tariff of this country than the gentleman would learn if he lived to be a thousand years old. I beg the gentleman from Minnesota to consider that shoes have been high under the Underwood tariff, and to say, therefore, that it is responsible for the price of shoes is simply a piece of claptrap that the farmers will not believe. We know that we have had a scale of high prices, but the tariff did not affect them one way or the other.

Now, they plead for the farmer. There are 240,000 people in my district, and 80 per cent are farmers and the balance are cotton-mill operatives. The cotton manufacturers or operatives number some 20,000, but they have not any hides to sell. They are having all they can do to save their own hides from the manufacturers that you gentlemen want to protect. They have got to wear shoes. Eighty per cent of the farmers of that district sell practically no hides, but they have got to wear shoes. You give them one pair of shoes a year, purchased at $4, average price $4, and that makes $960,000 worth of shoes that that district has got to pay for, and it will not sell $2,500 worth of hides, not $5,000 worth at the highest. You put a tariff on hides and add a compensatory duty on shoes, and you have got a duty on shoes worn by my 240,000 constituents, who have no hides to sell, and you will take at least $144,000 out of them, because you will make it not less than 15 per cent. In order to assist the shoe manufacturers of Massachusetts you will take $144,000 out of the farmers and the cotton operators, and then the gentleman from Tennessee [Mr. CLOUSE] says to us, "You fellows had better look out, the bogey man will get you next time." I wish he would come over into my district; I will turn over the field to him and let him canvass it on that platform.

Mr. KNUTSON. He would win if you would let the colored people vote in South Carolina.

Mr. STEVENSON. The colored people are allowed to vote wherever they qualify, but the colored people do not want to vote, because they had rather have the dollar poll tax in their pockets. The gentleman does not know what he is talking about. And I will tell you another thing. I can get 50 per cent of them, if they did vote, against any man preaching the doctrine that the gentleman from Tennessee [Mr. CLOUSE] preached to-day. Why? Because the colored man wears more shoes and bigger shoes than anybody else. Put 15 per cent additional price on them and let him understand it and he will say, "How come, boss, they have done added 50 cents to my shoes and I buys two pair a year; how come this?" I would say to him that it was because they had put a tariff on hides and that when his ox dies he can get 20 cents more for the hide; but he would likely reply, "Bless God, that ox ain't never goin' to die and I will never get that 20 cents, but I will have to pay for my shoes twice a year." That is what would happen. Talk about protecting the farmer! The farmer competes in the markets of the world with everything on earth that he has got, and if you answer that question honestly which the gentleman from Arkansas asked awhile ago you will answer it by admitting that the intention of this bill and of this very amendment is to put up the price of things in this country which the rural population have got to buy, because if you do not do it it will not help the manufacturer. If you are candid about it you must admit that the great mass of people are going to have to pay the fiddler for this foolishness, if it ever becomes a law. [Applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, I yield four minutes to the gentleman from New York [Mr. HUSTED].

Mr. HUSTED. Mr. Chairman, I intend to vote for the amendment placing a duty of 15 per cent on hides, and, if an amendment be offered for a compensatory tariff upon shoes, I shall vote against it, for the simple reason that I believe the farmer needs the duty, and I do not believe the shoe man does. [Applause.] We control the shoe business of the world, but we do not produce all of the hides by any means. We produce a comparatively small quantity of them. The distinguished gentleman from Ohio [Mr. BURTON] stated the position of Mr. Blaine and Mr. Sherman and Mr. McKinley on this subject, but he stated their position as of 31 years ago. Thirty-one years ago, in my opinion, there was not the slightest justification for any duty on hides or practicaly upon any agricultural product, but there has been a great change in 31 years. We can go further back to the time when we set about being a nation. We were then almost exclusively agricultural. We had no industries, and we needed a protective tariff in order that those industries might be established, and the protection came and we grew under protection to be one of the greatest industrial nations of the world. But in recent years the tendency has been toward a lowering of the duties upon manufactured goods. The Underwood tariff law went too far, but there has been a tendency toward lowering duties on manufactured goods, and while there has been that tendency the need has arisen and is growing for protection to the products of the farm. [Applause.] In the early days the farmer did not need any protection, because we had the most fertile agricultural land in the world, because we had great ranges in the West where our cattle could be raised at a very low cost, but the fertility of the western lands is being exhausted, and these great ranges have been largely taken up, and the time has now come when the farmer needs a little protection, and he has got to have it if we are going to be and remain economically independent as a nation. [Applause.] I am in favor of that proposition. With me it is the basic proposition, that we shall be economically independent, even though we be so at some small sacrifice of price.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FORDNEY. Mr. Chairman, I yield four minutes to the gentleman from Missouri [Mr. MCPHERSON].

Mr. MCPHERSON. Mr. Chairman, the gentleman from Massachusetts [Mr. TAGUE] stated a fact that we all know, that the manufacturers of shoes and leather goods in this country have been prosperous. He said it was because hides are on the free list. We know that the shoe manufacturers are prosperous, and we know that hides are free. My colleague from Missouri [Mr. ROACH] has received from one of his constituents of Cooper County, Mo., a document that emphasizes the statement of the gentleman from Massachusetts, that hides are free. Here is the letter, which I shall read. It is written from Pleasant Green, Cooper County, Mo., and is addressed to Con-Congressman SID. ROACH. It says:

DEAR SIR: I am sending you a bill for a beef hide I shipped, and you will notice after express and commission is paid I have 12 cents to my credit.

What do you think of that?

The letter is signed by Robert Schupp.

Attached to the letter is a document about 2 feet long from the Northern Fur Co., of St. Louis, Mo. It is the account sales from the purchaser sent to Mr. Schupp. On this invoice there is printed the statement that this fur company is the most up-to-date fur house, and the other statement, "If we please you, kindly recommend us to your friends."

Down at the bottom of the sheet is the statement of the account as follows:

Hides—	
One No. 2, fresh cut, 40 lbs. at 3c lb	$1.20
Less express	1.08
Amount inclosed	.12

At the bottom of the sheet in large red letters you will notice there is the legend "We charge no commission."

So, the statement of the gentleman from Massachusetts that hides are free is an absolute truth in its application. This man received 12 cents for a 40-pound hide. That is so nearly free that the shoe manufacturers of Massachusetts will not complain. I deny, however, that the shoe manufacturers will not still be prosperous if a duty is placed upon the importation of hides.

The gentleman from Ohio [Mr. BURTON] called attention to a fact that in many of the tariff bills and for many years hides were carried on the free list. We also remember that for many years there was no occasion for a protection on hides. We remember that for many years the policy was adhered to in protective-tariff measures of giving a manufacturer free raw materials. The farmer and others were compelled to produce free raw materials, and duties were levied largely only upon finished products. The wisdom of that policy has long ago been exploded, and no tariff measure is just or honest which denies protection to the producer of raw materials and gives it only upon highly finished products. By giving the farmer just protection on his raw materials are we dealing with the question as the gentleman from Ohio [Mr. BURTON] appealed to us to do?

The bill ought to include all of the industries, as this bill will do when we are done with it, and should afford protection to all of the people of the country; it should cover the entire country, all its peoples and all its industries, and when that is done we have dealt with it as a great national question in a great American way.

In its national aspect I call to the attention of the committee that the census which has just been taken demonstrates that for more than 10 years there has been a constant emigration from the farms in the country to the great cities. Rural communities in every section of the United States have been losing population. There has been a constant flow of the boys and girls from the country, where life is clean and morals are pure, to congested centers, where the vicious gather in great numbers, where the wicked are found in large per cent; many of our cleanest and best coming in contact with the vice of the great cities, are contaminated, and we know that American character itself is being affected seriously, and the average lowered thereby. It presents the tariff question in its greatest national aspect when it is proposed, as in this amendment, to give the farmer protection on hides. No remedy that can be proposed for reversing the current of the flow of population and make it tend from the city to the farm is more efficacious than a proposition to make agriculture more prosperous. Those who object to a duty on hides are themselves viewing the question in its narrowest aspect. The transaction of the hide being shipped and sold for 12 cents net shows how little are the rewards of those who produce them, and with other difficulties under which the farmer labors explains why our census shows people are leaving the farm and congregating in the great industrial centers. Let us put a duty on hides and help to make the farming business prosperous. [Applause.]

The question at issue is an important one in its national aspects. It is, Shall the farmers of this country produce hides for 12 cents each, so that the manufacturers of shoes may continue to be prosperous, or shall the American Congress give the American farmer protection on his hides, so that he may have prosperity? By placing an adequate duty on hides we will take a step to arrest the flow of population from the farms to the great cities by aiding in making agriculture prosperous.

Mr. FORDNEY. Mr. Chairman, I yield four minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and gentlemen of the committee, I have listened for three or four or five days to tariff speeches and to-day I got upset in all my reasoning and belief. The gentleman from Ohio, former Senator BURTON, gave a course of reasoning a few minutes ago advocating free hides, and I will challenge any man of this Congress that if he proceeds with the same reasoning regarding any schedule in the list, save coloring and chemicals, he will arrive at the same port that the Senator arrived at on hides. [Applause on the Democratic side.] I

want to say to you if the Senator is right—and he was referred to by the distinguished gentleman from South Carolina a while ago as having forgotten more than some of us young fellers will ever know, and that may be true—I think if a tariff is right, he had better forget some more. Either there is not any justification for tariff or else there is a justification for a tariff on the whole people. Now, then, gentlemen, there is an economic axiom that no man who ever took any course in economics can dispute, namely, that your whole country prospers as your individual units proper. You can verify that statement by going down a few moments and look to your State communities. Industrial prosperity is increasing the buying power of their trading territory. Now, where is the trading territory of the industries of the United States? I want to talk to the Republicans who are prone to vote for free hides. Where is your trading territory? Seventy-five per cent of it are the agricultural districts of the United States, and as the interests of the agricultural communities rise and fall commercially they buy and they fail to buy. I can give two States in the Nation, one with an agricultural territory twice the size of the other, but the buying power of the one with the large territory is just 50 cents on the dollar of the buying power of the smaller territory. In other words, the cash value of the products produced by the small State is $2 where the cash value of the products produced by the large State is $1, and as a result they bought twice as many dollars' worth of farm products, machinery, twice as many dollars' worth of automobiles, put twice as many dollars in building improvements, twice as many dollars of every activity of the human family. Now, I ask you men inclined to vote for free hides, where did they buy those articles? Why, they bought them from the great, congested centers of the Central West and East. Now, the gentleman from Oregon made a statement that if we put a tariff on hides it would redound to the benefit of the farmer to the extent of $34,000,000 and it would cost the consuming public $38,000,000, if I quote him correctly. Now, if that be true, men, that is the greatest reason in the world why we need a tariff in order to make the hide-producing business more prosperous, so there will be more hides raised, and with the raising of more hides that ratio of difference will decrease in favor of the profit of the farmer. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield four minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman and gentlemen of the committee, I have listened to debate on the tariff for a number of days, and have heard the interests of the farmers presented by almost every speaker. I have heard the interests of the manufacturer, and the interests of labor presented, but I have yet to hear the interests of the great majority of the people of the country presented to this body. What are you going to do with the salesmen, teachers, clerks, the small merchants, and local tradesmen, the produce men, the professional men, doctors, lawyers, and newspaper men, the stenographers, and the housewife. If you are going to have a tariff of 15 per cent on hides supplemented by a tariff of 5 per cent in addition on leather, with a probability of a tariff of 5, 10, 15, or 20 per cent on the manufacturer of shoes—who will pay it? Ultimately, and mainly, that class which I mentioned just a moment ago. Now, they can ill afford to pay this additional cost, because a high tariff or a low tariff makes no difference in their income. Their income is just the same one day, one week, one month, one year; they get no benefit whatever from a tariff except what little benefit may come in an indirect way. It is simply an indirect way of adding another tax to this class of people. Oh, how I wish some great mind in this Congress or some past Congress could have evolved a system of direct taxation, and that every tax placed upon the American people might go directly to them and they might have to dig into their jeans and dig up the necessary to pay for it. What a joy it would be to serve in Congress or in any other public position, because then instead of trying to spend the money of the people, officeholders would try to save it, and then in turn officeholders instead of being condemned by individuals and organizations urging the spending of money that the people pay in taxation, the people would come to a realization that in the end they pay themselves and commend said officeholder for his good judgment. I wonder how many of you have seen the cartoon illustrating the way taxes are levied. It is a pyramid of four men, each one standing on the shoulders of another. The top figure is that of a soldier and he is quoted as saying, "I fight for all."

He stands on the shoulders of the bishop, whose motto is, "I pray for all." And he in turn stands on the shoulders of the justice, and his motto is, "I plead for all." Down at the bottom of the heap, with his back bent and the sweat of his face falling into the dust at his feet, stands the common, ordinary citizen of the country, and his motto is, "I pay for all." If in that panel over there and in a panel on this side such a picture could be painted, I think we would hesitate before we would place one additional tax, either direct or indirect, on the people or spend one dollar of their money except for absolute necessities.

The CHAIRMAN. The time of the gentleman has expired.

Mr. UNDERHILL. May I appeal to the gentleman on the other side for a little time?

Mr. COLLIER. I yield five minutes to the gentleman.

Mr. UNDERHILL. Now, the illustration that the gentleman made here with regard to one hide, that one hide that the farmer got some 8 or 10 or 12 cents for, is an argument in behalf of free hides. Why, if there were a tax of 15 per cent on that hide, how much more would he have received for that hide? Possibly a cent or 1½ cents. When you consider that the bulk of hides are handled by the great packing interests in this country, you must know they are the ones who will benefit and receive the additional tax placed on hides.

Mr. McPHERSON. If your argument is true, how much higher will shoes be made out of 12-cent hide?

M. UNDERHILL. Mr. Chairman, that argument carried out to its conclusion would be this: With 15 per cent added to the cost of hides, 5 per cent added to the cost of leather, and 5 or 10 or 15 per cent added to the cost of manufacturing shoes, and then an additional profit for each and every industry or trade that handles these products in the various stages because they have to pay in turn an additional price, is going to add to the price of shoes somewhere in the neighborhood of 33⅓ per cent. That is the way I figure, and when shoes are costing $8 to $10 a pair, you can see when the purchaser, whether a Republican or Democrat, tries to buy a pair of shoes and the salesman says they have gone up a dollar a pair because of the tariff, you Republicans can imagine the effect it is going to have on the people, and when you go before them next year for reelection you will find most of the people are blaming you and blaming the Republican Party for the extra cost of shoes. I am talking good Republican doctrine, and backing the Committee on Ways and Means when I oppose a tariff on hides. I wish I might more generally agree with the committee in their report. I do, however, agree that the committee has given a long and patient study to these questions, and although I may not agree with them on all, I absolutely agree with them on this point. As it is the practice of Members on this side of the House to back up their committees in their reports, I hope they will follow such procedure in this instance and refuse to place a duty on hides. [Applause.]

The CHAIRMAN. The gentleman yields back 1 minute. The gentleman from Mississippi [Mr. COLLIER] has 6 minutes remaining and the gentleman from Michigan 21 minutes.

Mr. FORDNEY. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman and gentlemen, the primary question, it seems to me, involved in this amendment is this: Is this industry, the hide industry, one that is in competition with a foreign industry, and does it need protection in order to compete upon equal terms? There is no dispute about the facts. They can raise cattle more cheaply in South America than we can raise them here. They have vast lands where the ranges are cheap. They have cheaper labor. Every element of production is cheaper than it is in the United States. So the primary question is settled in favor of those who want protection to this industry.

Now, let us come to the objections advanced to the amendment. The gentleman from Oregon [Mr. HAWLEY], for whom I have the highest respect, presents certain figures which he has obtained from the Tariff Commission, tending, as the commission claims, to show that if a tariff is imposed on hides imported into this country certain results will follow. In the past, throughout our history, have we ever been able to foretell precisely, as these gentlemen attempt to foretell in detail, the results of a tariff? We have found, we as Republicans claim we have found, that universally a tariff has resulted well for the people as a whole. We did not know exactly how the tariff on tin plate would result, but we found that it resulted in cheaper goods and better goods for the consumer. And we believe, in this instance, despite the speculation, despite the theory, despite the guesses—and there can not be anything more than guesses and theories—we believe that these prognostications of unfortunate results will be refuted and contradicted by actual experience.

Then comes the gentleman from Ohio [Mr. BURTON], and he says, looking back over the pages of history, we find that distinguished Republicans have opposed the imposition of a tax

on hides. He does not say anything about the fact that at the times of which he speaks, way out in the West the buffalo and the Indians ranged the plains; that the West was not settled until the volunteers of the Civil War settled it; and that where we had ranges, for which men had to pay nothing or a few cents an acre, we have to-day the rich fields of Iowa, worth $200 an acre, raising the largest and best crops of corn in the world. So there was a reason in those days, and a good reason, for not imposing a duty on hides. We were raising more cattle than we could possibly consume, either the hide or the carcass, but to-day we have to import hides. Then the gentleman from Ohio says the reason the distinguished Republicans of the past imposed no duty on hides was that they believed in free raw material. Why, that could not possibly have been the reason, because we did not import any cattle in those days. We did not omit to impose a duty on hides because we wanted to bring in free raw material. We had more free raw material than we could possibly use. So his reason and theory are wrong. Now, gentlemen, the farmer to-day, more than at any time almost in the history of this great Republic, needs help, needs aid, needs encouragement. Why, less than two years ago potatoes were selling for $5 per bushel, and to-day they are selling for 40 cents [applause], and this is only a fair illustration of an enormous decrease in the prices of all farm products, grown, too, by the employment of the highest-priced farm labor and at the greatest expense generally of any time in our history. The stock-raising business has suffered more than any other branch of agriculture, and it needs badly the slight encouragement which will be afforded by the small degree of protection proposed in the amendment.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FORDNEY. Mr. Chairman, will the gentleman from Mississippi [Mr. COLLIER] use the balance of his time?

Mr. COLLIER. Yes. I yield the balance of my time to the gentleman from New York [Mr. LONDON].

The CHAIRMAN. The gentleman from New York is recognized for six minutes.

Mr. LONDON. Mr. Chairman, I was under the impression that the hide of the Republicans was thick enough not to require additional protection. [Laughter.] I thought it was armor-plated. No argument has been made against the duty on hides which could not with the same force and logic be advanced in opposition to a tariff on any other raw product.

The gentleman from Michigan [Mr. FORDNEY], the author of this bill, a very able gentleman by the way, and the learned gentleman from Ohio [Mr. LONGWORTH] insisted that this tariff bill was the incorporation of "the American idea." I pointed out in the discussion a few days ago that in every country there were powerful groups which demanded special privileges in the name of a national ideal. Italy has its protectionist, Signor Giuseppe Varenno Fordneo; Germany its Herr Josef Warren von Fordney, who, notwithstanding the fact that Germany can not produce enough food for her people, pleads in the name of a German ideal for high duties on imports of food; and the Russia of the Czar, with but few industries of her own, had more than one Ossip Varenovich Fordnovsky, advocating a high tariff on everything as a Russian ideal. [Laughter.] Cattle raisers, good Republicans, demand a tariff on hides. Shoe manufacturers, good Republicans, want free hides. Every local, every selfish interest seeks Government protection against every other local interest to the injury of the entire people, and the selfish and dominating interests of each nation seek protection against the rest of mankind, to the fatal injury of the entire world. If you can in the name of the cattle raiser demand that the Government guarantee a price for hides, why should not the bricklayer demand from the Government a guaranteed weekly wage? Why should not the worker demand guaranteed hours of labor? Why should not the great masses in industry, those who toil, demand specific legislation from you on the subject of wages and hours and other conditions of employment?

I want to take issue with the statement of the gentleman from Massachusetts [Mr. UNDERHILL] when he limits the workers to those who work with their hands only. When we speak of workers we should include all who toil, whether they be farmers, teachers, bricklayers, or astronomers.

What answer will you give to the toilers when they will demand that the Government come to their aid?

Those who advocate a tariff on raw material are the enemies of industry. At no time in the history of the world was there so little excuse for a protective tariff as there is to-day. Instead of adding impediments to commerce, we should remove such obstructions as now stand in the way of the free exchange of commodities with the various countries of the world. And when you speak of imposing a tariff duty upon this important element in the economic and industrial life of the Nation, do not forget that under the American valuation you are pyramiding all duties, and you are really compelling a state of affairs where those who control the market in America shall determine how much duty shall be paid, because by fixing the price of the commodity here they will determine upon what basis the rate shall be computed. Most of our industries are controlled by large corporations, large aggregations of capital—the inevitable result of modern industrial evolution. A tax on hides will be followed by a duty on such leather products as have been overlooked in this bill of abominations.

Go ahead. Hit the people hard. They may some day wake up. I am opposed to this amendment. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Oregon [Mr. HAWLEY] four minutes.

The CHAIRMAN. The gentleman from Oregon is recognized for four minutes.

Mr. HAWLEY. Mr. Chairman and gentlemen, the observations I offered a little while ago, and those I am now about to offer, are based upon a careful study of statistics, not only on my part but by experts whose business it is to interpret and understand statistics, and I notice a very great lack of any statistics furnished by those who are favoring the proposition of placing hides and skins on the dutiable list.

It is neither wise nor possible to fix duties on present prices, as they are not normal but fluctuate continually and vary widely in different parts of the country.

Proceeding with the argument being made when interrupted by the expiration of my time, there are used in this country annually 1,550,000,000 pounds of hides and skins, reduced to a green basis. The amendment proposes a duty of 4 cents a pound on imported hides and skins. Now, I am proceeding on the supposition that the duty will be effective. Otherwise it will not be an advantage to the farmer. It must be effective in order to be of advantage to him, and I am discussing the matter on the basis of the greatest advantage to the farmer. Four cents a pound on 1,550,000,000 pounds of hides and skins means $62,000,000. They say it will not raise the price of shoes. If next year you add $62,000,000 to the raw material out of which tanned leather and shoes are made, do you believe the leather and shoe industry of this country can manufacture shoes at the same cost at which they are now made, and absorb $62,000,000?

Mr. BLANTON. Yes.

Mr. HAWLEY. Or will not the imposition of the duty prevent a decline to a new normal cost in the general readjustment? I can not agree to the proposition that a large increase in the cost of raw materials will have no effect on the cost of product made from them.

Mr. MONDELL. If the gentleman has bought any shoes lately, does he think anybody is losing anything on the present prices of shoes? [Applause.]

Mr. HAWLEY. If the gentleman wants to say that a manufacturing industry can absorb any amount of added cost in raw materials without increasing its manufacturing costs and its being reflected in prices of manufactured articles, why not put a duty of much greater amount? [Applause.]

Why give a reason or excuse for increasing prices or for maintaining them where they are?

I am pleading for free shoes and free leather, on a basis of free hides and skins, as the policy under the circumstances of the greatest benefit to all concerned.

If the duty is fully effective, prices of shoes will be increased, or at least be prevented from any decline because the duty will add $62,000,000 per year to the raw materials out of which leather, leather goods, and shoes are made. Unless the duty is effective, and increases the prices of raw hides by a part of the whole amount of the duty, the farmers will derive no benefit from it.

A duty on hides and skins, in its effect on leather products, must do some of four things:

1. Have no effect.
2. Raise manufacturing costs.
3. Lower manufacturing costs, or
4. Prevent decline to new normal.

No sane thinker will contend, under the circumstances, that the addition of $62,000,000 or any considerable part thereof, to the cost of a raw product will have no effect on the prices of the manufactured articles made from it, much less lower them. It must, therefore, either raise them or prevent their decline with other commodities to the new normal.

Mr. KNUTSON. Will the gentleman yield?

Mr. HAWLEY. I regret I can not yield any further. Fifty per cent of the hides taken off in this country are taken off by

the packers. Twenty per cent more are controlled by the packers. The independent tanners, who are the only competitors of the packer tanners, control about 30 per cent of the hides taken off. In the Argentine 55 per cent of the hides are controlled by the packers and 45 per cent are open to other purchasers. Now, the packer tanners tan about 50 per cent of the leather in this country. They import no hides. They use for their tanning purposes the cheapest of the hides they acquire. They import no hides, consequently they will pay no duty on imported hides, but every independent tanner must buy some portion of his hides, the high-priced hides, from the packer tanner, he must obtain part of them from the country sources, and the remainder he must import and always pay the duty of 4 cents a pound. By this we will cripple the independent tanner and put the control of the tanning industry more and more in the hands of the packer tanners. [Applause.] The only sure beneficiary under this proposition is the packer tanner. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY rose and was recognized, amid applause.

Mr. FORDNEY. Mr. Chairman and gentlemen, I do not question the motives of men who differ with me on any great question in this House. I am a firm believer in the principle of protection to American capital and American labor. [Applause.] My Democratic friends disagree with me. Perhaps they are right and I am wrong, but I do not believe so. I am going to support the amendment to place a duty on hides of 15 per cent ad valorem. [Applause.] Then I believe we should put a proper compensatory duty upon leather goods.

SEVERAL MEMBERS. How much?

Mr. FORDNEY. The committee will figure that out, and whatever a majority of the committee recommend I will also support on the floor of this House. I believe about 5 per cent is a sufficient compensatory duty to the manufacturer, because the price of the raw material is not more than one-third of his total finished cost. I believe that is the proper way to figure out the proposition. I may be in error. I am ready to be convinced if I am in error. But let me say to you gentlemen that 35,000,000 of our people are farmers who live in the rural districts. Every one of those farmers raises cattle. Are they not entitled to their fair share of protection, the same as any other industry? That is the way it looks to me, at least. This is the first opportunity you have had to strike a body blow at the people of your part of the country if you vote against a duty on hides. Now, try your luck on it and see how you come out.

A gentleman asked me a while ago if a duty would add anything to the cost of living in this country. I asked him to go back to the time when we had protection upon our statute books under a Republican administration and say whether or not the people of this country were more prosperous then than they are now, or whether the cost of living was greater then than it is now under your free trade law. Do that and then tell me what you think about it. Of course, a protective tariff is intended to curtail importations into this country. Why? Ninety-two per cent of everything produced in the United States is consumed in the United States by the people of the United States, the best market on God's green earth for American products. [Applause.] Why chase rainbows around the world to get another 1 or 2 per cent of foreign trade, to the sacrifice of your own people at home? [Applause.] That is my idea, whether it is yours or not.

The gentleman from New York [Mr. COCKRAN] yesterday admitted that he was a believer in free trade. He wants to lift up the rest of the world to our standard of living, and he knows that is impossible. I will tell you what he would do if he could have his way in tearing down our protective tariff wall and permitting the goods of all the countries of the world to come in here free—goods made by the cheapest labor in the world. He would not lift the Jap and the Chinaman to our standard of living, but he would bring our people down to their standard of living. That is what he would do. [Applause.] I am opposed to that. What has happened, my friends, since 1909——

Mr. COCKRAN. Will the gentleman yield for a question?

Mr. FORDNEY. Yes.

Mr. COCKRAN. How would imports be possible unless exports were given in exchange?

Mr. FORDNEY. How has it happened always that under a protective tariff law we have had greater prosperity than under any other system, and we have had imports exactly the same as we have now. There is no provision of this law that is an embargo, except the proposal with respect to dyestuffs, and that is a meritorious one.

Mr. COCKRAN. Sure; if it is meant to check imports it is an embargo to that extent.

Mr. FORDNEY. The gentleman from New York is a good fellow; I like him but I do not like his politics. What we propose to do is to write the duty on imported articles that will bring up the foreigner's cost to ours. That is all; we want nothing more, nothing less. The manufacturers, producers, and other citizens of the United States are asking that our laws do not give an undue advantage to the foreigner over us. I am ready to take my chance with the foreigner on a level footing, and that is all this bill proposes. Our cattle herds have shrunk within the past few years from 271,000,000 to 56,000,000. You can not raise a hide without raising an animal. Our population has greatly increased in the last 15 years, while the number of our cattle has greatly decreased. Suppose we put a duty on hides, how much will it amount to in the average on a pair of shoes?

My friends, never since the panic of 1893 and 1894 have hides been so low in the market as they are now, 8½ cents wholesale, and the farmer does not receive more than half that amount for his hides.

A MEMBER. Did you ever know shoes to be so high since you were a foot high? [Laughter.]

Mr. FORDNEY. No. I do not believe it will be reflected in the value of the raw material, but for fear it will I am ready to protect the industry that employs American labor and makes shoes.

Mr. PADGETT. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. PADGETT. If hides are so low and shoes never were so high as they are now, why do you want to put a compensatory duty on shoes?

Mr. FORDNEY. I have declared that it is a question in my mind whether the leather manufacturer is entitled to a compensatory duty; and if so, how much? I have stated that in my opinion a compensatory duty on leather should not exceed 5 per cent on a basis of 15 per cent on raw hides.

Mr. PADGETT. With the marvelously high prices on shoes, why put any duty on?

Mr. FORDNEY. My contention is—and I believe that time has proven it—that a protective tariff on the imported article is not a tax imposed on the consumer. Nine-tenths of the duty is paid by the foreigner. I think I can prove it to you.

Mr. PADGETT. Will the gentleman yield for a further question?

Mr. FORDNEY. No; I can not. Now, let me give you a striking illustration: In 1890, for the first time in the history of this country, we put a duty on tin and you never saw tin so cheap in your life as it has been since then. Why? We took the control away from the foreigner and brought it here.

Last year we had no control over the price of sugar. Sugar went to 27 cents a pound, when the Government price was 12 cents, and it was never sold for that except in Louisiana, where the Attorney General gave authority to sell it for 17 cents. Sugar was controlled by a foreign monopoly over which we had no control, and we paid 27 cents a pound.

Now, we have talked eight days and we are to talk five more, and yet you gentlemen will not agree with us. You will go on in your own way, but we are going to pass this bill very much like it was introduced in the House, and it will be a godsend to the American people. [Applause.] We will pick a few plums on this side, too.

Mr. COCKRAN. Swag.

Mr. FORDNEY. We will get some Democratic votes on this bill. [Applause.] Mr. Chairman, I ask for a vote.

The CHAIRMAN. The time of the gentleman from Michigan has expired, and all time has expired on this amendment. The question is first on the substitute of the gentleman from Kansas, Mr. WHITE, to the amendment of the gentleman from Kansas, Mr. TINCHER, which the Clerk will report.

The Clerk read as follows:

Substitute by Mr. WHITE of Kansas for the amendment offered by Mr. TINCHER: Strike out "16" and insert "17."

Mr. WHITE of Kansas. Mr. Chairman, I ask unanimous consent to withdraw my substitute.

The CHAIRMAN. Is there objection?

Mr. BLANTON. Mr. Chairman, I object.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Kansas.

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Kansas [Mr. TINCHER].

The Clerk read as follows:

Amendment offered by Mr. TINCHER to the amendment offered by Mr. CHANDLER of Oklahoma.

Mr. TINCHER. Mr. Chairman, having offered the amendment for the purpose of getting time to speak on the bill, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection?

Mr. BLANTON. I object.

The question was taken; and on a division (demanded by Mr. BLANTON) there was 1 yea and 101 nays.

So the amendment was rejected.

The CHAIRMAN. The question recurs on the amendment of the gentleman from Oklahoma [Mr. CHANDLER].

Mr. BLANTON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. I wanted to know whether the distinguished gentleman from Oklahoma was going to get cold feet——

The CHAIRMAN. That is not a parliamentary question.

Mr. COCKRAN. It is a surgical question.

Mr. KNUTSON. No; it is an ordinary fool question. [Laughter.]

The Clerk again reported the Chandler amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The question was taken; and on a division there were—ayes 142, noes 83.

Mr. COLLIER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. CHANDLER of Oklahoma and Mr. COLLIER to act as tellers.

The committee again divided, and the tellers reported—ayes 152, noes 97.

So the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

Mr. GARRETT of Tennessee. Mr. Chairman, before the motion is put will the gentleman yield for a question?

Mr. FORDNEY. Yes.

Mr. GARRETT of Tennessee. Why not let us read some of the bill for amendment, and not rise now?

Mr. FORDNEY. It has all been read, the gentleman was not here.

The CHAIRMAN. The question is on the motion of the gentleman from Michigan that the committee do now rise.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 153, noes 62.

So the motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456, and had come to no resolution thereon.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

Mr. GARRETT of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 197, nays 96, not voting 136, as follows:

YEAS—197.

Ackerman	Darrow	Hull	Nolan
Andrews	Davis, Minn.	Husted	Norton
Appleby	Dempsey	Ireland	Ogden
Atkeson	Denison	Kearns	Olpp
Bacharach	Dickinson	Kelly, Pa.	Osborne
Barbour	Dowell	Ketcham	Paige
Beck	Dunbar	Kinkaid	Parker, N. J.
Beedy	Elliott	Kirkpatrick	Parker, N. Y.
Begg	Ellis	Kissel	Patterson, Mo.
Benham	Evans	Kleczka	Peters
Bird	Fairchild	Kline, N. Y.	Petersen
Bixler	Fairfield	Knutson	Pringey
Boies	Faust	Kopp	Purnell
Bond	Fenn	Kraus	Radcliffe
Bowers	Fish	Langley	Ramseyer
Brooks, Ill.	Focht	Lawrence	Ransley
Brooks, Pa.	Fordney	Leatherwood	Reber
Browne, Wis.	Frear	Lehlbach	Reece
Burdick	Free	Little	Reed, N. Y.
Burroughs	Freeman	Longworth	Reed, W. Va.
Butler	French	Luce	Rhodes
Cable	Frothingham	McLaughlin, Mich.	Ricketts
Campbell, Kans.	Fuller	McLaughlin, Nebr.	Riddick
Campbell, Pa.	Funk	McPherson	Roach
Cannon	Gensman	Madden	Robertson
Chandler, Okla.	Gernerd	Magee	Rose
Chindblom	Glynn	Mann	Sanders, Ind.
Christopherson	Graham, Ill.	Mapes	Schall
Clague	Green, Iowa	Merritt	Scott, Tenn.
Clarke, N. Y.	Greene, Mass.	Michener	Shaw
Clouse	Greene, Vt.	Miller	Shelton
Cole	Griest	Mills	Shreve
Colton	Hadley	Millspaugh	Sinclair
Connell	Hardy, Colo.	Mondell	Sinnott
Connolly, Pa.	Haugen	Montoya	Smith
Cooper, Ohio	Hawley	Moore, Ill.	Snell
Cooper, Wis.	Hersey	Moore, Ohio	Snyder
Copley	Hickey	Moores, Ind.	Speaks
Coughlin	Himes	Morgan	Sproul
Crowther	Hoch	Mott	Steenerson
Curry	Hogan	Mudd	Stephens
Dale	Houghton	Murphy	Strong, Kans.
Dallinger	Hukriede	Nelson, J. M.	Strong, Pa.
Sweet	Towner	Watson	Woodruff
Swing	Treadway	Webster	Wurzbach
Taylor, N. J.	Underhill	White, Kans.	Wyant
Taylor, Tenn.	Voigt	White, Me.	Young
Tilson	Walsh	Williams	
Timberlake	Walters	Winslow	
Tincher	Wason	Wood, Ind.	

NAYS—96.

Aswell	Drewry	Kincheloe	Parrish
Bankhead	Driver	Lanham	Quin
Barkley	Dupré	Lankford	Rainey, Ill.
Bell	Fields	Larsen, Ga.	Raker
Black	Fisher	Lea, Calif.	Rankin
Bland, Va.	Foster	Linthicum	Rayburn
Blanton	Fulmer	Logan	Sanders, Tex.
Bowling	Garner	London	Sandlin
Box	Garrett, Tenn.	Lowrey	Sears
Briggs	Garrett, Tex.	Lyon	Stafford
Brinson	Gilbert	McCormick	Steagall
Bulwinkle	Hammer	McDuffie	Stevenson
Burtness	Hardy, Tex.	McSwain	Stoll
Burton	Hawes	Mansfield	Summers, Wash.
Byrnes, S. C.	Hayden	Montague	Swank
Byrns, Tenn.	Huddleston	Moore, Va.	Tague
Carew	Humphreys	Newton, Minn.	Tyson
Carter	Jacoway	O'Connor	Upshaw
Collier	James, Mich.	Oldfield	Vinson
Collins	Jeffers, Ala.	Oliver	Ward, N. C.
Connally, Tex.	Johnson, Ky.	Overstreet	Weaver
Deal	Johnson, Miss.	Padgett	Wilson
Dominick	Johnson, Wash.	Park, Ga.	Wingo
Doughton	Jones, Tex.	Parks, Ark.	Wright

NOT VOTING—136.

Almon	Gahn	Layton	Rucker
Anderson	Gallivan	Lazaro	Ryan
Ansorge	Goldsborough	Lee, Ga.	Sabath
Anthony	Goodykoontz	Lee, N. Y.	Sanders, N. Y.
Arentz	Gorman	Lineberger	Scott, Mich.
Blakeney	Gould	Luhring	Siegel
Bland, Ind.	Graham, Pa.	McArthur	Sisson
Brand	Griffin	McClintic	Slemp
Brennan	Harrison	McFadden	Smithwick
Britten	Hays	McKenzie	Stedman
Brown, Tenn.	Herrick	McLaughlin, Pa.	Stiness
Buchanan	Hicks	MacGregor	Sullivan
Burke	Hill	Maloney	Sumners, Tex.
Cantrill	Hudspeth	Martin	Taylor, Ark.
Chalmers	Hutchinson	Mead	Taylor, Colo.
Chandler, N. Y.	James, Va.	Michaelson	Temple
Clark, Fla.	Jefferis, Nebr.	Morin	Ten Eyck
Classon	Johnson, S. Dak.	Nelson, A. P.	Thomas
Cockran	Jones, Pa.	Newton, Mo.	Thompson
Codd	Kahn	O'Brien	Tillman
Cramton	Keller	Patterson, N. J.	Tinkham
Crisp	Kelley, Mich.	Perkins	Vaile
Cullen	Kendall	Perlman	Vare
Davis, Tenn.	Kennedy	Porter	Vestal
Drane	Kiess	Pou	Volk
Dunn	Kindred	Rainey, Ala.	Volstead
Dyer	King	Reavis	Ward, N. Y.
Echols	Kitchin	Riordan	Wheeler
Edmonds	Kline, Pa.	Robsion	Williamson
Elston	Knight	Rodenberg	Wise
Favrot	Kreider	Rogers	Woods, Va.
Fess	Kunz	Rosenbloom	Woodyard
Fitzgerald	Lampert	Rossdale	Yates
Flood	Larson, Minn.	Rouse	Zihlman

So the motion to adjourn was agreed to.

The Clerk announced the following pairs:

On the vote:

Mr. JOHNSON of South Dakota (for) with Mr. KITCHIN (against).

Mr. ANTHONY (for) with Mr. FLOOD (against).

Mr. DYER (for) with Mr. KUNZ (against).

Mr. LAYTON (for) with Mr. HUDSPETH (against).

Mr. PATTERSON of New Jersey (for) with Mr. DRANE (against).

Mr. REAVIS (for) with Mr. GOLDSBOROUGH (against).

Mr. FITZGERALD (for) with Mr. WISE (against).

Mr. LUHRING (for) with Mr. CRISP (against).

Mr. NEWTON of Missouri (for) with Mr. COCKRAN (against).

Mr. YATES (for) with Mr. SULLIVAN (against).

Mr. SIEGEL (for) with Mr. THOMAS (against).

Mr. EDMUNDS (for) with Mr. SISSON (against).

Mr. WOODYARD (for) with Mr. BRAND (against).

Mr. BLAND of Indiana (for) with Mr. TAYLOR of Colorado (against).

Mr. LINEBERGER (for) with Mr. SABATH (against).

Mr. KAHN (for) with Mr. RAINEY of Alabama (against).

Mr. HUTCHINSON (for) with Mr. POU (against).

Mr. THOMPSON (for) with Mr. GRIFFIN (against).

Mr. WHEELER (for) with Mr. CULLEN (against).

Mr. VARE (for) with Mr. SUMNERS of Texas (against).

Mr. HAYES (for) with Mr. SMITHWICK (against).

Mr. KENDALL (for) with Mr. DAVIS of Tennessee (against).

Mr. STINESS (for) with Mr. ALMON (against).

Mr. KRIEDER (for) with Mr. HARRISON (against).

Mr. PERLMAN (for) with Mr. O'BRIEN (against).

Mr. MORIN (for) with Mr. RIORDAN (against).

Mr. KIESS (for) with Mr. MCCLINTIC (against).

Mr. PERKINS (for) with Mr. CANTRILL (against).
Mr. VOLK (for) with Mr. MEAD (against).
Mr. VAILE (for) with Mr. JAMES of Virginia (against).
Mr. BRENNAN (for) with Mr. WOODS of Virginia (against).
Mr. ANDERSON (for) with Mr. GALLIVAN (against).
Mr. BLAKENEY (for) with Mr. LEE of Georgia (against).
Mr. HICKS (for) with Mr. KINDRED (against).
Mr. ARENTZ (for) with Mr. TAYLOR of Arkansas (against).
Mr. GAHN (for) with Mr. STEPMAN (against).
Mr. CODD (for) with Mr. TILLMAN (against).
Mr. MCLAUGHLIN of Pennsylvania (for) with Mr. RUCKER (against).
Mr. GRAHAM of Pennsylvania (for) with Mr. TEN EYCK (against).
Mr. GORMAN (for) with Mr. BUCHANAN (against).
Until further notice:
Mr. A. P. NELSON with Mr. LAZARO.
Mr. KELLER with Mr. MARTIN.
Mr. MALONEY with Mr. FAVROT.
Mr. JONES of Pennsylvania with Mr. CLARK of Florida.
The result of the vote was announced as above recorded.

ADJOURNMENT.

Accordingly (at 4 o'clock and 37 minutes p. m.) the House adjourned until to-morrow, Saturday, July 16, 1921, at 11 o'clock a. m.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. DICKINSON: A bill (H. R. 7784) to amend subdivision 7, section 12, of the act approved July 17, 1916, known as the Federal farm loan act; to the Committee on Banking and Currency.

Also, a bill (H. R. 7785) to amend an act entitled "An act to provide for the establishment of Federal reserve banks, to furnish an elastic currency, to afford means of rediscounting commercial paper, to establish a more effective supervision of banking in the United States, and for other purposes," approved December 23, 1913; to the Committee on Banking and Currency.

By Mr. COLTON (by request): A bill (H. R. 7786) to improve the street car service in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. NOLAN: A bill (H. R. 7787) to authorize the Department of Labor to continue the publication of the Monthly Labor Review; to the Committee on Printing.

By Mr. SANDERS of Indiana: A bill (H. R. 7788) providing for a mine rescue station at Terre Haute, Ind.; to the Committee on Mines and Mining.

By Mr. LUCE: A bill (H. R. 7789) to authorize serial bonds to refund Liberty bonds and Victory notes, and to fund the floating debt of the United States, and for other purposes; to the Committee on Ways and Means.

By Mr. COCKRAN. A resolution (H. Res. 150) expressing the hope that the negotiations now proceeding between representatives of the English Government and of the Irish people may result in complete reconciliation; to the Committee on Foreign Affairs.

By the SPEAKER (by request): Memorial of the Legislature of the State of Georgia, urging Congress to return to the States the taxes illegally collected on cotton during the years 1863–1868; to the Committee on Claims.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DALLINGER: A bill (H. R. 7790) granting a pension to Katherine C. Eiffert; to the Committee on Pensions.

By Mr. FAIRFIELD: A bill (H. R. 7791) to authorize the President of the United States to appoint Henry C. Moriarity an officer of the United States Army; to the Committee on Military Affairs.

By Mr. HARDY of Colorado: A bill (H. R. 7792) for the relief of Charles McCormac; to the Committee on Claims.

By Mr. HOGAN: A bill (H. R. 7793) to renew and extend certain letters patent; to the Committee on Patents.

By Mr. KEARNS: A bill (H. R. 7794) granting a pension to James F. Burbage; to the Committee on Pensions.

By Mr. KLECZKA: A bill (H. R. 7795) granting a pension to John F. Brannan; to the Committee on Pensions.

By Mr. MACGREGOR: A bill (H. R. 7796) granting an increase of pension to Gustave Domras; to the Committee on Pensions.

By Mr. MILLS: A bill (H. R. 7797) authorizing the reinstatement of Harold A. Herrick as a major of Infantry; to the Committee on Military Affairs.

By Mr. STEPHENS: A bill (H. R. 7798) granting a pension to William R. Spooner; to the Committee on Pensions.

By Mr. STRONG of Pennsylvania: A bill (H. R. 7799) granting a pension to Bessie M. Cogley; to the Committee on Invalid Pensions.

By Mr. UPSHAW: A bill (H. R. 7800) for the relief of First Lieut. Frank J. McCormack; to the Committee on Claims.

By Mr. VARE: A bill (H. R. 7801) for the relief of Benjamin Franklin Kutcher; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1994. By the SPEAKER (by request): Petition of William J. Murphy and 290 others of the tenth congressional district of Missouri and of 1,308 residents of the city of Ironton, Ohio, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

1995. By Mr. BULWINKLE: Petition of L. A. Robinson and 35 other residents of Catawba County, N. C., petitioning that Congress will not enact House bill 4388 or Senate bill 1948; to the Committee on the District of Columbia.

1996. By Mr. COCKRAN: Petition of American Academy in Rome, 101 Park Avenue, New York, and the Municipal Art Society of New York, urging the passage of the Brandegee-Cooper bill (S. 1560 and H. R. 6683) and opposing the Langley bill (H. R. 2166); to the Committee on the Library.

1997. Also, resolution of the board of directors of the Franklin Society for Home Building and Savings, of New York City, urging the passage of the bill granting exemptions to persons from income taxes to the extent of $500, if they invest in the mutual cooperative savings societies of the country; to the Committee on Ways and Means.

1998. By Mr. KELLY of Pennsylvania: Resolution of Pittsburgh Chamber of Commerce, opposing passage of Frelinghuysen bill (S. 1807); to the Committee on Interstate and Foreign Commerce.

1999. By Mr. KISSEL: Petition of United States Ferro-Alloys Corporation, New York City, N. Y., urging support of the metal section of the new tariff bill; to the Committee on Ways and Means.

2000. By Mr. LEHLBACH: Petition of citizens of New Jersey, favoring recognition of the Irish republic; to the Committee on Foreign Affairs.

2001. By Mr. LINTHICUM: Petition of Hochschild, Kohn & Co., of Baltimore, Md., protesting against American valuation plan; to the Committee on Ways and Means.

2002. By Mr. RAKER: Petition of Philip F. Quinn, of Auburn; A. L. Wiskoe, of Grass Valley; A. N. Waite, of Portola; the Chamber of Commerce, Weed; John W. O'Neill, United States Navy, New York; indorsing and urging the passage of House bill 7 and Senate bill 1252; to the Committee on Education.

2003. Also, petition of Chamber of Mines and Oil, of Los Angeles, Calif., protesting against any import duty on oil into the United States; also petition of M. O. Eldridge, director of roads, American Automobile Association good roads board, protesting against any tariff on asphalt; also petition of O'Connor, Harrison & Co., of San Francisco, Calif., protesting against section 402 of Title IV, administrative provisions, part 1, definitions of the new tariff act, applying to American valuation of imported articles; to the Committee on Ways and Means.

2004. Also, petition of Mrs. S. A. Beebe, William G. Goldberg, and A. Van Hoyt, of San Francisco; J. W. Hinman and Mrs. Mary M. Jason, of Paso Robles; J. E. Morrow and Elmer E. Fix, of Chico; William Brill, of Los Angeles; Diablo Stock Farm, of Oakland; C. L. Forgate, of Corning; Lida T. Henry, of Sacramento; and Maurice H. Rowell, of Martinez; all of the State of California, urging an increased rate on shelled and unshelled almonds; to the Committee on Ways and Means.

2005. Also, petition of R. M. Roberts, of Winters; and Henry R. Vogel, of Red Bluff, Calif., urging an increased tariff rate on almonds; to the Committee on Ways and Means.

2006. Also, petition of Hooper & Jennings, of San Francisco, Calif., protesting against House bills 6215 and 6820; to the Committee on Agriculture.

2007. By Mr. SNELL: Resolution passed by Clinton County Farm Bureau Association, of Plattsburgh, N. Y., favoring the placing of a tax on custom hauling, as it is depriving the railroads of their revenue; to the Committee on Ways and Means.

2008. Also, resolution passed by Clinton County Farm Association, of Plattsburgh, N. Y., favoring the passage of all legislative bills regarding Federal land banks; to the Committee on Banking and Currency.

2009. Also, resolution passed by Clinton County Farm Bureau, of Plattsburgh, N. Y., favoring the passage of the tariff rates on dairy products as prepared by the United States Milk Producers' dairy tariff committee; to the Committee on Ways and Means.

2010. By Mr. TAYLOR of Colorado: Petition of citizens of Glenwood Springs, Colo., urging recognition of the Irish republic; to the Committee on Foreign Affairs.

HOUSE OF REPRESENTATIVES.

SATURDAY, *July 16, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, our Heavenly Father, Thou hast created us by the mystery of Thy might. Preserve us by the mystery of Thy providence, and may we be redeemed by the mystery of Thy love. We lift unto Thee hallowed desire, for in Thee is our day. Give unto us a deeper understanding of life's message and mission and a clearer insight into the spiritual depths of our being. Grant unto us this day the inspiration of Thy wisdom and Thy truth. Thy promises are exceeding great and precious and Thy unsearchable riches our everlasting possessions. We therefore praise and thank Thee. In the name of Him who taught us how to pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

DISABLED SOLDIERS' SCHOOL, PASCAGOULA, MISS.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter which I have received from one of the soldiers at the Disabled Soldiers' School at Pascagoula, Miss. It presents such a spirit of gratitude for what Congress has done for the ex-soldier that I think it would be of interest to the Members. Therefore I ask unanimous consent to place it in the RECORD.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to print in the RECORD the letter in question. Is there objection? [After a pause.] The Chair hears none.

The letter is as follows:

PASCAGOULA, MISS., *July 6, 1921.*

Hon. JOHN E. RANKIN,
Member Congress from Mississippi, Washington, D. C.

DEAR SIR: After reading your speech of June 3, 1921, I take the pleasure of writing this in commendation of the same. I have heard many comments, and all complimentary.

I wish to say a few things in regard to this training center as to the conditions and complaints of the boys.

Everything may not be in first-class condition, but still at the same time they are as good as could be expected for the length of time the training center has been in operation.

There has been some complaint on the water, but this complaint was not justifiable, as it comes from 825 feet under the ground, continuously flowing and overflowing, through a concrete tank, well screened and covered. Better water than the city has.

There are many things that I could tell you, but I suppose my friend, Mr. Phillips, has stated the case to you and to the senatorial committee; and I am sure that you and they can rely upon his statements.

As to our instructors, we have some of the best that could be found, especially our educational director. We have only one or two instructors that are not capable, and these are going as soon as more come to take their place.

I have had more or less dealings with our director, Mr. Ludtke, for about four and a half months, and have found him always alert and on his post of duty—courteous, congenial, and always ready to lend a helping hand.

He seems to be a man that has his whole soul and heart with the work of helping the disabled men; and as to his honesty, it is above reproach. He is a square shooter, firm in his dealings with the men, but, nevertheless, is as sympathetic and as interested in their welfare, and in some cases more so than the men themselves, for we have some men that do not care to take the training and therefore are not going to accomplish anything, no matter what kind of a chance they are given. And that class of men are the only ones that we are having any trouble with, and the sooner we are rid of them the sooner we will have a school.

I know that we can rely upon you to do all you can for us and can see all this disturbance in the right light.

Keep the good work up, for we are all behind you and wish you every success.

Yours, truly, E. S. BORNER.

THE TARIFF.

The SPEAKER. Under the rule the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will resume the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of H. R. 7456, which the Clerk will read.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. FREAR. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. FREAR. To offer a preferential motion on the dye question.

The CHAIRMAN. The gentleman from Wisconsin offers an amendment, which the Clerk will report.

The Clerk read as follows:

Mr. FREAR moves to amend by striking out all of paragraph 27 of the bill, including subdivisions (a) to (s) inclusive, and more particularly described as beginning at "paragraph 27 (a)," line 22, page 12, and striking out all thereafter down to and including all of line 19, page 22, of the bill.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the amendment may be again reported. I could not quite follow it.

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again read.

Mr. MOORE of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Virginia. In the event that the motion may be decided in the negative, will those provisions of the bill stand open for amendment?

The CHAIRMAN. Germane amendments pending the motion of the gentleman from Wisconsin will be in order.

Mr. MOORE of Virginia. Pending the motion, but my question relates to after the disposition of his motion may be determined.

The CHAIRMAN. If determined in the affirmative, of course they would not be in order, but if determined in the negative germane amendments would then be in order.

Mr. BLANTON. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BLANTON. While I favor the motion to strike out, I make the point of order that the amendment offered by the gentleman from Wisconsin is not a preferential one, but that all perfecting amendments to the paragraph are under the rule first entitled to be considered, because with the paragraph properly amended the House might be willing to accept the paragraph, making unnecessary the gentleman's motion to strike it out.

The CHAIRMAN. The Chair overrules the point of order, no perfecting amendment being offered at this time.

Mr. FREAR. Mr. Chairman, I will say briefly to the committee, that if paragraph 27 is stricken out as proposed, it strikes from the bill the embargo clause, but does not affect paragraph 26, which carries 35 per cent ad valorem and 7 cents per pound for each pound of dyes, which is, as I stated the other day, practically 280 per cent compared with the Hill bill which was in force prior to the embargo.

I will not cover, in the brief time that I will discuss this proposition, what has been mentioned before. I spoke on Monday and endeavored as best I could in a few minutes, and yielded to questions frequently, to show just what was involved in this proposition. I now hope to proceed for 5 and possibly 10 minutes, and then I hope to conclude and to answer any questions, if any may be asked, at the conclusion of my remarks.

I desire to call your attention, gentlemen, to the fact that you have listened here day after day to several able gentlemen discussing this very proposition for hours at a time favoring the embargo. Not one has answered the proposition that I have offered here; first, they have not attempted to defend the Chemical Foundation Co. as I presented the facts. Not one has challenged the question that $100,000 was spent in lobbying to put over the law that we have to-day, or that that was drawn by a lawyer who represents the dye industry. Another thing, not one of these gentlemen, and they are able gentlemen, or any one of the members of the committee, has presented to you a single fact, nor has one statement been presented to the Committee on Ways and Means, showing the difference in the cost of production or any reason why there should be an embargo offered at this time.

I want to call your attention to something more serious than anything I mentioned when I spoke to you the other day, and I have studied this question as well as I could for weeks. I never knew at that time, and not until yesterday, when I picked up a copy of the Washington Post, the amount of exportation of dyestuffs. When the Tariff Commission sent that statement the other day to every Member of Congress they concealed that. They did tell you the imports, which were $5,000,000. But the Post of yesterday says there were $35,000,000 exportation of dyestuffs in 1920. Would there have been any purpose, if they wanted to enlighten Congress, in holding back that information from us which we now have? In other words, there was $95,000,000 of manufactured dyestuffs in 1920. Thirty-five millions, or nearly 40 per cent, were exported by this organization, this monopoly, that demands an embargo.

Mr. BLANTON. Will the gentleman yield?

Mr. FREAR. After I have finished. The charge has been made here that this is not a monopoly. No man will question but that the Chemical Foundation Co. is a monopoly. It was organized for the purpose of escaping the Sherman antitrust law. That is what it is to-day. Mr. du Pont demanded that the Government give him a license to avoid the Sherman antitrust law.

Mr. du Pont testified that if any man, any little fellow, attempted to cut the price of dyes they would choke him, or "soak" him, to use his expression. But here is better evidence than all that. To-day we are paying 400 per cent compared with prewar prices for dyestuffs; the American people are paying it. I gave you the figures on all this in my speech on Monday, based on the best testimony I could get. You say there is no monopoly. There never was more of a monopoly with a greater grasp on the American people than this Chemical Foundation Co. and Dyestuff Trust. We have shut out of the American market every part of the dyestuffs except that little portion that dribbles in and can get past the embargo.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. FREAR. No; I can not yield now. Men from my home State came to see me, and they said to me that they had put $20,000 into the Chemical Foundation Co. They said that to me in the presence of my colleague from Wisconsin [Mr. COOPER]. I do not know whether he is present just now or not. They had put in $20,000 into the Chemical Foundation Co. What is it worth to-day? They paid only 2 per cent of the value of the property when it was taken over. Their property is now worth about a million dollars, and prices are four times prewar prices. They said there was active competition. Those people from Milwaukee are the only people I have seen up to this time who are interested in this schedule on one side or the other financially. They are members of the Chemical Foundation Co.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin may proceed for five minutes more.

Mr. GARNER. I object, Mr. Chairman. I will say to the gentleman from Wisconsin that I intend to follow the same pursuit until the RECORD shows, as it did yesterday, that your procedure is going to utilize all the time on these specific articles to the exclusion of the reading of the bill.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. GARNER. Certainly.

Mr. LONGWORTH. It will be my purpose, if agreeable to the House, to ask unanimous consent that the debate on this subject be limited to two hours. It seems to be due, at the very least, to the importance of the subject. There is absolutely no intention to take up a minute of time unnecessarily.

Mr. GARNER. All I want is for the RECORD to show it as I said.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the gentleman from Wisconsin [Mr. FREAR] may be permitted to proceed for five minutes, and after that that the debate on this paragraph and all amendments thereto be limited to two hours, one-half to be controlled by the gentleman from Wisconsin and one-half to be controlled by myself.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the gentleman from Wisconsin may proceed for five minutes. Is there objection?

Mr. GARNER. Reserving the right to object, let us see if I understand the unanimous-consent request. I will repeat to the gentleman from Ohio what I said a while ago, and what I said yesterday morning, that under this request, if it is agreed to by this side, the RECORD will show that we agreed to postpone the reading of this bill for two hours in order that we might discuss one amendment proposed under the special rule. I realize that the gentleman has the majority, and may to-day do as was done yesterday, when a vote was had on one provision of this bill by virtue of these specially favored amendments named in the special rule. I understand that the gentleman from Tennessee [Mr. GARRETT] at the proper time will move to close debate in the Committee of the Whole in order that the RECORD may show completely that you gentlemen started in with your special rule for the purpose of preventing this House from offering amendments to this bill. The RECORD is going to show that before we get through with it.

Mr. LONGWORTH. Let me say to the gentleman from Texas that so far as I am concerned I desire that the bill shall be read.

I take great pride in the chemical schedule, and I want to have opportunity given that it may be read in detail. So far from making any effort to prolong the debate unnecessarily, I think we shall save time by giving more time to the gentleman from Wisconsin [Mr. FREAR] and in following the suggestion I have made.

Mr. GARNER. I will ask the gentleman, as a member of the Committee on Ways and Means, is he willing to have this bill read for the purpose of offering amendments to any portion of it?

Mr. LONGWORTH. I do not know that it will be possible to read the entire bill, but no motion of mine, or any other, so far as I know, will be made with such intention.

Mr. GARRETT of Tennessee. Mr. Chairman, I wish to make a privileged motion in order to give the opportunity for what the gentleman from Ohio hopes for, at least the reading of the chemical schedule. The gentleman from Wisconsin, having spoken for five minutes, I move that the debate on this amendment and all amendments thereto be now closed.

The CHAIRMAN. The gentleman from Tennessee moves that the debate on this paragraph and all amendments thereto be now closed.

Mr. LONGWORTH. Mr. Chairman, I move to amend the motion of the gentleman from Tennessee. I move that the debate on this paragraph and all amendments thereto shall conclude in an hour and 30 minutes.

The CHAIRMAN. The gentleman from Ohio moves to amend the motion of the gentleman from Tennessee.

Mr. LONGWORTH. I will make it two hours—to conclude in two hours.

The CHAIRMAN. The gentleman from Ohio moves to amend the motion of the gentleman from Tennessee by moving to close the debate in two hours. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for a division.

The Committee divided; and there were—ayes 66, noes 29.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chairman appointed Mr. LONGWORTH and Mr. GARRETT of Tennessee to act as tellers.

The CHAIRMAN. Those who favor the amendment offered by the gentleman from Ohio to the motion of the gentleman from Tennessee will pass through the tellers and be counted.

The committee again divided; and the tellers reported—ayes 73, noes 32.

So the amendment was agreed to.

The CHAIRMAN. The question now is on agreeing to the motion of the gentleman from Tennessee as amended by the motion of the gentleman from Ohio.

The motion as amended was agreed to.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the time be equally controlled by the gentleman from Wisconsin [Mr. FREAR] and myself.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the time be controlled by the gentleman from Wisconsin and himself, and to be equally divided. Is there objection?

Mr. OLDFIELD. I object. I think the Democratic side ought to be recognized here.

Mr. LONGWORTH. I will say that we shall be delighted to yield time.

Mr. OLDFIELD. I think we can offer as many votes on this proposition as the Republicans.

Mr. LONGWORTH. Mr. Chairman, I modify my request, and ask that the time be equally divided between the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER].

The CHAIRMAN. The gentleman from Ohio modifies his request, and asks that the time be equally divided between the gentleman from Michigan and the gentleman from Texas. Is there objection?

There was no objection.

Mr. GARNER. Does the gentleman from Wisconsin wish to lead off?

Mr. FREAR. I want to take an hour. Will the gentleman yield to me?

Mr. GARNER. I presumed that I was going to control the time in favor of this amendment, and that the gentleman from Michigan [Mr. FORDNEY] would control the time in opposition to it. If so, I want to yield to the gentleman from Wisconsin.

Mr. FREAR. The plan just proposed was without notice to me, but I understand both sides will yield time to Members both in favor of the amendment and to those opposed to it. I understand that is the intention.

Mr. LONGWORTH. It was proposed that the gentleman from Wisconsin should control the time in favor of the amendment, but objection was made on that side.

Mr. FREAR. I may come to the gentleman from Texas for further time.

The CHAIRMAN. The gentleman from Michigan [Mr. FORDNEY] is recognized.

Mr. FORDNEY. I yield five minutes to the gentleman from Wisconsin [Mr. FREAR].

Mr. FREAR. Mr. Chairman, in addition to what I have said, I have offered a report on this dye subject in which I endeavored to make a fairly full statement. I also spoke on the same subject Monday last. I do not intend to go into detail further in regard to this proposition at this time. I have shown beyond any question to the Congress and to the people of the country that with these dye manufacturers in this country exporting 40 per cent of their product it is a subterfuge for them to come in now and say that they must have an embargo. We are willing to give them a protective tariff. This is a situation that has resulted from the war. Mr. du Pont said six months would be sufficient time for them. We have given them a year and a half since he made that statement. What has been shown to extend the time? All they care is to have complete control of the market here, so that they can charge any amount they want. That is the situation now. That is their only purpose—a pure monopoly.

Now, my Democratic friends, I want to speak to you for a moment. I will speak to my Republican friends later. The gentleman who fought this bill to a finish in the Senate was Senator Thomas, of Colorado, one of the ablest men I know, who recently was a Member of that body. The gentleman who is fighting it over there now, Senator KING, of Utah, in like manner a Democrat, is also a strong and able man. You have here to-day in this country one of the largest Democratic papers, the New York World, that is also opposed to this bill, and strongly so. I read to you just one paragraph from a paper that has the largest circulation in the United States, which yesterday said:

> The Dye Trust ought to be choked to death, not fed to bursting with money taken from American workers through the power of a monopoly created by the Congress.

[Applause.]

That, too, is a Democratic paper with a half million daily circulation. Now, my Republican friends, let me say a word to you in all earnestness. What is your policy to be on this bill? The other day in the conference I read the following telegram:

> NEW YORK, *July 6, 1921.*
>
> Hon. JAMES A. FREAR,
> *Member of Congress, Washington, D. C.:*
>
> To your colleagues to-night please say that it is the firm conviction of the executive committee of the American Protective Tariff League, after careful survey and consultation with conservative party business men, that approval of dyestuff embargo will lose every doubtful congressional district next year. That embargo has no place in American fiscal system, and especially in any tariff act.
>
> WILBUR F. WAKEMAN,
> *Treasurer and General Secretary.*

Let me read from the American Economist, which stands for what you do on a protective-tariff policy. It says:

> "It would be like enacting a law permitting a certain class of people to steal for a period of two years * * * it is stealing. The man who picks your pocket is no more a thief than the one who, under the false plea of patriotism, asks for an embargo on chemicals and dyes in order that he may establish a monopoly under which he will pick your pocket strictly according to law."
>
> How will this Congress go before the people in defense of a law that reputable high protectionists declare permits stealing or picking of the pockets of the American people under a false plea of protection?

That is Republican doctrine. Leading Republicans of the country are opposed to it. And yet it is said by the dye monopoly agents that I am acting in the interest of people across the water. I do not know them; I have not seen them or heard from them; but it is the old method of throwing dust in the eyes of the people so as to conceal the purposes of these very trusts and monopolies that would rob the people, and that is what they do. They extort the very last drop of blood they can from the people when they are charging 400 per cent more than was charged before the war. Take your flag there—that is what they wrap around themselves in all discussions—and yet they are charging 400 per cent on the blue and the red that go into the flag. [Applause.] I ask you, my Republican friends, can you believe in a protective-tariff stand for an embargo?

The CHAIRMAN. The time of the gentleman has expired.

Mr. WYANT. Will the gentleman yield for several questions?

The CHAIRMAN. The time of the gentleman has expired.

Mr. OLDFIELD. Does the gentleman from Wisconsin want a little more time now or does he desire to wait a while?

Mr. FREAR. I had rather close, if I may.

Mr. OLDFIELD. I yield 20 minutes to the gentleman from Texas [Mr. BLACK]. [Applause.]

Mr. BLACK. Mr. Chairman, the only way I can account for some gentlemen on the Republican side of the House supporting this embargo provision as to chemicals and dyestuffs is to assume that they believe that by making some of these great corporations rich by legislative favoritism, such as this dyestuffs provision affords, a certain amount of it will finally sift on down to us little fellows, and the public will be benefited in that way. I have heard Republican orators make that kind of an argument before, but I was never very strongly impressed by it. I heard one of the prominent Republicans from one of the Western States make a speech in the House last Monday in which he referred to the fact that the former argument in favor of protection was that by making the great manufacturing interests rich and prosperous that thereby the farmer was furnished with a better market for his products, and in that way the farmer got his benefit from protection. But this Member from the West stated that the farmer was no longer willing to be content with that argument; that he was demanding that his own products be put into the protected list; and then the gentleman launched out into a eulogy of the Fordney bill upon the theory that it did include a certain amount of farm products in the protected list. But, in my judgment, within 12 months the gentleman who made that speech will be a sadder and a wiser man, because he will find that the products of the West and South will still have to compete in the export markets of the world, because a large part of them will necessarily have to be exported if they are sold at all, and their prices will be controlled largely by the prices the farmers can get for these exports. So finally we come down to the point that the only real argument that can be offered for this high protection is that it builds up the great corporations and that they will pass some of their prosperity on down to the little man. And that passing on down process is very much like the little man who went into a theater to see a comic opera, and after he had seated himself comfortably a great, big, fat, overgrown fellow came in and took the seat right in front of him, and not only obscured the view by his great, bulky form but hung his big overcoat over the chair and thus completely shut out the view of the little man from the stage. So the little man tapped the big fellow on the shoulder and plaintively said, "Look here, my friend, I can't see a thing." The big man turned around and said, "You can't see a thing, eh?" The little man said, "No; not a thing." Then the big fellow replied, "Well, then, I will fix you up. You just keep your eyes on me and laugh when I do." [Laughter.] Now, gentlemen, that is the doctrine of the dyed-in-the-wool protectionist. Just let the little man take a back seat and laugh every time he sees big business gulp down generous slices of protection, buttered with some of these rich embargo provisions. There can be no better illustration of the methods by which these big corporations and combinations have been built up in the United States than paragraph 27 of the Fordney bill.

The gentleman from Ohio [Mr. LONGWORTH], in 1919, introduced in the House the bill H. R. 8078, which provided for the accomplishment of the same kind of an embargo as this bill is designed to accomplish, and that bill passed the House September 26, 1919, and died in the Senate. The embargo in the Longworth bill was to have been accomplished by the licensing provision, and that licensing provision was denounced by such stalwart Republicans as Mr. FORDNEY, chairman of the committee, Mr. FESS, of Ohio, Mr. J. Hampton Moore, of Pennsylvania, then a member of the Committee on Ways and Means, and other stalwart Republicans. They denounced it as unjust, un-Re-

publican, un-American, and almost every other kind of an "un" you can think of. So on account of this severe reception which the Longworth bill received from such stalwart Republicans as I have named, the gentleman from Ohio [Mr. LONGWORTH] now finds it necessary to dress this "infant" up in some new clothes. Hence the dress of the Fordney bill.

When Mr. LONGWORTH was speaking in the House last Tuesday the following colloquy took place between us:

Mr. BLACK. Will the gentleman yield?
Mr. LONGWORTH. Yes.
Mr. BLACK. I believe the gentleman stated that about 90 per cent of the dyes were now made in this country. Mr. du Pont testified in the Senate as follows: The Longworth bill is an embargo, it is a misnomer to call it a license bill. The intention is not to license imports except in rare cases; it is substantially an embargo bill.
Mr. LONGWORTH. I presume he did because that bill was, in effect, an embargo bill, but this bill is not; and if the gentleman will examine it he will see that it is absolutely different.

Now, of course, I had examined both bills before I made the inquiry, and I think I understand the English language when I read it. Let us now examine both bills and see whether or not the real purpose to be effected in each is an embargo of the articles described in paragraphs 25 and 26, to wit, dyestuffs and chemicals. What was the essential feature of H. R. 8078 which the gentleman from Michigan [Mr. FORDNEY], Mr. FESS, and Mr. Moore denounced so roundly as un-American, un-Democratic, and every other "un" you can think of. That bill provided that whenever an importer wanted to import any of these articles described in the bill he must secure a license from the Tariff Commission, and that license could only be obtained when the importer could show that such chemicals and dyestuffs which he wished to import could not be procured in the United States upon reasonable terms as to price, quality, and terms of delivery. If I have not stated this correctly the gentleman from Ohio can correct me. In other words, the essential purpose of the original Longworth bill was to accomplish an embargo instead of to levy a protective tariff.

Now, what does this Fordney bill do? This bill says to the Tariff Commission you shall place in class A all of these articles enumerated in paragraphs 25 and 26 which you find can be obtained in this country upon reasonable terms as to price, quality, and delivery, and that thereafter none of such articles shall be imported into the United States. Is not that an embargo? Under the authority granted to the Tariff Commission to place these articles on the embargo list, the commission can go into the factories of any textile manufacturer in the United States and say "we find the dyestuffs and chemicals that you are using can be bought from the Du Pont Powder Co. and the Allied Chemical Co., and other dye manufacturers upon reasonable terms as to price, quality, and delivery, and therefore it does not make any difference how badly you think you need the articles or how essential you think they are to your business, we put them on class A, and hereafter you are forbidden to import any of them."

And not only that, it provides that before an importer can import any of the articles left on class B, importation of which is not forbidden, the importer must file a bond of $10,000 or more payable to the Tariff Commission conditioned that the importer will not do anything which will injure or harm these industries.

Further than that, before the importer can get the goods out of the customhouse, even when they are on class B, he must file a bona fide order from the customer, and he must not only file this order but must also file an affidavit from that customer to the effect that these articles are for his own consumption and that the supply will not last him longer than a period of six months. It does not stop there. This automatic provision that my friend [Mr. LONGWORTH] speaks about, even when you can import them, does not stop there but say in effect to the customer who buys the dyes, "After you get them if you find for any reason that you do not need them and can not use them in your business, notwithstanding you have paid for them with your own money, notwithstanding they are your property, you can not sell them without coming to the Tariff Commission and getting a permit to sell them."

Now, I imagine that the textile manufacturers will think that these "automatic" provisions which Mr. LONGWORTH talks about is living up with a vengeance to the Republican campaign slogan last fall of "more business in government and less government in business." [Laughter and applause on the Democratic side.] Gentlemen, if you Republicans stand for paragraph 27 in this bill you will have to amend your campaign slogan and make it read hereafter, "More business in government and less government in business except whenever it is needed to help our old and true friends, the big corporations." But in the face of the provisions which I have quoted the gentleman from Ohio [Mr. LONGWORTH] still contends that this bill is entirely different from the one which Mr. FORDNEY and Mr. FESS and Mr. Moore so vehemently assailed in 1919. Again, I inquire what is the essential purpose of the two bills? The essential purpose is an embargo, and with all your sidestepping, you Republicans who are defending this bill can not get away from that fact. When I was a boy my father raised hogs in order to put up the meat for the family for the year. When it came hog-killing time we had two methods of killing. One was to knock the hog in the head with a meat ax and the other was to shoot him with a target rifle, but the essential thing in both cases was to kill the hog. In the instance of the first Longworth bill the meat ax method was too rough for Mr. FORDNEY and Mr. FESS and Mr. Moore, of the Ways and Means Committee, and so now my friend, LONGWORTH, has resorted to the target-rifle method to kill the hog, but the only difference is that the latter is more certain and more skillful and makes it more absolutely sure that the Du Pont interests and the Allied Chemical Co. will bring home the bacon. [Applause on the Democratic side.]

The gentleman says this bill is completely changed because they have changed the name of the licensing system to that of accomplishing an embargo by putting these prohibited articles in class A. I believe Shakespeare said once:

> What's in a name? That which we call a rose
> By any other name would smell as sweet;
> So Romeo would, were he not Romeo call'd
> Retain that dear perfection which he owes
> Without that title. Romeo, doff thy name;
> And for that name, which is no part of thee,
> Take all myself.

Ah, will you gentlemen support it merely because Mr. LONGWORTH has changed the name? Will the gentleman from Michigan, the chairman of the committee, be fooled; will the gentleman from Ohio [Mr. FESS] be fooled? No; they are too smart for that. They will not be fooled. If they vote for this provision, it will not be because they are fooled; it will be because they deliberately repudiate the denunciation of this embargo provision which they made when it was before the House in September, 1919. And they should have the courage to say so. [Applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. COPLEY].

Mr. COPLEY. Mr. Chairman and gentlemen of the committee, I shall appeal to your reason, and I hope in a calm manner. Since I made my speech last Thursday the situation has not changed. Germany is still making 2,100 products from coal tar, while we are making in this country only about 1,350. In other words, they are making almost three to every two which we make, and under the provisions of this bill any man who needs dyes in his business can get them at a reasonable price, in reasonable quantities, and with reasonable delivery. I would say to the gentleman from Texas [Mr. BLACK], who just preceded me, that notwithstanding the inference of his speech, whenever we can not trust the representatives of our Republic it is time for the Republic to go out of existence as a form of government. Whenever the Tariff Commission of this country can not be trusted, whenever the Congress of this country can not be trusted—and the people mistrust some of us—whenever the President of this country can not be trusted, it is again time for the people of this country to take stock and see whether or not it is worth while to continue the Republic as a form of government.

Mr. BLACK rose.

Mr. COPLEY. I can not yield now, for I have not the time. We have not changed the conditions; and if we give the chemists of the country three years more, in which time it will not cost any user of dyes in this country any more, during which time he will be able to get what dyes he wants, then within that time our chemists will be able to compete not only in the 1,350 products that we now make but in the entire 2,100 products which the Germans are now making from coal tar.

I would say to the gentleman from Wisconsin [Mr. FREAR] that I do not object to men coming here and presenting their side of the case. Every industry that is interested in this tariff has been represented here, and not on one side alone. During the progress of the hearings and the work of the Ways and Means Committee a gentleman came to my office and presented a card, saying that he represented Herman Metz, a former Member of this House, now importing German dyes made from coal tar, and this young representative then told me how reprehensible it was for the dye industry to have representatives here. I said to him, "Whom do you represent? Your card says Herman Metz." He said, "I do." I asked him then if he was being paid, and he said that he was. I looked him over, and I said that I did not think that Mr. Metz got his services for a song, that he must be paying him a very comfortable

salary, and that in comparison to the amount of business that Herman Metz is doing he was probably paying this man more per unit of the dye industry sold by Metz than were the Du Ponts and the American Chemical Co. paying their representatives. There is no question about that. They were all represented here. Herman Metz is not interested in the $40,000,000 worth of dyestuffs that were sent out of this country, which came from the two-thirds of the coal-tar products that we are now making. I told the House last Thursday that it does not cost much money to make dyes; that the great cost is in the investment, the formulæ which they learn and the cost of getting it—in other words, the brains they have to pay in the process of developing these formulæ. Herman Metz is not interested in the $40,000,000 that we are sending to the rest of the world made by American workmen, but he is interested solely in that which the Germans sell to the people of this country and which is made outside of this country; and if we put this so-called embargo on, if we carry out the provisions of this bill, I give it as my business judgment that within the next three years we will be sending not only $40,000,000 worth of dyes out of this country but a great deal more, and not only will we be sending them from two-thirds of the products of coal tar, which we now produce, but we will be sending them from the entire three-thirds of the products of coal tar. Is it worth while? I think it is. [Applause on the Republican side.]

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. KELLY].

Mr. KELLY of Pennsylvania. Mr. Chairman, in the history of the world there have been few instances of national dependence comparable to that when the United States in 1914 was forced to beg Germany to sell us dyes with which to print our stamps and Federal reserve notes.

It was impossible to issue these primary emblems of sovereignty without humbly asking for them from a nation ready to sink our ships "without a trace." Not only that, but it was necessary to beg Great Britain to allow the shipment to come to us in Dutch boats.

That such a situation may never arise again, I believe we should here and now issue a declaration of American independence of Germany or any other nation as far as this key industry is concerned.

The provision of this bill carried in the chemical schedule will do that very thing.

Every dollar spent now for these German products will help contribute to the growth of the German dye and explosive industry and will be a dollar taken from the development of this key industry in America. Every dollar so spent will be a blow against both conservation and preparedness.

Was there any natural reason why Germany should have a monopoly of dyestuffs in 1914? Is it now an exotic industry, whose raw material can not be produced here?

On the contrary, America was and is the national center of dye production in the world.

These products are made from coal tar, and America leads the world in the production of coal. We produce 600,000,000 tons of coal a year, which means 7,000,000,000 gallons of coal tar, enough to supply all the world with a multitude of products needed for the comfort and health and happiness of humanity.

This material containing a cornucopia of wealth has been wasted. It has been regarded as a sticky nuisance, to be drained into rivers, polluting their waters.

Every ton of coal from which no by-products were taken meant the wanton wasting of 5,000 cubic feet of gas, 12 gallons of coal tar, 25 pounds of sulphate of ammonia, and 3 gallons of valuable light oils. They are worth more than $2 per ton, so the total loss amounted to a billion dollars a year. Here is a table, based on the figures of 1918, which shows the value of by-products lost by burning coking coal.

State.	Tons produced.	Tons of coking coal.	Tons used for by-product coke and gas.	Tons of coking coal burned without by-product recovery.	Total value of by-product wasted.
Alabama	21,280,000	21,280,000	4,000,000	17,280,000	$32,659,200
Arkansas	2,228,000	2,228,000	.....	2,228,000	4,210,920
Colorado	12,485,000	7,500,000	850,000	6,650,000	11,571,000
Georgia	101,000	101,000	.....	101,000	148,520
Illinois	91,263,000	78,750,000	350,000	78,400,000	149,744,000
Indiana	27,325,000	23,200,000	350,000	22,850,000	43,643,500
Iowa	8,240,000	4,120,000	.....	4,120,000	7,869,200
Kansas	7,292,000	5,600,000	.....	5,600,000	10,696,000
Kentucky	29,690,000	24,000,000	8,000,000	16,000,000	34,080,000
Maryland	4,759,000	4,759,000	700,000	4,059,000	6,210,320
Michigan	1,385,000	1,385,000	.....	1,385,000	2,645,403
Missouri	5,605,000	3,360,000	.....	3,360,000	6,417,600
Montana	4,276,000	1,500,000	.....	1,500,000	2,865,000
New Mexico	4,241,000	4,241,556	.....	4,241,000	$6,488,780
North Dakota	813,000	.....	.....	.....	.....
Ohio	46,464,000	37,000,000	.....	37,000,000	65,883,000
Oklahoma	4,785,000	4,785,000	15,000	4,770,000	7,293,100
Pennsylvania	183,712,000	183,712,000	20,000,000	163,712,000	329,061,120
Tennessee	6,916,000	6,916,000	250,000	6,666,000	12,598,740
Texas	2,260,000	.....	.....	.....	.....
Utah	5,535,000	5,000,000	50,000	4,950,000	9,999,000
Virginia	10,100,000	10,100,000	100,000	10,000,000	14,700,000
Washington	4,056,000	3,200,000	200,000	3,000,000	5,730,000
West Virginia	91,350,000	91,350,000	9,250,000	82,100,000	159,274,000
Wyoming	9,600,000	3,360,000	3,360,000	3,360,000	6,417,600
Other States	122,000	.....	.....	.....	.....
Total	585,883,000	527,447,000	47,475,000	483,332,000	930,188,000

The coke makers at least might save these products, for they destructively distill coal as a business. They must eliminate the by-products in their production of coke.

Still, in 1914 only a small proportion of the coke made in America was burned in by-product coke ovens. In the coke districts the beehive coke ovens made a fireworks display with wasted gas and wasted coal tar, which meant a loss of almost $100,000,000 a year. Then, too, 700,000 tons of ammonium sulphate were wasted, enough to have enriched every field in America and have furnished the explosives for the World War besides.

Why was this tremendous loss tolerated? Why was such an apparently suicidal industrial waste possible?

Simply because it did not pay to take the by-products from the coal. A great potential industry it was indeed, but as a practical matter it could not be developed.

The by-product coke ovens cost several times as much as the old-fashioned beehive ovens. Unless there is a way to recover the added cost of producing coke through the sale of by-products, it is cheaper to produce only coke and let the by-products go.

For 20 long years Germany saw to it that the by-product coke ovens in America made a bad business proposition. She deliberately determined to make America a vassal State as far as this industry was concerned, and she succeeded.

She organized the entire industry into a huge cartel or trust subsidized by the Government. She burned every ton of her coke in by-product ovens. She used the sulphate as fertilizer and produced 35 bushels of wheat per acre to our 15, and 223 bushels of potatoes to our 113.

She sent the coal tar through a number of factories, extracting in each one some certain product, and at last used the residue pitch for her roofs and roads.

The result was a world monopoly in dyes and related products. That meant a monopoly in explosives, and explains why in 1914 she had more explosives collected together than could have been found in all the world besides. With the T. N. T. made in coal-tar chemical factories she blasted world-famous forts out of her road and cleared the way for devastation of France and Belgium, Italy and Serbia, Russia, and other lands.

During the years previous to the Great War, when France, England, and America undertook to engage in this vital industry, Germany prevented by cutthroat competition. Any product that was successfully manufactured was slaughtered under an avalanche of German goods.

The first dye ever made from coal tar was mauve, made by an English chemist, W. H. Perkins. It opened up an industry involving hundreds of millions of dollars, but Germany did the business. In five years after its discovery mauve was a monopoly in the hands of German dye makers.

Synthetic indigo was a German discovery, first made after 17 years' experimentation and expenditure of $5,000,000. Not a pound was produced in America before the war. Natural indigo sold at $4 a pound, and Americans are now making it at 60 cents a pound.

America can have this key industry if Congress will say the word.

Already we have the start made. The war served as an embargo and American determination won. In 1914 there were 7 small plants, with 525 employees, in the dye industry. Plants were built; the Government financed the building of 1,500 by-product coke ovens. In the end the medicines which healed the wounds of American soldiers and the explosives which blasted the Germans out of their trenches in the Argonne were made in American plants, financed by American capital.

This new-built business can not last a year against German competition; against fair competition based on the price of

production, yes; but against the desire of men who know the importance of this industry for war, with Government subsidized, war-built plants, no; it is impossible.

No conceivable tariff will protect the industry. When 5,000 different products are being made any certain list of them can be cut in price until the market is secured and then put to a point which will recoup all losses.

We are not making all these products by any means, and against such competition we can not stand.

The gentleman from Wisconsin [Mr. FREAR] in his speech on the dye schedule appended a list of questions which he desired answered. He wanted to know about exports, and attempted to show that American makers could now compete against Germany in the world's markets.

The truth is we can compete in the world's markets to exactly the extent Germany wishes, and no more. She has recently reorganized her dye cartel, to extend until the year 2000, with capitalization of $222,000,000, and she has made up her mind to end American exports.

Oh, I know about the allegations that we exported 8,000,000 pounds of indigo in 1920. That simply proves the truth of what I am saying. We can not sell a pound of indigo or any other dye anywhere in the world when Germany says nay.

Here is the export situation: In February, 1920, we exported $2,230,487 worth of all kinds of dyes; in February, 1921, we sold only $469,764 abroad. In March, 1920, we were exporting $3,499,310 worth of dyes; in March, 1921, we sold $670,290. In April, 1920, we sold abroad dyes valued at $2,721,238, and in April, 1921, we sold $365,010.

To-day we are not exporting at all. The all-powerful German dye combine has decided it is time to end our pitiful attempt to invade her "divine right" sphere and the cat-and-mouse game is over for the present.

The next step is to destroy our home market and home industry. Under the tariff of 35 per cent and 7 cents that home industry will not last one year.

Czechoslovakia tried the high tariff without embargo. Her dye industry is gone and Germany has complete possession of the field.

England and France have an embargo, and the uniforms of the French and English soldiers are not being dyed with German dyes as they were in 1914.

If we follow Czechoslovakia, our fate will be the same.

But it is said that the Du Ponts will have a monopoly of the dye business in America.

The fact is that the Du Ponts have but two dye works, with $20,000,000 invested. The National Aniline & Chemical Co. has assets of $45,000,000 in the dye industry.

The Chemical Trade Journal and Chemical Engineer of April 30, 1921, quoted from Cheniker Zeitung the following capitalization of German dye companies:

Badische Anilin	$59,976,000
Berliner Anilin	20,944,000
Elberfelder Farben	59,976,000
Griesheim-Elektron	14,994,000
Hochster-Farben	29,976,000
Kalle & Co	1,428,000
Weiler-Ter-Meer	5,545,400
Total	192,839,400

In addition, the statement is made that large increases of capitalizations for four of the companies have been decided upon. This is discussed in somewhat more detail in the brief article cited.

Those who cry "domestic monopoly" do not understand this industry. There are 5,000 products to be made out of coal tar—medicines and munitions, flavors and fertilizers, a limitless range—each one of benefit to America.

The Pennsylvania Coal Products Co., with a capital of $200,000, specializes in resorcin, a coal-tar chemical valuable as a medicine and as a base for dyes. It is valuable in the drug, textile, leather, food, photographic, and rubber industries.

A. A. Hoffman, an official of the company, assures me that they can meet any fair competition in this country and that there is no danger from the big dye concerns. He declares that Germany, through the pernicious business methods employed in the past, could destroy his business in a few months.

Other small concerns which specialize in certain particular products have given the same testimony.

But in any case, Mr. Chairman, surely the United States Government is not to be prevented from possessing a great industry for creating wealth out of waste because a monopoly may control the market.

Private monopoly is always indefensible. Its existence is simply proof of the incapacity of the sovereign government. If a man is armed with a loaded revolver and permits himself to be held up and robbed by a weaponless man, the trouble is in the lack of conscious purpose and determination on the part of the victim.

The United States Government has the power to deal with a dye monopoly, should it develop. But to permit the destruction of a great American industry simply because it may be monopolized is suicidal folly.

I am opposed to all private monopoly, but between a German monopoly, in the hands of those who a few years ago sought our destruction, and a monopoly in the hands of Americans, I choose the American. Neither horn of the dilemma need be taken. We may have this key industry and at the same time have it controlled in the interests of the American public. I believe this provision will accomplish that end.

The Tariff Commission is given power to protect this industry and the public. To assume beforehand that it will become the tool and vassal of a dye monopoly is an outrageous reflection upon American Government. Every element of decency demands that such condemnation be withheld until events have proved that they are deserved.

Mr. Chairman, we are at the beginning of the chemical age. The Great War has shown us the vital place which chemistry holds in the development and safety of a nation. Prosaic coal tar is the quintessence of the forests of a millenium ago. It contains gases which can be harnessed to the burdens of mankind. It will furnish medicines for healing men's hurts and explosives for blasting away nature's obstruction to development. It will supply the fertilizers to enrich our fields and make the desert blossom as the rose.

It is a fundamental American product, though monopolized in the past in foreign lands. Make this industry American through this embargo, prohibition, commission control, or whatever you like to call it. Make it American and you will see chemical research laboratories established, scientists educated and encouraged, and new industries established. You will transform waste into wealth, and by assuring a square-deal policy in the conduct of the industry itself you will add to the well-being of every man, woman, and child in America.

Mr. Chairman, I believe the day will come when present methods of tariff making, with their logrolling and compromise, will give way to a sound and scientific adjustment of schedules designed to meet conditions as they arise. There must be provision for elasticity, so that the rates established to-day may not become injurious next year.

We are facing to-day the most difficult and far-reaching economic problems in all our history. New conditions have arisen in the past few years and there will be transitions and transformations in many industries during the next few years.

It is inconceivable that a measure, however admirably suited to meet present needs, will continue long to afford the adjustment required in the face of changing conditions.

That has always been true of general tariff revision. The political seesaw on tariff issues is an eloquent evidence of the fact that there is needed in this country a system of tariff making by which schedules and paragraphs may be revised as needed, based on full and exact information. The majority of Americans desire an honest protective tariff. They want a tariff which shall protect every American industry as far as it is in the interest of America to protect it.

But it is impossible for any living man to go through the schedules of this tariff bill and say what effect all the rates will have upon industry and the country. With this measure as a basis, and with constant changes made upon recommendation of the Tariff Commission, it may be made a permanent solution of the vexed tariff problem, but in no other way.

One step has been taken in this chemical schedule. The Tariff Commission is empowered to practically control the rates on dyestuffs and coal-tar products. If domestic manufacturers produce them at reasonable prices, they will be protected against foreign competition. If prices are exorbitant or quality poor, other countries will be given the right to supply our needs. This is an experiment, to continue for three years, and it is well worth a trial. From it we may learn lessons of value, how we may build up the worthy industries of America, making our watchword in business not "pull and politics" but "service and efficiency." Let us give the Tariff Commission an opportunity to supplant guesswork with scientific accuracy in one schedule at least.

Mr. FORDNEY. I yield four minutes to the gentleman from New Hampshire [Mr. BURROUGHS].

Mr. BURROUGHS. Mr. Chairman and gentlemen, we want to protect the chemical industry of this country just the same as we want to protect all other essential industries of this

country. It is an important industry; of course, it is an important industry, and we want to protect the dye industry, too, as a part of the chemical industry. It is important in peace and it is important in war, but I am opposed, Mr. Chairman, to this proposed embargo, because it continues in peace time a method used in time of war which can only be justified by grave emergency or extreme necessity. Neither has been shown to exist.

I am opposed to this embargo because it is thoroughly and absolutely un-American. It creates conditions under which an absolute monopoly in the dye industry is bound to grow up, even if it does not now exist. I am opposed to it as a Republican because, as I remember it, our party in its platform and by the utterances of its leaders in the last election campaign made the most explicit promises to the people to take the Government out of business. This bill, instead of doing that, through this embargo provision puts the Government into business for three years longer.

They say we must have the embargo in order to establish the chemical industry in this country. I deny that. The chemical industry is here now. It was here before the war came. We had a well-established chemical industry in this country in 1914. It is not only here now but it is most securely entrenched; it is amply financed; it is well able not only to survive but to progress and to prosper under the same laws and principles of fair and equitable competition as govern every other industry in America.

They talk about this industry as though it were nothing but an infant "mewling and puking in its nurse's arms." Why, Mr. Chairman, here are concerns whose combined assets reach hundreds of millions of dollars, whose production in 1919 was $67,000,000, and in 1920 reached the huge total of $95,000,000, and showing exports in the same year amounting to more than $25,000,000. More than that, Mr. Chairman, they showed profits so great during the last year that in the first three months of this year new concerns with a capitalization of over $40,000,000 have entered the field.

Mr. Chairman, I am not in favor of pampering this "infant" any longer. I think it is time now to consider somewhat the 11,000 manufacturing establishments in 24 different lines of industry and employing over 1,000,000 persons that are directly dependent upon their ability to obtain colors for their product of such quality and at such time as will best serve their purpose.

But, of course, the little "ring" that controls the dye business in this country to-day wants to continue the monopolistic privileges that they have enjoyed for the past seven years. Remember, gentlemen, that for seven years past there has been no competition from abroad in the dye business. War embargoes and governmental control through the license system have prevented importation of dyes in any substantial amount during this time. More than that, American dye makers, organized, as many of them are, into huge corporations, have been able to charge and have in fact charged almost any price they pleased for their inferior product. Dyes that before the war sold for 25 cents a pound are now selling for more than $1 a pound. Let me cite a specific instance. Take the color known as Rhodamine B. In 1914 it sold for 20 cents a pound and Rhodamine B Extra, of five times the strength, sold for 80 cents a pound. Now, keep those prices in mind, and then realize what has happened in the meantime when I tell you that the Du Ponts now sell Rhodamine B Extra for $9 a pound. Of course, they want the embargo to continue. If they can have it for three years, as provided in this bill, they will have taken millions from the pockets of the American people.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BURROUGHS. I would like to yield, but I have not the time. I can not yield.

Of course, Mr. Chairman, these Du Ponts and the Allied Chemical Co. and the rest of them want a continuance of the monopolistic privileges they now enjoy. They want the profits that come from prices 100 to 500 per cent above what they could charge under fair competitive conditions. The fact, however, that they want it to continue constitutes to my mind no sufficient reason why we, as the responsible representatives of the people, should allow it longer to continue.

They say this is a "key industry," by which I suppose they mean that many other industries are more or less directly dependent upon it. True enough; but so are many other industries "key industries," and exactly as much so as is this industry. How about the wool industry; how about the leather industry? Is not it just as necessary for a soldier to have shoes and clothes to wear as it is that he should have poison gases and explosives?

Who ever heard of the textile or boot and shoe industries ever asking for an embargo; who ever heard of any other industry, "infant" or otherwise, that ever asked the American Congress for an embargo? All of our industries hitherto have found all the protection necessary for their development and maintenance in a protective tariff. Notable instances of new and important industries developed and maintained by this means are the tin-plate industry and the steel industry, and yet gentlemen will remember that it was confidently claimed that neither of these industries could be developed in this country by means of a protective tariff, and yet that is all the protection they ever had, and to-day they are among the most substantial and prosperous of all our industries.

But they say that we must have this embargo because this dye industry is not only a mercantile industry in the ordinary sense, but is one that is absolutely essential for national defense. The gentleman from Ohio [Mr. LONGWORTH], in a very able speech for the bill on Wednesday last, said:

> I will say to the gentleman that in so far as the dye industry is solely a mercantile industry I have but little interest in it. I would not go further to protect that than I would with any other industry that I desire to see preserved. But believing, as I do and as I am convinced, that our country can never again be properly prepared either for attack or defense without such a measure as this, that the health of the Nation is vitally concerned in the further progress in the production of medicinals from these organic chemicals, I absolutely believe that this stands as something by itself and can not be compared with other industries; and this is the only case where I would go so far as to establish an embargo even for a limited time.

A little later the gentleman from Ohio said:

> Not a poison gas can be made except in a dye laboratory, not a high explosive under modern conditions can be made except in a dye laboratory, and it is only in a dye laboratory that you can afford to hire chemical knowledge of a substantial sort.

I have great respect for the opinion of the distinguished gentleman from Ohio. I must say, however, that my information fails absolutely to bear out his assertions that no poison gases and no high explosives can be made except in a dye laboratory. According to the Census of Manufactures for 1914, published by the Bureau of the Census, 481,752,040 pounds of explosives, valued at $39,645,382, were produced in the United States in that year. Indeed, the explosive industry in this country when the war came was one of the largest, if not the very largest, to be found in any country in the world. Such powder concerns as the Du Pont Powder Co., Hercules Powder Co., and the Ætna Powder Co. are among the very largest industrial concerns to be found anywhere. There is no nation in the world that uses more explosives for industrial purposes, for Army and Navy purposes, and for sporting purposes than the United States. Trinitrotoluol, commonly known as T. N. T., was the high explosive used by both the Allies and the Germans throughout the war. This explosive was produced in this country when the European war broke out in quantities equal to 600,000 pounds a month. This is a production of no small magnitude, and clearly shows that it is not necessary that military explosives be produced in dye plants. My understanding is that not a pound of the explosive above referred to was produced in a dye plant. Let me quote from a treatise entitled "America's Munitions," 1917–18, a report by Benedict Crowell, formerly Assistant Secretary of War, page 114:

> When Europe was plunged into the Great War in August, 1914, the American production of trinitrotoluol for commercial purposes amounted to approximately 600,000 pounds. This quantity was almost entirely consumed in the making of explosives for blasting purposes. When we entered the war this production had been increased to a million pounds a month, exclusive of what was being used here commercially. Under the pressure of our own war-time needs the production of this highly important chemical had been run up to 16,000,000 pounds a month at the termination of hostilities in November of 1918.

The statement made by the gentleman from Ohio [Mr. LONGWORTH] that not a poison gas can be made in a dye plant is also clearly incorrect. This is shown in the chapter entitled "Toxic Gases," in the treatise on America's Munitions, heretofore referred to. All poison gases are made from either chlorine or bromine. Chlorine is made from common table salt by electrolytic processes.

Bromine is obtained from brine wells, the most productive of which are situated at Midland, Mich. Chlorine is manufactured not in the dye plants, but in the acid and crude chemical plants. At the present time, prior to the European war, and for many years the acid and crude chemical industry in this country was the largest similar industry in the world. This is shown by the fact that prior to 1914 this country exported more chemicals in dollars and cents to Germany than we imported from that country. The only reason that the German dye plants produced the poison gases was because the acid and crude chemical plants in Germany are a part of their dye plants. That, however, is not the fact in the United States.

I maintain with considerable confidence that it can not be shown, and most certainly it has not yet been shown in this debate, that the safety of the country, whether in peace or war, is dependent upon the dye industry.

As bearing out this statement, I now wish to quote from an address made by Dr. Charles Reese, chemical director of the Du Pont Co. This address by Dr. Reese was delivered at the annual convention of the Cotton Manufacturers' Association May, 1918—before the Du Ponts and the other large dyestuff manufacturers had thought of the immeasurable profits that would accrue at this time if they could practically shut out all foreign competition.

There has also been much talk in the papers with regard to the wonderful advantage had on account of her extensive dye industry in that she could immediately turn all the great dye plants into munition factories.

I do not consider that the presence of the factories themselves was a matter of very great importance to the Germans. It might have been an important factor in a small war, but the requirements for this great war have been such that their mere existence must have been a very small factor.

However, the real assistance that Germany obtained from the existence of these factories came from the chemical organizations which they maintained. As this war has become, in a sense, a chemical war, these chemical organizations in the German factories have been able to assist the Government very materially in its prosecution.

Now, what were the conditions in this country? There was no dye industry of any great magnitude, but there was a well-organized explosive industry with a well-organized chemical organization. I might say that at the beginning of the war the Du Pont Co. had in the neighborhood of 400 chemists in their employ, many of whom were functioning along the lines above indicated.

The first effect of the great war was to call upon this organization to meet problems which seemed to be almost as insolvable as those presented by the dye situation, since many of the raw materials necessary for the manufacture of munitions had been secured from Europe, just as the dyes had been.

This organization, however, was able to meet the situation in such a short time that the want of these materials did not occasion a day's delay in the production of powder. One of these materials, diphenylamine, which is an intermediate in the manufacture of dyestuffs, was produced on a large scale, and three separate and distinct processes were developed for its production. Dimethylaniline, another dye intermediate, was necessary for the production of tetranitromethylaniline, commonly called tetryl, and had to be produced, and a satisfactory process for its production was developed in ample time, as well as for the production of tetryl.

These accomplishments gave courage and confidence to the chemists of the Du Pont Co., and from the fact that this organization was manufacturing and using all of the basic raw materials necessary for the manufacture of dyes, namely sulphuric acid, nitric acid, benzol, toluol, xylol, naphthalene, nitrobenzol, aniline, and picric acid, it was perfectly natural to consider the possibility of entering this great industry.

Now, what does this statement say in language clear enough for all to understand? (1) That the German dye industry as such was a very small factor in the war and that the real aid came from chemical organizations such as we had in this country even before the war began or our own dye industry had developed to anything like its present magnitude; (2) that the first call of the war presented here the very same problems as those which the dye industries now are trying to tell us are insurmountable in fair and open competition subject to adequate tariff protection, namely, the finding of the raw materials that previously had been procured from Europe; (3) that this situation "did not occasion a day's delay"; (4) that many of these raw materials of ammunition are the intermediates in the present-day American dye manufacture and that we have them; (5) far more important even than the foregoing, that the Du Ponts went into the manufacture of dyes because "this organization was manufacturing and using all of the basic raw materials necessary for the manufacture of dyes."

There are many extremely objectionable features to this embargo plan. In the first place, the bill provides that the Tariff Commission shall list all dyes into two classes, to be known as class A and class B. Those embraced in class A are forbidden to be imported by the American manufacturer. The dye listed in class B, which under many restrictions can be imported, may be shifted from this class to class A overnight. What does that mean? It means that a dyestuff consumer places an order with the importer for a dye listed in class B, the importable class, to be used in the manufacture of merchandise for which he has orders on hand.

During the time that has elapsed between the date of the order given to the importer by the dyestuff consumer and the date of the arrival of the dyestuffs from abroad the Tariff Commission could transfer this particular dyestuff from the importable class to the embargoed class. This is not an imaginary case. It is one that may occur at any time. The gentleman from Ohio [Mr. LONGWORTH] says that we are producing to-day practically all the dyes that are made except what are known as vat dyes. He says we are producing new ones all the time; he says that every few months a new dye comes out. Now, of course, every time a new dye comes out in this country the Tariff Commission may, and doubtless will, put that dye into the embargoed class. Then, in the case I have assumed, the dyestuff consumer would be compelled to purchase a domestic dye in lieu of the dye which he had ordered from abroad and was prevented from receiving. He would be obliged to alter his dye mixtures so as to include the domestic dyes, with the possible, if not probable, result that his merchandise would be dyed a different shade or color and would not match in detail the color or shade of the samples upon which the orders were placed.

Again, consider subsection (b) of paragraph 27, which defines the terms, quality, price, and delivery, and leaves to the Tariff Commission the interpretation and application of these definitions. In the definition of quality it is stated that the dye shall be of the "same chemical composition" as and will produce results substantially equal to the same product of foreign origin, considering always the purpose for which such product of domestic origin is intended to be used. In other words, the Tariff Commission must find the "chemical composition" of all these dyes, a thing which in many instances it is impossible to do. Chemical composition of the so-called sulphur dyes and certain of the vat dyes are not known to-day. Moreover, the determination of the chemical composition of any dye is an analytical problem that will tax the resources of an efficient organic research laboratory. It is a job that can not be done in a day, and in many instances probably would take weeks and months.

Under the language of this section, if there be but a single manufacturer in this country who makes a particular color that of itself is sufficient to put that dye in class A—embargoed—and to make a monopoly of that dye for the single manufacturer thereof. Of course, the law leaves it to the Tariff Commission to determine the "reasonable terms as to price," but under such circumstances, by what standard would a reasonable price be found? There would be no other domestic condition upon which to base an estimate or comparison.

The interpretation of the definitions of these three words, "quality, price and delivery," is the crux of the administration of the dyestuff embargo as embodied in this tariff bill. These definitions are capable of different interpretations and, as shown in the use of the phrase "the same chemical composition," it is impossible to administer it when applied to certain dyes.

Consider paragraph 27, subsection (e), where it is provided that the dyestuff consumer shall be required from time to time to furnish the United States Tariff Commission a sworn statement disclosing actual consumption, stocks on hand, contracts, and prices to which and from whom dyestuffs were or are being purchased, together with samples of such dyestuffs and any other information relative to such dyestuffs which said commission may require. Mr. Chairman, as I read this paragraph it puts the Government in business with both feet.

And mind you, Mr. Chairman, there is no provision whatever permitting any right of appeal from any decision of this commission. Their finding is final. They are made a price-fixing body, as they must find under the terms of this provision what is a "reasonable price."

When you read subsection (f) of paragraph 27 you will see that here is another glaring example of "government in business." It resembles in many respects the soviet measures as practiced in Russia.

And remember, too, Mr. Chairman, that while the consumer is waiting for some one to tell him how and when he can obtain the dyes he intends using, the dyed articles, the same as he would produce, are being imported.

One of my colleagues has lately called to my attention a letter from a consituent of his, who is a prominent textile manufacturer in New England, which states so clearly and so forcefully the case against this vexatious embargo system that I have asked and obtained permission from him to quote the letter as a part of my remarks. The writer of the letter, Mr. Ward Thoron, is, as I understand, treasurer of the Merrimac Manufacturing Co., at Lowell, Mass. The letter follows:

JUNE 23, 1921.

Hon. CHARLES L. UNDERHILL,
House of Representatives, Washington, D. C.

MY DEAR MR. UNDERHILL: I write to you as one of your constituents. We are engaged in the manufacture of cotton textiles, using dyestuffs for the purpose of finishing our product and making it ready for domestic or foreign market.

When the emergency tariff bill was under consideration in the Senate I addressed you a telegram in opposition to the licensing feature in the protective provisions for the dyestuff industries. Newspaper gossip has it that the Committee on Ways and Means of the House of Representatives propose embodying similar provisions in the permanent tariff bill they are about to submit, and that these provisions are planned to be effective for two to six years after the enactment of the law.

Having the responsibility of the management of a textile mill at Lowell, in which some twelve hundred of your constituents have ven-

tured their capital, and in which twice as many more are employed and are dependent on its success for their livelihood, it seems my duty to again call your attention to this proposed legislation which, we are satisfied, will be harmful to us.

Tariff and economic questions are at best infernally complicated, and no one yet has discovered a formula for solving them that is more than sentimentally convincing. Economic conditions change so rapidly that what might have been a good working solution one day ceases to be so the next. The best that one can offer is one's matured judgment, founded on an extended business experience.

Before the war the dye-using industries were almost wholly dependent on the German manufacturers for their supplies of dyestuffs. The Germans had brought these industries to a high state of technical perfection; their product was uniform and good, and available at not unreasonable prices to everybody.

The American, the British, French, Swiss, or Italian dyer was consequently, so far as dyes were concerned, able to finish in as good and durable quality of finish as their German competitor. The dyes were freely exported and were quickly procurable from importers or dealers in quantity and when needed.

The situation was entirely changed by the war. The supply of German dyes was more or less rapidly exhausted, and the chemical industries in England and America undertook to supply the deficiency by enlarging and perfecting their facilities in certain lines with great success, in other lines with moderate success, and in still other lines nothing was attempted or the result of the attempt was unsatisfactory.

If the dye users produced an inferior finish, the public was forced to buy, as there was nothing better available.

With the termination of the war and the probable availability from German sources of the temporarily nonexistent dyes, of the dyes manufactured at home with indifferent success, and of cheaper competition with the successful dyes, the question of protecting the infant dye branch of the chemical industry became acute.

In England the Government had committed itself to doing something and to redeem its promise, without committing itself to a protective tariff, imagined the embargo and licensing method, against the judgment of most dye users and over their protest.

Mr. LONGWORTH and the Chemical Foundation seem to have received their inspiration from the English plan, forgetting, however, that in England there was a psychological objection to a protective tariff and that consequently the ordinary system of protection was not available.

Now, my position as a dye-using manufacturer of textiles is simply as follows:

1. To successfully compete in our home market or in any foreign market we must produce as fast and fine a color finish to our fabrics as our foreign competitors do.

If we do not, our goods will be driven from the market.

2. To do this we must have easily available as good dyes as our foreign competitors.

This is absolutely necessary and can not be dodged.

3. The question of price, while important, is secondary to the question of quality and availability.

We recognize that the dye manufacturers are entitled to tariff protection.

4. The embargo proposed is deadly to our interests, so far as it prohibits the importation of foreign dyes of more standard or uniform or better quality than domestic ones.

5. The licensing feature is equally destructive in causing impossible delays in obtaining dyes not made in this country instead of our being able to go to a dealer and buy them as we need them and have them at once.

It seems to us that no very extensive experience in business is required to appreciate the correctness of the foregoing five propositions. And the conclusion is obvious that under the embargo and licensing plan a certain portion of the dye-using textile industry must be sacrificed, unless a similar plan be applied to foreign dyed textiles which might come into competition. Even then it would not help us in an export competitive market.

6. We believe that the dye makers can be adequately protected by the usual protective tariff methods, and if such protection to be effective is unusually high, a corresponding protection can be given to dyed textiles.

Such a method will avoid putting dye users at the mercy of a monopoly at home, in the end more fatal than the much-feared German monopoly abroad.

The dye makers have put great stress on what we call the patriotic argument. This is a highly technical matter, and while they have been unusually active in collecting testimonials and printing them in the daily papers we confess we have not found them convincing.

1. We are not convinced that the safety of the country depends on the dye-making industry.

2. That while we admit a prosperous chemical industry may be of assistance, we do not believe this prosperity depends on embargo and licensing.

3. We believe the chemical industry will prosper perfectly on a proper tariff; and, so far as the dye end is concerned, in proportion as the dye users prosper.

4. If they hurt the dye users of the finer dyes they will hurt themselves just where they insist they wish to develop.

I am sorry to have burdened you with such a long letter; the importance of the subject seems to justify it. I know your interest in the welfare of your constituents will make you glad to have this additional viewpoint of this subject.

Yours, very sincerely,

WARD THORON.

Mr. Chairman, as I said in the beginning I am opposed to this whole embargo system of control. It is contrary to every American principle with which I am acquainted. It flouts all our platform pledges made to the people in the last campaign; it grants monopolistic privileges to an especially favored class. It is contrary to the whole American theory of protection by which I mean protection by tariff rates reasonably adjusted so as to give the American manufacturer a fair chance to make his product and sell it at a fair profit in his own market. That kind of protection the American dye industry ought to have. That kind of protection this bill provides even if the embargo provision shall be stricken out. More than that the American dye industry should not ask, more than that the American Congress should not give.

Mr. COLLIER. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. FISH].

Mr. FISH. Mr. Chairman and gentlemen of the committee, I am going to confine my remarks to certain aspects of this bill which have not yet been mentioned on the floor. One of them is the sale of 4,500 dye patents by the Alien Property Custodian for $250,000, or 2 per cent of their value, to a private corporation. It reminds me of a dead mackerel in the moonlight. It stinks and shines and shines and stinks. From the very days of the crusades there has been a gradual development of the doctrine of protecting enemy property on land, recognized and adopted by every civilized nation of the world until this war came along. The United States of America was foremost in upholding this doctrine, and it sent its delegates to the first and second Hague conferences, trying to extend this doctrine and apply it to seizures on sea, which was turned down, and properly so, because it is untenable. Nations should have the right to seize enemy property on the high seas in order to deprive the enemy the use of it and to exert pressure upon the enemy country. The Alien Property Custodian seized the property of German nationals in this country in accordance with the established principles of international law, and held it in trust to safeguard and protect the United States from having it used against our nationals. What happened? After the armistice was signed this property, held in trust, was turned over to a private corporation in absolute disregard of the fundamental and accepted principles of international law. This property which was held in trust was not only turned over, but it was turned over at 2 per cent of its face value. What would the people of America think if their army of occupation in Germany had seized all the gold, silver, and valuables in the occupied territory and generously gave back 2 per cent of their value in order to legalize the loot?

Gentlemen, I hold no brief for the German dye manufacturers, but I do hold a brief for the national honor of this country. I hold a brief for the honesty and fair reputation of American public officials, and when we seized that property we held it in trust, and when it was turned over to a private corporation at 2 per cent of its face value, we did a thing that was contrary to the honor of this country and in flagrant violation of international law. Oh, patriotism, what crimes are created in thy name! And to-day in Europe, not alone in Germany, but in other continental countries, every manufacturer, every importer and exporter, and every banker, knows what a public official here did, namely, sold property held by himself in trust at 2 per cent of the face value to a private corporation.

Mr. GREEN of Iowa. All of this has not a thing to do with the subject matter under consideration.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order the gentleman is not discussing the amendment. It is not fair for a gentleman to come over here and get time on the supposition that he is going to discuss an amendment and not talk about it at all, but attack the former administration, when there is no time left to be yielded in which to make a reply.

The CHAIRMAN. The gentleman from New York will proceed in order.

Mr. FISH. The whole question is inseparably tied up to the proposed embargo. And it is well that the public should know, because the public of France, England, and Germany know it, but every man who dared call attention to it in this country and get up and tell the truth was called a pro-German or a German propagandist.

You come here asking for an embargo, an embargo to maintain the grip of the chemical manufacturers and to control through the Foundation Co. the production and the price of dyes. I say to you Republicans that the embargo is un-Republican, that it is against the interests of your party, and that if you erect an embargo you will be creating another Schedule K; you will be erecting a guillotine that will chop off the heads of you virtuous and innocent Republicans and dye the scaffold with your crimson blood.

Mr. LONGWORTH. Will the gentleman pause for a moment?

Mr. FISH. I have not the time. I am sorry.

Now, one word to my good friend from Ohio [Mr. LONGWORTH], who led the fight against the Muscle Shoals proposition; and the Muscle Shoals property, gentlemen, would produce more nitrate for high explosives than all your chemical companies put together. [Applause on the Democratic side.] And yet he dares, this champion who fought against Muscle Shoals, to come in here and say that this embargo is for national defense. Gentlemen, this embargo is not for national defense. We had even before the war electrochemical companies on the Niagara River that could supply all the gas we needed for war purposes, and it was not used. If you pass

this embargo, every woman in this country who uses an inferior dye, a dye that runs, will hold it against the Republican Party for passing the embargo. If you pass this embargo you will endanger the confidence of the people in your whole tariff bill. If you want to add to the duty, if you want to increase your protection, you can do that by amendment here or by a special bill hereafter. But if you insist in passing an embargo you will have gotten something into the law that will not only endanger the law but endanger every virtuous Republican here that is going to vote for the bill, and every Republican in this House intends to vote for this bill on the final passage. I challenge any friend of the embargo to explain when we are exporting 40 per cent of our total chemical production why it is necessary to insert an embargo provision which will increase the prices to all consumers and buyers of woolen and cotton cloths.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONGWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Ohio will state it.

Mr. LONGWORTH. Did the motion of the gentleman from Tennessee [Mr. GARRETT], to which I offered an amendment, provide that debate should be limited on this paragraph and all amendments thereto or on the amendment offered by the gentleman from Wisconsin?

The CHAIRMAN. The Chair is not exactly clear on that.

Mr. GARRETT of Tennessee. The motion was to close the debate on the amendment.

The CHAIRMAN. The Chair is so informed.

Mr. GARRETT of Tennessee. Now gentlemen are beginning to offer amendments to the paragraph. After a very reasonable progress in the debate, I shall move then to close the debate on the paragraph.

Mr. BANKHEAD. I think if the reporter's notes are read, they will reveal that the motion adopted of the gentleman from Ohio did include the pending amendment and all amendments to the paragraph.

Mr. LONGWORTH. The reason I ask the question is that there is a large demand for time on this side, and if the debate is not limited to the paragraph and all amendments thereto, after an amendment or two is offered I think it would be wise to prolong the debate further. The demand for time upon the gentleman from Michigan [Mr. FORDNEY] is so great that I think about 20 minutes more is asked than remains, and if further debate could be had on amendments I think it would probably be wise.

Mr. GARRETT of Tennessee. I suggest that the gentleman go ahead. There is about an hour yet left for debate. Then when the time comes and gentlemen begin to offer amendments we will see what they are and determine upon the question whether or not we will undertake to close debate.

Mr. FORDNEY. I yield three minutes to the gentleman from New Jersey [Mr. PARKER].

The CHAIRMAN. The gentleman from New Jersey is recognized for three minutes.

Mr. PARKER of New Jersey. Mr. Chairman, I first offer an amendment to the pending amendment for this paragraph, and I hope the reading of it will not be taken out of my time. I ask unanimous consent that the Clerk report it.

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Amend after clause C of paragraph 27, on page 14, line 13, by striking out the period and inserting a colon and the following:

"*Provided, however,* That the price of such product shall not be held to be reasonable, nor shall such product be placed in class A.

"(1) If more than a reasonable part of such price, not to exceed 5 per cent, is paid in royalties or otherwise, to any holders of patents for the right to manufacture said article; or,

"(2) If such right at such reasonable per cent and on reasonable and equal terms is not granted by holders of said patents to all responsible American manufacturers.

"(3) If more than a reasonable part of such price, not to exceed 25 per cent, is profit;

"*Provided further,* That the district courts of the United States shall respectively have jurisdiction of any suit brought by the United States Tariff Commission or by the Attorney General or by any person interested, in order to enforce any order of the United States Tariff Commission, or to enjoin, set aside, annul, or suspend any such order, and the venue, practice, and proceedings in such suit and in any appeals therefrom and the right to appeal shall be the same and governed by the same rules as are now provided as to suits to enforce, enjoin, annul, and suspend an order of the Interstate Commerce Commission."

Mr. GREEN of Iowa. Mr. Chairman, I shall feel obliged to make the point of order against the amendment if the gentleman from New Jersey offers it at this time. Will not the gentleman reserve his amendment until we get through with the debate on the pending amendment?

Mr. PARKER of New Jersey. I will offer it, and the gentleman from Iowa can reserve the right to object when it comes up for hearing. I ask unanimous consent that all objections to the formal amendment be reserved.

Mr. GREEN of Iowa. Mr. Chairman, I reserve a point of order on the amendment.

The CHAIRMAN. The point of order is reserved. The gentleman from New Jersey is recognized for three minutes.

Mr. PARKER of New Jersey. Mr. Chairman and gentlemen, I feel the necessity of protecting the dye works of the United States as a military necessity, but I see no reason why certain objections that have been made to the form of paragraph 27, which paragraph I hope will not be struck out, should not be removed by a perfecting amendment.

My amendments are really two. They will come up separately. I will discuss the second one first, because it simply grants an appeal from the orders made by the United States Tariff Commission. Such an appeal was granted in the great interstate commerce act because it was absolutely necessary for the constitutionality of that act and it is absolutely necessary here. By the clause C of this bill it is provided that goods that are made and sold here at a reasonable price shall be put in a class by themselves and their importation prevented, and it is right that the people should be assured that the price is reasonable.

Objection has been made that large amounts will be paid in royalties on patents held by various parties. I have found on inquiry that very few products pay any royalties at all, and that those that do pay royalties have never paid 5 per cent of the price, usually 4 or 2; and in this amendment I have limited those royalties to a maximum of 5 per cent; else the goods shall not go into class A.

Again I was asked if the patents give monopolies. I was told that all the patents grant equal royalties to responsible parties. I also limit profits to a reasonable maximum amount of 25 per cent.

Mr. Chairman, I move the amendment.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. FORDNEY. Mr. Chairman, I yield three minutes to the gentleman from Nebraska [Mr. ANDREWS].

The CHAIRMAN. May the Chair have the attention of the gentleman from New Jersey? What disposition does the gentleman from New Jersey desire to make of his amendment?

Mr. PARKER of New Jersey. I move the amendment at this time, and the question will come up afterwards, I suppose. As to its being in order, I am willing to argue that matter if desired.

Mr. GREEN of Iowa. I reserve a point of order.

The CHAIRMAN. Is it desired that the matter shall stand until the conclusion of the hour?

Mr. GREEN of Iowa. That is the understanding.

Mr. GARRETT of Tennessee. By unanimous consent that can be done.

Mr. GREEN of Iowa. I ask unanimous consent, then, Mr. Chairman, that the matter go over until the conclusion of the debate on the pending amendment.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. LONGWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LONGWORTH. Do I understand that the present situation is that the limit for debate as reached by unanimous consent applies to the amendment offered by the gentleman from Wisconsin [Mr. FREAR] but not to the amendment offered by the gentleman from New Jersey [Mr. PARKER]?

The CHAIRMAN. The motion of the gentleman from Tennessee [Mr. GARRETT] was directed to the amendment of the gentleman from Wisconsin [Mr. FREAR].

Mr. LONGWORTH. Therefore there is no limit fixed except under the ordinary rule?

The CHAIRMAN. The Chair so understands.

Mr. ANDREWS. Mr. Chairman, this proposition means an embargo on dyes. A Republican Ways and Means Committee, expected to furnish a protective tariff, submits to us here an embargo instead of protective duties.

From the Republican standpoint protective duties mean the difference between the domestic and foreign costs of production, and on the ground of a Republican protective tariff that should be applied in this case.

We have here the example of Members on this side of the isle claiming to be protectionists but swinging all the way from free trade on hides to an embargo on dyes. To my mind this is not consistent with the Republican attitude on a protective tariff, and for that reason I am compelled to vote against this embargo.

I appeal to every Member on the floor of this House who claims to be a Republican to vote against this embargo.

I am well aware that our Democratic opponents for a long period of time have asserted that the Payne tariff was practically an embargo. They have repeatedly asserted that the rates of duty in that tariff were prohibitive. They have frequently asserted that the Payne tariff was a revision of the Dingley tariff upward. A few ill-advised, timid Republicans joined them in those unwarranted statements. The Payne tariff was not a revision of the Dingley tariff upward and our opponents are in grave error when they make such statements. The truth is that the duties fixed by the Payne law are substantially lower in the main than those contained in the Dingley law. A few dutiable schedules of the Dingley tariff were not changed by the Payne tariff, notably the woolen and sugar schedules. With a like volume of importation of similar goods, the Payne tariff was an average reduction upon the Dingley tariff to the extent of $20,000,000 a year. With enlarged importations in average proportions the reduction would have been much larger. In order that our minds may be set at rest upon this long-standing controversy I invite your attention to the following:

COMPARISON OF THE PAYNE AND DINGLEY TARIFFS.

Did the Payne tariff revise the Dingley tariff downward? Let the facts answer. But what are the facts, and how may they be correctly ascertained? They are the results produced by the official construction and application of both tariffs to the same importations of foreign merchandise, and they are accurately disclosed by the examination and settlement of customs accounts through the auditing system of the National Treasury.

When importations reach their destination within the United States the collectors of customs at the various ports must examine and classify the merchandise under the various schedules and paragraphs of the existing tariff. The appraisers and liquidating clerks at the various ports reduce their appraisements and examinations to record and the collectors receive the amounts of duty thus determined, and such payments of duty are the results of the construction and application of the tariff to those particular entries of merchandise. In making such classifications one of the first questions to be decided is this: Is the entry under immediate consideration entitled to admission free of duty or should a duty be levied and collected upon it? Nearly one-half of our annual imports was admitted free of duty at that time.

If the entry under consideration is dutiable, it must be classified by trained customs officers under the proper schedule and paragraph of the existing tariff and the proper amount of duty levied and collected upon it. Of course, the foreign market value of the goods was then the basis upon which revenues were computed according to the rates fixed by law. In the discharge of such official duties exceptional skill and knowledge of the law and of facts are absolutely necessary in reaching correct conclusions. The absence of such knowledge many times fills magazine articles, newspaper editorials, and public addresses with erroneous information.

In the light of this explanation of details as to methods of procedure we naturally inquire as to the number of dutiable items under the Dingley law and the changes made therein by the Payne tariff. This question was decided by means of an actual count of such items by clerks who are well trained in the examination, classification, and liquidation of customs entries.

This investigation disclosed the following facts:

1. There were 2,024 dutiable items under the Dingley tariff.

2. The rates of duty were changed on 874 of those items.

3. The rates of duty were decreased on 654 and increased on 220.

4. Those changes—874—readjusted or revised the rates of duty under various schedules covering 75 per cent of our annual imports of dutiable merchandise.

5. Upon the various kinds of importations equal in value, item by item, the total decrease in revenue upon 654 items exceeds the total increase in revenue upon 220 items in the ratio of 2 to 1.

The method of securing the facts upon which statements 1, 2, and 3 are based has already been explained.

The fourth statement is supported by the official record of dutiable imports under all schedules of the Dingley tariff, 14 in number, A to N, inclusive, 3 of which, E, F, and K, were either unchanged (F) or changed but slightly (E and K). The total of the dutiable merchandise imported under these three schedules deducted from the total amount of dutiable imports under all schedules gives the annual volume of dutiable goods covered by the schedules that were revised.

These changes were intended to correct the inequalities that had grown up during the existence of the Dingley tariff. A tariff may be equitable and just at the time of its enactment, but a revision or readjustment of rates will become necessary in the course of years, because fluctuations will naturally appear in national and international trade, and also the cost of producing certain articles may be materially reduced by new methods of business, new discoveries, and new inventions.

FIFTH STATEMENT.

A few examples of decreases and increases will illustrate the method of ascertaining the facts supporting the fifth statement.

DECREASES.

An entry of "rough pine lumber," 653,637 feet, valued at $10,294, was made in August, 1909. Under the Payne tariff, paragraph 201, a duty of $817.05 was levied and collected. That collection was the result produced by the construction and application of the Payne tariff to that particular entry. If the Dingley tariff had remained in force a duty of $1,307.27 would have been levied and collected under paragraph 195 of that act.

Thus it appears that a decrease of $490.22 was caused by the revision made by the Payne tariff.

On an entry of $1,000 the decrease would have been $47.62.

The examples are as follows:

Another entry of "sole leather," valued at $900, was made in December, 1909. The duty levied and collected upon that entry under the Payne Act, paragraph 451, was $45. Under the Dingley Act, paragraph 438, it would have been $180, showing a decrease of $135 under the Payne Act.	
On an entry of $1,000 the decrease would have been	$150.00
Two "steam plow engines," entered in January, 1910, value, $9,522. Duty under Payne Act, $2,856.60; under Dingley Act, $4,284.90. Decrease, $1,428.30.	
On an entry of $1,000 the decrease would have been	150.00
"Wood pulp (mechanically ground), wood cut from private lands"; 73,374 pounds, entered in August, 1909; value, $550. Under Payne Act, free; under Dingley Act, $61.15.	
On an entry of $1,000 the decrease would have been	111.18
"Leather, grain, buff, split from free hides," entered in October, 1909; value, $445. Duty under Payne Act, $33.38; under Dingley Act, $89. Decrease, $55.62.	
On an entry of $1,000 the decrease would have been	124.99
"Boots and shoes (shoes)," entered in August, 1909; value, $92. Duty under Payne Act, $13.80; under Dingley Act, $23. Decrease, $9.20.	
On an entry of $1,000 the decrease would have been	100.00
"Plows, etc. (harrows)," entered August, 1909; value, $24. Duty collected under Payne Act, $3.60; under Dingley Act, $4.80. Decrease, $1.20.	
On an entry of $1,000 the decrease would have been	50.00
(Under the Wilson tariff the duty on this entry would have been $10.80, and on an entry of $1,000 it would have been $450, or $300 more than it would have been under the Payne Act.)	
An entry of "plows and harrows from a country which imposes no duty on farm implements from the United States." Seven pieces valued at $823. Under the Payne Act, free; under the Dingley Act, $164.60. Decrease, $164.60.	
On an entry of $1,000 the decrease would have been	200.00
(Under the Wilson tariff this entry would have paid a duty of $370.35, or $450 on an entry of $1,000.)	
Entered November, 1909, "miner's rescue appliances and safety lamps"; value, $2,769. Under Payne Act, free; duty under Dingley Act, $1,246.05. Decrease, $1,246.05.	
On an entry of $1,000 the decrease would have been	450.00
Total decrease on the nine entries at a uniform valuation of $1,000 each is	1,383.79

INCREASES.

An entry, August 10, 1909, of cotton cloth, 3,967 square yards, over 200 and under 300 threads to the square inch, and over 25 cents per square yard. Value, $1,147.20. The duty levied and collected under the Payne tariff was $495.88; under the Dingley tariff it would have been $458.88. Increase under the Payne tariff, $37.	
On an entry of $1,000 the increase would have been	32.25
An entry, November, 1909, of wine in bottles (still), not over 1 pint per bottle. Value, $207; 35 cases of 24 bottles each. Duty under the Payne tariff, $64.75; under the Dingley tariff, $43.75. Increase under the Payne tariff, $21.	
On an entry of $1,000 the increase would have been	101.45
Entered July, 1910, "Glass, plate, cast, polished, finished or unfinished, unsilvered, over 16 by 24, not over 24 by 30." Value, $1,954, 9,278 square feet. Duty under Payne Act, $1,159.75; under Dingley Act, $927.80. Increase, $231.95.	
On an entry of $1,000 the increase would have been	118.70
Entered November, 1909, "Zinc ore over 10 per cent and under 20 per cent zinc," 5,384 pounds. Valued at $356. Duty under Payne Act, $13.46; under Dingley Act, free. Increase, $13.46.	
On an entry of $1,000 the increase would have been	37.81
Entered July, 1910, "Yacht—pleasure boat, foreign built." Value, $150 for one boat. Duty under Payne Act, $52.50; under Dingley Act, free. Increase, $52.50.	
On an entry of $1,000 the increase would have been	350.00
Total increase on the five entries at a uniform valuation of $1,000 each is	640.21

All decreases and increases have been examined in the manner illustrated by the foregoing examples.

On this basis of uniform valuations the decreases, 654, show a total reduction of $70,000 in revenue under the Payne tariff, while the increases, 220, show a total increase of $34,000 in the volume of revenue under the Payne tariff, a net decrease of revenue, in the ratio of two to one, as stated in No. 5 above. That was revision downward.

This method of investigation avoids the errors and misleading inferences usually involved in the rule of averages, which seldom harmonizes with facts.

Every time 874 articles of merchandise representing the changes in rates (decreases, 654; increases, 220) are repeated in the importations of merchandise in a given year the net decrease of revenue under the Payne Act is $36,000. If the exact values of all goods imported under each of the 874 classes upon which rates were changed could be correctly ascertained, the exact net reduction in dollars and cents could be definitely determined. If such data were available, these computations could be readily extended to their final conclusion. In the absence of such data, however, the total decrease can not be stated in exact figures.

The articles of merchandise upon which decreases were made are, as a rule, imported much more frequently and in larger quantities than those upon which increases were made. The annual fluctuations in the volumes of importations under each class or kind of merchandise make it impossible to establish a uniform rule for computation.

The schedules that were revised cover 75 per cent of our dutiable imports annually, as explained under No. 4. The net reduction in revenue was $36,000 on $874,000 of dutiable merchandise, including decreases, 654, and increases, 220, as stated under No. 5. Three-fourths of the dutiable merchandise imported in the fiscal year 1910 amounted to $589,317,000. These facts indicate an approximate reduction under the Payne tariff of $20,000,000 a year.

DOMESTIC COMMERCE AFFECTED BY CHANGES.

It is important to note the character and volume of domestic commerce affected annually by the decreases and increases of rates of duty as described above. Census reports quoted in the debates while the Payne tariff was under consideration showed that the decreases, 654 in number, related to a volume of domestic commerce—necessities—amounting to $4,951,000,000, while the increases, 220 in number, related to $878,000,000 annually, $638,000,000 of which were luxuries exclusively.

TARIFF COMMISSION.

Many of those who supported the enactment of the Payne tariff insisted that further reductions should be made at certain points, but they did not have sufficient votes in th. House and Senate to accomplish their purpose.

At that point President Taft urged and secured a provision creating a tariff commission or board to assist in laying the foundation of a scientific tariff. That provision alone was sufficient to justify every Member of the House and Senate in voting for the bill.

It sought a course of systematic investigation by means of which accurate information can be secured concerning foreign and domestic cost of production, the actual conditions in the American market, and all material facts that must be considered in an accurate scientific adjustment of tariff rates. Such investigations were made by the board and its reports were submitted upon certain controverted schedules. The opponents of this plan, however, ignored those reports and forced the discontinuance of the business of the board by refusing the necessary appropriations to carry on its work. By that means the issue was clearly and squarely drawn between scientific revision as ably urged by President Taft and haphazard revision as advocated by the opposition.

An intelligent experience in customs affairs proves the impossibility of a wise revision of any tariff by any Congress within the period of its constitutional life—two years. Some permanent agency properly termed a "tariff commission" must be utilized in order to secure wise readjustment or revisions from time to time in harmony with a steady course of business prosperity.

CONCLUSION.

The foregoing facts prove conclusively that the Payne tariff revised the Dingley tariff downward and thereby redeemed the pledges made by the Republican Party and its presidential candidate in the campaign of 1908.

These statements and conclusions are based upon official evidence secured through the naval and nonnaval offices of the customs service. The duties specified in the examples of decreases—654—and increases—220—were actually collected and deposited in the Treasury and verified by accounting officers as the correct construction and application of the Payne tariff to the entries in question.

Liquidating clerks in the customhouses and in the department then applied the terms of the Dingley tariff to the same entries, as illustrated by the examples quoted herein. In order to secure a uniform rule of comparison the entries valued at more or less than $1,000 were reduced to a uniform basis of $1,000 each, and the duties were computed on that basis under both tariffs according to the original entry. Thus the rule of uniformity was established whereby errors have been avoided, which frequently appear in such computations because of fluctuations in the volumes and values of importations. The liquidating clerks who passed all of these entries originally under the Payne tariff in the customhouses and prepared many of the comparisons under the Dingley tariff had no knowledge whatever with respect to the nature and purposes of this investigation. Their findings on these points are, therefore, just as impartial and valid as their findings are in the regular course of business in collecting and depositing customs revenues in the Treasury.

Thus it is conclusively proven that the Payne tariff does not even approximate an embargo in any particular whatever. Its rates of duty are for the most part lower than the Dingley rates. Hence, our opponents need not disturb themselves with anxiety over the rates in the Payne tariff. If that tariff had remained in force during the World War, it would have turned into the Treasury several hundred million dollars more in revenue than were received under the Underwood tariff. That increased revenue would have been a marked relief to the Treasury and the country to-day. We should remember in this connection that those increased revenues would not have added a single penny to the cost of products to the consumers, because war prices were in control. It is strange, indeed, in the light of Republican tariff legislation that this Republican Committee on Ways and Means should ask us to vote for an embargo. What are the special forces behind this demand? Why are certain members of this committee so deeply interested in forcing this embargo into the record? Let them answer. It is sufficient to know that Republican tariff legislation in the Dingley and Payne tariffs never approximated an embargo.

Mr. BLANTON. Will the gentleman yield?

Mr. ANDREWS. No. I have not time.

Mr. BLANTON. Are not you afraid you will lose your patronage?

Mr. ANDREWS. Oh, I have no fears about that. Patronage may worry the gentleman from Texas, but it does not worry me in the least. [Laughter.] But, gentlemen, the problem here is the question of protection against an embargo. Moreover, this bill proposes—and it is an amusing feature of the bill—that a Republican Committee on Ways and Means should employ a free trade tariff commission to enforce an embargo in the name of the Republican Party. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MONDELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Wyoming will state it.

Mr. MONDELL. As I understand it, the time for debate on the amendment offered by the gentleman from Wisconsin [Mr. FREAR] was limited to two hours.

The CHAIRMAN. That is the order of the committee.

Mr. MONDELL. Later another amendment was offered. I understand there may be still further amendments. In order that we may proceed in an orderly manner, and that Members may know about when the debate will close on the paragraph, it seems to me it would be well for the gentleman from Ohio [Mr. LONGWORTH] or the gentleman from Michigan [Mr. FORDNEY] now to offer a motion to close debate on the paragraph and all amendments, giving an additional hour, or such further time as may be proper.

Mr. GARRETT of Tennessee. I do not think that would be in order at this time. There is a time when that can be reached. The time when this debate is to be concluded has already been arranged, and some amendment has been offered——

Mr. MONDELL. An amendment has been offered by the gentleman from New Jersey [Mr. PARKER].

Mr. GARRETT of Tennessee. But that was offered in the midst of this debate, and by unanimous consent it has just gone over, to be dealt with at the conclusion of the two hours' debate that were fixed by the motion.

Mr. MONDELL. If the gentleman from Tennessee will allow me, inasmuch as it would be clearly in order to make the motion I am suggesting at the end of the present debate, why should not the gentleman agree to it now by unanimous consent?

Mr. FREAR. May I suggest to the gentleman from Wyoming that in the way the time has been divided the effect of it is

that I could not get time from my own chairman, but had to go to that side. It will embarrass us and will prevent us from having a voice here at this time——

Mr. MONDELL. I do not understand that the gentleman from Wisconsin objects to an extension of the time.

Mr. FREAR. Not to an extension of the time, but to a change in the arrangement we have made for time. At the conclusion of that, then make your extension.

Mr. GARRETT of Tennessee. I suggest that the regular order is this: The time having been fixed by vote of the committee, and then by unanimous consent the control of that time having been given to the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER], the regular order is to proceed for the two hours. Now, the gentleman from New Jersey [Mr. PARKER] offered an amendment. But he offered it in his time, and the time that was consumed in the reading of it was taken out of the time which the gentleman from New Jersey had yielded to him by the gentleman from Michigan, as I understood. Immediately by unanimous consent it was provided that the amendment offered by the gentleman from New Jersey should go over, to be disposed of at the conclusion of the debate. The time is fixed. The time is in the control absolutely now of the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER]. That can not be interrupted at this time. At the conclusion of that debate, when the amendment of the gentleman from New Jersey [Mr. PARKER] comes up and some one rises to discuss it, then the question of agreeing on time will be in order.

Mr. MANN. Will the gentleman yield?

Mr. GARRETT of Tennessee. I yield to the gentleman from Illinois.

Mr. MANN. The rule giving a privileged status to an amendment and the agreement or order of the House simply covering the question of debate on one amendment, would not any Member have the right as a privileged matter to offer a preferential amendment, and have the right to obtain the floor, not to debate it but to offer it, at this time or any other time?

Mr. GARRETT of Tennessee. That may be; but the gentleman from New Jersey [Mr. PARKER] did not offer his amendment in that way. He offered his amendment in time yielded to him by the gentleman from Michigan [Mr. FORDNEY].

Mr. MANN. Oh, well, he was yielded time for debate, and then he offered his amendment. The time for reading the amendment was not taken out of his time for debate. He offered a preferential amendment, as it seems to me he had a right to do. Of course, he had to get time for debate from the gentleman from Michigan [Mr. FORDNEY].

Mr. GARRETT of Tennessee. I have stated what was my impression at the time.

Mr. MONDELL. Mr. Chairman, I think there is something in the argument advanced by the gentleman from Tennessee, but, inasmuch as at least at the end of the time already fixed another motion to further extend the time would be in order, it seems to me it would be the better plan to fix the time now. Of course, if the gentleman from Tennessee does not agree to that by unanimous consent—assuming that he is correct—the motion will have to be made at the close of the time now fixed.

Mr. GARRETT of Tennessee. That can be done; but I just want to suggest, Mr. Chairman, that all this time being taken right now in this discussion is detracting from the possibility of reading some of the sections of this bill not specially provided for in the rule for amendment, and I demand the regular order.

The CHAIRMAN. The regular order is demanded. The regular order is debate on the motion of the gentleman from Wisconsin [Mr. FREAR] to strike out the paragraph.

Mr. FORDNEY. I yield to the gentleman from Ohio [Mr. NORTON] five minutes.

Mr. NORTON. Mr. Chairman, the gentleman from Ohio [Mr. LONGWORTH], who has spoken in favor of this provision, in a former speech on the Payne-Aldrich bill, set forth the Republican doctrine as well as it is possible to be set forth, and this is what he said definitely at that time:

> The difference between the cost abroad and that at home is the proper measure for a tariff.

Then, at the close, he goes on further and says:

> This is what the Republican Party stands for. The Republican Party always has and always will favor protection, but we do not favor rates so high as to shelter monopolies and amount in effect to prohibition. That is my construction of the Republican platform. [Applause.]

Gentlemen, that is the Republican platform—the difference between the cost of production at home and abroad with a reasonable profit. It has never been, and I hope never will be, that of an absolute embargo. Do not forget there is no question but this amounts to absolute prohibition. The first gentleman who spoke in favor of it, the gentleman from Illinois [Mr. COPLEY], said specifically that this is an embargo. That was his language. That is not Republican doctrine, gentlemen. For all these years the Republican Party and the party preceding it have been in office you never heard a platform in your life, and I do not believe anyone of you ever assisted in drawing a platform in which an embargo was absolutely provided for. A protective tariff is the difference between the cost at home and abroad, and that is Republican doctrine, but that is not what we have here.

Now, what further did the gentleman from Ohio say? In his speech he said:

> A few months after the beginning of the war certain things were selling for $1,700, and they rose to $20,000.

What better proof that an embargo will raise the cost of all dyes out of all reason.

The CHAIRMAN (Mr. MANN). The time of the gentleman from Ohio has expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Chairman, if I were to start by saying something generally in respect to this bill I would quote very many Republicans of the days gone by as criticizing the method of tariff revision that is now being pursued. A little later I may ask to have read from the Clerk's desk—not during the short time that I have now—an extract from a speech made by Mr. Roosevelt in Chicago in 1912, when he found his party going to pieces because of the excessive rates contained in the Payne-Aldrich bill. It is enough to say now as to many of the important matters brought before us so lacking in deliberation is the work that has been done almost so sudden that we are left at a loss to ascertain what the facts are on each side, and after all we recognize that nothing is more valuable than facts.

I have here, which I will pause a moment to read, a comment made by a great Republican, Mr. Root, as he looked back on what occurred when the Payne-Aldrich bill was adopted. He states what was then the situation, and what he says may be applied to the very similar situation that now exists. What he says bears upon the contradictory statements made here in respect to this particular matter. Gentlemen of integrity on one side tell us what the conditions are and what the needs are, and gentlemen of equal integrity upon the other side tell us to the contrary. Mr. Root's language was this:

> Upon one hand we have garbled statements; upon the other equally garbled and partial statements; and no means of distinguishing the truth. We are under the necessity of proceeding by guesswork, by conjecture, always with dissatisfaction, because we recognize the chance that we have guessed wrong about whose statements come nearest to the truth.

Any statements are possible to be made and you can be appealed to to accept those statements as a basis for your action. We are not surprised that there has filtered into the debates the statement that military necessity calls for this embargo. There has hardly been a day during this extra session of Congress when military necessity has not been invoked, when Members have not said that there is a pressure upon us to prepare for war. And yet there are many of us who know perfectly well that there has been no hour within a long period when there was less necessity to drive and speed ahead in haste and become hysterical about war that is probably not going to occur in the near future.

What is the moral of all this. The statesmanship of this country heeding the views of men like Roosevelt and Root should try to get rid of the method we pursue in revising the tariff, and to find some better method, some method that will take it out of the sphere of party politics and put it into the sphere of business, as far as possible; some method which will make the Ways and Means Committee less a battle ground for selfish and avaricious interests. [Applause.]

As to this matter, what are the outstanding facts?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, how much time have we left?

The CHAIRMAN. The gentleman from Michigan has used 28 minutes and the gentleman from Texas 35 minutes.

Mr. FORDNEY. I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I think it may be well to give a little attention to the exact phraseology of this paragraph, the principal feature of which is described as so terrifically injurious to every part of the American doctrine. I was amused at the remarks of the gentleman from Texas [Mr. BLACK] in opening this debate when he based a large part of

his opposition to this dye paragraph upon his interest in the textile industry. I wish that the same interest in textile industries could be attained on the Democratic side of the House in voting on the paragraph. I have some interest in the textile industries, and I wish to say that the users of dyes in the textile industries to-day, I think with very few exceptions, accept this new arrangement in the control of dyes. Just what is this control? We establish through the Tariff Commission two lists—class A, which shall comprise all of such products which are obtainable in the United States on reasonable terms as to quality, price, and delivery, and class B, which comprises all others not included in class A. Reasonable terms as to quality, reasonable terms as to price, reasonable terms as to delivery are all distinctly defined under paragraph B. What fairer proposition can be put before purchasers of dyes than reasonable terms as to price, as described in this paragraph?

"Reasonable terms as to price" for any product shall mean the lowest price or prices for the time being, which said commission shall determine to be sufficient to insure the maintenance in the United States of the production of such products by an efficient plan operating on a substantial commercial scale.

When our friends talk about this increasing the price of dye 400 per cent I can not see the nature of the argument which they are trying to make. The reasonable price is to be established by an impartial commission of our own creation. It is preposterous to argue that a governmental agency will permit of such a price.

Mr. BROOKS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I have not the time. The same applies as to quality, and the same as to the question of delivery. There is a great discussion among our people as to the quality of dyes. That is where this whole thing has hinged, so far as the particular product is concerned—as to whether or not dyes can be produced in this country of a quality equal to those imported. It is provided that the Tariff Commission shall determine if the dye is of the same chemical composition and will produce results substantially equal to the same products of foreign origin. It seems to me that covers this question very thoroughly. We hear a great deal said about the question of embargo. Technically, if you wanted to define the word "embargo," perhaps there is such a thing in this phraseology, but embargo in its broad sense would mean exclusion of a needed article or impossibility of procuring it. This situation is absolutely prevented by the provisions of this paragraph. In a practical sense, there is no embargo.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. FORDNEY. Mr. Chairman, I yield two minutes to the gentleman from New York [Mr. HUSTED].

Mr. HUSTED. Mr. Chairman, the dye business is not a tremendously big business, and in and of itself it is not big enough to get greatly excited over. Yet why is it that the Germans made it a highly favored business? Why is it that they were ready to throttle it wherever it appeared in any other country in the world? Why is it that they wished above everything to retain absolute control of it; to keep everybody else out of it? The reason is because it is a basic business. It is a key business upon which nearly every other business is directly or indirectly dependent, and, while I would not vote for an embargo or for a license, if this were merely a question of selling dyes I shall vote for an embargo or for a license or for any other means which will keep our dye business upon its feet and which will prevent Germany from getting her dye business again established in this country. [Applause.] It is in the laboratories of the dye business that new industrial processes are developed or old processes are improved, and for 20 years before the war through this means Germany was enabled to have an advantage in the markets of the world in a hundred different lines of business activity. If we are going to maintain our commercial supremacy, we must keep this dye business on its feet in this country in order that we may intensively study the coal-tar intermediates in which are locked up so many of the commercial industrial secrets. The great commercial problems of the world to-day are not physical problems; they are chemical problems. Most of the physical problems, the combinations of cams and gears, have been developed to the limit of their capacity. We now must solve the chemical problems, and the great field of study is the coal-tar products. It is in them that these secrets are locked up. The Germans realized this, and they not only kept the business upon its feet through subsidies, but they put chemists in almost every laboratory in Germany at no expense to the dye industry, paid by the Government of Germany in order that they might study these problems for the benefits of German industry.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. FORDNEY. I yield two minutes to the gentleman from New York [Mr. SNYDER].

Mr. SNYDER. Mr. Chairman, a great deal has been said concerning the policy of protection which has been followed in the past by the Republican Party. But, my friends, if that policy of protection has worked out its usefulness to the extent that it does not protect an industry which it is necessary to protect, then some other policy must be adopted and there is no question to-day that it will be impossible to place duties upon dyestuffs which would keep those from coming into the country that we want to keep out and which it is important for us to keep out. Therefore, while I am opposed, as any man with a reasonable amount of common sense would be, to embargoes or permits which hamper the American business man, I believe that the textile manufacturers and all those men who use dyestuffs can afford to sacrifice the little that is necessary for them to sacrifice in order to bring about a stoppage of German importation of dyes into the country until such time as we have developed that industry in America so that we can compete with them. That demand is sufficient reason why I should vote for that section of the bill. I know positively Germans are selling goods to this country with the understanding that, no matter at what price you may purchase them in this country, you can buy those goods, after paying duties, carrying charges, and everything else, at a price equal to the lowest price which would be quoted in this country on the same article, and that would be the policy so far as dyestuffs are concerned. It would not make any difference if we made the tariff $4 a pound, they would find some way to get them in, and the only possible way in my judgment that we can develop that business to the point it is necessary for us to develop it in this country is to pass this embargo, which may be called a new policy of the Republican Party forced upon us by necessity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. I yield five additional minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Chairman, a while ago I was about to say that a very great variety of reasons—almost 57 varieties—are given for supporting this embargo proposition. Since I was last on my feet my friend from New York [Mr. HUSTED] has urged the efficiency and vigor of the German manufacturer and exporter, and yet we know that Germany has been enfeebled by the war to an extent that has been true of hardly any other nation in our time. We know, furthermore, that there is besides every probability, if it has not been done already, that the Allies, for the purpose of providing revenues for reparations, will impose export taxes upon German products, and yet, forsooth, we are to do this extraordinary thing because of our fear of German competition. If we are to be finally controlled to that extent by the fear of German competition as concerns dyes, the logic is that we ought to embargo all competitive German products. I for one do not believe, however, that the German chemists excel the American chemists, and I do not believe that there is anything needed to keep on their feet the great enterprises that are designed to be protected by embargo legislation. Talk about the genius of American chemists! Have you gentlemen read a very notable book recently written by Mr. Irwin, a man who had an opportunity of following the war in close contact with its operations and observing conditions during the war and conditions bearing upon the war that have occurred since? Mr. Irwin speaks of the skill of the American chemists in inventing poisonous gases, whether that consummation is desirable or undesirable, and states that their inventions have gone to the point where the gases that are capable of being turned out of the chemical laboratories of America are more deadly than Germany or any other nation has produced.

I reject the constant suggestion, which is unworthy of us, that our legislation should be pivoted upon our apprehension of the German Nation. I do not believe it, and I shall not be guided in my vote by that consideration.

Now, Mr. Chairman, there are certain facts that stand out clearly in the midst of all the confusion. With all the uncertainty as to what the truth is, there are certain uncontested facts, and let me briefly recapitulate them. In the first place, this embargo measure is not the work of the Ways and Means Committee as a whole. It does not even come from the heart of the majority of the Ways and Means Committee. That majority sat in secret session, but we have enough information to know that it never was a unit on this question, and that at one time the proposition to impose an embargo was rejected by a majority of the committee. Therefore, what real weight

does the final conclusion as expressed in the bill carry with it? How far can it be seriously regarded as a basis for deliberate and solemn action here, when it was rejected one day and shortly thereafter under the pressure of argument and influence of which we have no record approved and brought here as the ultimate findings of a part of the majority of the Ways and Means Committee? And yet we are expected as custodians of the interests of the entire American people to put this thing through, that being its evolution so far as committee action is concerned. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TAGUE].

Mr. TAGUE. Mr. Chairman and gentlemen of the committee, this section of the bill is the most important section of the entire tariff bill, and I am very proud, Mr. Chairman, to know that the membership of this House is not going to allow this question to be settled upon the question of party politics, because the question of dyes is one of the most vital questions to the manufacturing interests of this country. No man can question, Mr. Chairman, but that there is not a manufacturing institution in the Nation but that is dependent upon the manufacture of dyes.

Mr. Chairman, some of the gentlemen who have spoken would want you to believe that those of us who are opposing this embargo—and it is an embargo—are favoring the German industry. On the contrary, Mr. Chairman, I challenge that statement, and wish to say that for years the chemists of this country have been appealing to the manufacturers to give them the backing and assistance that they might compete with the German chemists. The secret of the German success, Mr. Chairman, to my mind, has been this, and I say, too, it has been the curse of the American people: That they have and we have not conserved the manufacture, for in our investigation in this country alone we waste more than in any other country in the world. I ask you to look at the outside of any chemical institution of this Nation as you pass it by, and it will show you such a waste in that institution as never has been or never will be sanctioned by any German or any other chemical industry in the world outside of America. Now, Mr. Chairman, what are the facts? A great deal of stress has been placed upon us because some men have invested some money in the building up of plants and it is said that they should be protected. I received to-day, and perhaps you have received, a letter reciting the number of coal-tar industries that have been put up in this country in the last few years. I want to say right now it is not to-day or yesterday that the chemists of this Nation have been struggling with the situation which confronted the manufacturers when we went into the war. We are told here that in 1914 we had 7 institutions that were manufacturing, and that to-day we have 81. But if anyone will look over the chart they will find that 42 of those institutions are in New Jersey and in New York, and are controlled almost entirely by Mr. Du Pont and his allied interests. Now, what of this great investment? The records show that two of these companies have invested some $500,000,000 in getting at the foundations of this great dye industry.

Mr. SNYDER. Does the gentleman mean all that money is invested in the dye business? That capitalization of the Du Ponts means the capitalization for their entire business.

Mr. TAGUE. So much for my argument. They have not invested $500,000,000, and yet you want to protect them.

I was asked if I would try to prove my statement that they were receiving over 500 per cent profit on some of the dyes, and I am going to take from the——

Mr. BROOKS of Illinois. Suppose the embargo is enacted into law and the American industries ask too much for their dyes, or suppose they produce too little, is not the Tariff Commission to correct that?

Mr. TAGUE. Oh, Mr. Chairman, the gentleman knows, and so does every other Member, that when you are going to fix the price of a product generally, the manufacturers fix the price, just as they are going to do with your American valuation in this bill. [Applause on the Democratic side.]

Now, there are four specific dyes that have been quoted in the testimony. There has been black, the simplest thing in the world to make. Then there is methyl violet. No chemist or any man engaged in the business will contend that is a hard proposition. There is acid black, and there is indigo. According to the testimony before the Committee on Ways and Means, black was brought into and sold in this country by the Germans at a price of 25 cents. Will any man contend that that was the cost of the black? I will challenge any man to say that that black cost the Germans with its manufacture more than 6 cents a pound, and yet the men who are manufacturing black here are asking from the mercantile industrial institutions from 80 to 90 cents a pound. I challenge them to put their books on the table and say that that black has cost in the entire manufacture more than 10 cents a pound. Let us take methyl violet, which was brought in here by Germany at 32 cents a pound. What was the cost of production of this dye that they are asking a price of $1.75 for, and they are threatening the mercantile industries of this country and saying that we must not oppose this bill? Let us take the acid black—26 cents before the war, and it is now being sold for $1 and $1.10 to the manufacturer. Does it cost that?

Let us take indigo, sold in this country for 16 cents by Germans before the war, and it is being sold to the manufacturing industries of this country by this infant industry for more than 60 cents a pound. Yet it does not cost them 15 cents a pound to produce. They do not dare bring their books out and show that it cost them 15 cents a pound.

Now, I will give them 25 per cent, I will give them 50 per cent, profit on their investment, and on the manufacture of those four dyes alone they have made a profit of over $150,000,000 in six years.

You tell us it is not an embargo. Why are the manufacturers of this country appealing to you if it is not an embargo? Why does my colleague from New Hampshire [Mr. BURROUGHS], representing the biggest textile district in the United States, himself a good Republican, who believes in protection—why does he stand here and appeal to the Members on that side of the aisle to vote against this proposition? Because he knows what it means. He knows what it means to the institutions of his district, the same as any other Member would know if he gave this matter consideration.

I have followed the gentleman from Wisconsin [Mr. FREAR] in every argument he has made upon this question. I have listened to his argument. I have read the debate in the Senate participated in by Senators THOMAS, MOSES, and KING. They have made startling charges that the proponents of this section would like to wipe away by saying that these charges are untrue. The gentleman from Wisconsin asks for an investigation. I hope we shall have it. I can not for a moment believe that men of the standing of the gentleman from Wisconsin, a member of the Committee on Ways and Means, that men in the Senate like the Senators I have named, would ever make those startling charges without having some solid foundation upon which to base those charges. They have not been denied. They will not be denied.

I say to you, Mr. Chairman, that the chemical business of this country to-day is in the hands of six or seven companies. Your coal-tar products to-day are practically controlled by less than a dozen of the big interests of this country. How is any small company going to compete? [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COLLIER. Mr. Chairman, I have only one more speech on this side.

Mr. LONGWORTH. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. MAGEE].

The CHAIRMAN. The gentleman from New York is recognized for five minutes.

Mr. MAGEE. Mr. Chairman, I am in favor of the provisions of the pending bill in reference to protecting the dye industry of this country. My understanding is that it is generally conceded that protection is absolutely required and that sufficient protection should be given. The industry is a new one. In 1914 there were 7 small dye plants in three States which produced products of the approximate value of $3,500,000. In 1920 there were 82 American dye plants in 18 States, which produced products of the approximate value of $95,500,000.

This new industry has spent more than $15,000,000 in research work in the last four years. This work has been and will continue to be of the utmost importance to the entire country.

The pending bill, as I read it, provides not only for protection to the American manufacturer but also protection to the American consumer, in that provision is made against charging for dye products an unreasonable price. Standard dyes which are being made in this country will be placed in Schedule A, and the act as to those dyes provides for an embargo. All other dyes will be placed in Schedule B and may be imported. If an unreasonable price shall be demanded for any dye in Schedule A, the Tariff Commission has the power to transfer such dye to Schedule B.

To those who have confidence in the Tariff Commission such provisions ought to be satisfactory. We must place the power of control somewhere. Those opposed to such provisions appear to see a great bugaboo in such a limited embargo. I do not think that we need to shun the word embargo when we

consider that England, France, Italy, and Japan have placed an embargo upon the importation of dyes. This, I think, has probably been done as a matter of national security and defense. A dye plant of to-day can be made into an explosive plant of to-morrow. I hope that this country will never become involved again in a great war, but if we should, in my judgment, the result is quite likely to be determined by chemical warfare, together with airplanes and submarines. Bombs and gases will be vital forces which must not be overlooked.

I would rather protect and build up the dye industry in this country than to expend forty millions of dollars to build a dreadnaught that probably could not survive a foreign attack upon the high seas under modern warfare beyond the protection of heavy shore batteries. In maintaining and promoting the dye industry we have an efficient means of preparedness that does not cost the Government anything except protective legislation. Our opponents say that this protection to the industry can be afforded by a tariff duty. I do not concur in such view for the reason that a tariff duty sufficient to give adequate protection would in all probability enhance prices to the American consumer. The provisions in the pending bill insure reasonable prices.

Nor is there any force, in my judgment, in the argument of our opponents that we can not produce in this country standard, what are called fast dyes, which is a relative term. Whether it is fast depends entirely upon the test to which the dye may be subjected. The bright colors in a tie might fade if subjected for hours to the rays of a bright sun, or the colors might run if the tie should be placed in water for 24 hours. Indigo, as everybody knows, is used in coloring overalls, which hold their color in ordinary use and when ordinarily washed, but the color will run, and run fast, if the garment should be washed in Javelle water. No matter what viewpoint you take you get right back to the proposition that a dye is fast when the color does not run in an article used for the purpose for which it was manufactured.

From the fact of the embargo of England and of our other associated powers the only market remaining in the world of great material value to the dye industry here is the American market. The only question, in my judgment, for our determination now is whether by our vote we shall preserve this market for America or give it to foreigners. [Applause on the Republican side.] I firmly believe in protection to American manufacturers and in protection to American labor. [Applause on the Republican side.] I love to see the tall chimneys in America smoke; I don't want to see American furnaces banked. For such protection, as well as for our security and defense, we should vote for these provisions in the pending bill. [Applause on the Republican side.]

Mr. LONGWORTH. Mr. Chairman, how much time have we on this side?

The CHAIRMAN. The gentleman has 11 minutes. The gentleman from Mississippi [Mr. COLLIER] has 10 minutes.

Mr. LONGWORTH. Does the gentleman from Mississippi desire to use some of his time?

Mr. COLLIER. I have only one more speech.

Mr. LONGWORTH. I will say to the gentleman that it is my purpose later on to try to secure additional time.

Mr. COLLIER. I yield the remainder of my time to the gentleman from Wisconsin [Mr. FREAR].

The CHAIRMAN. The gentleman from Wisconsin [Mr. FREAR] is recognized for 10 minutes.

Mr. FREAR. Mr. Chairman, I am interested beyond measure in the character of this discussion. The gentleman who just spoke [Mr. MAGEE] is one of my closest friends. He says he is an American. Is there a man on the floor of this House who is not an American? Not one. The gentleman who spoke just before him [Mr. TAGUE] said that the dye monopoly of this country had robbed the American people of $150,000,000. The gentleman from New York [Mr. MAGEE] never answered that. No man can, for the prices charged the American public are extortionate. Not a man on this floor on either side has offered a word of testimony regarding costs, except the gentleman from Massachusetts [Mr. TAGUE], on the Democratic side, who is a member of the Ways and Means Committee. The gentleman from New York [Mr. MAGEE] is no different than the gentleman from Ohio or the gentleman from Pittsburgh. They have not offered one line of testimony to show the difference in cost of production here and abroad. We do know this, that $95,000,000 worth of dyes were produced last year in this country and that $35,000,000, or practically 40 per cent, of the dyes were exported.

There has not been one word of denial of that fact, and this little baby, nursing infant, that you are going to protect, with $500,000,000 assets behind it, has done this enormous dye business. In December, 1919, Mr. Du Pont said, "Give us six months more. That is all we ask, and we will make it self-sustaining." The gentleman from Illinois [Mr. COPLEY] a little while ago said, "We want three years more." Whom are you going to believe, Mr. Du Pont or Mr. COPLEY? Mr. Du Pont said they could support themselves in six months. They are supporting themselves to-day. Give them all the protection you want. And let me say one word more about the gentleman from Massachusetts [Mr. TAGUE].

Mr. BURROUGHS. Will the gentleman yield?

Mr. FREAR. I have not the time, I regret. Yesterday the gentleman from Massachusetts [Mr. TAGUE] came to me and said, "Mr. FREAR, you made one mistake." The gentleman from Massachusetts [Mr. TAGUE] is a chemist. He understands this business better probably than any other man on the floor. I said, "I want to be correct in every statement I make. In what respect have I made a mistake?" He answered, "You said salvarsan, which was taken over by the Chemical Foundation Co., was worth $5,000,000." I said, "I so understood from reputable men." He said, "It is worth $10,000,000." And they bought 4,500 patents for $250,000. I accept the correction. I can offer further testimony upon it.

Let me say, Mr. Chairman, the country is interested in this discussion. A handful of men engaged in the dye business have made enormous profits. The representatives of these people have written me and showed me just what they thought, but I have taken the figures of production as best we could get them, and I say there is not a single argument which they have offered to controvert what we have had offered before the Ways and Means Committee. [Applause.] They have not presented a single line of testimony. For every man engaged in the dye business to-day there are at least 500 people engaged in the textile business who have to depend on these dyes. As we know, many of them are inferior dyes. For every person engaged in the dye business we have presumably upward of 10,000 people who consume dyes. They are the people compelled to buy these 450 different kinds of dyes which are being produced here and confined to those dyes. Now, I want to quote to you some good Republican doctrine from very high sources. This is from a statement made by my personal friend, the gentleman from Ohio [Mr. FESS], chairman of the Republican congressional committee. Here is what he said about this dyestuffs embargo provision on September 26, 1919, as found on page 6006 of the CONGRESSIONAL RECORD:

> I think, members of the committee, we have given our pledge to the country that we will not further shackle the business and the enterprise of America. We promised that those shackles placed under the stress of war—that we could not avoid because of the necessity of war—would be removed at the close of the war, and here is the first opportunity that we have had in this particular line, and, instead of our removing the shackles, we have taken steps to add to the shackling of business. We have made it inconvenient, made it possible for discrimination; we have introduced un-American lines of legislation as war measures, and we are too careless about respecting our promises to the country, and I hope there will be a motion to recommit the instructions to the committee to strike out this licensing feature and give us a chance for a record vote upon that. I would not vote for a motion to recommit the protective rates. I am in favor of the rates, but I am not in favor of giving further opportunity to any sort of associations or licenses further to disturb the business of the country, and I want to vote against that proposition. [Applause.]

That was when the question was up before. At the end of his statement there was applause, and he deserved it. It was good, sound doctrine. Now, here is the statement of the chairman of the Committee on Ways and Means, the gentleman from Michigan [Mr. FORDNEY], with whom I sat day after day and week after week in the preparation of this bill, a man in whom I have the greatest confidence. On September 23, 1919, he said:

> The man who dominated that committee on the War Trade Board was a representative of the Du Ponts, who have $45,000,000 invested in the manufacture of American dyestuffs. He is the fellow who prevented the shirt manufacturers from getting dyestuffs when they asked for them. It makes me provoked when I think that men in the House of Representatives, of common sense, will listen to such things as that, and then try to enact into law a measure that permits that sort of a monopoly to cripple you and your constituents and may not permit you to do business unless you do it with them.

That was the statement of the distinguished chairman of the Ways and Means Committee [Mr. FORDNEY], who stood with me in trying to defeat this proposition originally in the committee. What better authority do you want than that on this Republican side?

I am not going to respond to the various gentlemen who have discussed this question. I wish I might, but it seems to me unnecessary to do so. Before you get through you are going to listen to the distinguished gentleman from Ohio [Mr. LONGWORTH], who is an advocate of this dye-embargo proposition, who has led it and forced it upon the American people, day after day and week after week. It has been his particular favorite. You are going to listen to him conclude the discussion. Now, I say to you, ask him to tell the American people

what is the cost of the production of these dyes. He must know, if anyone does.

What is the cost of production here compared with the cost of production in Germany or in other countries? We have not got it in the RECORD except as I have given the profits that have been made, and I know they are charging 400 per cent more than before the war, to-day. Ask him if it is true that $100,000 was spent to get the dye law now in force passed by Congress, urged by money spent by the dye interests as lobby expenses? Senator MOSES has given the figures on the floor of the Senate. What amount are they giving to-day for the same cause? I do not claim for improper purposes but what is the cost to-day to the dye interests for this dye legislation?

I have made that charge of $100,000 expenditure for existing dye laws by the dye monopoly, and I am prepared to prove it. Ask the gentleman from Ohio if it is true that the attorney for the dyestuffs interests drew the law now on the books. I am prepared to prove that by witnesses whom you will believe. What think you of standing here and simply saying you can not do that, you can not meet the German's price, without giving any facts. I ask you if you have heard a single argument to sustain the committee? When the gentleman from Ohio takes the floor will he please answer these question and show the American people, because they want to know. I might be with you if you could convince me. You have not given the House a single argument for your position. The American dye interests to-day have under paragraph 26 on dyestuffs 35 per cent, and we have added to that 7 cents a pound, or 280 per cent, as I said by illustration, compared with 100 per cent given under the Hill bill. That was drawn at the instance of the dye people. If you want more, make it 500 per cent, if you can show you need it. Give to the American people that are against these trusts, that are against the Du Pont monopoly and the allied chemical monopoly, with their $382,000,000, give them relief from this dye extortion that you would perpetuate; give the monopoly if you choose whatever you want to, but for heaven's sake do not shut out needed dyes and say to the textile people you can not get them, you can not get what you are entitled to, what you need in your business. Do not inflict this burden on the American people who are now paying excessive prices to the dye monopoly.

We are engaged in legislating; we are not legislating for a particular interest. I assume we want to protect American interests, both producer and consumer, but I want to say that this embargo is not protection; it is one of the worst things that the Republican Party ever indorsed in committee. Do not enact it into law. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield the balance of my time to the gentleman from Ohio [Mr. LONGWORTH].

The CHAIRMAN (Mr. SNELL). The gentleman from Ohio is recognized for 11 minutes.

Mr. LONGWORTH. Mr. Chairman, in answer to what my friend from Wisconsin [Mr. FREAR] has just said, I have this to say, that not a word or line of the present bill was drafted by any human being except the gentleman from Iowa [Mr. GREEN], the gentleman from New York [Mr. HOUGHTON], the gentleman from Ohio, myself, and two experts from the Tariff Commission.

Mr. FREAR. I have not criticized that.

Mr. LONGWORTH. No lawyers have had anything to do with this proposition. Now, in the limited time I have I shall refer to two general questions. First, is it possible, under this proposition, through the Chemical Foundation or otherwise, to secure a monopoly; and, second, why is it necessary to segregate this industry from all other industries and apply an unusual method if we are going to save it.

There is a great deal of misinformation about the Chemical Foundation, but if everything said was true, let me impress this on your minds, that less than 10 per cent of all the dyes made in this country to-day, or ever made in this country, are made under German patents. What the gentleman from Wisconsin and other gentlemen have said with relation to any possible control by the Chemical Foundation or syndicate could relate only to less than 10 per cent of our total product. The German patents covering these dyes, which are vat dyes and which are not used in dyeing cloths or ink or paint or for any of the larger purposes, are merely a specialized sort of dyes. Not one dye outside of these is or ever has been covered by a German patent.

Something has been said about amassing great fortunes. No member of the chemical syndicate can own more than $1,000 worth of stock, and dividends are limited to 6 per cent. They are to be used in helping to develop the chemical industry of this country. They come solely from licenses given to men to produce certain dyestuffs, and any man who is 100 per cent American can get one.

Let me say another thing about the monopoly proposition. Get this distinctly into your minds. There can be no monopoly which would result adversely to the users, because if any man or set of men get together and attempt to raise the price of dyes not permitted to be imported, automatically they would go off the list of class A and could be imported by anybody in the country. It is utterly impossible that there can be a monopoly. I am not here to defend the Chemical Foundation, but I do say one thing that they did for the benefit of the human race, and that was to license eight different firms to use the patent for salvarsan. The Germans were charging $2.50 a dose, and since then by competition of eight different concerns it has been reduced to 25 cents a dose and is used in almost every hospital in the country.

Now, as to the question why this industry stands absolutely by itself. Let me say now that I am as much opposed to an embargo, as a general rule, as anybody. I would not support an embargo for any mercantile industry. You have got to show me that it has something to do with the national health or the national security before I would vote for any kind of an embargo. But on this industry depends the national health, the national safety, and our integrity as a Nation, and therefore it is entitled to stand by itself and receive the only treatment that would be efficacious in its behalf.

I quoted to you the other day what former President Wilson said upon that subject on two different occasions, and I shall read a portion of it now:

> Among the industries to which special consideration should be given is that of the manufacture of dyestuffs and related chemicals. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacturer of dyestuffs, on the one hand, and of explosives and poison gases, on the other, moreover, has given the industry an exceptional significance and value. Although the United States will gladly and unhesitatingly join in the program of international disarmament, it will, nevertheless, be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants. The German chemical industry, with which we will be brought into competition, was and may well be again a thoroughly knit monopoly capable of exercising a competition of a peculiarly insidious and dangerous kind.

I quote what the former President of the United States had to say on that as showing that so far as I am concerned there is not and has never been the slightest question of political expediency in respect to this matter.

I now want to read a letter which I received this morning upon this subject, and the gentleman who writes it, you will concede, is an authority. That letter is as follows:

> GENERAL OF THE ARMIES,
> *Washington, July 15, 1921.*
>
> Hon. NICHOLAS LONGWORTH,
> *House of Representatives, Washington, D. C.*
>
> DEAR MR. LONGWORTH: With reference to the protection for the dye industry in this country, it can be stated that the coal-tar products, of which dyes are the most important at present in peace, is the base of practically all of our high explosives and most of our war gases.
>
> Our shortage of chemical plants in general, and dye plants in particular, prior to the World War, made it difficult for us to obtain a supply of high explosives and gases until we had been in the war for several months.
>
> From the above the importance of the chemical industry from a military standpoint will be readily seen.
>
> Sincerely yours,
>
> JOHN J. PERSHING.

And the gentleman from New York [Mr. FISH] rises on this floor as a military expert and says that dyestuffs are not in his opinion a matter of military necessity! Mr. Chairman, I am willing to match Gen. Pershing against Mr. FISH on this proposition.

There is nothing that we can do to be prepared against a possible enemy so efficacious as to have a great chemical industry in this country. To build navies, armies, and to equip men, to buy cannon and arms, costs billions upon billions of dollars. We are about to have a conference shortly, I believe, upon the question of international disarmament, and under such circumstances a great potential arsenal such as this becomes of infinite importance, but bear this in mind: If you are for preparedness, if you are not like the gentleman from Virginia who says there is no possibility of any war ever again, and never less than now, if you do not want to-day to be compelled to spend billions and billions of dollars, we have a method here of absolute preparedness, the one bedrock necessity, which does not cost a single cent. It costs the Treasury nothing, and there is no virtue in talking about the interests of the consumer so far as dyes are concerned. His interest is so negligible as not to be worth talking about. There is no gentleman who sits before me who wears a suit of clothes in which the dye costs more than 20 cents at the outside. It is not worth talking about. Here we

have preparedness, adequate and absolute preparedness, and it does not cost one cent. Gentlemen, you are not justified in following the arguments of anyone which controvert those of Woodrow Wilson and John J. Pershing as to what this industry means for this country. [Applause.]

The CHAIRMAN. The time for debate upon the amendment offered by the gentleman from Wisconsin has expired.

Mr. GREEN of Iowa. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New Jersey [Mr. PARKER] and I withdraw the point of order that I made against the amendment. The amendment was offered so long ago and is so long that I ask unanimous consent that it be again reported, not to be taken out of my time.

Mr. BLANTON. Mr. Chairman, I object.

Mr. SANDERS of Indiana. Mr. Chairman, I reserve the point of order.

Mr. GREEN of Iowa. I thought the gentleman from Texas would object, but I knew that nobody on earth but the gentleman from Texas would object.

Mr. BLANTON. I am glad there is somebody here who wants to conserve time.

The CHAIRMAN. The gentleman from Indiana reserves the point of order on the amendment offered by the gentleman from New Jersey.

Mr. PARKER of New Jersey. Mr. Chairman, the amendment that I have offered I think should be divided into two parts, the first part relating to the price and the second in relation to an appeal to the court.

Mr. GREEN of Iowa. Mr. Chairman, so far as the purposes of the amendment offered by the gentleman from New Jersey are concerned, I do not oppose it. So far as its form is concerned, however, it would not work what the gentleman from New Jersey intended, nor could it possibly be made to fit in with the provisions of the bill as it stands.

The gentleman from New Jersey, like many other gentlemen who have spoken here, is very much concerned about the patents owned by the Chemical Foundation. Let me say right here and now, and there can not be any question about it, that whether this provision stays in this bill or not it will not affect the rights of these gentlemen who own these patents one particle. They will still control them and control them against everybody in the United States and everybody who wants to ship in dyes from abroad. You will not circumscribe them nor restrict them or cut off any alleged monopolistic powers they have by striking this provision out of the bill.

Mr. CHANDLER of New York. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. For a brief question.

Mr. CHANDLER of New York. Considering the relationship that existed between Mr. Garvan and the Government—in other words, that he was an agent of the Government—does the gentleman mean to say that we have no judicial relief against that sale, that it can not be set aside?

Mr. GREEN of Iowa. Nothing of the kind. I have repeatedly myself criticized that sale on the floor of this House, but all that has nothing to do with the provisions of this bill, nor can the provisions of this bill affect that sale one way or the other. Nor is the present administration responsible for those acts in selling those patents, right or wrong.

I would not approve the provisions now contained in the chemical schedule with reference to dyes if I did not believe they would have the effect of cheapening dyes to the American consumer and delivering the American consumer from the grasp of the German monopoly. I think I am fairly familiar with the provisions which are under consideration, because I wrote a large portion of them, and every line that I put in, every one that I added to the original provision as drawn, was drawn in the interest and written in the interest of the consumer of dyes and the great American public. The provisions of the bill would build up a dye industry that will not give us cheap dyes but good dyes. During the war we had to humbly beg Germany to send us dyes by submarine, and England to let dyes through the blockade. They say that the bill will build up a monopoly. On the contrary, it would deliver us from monopoly and insure, by the express provisions of the bill, a reasonable price to the consumer.

Now, then, the gentleman from New Jersey, who seems to be under some misapprehension of what is in the bill, says that he wants to provide by his amendment that any order of the Tariff Commission shall be referred to the district court or may be taken to the district court of the United States.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. I ask unanimous consent to proceed for five minutes further.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to proceed for five minutes. Is there objection?

Mr. GARRETT of Tennessee. I object. Mr. Chairman, I move that all debate——

Mr. PARKER of New Jersey. Mr. Chairman, am I entitled to five minutes in support of my amendment?

Mr. GARRETT of Tennessee. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto do now close.

The CHAIRMAN. The gentleman from Tennessee moves that all debate——

Mr. GARRETT of Tennessee. I will withhold the motion just a minute. Does the gentleman from New Jersey wish to speak to his amendment?

Mr. PARKER of New Jersey. I do.

Mr. LONGWORTH. Mr. Chairman——

Mr. GARRETT of Tennessee. Mr. Chairman, I think the gentleman from New Jersey is entitled to some time on his amendment.

Mr. GREEN of Iowa. He will get time.

Mr. GARRETT of Tennessee. I move that all debate on this paragraph and all amendments thereto do now close.

Mr. MANN. That is, on paragraph 27?

Mr. GARRETT of Tennessee. On paragraph 27; I do not remember the number.

Mr. MANN. Will there be any further amendments to the paragraphs?

Mr. GARRETT of Tennessee. I do not know about that.

Mr. GREEN of Iowa. I think there will be some other amendments.

Mr. GARRETT of Tennessee. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto do now close.

The CHAIRMAN. The gentleman from Tennessee moves that all debate on paragraph 27 and all amendments thereto do now close.

Mr. LONGWORTH. As a substitute, I move that debate close in one hour.

The CHAIRMAN. The gentleman from Ohio moves as a substitute for the motion of the gentleman from Tennessee that debate close in one hour.

Mr. McKENZIE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. McKENZIE. In case the motion made by the gentleman from Ohio is carried, will the Chair at the end of the hour dispose of the point of order in case it is made? If there is going to be a point of order made against this proposition, I believe we ought to get through with it now.

The CHAIRMAN. If debate is to be ended in one hour and time is taken for discussion of the point of order, the Chair is inclined to believe that debate on the point of order would be included within the hour.

Mr. MANN. Oh, no.

The CHAIRMAN. If it is to be closed in one hour, and that hour closes at 8 minutes to 3 o'clock.

Mr. MANN. The debate is on the paragraph and all amendments; the debate is not on the point of order.

The CHAIRMAN. The motion is to close debate in one hour.

Mr. MANN. But the only motion he can make is to close debate. That is on the paragraph, and that is not argument on the point of order.

The CHAIRMAN. Debate on paragraph 27 as finally amended.

Mr. GARRETT of Tennessee. Mr. Chairman, as far as I am concerned, if gentlemen wish seriously to argue the point of order at this time I will withhold the motion until that is disposed of.

Mr. MANN. I am not interested in this subject——

Mr. WALSH. Mr. Chairman, pending this motion, is it in order to demand the regular order and determine whether the point of order is to be made at this time? I demand the regular order.

Mr. MANN. That would not interfere with the motion.

The CHAIRMAN. The regular order is the reservation of the point of order by the gentleman from Indiana.

Mr. MANN. The regular order is debate.

The CHAIRMAN. Debate on the point of order.

Mr. MANN. The regular order is to close debate.

Mr. GARRETT of Tennessee. Mr. Chairman, I will state that so far as I am concerned if gentlemen desire seriously to argue the point of order, not the merits of the proposition, I am willing to withhold the motion.

The CHAIRMAN. The Chair understands the gentleman from Tennessee to withhold his motion——

Mr. WALSH. I demand the regular order. If it is to be made, it ought to be made.

Mr. MANN. The gentleman can withhold it. There is an amendment pending in the committee.

The CHAIRMAN. The motion of the gentleman from Ohio as a substitute for the motion of the gentleman from Tennessee the Chair thinks is the regular order. The question is on the motion of the gentleman from Ohio.

The question was taken, and the Chair announced that the ayes appeared to have it.

On a division (demanded by Mr. GARRETT of Tennessee), there were—ayes 94, noes 56.

So the substitute to the amendment was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee as amended by the gentleman from Ohio.

The question was taken; and the amendment as amended was agreed to.

Mr. WALSH. Mr. Chairman, I demand the regular order.

Mr. LONGWORTH. May I make a unanimous-consent request that that hour be equally controlled by the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER].

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that that hour be controlled equally by the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER]. Is there objection? [After a pause.] The Chair hears none.

Mr. GREEN of Iowa. Will the gentleman from Michigan yield me five minutes?

Mr. WALSH. Mr. Chairman, I demand the regular order. Wait until the point of order is disposed of.

The CHAIRMAN. The regular order is the point of order raised by the gentleman from Indiana. Does the gentleman from Indiana make the point of order?

Mr. SANDERS of Indiana. Mr. Chairman, I make the point of order that the proposed amendment of the gentleman from New Jersey is not germane to the paragraph under consideration.

I think the substantial part of the proposed amendment is germane, but there is contained a proviso which leaves to the district court the consideration under its terms, the details of which I do not have in mind, of any order of the Tariff Commission. Of course, if it were limited to orders respecting the matters mentioned in this paragraph it would no doubt be germane, and the question presented to the Chair, of course, is whether or not the terms of this paragraph are sufficiently broad to allow any provision of the Tariff Commission law to be drawn in question. Since this proviso contains a clause which is not germane, that makes the entire amendment not germane.

Mr. PARKER of New Jersey. If I put in "such order" of the Tariff Commission, it would make it all right. That is what I mean.

Mr. SANDERS of Indiana. If the amendment read that way——

Mr. PARKER of New Jersey. I will amend by adding, with the leave of the House, the word "such" before the word "order"—any "such" order of the Tariff Commission. I simply add the word "such" before the word "order."

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to modify his amendment in the manner indicated. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the amendment as modified.

Mr. WALSH. Does the gentleman from Indiana withhold his point of order for that purpose?

Mr. SANDERS of Indiana. I will.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Amend, after clause C of paragraph 27, on page 14, line 13, by striking out the period and inserting a colon and the following:

"*Provided, however*, That the price of such product shall not be held to be unreasonable, nor shall such product be placed in class A.

"(1) If more than a reasonable part of such price, not to exceed 5 per cent, is paid in royalties or otherwise to any holder of patents for the right to manufacture said article; or,

"(2) If such right at such reasonable per cent and on reasonable and equal terms is not granted by holders of said patents to all responsible American manufacturers.

"(3) If more than a reasonable part of such price, not to exceed 25 per cent, is profit:

"*Provided further*, That the district courts of the United States shall, respectively, have jurisdiction of any suit brought by the United States Tariff Commission or by the Attorney General or by any person interested, in order to enforce any such order of the United States Tariff Commission, or to enjoin, set aside, annul, or suspend any such order, and the venue, practice, and proceedings in such suit and in any appeals therefrom and the right to appeal shall be the same and governed by the same rules as are now provided as to suits to enforce, enjoin, annul, and suspend an order of the Interstate Commerce Commission."

The CHAIRMAN. Is there objection to the modification of the amendment being made?

Mr. SANDERS of Indiana. I think that obviates the point of order, and I therefore withdraw it.

Mr. PARKER of New Jersey. Mr. Chairman, I ask five minutes on the amendment.

Mr. GREEN of Iowa. Before the gentleman from New Jersey proceeds, will the gentleman from Michigan yield me five minutes more?

Mr. FORDNEY. I yield to the gentleman from Iowa [Mr. GREEN] five minutes.

Mr. GREEN of Iowa. Mr. Chairman, as I just stated, I have no objection to the purposes of the amendment of the gentleman from New Jersey [Mr. PARKER]. In fact, I have no objection to a provision being inserted in the bill which I think would go fully as far as the provisions of his amendment, namely, that no price shall be considered reasonable where the manufacturer of the dyes is compelled to pay an unreasonable royalty to the owner of the patent thereon or where the right to manufacture the same was not granted to all persons on equal terms. But such a provision is unnecessary, and the gentleman's amendment can not possibly be made to fit in with this bill. If anyone could take an appeal to the district court on a determination that a dye belonged in class A and kept it there, as would usually be the case, for two or three years, then the bill would expire. The gentleman might just as well, so far as this part of the bill is concerned, knock out the enacting clause. There would be nothing left of it.

Mr. SANDERS of Indiana. Will the gentleman from Iowa yield?

Mr. GREEN of Iowa. Yes.

Mr. SANDERS of Indiana. Can we constitutionally leave that so that it can be determined by a court? Is it not an administrative question; and if you provide an appeal, is it not an unconstitutional power or delegation of power to the court?

Mr. GREEN of Iowa. I think the gentleman is right, although the point had not occurred to me, inasmuch as I had not seen the amendment. If it could be done, it wipes out all of the provisions of the bill and puts everything in court for two or three years, and at the end of that time the provisions of the bill would expire, because they extend for only three years.

Who are objecting to the provisions of the bill? Not the users of dyes, for an overwhelming majority of the users of dyes favor the bill. If they do not fear the creation of a monopoly or unreasonable prices, why should anyone else worry about it? Dyes are, it is true, higher than they were before the war. So is everything else. They say millions of dollars have been invested by the dye companies. Is this a sin? I think it a benefit. Of course, they must earn interest on the investment. But I would rather pay this interest to an American.

Mr. Chairman, no one is more opposed to a monopoly than I am, but if the provisions of this bill do not prevent a monopoly from being established, then it is impossible to prevent it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from New Jersey [Mr. PARKER].

Mr. PARKER of New Jersey. Mr. Chairman, the reason I propose this provision that appeals to the courts shall be in accordance with the practice of appeals in interstate commerce is that there has been a mass of statutes that enable those appeals to be determined immediately and prevent any injunction or any interference with the trade, except under special circumstances. If that is not in, the bill will be held up for years. If it is in, appeals can be determined immediately under that practice, and it is the only way this can be done. So much for that part.

I am inclined to say if provision for appeal is not made the bill is unconstitutional, because some provision for appeal must always be in an act or the act can not be made to do what it says or be lawful.

Mr. SANDERS of Indiana. Since this provides for that review and for the placing of certain commodities in one class or other, in class A or class B, how could it involve tariff rates so as to involve the constitutionality of the law?

Mr. PARKER of New Jersey. I am coming to that.

Mr. SANDERS of Indiana. And how can we delegate to the courts the power to settle the question as to whether we shall put a duty on it or not?

Mr. PARKER of New Jersey. The courts shall review the facts, and I make the facts essential. It is provided that not over 5 per cent of the price shall be paid in royalties. There are only a few of these articles made under patents, and the royalties are only 3 or 4 per cent now. They do no harm. By

my amendment, also, no price shall be held to be reasonable unless the holders of the patents grant equal licenses to everyone. They do it now. We want that to continue so as to prevent monopoly. The amendment provides, also, that exorbitant profits shall not be made. It provides that the maximum profit included in the price of any article shall be 25 per cent. I think that is fair, and it makes the question of reasonable price manageable, and it makes this bill one that would not be suspected, as otherwise it would be, in its original form.

Mr. GREEN of Iowa. I think 25 per cent is too high.

Mr. PARKER of New Jersey. It is left to the commission—a reasonable profit, not to exceed 25 per cent. But when men are making half a dozen articles, sometimes the profits of one have to pay somewhat on the others, and under ordinary circumstances 25 per cent is not too high, as this work is often experimental, and I find that the turnover is not more than every six months on the whole.

That is all I have to say, Mr. Chairman. I ask for a vote on the amendment.

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Indiana [Mr. SANDERS] five minutes.

The CHAIRMAN. The gentleman from Indiana is recognized for five minutes in opposition to the amendment of the gentleman from New Jersey.

Mr. SANDERS of Indiana. Mr. Chairman, I am in favor of the dye schedule as it is written in the bill. I am opposed to this amendment offered by the gentleman from New Jersey [Mr. PARKER] because I doubt if it is practicable to carry out the plan provided by the amendment and I doubt if we can delegate finally to the judicial department of this Government the administrative power which such amendment would delegate to it.

I was much impressed with the argument made by the gentleman from Ohio [Mr. LONGWORTH] with respect to the necessity of making America independent in the manufacture of these dyestuffs. I recall that during the war, when it came to the manufacture of explosives in this country, I was serving on the Committee on Mines and Mining, and gentlemen on that side had the majority. The executive department came before our committee with the Secretary of the Interior and advocated the passage of a measure appropriating $50,000,000 in order to encourage the production of war minerals in this country. I remember distinctly at the hearings, when we had that measure before our committee, that the Secretary of the Interior, who was one of our great men, appeared before our committee and urged that we provide $50,000,000 in order to encourage the production of those minerals in this country, because then the shipping was cut off and we were unable to get the necessary products to manufacture explosives in this country.

That measure passed the House. We cut down the amount to $10,000,000 in the House. The bill went to the Senate and they put on $50,000,000. The bill was finally signed by the President appropriating $50,000,000 to carry out the very purposes that this measure is intended to carry out with reference to dyestuffs. For this dyestuffs schedule will make us independent as to the production of explosives, the manufacture of which absolutely depends upon those products.

It is true the war ended, and the measure I refer to was not carried out, but we did appropriate, as gentlemen will remember, about $8,000,000 to pay to the men in the Western States who had invested their money in the production of these war minerals, on the theory that we had let unjust competition come into this country.

Is it not better, gentlemen, to provide in advance through such an advantageous measure as this, so that we may be independent in the matter of producing dyestuffs and explosives?

It is unfair to charge that this bill will permit the charging of exorbitant prices by any company which might operate in this country. The bill carefully safeguards against high prices in this dyestuff provision, and it occurs to me, gentlemen, that a provision of this kind, carefully safeguarding the interests of the people in times of peace with reference to prices, and safeguarding our national defense with respect to explosives in case of war, ought to be enacted into law. These dyestuffs are manufactured chiefly in Germany, and we have built up the industry since the war. Without proper protection our industries must necessarily shut down and foreign dyes take their place. I am for the American product. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. GREEN of Iowa. I will ask the gentleman how could it be made stronger than as it is fixed in the bill, that they should fix reasonable prices and that the authorities should be allowed to examine the books to see that that is done?

Mr. SANDERS of Indiana. I think that it is eminently fair.

Mr. PURNELL. Mr. Chairman, will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. PURNELL. Is it not true that that which cost us $50,000,000 during the war can now be had for nothing?

Mr. SANDERS of Indiana. Yes; and at the same time it establishes a peace industry. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield four minutes to the gentleman from Illinois [Mr. GRAHAM].

The CHAIRMAN. The gentleman from Illinois is recognized for four minutes.

Mr. GRAHAM of Illinois. Mr. Chairman, when I started out in my thought about this thing I was, like the most of you, impressed with the undesirability in a general way of having an embargo upon anything. The more I thought about this thing, however, in view of the information I had and what I have gathered in the last two years, the more I am convinced in my own mind that this is a wise measure and ought to be written into the law, just exactly the way in which the committee has written it.

When we started out in the World War, what was the matter with us? We were lacking and deficient in many ways, but the most marked way in which we were lacking and deficient was in our chemical industry. What was it that made Germany preeminent among all the nations and which permitted her to continue the World War year after year, with all external chemical supplies and the supplies of Chilean nitrate cut off? It was simply because she had had the foresight and the prudence to build up in her own country chemical industries to produce those things necessary to keep her going and to provide for her own needs, both in peace and war. It was that great chemical industry of hers that she was able to expand in such a truly remarkable way.

It has been stated by somebody who has not been properly informed that Germany is now industrially prostrate and on her back, and that her industries have not increased as have those of other countries. The contrary is true. To-day the factories and the industries of Germany are more productive than ever before in the history of the world, and unless we look to our production here we will be in straits in this country when we are again in competition with her. The same processes that produce dyes produce high explosives. The same processes that produce high explosives produce essential products that nobody has mentioned in this debate, namely, fertilizers for our land. Do you know that this great industry which Germany has built up not only provided her with explosives in time of war but immediately upon the conclusion of the war were turned into fertilizer and dye industries with comparatively no expense. To-day she is ready to pour out on our shores the products of those factories which were built up to the highest degree of efficiency during the war period and on account of the war.

It must be appreciated that this dye industry is basic and essential to national safety, not particularly because it produces dyes, which might possibly be dispensed with during war, but because adequate preparedness in these chemical lines make us independent and fully capable of taking care of our needs in explosives and gases in war and in agricultural fertilizers and dyes in peace. We spent almost countless millions during the war in endeavoring to build nitrate factories, by-product coke ovens, picric-acid plants, gas-stripping plants, ammonium-nitrate plants, all to produce elements for explosives and poison gases. The stories of Muscle Shoals and a hundred other similar experiments are fresh before our minds. And yet from all this we got nothing to help win the war. Had it not been for our allies in the war, who supplied us with our high explosives and gases, we would have had none to carry on an unequal warfare.

Gentlemen contend we are in no danger from German sources. Let me call their attention to the progress of the German chemical industry, as demonstrated by the increased product of atmospheric nitrogen. According to the report of Dr. Charles L. Parsons, chief chemist of the Bureau of Mines, made to the Ordnance Department of the Army on January 27, 1917, up to that time Germany had increased her annual production of synthetic nitrogen from 116,000 short tons to 325,000 short tons. Of this a great increase was had in the production of ammonium sulphate, one of the by-products of their improved coke ovens.

According to the Frankfurter Handelsblatt of May 29, 1916, the German annual production of sulphate of ammonia at that time was 700,000 tons. This in itself might be considered not

pertinent to this discussion, but the same by-products can be and are utilized in peace times for either agricultural fertilizers or dyestuffs.

Immediately after the armistice the Government of Great Britain appointed a mission to visit the chemical factories of Germany in the zone occupied by the Allies, which factories were engaged in making munitions of war. That mission was accompanied by representatives of the other allied Governments and comprised some of the most eminent chemists and business men of the allied nations. A part of that report, dated February 27, 1919, is as follows:

The resources of the German dye industry are of no less military importance. Most of the gases employed toward the end of the war were complex organic substances, none of which had been made previously except in small quantities and none of which were prepared for the first time during the war. Gas warfare will undoubtedly continue to develop in this direction, and in the future organic substances will be employed which we do not know to-day. The use of gas will always offer great opportunities for surprise in military operations, and the experience of the present war has shown that rapid production of a new gas is essential if the surprise is to be effective. Any country without a well-developed organic chemical industry will be severely handicapped in this respect.

On that report of that mission the British Government adopted an embargo on German dyes.

Carlo Toniolo, an Italian engineer of note, published in the Giornale di Chimica Industriale, of Milan, in November and December, 1919, an article on "The nitrogen problem," which evidently was a careful study of the German chemical industry from an Italian standpoint. A part of that article translated is as follows:

It has already been noted that the Haber process, demanding 5,000,000 tons of coal, is the only one which permits this monopoly in the hands of a single country, and Germany, indeed, made that her program. She said that explicitly and is proceeding already along this bold path.

She said that explicitly, for in a memorial which the Badische Anilin & Soda Fabrik presented to the Reichstag in the first 15 days of May, 1915, there are found the following assertions: "With the same method by which German industry conquered world supremacy, we are laboring now in the manufacture of new fertilizers * * * and there is no doubt of the great future which awaits us in this large and important field. Thus as we have monopolized with our synthetic processes the dye industry, rendering the entire world tributary in these processes, we will also succeed in gaining the market in all cultivated countries with our artificially produced fertilizers. * * * and since the cost of production of nitrate of soda must inevitably increase, while our costs of production diminish with the progress of our experience and productive capacity, we believe we will destroy the Chilean industry. Our raw materials are extracted exclusively in our own country, not imported from abroad. Our only limit will be the consumptive capacity of the world market.'"

And upon this bold pathway Germany, including Alsace and Lorraine and the eastern Provinces of the former Empire, consumed in 1913 about 225,000 tons of fixed nitrogen. To-day—

	Tons.
Oppau and Merseburg are perhaps in a position to produce	200,000
The cyanamide factories will produce 600,000 tons of that product, in nitrogen	120,000
Factories of gas and coke can produce, of ammonia	120,000
Total	440,000

This is certainly more than double the amount that the diminished Germany of to-day could consume in comparison to her consumption before the war. At Ludswigshaven they do not make a mystery of having decided to intensify the production of Merseburg and Oppau in such a way as to have in the near future 300,000 tons per year, so that the total potentiality of Germany will supply a half of the world demand; the essential part of this potentiality will come from the Haber process, which will be in a position to produce much more than the other two methods together.

It seems that the German Government loaned to Badische after the armistice 200,000,000 marks. It is to be noted also that an agreement was concluded with the "Reichswirtschaftsamt," the imperial treasury, and the representatives of the nitrogen industry for a State monopoly, the "Stickstoffsyndiket" (nitrogen syndicate), similar to the "Kalisyndikat" (potash syndicate), and in which the particular undertakings conserve full and entire their technical independence.

Evidently the Italian Government gave heed to the situation, for that Government has since placed an embargo on German dyes.

The point is made by the gentleman from Wisconsin [Mr. FREAR] that the Chemical Foundation seized the German patents, by their official powers, and then sold them at ridiculous figures to some of their own personnel. No one will join with him more quickly than I to make such representations to the proper authorities as shall lead to the speedy cancellation of such a contract and lead to the prosecution of those guilty of this violation of law if the facts exist as Mr. FREAR states them. But all this has nothing to do with the necessity of preserving our dye industry.

This industry must be preserved. If it is necessary to keep out foreign importations to build up here chemical industries that will produce our fertilizers and dyes in times of peace and our high explosives and gases in times of war, then I am for that restriction, call it an embargo or call it what you may. We want no more experiences like those we had in the late war.

Mr. GARNER. I yield five minutes to the gentleman from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. Chairman, I do not claim to be an expert on dyes or chemical processes, but I was somewhat amused at the gentleman who just left the floor [Mr. GRAHAM of Illinois] urging the creation of a monopoly and the establishment of an embargo in order to encourage chemical industries in the United States for war purposes, when in the last Congress he so vigorously opposed a proposal indorsed very widely in the United States, which I understand has the tentative approval of the War Department, whose primary object was preparing the United States for chemical necessities during time of war. I am not a protectionist, and therefore it is difficult for me to assume the mental processes of protectionism; but if I were the rankest kind of a protectionist I am unable to see how I could defend the schedule which we are now discussing. The chemical industry is not an infant industry in the United States, although the war accelerated its growth very largely. We have had a chemical industry in the United States for the last 40 years.

Mr. LONGWORTH. Will the gentleman yield?

Mr. BARKLEY. Yes.

Mr. LONGWORTH. But we have not had a dyestuff industry, however.

Mr. BARKLEY. No; not a dyestuff industry; and the dyestuff industry is not essential to preparation for war. We have had a chemical industry in the United States for 40 years, and prior to the war that chemical industry did not demand the exorbitant rates of duty provided in this bill. It never before demanded an embargo. It never before asked the Republican Party to penalize every man, woman, and child in the United States in order that it might be given a monopolistic privilege.

What does this bill do? In the first place it penalizes every manufacturer in the United States who makes anything that requires coloring substances. Therefore, if an American manufacturer desires to manufacture any sort of fabric that requires coloring, he is required, under the operation and effect of this bill, to buy that coloring from the American monopoly. It can not be bought anywhere else, because, under the bill, no one is permitted to ship it in. Now, what does that do? It puts the manufacturers of all sorts of fabrics that require coloring at the mercy of the Chemical Trust which is built up and fostered under the legislation. Not only that, but this bill will permit the importation of certain fabrics made in foreign countries and colored with dyes that are admittedly superior to those that can be made in the United States. Those fabrics, manufactured abroad, colored with fast colors superior to those which we can make, will come in and compete with the very articles manufactured by the American manufacturer and colored with dyes that he has been forced to buy from a manufacturer who admittedly makes an inferior product; so that in a double sense the manufacturers of American fabrics are penalized by the provisions of this bill, and the American consumer is compelled either to use and wear the fabrics that are inferior, that have been colored with an inferior dye, or else he is compelled to buy the foreign article. Now, you appeal to men to vote for this schedule on the ground of patriotism. I ask you whether, from a patriotic standpoint, you ought to make it necessary for American manufacturers to go to an American monopoly to buy their coloring and then have the manufactured product compete with foreign goods brought in which are colored by a superior dye? If you are going to put an embargo upon the dyes manufactured abroad, you ought, in all logic, to put an embargo on everything that comes in from a foreign country dyed by foreign dyes, and I am sure you will not have the temerity to do that. But one is as logical and as sensible as the other. [Applause.]

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. GARNER. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. TAGUE].

Mr. TAGUE. Mr. Chairman, the argument advanced here as to the reason for the protection of these industries is on the ground that we spent an exorbitant amount of money and have wasted money on industries during the war. I believe that as all war measures are waste, and of necessity we wasted a great deal during the war, it is just the argument why this bill should not become a law. There is no reason under the sun why we should continue to pay war prices for dyestuffs any more than we should pay war prices for the building of ships or for the making of any other commodity that we were obliged to pay high prices for during the war. The contention they make on this bill is that you should continue to pay tribute to a monopoly that has grown up during the war. They

want you to continue it indefinitely even though the gentlemen behind it say they need it only for two or three more years before they would be independent of protection.

Mr. Chairman, another question advanced is that we are only using 10 per cent of the patents of the Chemical Foundation. I do not know whether we are or not; it makes no difference.

Mr. LONGWORTH. Will the gentleman yield?

Mr. TAGUE. Yes.

Mr. LONGWORTH. That was not my statement. My statement was that less than 10 per cent of all dyes now being produced are made under German patents.

Mr. TAGUE. I accept what the gentleman says, for I know he has made a study of it and he wants to be fair with the House and I am sure I do. If less than 10 per cent of the patents we have in this country, and I suppose that includes the patents controlled by the Chemical Foundation, are all that is being used, then all the more should we say to these gentlemen producing these articles that only comprise 10 per cent of the formulas and patents, why should we protect them when everyone knows that the other 90 per cent are coming in for the same protection? If we protect 10 per cent under the law we stand to protect the other 90 per cent.

Mr. LONGWORTH. The gentleman has not yet got my statement. The statement I made was that it is a fact that 90 per cent of the dyes now being made in this country are not made from any patents at all; they are unpatented and therefore not controlled by the Chemical Foundation. Even if it could use such control, it would apply to less than 10 per cent.

Mr. TAGUE. If that argument is so and you say that less than 10 per cent is all that is being used, we are going to be asked later, and we are being asked now, to protect every patent they control in the dye industry, because the gentlemen who now control most of these rights, who are the manufacturers of the dyes under these patents, control all the patents and will not allow the smaller dealers of the country to use any of them or to compete with them. The small dealer can not compete to-day in the chemical business, which is the business really behind this movement for control. A man does not dare to go into the chemical business to-day, because the Chemical Trust is so powerful that it will drive him out of business, and I know whereof I speak.

Mr. WYANT. Will the gentleman yield?

Mr. TAGUE. Yes.

Mr. WYANT. When the bill was first introduced I made some investigation of this matter, and I wish to give the gentleman from Massachusetts my results. In 1914 there were no dye interests in the country, only seven small concerns in three States.

Mr. TAGUE. Oh, I hope the gentleman will not read that letter; I read it a few moments ago.

Mr. WYANT. The gentleman did not read this statement.

Mr. TAGUE. It is practically the same.

Mr. WYANT. Is it not true that in 1920 there were 82 concerns in 18 States, the largest employing over 4,000 men? Is not that correct?

Mr. TAGUE. A few moments ago I read from a letter practically the same as the gentleman has in his hand, wherein it stated that in 1914 there were only 7 concerns and to-day there are 82, 47 of which are in New York, New Jersey, and Pennsylvania, with only 5 of them in the State of Pennsylvania, which State, I think, the gentleman will admit, produces more coal-oil products than any other State in the Union.

Mr. WYANT. Does the gentleman think it is a monopoly when there are 82 concerns engaged in the same business?

Mr. TAGUE. I contend that anything is a monopoly if it is protected by a tariff in such a way that the men who control the patents will control the business and dictate to the manufacturers what they must pay for their products.

Mr. FISH. Will the gentleman yield?

Mr. TAGUE. Yes.

Mr. FISH. It was stated on the floor of the House that 40 per cent of the production of dyes in this country is exported from this country. Can the gentleman explain why we should have an embargo on dyes?

Mr. TAGUE. The proof that they are exporting 40 per cent of their production shows what they can do, and this has been done without an embargo.

Mr. Chairman, from the beginning I have contended that the American chemist will never yield to any chemist in the world on the matter of production. His ability is too well known and can not be questioned, and when it is said that we can not compete with Germany or any other nation in the production of dyes it is an insult to his ability. The American chemists never did yield and never will yield even to the German chemists. When the war broke out the one thing that stood out against everything else was that the American people were not afraid to fight, did fight, and won the war, but they never could have won the war as early and as quickly and as readily as they did if it was not for the ability and the intellect and the Americanism of the chemists of the country, who gave up everything to their Government in order to produce the things needed. It took the Germans years to invent their poisonous gas, but it took the American chemists less than six months to produce a gas far superior and far more deadly, so much so that there is no comparison. There never has been and there never was a man who can question the ability of the American when he makes up his mind to do the right thing, no matter in what field it may be. This is not a political question, and I do not approach it from a political basis. I approach it with the one desire and intention only, to protect the interests of the American people against men who are not only aiming to but who have now the power in the palm of their right hand to dictate prices on dyes to the manufacturers of the country.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GARNER. Mr. Chairman, I yield two additional minutes to the gentleman from Massachusetts.

Mr. TAGUE. Mr. Chairman, I do not in any way desire to criticize the committee for the manner in which they brought in this amendment. I believe they have tried to do the best they could, but as I read this amendment with my limited knowledge of the chemical world—and it is very limited—I can see that it took a master mind to write this section and put into it the many things that are there. I find everything in the coal-tar products is protected except the air that meets the smoke that comes from the chimneys.

I want especially to call attention to this section.

On page 10, line 19, among the things in the list being subject to tariff we find picric acid, trinitrotoluene, and other explosives, excepting smokeless powders.

Why this exception? Who are the largest manufacturers of smokeless powder of the Nation? Who is the recognized big powder man of the Nation? Who is the man who dictates the price on powder? It is Du Pont, and you can not deny it. Du Pont and his associates are the men to be benefited by this amendment at the expense of all the people from every part of the country; yet they except the big monopoly they control in the manufacture of smokeless powder.

The CHAIRMAN. The time of the gentleman from Massachusetts has again expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Connecticut [Mr. TILSON].

Mr. TILSON. Mr. Chairman, there have been so many extraneous matters brought into this discussion that I fear the minds of many Members have become confused as to what is the real question involved here. It will, therefore, warrant my taking just a moment to review the history of the matter.

Prior to the war America had not built up an aniline dye industry, in fact, had made very few of these dyes, and these for the most part from intermediates imported from abroad. It was so in Great Britain and in other countries. Germany, on the other hand, had devoted much time, attention, labor, and money to the building up of a colossal chemical and dyestuff industry.

As long as the intercourse between nations was free, so that we could get all the dyestuffs that we needed across the water, there was no great demand for the manufacture of them here. In fact, the textile industries, somewhat shortsighted and selfishly, I think, opposed the placing of duties sufficient to encourage the development even of a small dye industry in this country.

Then came the war. We all know what happened then. These same textile men and others who had opposed a duty sufficient to foster an industry here had good cause to regret their opposition when they had to pay 100 per cent, 1,000 per cent, yes, in some cases more than 1,000 per cent increase, for many of the dyes they needed and many of them they could not procure at all. We all remember how we went, hat in hand, begging Great Britain for permission to have a few dyes brought over from Germany. Great Britain's own unfortunate situation, growing out of the same state of facts, we all recall.

When we saw the situation that was brought home to us in that way there soon began a chemical industry in this country along the line of aniline dyes. It grew rapidly during the war because of the whip and spur of the necessity of war, so that before the end of the war we had developed something in the line of a dye industry, but nothing like that which the Germans had built up through many, many years. We have not

become able within these few years to compete with the great German dye industry. Therefore if we are to maintain the industry in this country, we must do more than can be accomplished by the imposition of duties, because a duty will not suffice in many cases. It is so greatly to the interest of Germany to have the dye industry restored to that country that she will resort to any extreme in order to destroy the industry in this country. We are reduced to this alternative, and I believe it to be the only question at issue, Shall we keep the industry here or shall we lapse into the situation in which we found ourselves prior to the war?

Some of our great universities, Yale among others, realizing the very great importance of such an industry in peace and in war, have made broad, comprehensive, and far-reaching plans, involving the expenditure of great sums for research work along these lines, and are deeply concerned that the industry be not crushed out of existence in its infancy.

Much has been said of the probable establishment of a domestic monopoly. In my judgment, no such result is possible under the provisions of this bill; but even if it were possible to establish a domestic monopoly, I prefer to take my chance with an American monopoly rather than a foreign monopoly which would be in complete control of the situation in case our industry here should perish.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. FORDNEY. Mr. Chairman, I yield three minutes to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, one of the most historic announcements of economics was made by James A. Garfield on the floor of this House when he said that he was in favor of that sort of protection which would ultimately lead to free trade. That statement was very much criticized afterwards, but there was some basis for it. What he meant by that was that where an industry was not yet established, but which under proper protection could be developed, and then competition, which is a natural law, would ultimately bring the price down to to a point where it would be produced for the consumer even more cheaply than could be obtained through the production of a similar article from abroad, we could reach the stage of production where, if necessary, we could abandon all protection of that particular article. So that, after all, it was not a misleading statement. On the other hand, it is a fundamental principle of protection. We have instance after instance of such evidence where we have protected an article in order to insure its production, and where it has grown to such dimensions that it needs no further protection later on. That has been done in steel production of certain character. I think it could be said in a sense in the matter of tin plate. I think that could be said with reference ultimately to sugar. We have the facility, if properly fostered for a time, where we could supply our own needs. I am certain that it can be said with reference to the dyestuffs industry, if the opportunity be given to place it on its feet permanently. I stand on this proposition precisely where I stood when the question of licensing came up. I am now, as I have been, opposed to the license system. I do not want to start in on the basis that a man can not do any business unless he gets a license from the Government. That is a serious shackle on business and is un-American. But that is not in this bill. Were it in the bill I would not support it. What I want is the establishment permanently of an American dye industry. If it can be done by protection, I will support it. If it can best be done by embargo, I will support it. That is not stifling the business of America, but it is preventing its stifling by Germany. Under an absolute embargo since the war we have built up a great possibility here. Now, since the war embargo is lifted, unless this protection is provided the industry goes. This bill only seeks to give freedom to business in America. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. FORDNEY. I yield three minutes to the gentleman from Illinois [Mr. MANN]. [Applause.]

Mr. MANN. Mr. Chairman, what is the situation? Before the war we had no dye industry in the United States which amounted to anything. The great German chemical companies enjoyed a monopoly of the dye business in the United States, as they practically enjoyed a monopoly of that business throughout the world. As a result of the war, we have started up a dye industry. Can we afford to do anything which will kill it? We know that the German companies will attempt again their control of the dyes sold in the United States. We know that unless something is done they will be able to do that. Now, what is the proposition here? That we shall provide that when dyes are made here in sufficient quantities and sold at reasonable prices temporarily to forbid the Germans from undercutting our market and driving our manufacturers out of business. That is all there is to it. [Applause on the Republican side.] If we should raise the tariff so high that it would protect these dye industries under the peculiar situation with reference to dyes it would practically raise the price in the United States so high on dyes that it would result injuriously to the users of dyes, the consumers of dyes, but under this proposition dyes must be sold at reasonable prices in the United States, must be furnished in sufficient quantities to meet the demand. There is no opportunity to raise the price whatever of the dyes, and there is no opportunity for the Germans to cut under us in such a way and for such a time that they will destroy our industry. We on this side of the House can not afford to leave here and do nothing to preserve this industry, or it will damn us forever. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I believe I have five minutes. Mr. Chairman and gentlemen of the committee, I have always been against the licensing of an industry. I have been opposed to Government control. I believe that a free hand among the good people like we have in this country is the best plan. I would not vote for this if it were a licensing feature, but it is not. There is no restraint over the importation of dyestuffs provided for in this bill that can not be produced in the United States, but as to those that can be produced in the United States power is given to the Tariff Commission to regulate the price so that a monopoly can not charge more than what is just and equitable. Some gentleman spoke awhile ago about George Washington signing the very first tariff bill, on July 4, 1789, and Abraham Lincoln, and William McKinley carried no such provisions in any laws they ever voted for. That is true, brethren, but we did not have in this country at that time the dyestuff industry which has heretofore been controlled by Germany. Now we have the dye industry here, sprung up since the beginning of the late war——

Mr. COOPER of Wisconsin. Will the gentleman permit a question?

Mr. FORDNEY. Not just now. Before the war there was $100,000,000 worth of dyestuffs produced in the world, and we consumed 15 per cent of the total and sent each year practically $15,000,000 to some foreigner to make dyestuffs for our people which we now propose to give to our people at home. Before the war 75 per cent of the dyestuffs made in the world were made by Germany.

Mr. CHANDLER of New York. Will the gentleman yield?

Mr. FORDNEY. Not just now. The Alien Property Custodian, in the very first pages of this book, points out the importance, gentlemen, of controlling this industry in this country, and he shows that before the war when our chemical industries of this country were trying to build up and carry on that industry they were throttled by German dyestuff manufacturers. Let me read you very briefly what he says, and then I want to know, gentlemen, whether you do not believe that we ought to protect that industry here.

Mr. CHANDLER of New York. Will the gentleman yield?

Mr. FORDNEY. No; I can not just now. In speaking of the dyestuff industry, by an examination first made in the various chemical institutions of the world out of which dyestuffs are made, he says:

> When, however, in 1910 the first determined effort was made in this country to establish the manufacture of an important intermediate, when, that is to say, the Benzol Products Co. was organized by a group of men interested in the heavy chemical industry to manufacture aniline oil on a large scale, the German hand was immediately shown. The price of aniline oil at the time of the establishment of this company averaged 11½ cents.

And he goes on to tell that when we established the industry here the price went down to 9 cents a pound and to 4.7, until our chemical institutions closed their doors and then up went the price to 30 cents a pound, just where sugar went last year under foreign control. That is what will happen in the dyestuff industry if Congress neglects it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Will the gentleman from Texas yield me a minute?

Mr. GARNER. I yield the gentleman one minute.

Mr. FORDNEY. It is said here that we exported last year certain dyestuffs. Why? Because under the control of our Government Germany could not import, and God forbid that they be permitted to import to destroy our manufacturers and our American laborers. [Applause on the Republican side.] They will not do that with my vote, thank God.

Mr. WYANT. Is it not true that since the year 1872 every attempt made by Americans to break into the dye industry has been headed off by Germany?

Mr. FORDNEY. Yes. If I only had the time, but I will try it in a half minute. A certain concern in this country was prosperous, but the Germans cut prices on their products and they went to Germany and established a trade over there to the disadvantage of the Germans, and the Germans came over here and said, "Get out of Germany or we will have your scalp; we have $25,000,000 in the yellow dog fund to do it." [Applause.] But our people continued to sell in Germany. When the Germans could not cut prices without cutting off their own profits and the war in prices went on for three years the Germans came back and asked to compromise.

But we can not find a market in Germany for many of our products.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6573) to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

THE TARIFF.

The committee resumed its session.

Mr. BLACK. Mr. Chairman, when the dyestuff embargo bill, H. R. 8078, was before the Senate in September, 1919, Mr. Irene du Pont, president of the E. I. du Pont de Nemours & Co., Wilmington, Del., was before the committee, and I want to read from what he said, as set forth on page 166 of the Senate hearing:

In a preliminary hearing we had in Senator PENROSE's office he asked a number of us to come down here and give our ideas and asked us, "What do you want?" I say an embargo, with a permit to bring in these things we do not make for a 10-year period. I say we want, second, a tariff in addition to the embargo; the embargo may miscarry; put as high a duty as you can get behind the embargo wall. If the embargo works it don't make any difference what the duties are. But if the embargo leaks, put in the second wall, a high tariff behind; put as high a tariff as you can get.

Gentlemen, the Ways and Means Committee has put both walls in this bill. In the first place, the bill carries an ad valorem duty of 35 per cent and a specific duty of 7 cents a pound, which is the highest protection that has been afforded the dyestuff industry in the history of tariff legislation in the United States. And then in addition to this provision the committee has built the second wall, that Mr. du Pont asked for—the dyestuff embargo. In fact, the embargo provision is the one which the dyestuffs interests are more concerned in retaining than any other part of this bill.

The gentleman from Illinois [Mr. MANN], in one of those ingenious arguments which he is always so capable of making, says, "Gentlemen of the Republican side of the House, we must do this thing. If we trust alone to the ordinary method of putting a duty high enough to protect the industry, then such a plan might raise the cost of dyes to where it would be entirely too heavy a burden on the American people."

Mr. MADDEN. Will the gentleman yield?

Mr. BLACK. In just a moment I will.

Speaking of burden of cost to the American people let us see what the dyestuff combinations are charging for some of these dyes at the present time. I read from a statement of Mr. Joseph S. Rambo, president of Rambo & Regar (Inc.). Here is what he says:

There are at least three manufacturers of direct black which to-day brings from 80 cents to 90 cents a pound, and is about half the strength of the concentrated prewar product which sold at not more than 25 cents. Methyl violet, of which there are many manufacturers, to-day is selling for about $1.75, and is approximately the same grade as prewar goods at 32 cents a pound. Acid black is to-day selling for $1 to $1.10, and is slightly better than half the strength of the concentrated prewar imported product at 26 cents a pound. Then, again, indigo, one of the most important colors, is to-day about 60 cents against the prewar net price of from 15 to 16 cents a pound. When we consider that the domestic production of these colors in 1919, as given by the United States Tariff Commission, was as follows—

And then he goes on and gives the quantities and says:

Can it be argued that the industry needs an embargo?

But some gentlemen persist in arguing that this is an infant industry and therefore must have special treatment. Let me read you from a speech of Mr. George Deming before the National Association of Hosiery and Underwear Manufacturers. Here is what he says:

Infant industries! Shades of the Tin Plate Trust! Do you realize that one concern alone is among the biggest trusts in this country? As I figure it out the Allied Chemical Dye Corporation, which two years ago absorbed nine of the large and important independent plants in the country, many of these being in turn combinations of still others, now stands fourth in the list of highly capitalized industrial corporations.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARNER. Mr. Chairman, I yield two minutes more to the gentleman.

Mr. BLACK. He says further:

I put the Steel Trust first, the General Motors second, the American Telephone & Telegraph third, and the Allied Chemical & Dye Corporation, with its $100,000,000 of preferred stock and its 3,143,455 shares of common stock, no par value, although actively quoted and selling at about 45, as fourth.

Mr. MADDEN. Will the gentleman yield?

Mr. BLACK. Yes.

Mr. MADDEN. Would the gentleman prefer to have a monopoly in Germany from which Americans have to buy, or have a monopoly controlled in America from which Americans have to buy?

Mr. BLACK. I am not in favor of a monopoly in either country, and that is why I am so actively fighting the embargo provision in this bill.

I am not opposed to big business when it can attain its size and volume under honest competitive conditions and without legislative favoritism. I am opposed, however, to the Government of the United States playing wet nurse to the dyestuffs or any other special interest.

Mr. MADDEN. The gentleman must know, if we can not make the dyes here, the industry will be monopolized by Germany.

Mr. BLACK. I think I have shown that the dyestuff industry is now in a situation where it can take care of itself, because when one of its corporations is rated as the fourth industrial corporation in the United States it certainly ought to be able to stand alone.

The CHAIRMAN. The time of the gentleman has again expired. All time for debate has expired, and all time for amendment has expired.

Mr. BLACK. Mr. Chairman, under leave to extend my remarks, let me say, further, that there are very many Republicans, consistent advocates of protection, who are bitterly opposed to this dyestuffs embargo. I quote, as a sample of such opposition, from an editorial appearing recently in one of the prominent Republican newspapers. It says:

The situation appears to be about the rankest exposed for many a day. The American protective tariff principle is outraged by this great game of grab, which benefits no one but the producers and possibly a few employees, while the great majority of our people is paying heavy tribute to the gougers.

What I want some Republican to do is to take time in the House some of these days during debate and tell us when an infant industry censes to be an infant and is recognized as being able to stand alone. I would like particularly for him to explain how long it will be before such infants as the United States Steel Corporation, Union Carbide Co., Allied Chemical Co., E. I. du Pont de Nemours & Co. will be strong enough that they can be left to their own resources.

Some time ago a colored man by the name of Mose was engaged by a moving-picture director to take a minor part in the production of a film. The first thing Mose was asked to do was to get in bed with a lion. To this request he vehemently refused. "Pshaw," said the director, "that lion won't bite. He was raised on milk." "Yes, Cap'n," said Mose, "so was I raised on milk, but I eats meat now."

What I want some of these Republicans to tell us is when do these big corporations get beyond the milk-drinking stage and are strong enough to eat meat? There's a task for the aspiring Republican orator just fresh from the "dear peepul." It seems to me it should be a very inviting field for research, and I hope some of them will get busy on the job.

Mr. GARNER. Mr. Chairman, I do not know who is keeping the count, but according to my books I have five minutes remaining of debate, and I agreed to yield that to the gentleman from Wisconsin [Mr. FREAR], else I should have yielded to him when I yielded to Mr. BLACK.

The CHAIRMAN. The Clerk at the desk informs the Chair that the time has expired.

Mr. GARNER. I can not help about the Clerk.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that five minutes be given to the gentleman from Wisconsin [Mr. FREAR].

The CHAIRMAN. The gentleman asks unanimous consent that the gentleman from Wisconsin be recognized for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FREAR. Mr. Chairman, I take my time with considerable embarrassment, because it comes to me without objection from the House.

I wish, first, to declare that I am unalterably opposed to the amendment offered by the gentleman from New Jersey [Mr. PARKER]. It provides for a 25 per cent profit. I feel that that in itself is something that will never be carried out. That is hopeless, in the same way that it is absolutely hopeless to turn this matter over to the Tariff Commission to ascertain in three years what are to be the proper rates.

I want to speak more particularly of one thing, and that is the embargo. That has been quoted here several times. In this country it is proposed to have an embargo permitting private institutions that are now controlling the dye business to have all the control of it that they want. They can not have that control. In England they do control them at 8 per cent profit, and they control the salaries paid, and the Government puts its own money in it.

Here is a remarkable spectacle, gentlemen; an effort to bring politics into this question as never before. The leaders on my side—and I would naturally like to follow them, because they are able men—have brought one man after another down here to line up my esteemed friends on this side. They did that when the matter was previously before the House. You say, "Take it and protect this infant industry," which is the worst kind of a monopoly. I have evidence here; we have given you figures and figures. You have done nothing but wave the flag. I say to you, gentlemen, I want to follow you, but I insist on this—and mark my words, although I am not a prophet, and do not pretend to be—when you indorse this embargo, which is a price-fixing proposition, which you have always decried on the floor of the House; when you say to this commission, an insignificant Tariff Commission, "You shall supersede the powers that were given Congress"; when you take that position on the dye monopoly, as you are doing to-day, you establish a precedent that will come up to plague you. I have warned you in the past. I care not who it is or where you stand. It is a wrong proposition, and you are going to find, as certainly as the stars shine at night, that this price-fixing proposition will follow with the Steel Trust and every other trust. I do not object to it if you can get a proper body to carry it on.

We have endeavored to discuss this question as far as we could in a nonpartisan way. Gentlemen who have opposed it in the past say it is not licensed now, and so they get around on this side. I feel that an unfortunate effort has been made to draw the lines at this time for this bill. I hope, gentlemen, you will not be governed even by the distinguished gentlemen who have talked in favor of this proposition of turning over to the Tariff Commission the price-fixing proposition on the dyes.

I thank you, gentlemen. [Applause and cries of "Vote!"]

The CHAIRMAN. The time for debate has expired. The question is on agreeing to the motion of the gentleman from New Jersey to amend the paragraph.

Mr. PARKER of New Jersey. I ask a separate vote on the two provisos. I offered two provisos.

The CHAIRMAN. The gentleman from New Jersey asks that the two provisos in the pending amendment be voted on separately. Without objection, the first paragraph of the amendment will be reported.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Amend after clause C of paragraph 27, on page 14, line 13, by striking out the period and inserting a colon and the following:

"*Provided, however,* That the price of such product shall not be held to be reasonable, nor shall such product be placed in class A—

"(1) If more than a reasonable part of such price, not to exceed 5 per cent, is paid in royalties or otherwise to any holders of patents for the right to manufacture said articles.

"(2) If such right at such reasonable per cent and on reasonable and equal terms is not granted by holders of said patents to all responsible American manufacturers.

"(3) If more than a reasonable part of such price, not to exceed 25 per cent, is profit."

The CHAIRMAN. The question is on agreeing to the first part of the amendment offered by the gentleman from New Jersey [Mr. PARKER].

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. PARKER of New Jersey. Mr. Chairman, I ask for a division.

The CHAIRMAN. The gentleman from New Jersey asks for a division.

The committee divided; and there were—ayes 22, noes 99.

So the amendment was rejected.

The CHAIRMAN. The Clerk will now report the second part of the amendment offered by the gentleman from New Jersey.

The Clerk read as follows:

Provided further, That the district courts of the United States shall respectively have jurisdiction of any suit brought by the United States Tariff Commission or by the Attorney General or by any person interested in order to enforce any such order of the United States Tariff Commission, or to enjoin, set aside, annul, or suspend any such order, and the venue, practice, and proceedings in such suit and in any appeals therefrom and the right to appeal shall be the same and governed by the same rules as are now provided as to suits to enforce, enjoin, annul, and suspend an order of the Interstate Commerce Commission.

The CHAIRMAN. The question is on agreeing to the second portion of the amendment.

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from Wisconsin [Mr. FREAR] to strike out the paragraph.

The question was taken.

The CHAIRMAN. The Chair is in doubt. Those in favor of striking out the paragraph will rise and stand until they are counted.

The question was again taken; and on a division there were—ayes 97, noes 108.

Mr. FREAR. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Wisconsin asks for tellers.

Tellers were ordered, and the Chairman appointed Mr. LONGWORTH and Mr. FREAR to act as tellers.

The CHAIRMAN. Those in favor of the motion of the gentleman from Wisconsin, to strike out the paragraph, will pass between the tellers and be counted.

The committee again divided; and the tellers reported—ayes 106, noes 122.

So the motion was rejected.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the tariff bill (H. R. 7456) had come to no resolution thereon.

POLITICAL STATUS OF THE PHILIPPINES—CONFERENCE REPORT.

Mr. TOWNER. Mr. Speaker, I desire to call up the conference report on the bill (H. R. 5756) to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands, and I ask unanimous consent that the report and statement both be read, as they are short.

The SPEAKER. The gentleman calls up a conference report on a bill, the title of which the Clerk will report.

The Clerk read the title of the bill.

The SPEAKER. The Clerk will read the conference report.

The conference report was read.

The SPEAKER. Without objection the Clerk will read the statement.

There was no objection.

The Clerk read the statement.

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands, approved August 29, 1916," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

H. M. TOWNER,
JAS. P. GLYNN,
FINIS J. GARRETT,
Managers on the part of the House.

HARRY S. NEW,
P. C. KNOX,
KEY PITTMAN,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House, at the conference on the disagreement to the Senate amendments to the bill (H. R. 5756) entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,' approved August 29, 1916," submit the following state-

ment in explanation of the effect of the action agreed upon by the conference committee and submitted in the accompanying report, namely:

The only matters of disagreement between the Senate and the House were in relation to certain amendments adopted by the Senate, said amendments being as follows:

On amendment No. 1: That for the purpose set forth in section 6 of the act approved March 2, 1903, entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," the government of the Philippine Islands may issue temporary certificates of indebtedness under the conditions therein provided, in addition to the amount therein fixed, to a further amount not exceeding $10,000,000.

On amendment No. 2: The act of the Philippine Legislature providing for the issue of temporary certificates of indebtedness within the conditions of section 6 of the act of March 2, 1903, entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," shall apply to the issue of additional certificates authorized by this act.

These amendments are self-explanatory, and from its disagreement from such amendments the House recedes and agrees to the same. The adoption of these amendments will necessitate the amending of the title to the bill so as to read as follows: "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,' approved August 29, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903."

H. M. TOWNER,
JAMES P. GLYNN,
ELNIS J. GARRETT,
Managers on the part of the House.

Mr. TOWNER. Mr. Speaker, I move the adoption of the conference report.

The motion was agreed to.

On motion of Mr. TOWNER a motion to reconsider the vote by which the conference report was agreed to was laid on the table.

THE TARIFF.

Mr. FORDNEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill.

Mr. MANN. That is not necessary. I demand the regular order.

The SPEAKER. Under the terms of the rule the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will please take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill (H. R. 7456), with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The Clerk will read the bill.

The Clerk, proceeding with the reading of the bill, read as follows:

SCHEDULE 1.—CHEMICALS, OILS, AND PAINTS.

Paragraph 1. Acids and acid anhydrides: Acetic acid containing not more than 65 per cent of acetic acid, three-fourths of 1 cent per pound; containing 65 per cent or more, 2 cents per pound; acetic anhydride, 8 cents per pound; boric acid, 2 cents per pound; chloroacetic acid, 5 cents per pound; citric acid, 10 cents per pound; lactic acid containing by weight of lactic acid less than 30 per cent, 1½ cents per pound——

Mr. GARRETT of Tennessee. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. GARRETT of Tennessee. For the purpose of offering an amendment which is in order.

The CHAIRMAN. The reading of the paragraph has not been completed.

Mr. GARRETT of Tennessee. I understood the rule to provide that a Member could offer an amendment at any time—that is, as to proper matters—and I am going to offer an amendment which is in order.

Mr. MONDELL. Mr. Chairman, what is the gentleman's proposition?

Mr. GARNER. He proposes to offer an amendment under the rule.

The CHAIRMAN. The gentleman from Tennessee interrupts the reading of the paragraph and states that he rises to offer an amendment under the rule.

Mr. LONGWORTH. Mr. Chairman, a point of order. The gentleman can not interrupt the reading of a paragraph.

The CHAIRMAN. The Chair thinks that probably that point of order is not well taken, but that amendments are in order at any time to any part of the bill if they are otherwise in order.

Mr. WALSH. How do we know whether the amendment is in order under the rule? Nobody knows what the amendment is.

Mr. GARRETT of Tennessee. If it is not an amendment in order under the rule, of course the Chairman can then pass on the point of order.

Mr. SANDERS of Indiana. I should like to be heard on the point of order made by the gentleman from Ohio [Mr. LONGWORTH].

Mr. LONGWORTH. Did I understand that the Chair overruled my point of order and held that the reading of the paragraph might be interrupted at any time?

The CHAIRMAN. That the reading of the paragraph may be interrupted by the offering of a proper amendment under the rule.

Mr. SANDERS of Indiana. I understood the Chair intimated that was his opinion, but I do not think he overruled the point of order. If the Chair has not yet overruled the point of order I would like to make one more suggestion.

Mr. GARRETT of Tennessee. I submit that I should be permitted to offer my amendment, and then the Chair can determine whether it is in order or not.

Mr. SANDERS of Indiana. This question is preliminary to that.

Mr. TREADWAY. I desire to offer a preferential amendment under the rule and ask recognition.

Mr. GARRETT of Tennessee. What has become of the point of order on my amendment?

The CHAIRMAN. The gentleman from Indiana [Mr. SANDERS] was about to address the Chair on the point of order made by the gentleman from Ohio [Mr. LONGWORTH], and the Chair will hear the gentleman from Indiana.

Mr. SANDERS of Indiana. Mr. Chairman, the point of order that I have in mind is that the special rule that was adopted merely used the expression that the amendment was in order to any part of the bill at any time. Of course, the special rule that was adopted does not contravene the general rules of the House, except in so far as there is a difference between the provisions of the special rule and the general rules of the House, and this special rule should be construed with the general rules of the House, and unless the rule by inference excludes the operation of a certain general rule of the House, then the general rules of the House should govern and the reading of the paragraph should not be interrupted.

Mr. WALSH. Will the gentleman yield?

Mr. SANDERS of Indiana. Yes.

Mr. WALSH. Does the gentleman contend that the Ways and Means Committee would have to wait until the conclusion of the reading before they could offer a committee amendment under this special rule?

Mr. SANDERS of Indiana. I think so.

Mr. GARRETT of Tennessee. Will the gentleman from Indiana yield to me?

Mr. SANDERS of Indiana. Yes.

Mr. GARRETT of Tennessee. I call the attention of the gentleman from Indiana, and incidentally the attention of the Chair, although I am sure he is quite familiar with it, to the exact language of the rule:

Thereafter the bill shall be considered for amendment under the five-minute rule, but committee amendments to any part of the bill shall be in order any time as shall also amendments to paragraph 1582 (hides); that part of paragraph 26, beginning on page 11, line 21, after the word "pound" and ending with the period on page 12, line 21, and paragraph 27 (dyestuffs); paragraph 89 (oil); paragraph 1557 (cotton); and paragraph 207 (asphalt).

Now, I state that I propose to bring myself within the limits of the special rule, and I might state further that I shall not run counter to the program which I understand has been laid down, as far as order is concerned.

Mr. MANN. Will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. MANN. Suppose the amendment to the specific paragraph had not been finished. Is it in order to offer an amendment to another paragraph? The rule says "at any time."

Mr. GARRETT of Tennessee. I will answer that question at some other time, when that condition arises.

Mr. MANN. Suppose a gentleman has the floor discussing an amendment, can another Member take him off the floor by offering another amendment?

Mr. GARRETT of Tennessee. The gentleman must not put suppositious cases to me. I insist that I am in order.

Mr. MANN. I am trying to agree with the gentleman from Tennessee. [Laughter.]

Mr. LONGWORTH. Mr. Chairman, by direction of the Ways and Means Committee——

Mr. WALSH. Mr. Chairman, I think the point of order should be disposed of.

The CHAIRMAN. The point of order is pending and should be disposed of.

Mr. MANN. Mr. Chairman, I think the gentleman from Tennessee was in order when he stated that he rose to offer an amendment under the rule, and that that would interrupt the reading of the bill. But I do not think that that would give him recognition for the purpose of offering an amendment. The practice is well settled in this House that on the consideration of the bill, either in the House or in the Committee of the Whole, that ordinarily a member of the committee in charge of the bill is entitled to priority to recognition for the offering of an amendment.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. GARRETT of Tennessee. That is true, of course, and no one would hesitate longer than I——

Mr. MANN. I would not have stated it if it was not true.

Mr. GARRETT of Tennessee. And no one would have more hesitancy than I to impinge a member of the committee, but there was no member of the committee demanding the floor when I rose.

Mr. MANN. There was not; and I say I think the gentleman had the right to interrupt the reading of the bill, but that does not require the Chair to recognize him for offering his amendment if some one with a prior right of recognition asks the floor for that purpose. Here are five matters given privilege by any Member of the House. The committee has the privilege over the entire bill. It is perfectly manifest that five Members could not be recognized at once, each to offer an amendment to different paragraphs of the bill. The right of priority of recognition, when it comes to being recognized for the purpose of offering an amendment, belongs to the member of the committee demanding recognition, and under ordinary practice belongs to the member of the committee on the majority side, where you are perfecting the bill. The gentleman does not have the honor, as I do not, of being a member of this distinguished committee, although he is one of the leaders on that side; while I was a leader on this side, that was turned down by the ruling of ex-Speaker Clark holding that I could not come in until the members of the committee declined to come in.

Mr. GARRETT of Tennessee. May I say that the situation meets the gentleman's argument. I rose, and I thought I had received recognition, and stated that I would offer an amendment. No member of the committee rose, but the gentleman from Indiana made a point of order that I could not stop the reading of the bill.

Mr. MANN. No Member could offer an amendment with the point of order pending.

Mr. GARRETT of Tennessee. It was not until debate on that progressed that any member of the committee rose and asked for recognition.

Mr. MANN. The time has not come for asking recognition.

Mr. GARRETT of Tennessee. Some one did during the discussion of the point of order rise and ask for recognition; but it seems to me that I was clearly within my rights.

Mr. MANN. The gentleman is clearly within his rights, but that does not give him the floor. When the point of order is disposed of the Chair can recognize some one.

Mr. LONGWORTH. Mr. Chairman, at the end of the reading I was going to offer a committee amendment. I assumed that the time had not arrived when it could be properly offered, and so I did not interrupt the reading; but inasmuch as the Chair has ruled that you can interrupt the reading, I will offer the amendment.

The CHAIRMAN. The Chair will rule on the point of order. When the committee resumed its session after consideration of matters in the House a moment ago, the Chair directed the reading of the bill, and the Clerk proceeded to read a paragraph in the chemical schedule. In the midst of the reading of the paragraph the gentleman from Tennessee [Mr. GARRETT] rose. The Chair asked the gentleman for what purpose he rose, and he stated for the purpose of offering an amendment. At that point the gentleman from Indiana made a point of order that the gentleman from Tennessee could not interrupt the reading of the bill. The Chair thinks that the reading of the bill could be interrupted, but up to this time has not recognized the gentleman from Tennessee to offer an amendment.

Mr. GARRETT of Tennessee. Will the Chair indulge me for a moment? It was my purpose to move to strike out the oil provision.

Mr. LONGWORTH. Mr. Chairman, I ask for recognition.

Mr. WALSH. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WALSH. Does the Chair overrule the point of order?

The CHAIRMAN. The Chair holds that the gentleman from Tennessee [Mr. GARRETT] could interrupt the reading of the paragraph under the rule.

Mr. WALSH. Then does the Chair overrule the point of order?

The CHAIRMAN. The Chair overrules the point of order.

Mr. LONGWORTH. Mr. Chairman, I ask for recognition to offer an amendment by direction of the Committee on Ways and Means.

Mr. GARRETT of Tennessee rose.

The CHAIRMAN. For what purpose does the gentleman from Tennessee rise?

Mr. GARRETT of Tennessee. To offer an amendment privileged under the rule.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that the gentleman says that he is about to offer a committee amendment. I propose to offer an amendment that was given precedence over committee amendments by the provision of the rule itself.

Mr. TREADWAY. Mr. Chairman, I rise to offer a privileged amendment, and I ask for recognition as a member of the committee to offer this privileged amendment.

The CHAIRMAN. The gentleman from Massachusetts, a member of the committee, is recognized to offer a privileged amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: Strike out lines 9 and 10, on page 35, and insert on page 200, line 10, after the word "petroleum" the words "crude, fuel or."

Mr. TREADWAY. Mr. Chairman, the amendment which I have offered under the rule is in order to take the item of crude and fuel oil off the protective list where it is reported by the committee and place these products on the free list. This question has been extensively debated during general debate and the conditions which to-day exist and which face the House at this time are well known to the Members of the House. I speak as one of those interested in the protection of industries in this country. For some time, particularly in the New England section, there has been a great difficulty in procuring coal. Transportation problems have faced us and we have not been able to reach the supplies of the mines and deliver the coal to the industries wanting it. As a result throughout New England many industries have turned from coal to oil as a fuel for power. It has been shown that by placing a duty on oil equivalent to 1 cent per gallon you will add to the expense of manufacturing in Massachusetts alone the enormous sum of $5,000,000.

Mr. PADGETT. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I regret that I can not yield.

Mr. PADGETT. I was merely going to ask if the foreigner would not pay that.

Mr. TREADWAY. I am not speaking in behalf of the industries using that oil, but in behalf of the ultimate consumer. Are you disposed to add that enormous sum to the cost of production in industry?

Mr. CHANDLER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. I regret that I can not yield. Are you willing to add that enormous sum to the cost of production of the various manufactured articles going out from that State alone throughout the United States?

That is the question that we are facing. Either we must add this amount to the cost of production or return to coal, consuming 2,750,000 tons. This is a matter purely of conservation of our natural resources added to the cost of production. There can be no better argument it seems to me for the return of this great product to the free list than these figures, which illustrate solely the situation in the manufacturing industries of one State alone. When you add to that the enormous quantity of oil consumed in such great centers as New York and Philadelphia and our other large cities, as well for heat and light as for power, the amount ultimately charged to the consuming public for this one item of putting a raw product onto the protective list runs into untold millions of dollars. As an offset to that you are endeavoring to aid a certain particular section of our country where prices of oil are very low at the present time.

There is no chance of raising those prices so far as the producers of oil are concerned in the narrow territory where oil is a natural product by adding this small tariff. You can not do that, but you can very seriously injure the industries of the country. That is the question involved in this present discussion. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent that the gentleman's time may be extended for five minutes.

The CHAIRMAN. Is there objection?

Mr. GARNER. I object.

Mr. CARTER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma will send his amendment to the Clerk's desk.

Mr. CARTER. Mr. Chairman, I move to strike out the word "twenty-five" where it occurs in the paragraph and insert in lieu thereof "twenty," and where the word "thirty-five" occurs in the paragraph to strike it out and insert "twenty-five."

Mr. MANN. That is a preferential amendment.

Mr. CARTER. Yes. It is a perfecting amendment.

The CHAIRMAN. The gentleman will kindly restate his amendment.

Mr. CARTER. On page 35, line 9, strike out the amount "35 cents"——

Mr. LONGWORTH. Mr. Chairman, as this amendment is of great importance, I ask that the amendment be reduced to writing, in accordance with the rule, and sent to the Clerk's desk.

Mr. MANN. I suggest to the gentleman that as these amendments will be voted on in the committee and may be reported to the House, they ought to be in writing.

Mr. CARTER. I agree to that, Mr. Chairman, but this thing came up rather unexpectedly and this stage of the proceedings was reached before I had time to put the amendment in written form.

Mr. MANN. The gentleman can offer his amendment later.

Mr. CARTER. I would like to have it offered now and considered at this time.

The CHAIRMAN. The gentleman will reduce his amendment to writing and send it to the Clerk's desk.

Mr. BLANTON. Mr. Chairman, while the gentleman is doing that, I ask for recognition in opposition to the amendment offered by the gentleman from Massachusetts.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Chairman, there are at this time a number of little independent oil companies which, at great expense, have been developing oil in Texas and Oklahoma. In Mexico, just across the Rio Grande, there are a number of valuable oil fields owned by the Standard Oil Co. and its subsidiary corporations. Practically all of the oil properties in Mexico are held by such interests of the Standard Oil Co. The oil down there in Mexico is largely developed by using cheap Mexican peon labor for about one-fifth of what it costs to develop oil in Texas. With no duty on this cheap Mexican oil, the Standard Oil Co. has cut the price of crude petroleum down so low that it has practically ruined already all of the small independent oil companies, though it has still held up its price on gasoline. If it can continue to bring cheap Mexican oil across the Rio Grande free of duty it will accomplish its purpose of running out of business all competition, and then New England, and everybody else, had better watch out.

To show you that it is the people even of Democratic Texas who want this duty on oil prescribed in this bill, let me quote just a few of the telegrams which this day I have received from just one city in my district:

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Member of Congress, Washington, D. C.:

Situation here deplorable; your support on oil tariff solicited.

H. W. SAYLE, *Mayor.*

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Your constituents earnestly request your support on oil tariff.

STAR DRUG STORE.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

THOMAS L. BLANTON,
Washington, D. C.:

Local conditions serious account low price oil and something must be done to save independents. Believe oil tariff will relieve situation. Your unstinted support earnestly urged by entire constituency.

JOHN T. RISIEN,
Publisher Daily Democrat.

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Situation deplorable. Tariff on Mexican oil only relief. Help us.

F. E. CARROW.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Your support needed on the oil tariff. Help us out.

BARROW FURNITURE CO.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Greatest aid you could give your constituents would be tariff on imported oil.

G. C. BACHMAN,
President Breckenridge State Bank.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Business situation deplorable account oil situation. Your support on tariff solicited.

THOMPSON HARDWARE CO.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Your support of oil tariff urged.

AMERICAN THEATER CO.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Urge immediate and positive action in form oil tariff so essential to this section. Your influence and vote important.

LARRY SMITH,
Managing Editor Daily Democrat.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Your constituents request your support on oil tariff. Community suffering.

CITY DRUG STORE.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Why should foreign oil not pay the same or more taxes than our domestic oil?

R. E. MCKAY,
President McKay Production Co.

—

BRECKENRIDGE, TEX., *July 15, 1921.*

Hon. THOMAS L. BLANTON,
Washington, D. C.:

Your support of oil tariff will be appreciated by your friends and constituents.

J. I. CHRISTY.

Of course, the consumers want oil and gasoline as cheap as they can get it; and if by taking this duty prescribed in this bill off of crude petroleum we could be guaranteed that the people would get the benefit of the cheap oil now coming from Mexico I would unhesitatingly vote to take it off. But suppose the people understood that by taking this proposed duty off of Mexican oil they would thereby enable the Standard Oil Trust to squeeze all of the little independent companies out of business, and that after cutting off all competition this monster monopoly would then again raise oil and gasoline even higher than it was during the war and rob without pity or conscience, then what would the people say?

The Standard Oil Trust is now trying to camouflage the situation, and through its mouthpieces is trying to make it appear that it wants this duty; when, as a matter of fact, it fought and kept out of this bill until the last moment before it was reported any duty on oil. We must not let it put to sleep all competition.

Mr. LEHLBACH. Will the gentleman yield for a question?

Mr. BLANTON. In just a minute. I regret that I have not the time now to yield to the gentleman from New Jersey, but if I get through in time I will yield. Mr. Chairman, gasoline ought to be selling here in Washington right now for not over 12 cents. When crude oil went down to its present prices in 1912 and 1913 gasoline then sold in Texas for 10 cents a gallon. Since then some of the largest oil fields in existence have been discovered in Texas, Oklahoma, and California.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. BLANTON. They can buy gasoline to-day in Texas——

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. In some places for 15 cents a gallon, and you are still paying 24 cents a gallon for gasoline here in Washington.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARTER. Mr. Chairman, I send to the Clerk's desk my amendment, which has been reduced to writing.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment by Mr. CARTER: Page 35, line 9, after the word "crude," strike out "35" and insert "25." Line 10, strike out "25" and insert "20."

Mr. CARTER. Mr. Chairman, I have offered this amendment reducing the tariff on oil to 20 and 25 for the reason it has been claimed by some that the tariff of 25 and 35 is prohibitive. The only oil that comes into this country of any consequence is Mexican oil. Independent producers claim that the amount carried in the bill now is not prohibitive, and they have placed on my desk an abundance of figures showing that the difference in cost of production between Mexican and American oil is from 50 to 75 cents. If that be true then the item as carried in the bill would not be prohibitive, but in order to avoid any possibility of such a mistake I think it would be better to reduce this tariff to a point where we know that it is not prohibitive, even though in a lesser degree competitive, and I believe my amendment will accomplish that purpose.

There are those who believe in placing a tariff wall so high around our borders that no foreign products can be imported, while there are others who believe the customhouses should be destroyed, and no revenue whatever collected on imported goods. I think you all know I have no sympathy whatever with the high protective school of thought, and while an absolute freedom of exchange in products between countries might be an ideal condition, I realize that under present conditions some of our revenue must be taken in through the portals of the customhouse. Let me say to you gentlemen on the majority side, if you were not enacting this tariff bill with all these high protective schedules, the oil producers of this country would not be here asking for any tariff on oil. But according to your own contention if this tariff bill does anything at all, it raises the price of those things upon which the tariff is imposed. If that be true then the products left off the dutiable list are unjustly discriminated against, because they are naturally made cheaper by the increase of price on other things.

I want to be perfectly candid and frank with the committee. I want you to understand that I am going to vote against this tariff bill no matter what the fate of my amendment may be, but the mere fact that I am going to vote against the bill does not preclude me as a Member of this House from doing everything within my power to try to perfect the bill according to my own ideas as to what will be best for the country.

The amendment proposed by my friend from Massachusetts [Mr. TREADWAY] placing oil on the free list is a rather strange proceeding, coming as it does from that rock-ribbed protection section known as New England—New England, a portion of the country which ever since the writing of the first tariff bill has had the privilege of more protection than any other section of these United States—a country which, if the argument of the statesmen from that neck of the woods can be believed, must rely upon protection in order to keep their industries going and their heads above water. And yet when a committee of your own political faith brings in a tariff on a product of some other part of the country, thereby dealing out some scant justice even in a protective tariff bill, it is passing strange that the first protest that we hear comes from that stronghold and beneficiary of protection, rock-ribbed, Republican, protective New England. Now, my New England friends, if protection does really mean as much as you say it does for your section of the country, I want to warn you that you take a dangerous step for your section of the country when you undertake to discriminate in this manner by having your own products placed on the protective list and leaving other products on the free list, thereby creating an unfair discrimination against the balance of the country. [Applause.]

I want to be fair with you Republicans. I am not a protectionist. I am a believer in that time-honored Democratic principle of tariff for revenue only. Foreign oil is being imported into the United States now at the rate of about 160,000,000 barrels per annum. Under the rate proposed by my amendment this would yield a revenue of more than $40,000,000 per annum. The good Lord knows that we are badly enough in need of this revenue in these days when we are so hard pressed with expenditures and the rate of taxation is so burdensome and bothersome. The organization of this House, the Ways and Means Committee of the House, and every other part of the machinery charged with responsibility not only of this House but for the last three or four years have been racking their brains and wrecking their lives trying to find some tax source that would relieve some of the heavy burdens now piled upon the people. You have an opportunity now to place a tax which would relieve the people of some $40,000,000 of this burden, but when that opportunity is presented the gentleman from the highly protected section of New England arises and offers an amendment prohibiting the collection of any such revenue at the customhouse.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. WATSON rose.

Mr. GARRETT of Tennessee. Mr. Chairman, I make the point of order that debate on this amendment is exhausted.

Mr. BARBOUR. Mr. Chairman, I move to strike out a sufficient number of words in order to get the floor.

The CHAIRMAN. The gentleman from California moves to strike out the last word.

Mr. MANN. Mr. Chairman, may I make an inquiry? This is Saturday night. How long are we going to run? May I ask somebody on that side of the House?

Mr. BLANTON. To about 11 o'clock.

Mr. MANN. I noticed the gentleman the other night, in the ordinary week day, wanted to quit before 11 o'clock. Can we have some understanding?

Mr. GARRETT of Tennessee. It is only 5 minutes after 4, and we are working under a time limit now. We have to vote on this bill next Thursday at 3 o'clock.

Mr. MANN. We are always working under a time limit. I can stay here as long as anybody. When in the minority and the majority wanted to adjourn earlier on Saturday, I never objected. Some of us want to be heard on this subject, and that is the reason I made the inquiry.

Mr. MONDELL. Will the gentleman from Illinois yield?

Mr. GARRETT of Tennessee. I appreciate the compliment of the gentleman in inquiring of this side how long we shall run. We will run, I will say, until 6 o'clock at least. [Laughter.]

Mr. MANN. I am very sure if we do the gentleman from Tennessee will not be here at that time.

Mr. MONDELL. Will the gentleman from Illinois yield to me?

Mr. MANN. If I have anything to yield, I will. [Laughter.]

Mr. BANKHEAD. I demand the regular order, Mr. Chairman.

The CHAIRMAN. The regular order is the gentleman from California [Mr. BARBOUR], who moves to strike out the last word.

Mr. STEVENSON. Will the gentleman from California yield?

Mr. BARBOUR. I will.

Mr. STEVENSON. I see that the gentleman has quite a number of communications there.

Mr. BARBOUR. I yielded for a question.

Mr. STEVENSON. I was going to ask, or I wanted to know, if the gentleman has a letter that is supposed to have been issued by the President upon the subject of which I saw something in the newspapers?

Mr. BARBOUR. The President has not taken me into his confidence on this subject.

Mr. STEVENSON. The gentleman has not that letter?

Mr. BARBOUR. No.

Mr. STEVENSON. Can the gentleman tell me whether we are liable to get any sight of that letter during this controversy?

Mr. BARBOUR. Gentlemen of the committee, I want to express my opposition to the proposed tariff on oil. I do this with a full realization of the fact that I may be charged with inconsistency as a protectionist. I represent one of the largest, if not the largest, producing oil districts in the United States. California and Texas for the past few years have been running a neck and neck race in the production of oil. First one State has been slightly in the lead and then the other. The congressional district in the State of California which I represent, according to the last returns that I have had, produces in the neighborhood of 70 per cent of the oil production of that great petroleum-bearing State. In my opposition to this proposed tariff on oil I believe that I express the sentiments of the great majority of the oil men of my district.

I wish to call the attention of the committee to the following telegram that I have received from Mr. L. P. St. Clair, president of the Independent Oil Producers' Agency of California:

LOS ANGELES, CALIF., *July 5, 1921.*

Hon. HENRY E. BARBOUR,
Congressman, Washington, D. C.:

The Independent Oil Producers' Agency, representing over 150 independent oil producers in the State of California, strongly protest against the proposed imposition of an import tax on petroleum coming into the United States. We do not believe that the oil industry of the United States needs any such protection. We recognise that, except

for the import of petroleum from Mexico, many oil consumers in the United States would be forced back to coal in face of an impending coal famine. While we recognize a temporary apparent overproduction in the United States, it is not so much overproduction as temporary underconsumption, and we do not believe that this temporary situation merits anything so drastic as an import tax that would absolutely ruin and kill American oil enterprises in Mexico. The Government has been encouraging in every way possible the American oil men to develop resources abroad so that America might have a fair representation in the oil business of the world, and we believe that an import duty such as is proposed would absolutely ruin these possibilities.

INDEPENDENT OIL PRODUCERS' AGENCY.
L. P. ST. CLAIR, *President.*

I also submit a telegram from Mr. H. H. Welsh, a director of the Independent Oil Producers' Agency, and, in my opinion, one of the best-informed oil men in the United States:

FRESNO, CALIF., *July 14, 1921.*

H. E. BARBOUR,
House of Representatives, Washington, D. C.:

Tariff on Mexican oil no benefit to California operators. Mexican oil competes with California oil at Isthmus and west coast South America. Only very little Mexican oil is brought to California, and only on return trips. This competition and importation does not warrant tariff. United States needs Mexican oil and its flow should not be prevented by tariff. I advise you oppose.

H. H. WELSH.

Mr. St. Clair and Mr. Welsh represent the independent producers and are not connected with the so-called big companies.

The following telegram was received from a producing oil company in California:

LOS ANGELES, CALIF., *July 5, 1921.*

Hon. HENRY E. BARBOUR, M. C.,
Washington, D. C.:

We wish to protest against the proposed tariff on petroleum in the interest of our petroleum industry at home and abroad. The proposed tariff is ridiculous, in view of the American petroleum industry's protest against foreign Government restrictions and our own contentions that we have given freely of our petroleum resources and that the development of petroleum should be free to the people of the world in order to secure sufficient for our own increasing demands of the future. It is generally believed by those well informed that America's requirements of petroleum will far exceed our domestic production in the near future. This company is interested wholly in American production, and has no foreign interests.

CALIFORNIA PETROLEUM CORPORATION.

Telegrams of similar import have been received from the following California oil companies, none of which have foreign interests and are interested only in American production: Niles Lease Co., American Petroleum Co., American Oil Fields Co., Coalinga Star Oil Co., Salvia Oil Co., Red Star Petroleum Co., California Star Oil Co., Maricopa Star Oil Co., Petroleum Midway Co. (Ltd.), Midland Oil Fields Co. (Ltd.). I have received many other requests from California oil men to oppose this tariff and only four to support it. These requests in opposition do not come from the Standard Oil Co.; they do not come from the big refining and retailing companies; but they do come from the independent producers of our fields. They take the position that a tariff on oil would in the long run be a serious mistake, and would result in injury to the industry rather than benefit.

We know that the known resources of oil in the world are limited. Therefore a tariff on oil must be classified differently from any other item in this bill.

We can put a tariff on farm products or on cattle or hides, and those farm products and cattle and hides, or an equal amount, are reproduced the next year. But it is a known fact that when you take the barrel of oil out of the earth there is just one less barrel of oil remaining than there was before. No one knows how long it will take to produce another barrel of oil, if it will ever be produced. We are not certain as to the origin of petroleum. Experts differ as to whether it is an animal or a vegetable product. But it is known to be a product that takes undetermined years to form in the depths of the earth.

Now, the California oil producers take this position——

Mr. CHANDLER of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. BARBOUR. Not now. My time is limited. If I had time I would gladly yield to the gentleman from Oklahoma.

The CHAIRMAN. The gentleman from California declines to yield.

Mr. BARBOUR. Our oil producers take the position that the condition that exists in the oil industry at this time is only temporary; that it is no different from the depressing conditions existing in every other industry; and that if the oil industry is let alone it will get back to normal as soon as other industries get back to normal. The oil industry is a barometer by which the prosperity of other industries is reflected. Oil is used as fuel in manufacturing. It is used as fuel in transportation. When manufacturing is slack or when industries are closed there is naturally not the same demand for oil as when other activities are flourishing. If you place this proposed tariff on oil, it will keep out foreign oil. We fear that the result will be that persons and institutions now burning oil for fuel will change their fuel systems to coal.

Then, when the time comes that oil will be back again on a normal basis, many who are now using oil as fuel will then be using coal, with the result that the oil industry will lose a considerable part of its outlet.

I do not believe as a general proposition that a tariff should increase the price of the article on which it is placed, but when the supply of that article is limited, as the supply of oil is limited, and you place a tariff upon it, then the tendency is to further limit the supply. And when you so limit the supply the only result that can be expected is an unwarranted increase in the price to the consumer. [Applause.]

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. WATSON. Mr. Chairman, I rise in opposition to the amendment.

I am in favor of a duty on oil as it is written in the bill in order to preserve our small oil wells. If a duty were placed upon petroleum and Mexican oil continues to come into this country as it has, then all our small wells must be abandoned. This means a less production of about 5,000,000 barrels a year; a small producing well can not be again operated.

Now, my colleague from Massachusetts [Mr. TREADWAY] stated that if there is a duty on oil it will cost the industries of that State several millions of dollars. But if Mexico continues to send oil into the United States and close our small wells it will cost the industries of Massachusetts far more than an extra cent a gallon. [Applause.]

Let me state that in Pennsylvania, which is probably the largest producing oil State in America, there are about 67,000 wells, producing an average of only three-tenths of a barrel a day. The total wells in the United States are 358,600, averaging about four barrels per day.

I have a letter from the Geological Survey which states it cost to produce oil in 1920 $3.67 a barrel at the well—more than oil is selling for in the present market.

You will remember that in Mexico it does not require expensive machinery to force oil to the surface. Am I right? If that is true, of course the production of oil in Mexico means a great deal less than in the United States, and if we do not consider it wise to place a tariff on oil we are then making financial nabobs of foreigners instead of financial nabobs of Americans; and if we are to have financial nabobs, I say let them be created in America for Americans and not in Mexico for Mexicans. [Applause.] Some gentlemen in this House believe that most of our revenue should be collected at the port of entry and not at the counting houses of our industries. I am in favor of both when for the interest of the Republic. I hope that the House on Tuesday will vote a duty on petroleum in order to preserve our small producing wells and a great American industry. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto do now close.

Mr. FORDNEY. I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the tariff bill, H. R. 7456, had come to no resolution thereon.

ENROLLED BILLS SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill and joint resolution of the following titles, when the Speaker signed the same:

H. R. 6573. An act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes.

H. J. Res. 31. Joint resolution authorizing and directing the accounting officers of the Treasury to allow credit to the disbursing clerk of the Bureau of War Risk Insurance in certain cases.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted—

To Mr. HAMMER, for three days, on account of important business.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The SPEAKER. The gentleman from Michigan moves that the House do now adjourn.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. GARRETT of Tennessee. I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 184, nays 89, answered "present" 1, not voting 155, as follows:

YEAS—184.

Ackerman	Elliott	Kopp	Reece
Andrews	Ellis	Kraus	Reed, N. Y.
Ansorge	Evans	Lawrence	Reed, W. Va.
Appleby	Fairchild	Leatherwood	Ricketts
Arentz	Fairfield	Lehlbach	Roach
Atkeson	Fess	Lineberger	Robertson
Bacharach	Fish	Little	Robsion
Barbour	Fitzgerald	Longworth	Rogers
Beck	Focht	Luce	Rose
Beedy	Fordney	McArthur	Sanders, Ind.
Begg	Foster	McFadden	Sanders, N. Y.
Benham	Free	McKenzie	Scott, Tenn.
Bird	Freeman	McLaughlin, Mich.	Shaw
Bixler	French	McPherson	Shelton
Boies	Frothingham	MacGregor	Sinclair
Brooks, Ill.	Fuller	Madden	Sinnott
Brooks, Pa.	Funk	Mann	Smith
Brown, Tenn.	Gensman	Mapes	Snyder
Browne, Wis.	Gernerd	Merritt	Speaks
Burroughs	Glynn	Michener	Stafford
Burtness	Goodykoontz	Miller	Steenerson
Burton	Gorman	Millspaugh	Stephens
Cable	Graham, Ill.	Mondell	Strong, Kans.
Campbell, Kans.	Green, Iowa	Montoya	Strong, Pa.
Campbell, Pa.	Greene, Mass.	Moore, Ill.	Summers, Wash.
Cannon	Greene, Vt.	Moore, Ohio	Taylor, N. J.
Chandler, N. Y.	Griest	Moores, Ind.	Temple
Chandler, Okla.	Hadley	Morgan	Tilson
Chindblom	Hardy, Colo.	Mott	Timberlake
Christopherson	Haugen	Mudd	Tincher
Clarke, N. Y.	Hawley	Murphy	Treadway
Cole	Herrick	Newton, Minn.	Underhill
Connell	Hickey	Newton, Mo.	Vestal
Connolly, Pa.	Himes	Nolan	Walsh
Cooper, Ohio	Hoch	Norton	Walters
Cooper, Wis.	Hogan	Ogden	Wason
Copley	Houghton	Olpp	Watson
Coughlin	Hukriede	Osborne	Webster
Crowther	Hull	Paige	Wheeler
Curry	Ireland	Parker, N. J.	White, Kans.
Dale	Ketcham	Parker, N. Y.	Winslow
Dallinger	Kinkaid	Patterson, Mo.	Wurzbach
Darrow	Kissel	Pringey	Wyant
Dickinson	Kline, N. Y.	Purnell	Yates
Dowell	Kline, Pa.	Radcliffe	Young
Dunbar	Knutson	Reber	Zihlman

NAYS—89.

Almon	Driver	Larsen, Ga.	Sanders, Tex.
Bankhead	Dupré	Lazaro	Sandlin
Barkley	Favrot	Lea, Calif.	Sears
Black	Fields	Logan	Sisson
Bland, Va.	Fisher	London	Smithwick
Blanton	Fulmer	Lowrey	Stedman
Bowling	Garner	McCormick	Stevenson
Box	Garrett, Tenn.	McDuffie	Stoll
Briggs	Gilbert	McSwain	Swank
Brinson	Hammer	Mansfield	Tague
Buchanan	Hardy, Tex.	Martin	Ten Eyck
Bulwinkle	Hawes	O'Connor	Tillman
Byrnes, S. C.	Hayden	Oldfield	Tyson
Byrns, Tenn.	Huddleston	Overstreet	Upshaw
Carter	Humphreys	Padgett	Vinson
Cockran	Jacoway	Parks, Ark.	Ward, N. C.
Collier	James, Mich.	Parrish	Weaver
Collins	Johnson, Ky.	Quin	Wilson
Connally, Tex.	Johnson, Miss.	Rainey, Ill.	Woodruff
Davis, Tenn.	Jones, Tex.	Raker	Wright
Deal	Kincheloe	Ramseyer	
Doughton	Lanham	Rankin	
Drewry	Lankford	Rayburn	

ANSWERED "PRESENT"—1.

Crisp

NOT VOTING—155.

Anderson	Cramton	Harrison	King
Anthony	Cullen	Hays	Kirkpatrick
Aswell	Davis, Minn.	Hersey	Kitchin
Bell	Dempsey	Hicks	Kleczka
Blakeney	Denison	Hill	Knight
Bland, Ind.	Dominick	Hudspeth	Kreider
Bond	Drane	Husted	Kunz
Bowers	Dunn	Hutchinson	Lampert
Brand	Dyer	James, Va.	Langley
Brennan	Echols	Jefferis, Nebr.	Larson, Minn.
Britten	Edmonds	Jeffers, Ala.	Layton
Burdick	Elston	Johnson, S. Dak.	Lee, Ga.
Burke	Faust	Johnson, Wash.	Lee, N. Y.
Butler	Fenn	Jones, Pa.	Linthicum
Cantrill	Flood	Kahn	Luhring
Carew	Frear	Kearns	Lyon
Chalmers	Gahn	Keller	McClintic
Clague	Gallivan	Kelley, Mich.	McLaughlin, Nebr.
Clark, Fla.	Garrett, Tex.	Kelly, Pa.	McLaughlin, Pa.
Classon	Goldsborough	Kendall	Magee
Clouse	Gould	Kennedy	Maloney
Codd	Graham, Pa.	Kiess	Mead
Colton	Griffin	Kindred	Michaelson
Mills	Rainey, Ala.	Siegel	Towner
Montague	Ransley	Slemp	Vaile
Moore, Va.	Reavis	Snell	Vare
Morin	Rhodes	Sproul	Voigt
Nelson, A. P.	Riddick	Steagall	Volk
Nelson, J. M.	Riordan	Stiness	Volstead
O'Brien	Rodenberg	Sullivan	Ward, N. Y.
Oliver	Rosenbloom	Sumners, Tex.	White, Me.
Park, Ga.	Rossdale	Sweet	Williams
Patterson, N. J.	Rouse	Swing	Williamson
Perkins	Rucker	Taylor, Ark.	Wingo
Perlman	Ryan	Taylor, Colo.	Wise
Peters	Sabath	Taylor, Tenn.	Wood, Ind.
Petersen	Schall	Thomas	Woods, Va.
Porter	Scott, Mich.	Thompson	Woodyard
Pou	Shreve	Tinkham	

So the motion to adjourn was agreed to.

The following pairs were announced:

On this vote:

Mr. BUTLER (for) with Mr. JAMES of Virginia (against).

Mr. KING (for) with Mr. SUMNERS of Texas (against).

Mr. BLAND of Indiana (for) with Mr. OLIVER (against).

Mr. DYER (for) with Mr. MOORE of Virginia (against).

Mr. GRAHAM of Pennsylvania (for) with Mr. CAREW (against).

Mr. HAYS (for) with Mr. SULLIVAN (against).

Mr. KAHN (for) with Mr. TAYLOR of Arkansas (against).

Mr. HUTCHINSON (for) with Mr. POU (against).

Mr. MORIN (for) with Mr. DOMINICK (against).

Mr. PATTERSON of New Jersey (for) with Mr. GRIFFIN (against).

Mr. KENDALL (for) with Mr. LEE of Georgia (against).

Mr. LAMPERT (for) with Mr. PARK of Georgia (against).

Mr. KIESS (for) with Mr. LINTHICUM (against).

Mr. PERKINS (for) with Mr. RIORDAN (against).

Mr. WILLIAMS (for) with Mr. THOMAS (against).

Mr. WHITE of Maine (for) with Mr. KUNZ (against).

Mr. KELLER (for) with Mr. JEFFERS of Alabama (against).

Mr. KREIDER (for) with Mr. GOLDSBOROUGH (against).

Mr. RODENBERG (for) with Mr. HARRISON (against).

Mr. KIRKPATRICK (for) with Mr. LYON (against).

Mr. GAHN (for) with Mr. TAYLOR of Colorado (against).

Mr. JOHNSON of South Dakota (for) with Mr. KITCHIN (against).

Mr. BRENNAN (for) with Mr. KINDRED (against).

Mr. BOWERS (for) with Mr. CRISP (against).

Mr. STINESS (for) with Mr. HUDSPETH (against).

Mr. KENNEDY (for) with Mr. RUCKER (against).

Mr. HICKS (for) with Mr. JAMES of Virginia (against).

Mr. LANGLEY (for) with Mr. CLARK of Florida (against).

Mr. ANDERSON (for) with Mr. WISE (against).

Mr. LAYTON (for) with Mr. SABATH (against).

Mr. VOLK (for) with Mr. GARRETT of Texas (against).

Mr. ANTHONY (for) with Mr. FLOOD (against).

Mr. JONES of Pennsylvania (for) with Mr. CULLEN (against).

Mr. A. P. NELSON (for) with Mr. WOODS of Virginia (against).

Mr. PERLMAN (for) with Mr. RAINEY of Alabama (against).

Mr. MAGEE (for) with Mr. ASWELL (against).

Mr. REAVIS (for) with Mr. GALLIVAN (against).

Mr. VARE (for) with Mr. BRAND (against).

Mr. RHODES (for) with Mr. MONTAGUE (against).

Mr. BLAKENEY (for) with Mr. STEAGALL (against).

Mr. DAVIS of Minnesota (for) with Mr. WINGO (against).

Mr. EDMUNDS (for) with Mr. O'BRIEN (against).

Mr. WOODYARD (for) with Mr. MEAD (against).

Mr. FAUST (for) with Mr. MCCLINTIC (against).

Mr. SIEGEL (for) with Mr. DRANE (against).

Mr. THOMPSON (for) with Mr. CANTRILL (against).

Mr. LUHRING (for) with Mr. BELL (against).

Mr. KEARNS. Mr. Speaker, I would like to vote "yea."

The SPEAKER. Was the gentleman present and listening when his name should have been called?

Mr. KEARNS. I was not; I just came in.

The SPEAKER. The gentleman does not qualify.

Mr. MCCLINTIC. Mr. Speaker, I wish to vote "no."

The SPEAKER. Was the gentleman present and listening?

Mr. MCCLINTIC. No; I have been out with the Naval Affairs Committee to the bombing of the ships and have just returned.

The SPEAKER. The gentleman can not vote.

The result of the vote was announced as above recorded.

ADJOURNMENT.

Accordingly (at 4 o'clock and 40 minutes p. m.), the House adjourned until Monday, July 18, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

194. Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting a statement of the estimated cost of revised central heating, lighting, and power plant project,

Washington, D. C. (H. Doc. No. 102), was taken from the Speaker's table, referred to the Committee on Public Buildings and Grounds, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. DALLINGER, from the Committee on Elections No. 1, to which was referred the bill (H. R. 7761) to amend the Revised Statutes of the United States relative to proceedings in contested-election cases, reported the same without amendment, accompanied by a report (No. 268), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. ROGERS, from the Committee on Foreign Affairs, to which was referred the joint resolution (S. J. Res. 5) authorizing the President to invite foreign nations to take part in an exposition at Portland, Oreg., in 1925, reported the same without amendment, accompanied by a report (No. 272), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. ACKERMAN, from the Committee on Foreign Affairs, to which was referred the bill (S. 1077) to authorize the payment of $5,000 to the Government of Japan for the benefit of the family of Torahachi Uratake, a Japanese subject, killed at Schofield Barracks, Hawaii, on November 25, 1915, reported the same without amendment, accompanied by a report (No. 270), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (S. 1078) to authorize the payment of $2,000 to the Government of Japan for the benefit of the family of Tatsuji Saito, a Japanese subject, killed at Camp Geronimo, Mexico, May 25, 1916, reported the same without amendment, accompanied by a report (No. 269), which said bill and report were referred to the Private Calendar.

Mr. GLYNN, from the Committee on Claims, to which was referred the bill (H. R. 7483) for the relief of Robert G. Whitfield, reported the same without amendment, accompanied by a report (No. 271), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LONDON: A bill (H. R. 7802) to make the levying of duties on imports conditional upon the maintenance of certain labor standards; to the Committee on Ways and Means.

By Mr. BYRNS of Tennessee: A bill (H. R. 7803) to enable the Ladies' Hermitage Association to purchase certain personal effects of President Andrew Jackson; to the Committee on Appropriations.

By Mr. JOHNSON of Washington: A bill (H. R. 7804) to provide for the more thorough regulation of immigration through the passport visé system; to the Committee on Immigration and Naturalization.

By Mr. DARROW: A bill (H. R. 7805) to authorize the Secretary of the Navy to employ on active duty members of the Marine Corps Reserve in confirmed rank; to the Committee on Naval Affairs.

By Mr. REAVIS: Resolution (H. Res. 151) to provide for payment of expense of Joint Committee on the Reorganization of the Administrative Branch of the Government out of the contingent fund; to the Committee on Accounts.

By the SPEAKER (by request): Memorial of the Legislature of the State of Wisconsin urging the Congress of the United States to pass the farmers' export financing corporation bill; to the Committee on Banking and Currency.

Also (by request), memorial of the Legislature of the State of Wisconsin urging the Congress of the United States to enact into law the Volgt bill; to the Committee on Agriculture.

By Mr. COOPER of Wisconsin: Memorial of the Legislature of the State of Wisconsin, memoralizing Congress to enact into law the Volgt bill, prohibiting the manufacture of "filled milk"; to the Committee on Agriculture.

By Mr. ROACH: Memorial by Missouri Legislature, requesting enactment of law by Congress granting a bonus to ex-service men; to the Committee on Ways and Means.

Also, memorial by the Legislature of Missouri, requesting enactment of law giving to members of the Missouri State Militia a pensionable status; to the Committee on Invalid Pensions.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARBOUR: A bill (H. R. 7806) for the relief of Thornton P. Hodges; to the Committee on Military Affairs.

By Mr. BLAND of Virginia: A bill (H. R. 7807) granting a pension to Patience Young; to the Committee on Pensions.

By Mr. BRITTEN: A bill (H. R. 7808) for the relief of Mary Burke; to the Committee on Claims.

By Mr. CANNON: A bill (H. R. 7809) granting a pension to Robert H. Claggett; to the Committee on Pensions.

By Mr. CHANDLER of New York: A bill (H. R. 7810) for the relief of First Lieut. Frank J. Simmons, Quartermaster Corps, United States Army; to the Committee on War Claims.

By Mr. DENISON: A bill (H. R. 7811) granting a pension to Isabella Breusing; to the Committee on Invalid Pensions.

By Mr. HAYDEN: A bill (H. R. 7812) to extend the time for cutting timber in the Coconino and Tusayan National Forests, Ariz.; to the Committee on the Public Lands.

Also, a bill (H. R. 7813) granting a pension to William M. Davis; to the Committee on Pensions.

By Mr. HAYS: A bill (H. R. 7814) granting a pension to Maggie Simpson; to the Committee on Invalid Pensions.

By Mr. HOUGHTON: A bill (H. R. 7815) granting an increase of pension to Mary L. S. Bailey; to the Committee on Invalid Pensions.

By Mr. MILLER: A bill (H. R. 7816) granting a pension to Abbie Devère; to the Committee on Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 7817) correcting the military record of Henry C. Ferguson; to the Committee on Military Affairs.

By Mr. PERKINS: A bill (H. R. 7818) granting an increase of pension to Gilbert J. Jackson; to the Committee on Pensions.

By Mr. REAVIS: A bill (H. R. 7819) granting an increase of pension to Dewey C. Shaw; to the Committee on Pensions.

Also, a bill (H. R. 7820) granting a pension to Susan Wittwer; to the Committee on Invalid Pensions.

By Mr. ROBSION: A bill (H. R. 7821) granting an increase of pension to Charity A. Freeman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7822) granting a pension to Joseph R. Lanham; to the Committee on Pensions.

Also, a bill (H. R. 7823) granting a pension to William C. Knuckles; to the Committee on Pensions.

By Mr. STEENERSON: A bill (H. R. 7824) for the relief of Frederick Jefferson Dum; to the Committee on Military Affairs.

By Mr. TINCHER: A bill (H. R. 7825) granting a pension to James McManemin; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2011. By the SPEAKER (by request): Petition of 10 citizens of Massachusetts, Virginia, and other States, favoring a protective tariff for the American motion-picture industry; to the Committee on Ways and Means.

2012. Also (by request), petition of 300 citizens of the tenth congressional district of Missouri, urging the recognition of the Irish republic; to the Committee on Foreign Affairs.

2013. Also (by request), resolution adopted by the World War veterans urging recognition for the Irish republic; to the Committee on Foreign Affairs.

2014. By Mr. DALLINGER: Petition of citizens of Melrose, Mass., favoring the Towner-Sterling bill; to the Committee on Interstate and Foreign Commerce.

2015. By Mr. DYER: Resolution of the Missouri House of Representatives, urging Congress to pass a law granting the members of the former Missouri State Militia a pensionable status; to the Committee on Invalid Pensions.

2016. By Mr. EDMONDS: Petition of St. Matthews Church, of Philadelphia, Pa., urging disarmament; to the Committee on Foreign Affairs.

2017. By Mr. FULLER: Petition of Dillon, Read & Co., of Chicago, favoring the dye provisions of the pending tariff bill; to the Committee on Ways and Means.

2018. Also, petition of the Milwaukee Maternity Hospital and Free Dispensary, favoring the Sheppard-Towner maternity bill; to the Committee on Interstate and Foreign Commerce.

2019. Also, petition of the Federal Highway Council, opposing a tariff on crude and fuel oils; to the Committee on Ways and Means.

2020. Also, petition of the Southern Tariff League, opposing the bills for the regulation of the coal industry (S. 1807 and H. R. 7106); to the Committee on Interstate and Foreign Commerce.

2021. Also, petition of Quentin Roosevelt Post, No. 85, American Legion, of Greenville, S. C., favoring amendment to the Sweet bill (H. R. 6611); to the Committee on Interstate and Foreign Commerce.

2022. By Mr. KISSEL: Petition of the Merchants' Association of New York, New York City, relative to the repeal or modification of a law in the Philippine Islands; to the Committee on Insular Affairs.

2023. By Mr. KNIGHT: Petition of First Baptist Church, Lagrange, Rev. I. L. Raphael, pastor and moderator, favoring the passage of House joint resolution 159 to prohibit sectarian appropriations; to the Committee on the Judiciary.

2024. By Mr. MOORE of Ohio: Petition of members of First Baptist Church, Zanesville, Ohio, favoring House joint resolution 159; to the Committee on the Judiciary.

2025. By Mr. RAKER: Petition of W. W. Hanchett, of Corning; G. R. Wales, of Milford; E. W. Locher, of Auburn; and Charles L. Wilbur, of Yuba City, all in the State of California, urging an increase in the tariff rate on almonds; also, petition of Kullman Selz & Co., of San Francisco, Calif., urging adoption of Payne-Aldrich schedule on hides and leather, especially free hides; to the Committee on Ways and Means.

2026. Also, petitions of Ida Saxton McKinley Auxiliary, United Spanish War Veterans, and Carrie E. Lenhouse, department historian, Auxiliary United Spanish War Veterans, both of Long Beach, Calif., indorsing and asking support of House bill 4; to the Committee on Pensions.

2027. Also, petition of William McKinley Camp, No. 23, United Spanish War Veterans, of Long Beach, Calif., protesting against the removal of Dr. William H. Cook, assistant surgeon, Pacific Branch Soldiers' Home; to the Committee on Military Affairs.

2028. Also, petition of the National Marine Engineers' Beneficial Association, of Washington, D. C., opposing the passage of joint resolution 171; to the Committee on Immigration and Naturalization.

2029. Also, petition of Norman A. Kuhn and 25 others, of Henleyville, Calif., urging the passage of the pure fabric bill; also petition of Mount Lassen Post, No. 167, American Legion, Department of California, of Red Bluff, Calif., indorsing the program of legislation asked by the American Legion of the Sixty-seventh Congress; also petition of the Quentin Roosevelt Post, No. 85, Department of South Carolina, of Greenville, S. C., indorsing the Sweet bill (H. R. 6611) together with proposed amendment; to the Committee on Interstate and Foreign Commerce.

2030. Also, petition of the Chamber of Commerce and civic association of Pasadena, Calif., urging an investigation of the transportation act of 1920; to the Committee on Interstate and Foreign Commerce.

2031. Also, petition of California Yearly Meeting of Friends' Church, of Whittier, Calif., urging an amendment to the Federal Constitution providing for a uniform marriage and divorce law; to the Committee on the Judiciary.

2032. By Mr. TEMPLE: Testimony in support of House bill 7702, granting a pension to Sarah A. Herrick, widow of Henry A. Herrick, late of Company F, Fifth Regiment Pennsylvania Volunteer Heavy Artillery; to the Committee on Invalid Pensions.

2033. By Mr. TINKHAM: Resolution adopted by the congregation of the First Parish Church, West Roxbury, Mass., urging a conference of the leading nations to discuss disarmament; to the Committee on Foreign Affairs.

2034. Also, petition of the National Association of Brass Manufacturers, submitting a plan for the careful consideration of Secretary of Commerce Hoover of the establishment of a bureau within his jurisdiction where all merchants and manufacturers may confer and ascertain what they may do within their legal rights; to the Committee on Interstate and Foreign Commerce.

2035. Also, resolution of the grain board of the Boston Chamber of Commerce, suggesting that the import duty on macaroni, in order to serve as a protection to American industry, should not be less than 3½ cents per pound; to the Committee on Ways and Means.

SENATE.

MONDAY, *July 18, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

We thank Thee, our Father, for the light of another day, for the opportunities continued unto us of service in Thy name. Give unto us the wisdom necessary, and so help us in every problem that we may see our way to the understanding of the right and the truth. We ask in Jesus Christ's name. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Tuesday, July 12, 1921, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

ADJUSTMENT OF FOREIGN LOANS.

Mr. LODGE. Mr. President, before the Committee on Finance there was read a letter of President Wilson in regard to cancellation of the foreign debts to the United States which opposed the cancellation. The matter was also spoken of in the debate here, and I stated that in a hearing before the Committee on Foreign Relations that letter was read, as was also a letter from Mr. Houston, former Secretary of Treasury.

I do not feel at liberty, without direct authorization from the committee, to have printed in the RECORD the whole of the testimony taken that day, the former Secretary of the Treasury at the time requesting that it be confidential and it being taken with that understanding; but I have taken out the letters referred to, which I think ought to be printed, in view of what has been said on the subject. I refer to the letter of President Wilson to the British Prime Minister, and the letter of former Secretary of the Treasury Houston to Hon. Austen E. Chamberlain, Chancellor of the Exchequer. I think those letters cover all that the Senate may desire.

The VICE PRESIDENT. Without objection, the letters will be printed in the RECORD.

The letters are as follows:

HON. DAVID F. HOUSTON, SECRETARY OF THE TREASURY, TO RIGHT HON. AUSTEN CHAMBERLAIN, CHANCELLOR OF THE EXCHEQUER, MARCH 1, 1920.

"As raising the matter informally for discussion, I thought it sufficiently important to reply to it myself, which I did under date of March 1, 1920, through Mr. Lindsay.

"Senator POMERENE. Mr. Lindsay was——

"Secretary HOUSTON. Acting at that time for the British Embassy. [Reading:]

"'Your recent message through the British Embassy, in which, among other things, you suggest a general cancellation of intergovernmental war debts, has been received, and Rathbone has transmitted a copy of the communication sent him by Blackett dealing with the funding of the demand obligations of the allied Governments held by the United States and England, respectively, in which the same subject is raised.

"'I concur with your view that the financial and economic problems of all the world are closely connected and that Great Britain and the United States naturally look with concern upon the difficulties which confront Continental Europe. The United States Treasury has been greatly interested in information reaching it concerning the situation of Great Britain and has viewed with pleasure and satisfaction the progress which your Government has been making toward a return to a peace basis. While we are at present confronted with difficult problems, our financial situation is not at all critical. On the contrary, it is such that I have reason to think that credits from private sources may be made available to Continental Europe on sound and adequate security and on terms which recognize the world-wide shortage of capital resulting from five years of warfare.

"'Funding of the short-time obligations into long-term obligations is a matter as to which no question has been raised by our Congress, and there should be no difficulty in dealing with this phase of the proposed arrangements in the matter outlined by Mr. Rathbone. As you have no doubt heard from Mr. Rathbone, it may be impossible to reach without congressional approval a final settlement in respect to the interest accruing during the next two or three years.

"'I regret that conditions are such as to cause you concern in respect to the Anglo-French loan maturing this fall and sincerely hope you will have no difficulty in making satisfactory arrangements to take care of it.

"'As to the engagement of the British Government in respect to advances for the purchase of silver under the Pittman Act, this matter is being dealt with by Mr. Rathbone, who undoubtedly will give full consideration to any proposal that you have

to make in that connection. It is unfortunate that the Indian Government has not seen fit to take steps to limit the importation of gold into India. Failure to do this is making heavy demands on our gold reserves. If continued, this is likely materially to impair the ability of our financial markets to assist Europe.

"'As to the general cancellation of intergovernmental war debts suggested by you, you will, I am sure, desire that I present my views no less frankly than you have presented yours. Any proposal or movement of such character would, I am confident, serve no useful purpose. On the contrary, it would, I fear, mislead the people of the debtor countries as to the justice and efficacy of such a plan and arouse hopes, the disappointment of which could only have a harmful effect. I feel certain that neither the American people nor our Congress, whose action on such a question would be required, is prepared to look with favor upon such a proposal.

"'Apparently there are those who have been laboring for some time under the delusion that the inevitable consequences of war can be avoided. As far back as January a year ago, before it could possibly be foreseen whether any measures were necessary other than the adoption of sound economic policies, various schemes, including that of a cancellation of intergovernmental war debts, were launched. Of course, I recognize that a general cancellation of such debts would be of advantage to Great Britain and that it probably would not involve any losses on her part. As there are no obligations of the United States Government which would be canceled under such a plan, the effect would be that in consideration of a cancellation by the United States Government of the obligations which it holds for advances made to the British Government and the other allied Governments the British Government would cancel its debts against France, Italy, Russia, and her other allies. Such a proposal does not involve mutual sacrifices on the part of the nations concerned. It simply involves a contribution mainly by the United States. The United States has shown its desire to assist Europe. Negotiations for funding the principal of the foreign obligations held by the United States Treasury and for postponing or funding the interest accruing during the reconstruction period are in progress. Since the armistice this Government has extended to foreign Governments financial assistance to the extent of approximately $4,000,000,000. What this Government could do for the immediate relief of the debtor countries has been done. Their need now is for private credits. The indebtedness of the allied Governments to each other and to the United States is not a present burden upon the debtor Governments, since they are not paying interest or even, as far as I am aware, providing in their budgets or taxes for the payment of their principal or interest. At the present time the foreign obligations held by the Government of the United States do not constitute a practical obstacle to obtaining credits here, and I do not think that the European countries would obtain a dollar additional credit as a result of the cancellation of those obligations. The proposal does not touch matters out of which the present financial and economic difficulties of Europe chiefly grow. The relief from present ills, in so far as it can be obtained, is primarily within the control of the debtor Governments and peoples themselves. Most of the debtor Governments have not levied taxes sufficient to enable them to balance their budgets, nor have they taken any energetic and adequate measures to reduce their expenditures to meet their income. Too little progress has been made in disarmament. No appreciable progress has been made in deflating excessive issues of currency or in stabilizing the currencies at new levels, but in Continental Europe there has been a constant increase in note issues. Private initiative has not been restored. Unnecessary and unwise economic barriers still exist. Instead of setting trade and commerce free by appropriate steps there appear to be concerted efforts to obtain from the most needy discriminatory advantages and exclusive concessions. There is not yet apparent any disposition on the part of Europe to make a prompt and reasonable definite settlement of the reparation claims against Germany or to adopt policies which will set Germany and Austria free to make their necessary contribution to the economic rehabilitation of Europe.

"'After taking all the measures within their power one or more of the debtor Governments may ultimately consider it necessary or advantageous to make some general settlement of their indebtedness. In such a case they would, I presume, propose to all creditors, domestic and foreign, a general composition which would take into account advantages obtained by such debtor country under the treaty of peace. How the American people or the American Congress would view participation in such a composition I can not say. It is very clear to me, however, that a general cancellation of intergovernmental war debts, irrespective of the positions of the separate debtor Governments, is of no present advantage or necessity. A general cancellation as suggested would, while retaining the domestic obligations intact, throw upon the people of this country the exclusive burden of meeting the interest and of ultimately extinguishing the principal of our loans to the allied Governments. This Nation has neither sought nor received substantial benefits from the war. On the other hand, the Allies, although having suffered greatly in loss of lives and property, have under the terms of the treaty of peace and otherwise, acquired very considerable accessions of territories, populations, economic and other advantages. It would therefore seem that if a full account were taken of these and of the whole situation, there would be no desire nor reason to call upon the Government of this country for further contributions.'" * * *

LETTER OF PRESIDENT WILSON TO THE BRITISH PRIME MINISTER.

Secretary Houston said:

"Under date of October 1 or October 11, 1920, I can not make out which, the President replied and substantially repeated the decision before taken by him or by the Treasury." [Reading:]

"I turn now to the problem of interallied indebtedness which you raise. I must deal with this matter with great frankness, as I am sure you wish me to do. It is desirable that our position be clearly understood in order to avoid any further delay in a constructive settlement of reparations which may arise from the hope that the debts of this Government can form a part of such settlement. It will be helpful if, first of all, I indicate our legal situation.

"The Secretary of the Treasury is authorized by United States law to arrange for the conversion of the demand obligations of the British Government into its obligations having a fixed date of maturity, in accordance with the agreement of the British Government to make such exchange on demand contained in its existing obligations. In connection with such exchange the Secretary of the Treasury has authority to arrange for the postponement of interest payments. No power has been given by the Congress to anyone to exchange, remit, or cancel any part of the indebtedness of the allied Governments to the United States represented by their respective demand obligations. It would require congressional authority to authorize any such dealing with the demand obligations and, as stated in the letter of November 18, 1919, from Mr. Rathbone to Mr. Blackett, of the British treasury, the Congress has the same authority to authorize any disposition of obligations of the British Government held by the United States, whether represented by demand obligations or by obligations having a fixed date of maturity. It is highly improbable that either the Congress or popular opinion in this country will ever permit a cancellation of any part of the debt of the British Government to the United States in order to induce the British Government to remit, in whole or in part, the debt to Great Britain of France or any other of the allied Governments or that it would consent to a cancellation or reduction in the debts of any of the allied Governments as an inducement toward a practical settlement of the reparation claims. As a matter of fact, such a settlement, in our judgment, would in itself increase the ultimate financial strength of the Allies.

"You will recall that suggestions looking to the cancellation or exchange of the indebtedness of Great Britain to the United States were made to me when I was in Paris. Like suggestions were again made by the chancellor of the exchequer in the early part of the present year. The United States Government by its duly authorized representatives has promptly and clearly stated its unwillingness to accept such suggestions each time they have been made and has pointed out in detail the considerations which caused its decision. The view of the United States Government has not changed, and it is not prepared to consent to the remission of any part of the debt of Great Britain to the United States. Any arrangements the British Government may make with regard to the debt owed to it by France or by the other allied Governments should be made in the light of the position now and heretofore taken by the United States, and the United States in making any arrangements with other allied Governments regarding their indebtedness to the United States (and none are now contemplated beyond the funding of indebtedness and the postponement of payment of interest) will do so with the confident expectation of the payment in due course of the debt owed the United States by Great Britain. It is felt that the funding of these demand obligations of the British Government will do more to strengthen the friendly relations between America and Great Britain than would any other course of dealing with the same.

"The United States Government entirely agrees with the British Government that the fixing of Germany's reparation obligation is a cardinal necessity for the renewal of the economic life of Europe and would prove to be most helpful in the interests of peace throughout the world; however, it fails to perceive the logic in a suggestion in effect either that the United States shall pay part of Germany's reparation obligation or that it shall make a gratuity to the allied Governments to induce them to fix such obligation at an amount within Germany's capacity to pay. This Government has endeavored heretofore in a most friendly spirit to make it clear that it can not consent to connect the reparation question with that of intergovernmental indebtedness.

"The long delay which has occurred in the funding of the demand obligations is already embarrassing the Treasury, which will find itself compelled to begin to collect back and current interest if speedy progress is not made with the funding. Unless arrangements are completed for funding such loans and in that connection for the deferring of interest, in the present state of opinion here there is likely to develop a dangerous misunderstanding. I believe it to be highly important that a British representative with proper authority proceed to Washington without delay to arrange to carry out the obligation of the British Government to convert its demand obligations held by our Treasury into long-time obligations.

"The United States Government recognizes the importance, in the interests of peace and prosperity, of securing the restoration of financial and industrial stability throughout Europe. The war debts of the allied Governments, the treaty obligations of Germany under the reparation clauses of the treaty of Versailles and the annexes thereto, and of other enemy and ex-enemy countries under the treaties negotiated with them, the administration of countries under the mandates provided for by such treaties, and the existing arrangements between the Governments of various countries have or may have an important bearing in making plans to accomplish such restoration. It is the view of the United States Government that in accrediting a representative to Washington for the purpose mentioned it might prove expedient that the British Government should authorize him to enter into discussions of all of these matters with the proper representatves of the United States Government."

LIMITATION OF ARMAMENTS.

Mr. WALSH of Montana. Mr. President, I wish to take a moment this morning, with the permission of the Senate——

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Montana will proceed.

Mr. WALSH of Montana. I wish to extend to the President of the United States congratulations upon the success that attended his efforts to bring together representatives of the great powers in a conference on disarmament. I do not underestimate the difficulties which will confront the conference in the serious task which it will undertake, but I feel confident that the statesmanship of the world will not be unequal to the duties which it will assume, spurred, of course, by a lively sense of the awful miseries entailed by the conflict through which we have passed and by a keen appreciation of the fact that with the new methods of destruction which with fiendish ingenuity are being devised civilization will not be able to stand another World War and that universal ruin and chaos must follow in its train. I am satisfied that if our reasonable expectations with reference to the conference are realized President Harding will be revered by countless millions when the conference has waded through the task and that war will be remembered only with horror and detestation.

It was to my mind entirely appropriate that this Nation of ours, the greatest power on earth, should have taken the initiative in the matter, a Nation that dreads no conquest, that fears no invasion, and that contemplates neither. Our wholehearted support, the support of one and all, should be given the President of the United States in the effort to bring about this epoch-making conference, whose work signifies more for the welfare and happiness of humanity than perhaps any similar assemblage ever gathered on this earth.

AVIATION AND ORDNANCE EXPERIMENTS BY ARMY AND NAVY.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, which was ordered to lie on the table and to be printed in the RECORD, as follows:

NAVY DEPARTMENT,
Washington, July 16, 1921.

The honorable the VICE PRESIDENT OF THE UNITED STATES,
Washington, D. C.

SIR: With reference to my letter of July 12, 1921, in regard to the sinking of the ex-German battleship *Ostfriesland*, the Navy Department has made special arrangements whereby any of the Members of Congress who are aboard the U. S. S. *Henderson* and who desire to return to Washington by 9 a. m. July 21, 1921, will be furnished transportation.

As previously stated, the U. S. S. *Henderson* will sail at 10 a. m. Tuesday, July 19, 1921, from the navy yard, Washington, D. C., for the southern drill grounds, witnessing the attack on the *Ostfriesland* by aircraft on July 20, 1921, and by gunfire on July 21, 1921, and returning to Washington on Friday, July 22. A destroyer will come alongside the *Henderson* on July 20, 1921, immediately after the completion of the attack by aircraft and will take aboard such Senators as may desire to return to Washington. The destroyer will then proceed to Norfolk, Va., and endeavor to land these gentlemen aboard the boat sailing from Norfolk to Washington. In the event that the destroyer fails to reach Norfolk prior to the sailing of the boat, the destroyer will then herself proceed immediately to Washington.

It is suggested that the Senators desiring to avail themselves of this transportation by destroyer make arrangements in advance, if practicable, for reservations aboard the night boat from Norfolk to Washington. As the living quarters aboard the destroyer are necessarily very crowded it will probably be uncomfortable for the Senators to spend the night aboard the destroyer on her trip from Norfolk to Washington, and every endeavor will be made to land these gentlemen at Norfolk before the sailing of the regular boat.

The department will particularly appreciate your publishing this information to all concerned as soon as practicable.

Sincerely, yours,

EDWIN DENBY.

PETITIONS AND MEMORIALS.

Mr. WILLIS presented a resolution of the Tuscarawas County Medical Society, of New Philadelphia, Ohio, favoring the enactment of legislation supplemental to the national prohibition act, which was ordered to lie on the table.

He also presented a resolution of the Akron Post, No. 209, American Legion, of Akron, Ohio, favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented a resolution of the Chamber of Commerce of Akron, Ohio, protesting against the enactment of the so-called soldiers' bonus bill and favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented three memorials of sundry citizens of Mount Vernon, Richwood, Bellville, Fredericktown, New Philadelphia, and Bowling Green, all in the State of Ohio, remonstrating against the enactment of legislation to regulate the conducting of business in the District of Columbia on Sunday, which were referred to the Committee on the District of Columbia.

He also presented a resolution adopted at a mass meeting held at Springfield, Ohio, June 29, 1921, favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented 51 petitions signed by 1,541 citizens of Ironton, Ohio, favoring the recognition of the republic of Ireland by the Government of the United States, which were referred to the Committee on Foreign Relations.

Mr. WARREN presented a resolution adopted by the Wyoming State Board of School Land Commissioners, favoring the enactment of Senate bill 1721, limiting the time in which inquiry may be made into the mineral character of State school land grants to 12 years from the date of the admission of the State, etc., which was referred to the Committee on Public Lands and Surveys.

He also presented a resolution of the Laramie (Wyo.) Rotary Club, favoring the enactment of the so-called Phipps bill, continuing Federal aid in road construction, etc., which was referred to the Committee on Post Offices and Post Roads.

Mr. SPENCER presented petitions of John A. Kennedy and 29 others, Mary Moriarty and 29 others, Thomas Pomphrey and 29 others, Henry Groh and 29 others, Michael Moriarty and 29 others, Harry Mahony and 29 others, Fred C. Kolb and 28 others, Ida Sanders and 29 others, Michael Biggins and 29 others, James Durkin and 29 others, Jane O'Toole and 29 others, Bernard J. Fahey and 29 others, Michael Connelly and 29 others, J. J. Walsh and 29 others, John Golden and 29 others, Frank Montgomery and 29 others, Mrs. A. Faessler and 29 others, John O'Sullivan and 29 others, Patrick McBride and 29 others, J. H. Deeken and 29 others, Mike Lahert and 29 others, Lawrence H. Lutz and 29 others, W. J. Connell and 29 others, P. E. Lyons and 29 others, Mrs. M. Enright and 29 others, Joseph Duffy and 29 others, William Laughlin and 29 others, John J. Gilsenan and 29 others, Joseph I. Rosner and 29 others, Alice Sheehan and 29 others, Malcolm McDonald and 29 others, John F. Foristal and 29 others, Mrs. D. O'Connor and 29 others, John D. McCarthy and 29 others, John F. Murphy and 29 others, Ben Anderson and 29 others, Edward W. Garrigan and 29 others, Michael Stenson and 29 others, Timothy Shea and 29 others, Thomas Doyle and 29 others, Mrs. C. N. Harris and 29 others, John Klapstein and 29 others, W. Robert Clark and 29 others, Mrs. William Rafferty and 29 others, Simon McDonnell and 29 others, William K. Harvey and 29 others, S. G. Binder and 29 others, Mrs. A. Simpson and 29 others, J. F. Doyle and 29

others, Edw. H. Moeller and 29 others, Lawrence H. Lutz and 29 others, W. J. Connell and 29 others, R. F. Laramie and 29 others, John Hagan and 29 others, Nelson Mosher, sr., and 29 others, Bridget Kernan and 29 others, Cornelia Shriner and 29 others, Edward Smith and 29 others, Oalicia Young and 29 others, Joseph A. Brennan and 29 others, Adele Schierick and 29 others, Thomas Gill and 29 others, Mrs. Lucy Harrie and 29 others, John K. Baker and 29 others, Florence Coonce and 29 others, Julia Shine and 29 others, Mrs. Ellen O'Gara and 29 others, Michael Doyle and 29 others, Mrs. H. McCarty and 29 others, Mary Halpin and 29 others, William J. Murphy and 29 others, A. L. Basch and 29 others, Henry Kellermeyer and 29 others, F. C. LeMatty and 29 others, George Burnett and 29 others, Daniel Bergin and 29 others, John Mix and 29 others, John Halpin and 29 others, Frank Cole and 29 others, William Potts and 29 others, M. Sullivan and 29 others, and W. J. Kiely and 29 others, all of St. Louis, Mo., praying for the recognition by the United States of the republic of Ireland, which were referred to the Committee on Foreign Relations.

Mr. WATSON of Georgia presented a concurrent resolution of the Legislature of Georgia, which was referred to the Committee on Irrigation and Reclamation, as follows:

Whereas one of the greatest needs for the development of Georgia is the reclamation of its swamp and low lands and the irrigation of the arid or semiarid lands; and

Whereas the immense cost of such a proposition is a heavier burden than the State can assume without Federal aid and cooperation; and

Whereas the reclamation of the waste lands of the State would mean the addition of hundreds of thousands of dollars of taxable property and would materially increase the value of the holdings of every landowner in the State and would mean the practical elimination of malaria and swamp fevers now prevalent in some sections of the State; and

Whereas there are now three bills pending before the Congress of the United States providing for Federal aid and cooperation with the States in the reclamation of swamp and waste lands; in the irrigation of said lands, and in the reforesting of cut-over lands, being House bills Nos. 119, 3726, and 6048: Therefore be it

Resolved by the house (the senate concurring), That the Congress of the United States be requested and urged to pass said bills at the earliest practical moment and that the Senators and Congressmen from Georgia be requested to lend their efforts in securing their passage: Be it further

Resolved, That a copy of this resolution be sent to each of the Senators and Congressmen from this State.

Mr. HARRIS presented a resolution of the Legislature of Georgia, which was referred to the Committee on Finance, as follows:

Resolution adopted by the General Assembly of Georgia on July 11, 1921.

Whereas there is in possession of the Secretary of the Treasury of the United States millions of dollars representing illegal taxes collected from the Southern States during the years 1863 to 1868 by the imposition of an illegal tax on raw cotton produced in these States; and

Whereas it has been difficult and almost impossible for claims to be established by individuals in a manner to meet the requirements of the United States Court of Claims; and

Whereas these funds are legally and morally the property of the States from which illegally collected and the share of Georgia is approximately $12,000,000, as shown by the records of the United States Treasury Department: Therefore be it

Resolved by the General Assembly of Georgia, That Congress be hereby memorialized and requested to enact such legislation as will return these funds to the States from which taken by permitting the governor and the secretary of state under the great seal of the State to execute a valid release to the United States Government therefor, and thereafter permit each State to adjust claims upon said funds as may be just and proper and appropriate, and to thereafter make such disposition of the remaining funds as the people of each State through their lawful representatives may so desire: Be it further

Resolved, That the Senators and Congressmen from this State be urged and directed to initiate and sponsor such necessary legislation or action as may be appropriate or necessary to bring this result about.

Mr. CURTIS presented a petition of sundry members of Dick Yates Post, No. 50, of Eureka, Kans., praying that the payment of pensions every three months be continued, which was referred to the Committee on Pensions.

He also presented a petition of sundry citizens of Olivet, Kans., praying that an international disarmament conference be called, which was referred to the Committee on Foreign Relations.

Mr. CAPPER presented a resolution of the Kansas Board of Examiners, of Lawrence, Kans., favoring the enactment of legislation extending the time in which taxpayers may file returns of annual net income, which was referred to the Committee on Finance.

He also presented a resolution adopted at a meeting of the Orleans County Farm Bureau Association, at Albion, N. Y., favoring the enactment of the so-called truth in fabric bill, which was referred to the Committee on Interstate Commerce.

Mr. TOWNSEND presented a resolution of the Bay City (Mich.) Board of Commerce opposing the proposed removal of the Hydrographic Office from the jurisdiction of the Navy Department, which was referred to the Committee on Naval Affairs.

He also presented a petition of sundry citizens of Climax, Mich., praying that the United States take the leadership in international disarmament, which was referred to the Committee on Foreign Relations.

He also presented a resolution of Peter Gedda Post, No. 27, American Legion, of Bessemer, Mich., favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented a memorial of sundry citizens of Perry, Mich., remonstrating against the enactment of legislation to regulate the conducting of business in the District of Columbia on Sunday, which was referred to the Committee on the District of Columbia.

Mr. KENDRICK. Mr. President, I ask leave to present three resolutions or petitions signed by over 100 of the citizens of Casper, Wyo. I ask that one of the resolutions be read without reading the long list of names attached and that the resolutions be referred to the Committee on Foreign Relations.

The resolutions were referred to the Committee on Foreign Relations, and one of them was read, as follows:

Petition.

To the Senate of the United States, Washington, D. C.

Whereas we believe that the conditions existing in Ireland are a menace to the peace of the world, and that the savage efforts of England, without protest by other civilized States, to repress representative government are breeding disrespect for law and undermining the foundations of all organized government; and

Whereas we believe the highest and best interests of our country demand a free, prosperous, and peaceful republic in Ireland: Therefore

The undersigned citizens of the United States residing in the State of Wyoming respectfully petition the Congress of the United States to take the necessary action to bring about the recognition of the existing duly elected government of the republic of Ireland by the Government of the United States, in accordance with the traditional policy of our country faithfully adhered to since the early days of the Republic.

Mr. KENDRICK presented a resolution of the Rotary Club of Cheyenne, Wyo., favoring the enactment of legislation providing adequate relief for disabled ex-service men, which was referred to the Committee on Finance.

He also presented a resolution of the Rotary Club of Laramie, Wyo., favoring the enactment of legislation extending Federal aid to the States in road construction, which was referred to the Committee on Post Offices and Post Roads.

Mr. LA FOLLETTE presented two joint resolutions of the Legislature of Wisconsin, which were referred to the Committee on Agriculture and Forestry, as follows:

Joint resolution 57, urging the Congress of the United States to pass the farmers' export financing corporation bill.

Whereas there is pending before the Congress of the United States the so-called farmers' export financing corporation bill, introduced by Senator NORRIS, which proposes to finance exports of cotton, wheat, and all other agricultural products; and

Whereas this bill, if enacted into law, would result in untold benefit to the farmers of this country by opening and developing channels for export trade in agricultural products; and

Whereas recent investigation shows that the returns of tenant farmers in the mid-continent region for this year will not exceed on the average 5 cents an hour; that farmers generally, with their large investments in farm capital and unpaid debts increasing, are threatened with serious conditions of bankruptcy never before experienced in this country: Therefore be it

Resolved by the assembly (the senate concurring), That this legislature respectfully memorialize and urge the Congress of the United States to enact during this session the bill herein referred to, or any other bill of similar import; and be it further

Resolved, That suitable copies of this resolution, properly attested, be transmitted to the President of the United States Senate, the Speaker of the House of Representatives, and to each United States Senator and Representative in Congress from this State.

GEO. F. COMINGS,
President of the Senate.
O. G. MUNSON,
Chief Clerk of the Senate.
RILEY S. YOUNG,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

Joint resolution 60, relating to memorializing Congress to enact into law the "Voigt bill."

Whereas Congressman VOIGT, of Wisconsin, has recently introduced in the United States Congress a bill prohibiting "filled milk" being entered for interstate commerce, which is in effect similar to the "filled milk" bill recently introduced in the Wisconsin State Legislature; and

Whereas said bill, if enacted into law, will have far-reaching effect in protecting the common welfare of citizens of this country: Now, therefore, be it

Resolved by the assembly (the senate concurring), That we heartily indorse the "Voigt bill" and urge the Wisconsin Representatives in the Congress of the United States to take all necessary steps to secure the speedy enactment into law of said "Voigt bill" or any similar laws.

Resolved further, That suitable copies of this resolution, properly engrossed and authenticated, be transmitted to each of the Congressmen and Senators in Congress from Wisconsin and to the presiding officers of both Houses of Congress.

GEO. F. COMINGS,
President of the Senate.
O. G. MUNSON,
Chief Clerk of the Senate.
RILEY S. YOUNG,
Speaker of the Assembly.
C. E. SHAFFER,
Chief Clerk of the Assembly.

STATEMENT OF ESTIMATES AND APPROPRIATIONS.

Mr. WARREN. Mr. President, I rise to present a report from the Committee on Appropriations, and ask consent that I may have a few moments to explain the figures given.

The VICE PRESIDENT. Without objection, permission is granted.

Mr. WARREN. It is usual at the end of a fiscal year to present the entire list of appropriations providing for the expected disbursements for the coming fiscal year and compare them with the regular estimates made by the departments for that year, so that we may know what is the condition of our Treasury. These statements could not be presented with exactness at the end of the Sixty-sixth Congress because both the Army and Navy regular annual appropriation bills had failed to pass, but the committee did present a statement of approximate amounts.

I present first the estimates and contracts. We were asked to appropriate for the regular annual bills and contracts that we had to provide for during the fiscal year 1922 the sum of $3,386,611,227.49; also for the permanent annual appropriations—and that is the part to which I wish particularly later to call the attention of the Senate—the sum of $1,300,776,369.87. Also, there were deficiency estimates for the year amounting to $650,609,133.87. This makes a grand total that Congress was called upon to provide of $5,471,996,722.23.

I may say there should be deducted from that amount, however, $134,000,000, which was estimated for under two different heads, first under the regular sundry civil and later under the deficiency, but that left a grand total of $5,337,996,722.23.

Under these estimates, the appropriations for the regular conduct of the several departments are $2,171,081,664.64, and we have appropriated under the deficiency estimates $382,421,231.37.

Now comes the most difficult matter always to calculate, and that is the miscellaneous as well as the permanent and the indefinite items. Under the miscellaneous we were asked $18,600,000 in one sum for the construction of hospitals; for the valuation of property of carriers, and so forth, $1,000,000; claims of officers and enlisted men for loss of property, $300,000; allotment of land within the Fort Belknap Indian Reservation, Mont., $270,000; budget and accounting act, $225,000; and for the sundry miscellaneous acts of minor importance, $107,952.58.

Over the permanent and indefinite items we have no control in the Committee on Appropriations. Congress itself has no control over them until it shall legislate in the way of additions or subtractions or repeal of the laws.

In the permanent items we have interest on public debt, $922,650,000; sinking fund under the law, which last year called for $265,754,864.87; customs service, repayments for erroneous collections, $27,000,000; Philippine and Porto Rican funds, $4,000,000; national bank examiners, salaries and expenses, $1,700,000; Federal Board for Vocational Education, $5,438,000; canals and river and harbor work, $7,244,600; pay of Army, deposit fund, $2,000,000; special and trust funds of the Navy, $13,040,000; civil-service retirement and disability fund, $5,097,000; agricultural and mechanical colleges, $2,500,000; payments to States for receipts under oil leasing acts, $3,750,000; Indian funds and interest on same, $23,300,000; meat inspection, Bureau of Animal Industry, $3,000,000; cooperative agricultural extension work, $4,080,000; construction of roads and trails in national forests, $1,000,000; payment for national-forest funds and cooperative work, Forest Service, $5,570,000; increased compensation to certain Government employees, the $240 bonus, $35,000,000; miscellaneous, $5,651,896.

These permanent and definite amounts of $1,335,776,360.87 very far exceed the entire expenses of the Government not many years ago. Since I have been a Member of this body we can look back to a time when the total expense of running the Government was less than half that sum. It has been only during the past few years that our total expenditures have exceeded a billion dollars. We now have to face permanent expenditures of one billion three hundred and thirty-five million and odd thousand dollars; indeed, it will be more than that the coming year, of course, because we have the expenditures on behalf of the Federal Board for Vocational Education, which expenditures increase every year. We have, in addition to that, the civil pension list, and, judging from the fact that it has already aggregated more than $5,000,000, we may well estimate that it will reach a very high sum and will grow rapidly.

We are from day to day, Mr. President, or we have been doing so to some extent, passing legislation which either proposes to appropriate or authorize expenditures for 5, 10, or 15 years in advance, and sometimes we have provided for indefinite appropriations. We have now before us several bills of that kind, amongst which I may cite the so-called maternity bill. That, I believe, is more modest than some of the bills which we have passed, for it is to run for a given sum per annum for a period of five years before inflation takes place. It seems to me that there ought to be a general understanding in this body and in the body at the other end of the Capitol that we ought not to indulge in the practice of providing indefinite appropriations and that we ought to appropriate for only one coming year and not for several years or indefinitely in advance.

Mr. President, I am presently going to ask that the tables which I now present may be printed in the RECORD.

Mr. President, in addition to what I have stated, I also desire to say that although the total estimates which I have given amounted to $5,337,996,722.23, the total appropriations have been $3,909,782,209.46. The estimates exceeded that amount by $1,428,214,512.77.

Mr. OVERMAN. Does the total of $3,909,782,209 include the permanent appropriations? As I understand, the figures cited by the Senator are appropriations which have been made, but there are beside permanent appropriations amounting to more than a billion dollars.

Mr. WARREN. Those appropriations amount to over a billion dollars, but they are all included in the total which I have stated.

Mr. OVERMAN. They are included in the grand total?

Mr. WARREN. They are all included in the grand total of appropriations, which is $3,909,782,209.46.

As I have stated, the total estimates were $5,337,996,722.23. In our appropriations we increased the estimates in a few cases to the amount of a little over $55,000,000; but, on the other hand, allowing for those increases, we have in other items appropriated far below the figures stated in the regular estimates, so that the saving representing the difference between the estimates and the amount appropriated is $1,428,214,512.77. I now ask that these tables be printed in the RECORD.

The VICE PRESIDENT. In the absence of objection, it is so ordered.

The tables referred to are as follows:

COMPARISON OF APPROPRIATIONS (INCLUDING CONTRACT OBLIGATIONS) AND ESTIMATES, FISCAL YEAR 1922.

Title.	Estimates.	Appropriations.	Increase appropriations over estimates.	Decrease appropriations under estimates.
Regular acts	$3,386,611,227.49	$2,171,081,664.64		$1,215,529,562.85
Deficiency acts	[1] 650,609,133.87	382,421,231.37		268,187,902.50
Miscellaneous acts		20,502,952.58	$20,502,952.58	
Permanents and indefinites	1,300,776,360.87	1,335,776,360.87	35,000,000.00	
Total	**5,337,996,722.23**	**3,909,782,209.46**	**55,502,952.58**	**1,483,717,465.35**

[1] Exclusive of estimate for $134,000,000 for the fiscal year 1922, submitted for the Emergency Fleet Corporation in connection with the second deficiency bill, which was also originally submitted in connection with the sundry civil bill.

Net reduction, estimates under appropriations, **$1,428,214,512.77.**

RECAPITULATION OF ESTIMATES OF APPROPRIATIONS, 1921-22.

Sixty-sixth Congress, third session, and Sixty-seventh Congress, first session.

Title of acts.	Regular annual.	Supplemental or deficiency.	Total.
REGULAR ACTS.			
Agriculture	$41,989,384.00	$11,040,000.00	$53,029,384.00
Army (including Military Academy)	699,275,502.93		699,275,502.93
Diplomatic and Consular	11,983,848.94		11,983,848.94
District of Columbia	25,039,044.99		25,039,044.99
Fortification	35,676,533.66		35,676,533.66
Indian	11,989,703.67		11,989,703.67
Legislative, etc	136,452,634.97	762,080.00	137,214,714.97
Naval	679,515,731.47	18,400,000.00	697,915,731.47
Pensions	265,190,000.00	310,000.00	265,500,000.00
Post Office	585,406,902.00		585,406,902.00
River and harbor	57,114,915.00		57,114,915.00
Sundry civil	803,446,196.86	3,018,749.00	806,464,945.86
Total, regular acts	3,353,080,398.49	33,530,829.00	3,386,611,227.49
Permanent annual appropriations	1,300,776,360.87		1,300,776,360.87
Total, regular and permanent	4,653,856,759.36	33,530,829.00	4,687,387,588.36
DEFICIENCY ACTS.			
First deficiency, fiscal year 1921		560,625,288.24	560,625,288.24
Second deficiency, fiscal year 1921		223,983,845.63	223,983,845.63
Total, deficiency acts		784,609,133.87	784,609,133.87
Grand total	4,653,856,759.36	818,139,962.87	5,471,996,722.23
Deduct estimate for the fiscal year 1922 submitted for the Emergency Fleet Corporation in connection with the second deficiency bill and also submitted originally in connection with the sundry civil bill			134,000,000.00
Grand total of estimates, net			5,337,996,722.23

RECAPITULATION OF APPROPRIATIONS, 1921-22.

Sixty-sixth Congress, third session, and Sixty-seventh Congress, first session.

Title of acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
REGULAR ACTS.			
Agriculture	$36,404,259.00		$36,404,259.00
Army	328,013,529.80		328,013,529.80
Diplomatic and Consular	9,326,550.79		9,326,550.79
District of Columbia [1]	19,412,412.99	$100,000.00	19,512,412.99
Fortifications	8,038,017.00		8,038,017.00
Indian	9,761,554.67		9,761,554.67
Legislative, etc	110,348,018.75		110,348,018.75
Navy	410,673,289.23		410,673,289.23
Pension	265,500,000.00		265,500,000.00
Post Office [2]	574,057,552.00		574,057,552.00
River and harbor	15,250,000.00		15,250,000.00
Sundry civil	384,196,480.41		384,196,480.41
Total, regular acts	2,170,981,664.64	100,000.00	2,171,081,664.64
DEFICIENCY ACTS.			
First deficiency, fiscal year 1921	275,256,508.87		275,256,508.87
Second deficiency, fiscal year 1921	106,355,657.06	400,000.00	106,755,657.06
Urgent deficiency, expenses of first session, Sixty-seventh Congress	409,065.44		409,065.44
Total, deficiency acts	382,021,231.37	400,000.00	382,421,231.37
MISCELLANEOUS ACTS.[3]			
Construction of hospitals, war-risk insurance patients	18,600,000.00		18,600,000.00
Valuation of property of carriers, Interstate Commerce Commission, fiscal year 1921	1,000,000.00		1,000,000.00
Claims of officers and enlisted men of the Army for loss of property lost in the military service	300,000.00		300,000.00

[See footnotes on page 3956.]

RECAPITULATION OF APPROPRIATIONS, 1921-22—Continued.

Sixty-sixth Congress, third session, and Sixty-seventh Congress, first session.

Title of acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
MISCELLANEOUS ACTS—continued.			
Allotment of lands within the Fort Belknap Indian Reservation, Mont.	$270,000.00		$270,000.00
Budget and accounting act	225,000.00		225,000.00
Sundry miscellaneous acts	107,952.58		107,952.58
Total, miscellaneous acts [3]	20,502,952.58		20,502,952.58
PERMANENTS AND INDEFINITES.			
Interest on the public debt	922,650,000.00		922,650,000.00
Sinking fund	265,754,864.87		265,754,864.87
Customs Service, repayments, etc	27,000,000.00		27,000,000.00
Philippine and Porto Rican funds	4,000,000.00		4,000,000.00
National bank examiners, salaries and expenses	1,700,000.00		1,700,000.00
Federal Board for Vocational Education	5,438,000.00		5,438,000.00
Canals and river and harbor work	7,244,600.00		7,244,600.00
Pay of the Army, deposit fund	2,000,000.00		2,000,000.00
Special and trust funds, Navy Department	13,040,000.00		13,040,000.00
Civil service retirement and disability fund	5,097,000.00		5,097,000.00
Agricultural and mechanical colleges	2,500,000.00		2,500,000.00
Payments to States from receipts under oil-leasing act	3,750,000.00		3,750,000.00
Indian funds and interest on same	23,300,000.00		23,300,000.00
Meat inspection, Bureau of Animal Industry	3,000,000.00		3,000,000.00
Cooperative agricultural extension work	4,080,000.00		4,080,000.00
Construction of roads and trails, national forests	1,000,000.00		1,000,000.00
Payments from national forest funds and cooperative work, Forest Service	3,570,000.00		3,570,000.00
Increased compensation to certain Government employees ($240 bonus) [4]	35,000,000.00		35,000,000.00
Miscellaneous	5,651,896.00		5,651,896.00
Total, permanents and indefinites	1,335,776,360.87		1,335,776,360.87
Grand total	3,909,282,209.46	$500,000.00	3,909,782,209.46

[1] The amounts for the District of Columbia, after deducting sums for the water service (payable from the water revenues) and sums for playgrounds, street extensions, minimum wage board, and community forums of public schools (payable wholly from District revenues), are payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the Treasury of the United States.

[2] The expenses of the Postal Service are payable from the postal revenues to the extent they are sufficient therefor and the remainder is paid out of the Treasury.

[3] Miscellaneous acts for the Sixty-seventh Congress, first session, include these approved prior to July 1, 1921.

[4] This sum is approximated.

JULY 12, 1921.

Mr. McCORMICK. I ask that in conjunction with the tables presented by the Senator from Wyoming the corresponding tables presented a year ago may be published for comparison.

The VICE PRESIDENT. Without objection, the tables referred to by the Senator from Illinois will be printed in the RECORD.

The tables referred to are as follows:

RECAPITULATION OF APPROPRIATIONS, 1920-21.

Sixty-sixth Congress, second session.

Title of appropriation acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
REGULAR ACTS.			
Agriculture	$31,712,784.00		$31,712,784.00
Army	392,558,365.00		392,558,365.00
Diplomatic and Consular	9,218,537.91		9,218,537.91
District of Columbia [1]	18,373,004.87	$2,266,410.00	20,639,414.87
Fortifications	18,833,442.00	300,000.00	19,133,442.00
Indian	10,020,555.27		10,020,555.27
Legislative, etc	104,749,326.11		104,749,326.11
Military Academy	2,142,212.70		2,142,212.70
Naval	433,279,574.00	5,505,000.00	438,784,574.00
Pension	279,150,000.00		279,150,000.00
Post Office [2]	462,575,190.00		462,575,190.00
River and Harbor	12,400,000.00		12,400,000.00
Sundry civil	437,106,806.92		437,106,806.92
Total, regular acts	2,212,119,798.78	8,071,410.00	2,220,191,208.78

[See footnotes on page 3957.]

RECAPITULATION OF APPROPRIATIONS, 1920-21—Continued.

Sixty-sixth Congress, second session.

Title of appropriation acts.	Appropriations.	Contracts to be met by future appropriations.	Total.
DEFICIENCY ACTS.			
Urgent, fiscal year 1920	$33,110,000.00		$33,110,000.00
Second, fiscal year 1920	88,061,889.63	$400,000.00	88,461,889.63
Railroad and urgent, fiscal year 1920	309,717,285.79		309,717,285.79
Third, fiscal year 1920	55,603,208.03		55,603,208.03
Total, deficiency acts	486,492,383.45	400,000.00	486,892,383.45
MISCELLANEOUS ACTS.			
Metropolitan and park police, District of Columbia	339,474.05		339,474.05
International Communication Conference	75,000.00		75,000.00
Retirement of school-teachers, District of Columbia	30,000.00		30,000.00
Fire department, District of Columbia	279,500.00		279,500.00
Transportation act, 1920 [3]	500,050,000.00		500,050,000.00
Relief of certain Army officers	10,000.00		10,000.00
Vocational rehabilitation of persons disabled in industry	871,000.00		871,000.00
Federal water-power act	125,000.00		125,000.00
Relief of New Jersey Shipbuilding & Dredging Co	118,309.16		118,309.16
Miscellaneous private relief acts	55,782.62		55,782.62
Increased compensation to certain Government employees [4]	35,000,000.00		35,000,000.00
Increased compensation, Postal Service, under reclassification act [4]	855,510.00		41,855,510.00
Total, miscellaneous acts	578,809,575.83		578,809,575.83
PERMANENTS AND INDEFINITES.			
Interest on the public debt [4]	1,017,500,000.00		1,017,500,000.00
Sinking fund [4]	287,500,000.00		287,500,000.00
Loans, expenses of [4]	12,456,000.00		12,456,000.00
Customs Service, repayments, etc. [4]	20,200,000.00		20,200,000.00
Philippine and Porto Rican funds	4,000,000.00		4,000,000.00
National bank examiners, salaries and expenses	1,000,000.00		1,000,000.00
Federal Board for Vocational Education	3,836,000.00		3,836,000.00
Canals and river and harbor work	4,544,000.00		4,544,000.00
Pay of the Army, deposit fund	2,000,000.00		2,000,000.00
Special and trust funds, Navy Department	4,250,000.00		4,250,000.00
Agricultural and mechanical colleges	2,500,000.00		2,500,000.00
Indian funds [4]	23,775,000.00		23,775,000.00
Meat inspection, Bureau of Animal Industry	3,000,000.00		3,000,000.00
Road construction [5]	104,000,000.00		104,000,000.00
Miscellaneous [4]	12,846,752.29		12,846,752.29
Total, permanents and indefinites	1,503,407,752.29		1,503,407,752.29
Grand total [5]	4,780,829,510.35	8,471,410.00	4,789,300,920.35

[1] The amounts for the District of Columbia, after deducting sums for the water service (payable from the water revenues), and sums for playgrounds, street extensions, and minimum wage board (payable wholly from the District revenues), are payable 60 per cent from the revenues of the District of Columbia and 40 per cent from the Treasury of the United States.

[2] The expenses of the Postal Service are payable from the postal revenues to the extent they are sufficient therefor and the remainder is paid out of the Treasury.

[3] This sum is made up as follows: $300,000,000 for new loans to carriers, $200,000,000 on account of Federal control of railroads, and $50,000 for expenses of the Railway Labor Board. No amount is included to cover sums estimated to carry into effect the six months' guaranty to carriers or to pay the losses of "short-line" railroads.

[4] This sum is approximated.

[5] This sum includes $78,000,000 appropriated for the construction of roads for the fiscal year 1921 by the Post Office appropriation act approved Feb. 28, 1919.

SEPTEMBER 1, 1920.

RECAPITULATION OF ESTIMATES OF APPROPRIATIONS, 1920-21.

Sixty-sixth Congress, second session.

Title of acts.	Regular annual.	Supplemental or deficiency.	Total.
REGULAR ACTS.			
Agriculture	$37,528,102.00	$2,169,755.00	$39,697,857.00
Army	982,800,020.00	1,822,200.00	984,622,220.00
Diplomatic and Consular	11,243,250.91	464,112.00	11,707,362.91
District of Columbia	19,179,716.03	1,249,612.84	20,429,328.87
Fortifications	117,793,330.00	134,000.00	117,927,330.00
Indian	12,994,494.27		12,994,494.27
Legislative, etc	122,242,849.02	201,990.00	122,444,839.02

RECAPITULATION OF ESTIMATES OF APPROPRIATIONS, 1920-21—Continued.

Sixty-sixth Congress, second session.

Title of acts.	Regular annual.	Supplemental or deficiency.	Total.
REGULAR ACTS—continued.			
Military Academy	$6,778,637.20		$6,778,637.20
Naval	573,131,254.80	$9,500,000.00	582,631,254.80
Pension	215,030,000.00		215,030,000.00
Post Office	391,713,673.00		391,713,673.00
River and harbor	42,841,565.00		42,841,565.00
Sundry civil	906,725,387.10	141,500,000.00	1,048,225,387.10
Total, regular acts	3,440,002,279.33	157,041,669.84	3,597,043,949.17
Permanent annual appropriations	1,425,407,752.29		1,425,407,752.29
Total, regular and permanent annual appropriations	4,865,410,031.62		5,022,451,701.46
Miscellaneous estimates	500,050,000.00		500,050,000.00
Total, regular, permanent, and miscellaneous	5,365,460,031.62		5,522,501,701.46
DEFICIENCY ACTS.			
Urgent, fiscal year 1920		33,289,500.00	33,289,500.00
Second, fiscal year 1920		119,174,798.25	119,174,798.25
Railroad and urgent, fiscal year 1920		431,675,429.98	431,675,429.98
Third, fiscal year 1920		64,277,690.40	64,277,690.40
Total, deficiency acts		648,417,418.63	648,417,418.63
Grand total	5,365,460,031.62	805,459,088.47	6,170,919,120.09

NOTE.—The regular annual estimates (including those for permanent appropriations) were submitted to Congress at the beginning of the second session of the Sixty-sixth Congress in House Document No. 411, and the supplemental and deficiency estimates have been submitted from time to time during that session. The amount under "Miscellaneous Estimates" includes the aggregate of the specific sums appropriated in the "Transportation act, 1920," for which no formal estimates were submitted.

SEPTEMBER 1, 1920.

Mr. WARREN. I observe that the Senator from Illinois [Mr. MCCORMICK], who requested the last-mentioned table showing recapitulation of appropriations 1920-21, Sixty-sixth Congress, second session, and recapitulation of estimates of appropriations for the same period, desired the printing of these tables to follow immediately after those of 1921-22 for the purpose of comparing the amounts of appropriations and estimates for the two fiscal years.

The following short table will give the Senator the difference between the appropriations for the two fiscal years named:

Appropriations, 1921	$4,780,829,510.35
Appropriations, 1922	3,909,782,209.46
Decrease, 1922 under 1921	871,047,300.89

Thus it is shown that the appropriations provided for the present fiscal year are $871,047,300.89 less than those made for the previous fiscal year.

Mr. KING. Will the Senator permit me an inquiry?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Utah?

Mr. WARREN. Yes.

Mr. KING. As I understand the figures which the Senator from Wyoming has just been submitting, they relate to the fiscal year ended June 30, 1921?

Mr. WARREN. The figures which I have given concern the appropriations provided for the present fiscal year, which will end on the 30th of June, 1922. They are submitted at this late day because of the fact that when the last session of Congress adjourned the Army and Navy bills had not been passed.

The chairman of the Committee on Appropriations at that time, on the last day of the session, submitted a report which was printed, which necessarily had to contain merely estimates concerning certain accounts. This statement represents the figures, after a complete closing of the books for the fiscal year 1921, as to authorized disbursements for the fiscal year 1922.

Mr. KING. May I inquire of the Senator from Wyoming if it is not a fact that there will be appropriations made to cover expenditures for obligations which have been incurred in 1921, during the past fiscal year?

Mr. WARREN. There are very large numbers of accounts in connection with which the money provided in the appropriations has not been expended but is in the Treasury awaiting the settlement of such accounts.

Mr. KING. I did not make myself clear. Obligations have been incurred or will be incurred under authority which existed for the fiscal year 1921 for which we shall be compelled to make appropriations in the future which will swell the totals which have now been submitted by the Senator.

Mr. WARREN. To a certain extent, in fact, to a large extent, that is true. That arises in this way: There are claims against the Government amounting to many hundreds of millions of dollars now pending in courts or, in many cases, in process of settlement by special committees or departments. For instance, in the Department of Justice, I believe, there are now pending claims amounting to nearly or quite three hundred million dollars growing out of the use of patents. The claimants have been injured, as they state, by the Government during the war issuing orders to make use of certain patents without regard to the question of infringement, the claims for damages to be afterwards adjusted.

Mr. KING. Then, if the Senator will pardon me, in addition claims aggregating more than $300,000,000 have been preferred against the Shipping Board, which if allowed or if any portion of which is allowed, we should have to pay, and those would grow out of obligations antecedent to the report which the Senator from Wyoming has now made.

Mr. WARREN. The Senator from Utah will understand that the Committee on Appropriations is not in possession of all the facts in reference to these matters. We know there are large claims pending for settlement, but we know little of their character except in a general way.

Mr. KING. I understand that, but what I mean is—and that is what I am trying to elicit—that notwithstanding the report of the Senator shows a deficit for the fiscal year of considerably more than a billion dollars, it is quite likely that additional claims will later be preferred against the Government aggregating, I have no doubt, more than a billion dollars.

Mr. WARREN. Mr. President, that opens a line of inquiry that a very short answer will cover. We are now trying to clean up after the World War, and there will be millions, in fact, I fear billions altogether, of liabilities that have not been

either estimated for or appropriated for, because that indebtedness is as yet entirely indefinite. Many of the claims hereafter to be presented will, of course, be repudiated.

Mr. KING. May I ask the Senator if, in his opinion, we shall not be compelled to pay larger claims during the coming year than we did during 1921, so that the deficit will be greater in 1922 than it was in 1921?

Mr. WARREN. So far as Congress has provided for by its appropriations for the coming year, I will answer the Senator, no; but as for the claims which will come along for future years, they are entirely indefinite and I should not be able to answer as to those.

Mr. KING. I had those in mind in my statement.

Mr. SMOOT. Mr. President, I think the Senator from Wyoming has inadvertently stated, in answer to the question of my colleague [Mr. KING], that the figures given by him referred to appropriations for the fiscal year ending June 30, 1921. They refer to appropriations for the fiscal year ending June 30, 1922.

Mr. WARREN. If the Senator will pardon me, the statement which I now present is entirely in reference to the business of the last year in making appropriations for the fiscal year 1922, which I should have reported and did report in an incomplete way on the last day of the previous Congress. The senior Senator from Utah [Mr. SMOOT] is right in correcting me as to the year in which the funds are to be expended, if I stated that year as 1921.

Mr. SMOOT. Then, I misunderstood the Senator in his opening statement that the figures represented the amount that was appropriated for at the last session of Congress.

Mr. WARREN. It is likely that I may not have made myself plain.

Mr. SMOOT. And that being the case, any appropriation that was made at the last session of Congress is for the fiscal year ending June 30, 1922?

Mr. WARREN. That is right. I am sorry that I misstated it, if I did so.

What I wished to convey was that it was the appropriations work for the fiscal year ending the 30th of June last, to cover expenditures for the fiscal year commencing July 1, 1921, and ending June 30, 1922. In other words, this is money that is placed at the disposal of the different departments for the current fiscal year, commencing the 1st of the present month.

Mr. SMOOT. My colleague asked the question as to whether there was a deficit of over a billion dollars. I think that the billion three hundred million dollars as reported is the difference between the amount that was appropriated and the amount of the estimates asked for.

Mr. WARREN. That is what I said.

Mr. SMOOT. And not that there is a billion three hundred million dollars in claims over and above the appropriations. I think the Senator from Wyoming stated that correctly.

Mr. BORAH. Mr. President, there was so much confusion in the rear of the Chamber that I was unable to understand the colloquy. I desire to ask what were the figures showing, for the year for which the report is made, the total amount appropriated, the total expenditure provided for?

Mr. WARREN. They were just a little short of $4,000,000,000, the exact figures being $3,909,782,209.46.

Mr. FLETCHER. Mr. President, I should like to inquire what answer was given to the question of the Senator from Idaho? We were unable to hear it on this side.

Mr. BORAH. The figures are $3,909,782,209.46.

Mr. FLETCHER. That represents the total of appropriations, but that amount has not all been expended, I understand.

Mr. BORAH. No; it is the total of appropriations; but no one need to worry about the expenditure of the appropriations.

Mr. KING. That does not cover the deficits nor the claims which will be presented in the future, which will aggregate considerably more than a billion dollars.

CLAIM PAID GREAT BRITAIN.

Mr. BORAH. Mr. President, if the Senate will indulge me for just a moment, I desire to call attention to a matter which is not wholly unrelated to the question under discussion.

The VICE PRESIDENT. Is there objection? The Chair hears none.

Mr. BORAH. I noticed an item in yesterday's newspapers setting forth that claims aggregating $32,688,352 have been paid to Great Britain by the United States Government, despite Great Britain's debt of $4,500,000,000 to this country. The item states:

> Payment of $32,688,352 has been made by the American Government to the British Ministry of Shipping in settlement of a claim against the War Department, Treasury officials said yesterday. The payment was made, officials added, pursuant to an opinion by Attorney General Daugherty.

I will not read the entire statement, but I ask to have it inserted in the RECORD without reading.

The VICE PRESIDENT. Without objection, permission is granted.

The matter referred to is as follows:

> "$32,688,352 CLAIM PAID GREAT BRITAIN—COVERS TRANSPORTATION FOR UNITED STATES DURING THE WORLD WAR—AUTHORIZED BY DAUGHERTY—ATTORNEY GENERAL HELD AMOUNT WAS FOR CURRENT EXPENSES APART FROM GREAT INTERNATIONAL LOANS.
>
> [By the Associated Press.]
>
> "Despite Great Britain's debt of $4,500,000,000 to this country, payment of $32,688,352 has been made by the American Government to the British Ministry of Shipping in settlement of a claim against the War Department, Treasury officials said yesterday. The payment was made, officials added, pursuant to an opinion by Attorney General Daugherty.
>
> "The British claim was for transportation services arising out of the war with Germany, and the payment, it was explained, constitutes a final settlement between the War Department and the British Ministry of Shipping of all claims of either party against the other for transportation services.
>
> "Secretary Mellon asked Mr. Daugherty for a ruling as to whether the act of March 3, 1875, which requires the Secretary to withhold payment of any judgment against the United States where the claimant is indebted to this country in any manner, applied to such a claim.
>
> "ATTORNEY GENERAL RULES.
>
> "Mr. Daugherty held the act did not apply, as it was not the practice of sovereign nations to prosecute their claims against one another in the courts and obtain judgment, but to adjust such matters through diplomatic channels.
>
> "'If it should be construed to apply to a case such as is now presented,' the Attorney General said, 'then whenever a claim is allowed by the United States in favor of a foreign nation it will be the duty of the Secretary of the Treasury in making payment to withhold the amount of any claim which the United States may have against such nation. As is well known, this Government exercises a broad discretion in determining what claims it will present against other nations and the operations of the statute in such matters would seriously interfere with the Government in the conduct of its foreign relations.'
>
> "INCLUDED OIL CLAIM.
>
> "The British transportation claim, it was explained, was for what was regarded during the war as current expenses. Among the Allies, it was said, there was a general understanding that all current expenses would be paid one another without awaiting the settlement of international debts.
>
> "In connection with the claim Mr. Mellon also inquired whether $12,275,711 should be withheld pending adjustment of a claim of the Shipping Board against the Ministry of Shipping for shipments of oil. The Attorney General suggested that such a step might be suggested to Great Britain through the usual diplomatic channels, but the Treasury decided, officials said, that the amount of the Shipping Board's bill was yet to be adjusted finally and that the British transportation claim therefore should be paid in full."

Mr. BORAH. I assume, of course, Mr. President, that, as a legal proposition, the claim was one which had to be met, and I do not assume to criticize or differ with the opinion which the Attorney General has rendered. I assume also that there was nothing left to the Secretary of the Treasury to do but to pay the amount. I simply call it to the attention of the Senate and of the country, in order that we may observe the assiduity and the earnestness with which Great Britain presses her claims against the United States, notwithstanding the fact that she is indebted to the United States in the amount of some $4,000,000,000 upon which interest has not been paid for months, and upon which she is now seeking to have the interest deferred for from 10 to 15 years. I think it worth noting by those who have to do with the financial affairs of this country that we may follow as an example and look carefully after our interests, as Great Britain looks after her interests in these affairs.

It seems rather anomalous, Mr. President, that a Government which owes us $4,000,000,000, and the interest upon which is being deferred from day to day, is collecting from us more than $32,000,000. I do not understand why even if technically this debt was payable we could not ask that it be offset by the interest on the foreign debt, long past due us.

Mr. OVERMAN. Mr. President, may I ask the Senator a question?

Mr. BORAH. Certainly.

Mr. OVERMAN. The Senator says he assumes that this Government was right in paying to Great Britain $32,000,000, although Great Britain owes us $4,000,000,000. I should like to know why the Senator assumes it is all right to do that?

Mr. BORAH. I say I assume that, technically, as a matter of law, the opinion of the Attorney General was correct, because I have not had time to look into the law.

Mr. OVERMAN. I was wondering the basis of the Senator's assumption.

Mr. BORAH. It is claimed that by reason of legal obligations which existed, the payment had to be met. I am not sufficiently familiar with the contractual relations or the understandings and obligations which exist to pass upon that, and I do not know; but the very fact that Great Britain should urge it under such conditions is, I think, a most remarkable exhibition, not to say anything more, of a great desire to look after her particular interests, without any proper regard for the equities of her creditor. We have so long been in the habit of being generous to other countries at the expense of the American taxpayers that it seems pretty difficult to break the habit.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Massachusetts?

Mr. BORAH. I will yield in just a moment.

Another thing in this connection, Mr. President: I read in one of yesterday's papers that the Congress was delaying the funding bill and thereby delaying the collection of interest upon the foreign debt. I do not understand that there is any delay of the collection of the foreign debt by reason of a technical legal inability to collect the debt in its present form. It is not necessary to fund the foreign debt, or put it in a different technical or legal form in order either to collect the debt or to collect the interest upon the debt. So far as any legal inhibition is concerned, or any legal inconvenience or obstacle, there is no reason why we should not collect the entire debt and collect the entire interest upon the entire debt at this time. If there is any reason for a failure to collect it, it is a question of policy or a question of business and not a question of inability to do so by reason of any legal inhibition.

Mr. McKELLAR. Mr. President——

Mr. BORAH. Just a moment. We are in a position, in other words, to call upon Great Britain to pay the interest upon her debt and to insist upon that call, so far as any legal inhibition is or obstacles are concerned.

Mr. McKELLAR. Mr. President, of course the Senator is correct in his position, and I want to make this suggestion: If Great Britain owes us this interest on the present debt—and the present debt bears interest at 5 per cent, of course, as reported by the Secretary—and if we are simply delaying this legal obligation, why could not our own officials have delayed the payment of this $32,000,000 confessedly due by us to Great Britain? Why could not that have been delayed in the same way that our officials are delaying the collection of this debt until both were settled?

Mr. WALSH of Massachusetts. Mr. President——

Mr. BORAH. I yield.

Mr. WALSH of Massachusetts. The Senator from Idaho will be interested to know that the Secretary of the Treasury appeared this morning before the Committee on Finance and considered the very subject matter which the Senator is discussing. He was interrogated by the Senator from Missouri [Mr. REED] with regard to this matter. The Secretary stated that the $32,000,000 payment was in payment of a debt owed by this country to Great Britain for the use of British vessels in transporting our troops to Europe during the war. It was the balance of a very large account which Great Britain had against our country.

The Secretary also stated, after further inquiries were made, that Great Britain is indebted to the Shipping Board of the United States in a sum amounting to about $12,000,000; that this indebtedness was not used to offset this payment of $32,000,000, he stated, because the total amount due the Shipping Board has not yet been liquidated or agreed upon; so that at the time this payment was made, in addition to the interest due upon the so-called foreign loans made to Great Britain during the war, there was also a debt the exact amount of which is undetermined, amounting to about $12,000,000, due the Shipping Board for the use of our ships in carrying materials to Great Britain during the war.

Mr. WALSH of Montana. Mr. President, referring to the information given by the Senator from Massachusetts, I observe by the papers, as stated by the Senator, that it was contended that although the services rendered by the United States through the Shipping Board to Great Britain were of practically if not identically the same character as the services rendered by Great Britain to this Government, the claim due the Shipping Board was not offset against the claim due to Great Britain from this country because in the one case the amount was liquidated and agreed upon, and in the other case it was not liquidated and agreed upon.

Mr. WALSH of Massachusetts. That is exactly the situation.

Mr. WALSH of Montana. Is the Senator able to advise us how it was that Great Britain was able to get an adjustment and liquidation of her debt against this country more speedily than this country was able to get a liquidation and agreement with respect to the amount of debt due to this country from Great Britain?

Mr. WALSH of Massachusetts. The Secretary of the Treasury said that Great Britain was disputing many of the items or some of the items in the Shipping Board account.

Mr. WALSH of Montana. Are we to understand from that that the United States did not dispute any of the items in the account rendered by Great Britain?

Mr. WALSH of Massachusetts. I understood that there was a long discussion and controversy about both accounts.

Mr. WALSH of Montana. Then apparently there is a controversy existing with respect to both claims, as is reasonably to be expected?

Mr. WALSH of Massachusetts. Exactly. It is clear that good business judgment would have led at least to the settlement of both these accounts at the same time. The Secretary of the Treasury gave as a justification for the course pursued that these were departmental matters; that the debt which was paid, $32,000,000, was against the War Department, or, rather, one which the War Department had negotiated and, consequently, settled, and the other debt against the Shipping Board. The fact is, however, that Great Britain has collected one of her assets against our Government and allowed two of her liabilities to us to remain unpaid.

Mr. SMOOT. Mr. President, the $32,000,000 that was paid was in settlement of all accounts that grew out of the transactions in shipping between England and the United States following the armistice.

Mr. WALSH of Massachusetts. I do not so understand it.

Mr. SMOOT. That is what the Secretary testified.

Mr. WALSH of Massachusetts. It was in part a debt following the armistice and in part a debt previous to the armistice. It was the balance of a long account extending over the entire period of the war and afterwards.

Mr. SMOOT. The Senator from Massachusetts can make that statement. I was simply trying to quote what the Secretary of the Treasury said. It makes no difference whether it was or whether it was not, but I wanted to be accurate about it; and the final settlement was agreed upon between the War Department and the English representatives showing $32,000,000 that the War Department was owing for the service rendered by England. In the past whenever there has been a settlement of running open accounts that had nothing whatever to do with advances to England they were paid by England in cash, and by the United States, if the amounts were due to England, in cash, whenever the settlement was finally agreed upon.

Mr. McKELLAR rose.

Mr. SMOOT. If the Senator will wait just a moment, I will answer any question he wants to ask. Our Government holds that England is owing the Shipping Board approximately $12,000,000. It may be a little more or it may be a little less. Now, the only difference is that the settlement has been finally agreed to with the War Department a little quicker than it has been adjusted and agreed to with the Shipping Board. Just as soon as the amount due the Shipping Board is agreed to England will pay to the Shipping Board of the United States $12,000,000 or $13,000,000 or $11,000,000, or whatever the amount may be.

Mr. BORAH. Mr. President, may I ask the Senator a question? He says that this amount of $32,000,000 is liquidated and settled. There are millions of interest which is fixed and due. We know precisely what it is. It is due to us. It is a legal obligation. Why was it not possible to offset this $32,000,000 with $32,000,000 of interest?

Mr. SMOOT. Mr. President, that is a fair question, and can be answered in this way: At the time of the war, or at the time when America agreed that she would give to England so much credit to assist her in carrying on the war, everything connected with the war specifically was charged to that account. She is owing this Government over $4,000,000,000, as the Senator says, with interest on that amount; but all of the running expenses of the Government, the daily expenses, like the shipping from this country to England, the maintenance of the ships, or any other activity in connection with the daily work, has been paid by England to America, hundreds and hundreds of millions of dollars, as soon as the account was rendered and

adjusted, and so has America paid to England not only this $32,000,000 but hundreds and hundreds and hundreds of millions of dollars when those running open accounts were finally presented and adjusted; and this is the balance of that kind of an account. The other is a question of advancing money for war purposes entirely, and that is the difference between the two.

Mr. BORAH. That is the difference in one respect, but it does not answer at all the proposition that one might be, in the negotiations between the countries, an offset of the other. I do not understand why it was necessary for us to pay the $32,000,000 when there is a binding legal obligation overdue upon the part of England to pay us hundreds of millions of dollars. I confess I am getting impatient with taxing and taxing the people of this country to hand it over to our debtors.

Mr. SMOOT. Well, Mr. President, if in this account England had been owing the United States $32,000,000 and the United States in the settlement had been owing England $12,000,000, England, without a question of doubt, would have paid us a check for $32,000,000.

Mr. KELLOGG. How does the Senator know she would?

Mr. SMOOT. Because she has paid every obligation of that kind in the past, and never waited a moment after the matter was adjusted, and she will do it now.

Mr. McNARY. Mr. President, I ask for the regular order.

The VICE PRESIDENT. The regular order is reports of committees.

MARINE INSURANCE IN THE DISTRICT OF COLUMBIA.

Mr. JONES of Washington, from the Committee on Commerce, to which was referred the bill (S. 2265) to regulate marine insurance in the District of Columbia, and for other purposes, reported it without amendment and submitted a report (No. 228) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LADD:

A bill (S. 2267) to fix the metric system of weights and measures as the single standard of weights and measures for certain uses; to the Committee on Manufactures.

By Mr. SHEPPARD:

A bill (S. 2268) for a commission to study the questions of land settlement and home ownership in the United States; to the Committee on Public Lands and Surveys.

By Mr. McNARY:

A bill (S. 2269) to add certain lands to the Crater Lake National Park, Oreg.; to the Committee on Public Lands and Surveys.

By Mr. KENYON:

A bill (S. 2270) to authorize the Department of Labor to continue the publication of the Monthly Labor Review; to the Committee on Printing.

By Mr. BORAH:

A bill (S. 2271) for the relief of Nellie Kildee; to the Committee on Public Lands and Surveys.

By Mr. BRANDEGEE:

A bill (S. 2272) to amend the act approved October 29, 1919, known as the national motor vehicle theft act; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

A bill (S. 2273) to amend section 13 of the Federal reserve act; to the Committee on Banking and Currency.

CHANGES OF REFERENCE.

Mr. CARAWAY. The bill (S. 1794) to authorize the Secretary of War to release the Kansas City & Memphis Railroad & Bridge Co. from reconstructing its highway and approaches across its bridge at Memphis, Tenn., introduced by me was referred to the Committee on Military Affairs. I ask unanimous consent to have that committee discharged from its further consideration and that the bill be referred to the Committee on Commerce. I have spoken to the chairman of the Committee on Military Affairs [Mr. WADSWORTH], and he assents to this change of reference.

The VICE PRESIDENT. Without objection, the Committee on Military Affairs will be discharged from the further consideration of the bill and it will be referred to the Committee on Commerce.

Mr. CARAWAY. I also introduced the bill (S. 1796) prohibiting the intermarriage of the Negro and Caucasian races in the District of Columbia and the residence in the District of Columbia of members of those races so intermarrying outside the boundaries of the District of Columbia, and for other purposes, and providing penalties for the violation of this act, and it was referred to the Committee on the District of Columbia. It should have been referred to the Committee on the Judiciary. I ask unanimous consent that the Committee on the District of Columbia may be discharged from the further consideration of the bill and that it be referred to the Committee on the Judiciary. I have spoken to the Senator from Delaware [Mr. BALL], chairman of the Committee on the District of Columbia, and he assents to the change of reference.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Committee on the District of Columbia will be discharged from the further consideration of the bill and it will be referred to the Committee on the Judiciary.

AMENDMENT TO NATIONAL PROHIBITION ACT.

Mr. McCORMICK submitted an amendment intended to be proposed by him to the bill (H. R. 7294) supplemental to the national prohibition act, which was ordered to lie on the table and to be printed.

EXPORTATION OF FARM PRODUCTS.

Mr. McCORMICK submitted five amendments intended to be proposed by him to the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which were ordered to lie on the table and to be printed.

STATEMENT OF ESTIMATES AND APPROPRIATIONS.

Mr. OVERMAN. Mr. President, I desire to make a suggestion in regard to the comprehensive statement made by the chairman of the Committee on Appropriations. I do not mean to criticize the report he made or to criticize him, as for years I have been guilty of the same practice myself in making such reports. But I notice in this report an item of estimates. While that does not fool the Senate, it is misleading to the public. Why put in a report an estimate of what somebody in a department thinks is necessary to run the Government? For example, $1,500,000 may be the estimate and the Appropriations Committee may appropriate a million. Why put in a report to the Senate and to the public a statement that the estimate was $1,500,000, what some man thinks is necessary to run that particular department, when we appropriate one million and it appears to the public that we have saved $500,000 when we have not saved anything? It is buncombe and does not show that the committee or the Senate has been economical. Why put it in the report to the Senate and bring it to the Senate to show that there was an estimate for a million five hundred thousand dollars when there was only a million appropriated? I hope in the future that item will not be included in reports to the Senate. It has been brought forward for years; it is misleading to some people and should not be put in, in my judgment.

Mr. SMOOT. Mr. President, I think the statement of the estimates has served a very good purpose in the past. Now we have the budget system, and perhaps it may be different, but the public believes that it is Congress which is extravagant. The public believes that if we would only give the heads of the departments what they ask for the appropriations would not be nearly as large as they are.

I do not think anything has been published to such an extent as have the increases in appropriations made by the Senate over the amounts appropriated by the House. There are items amounting to millions of dollars every year, I am quite sure, which the House leaves out of appropriations, which it knows very well will have to be inserted by the Senate.

Mr. OVERMAN. The Senator knows, as an able member of the Committee on Appropriations, that we bring in a statement of the estimates. I do not think we have ever given the estimates asked for by any department.

Mr. SMOOT. That is what I want the people of this country to understand.

Mr. OVERMAN. Why should the people be misled in that respect because some men come before the committee and make an estimate? It is then said, "Look what we have saved here. There was an estimate $1,800,000 and the Senate has given only a million." That is only buncombe. I do not think the people ought to be misled in such a way.

Mr. SMOOT. Mr. President, I do not think it misleads anybody. Everyone who really is interested in it will know what an estimate is and what an appropriation is. But it does show that if Congress should give the heads of the departments all they ask for the taxpayers of this country would be called upon to pay hundreds of millions of dollars more than they have to pay.

Mr. SIMMONS. Mr. President——

Mr. STERLING. Mr. President, I call for the regular order.

The VICE PRESIDENT. The Senator from North Carolina is recognized, without objection.

Mr. SIMMONS. I understood that the regular order had been called for. I merely wanted to ask a question.

The VICE PRESIDENT. The Chair recognizes, without objection, the Senator from North Carolina.

Mr. SIMMONS. I simply wanted to ask the Senator from Utah a question, and I am asking it for information which I would like to have.

I have seen a great deal in the papers about the difference between the actual appropriations for the past fiscal year and the estimates for appropriations for that year. I want to ask the Senator from Utah to what extent the difference between the actual appropriations and the estimates has been made up by deficiencies which have had to be paid.

Mr. SMOOT. It has never been made up entirely.

Mr. SIMMONS. I know it has not, but can the Senator give the Senate some idea of the proportion which the difference between the appropriations and the estimates bears to the deficiencies that have resulted from the failure to make larger appropriations?

Mr. SMOOT. My opinion, offhand, Mr. President, is that it would be 10 per cent of the difference between the estimates and the amount appropriated. In other words, if there were a million dollars difference between the estimates and the amount of the appropriation, I have not any doubt but that one-tenth of that amount would ultimately have to be made up by deficiencies.

Mr. SIMMONS. Taking all the deficiencies that we have had to provide for?

Mr. SMOOT. The Senator will recall that every deficiency is included in the reports, so that the reports show just exactly what the difference is, including the deficiencies.

Mr. WARREN. Mr. President, I merely wish to answer the observation of my colleague on the Committee on Appropriations, the Senator from North Carolina [Mr. OVERMAN]. If no one objects, I will proceed for a moment.

The estimates which come to us come from the Secretary of the Treasury. How they come to him, of course, the Senator well knows. It is fair to the country to know what the Secretary of the Treasury, the great financial agent of this Government, thinks we ought to appropriate. So we do, as the Senator says, as has always been done in the past, bring in a statement of the estimates.

As to the deficiencies, there are also estimates which follow along later. All those ought to be shown in our records, so that the people may know——

Mr. NORRIS. I ask for the regular order. It has been called for three or four times.

The VICE PRESIDENT. The regular order is concurrent and other resolutions. If there are none, the morning business is closed and the calendar, under Rule VIII, is in order.

THE CALENDAR.

Mr. STERLING. I ask unanimous consent that the Senate proceed to the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

Mr. UNDERWOOD. Mr. President——

Mr. NORRIS. I object, Mr. President.

The VICE PRESIDENT. The Senator from South Dakota asks unanimous consent to proceed with the consideration of House bill 7294. Is there objection?

Mr. UNDERWOOD. The Senator from Nebraska objected. I merely rose to say that this is Calendar Monday, and as it comes only once a week, I think Senators ought to have a chance to have their bills considered.

The VICE PRESIDENT. The calendar under Rule VIII is in order. The first business on the calendar will be stated.

The bill (S. 656) to create a bureau of aeronautics in the Department of the Navy was announced as first in order on the calendar.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

The bill (S. 1021) to provide for the exchange of Government lands for privately owned lands in the Territory of Hawaii was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The bill will be passed over.

DUTIES OF JUDGES.

The bill (S. 384) to require judges appointed under authority of the United States to devote their entire time to the duties of a judge was announced as next in order.

Mr. SMOOT and Mr. KENYON. Let that go over.

Mr. DIAL. Mr. President, I move that the Senate proceed to the consideration of the bill.

The VICE PRESIDENT. The Senator from South Carolina moves that the Senate proceed with the consideration of Senate bill 384, notwithstanding the objection.

Mr. KENYON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. UNDERWOOD. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Assistant Secretary called the roll, and the following Senators answered to their names:

Ashurst	Glass	Moses	Smoot
Ball	Hale	Myers	Spencer
Borah	Harris	Nelson	Stanfield
Brandegee	Harrison	New	Stanley
Broussard	Heflin	Nicholson	Sterling
Bursum	Jones, Wash.	Norbeck	Sutherland
Capper	Kellogg	Norris	Swanson
Caraway	Kendrick	Oddie	Townsend
Culberson	Kenyon	Overman	Trammell
Cummins	Keyes	Pittman	Underwood
Curtis	King	Pomerene	Walsh, Mass.
Dial	Ladd	Ransdell	Walsh, Mont.
Edge	La Follette	Reed	Warren
Ernst	Lodge	Robinson	Watson, Ga.
Fernald	McCormick	Sheppard	Williams
Fletcher	McKellar	Shortridge	Willis
Frelinghuysen	McNary	Simmons	

The VICE PRESIDENT. Sixty-seven Senators having answered to their names, a quorum is present. The question is on the motion of the Senator from South Carolina [Mr. DIAL] on which the yeas and nays have been ordered.

Mr. KELLOGG. Mr. President, is the motion debatable?

The VICE PRESIDENT. It is not.

Mr. KELLOGG. I hope the Senate will vote it down anyhow.

The VICE PRESIDENT. The question is on the motion of the Senator from South Carolina [Mr. DIAL] that the Senate proceed to the consideration of the bill (S. 384) to require judges appointed under authority of the United States to devote their entire time to the duties of a judge. The yeas and nays have been ordered. The Secretary will call the roll.

The Assistant Secretary proceeded to call the roll.

Mr. EDGE (when his name was called). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the junior Senator from Arizona [Mr. CAMERON] and vote "nay."

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence, being unable to obtain a transfer, I withhold my vote.

Mr. HALE (when his name was called). I have a general pair with the senior Senator from Tennessee [Mr. SHIELDS], which I transfer to the senior Senator from New York [Mr. WADSWORTH] and vote "nay."

Mr. HARRIS (when his name was called). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Texas [Mr. CULBERSON] and vote "yea."

Mr. MYERS (when his name was called). I have a general pair with the Senator from Connecticut [Mr. MCLEAN]. In his absence I transfer that pair to the Senator from Nebraska [Mr. HITCHCOCK] and vote "yea."

Mr. REED (when his name was called). I am paired with the junior Senator from Michigan [Mr. NEWBERRY]. In his absence, being unable to obtain a transfer of the pair, I am not at liberty to vote.

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Pennsylvania [Mr. KNOX] and vote "nay."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. PENROSE] who is unavoidably absent. If he were present and I were at liberty to vote, I should vote "yea." As it is I am compelled to withhold my vote.

The roll call was concluded.

Mr. DIAL (after having voted in the affirmative). I have a general pair with the Senator from Colorado [Mr. PHIPPS] which I transfer to the Senator from Rhode Island [Mr. GERRY] and allow my vote to stand.

Mr. TRAMMELL (after having voted in the affirmative). I observe that the Senator from Rhode Island [Mr. COLT] has not voted. I have a general pair with that Senator. I am unable to obtain a transfer and therefore withdraw my vote.

Mr. KING (after having voted in the affirmative). I have a general pair with the Senator from North Dakota [Mr. MCCUMBER], who is not present. I am unable to obtain a transfer and am compelled to withdraw my vote.

Mr. HARRISON. I am paired with the Senator from West Virginia [Mr. ELKINS] and withhold my vote.

The result was announced—yeas 29, nays 29, as follows:

YEAS—29.

Ashurst	Harris	Overman	Swanson
Borah	Heflin	Pittman	Underwood
Brandegee	Jones, Wash.	Pomerene	Walsh, Mass.
Broussard	Kendrick	Ransdell	Walsh, Mont.
Capper	La Follette	Sheppard	Watson, Ga.
Curtis	McKellar	Shortridge	
Dial	Myers	Simmons	
Fletcher	Oddie	Stanley	

NAYS—29.

Ball	Keyes	New	Sterling
Cummins	Ladd	Nicholson	Sutherland
Edge	Lenroot	Norbeck	Townsend
Ernst	Lodge	Norris	Warren
Frelinghuysen	McCormick	Robinson	Willis
Hale	McNary	Smoot	
Kellogg	Moses	Spencer	
Kenyon	Nelson	Stanfield	

NOT VOTING—37.

Bursum	Gerry	McCumber	Shields
Calder	Glass	McKinley	Smith
Cameron	Gooding	McLean	Trammell
Caraway	Harreld	Newberry	Wadsworth
Colt	Harrison	Owen	Watson, Ind.
Culberson	Hitchcock	Page	Weller
Dillingham	Johnson	Penrose	Williams
Elkins	Jones, N. Mex.	Phipps	
Fernald	King	Poindexter	
France	Knox	Reed	

So the Senate refused to proceed to the consideration of Senate bill 384.

Mr. OVERMAN. Mr. President, I have an amendment to the bill with reference to which a vote has just been taken. Out of order, I ask permission to introduce the amendment and ask that it be printed and lie on the table. I ask that the Secretary may read it. It has been suggested to me by a judge.

The PRESIDING OFFICER (Mr. CURTIS in the chair). Without objection, the amendment will be printed and lie on the table. The Secretary will read it as requested.

The ASSISTANT SECRETARY. Add the following proviso:

Provided, That such judge may accept and receive the usual compensation for acting as executor, administrator, or testamentary trustee, or as lecturer or instructor.

BILLS PASSED OVER.

The bill (S. 214) to amend section 24 of the act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911, was announced as next in order.

Mr. SMOOT. Let that bill go over, Mr. President.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 724) for the relief of Henry J. Davis was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 725) for the relief of Orion Mathews was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 581) to repeal the act prohibiting increased pay under lump-sum appropriations to employees transferred within one year was announced as next in order.

Mr. KING. Let that go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 582) to repeal section 5 of the act approved June 22, 1906, entitled "An act making appropriations for the legislative, executive, and judicial expenses of the Government for the fiscal year ending June 30, 1907, and for other purposes," was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 659) to create a Federal live-stock commission, to define its powers and duties, and to stimulate the production, sale, and distribution of live stock and live-stock products, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1439) to amend an act entitled "An act to provide for vocational rehabilitation and return to civil employment of disabled persons discharged from the military or naval forces of the United States, and for other purposes," approved June 27, 1918, as amended by the act of July 11, 1919, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1467) to carry into effect the findings of the Court of Claims in favor of Elizabeth White, administratrix of the estate of Samuel N. White, deceased, was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1807) to aid in stabilizing the coal industry was announced as next in order.

Mr. KING and Mr. SMOOT asked that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 425) fixing the salaries of certain United States attorneys and United States marshals was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

FISCAL SYSTEM OF THE DISTRICT OF COLUMBIA.

The bill (S. 205) relating to the fiscal system of the District of Columbia, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. JONES of Washington. Mr. President, I am not going to make the motion this morning that that bill be taken up, but I wish now to give notice that when we have another call of the calendar when that bill is reached in order I shall move, if objection is made, to take it up notwithstanding the objection.

Mr. KING. Did the Senator from Washington state that he would move the consideration of that bill on next Monday?

Mr. JONES of Washington. I said I should do so when there shall be another call of the calendar, which, I presume, will be next Monday.

I desire to say, Mr. President, because a statement appeared in the newspapers a few days ago which would give the impression that the opposition of the Senator from Utah [Mr. KING] to this bill was rather captious, that I know his opposition is not captious. He has been very reasonable in the matter, but he wishes an opportunity to present his views with reference to the bill, and I want to have it. That is one reason why I am now giving the notice that on next Monday I shall try to have the bill taken up.

The PRESIDING OFFICER. The bill will be passed over.

BILLS AND RESOLUTIONS PASSED OVER.

The bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 1016) to amend an act entitled "An act to repeal section 3480 of the Revised Statutes of the United States," was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1375) to prohibit and punish certain seditious acts against the Government of the United States and to prohibit the use of the mails for the purpose of promoting such acts was announced as next in order.

Mr. SMOOT. Mr. President, when the calendar was last before the Senate the Senator from Idaho [Mr. BORAH] asked me if this bill came up in his absence to request that it go over. I therefore ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

The joint resolution (S. J. Res. 12) authorizing the President to require the United States Sugar Equalization Board (Inc.) to take over and dispose of 13,902 tons of sugar imported from the Argentine Republic was announced as next in order.

Mr. WILLIS. I ask that the joint resolution go over.

The PRESIDING OFFICER. The joint resolution will be passed over.

The bill (S. 1890) authorizing the Secretary of Commerce to establish in the National Bureau of Standards a division to be known as the division of construction and housing was announced as next in order.

Mr. SMOOT. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The resolution (S. Res. 67) authorizing the Committee on Expenditures in the Executive Departments to hold hearings here or elsewhere and to employ a stenographer to report the same was announced as next in order.

Mr. SMOOT. I ask that the resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

The bill (S. 1855) to save daylight in the District of Columbia was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 1838) to amend section 4887 of the Revised Statutes, relating to patents, was announced as next in order.

Mr. KING. Let that bill go over.

Mr. STANLEY. I hope the Senator from Utah will not object to the consideration of the bill.

Mr. KING. I withdraw my objection to its consideration.

Mr. SMOOT. Mr. President, I will say to the Senator from Kentucky [Mr. STANLEY] I am expecting a letter from the Commissioner of Patents in reference to that bill, and just as soon as I receive that letter I will call the Senator's attention to it.

Mr. STANLEY. Very well.

Mr. SMOOT. For the present, I ask that the bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 63) for the relief of Lester A. Rockwell was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 491) to provide, without expenditure of Federal funds, the opportunities of the people to acquire rural homes, and for other purposes, was announced as next in order.

Mr. KING. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SMOOT. Mr. President, I simply wish to give notice that when this bill is again reached on the calendar, if its consideration is objected to, I will move to take it up notwithstanding the objection. We have now about $15,000,000 of Government money which is ready to be expended in order to provide the funds for the work proposed in this bill. I think the bill embodies legislation which ought to be passed.

Mr. ASHURST. Mr. President, I hope the Senator from Utah will at the proper time move that the Senate proceed to the consideration of a bill to provide a survey of the public lands. Take, for instance, my State, with millions of acres of public lands, only a comparatively small area of which as yet is surveyed. The Secretary of the Interior, in response to a bill which I introduced, has sent a letter to the Committee on Public Lands and Surveys of the Senate urging that $100,000 be immediately appropriated in order to survey some part of the public lands in Arizona. The State of Arizona, however, is not the only State which is in the situation I have described. Settlers are there anxious to file upon public lands, but can not do so because the survey of those lands has not been made. The Senator from Utah will contribute another service to the public welfare if he will move that the Senate proceed to the consideration of a bill providing for a survey of the public lands.

The PRESIDING OFFICER. Being objected to, the bill will go over. The Secretary will state the next bill on the calendar.

The bill (S. 136) for the relief of Dr. O. H. Tittman, former Superintendent of the United States Coast and Geodetic Survey, was announced as next in order.

Mr. WILLIS. Let that bill go over.

The bill (S. 665) to provide for free tolls for American ships through the Panama Canal was announced as next in order.

Mr. STERLING. Let that bill go over.

The PRESIDING OFFICER. The bill will go over.

The bill (S. 2051) to amend section 3142 of the Revised Statutes, to permit an increase in the number of collection districts for the collection of internal revenue and in the number of collectors of internal revenue from 64 to 74, was announced as next in order.

Mr. OVERMAN. Let that bill go over.

The PRESIDING OFFICER. The bill will be passed over.

GAS AND ELECTRIC FRANCHISES IN HAWAII.

The ASSISTANT SECRETARY. Orders of business 125, 126, 127, 128, 129, and 130 are the so-called Hawaiian bills.

The PRESIDING OFFICER. The Secretary will state the first of those bills by title.

The ASSISTANT SECRETARY. The bill (S. 2062) granting a franchise for the purpose of manufacturing and supplying gas and electric current in the districts of Wailuku and Makawao, county of Maui, Territory of Hawaii.

Mr. NEW. Mr. President, I should like to call the attention of the Senator from Montana [Mr. WALSH] to the bill the title of which has just been stated and those succeeding it, including Senate bill 2067. I ask that I may be permitted to make a general statement that will relate to the series of so-called Hawaiian bills.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Indiana will proceed.

Mr. NEW. Mr. President, five of the series of bills relating to Hawaii provide for the granting of franchises, and in the case of Senate bill 2067 the extension of a franchise which was granted to the street railway company doing business in Honolulu. The other bills propose to grant to electric-light companies franchises to furnish electric light to the cities named in the bills, respectively.

It has been customary for the Congress of the United States to ratify bills of this kind which have been passed by the Hawaiian Legislature. The bills now on the Senate calendar relating to Hawaii have in each instance been passed by the Hawaiian Legislature, having first been prepared by the public utilities commission of the Territory.

Mr. WARREN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Wyoming?

Mr. NEW. Certainly.

Mr. WARREN. I ask the Senator whether in the bills as passed by the Territorial legislature the grants are exclusive to the company or person, as the case may be, to whom the franchise is extended?

Mr. NEW. No.

Mr. President, unless there is occasion for further explanation, I do not care to add anything more.

The VICE PRESIDENT. Is there objection to the consideration of Senate bill 2062?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2062) granting a franchise for the purpose of manufacturing and supplying gas and electric current in the districts of Wailuku and Makawao, county of Maui, Territory of Hawaii, which was read, as follows:

Be it enacted, etc., That D. C. Lindsay, of Kahului, county of Maui, Territory of Hawaii, his associates, successors, and assigns, or such corporation as he or they shall cause to be incorporated under the laws of the Territory of Hawaii, and its successors and assigns (he and they being hereinafter referred to as the association), are hereby authorized and empowered to manufacture, sell, furnish, and supply electric current for light and power purposes and gas for use as fuel, for illuminating purposes, and other purposes, which the association may deem advisable, in the districts of Wailuku and Makawao, county of Maui, for the term of 50 years from the date of the approval of this act by the Congress of the United States, subject to the limitations in this act contained.

SEC. 2. That the association shall have the right to erect, construct, operate, and maintain at such place, within the limits mentioned in section 1, as the board of supervisors of the county of Maui shall approve, such buildings, machinery, and appurtenances, and such poles, lines, wires, cables, lamp-posts, conductors, and such other appliances as may be necessary for the production, manufacture, and storage and distribution of gas and the transmission, distribution, and supply of electric current to the consumer thereof, together with its various by-products, as may be required from time to time during the existence of the rights hereby granted.

SEC. 3. That the association, for the purpose of distributing such gas and electric current, shall have the right from time to time to lay pipes or other conduits and erect poles, lines, wires, cables, lamps, lamp-posts, conductors, and conduits in, under, or over the streets, roads, and public places in the said districts of Wailuku and Makawao, and whenever supply pipes and mains, lines, conduits, and conductors shall be laid connection shall be made and pipes shall be laid from said mains and lines to the property line of the highway for the purpose of supplying gas to the property holders adjoining such street, and each of such connections shall be with stopcocks inside of such property line: *Provided*, That nothing herein shall prevent the laying down of additional branches or connections at any time when future requirements render the same necessary. But the methods by which such streets, roads, and places are to be used shall be subject to rules, regulations, and approval of the board of supervisors, and all instructions and directions made by said board shall be strictly followed to the end that the general public shall be inconvenienced as little as possible: *And provided also*, That whenever any street, road, or other place shall be excavated and holes or trenches made therein for laying, maintaining, replacing, or repairing such pipes, conduits, or connections, or poles, lines, or conductors, such holes or trenches shall be safeguarded and refilled as soon as possible, and the pavement, if any, and such street, road, or other place shall be replaced in good order and like condition by the association: *Provided*, That if such repair or restoration shall not be made to the satisfaction of the board of supervisors, within a reasonable time whereof they shall be the judge, they may cause it to be done at the expense of the association: *And provided further*, That the association may be required to furnish to the board of supervisors, before making any street excavation or alteration, a good and sufficient bond for a sum to be fixed by the board of supervisors to insure prompt replacement of such portions of the streets and pavements therefor.

SEC. 4. That the association shall also have the right to maintain and use gas and electric meters or other means, for measuring the amount of gas and electric current used from time to time and in such places as may be deemed necessary, and to operate the same for all purposes connected with the use of such gas and electric current, and shall also have the right to charge, receive, and collect from all consumers of gas and/or electric current reasonable prices as it may from time to time fix and determine: *Provided, however*, That the prices charged to all consumers substantially under the same conditions and circumstances shall be equal, and said association shall also have the right to charge consumers or intended consumers of gas and/or electric current for the cost and expense of making connections between the mains and premises where such gas and electric current is to be used, and may also include the price for all connections, pipes, gas fixtures, wires, cables, and other materials necessary.

SEC. 5. That the association shall also have the right to cut off the supply of gas and electric current from any consumer who shall refuse or fail to pay amounts due for gas or electric current so supplied by the association within such reasonable time as may be fixed for payment of the same; but such cutting off shall not prevent the association from using any remedies now or which may hereafter be authorized by law for collecting debts.

SEC. 6. That the rights and powers hereby granted shall be exercised in such manner as to cause the least inconvenience to the public, and the association shall provide gas of the best quality obtainable, which quality shall be subject to the control of such reasonable rules and

regulations as the public utilities commission shall from time to time deem necessary, and current of proper and sufficient voltage and amperage and the buildings and machinery, with all appurtenances to be erected, and general plant to be maintained in connection therewith, together with the offices, books, and accounts of the association, shall be open to examination and inspection at all times by the public utilities commission of the Territory of Hawaii and the board of supervisors, or some one duly authorized by them for that purpose.

SEC. 7. That it is further provided that the rights hereby granted shall cease and determine if operations hereunder are not commenced by beginning the construction of buildings or other works for manufacturing or supplying such gas, or by laying pipes or conduits in any of the streets, roads, or places and installing machinery or making suitable arrangements for the supply of electric current and purchase, erection, and installation of poles, lines, wires, and cables within two years from and after the date of approval of this act by the Congress of the United States; and also if sufficient works are not completed and in operation to supply gas and electric current, and if gas and electric current is not supplied within two years after such commencement.

SEC. 8. That the association shall have power to mortgage the franchise hereby conferred to secure the payment of bonds or other monetary obligations incurred in the construction of buildings, machinery, pipes, conduits, poles, lines, wires, cables, and conductors and appurtenances, and the manufacturing and supplying of gas and electric current as provided by this act.

SEC. 9. That all property of every kind and nature forming or used as part of such gas and electric system, including this franchise, shall be exempt from any and all taxes under the Territory of Hawaii until the expiration of five years from and after the date of approval of this act by the Congress of the United States: *Provided, however*, That if the association shall purchase or otherwise acquire the property and/or franchise of the Maui Electric Co. (Ltd.), an Hawaiian corporation, now carrying on the business of producing and selling electric light and power in the county of Maui, the property so purchased or otherwise acquired shall be entitled to the tax exemption herein provided for.

SEC. 10. That one month after the expiration of each calendar year there shall be payable to the treasurer of the county of Maui, for and on behalf of said county, 2½ per cent of the gross receipts of the association for all gas and electric current furnished to consumers under the terms of this act during the preceding 12 calendar months.

SEC. 11. That the association shall, within one month after the expiration of each calendar year, file with the board of supervisors a detailed statement showing all of its receipts and expenditures during the preceding calendar year.

SEC. 12. That the said association shall have the right to acquire, hold, or take over, either by purchase or lease, property, both real and personal, or mixed, and such other property as may be deemed necessary or essential for the proper conduct of its business, but said association shall not have the power or right to purchase the franchise and/or property of any other company of like nature, except with the approval of the public utilities commission.

SEC. 13. That this franchise may at any time be amended or repealed by the Congress of the United States or by the Legislature of the Territory of Hawaii with the approval of the Congress of the United States; and the rights, privileges, and powers by this act conferred shall not be construed to be exclusive.

SEC. 14. That the Territory of Hawaii, the county of Maui, or any political subdivision thereof, within or including the districts of Wailuku and Makawao, may at any time after the expiration of 20 years from the date of the passage of this act by the Congress of the United States, and upon six months' notice in writing to the association, given pursuant to proper authority, acquire by purchase all the property of the association, subject to the then existing charges thereon. The amount to be paid to the association for such purpose shall be determined by the public utilities commission; but such amount shall in no case exceed the actual cost or the actual value of the tangible property or the actual cost of reproducing or replacing it, less depreciation and less the charges thereon. The value of the franchise or good will or any other intangible element shall not be considered in determining the amount to be paid.

Either the association or the purchaser may appeal to the Supreme Court of Hawaii from the decision of such commission by filing a written notice of appeal with the commission within five days after the decision is rendered. It shall thereupon be the duty of the commission immediately to certify up to the supreme court the record of its proceedings, showing in such certificate the valuation claimed by the association, the valuation claimed by the purchaser, and the valuation as determined by the commission. Such certificates shall be accompanied by copies of all papers, documents, and evidence upon which the decision of the commission was based, and a copy of such decision. Upon any such appeal the supreme court may in its behalf take or require further evidence to be introduced by either party.

Within six months after the determination of the purchase price as aforesaid the same shall be paid to the association, and thereupon the franchise granted hereby shall cease and determine, and all the property of said association shall become the property of such purchaser without any further conveyance; but said association shall make all such further conveyances as may be desired by the purchaser and approved by said commission or said court of appeal.

SEC. 15. That this franchise, and the person or corporation holding the same, shall be subject as to reasonableness of rates, prices, and charges, and in all other respects, to the provisions of chapter 128 of the Revised Laws of Hawaii, 1915, and amendments thereto, creating a public utilities commission in the Territory of Hawaii.

SEC. 16. That the public utilities commission of the Territory of Hawaii is hereby granted power to order the company to make extensions of its service lines whenever it shall be made to appear that said extension is a public necessity, and that the total plant of the company, including such extension or extensions, can be made to earn a reasonable profit on the cost and maintenance of the same: *Provided*, That all orders of the public utilities commission herein provided for shall be subject to review by the courts of the Territory as provided by law.

SEC. 17. That this act shall take effect and be law from and after the date of its approval by the governor of the Territory of Hawaii, subject, however, to the approval of the Congress, to be secured within two years from the date of such approval by the governor.

Mr. WALSH of Montana. Mr. President, I have not been able to give my approval of any of these measures, although requested to do so by a number of gentlemen who are more or less interested in them.

Bills identical in character with those before us have been passed by the Legislature of the Territory of Hawaii. They grant franchises to different companies, electric light companies, an electric railway company, and similar companies. They are, as I am told, approved by the public utilities commission of the Territory of Hawaii. They are desired by the business people in the community and no protests have been offered against them. So far as I am able to learn, that is the extent to which the inquiry into these bills has gone. No one, so far as I have been able to learn—and I have examined the hearings on the subject before the House—has gone into the question of the appropriateness of the legislation, considered as a new thing. Such action, such as has thus far been taken, seems to have been based upon the fact that these bills have been passed by the Legislature of the Territory of Hawaii after hearings in relation to them.

Mr. President, when the organic act of the Territory of Hawaii was passed Congress placed therein a provision to the effect that no exclusive franchise should be granted except by the approval of the Congress of the United States. Beyond that the Legislature of the Territory of Hawaii was given plenary legislative power. In this particular bill, and the ones that immediately follow, it was expressly provided by the Hawaiian Legislature that the franchises granted should not be exclusive, and, accordingly, under the plan of government for the Territory of Hawaii, we, as it seems to me, should have absolutely nothing to do with the matter. We granted full power to the Legislature of Hawaii to enact legislation of this character. Of course, that is no reason why the Congress should not legislate upon the subject if it sees fit so to do, although to that extent we would be recalling the power granted to the Legislature of the Territory of Hawaii.

However, Mr. President, when we do undertake to legislate upon the matter we must, of course, legislate upon our own responsibility. We can not accept the judgment of the Legislature of the Territory of Hawaii about it, or of the public utilities commission in the Territory of Hawaii. We ought to go into the question just as if we were sitting as the Legislature of the Territory of Hawaii or as the city council of the city of Honolulu, or whatever the municipality within which the corporations are to exercise their powers. No such consideration has been given to this proposed legislation. We are asked to approve it simply because it was approved of there. For myself, I can not surrender my duty as a legislator in that way. If I am going to take any responsibility whatever for this legislation, I have got to take it up section by section and give it the approval of my own feeble judgment. That is the duty, as I conceive it, of every Member of this House and of the other House of Congress. As I said, that has not been done. The merits of the measure have never been investigated at all.

For instance, we start out with this:

That D. C. Lindsay, of Kahului, county of Maui, Territory of Hawaii, his associates, successors, and assigns, or such corporation as he or they shall cause to be incorporated under the laws of the Territory of Hawaii, and its successors and assigns, * * * are hereby authorized and empowered to manufacture, sell, furnish, and supply electric current for light and power purposes and gas for use as fuel, for illuminating purposes, and other purposes.

That is to say, we are giving this individual these corporate powers and franchises.

Mr. President, a long time ago the people of this country concluded that that was not the way to legislate, and by their various constitutions they took away from their legislative bodies the power to grant special privileges and franchises of this kind and covered the subject by a general act, so that anybody could take advantage of its provisions.

Then, again, these franchises here are perpetual.

Mr. NEW. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Indiana?

Mr. WALSH of Montana. I yield.

Mr. NEW. I think they are terminable——

Mr. WALSH of Montana. Oh, yes; I was going to say so.

Mr. NEW. Upon the will of the public service commission of Hawaii.

Mr. WALSH of Montana. No; they are terminable only whenever the community desires to take them over upon payment of the investment.

Mr. NEW. That would have to be done through the public service commission.

Mr. WALSH of Montana. Yes. That is what I was going to say—that a long time ago the people of this country concluded that that was an unwise way to deal with franchises of this character, and they put a limit upon them. In the old days

a street railway company used to be granted a franchise indeterminable, perpetual, running on indefinitely, for all time. Sometimes there was and sometimes there was not a recapturing clause in it. The more prudent of the municipalities put a recapturing clause in it, but in more modern times no such franchise is ever granted; a limit is put.

The same thing occurred in connection with the legislation which so long engaged the attention of this body known as the water power legislation. A very powerful influence was brought to bear in favor of making the franchises granted under that act perpetual in character, with the right, of course, in the Government of the United States or in the State to take them over at any time upon the payment of the amount invested in the enterprise; but the Congress of the United States refused to concede the wisdom of that course of procedure. It was argued in support of that contention, as it is now, that if you organize a corporation upon that basis it will not be necessary to fix rates upon an amortization basis, and therefore rates can be lower; but that argument did not address itself with any particular force to this body, and so we fixed a limit of 50 years upon all franchises of that character.

It may or may not be wise to grant a perpetual franchise in the Territory of Hawaii. It may or may not be wise to require that corporations to exercise franchises of this character be organized under general laws. I should think the same principles ought to apply; I should think the same rules ought to govern in the Territory of Hawaii that we have found it advisable to adopt here; but I do not know. The fact is that this question never has been gone into at all.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield to the Senator.

Mr. SMOOT. I want to call the Senator's attention to the fact that the first five bills provide for two franchises in the island of Maui, two in the island of Hawaii, and one in the island of Kauai. I want to say to the Senator that in all five of the islands there is a population of less than 170,000, mostly natives. It is true that the last bill here applies to the street railroads in the island of Oahu, and in the island of Oahu most of the people, of course, live in Honolulu.

As I say, this legislation is to furnish power and light and heat, in case such a thing were desired, in those islands to not to exceed 170,000 people. That is quite a different proposition from granting a right of franchise for creating power in a growing city of the United States. I do not believe there is one of those companies in any one of those three islands that is making interest on the amount of money that is invested; and the bill provides that at any time when the people of those islands want to take over the plants they have a perfect right to do it, by paying, of course, the cost of the plants and the repairs that may have been made to the plants.

I want to say to the Senator that it is an absolutely unthinkable thing that within the next 25 years in those three outlying islands the population will exceed 200,000. I can not conceive of it, and I have been in every part of all of those islands. I know the conditions that exist there. I know the amount of land that is cultivated. I know what they are raising. I know that the possibilities I could imagine in my wildest moment never can be such that in those three islands there are going to be many more than 200,000 people. Now, I think the Senator will admit that with five franchises divided among 170,000 people to-day, with perhaps 200,000 20 years from now, there can not be very much money made out of any of them.

I know that the men who have put their money into these projects, or will put it into them, are not doing it for the purpose of making money. They can not hope to do that; but most of them have sugar plantations, and they have their families. Many of them live there, and they want to put in those little power plants to give the people that have to live there in carrying on their business some of the comforts of modern improvements.

I want to say to the Senator that I would not invest a single dollar in any one of these projects, not a single dollar, and I do not believe that the men who are going to put up the money will put it up for the purpose of making money, because there is no earthly chance of their doing so.

Mr. WALSH of Montana. Mr. President, most of what the Senator from Utah says seems to me entirely irrelevant to the question. He is discussing the real merits of this measure as he views them; but the point I am making is that no committee has made any inquiry at all along that line. That is the point I am making; but I want to say just a word with respect to the views advanced by the Senator from Utah.

It does not seem to me that the matter of sparse population is of any consequence whatever, because we ought not to impose upon the people, even if they are few in number, a franchise which we would deem unjust as applied to the people of our own cities and communities. We would not in the city of Helena grant anybody a perpetual franchise to run a street car line in our city. Nobody would think of proposing any such thing; but the provision for a recapture is really of no consequence at all. So far as that is concerned, it will be recalled that when the water-power measure was under consideration it was urged that at the end of the 50-year period, although the Government of the United States might not be willing to take over these plants and itself go into the business of operating them, somebody else might be quite willing to take over the property and to supply the public on very much more favorable terms than the corporation to which the franchise was originally given; and that is why we put in the termination. So, Mr. President, it may be that at the end of 10, 15, or 20 years the city of Honolulu or any one of these islands may not be willing as a community to take over the enterprise and acquire the plant, but some other corporation might be perfectly willing to come in and take it, and that is the reason why we put a limit to the term of these franchises.

That is all I care to say about the matter. It is a matter of no consequence to me either one way or the other. I am merely calling attention to the fact that under the original scheme of government which we gave the Territory of Hawaii these measures never ought to have come here at all; but since they have come here, if we are going to legislate upon the matter we ought to take up these measures just exactly the same as if we were legislating for a franchise to run a street car line right here in the city of Washington; and no one contends that these matters to which I have adverted have had the consideration of any of the committees of Congress.

Mr. NEW. Mr. President, if the Senator from Montana has concluded, I think he is a little unfair—I do not think he intends to be, but I think he is a little unfair—in what he says to the effect that no consideration has been given to the merits of these bills by any committee.

The bills have been considered by the Committee on Territories and Insular Possessions and have been pretty definitely considered, too, at a meeting attended by the junior Senator from Pennsylvania [Mr. KNOX], the Senator from California [Mr. JOHNSON], the Senator from Louisiana [Mr. BROUSSARD], the Senator from Georgia [Mr. HARRIS], the Senator from Ohio [Mr. WILLIS], the Senator from North Dakota [Mr. LADD], myself, and perhaps one or two others. The committee had before it the attorney general of Hawaii, who explained all these matters in detail to us. We had quite a number of other witnesses of prominence in the commercial life of the islands, none of whom, with one exception, was financially interested in any of these franchises, and this one frankly said to us that he had a very modest financial interest in the street railway company in Hawaii.

Mr. President, undoubtedly all that the Senator from Montana says is technically correct as to the purely legal aspect of this matter; but all of these bills provide that they must be ratified by the Congress of the United States, that they shall not become operative until after they have been so ratified by Congress. It has been the unvarying and unbroken custom with reference to every bill of this character that has been passed in Hawaii since the organization of the Territory.

As to what the Senator has said about the modern method of granting franchises and putting them under the operation of public utilities commissions, we have in my State of Indiana to-day a franchise that exactly meets the description that he gave a few minutes ago, if I understood him correctly, an indeterminate franchise given to the street railway there, which may be terminated at any time at the will of the Public Service Commission, of course, upon proper evidence and proof. But, Mr. President, I have prepared a joint resolution which I think should be substituted for these bills. I would like to have it read, and will then move its adoption as an amendment to Senate bill 2062.

The VICE PRESIDENT. The Secretary will read the proposed amendment.

The READING CLERK. It is proposed to strike out all after the enacting clause and to insert:

That the act of the Legislature of Hawaii (act 134 of the Session Laws of 1917), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the district of Hamakua, on the island and county of Hawaii, Territory of Hawaii," approved by the governor of the Territory of Hawaii April 30, A. D. 1917, as amended; the act of the Legislature of Hawaii (act 135 of the Session Laws of 1919), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the district of Hana, on the island and county of Maui, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 25, A. D. 1919; the act of the Legislature of Hawaii (act 101

of the Session Laws of 1921), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within the districts of North and South Hilo and Puna, in the county of Hawaii, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 16, A. D. 1921; the act of the Legislature of the Territory of Hawaii (act 105 of the Session Laws of 1921), entitled "An act to authorize and provide for the manufacture, maintenance, distribution, and supply of electric current for light and power within Kappa and Waipouli, in the district of Kawaihau, on the island and county of Kauai, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 16, A. D. 1921; the act of the Legislature of the Territory of Hawaii (act 184 of the Session Laws of 1921), entitled "An act granting a franchise for the purpose of manufacturing and supplying gas and electric current in the districts of Wailuku and Makawao, county of Maui, Territory of Hawaii," approved by the governor of the Territory of Hawaii on April 26, A. D. 1921; and the act of the Legislature of the Territory of Hawaii (act 186 of the Session Laws of 1921), entitled "An act to amend an act entitled 'An act to authorize and provide for the construction, maintenance, and operation of a street railway or railways in the district of Honolulu, island of Oahu,' enacted by the Legislature of the Republic of Hawaii July 7, 1898, and granting a franchise to the Honolulu Rapid Transit & Land Co. to operate a street railway in the district of Honolulu, providing for the operation of the same, and providing for the purchase of the same by the city and county of Honolulu," approved by the governor of the Territory of Hawaii on April 26, A. D. 1921, are hereby ratified, confirmed, and approved.

SEC. 2. That Congress, or the Legislature of the Territory of Hawaii with the approval of Congress, may at any time alter, amend, or repeal any or all of the above acts.

Mr. NEW. Mr. President, I move to strike out all after the enacting clause of Senate bill 2062 and that there be inserted in lieu thereof the language of the joint resolution just read.

Mr. WALSH of Montana. I apprehend that the Senator from Indiana does not intend that the repealing act of the Legislature of Hawaii should require the approval of Congress. It seems to me that if the Territory of Hawaii wants to repeal this act they ought to be permitted to do it without submitting it to the decision of Congress.

Mr. NEW. Section 2 reads:

That Congress, or the Legislature of the Territory of Hawaii with the approval of Congress, may at any time alter, amend, or repeal—

And so forth.

I have included the words "with the approval of Congress," which, I think, should be stricken out.

Mr. WALSH of Montana. That is the point I was making. I suggest to the Senator that he ought to strike out "with the approval of Congress." Let Congress repeal the action or let the Legislature of the Territory of Hawaii do that; but if the people of the Territory of Hawaii want the act repealed, and act accordingly, the repeal ought not to be held up to await the slow processes of Congresss.

Mr. NEW. The Senator's suggestion is that the words "with the approval of Congress" be stricken out?

Mr. WALSH of Montana. Yes.

Mr. NEW. They should come out. That is all right, and I ask to have the amendment modified accordingly.

The VICE PRESIDENT. The Senator from Indiana modifies his amendment.

Mr. WILLIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Indiana yield to the Senator from Ohio?

Mr. NEW. I do.

Mr. WILLIS. The Senator will recall that I was called away during most of the hearing on this matter; therefore I ask the Senator for some information, as I want to be sure that I understand the situation. All of these bills, from Senate bill 2062 through Senate bill 2067, inclusive, have been passed by the Territorial legislature, have they?

Mr. NEW. They have.

Mr. WILLIS. I was going to invite the attention of the Senator to the fact that the forms of the bills do not seem to indicate that.

Mr. NEW. They have all been passed by the Territorial legislature.

Mr. WILLIS. For example, Senate bill 2066 seems to cover an original grant of power.

Mr. NEW. They have all been passed by the Territorial legislature.

Mr. WILLIS. I understand now that the Senator does not intend to undertake to have any of the other bills passed; that this takes the place of all of them.

Mr. NEW. This bill, as amended by substituting the language of the joint resolution, will take the place of all of them. If it is adopted as an amendment to Senate bill 2062, I shall then ask that the other bills in this series, down to and including Senate bill 2067, be indefinitely postponed.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Indiana.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill ratifying, confirming, and approving certain acts of the Legislature of Hawaii granting franchises for the manufacture, distribution, and supply of gas, electric light, and power, and the construction, maintenance, and operation of a street railway, and for other purposes."

Mr. NEW. Now, Mr. President, I move that Senate bills 2063, 2064, 2065, 2066, and 2067 be indefinitely postponed.

The motion was agreed to.

RELIEF OF ALFRED CLUFF AND OTHER ARIZONA SETTLERS.

The bill (S. 391) for the relief of Alfred Cluff and certain other settlers at Forestdale, Apache County, Ariz., who were evicted from their homes by reason of a change in the location of the north boundary of the White Mountain or San Carlos Apache Indian Reservation, was considered as in Committee of the Whole, and was read, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury of the United States not otherwise appropriated, to Alfred Cluff, of Mesa, Ariz., $2,500; to Orson Cluff, of Mesa, Ariz, $3,000; to Henry E. Norton, of Pima, Ariz., $5,000; to William B. Ballard, of Pima, Ariz., $3,500; to Elijah Hancock, of Eden, Ariz., $6,000; to Mrs. Susan R. Saline, of Pima, Ariz., $6,000; to Oscar Mann, of Provo Bench, Utah, $2,500; to Celia Thayne, of Orangeville, Utah, $5,000; to William E. Cox, of Union, Utah, $2,500; to Theodore Farley, of Provo Bench, Utah, $2,500; to Adelaide Laxton, of Show Low, Ariz., $1,000; to Clara L. Tenney, of Taylor, Ariz., $5,000; to George M. Adams, of Show Low, Ariz., $3,000; to Charlotte Jensen, of Egar, Ariz., $5,000; to Sophia Huff, of Bluewater, N. Mex., $1,500; to Peter H. McBride, of Pima, Ariz., $5,000; to David Edward Adams, of Central, Ariz., $7,500; to Mrs. M. J. Ellsworth, Mesa City, Ariz., $2,500; and to the heirs of J. H. Frisby, late of Provo, Utah, $3,000; in all, not more than $72,000, in full compensation for loss and damage sustained by reason of the eviction of said persons from lands at the place known as Forestdale, in Apache County, Ariz., which lands were settled upon, improved, and cultivated by said persons, as part of the public domain, beginning in the year 1878, but thereafter, during the year 1882, the northern boundary line of the White Mountain or San Carlos Apache Indian Reservation was removed and extended north about 10 miles, more or less, the result of which change in the location of said boundary line caused said lands to be included within and made a part of said reservation, and by reason of the inclusion of said lands within said reservation, the said persons were evicted from their homes by the military authorities of the United States; and said sums are hereby appropriated for the purpose of reimbursing said persons or their heirs for loss and damages to their improvements, crops, personal property, and the value of their homestead rights: *Provided, however*, That the Secretary of the Treasury shall make no payment to any of said persons, or to their heirs, for any of said losses and damages until and unless the Secretary of the Interior shall have ascertained and determined that in his opinion the amounts herein proposed to be paid to said persons are equitable, and in proportion to the losses and damages actually sustained by said persons, and in the event that the Secretary of the Interior shall determine that a less amount than the sums named herein is equitably due to any of said persons the Secretary of the Treasury is hereby authorized and directed to pay to such person, or to his or her heirs, the sum so determined by the Secretary of the Interior: *Provided further*, That none of the moneys appropriated by this act shall be paid to any person other than the claimant named herein, or his or her heirs, and that no lien of any kind shall be recognized by the Secretary of the Treasury in making payment hereunder, and that no attorney's fees shall be paid by the said Secretary out of any money appropriated by this act.

Mr. ASHURST. Mr. President, I am very anxious to have this bill passed. A practically similar bill passed the Sixty-fourth and the Sixty-fifth Congresses.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

HOMES OF REFUGE FOR JUVENILE OFFENDERS.

The bill (S. 1010) to amend sections 5549 and 5550 of the Revised Statutes of the United States was considered as in Committee of the Whole.

The bill had been reported from the Committee on the Judiciary with amendments. The first amendment was, on page 1, line 3, to strike out the words "the provisions of sections" and to insert in lieu thereof the word "section"; on the same line to strike out "and 5550"; on line 4, after the word "and," to strike out the words "they are, extended so as to apply, in the discretion of the trial judge, to the cases of women and girls over the age of 16, as follows," and to insert the words "it hereby is, amended by adding thereto the following"; on page 2, line 3, after the word "said," to strike out the word "sections" and to insert in lieu thereof the word "section"; and, on line 4, to strike out "and 5550," so as to make the section read:

That section 5549 of the Revised Statutes of the United States be, and it hereby is, amended by adding thereto the following: "Whenever a woman or girl shall be convicted of lewdness, prostitution, or similar offenses, under circumstances rendering such offense punishable by imprisonment under the laws of the United States, such woman or girl may be confined, during the term of sentence, in some home of refuge to be designated by the Attorney General, in the manner provided in the case of juvenile offenders, by said section 5549, when, in the opinion of the presiding judge, that course seems justified by the circumstances of the case and the intelligence and previous char-

acter of the offender: *Provided, however,* That this act shall not apply to the case of any woman who has previously been twice convicted of similar offenses in the courts of the United States, or who, at the time of her arrest, was conducting or managing a house of prostitution.

The amendment was agreed to.

The next amendment was, on page 2, after line 11, to insert a new section, as follows:

SEC. 2. That section 5550 of the Revised Statutes of the United States be, and it hereby is, amended so as to read as follows:

"SEC. 5550. The Attorney General shall contract with the managers or persons having control of such houses of refuge for the imprisonment, subsistence, and proper employment of all such juvenile or female offenders, and shall give the several courts of the United States and of the District of Columbia notice of the places so provided for the confinement of such offenders; and they shall be sentenced to confinement in the house of refuge nearest the place of conviction so designated by the Attorney General."

Mr. KING. As I understand this bill, I am in favor of it. The Senator from Georgia [Mr. WATSON] asked me, when it was up before, to keep him advised if it came up again. I dislike to interrupt the passage of the bill, but I feel, in view of his request, that I should do so.

Mr. WALSH of Montana. I have no objection. It is a bill which came from the Department of Justice, and is recommended by them. I have no objection to its going over.

Mr. KING. I ask that it may go over until the next calendar day, and I will advise the Senator from Georgia so that he may take such course as to him seems best.

The VICE PRESIDENT. There being objection, the bill will be passed over.

CHARLES K. BOND.

The bill (S. 62) for the relief of Charles K. Bond, alias Kimball W. Rollins, was announced as next in order.

Mr. KING. Let that go over.

The VICE PRESIDENT. On objection the bill will be passed over.

AMENDMENT OF THE RULES—EXECUTIVE BUSINESS.

The resolution (S. Res. 73) amending Rules XXXVII and XXXVIII of the Standing Rules of the Senate so as to provide for the consideration of nominations and treaties in open executive session unless otherwise ordered was announced as next in order.

Mr. SMOOT. Let that go over.

The VICE PRESIDENT. The resolution will be passed over.

TEMOAK BAND OF HOMELESS INDIANS.

The bill (S. 224) authorizing the Secretary of the Interior to purchase a tract of land with sufficient water right attached, for the use and occupancy of the Temoak Band of homeless Indians located at Ruby Valley, Nev., was considered as in Committee of the Whole, and was read as follows:

Be it enacted, etc., That the sum of $25,000, or so much thereof as may be necessary, is hereby appropriated, out of any moneys in the United States Treasury not otherwise appropriated, to enable the Secretary of the Interior to purchase a tract of land, with sufficient water right attached, for the use and occupancy of the Temoak Band of homeless Indians, located at Ruby Valley, Nev.: *Provided,* That the title to said land is to be held in the United States for the benefit of said Indians: *And provided further,* That the sum hereby appropriated shall be immediately available and remain so until expended.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

INTERSTATE HIGHWAY SYSTEM.

The bill (S. 1355) to provide for the establishment, construction, and maintenance of a post roads and interstate highway system, to create a Federal highway commission, and for other purposes, was announced as next in order.

Mr. WARREN. Let that go over.

The VICE PRESIDENT. On objection the bill goes over.

STEVENS AND FERRY COUNTIES, WASH.

The bill (S. 1168) to authorize the payment of certain taxes to Stevens and Ferry Counties, in the State of Washington, and for other purposes, was announced as next in order.

Mr. KING. Let that go over.

Mr. JONES of Washington. I hope the Senator will not insist on his objection. A provision covering this matter was passed in the last Indian appropriation bill.

The VICE PRESIDENT. The bill goes over.

EXPORTATION OF FARM PRODUCTS.

Mr. NORRIS. Mr. President, I presume the call of the calendar ends at 2 o'clock, does it not?

The VICE PRESIDENT. It does.

Mr. NORRIS. The hour of 2 o'clock having arrived I move that the Senate proceed to the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska.

Mr. STERLING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Ashurst	Harrison	Myers	Stanley
Ball	Heflin	Nelson	Sterling
Borah	Jones, Wash	New	Sutherland
Brandegee	Kellogg	Nicholson	Swanson
Broussard	Kendrick	Norbeck	Trammell
Capper	Kenyon	Norris	Underwood
Caraway	Keyes	Oddie	Walsh, Mass
Curtis	King	Overman	Walsh, Mont
Dial	Ladd	Pittman	Warren
Edge	La Follette	Poindexter	Watson, Ga
Ernst	Lenroot	Pomerene	Weller
Fernald	Lodge	Ransdell	Williams
Fletcher	McCormick	Reed	Willis
Frelinghuysen	McKellar	Sheppard	
Glass	McKinley	Smoot	
Hale	McNary	Spencer	
Harris	Moses	Stanfield	

The VICE PRESIDENT. Sixty-three Senators having answered to their names a quorum is present. The question is on the motion of the Senator from Nebraska that the Senate proceed to the consideration of Senate bill 1915.

Mr. STERLING. I ask for the yeas and nays on the motion of the Senator from Nebraska.

The yeas and nays were ordered.

Mr. WALSH of Montana. Mr. President, I understand that the prohibition enforcement bill is the unfinished business. Am I correct?

The VICE PRESIDENT. The Senator is in error. There is no unfinished business.

Mr. McCORMICK. Mr. President, I understand that the Senator from Nebraska has moved to take up the agricultural purchase bill and that, that motion failing, the Senator from South Dakota [Mr. STERLING] purposes to move to take up the supplemental Volstead bill.

Mr. STERLING. That is what I expect to do.

Mr. WALSH of Montana. Mr. President, I am in favor of both bills, but the prohibition bill has had consideration in the Senate repeatedly. I was laboring under the impression that it had been made the unfinished business. I think we ought to try to finish one measure at a time. If it is the purpose of the Senator from South Dakota, in case the motion of the Senator from Nebraska does not prevail, to move to take up the prohibition enforcement bill I shall feel impelled to vote against taking up the bill proposed by the Senator from Nebraska. As I have studied it I am disposed to favor the bill, but I believe that we ought to try to finish one thing before taking up another.

Mr. STERLING. Mr. President, the Senator from Montana has stated my views. I think that is the reasonable thing to do under the circumstances. The prohibition enforcement bill has been before the Senate on two occasions and we have made considerable progress and a number of speeches have been made on the bill. The bill is pending, and it seems to me that we can dispose of it within a day, or not much longer time than that.

There is an urgent reason why prompt consideration should be given to the bill, and it is this: The bill forbids the prescribing of beer for medicinal purposes. Under the ruling of the Attorney General the national prohibition act will permit of the prescribing of beer. The Internal Revenue Commissioner is now being besieged by the manufacturers of beer to make rules and regulations governing such manufacture. Since that is the situation and the Internal Revenue Commissioner hardly knows what to do under the circumstances, it is necessary, I think, that we take speedy action on the bill, the passage of which I am urging.

May I say that I am quite in sympathy with the desire of the Senator from Nebraska to bring his bill up for consideration. The other day when the matter was under discussion as to whether the Congress should adjourn or not, I opposed adjournment, and one of the reasons I gave in opposition to adjournment was this pending bill, consideration of which I think should be had by the Senate; but because we have already proceeded this far in the consideration of the prohibition bill, and because of the necessity arising out of the demands of the manufacturers of beer for regulations governing its manufacture, I think we ought to take action on the prohibition bill.

Mr. JONES of Washington. Mr. President, I favor very much the purposes of the bill of the Senator from Nebraska, and rather think I shall vote for it, but I think the other bill should be taken up first. It has had consideration twice in the Senate.

I make the point of order that the motion of the Senator from Nebraska was not in order when made. The call of the calendar

had not been completed under the rule. The Chair had not announced the conclusion of the morning hour. The morning hour is that time up to 2 o'clock, and under the rule the call of the calendar was in order when the motion was made by the Senator from Nebraska. I therefore make the point of order that the motion of the Senator from Nebraska was not in order when made.

Mr. NORRIS. On the point of order, I desire to say that I did not make the motion until 2 o'clock. I can not think that the Senator is really in earnest about this matter.

Mr. JONES of Washington. I was watching the clock, because a bill in which I was interested had just been reached on the calendar, and was pending on objection of the Senator from Utah [Mr. KING]. It was two minutes of 2 o'clock by the clock which I was watching when that bill was called up and the Chair had not yet announced the conclusion of the call of the calendar under the rule.

Mr. NORRIS. I asked the Chair when I obtained recognition if the call of the calendar ended at 2 o'clock. After the Chair assented to that I said, "The hour of 2 o'clock having arrived," and so forth. If the hour of 2 o'clock had not arrived then the Chair of course would have said so then when I made the statement.

The Senator has been discussing the merits of the motion to take it up, and of course, after 2 o'clock, it is debatable. The very fact that the Senator makes an argument before he makes the point of order is an admission that there is no point to his point of order.

Mr. JONES of Washington. No; Mr. President, it is not an admission at all.

Mr. NORRIS. A motion made before 2 o'clock is not debatable. The whole Senate has proceeded on the ground that the motion which I made is debatable and has been debating it. I propose to debate it a little and I ask the particular attention of the Senator from Montana [Mr. WALSH] and those who think as he does.

It is said we ought not to displace the beer bill with the farmer bill because we have considered the beer bill once or twice on other occasions. Both times it was during the morning hour. I wish to say to the Senator from Montana and to the Senate that the bill which I have made a motion to take up was reported by the Committee on Agriculture and Forestry and placed on the calendar while the other bill was still pending before the Committee on the Judiciary and before it was reported to the Senate. When I reported the bill I gave notice then that I would ask to take it up as soon as possible. Later on I gave another notice that I would ask the Senate to take it up as soon as the so-called bonus bill was out of the way. I gave the first notice.

Now comes the Senator from South Dakota with his beer bill, it having in the meantime been reported a week after my bill had been placed on the calendar. I have talked with him a good many times about it and I wish to be fair about it. I am not fighting his bill, although I have been practically forced into the attitude of doing it. I said then, "I shall not object to that bill coming up during the morning hour if you think you can pass it then." He took it up during two morning hours and failed to secure its passage during that time. I waited to-day until 2 o'clock and did not make the motion until the morning hour had gone by.

There is no comparison when we come to the importance of which we should consider first. I have stated the facts and those facts all lead, it seems to me, if we want to be square and fair, to the consideration of the farmers' financing bill first. But let us lay that aside. Let us say that we were not here first and did not get here first. Let us take up the importance of the two measures.

Everybody here and everybody elsewhere knows that agriculture is on the point of bankruptcy; that in every place the farmer is down and out. It is conceded that if we can do anything we ought to do it and we ought to do it now; that we ought to do it first; that we ought to do it right away. Delay is dangerous. If this bill is to become a law, it ought to be passed immediately. We must remember that this is a Senate bill; that it will have to go to the other House, while the beer bill is a House bill which has already passed that body. It has, therefore, passed along one-half of its legislative journey and has not so far to go to final enactment.

I am not finding fault with the Senator or the person who says that this bill which is aimed to help the farmer is wrong; I am not finding fault with or criticizing anyone who is opposed to it; everyone has a right to his opinion about that. Perhaps we are wrong. The Agricultural Committee thought this legislation would do some good and help out in an emergency. In the course of ordinary procedure weeks will have to elapse before it can get through the other House. If amended there, the bill will have to go to conference. The other bill, as I have stated, is halfway through.

What does the other bill do? I do not believe anyone here will accuse me of not being a friend of temperance legislation. During the 18 years that I have served in Congress I have never yet been accused of not voting for temperance measures, and I do not believe I shall be accused now of trying to do such a thing. Suppose, however, the bill of the Senator from South Dakota shall not be enacted right away; suppose a few more bottles of beer in the meantime are prescribed for medicine and that somebody drinks them; is that going to hurt anybody?

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Louisiana?

Mr. NORRIS. I yield to the Senator from Louisiana.

Mr. BROUSSARD. I should like to suggest to the Senator from Nebraska that although on March 3, 1921, the then Attorney General of the United States gave an opinion in which he stated that the Commissioner of Internal Revenue had no discretionary power in the issuance of permits, that opinion up to this time has not been set aside; so there is no need for hurry apparently in authorizing the Commissioner of Internal Revenue to deny to citizens the permits to which the law entitles them.

Mr. STERLING. If the Senator from Nebraska will permit me, I merely wish to say, by way of answer to the Senator from Louisiana, that there is a special hurry just now for this proposed legislation if it has not existed prior to this time. It is because of the demand which is made by the breweries on the Commissioner of Internal Revenue to make rules and regulations that will allow them to proceed with the manufacture of beer. That is the reason for the hurry.

Mr. BROUSSARD. Mr. President——

Mr. NORRIS. Let me go just a step farther. I do not wish to be placed in an attitude where I might lose the floor by other Senators making speeches, for before I sit down I am going to make a motion, and I had rather not yield.

On the one hand is the importance of dealing with the agricultural condition, which everybody understands; it will be unnecessary for me to describe it. An emergency is before us now. On the other hand, here comes the Senator from South Dakota [Mr. STERLING] with his little bill in one hand and an empty beer bottle under his arm, demanding that the entire country shall stop, that Congress shall hesitate, that everybody shall hold his breath until we can pass a law that will prevent some doctor giving a prescription which will let somebody drink a glass of beer. It seems to me there is no comparison between the importance of these two bills, Mr. President.

Mr. STANLEY. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. NORRIS. I will yield for a question.

Mr. STANLEY. I should like to suggest that the Senator from Nebraska is very near committing lese majesty, and that he should proceed with more deferential regard to solemnity of this subject.

Mr. NORRIS. It is probably lese majesty to state that a bottle of beer may not find a consumer in this kind of weather. That may be lese majesty, but, Mr. President, since I have the floor, since I have been recognized, and it is 20 minutes after 2 o'clock, in order to avoid the possibility of the Chair sustaining the point of order which has been made by the Senator from Washington [Mr. JONES], I now move that the Senate proceed to the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. STERLING. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JONES of Washington. The Senator concedes the point of order——

Mr. NORRIS. I do not concede the point of order.

Mr. JONES of Washington. But I am going to vote for his motion, because I feel satisfied that as soon as his bill is disposed of the bill of the Senator from South Dakota will be considered and passed.

Mr. MOSES. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from New Hampshire suggests the absence of a quorum. The Secretary will call the roll.

The reading clerk called the roll and the following Senators answered to their names:

Borah	Caraway	Ernst	Glass
Brandegee	Curtis	Fernald	Hale
Broussard	Dial	Fletcher	Harris
Bursum	Edge	Frelinghuysen	Harrison

Heflin	McKinley	Pomerene	Sutherland
Jones, Wash.	McNary	Ransdell	Swanson
Kellogg	Moses	Reed	Trammell
Kendrick	Myers	Sheppard	Underwood
King	Nelson	Shortridge	Walsh, Mass.
Ladd	New	Simmons	Walsh, Mont.
La Follette	Norris	Smoot	Watson, Ga.
Lenroot	Oddie	Spencer	Williams
Lodge	Overman	Stanfield	Willis
McCormick	Pittman	Stanley	
McKellar	Poindexter	Sterling	

The VICE PRESIDENT. Fifty-eight Senators having answered to their names, a quorum is present.

Mr. EDGE. Mr. President, on the question of precedence of the two important bills which it is sought to take up for consideration I find myself in a peculiar position that is, perhaps, best illustrated by an incident which occurred during the war which may be familiar to Senators. An Irishman being asked which country he favored in the hostilities said, "I am neutral; I do not care who whips the Germans." As I look upon these two measures as they appear in their present form, I am against both of them, which makes it rather difficult to vote for either to have precedence. I am thoroughly impressed with the necessity of doing something for the agricultural interests; not, however, as provided for in the bill which we will shortly have an opportunity to discuss, but I think from that bill something practical may be evolved. I hope that may be the outcome, because I thoroughly recognize the situation.

As to the other bill, perhaps this is not the time to discuss it. It is, indeed, under such conditions difficult to decide between two evils, but at the proper time I propose to briefly discuss each measure, and care little which has precedence.

Mr. UNDERWOOD. Mr. President, before the pending motion is voted upon I desire to say a word. I do not doubt, and I do not suppose there is a Senator on the floor who doubts, that the Senate will take up the so-called prohibition enforcement bill very shortly, as soon as the so-called agricultural bill is disposed of, if the Senate makes the latter measure the unfinished business; but if the prohibition bill is taken up for consideration and the motion of the Senator from Nebraska is voted down and the agricultural bill thereby forced back to the calendar, I think, then, it will be very doubtful whether the agricultural bill can come up at all, whether it can be taken up this summer, whether it can come up before the tariff bill is laid before the Senate.

Mr. SIMMONS. Mr. President, I wish to say to the Senator that if it does not come up, there will be some other bills that will not come up.

Mr. UNDERWOOD. I am in sympathy with what the Senator from North Carolina says; but I think it is a doubtful issue if the pending motion is lost, whereas there is no doubt about the other bill coming up.

Now I wish to say a few words concerning my reasons for supporting the agricultural bill. It may be going a long way to lend Federal money to a corporation, but we have loaned a billion dollars or more to the shipping corporation; we have loaned a large amount of money to corporations organized to take care of railroad credits; and this is a bill to organize a $100,000,000 corporation, with a loaning capacity to issue bonds of $1,000,000,000, to aid in the financing of the crops of the country.

As I said the other day, I am not so optimistic as to claim that this bill is going to be effective to any great extent in connection with financing the crop this fall, for it will take time to get it into operation, and I am not going to hold out to those I represent that I am going to do something for them at this time that probably will not be accomplished. If I did, it would only create a disappointment and probably affect the usefulness of the bill in the future; but I think the great difficulty with agriculture is the establishment of its markets, coordination of effort in trying to reach the markets, marketing the crop, and I think this bill will be helpful along that line. I am willing to give it a trial, and I should like to see the effort made now.

A great many wild pieces of legislation, that I do not think can be effective, are offered to relieve the present situation, and I am not willing to vote for them. The administration of this bill will be under Government control. I take it that the Government is not going to waste the money, and that the President of the United States will appoint capable and efficient men that at least will take care of the Government's money and not have it wasted; so I do not think we are endangering the Government finances to any extent. The bill may be helpful, and an effort to inject another bill in its way right now—I care not how important the other bill is—may mean the ultimate defeat of this bill.

I shall, therefore, vote for the consideration of the bill proposed by the Senator from Nebraska and hope that it may be kept before the Senate until it is finally disposed of, and I do not think that will take many days.

Mr. BORAH. Mr. President, if I conclude that we have the power to pass the Volstead Act under the Constitution, it is my intention to vote for it, but I think in all seriousness we ought to take up the bill moved by the Senator from Nebraska.

If there is any measure before the body or to come before the body which can be deemed an emergency measure, certainly this is it. In fact, it has been delayed entirely too long—I do not mean by anybody's fault, but by the apparent necessities of the situation.

Not in opposition particularly at this time to the Volstead Act, but because I believe that as a matter of performance of duty we ought to take up the measure for which there is the greatest necessity, an especial, immediate, and imminent necessity, I shall vote to take up the measure moved by the Senator from Nebraska.

Mr. WILLIS. Mr. President, one of the arguments given by the Senator from Alabama in favor of the motion of the Senator from Nebraska was that, as I understood, he thought no other measure should be allowed to be injected into this discussion to become an obstacle in the way of the consideration of this bill. That is exactly the reason which I was about to state why it seemed to me this motion ought to be defeated.

The beer bill, so called, has been before the Senate. It has been discussed on two separate days. I think Senators must be aware that, as the Senator from Alabama says, this measure is going to be discussed. It undoubtedly can be disposed of in a day. I think if we had this afternoon Senators could present their views and the matter could be finished.

As has been stated by the Senator from South Dakota, the emergency is very great. The Treasury Department has been pressed to issue these beer regulations; and I want to say to the Senator from Nebraska——

Mr. BROUSSARD. Mr. President, may I ask the Senator a question?

Mr. WILLIS. I yield to the Senator from Louisiana.

Mr. BROUSSARD. Will the Senator explain to the Senate why these permits are being withheld when it is admitted by all that the people who have applied for them are entitled to them; and why do you pretend that there is an emergency when you are resisting the law?

Mr. WILLIS. Mr. President, I do not undertake to speak for the Treasury Department. I am not the mouthpiece of that department; but I assume that the Treasury Department is declining to issue those permits because it assumes that the Senate will pretty soon go ahead and do the thing that it ought to have done long ago. I assume that that is the reason. I do not know. I am not advised about its views; but the argument that the Senator from Louisiana seeks now to bring up is the strongest possible argument why this motion should be voted down and the beer bill be taken up, in order that there may be a settlement of this question.

I care not what the Senator's position may be, whether he is for the bill or against it. I am for it. He is against it, perhaps. I do not quarrel about that; but there ought to be a decision on the matter.

The Senator from Nebraska referred in rather jocose terms to some question about an empty beer bottle, and all that sort of thing. I want to say to him that it is not a question as to whether some physicians somewhere shall prescribe a glass of beer, and I think the Senator knows that that is not the question. The question is whether we are to permit the law-enforcement machinery of the country to be broken down by the wholesale manufacture of beer under the guise that it is to be used as medicine. The fact is that if we do not pass this so-called beer bill pretty soon the beer is going to be consumed not by the sick but by people who are extremely healthy and vigorous, and they are the ones who are making the fight against the bill. I do not mean that with reference to anybody in the Senate, of course; but I do mean to say that the influence in the country against the passage of the beer bill is not coming from the fevered rooms of the sick—oh, not at all. It is from perfectly vigorous fellows that want the manufacture of beer opened up in this country so that they can have it as a beverage.

Because that is true, I think the motion of the Senator from Nebraska ought to be voted down. I say that without any prejudice against his bill. I have not examined it. I shall probably vote for it. I like to vote for measures that he fathers.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. WILLIS. Certainly.

Mr. NORRIS. The Senator says that if we should go on with the beer bill we could finish it to-day. If that could be done,

does not the Senator realize that the bill could be passed to-morrow during the morning hour if we have an understanding that if the motion I have made should prevail, and the bill should become the unfinished business, I would not attempt to take it up until 2 o'clock to-morrow? If we can pass the beer bill this afternoon we can pass it to-morrow before 2 o'clock; can we not?

Mr. WILLIS. The point, as the Senator well understands, is this: This bill has already been under discussion. A number of Senators have made speeches on the matter. It has been before the Senate. The Senator's bill has not been before the Senate. It will take a much longer time.

Mr. NORRIS. I hope the Senator will be fair. He realizes that the other bill was reported first——

Mr. WILLIS. Oh, I understand that; it has been on the calendar.

Mr. NORRIS. And that the only time this bill was taken up was during the morning hour.

Mr. WILLIS. The beer bill—certainly; I understand that. The Senator's bill has not been discussed at all. The Senator certainly must admit that it will take a good deal longer to dispose of his bill than it will to dispose of the so-called beer bill.

Mr. NORRIS. I do not know as to that. I will say frankly that I do not believe it will. I do not believe it will take as long; and from the announcement that was made here by the Senator from Alabama [Mr. UNDERWOOD], I have an idea that if this motion is defeated and the beer bill is taken up, you will not pass that bill this week, because everybody who would want to defeat the other bill would help to delay that bill to prevent its consideration.

Mr. WILLIS. As the Senator understands, I am taking the position which I have taken not to delay his bill but because I am interested in this other measure.

Mr. NORRIS. I understand.

Mr. STERLING. Mr. President, just one word: It is admitted by a number of Senators—the Senator from Nebraska, for one, and I think the Senator from Washington, and the Senator from Alabama—that action will be had on this bill, the so-called beer bill; but it is urged now, notwithstanding the fact that we have been on two separate days considering the beer bill, and notwithstanding the fact that we have made great progress in its consideration, that we should virtually supplant it by another bill. Granting that it is equally urgent—and I will not admit that it is more urgent, under existing conditions, than the beer bill—there will be ample time for the consideration of the bill of the Senator from Nebraska.

Now, what is the urgency, Senators? Not exactly or wholly in the fact that the breweries are insisting upon regulations to be issued by the Commissioner of Internal Revenue, but that he will probably issue those regulations unless this bill is passed at an early date; and then we come back to the question as to whether or not we are giving prohibition a fair trial. If we permit the prescribing of beer, and the Commissioner of Internal Revenue issues regulations, we will do a great deal toward nullifying the prohibition law, because the right to prescribe beer for medicinal purposes will in effect, I think, nullify the law; and I appeal to Senators who in good faith now believe in giving this law a fair trial to settle this question at the very earliest possible date.

Mr. MOSES. Mr. President, does the Senator from South Dakota make the point that the opinion of the Attorney General rendered on the 4th of March is invalid, that it does not follow the letter of the law?

Mr. STERLING. I am not taking that position for a moment, Mr. President. I am inclined to agree with the opinion of the Attorney General that under the terms of the national prohibition act beer could be prescribed for medicine, or wine could be prescribed for medicine; but the unfortunate thing is that under the terms of that act, if allowed to be prescribed at all, it can be prescribed in unlimited quantities. There is no limit whatever. As I have had occasion to say before, it can be prescribed by the case or keg.

Mr. MOSES. The Senator maintains, as I gather from what he says, that the opinion of the Attorney General is correct under the law.

Mr. STERLING. Yes.

Mr. MOSES. It is asserted by the Senator from Louisiana that the officials of the Treasury Department decline to enforce the law as interpreted by the Attorney General.

Mr. STERLING. They have declined up to date to issue permits or regulations for the manufacture of beer. That is the position taken up to date, as I undertand, by the Commissioner of Internal Revenue; but the Commissioner of Internal Revenue says:

There is the law, and there is the construction of the law by the Attorney General of the United States. How long can I refuse to issue these regulations?

That is the position of the commissioner.

Mr. MOSES. Then any time that an administrative officer finds a law which is not exactly to his liking and declines to enforce it, and comes to Congress and asks us for heaven's sake to give him a law that he does like and that he will enforce, does that constitute an emergency?

Mr. STERLING. Mr. President, I think under the circumstances that it does constitute an emergency.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Louisiana?

Mr. STERLING. If the Senator will permit me a moment, it has been a long time now since this Volstead Act, amendatory of the prohibition act, was brought up for consideration in the House. It has been a long time since it passed the House. If the Commissioner of Internal Revenue had issued these permits and made the regulations which he has been rightfully withholding in anticipation of early action on the part of Congress, and then we had passed this law, it is easy to see how business interests would have suffered.

Let me call attention to a couple of telegrams here:

Earnestly urge prompt consideration and action upon antibeer bill. Delay and uncertainty infinitely more damaging to business than any provision in this bill as amended by Senate committee. Believe everybody concerned will be helped by termination of controversy and enactment of bill.

This is signed by the Kentucky Distilleries & Warehouse Co., H. M. Gaylord, president. Mr. H. M. Gaylord is a man whom we recognize as having been for a long time prominent in the office of the Commissioner of Internal Revenue, and I think one of the best and most reliable of his assistants. I have a like telegram from the United States Products Corporation, signed by its president.

Mr. NORRIS. Mr. President, may I ask the Senator a question?

Mr. STERLING. Yes.

Mr. NORRIS. Does the Senator offer the evidence of the distilleries company as a reason why this bill should be passed right away?

Mr. STERLING. I offer it for the purpose disclosed on the face of the telegram and in view of the question asked by the Senator from New Hampshire; because if the Commissioner of Internal Revenue, who has charge of the administration of the law, issues the regulations, and they invest their money in the business and get started in manufacturing beer for medicinal purposes, what will be the result upon business—not alone the distillery business, but business outside of that, because they are more or less interdependent?

Mr. MOSES. Mr. President, may I ask the Senator if the loss of this invested money by the brewers constitutes the sole dire consequence to which he alluded before or whether there are other dire consequences attendant upon the delay? If so, what are they?

Mr. STERLING. There are other dire consequences, because their business must be necessarily dependent upon somebody else's business. There is an interdependence in it all.

Mr. NORRIS and Mr. BROUSSARD addressed the Chair.

The VICE PRESIDENT. Does the Senator from South Dakota yield, and if so, to whom?

Mr. STERLING. I yield to the Senator from Nebraska.

Mr. NORRIS. The Senator certainly does not mean to convey the idea that, with the condition of this legislation as it is, men will invest their money in breweries, even if we delay this for a week or a month? Knowing the situation in which the legislation is, does the Senator think there is any danger of men losing money on the theory that they will invest it in breweries if we do not pass the bill? That is one of the objections the Senator makes.

Mr. STERLING. No; the objection is this: That if the regulations follow the enactment of this bill, and they are prevented from manufacturing beer for medicinal purposes it will result in great losses to them. As it is now, technically and strictly speaking, they have a right, as I said, to demand of the Commissioner of Internal Revenue that he issue the permits.

Now I yield to the Senator from Louisiana.

Mr. BROUSSARD. I would like to inquire what interest a distillery can have in defeating the beer bill, when the question presented here is as to whether or not whisky shall be prescribed and beer shall be prescribed. How can the Senator explain the telegram from a distillery objecting to permitting physicians to prescribe beer?

Mr. STERLING. The distilleries and the breweries, Mr. President, those which are equipped for the manufacture of beer, anticipate some legislation of this kind, or they think it is apt to come, as the result of our deliberations here. But they want delay and uncertainty settled. They can turn their plants to other uses. But they are being besieged to manufacture the beer for medicinal purposes.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Mississippi?

Mr. STERLING. I yield to the Senator from Mississippi. I am ready to yield the floor.

Mr. WILLIAMS. Mr. President, I ask the Senator to permit me to interrupt him for just a moment.

Mr. STERLING. Certainly.

Mr. WILLIAMS. I am emboldened to the interruption by my knowledge of the fact that the Senator is a good lawyer, and that, in addition to that, he is, in my opinion, thoroughly honest minded. Is it not true that the decision which was rendered by Attorney General Palmer was that doctors had a right to prescribe wine and beer for medicinal purposes? That is correct, is it?

Mr. STERLING. I think so; yes.

Mr. WILLIAMS. Attorney General Palmer never uttered an opinion to the effect that doctors had a right to prescribe wine and beer for beverage purposes.

Mr. STERLING. Oh, no.

Mr. WILLIAMS. If the prohibition amendment gives a right to Congress to regulate only the sale of liquors for beverage purposes, and if doctors have a right to prescribe only for medicinal purposes, the two fields are wide apart. The Senator may say, as he said a moment ago, that a doctor might prescribe an unlimited amount; but the Senator must, as a lawyer, know better than that. If a doctor, for example, prescribed a barrel of beer or a cask of wine, there is no jury in the world that would decide that he had prescribed it medicinally. Every day doctors are prescribing sherry with raw eggs, for example, for people affected with incipient consumption, or stout, porter, or bitter ale for women under certain conditions of pregnancy, or after. If a doctor, under the pretense of giving a medical prescription, were to prescribe in unlimited quantities, a jury would determine, and in very short order, too, that the doctor had abused his privilege, and had not prescribed for medicinal purposes but had prescribed for beverage purposes, and the minute he did that he would violate the law, even as it stands right now, without any further amendment, and would receive his punishment from the court. In addition to that, I submit to the Senator that the medical associations would not tolerate that sort of constant practice on the part of any physician.

Mr. STERLING. Let me say to the Senator from Mississippi that, of course, he is on debatable ground when he talks about how much of beer, for example, might be prescribed by a physician. He might prescribe a keg of beer or a case of beer, of course, to be taken over a long period of time, longer or shorter according to the supposed needs of the patient. That is what the physician could do, and I would not say that some quite reputable physicians might not do that. The patient will need, because of the quantity of beer necessary for use, to get it by the case or by the keg.

Let me say to the Senator from Mississippi that up until the opinion of the Attorney General was rendered it was generally assumed and supposed that neither beer nor wine could be prescribed for medicinal purposes. This bill in terms permits the prescribing of wines, but it prohibits the prescribing of beer, it being thought that there was where the great evil and the great danger lay, and that the right to prescribe beer for medicinal purposes would simply lead to its use as a beverage.

Mr. WILLIAMS. Whatever was generally supposed by the public, or by public opinion, or by the newspapers, or by some indefinite somebody, has nothing to do with the case, any more than have the flowers that bloom in the spring.

In the first place, there must be a patient; that is, there must be a sick person. The doctor must say that the person is sick and needs the medicine. Of course, in one of the cases I have mentioned a doctor might prescribe stout or porter for three or four months, and it might be needed every day in certain quantities, not in unlimited quantities. Sometimes consumptives take their sherry and eggs for a year at a time, so much per day, and it is the doctor who must finally determine the quantity, and not Congress. Doctor Congress has never taken a medical degree yet, that I know of, and knows nothing about what ought to be done in connection with cases of this sort. When Congress undertakes to tell a reputable physician, or to tell any physician—for some of them will, of course, attempt to abuse their authority—how much they must prescribe, that is going too far.

A jury will determine, from the facts in each case, whether or not, under the facts, in the opinion of the jury, the man was prescribing the beer for use as a beverage, or was prescribing it for use as a medicine, and there is no authority in this body to take away from a jury, under the common law, or under the statute law, either, where cases are submitted to them, their power to determine all the facts. The fact to be determined is whether the man has prescribed as a beverage or whether he has prescribed as a medicine, whether he has prescribed honestly to a sick man, or whether he had prescribed dishonestly to a well man, and the jury must determine that. Of course, if the jury system be a failure, then all of our legislation is a failure.

Mr. RANSDELL. Mr. President, I do not intend to discuss the relative merits of the two bills. I voted for the prohibition amendment, and have no excuse to make for so doing. I propose to vote for all bills necessary to carry out, in a fair way, the terms of that amendment. I will discuss this bill when we reach it. The point now is whether we shall do something to provide a market for American agriculture.

The Norris bill, Mr. President and Senators, attempts to provide a market to the extent of $1,000,000,000. It creates a corporation, furnishes that corporation with $100,000,000, authorizes it to buy products of American agriculture and export those products to the peoples of the world who need them, and to accept in return for those products such securities, bonds, Government obligations, and private obligations, paper of any kind or sort as they can get; and on the strength of those foreign securities, given in return for our products, to issue debentures, which are to be secured by our Government and are to be sold to those of our people who have money to invest. That is to be carried on until $1,000,000,000 worth of American agricultural products has been sold.

Now, Senators, do not all of you agree that the trouble with American agriculture to-day is that the supply exceeds the demand? We must do something to create a demand for our agricultural products. The Norris bill will create the demand. The Norris bill will create a market, to a very great extent, for the products of American agriculture which have no market now and which are bringing infinitely less than the cost of production.

Let us pass this Norris bill. The debate on it should not be long. It does not involve any constitutional questions. It seems to me we ought to pass it this afternoon. There are many very difficult constitutional questions in connection with the so-called beer bill, and I predict that the debate on that bill will last for several days. We can not afford to delay longer this agricultural bill. It is of immense importance, and it is not sectional, it is not class legislation. It affects all American agriculture, and something which affects fully 50 per cent of the American people can not be called class legislation. All of us are interested in it, even those who are not engaged in agriculture, for the manufacturers and the merchants now have hundreds of millions, aye, billions, of dollars' worth of merchandise and manufactures stored. They can find no purchasers because the agriculturists can not sell their goods. Let us find a market for agriculture, and in turn the agriculturists, selling their goods, will furnish a market for manufacturers and for business of every kind. Let us take it up promptly and put it through, and I believe, Senators, that the results will be extremely beneficial to the entire Nation.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator yield to the Senator from Missouri?

Mr. RANSDELL. I yield to the Senator.

Mr. REED. Is it the Senator's idea that the corporation to be created under the Norris bill is to buy these products and store them, keep them on hand?

Mr. RANSDELL. Not at all. It is not the spirit of it, nor the intention of it, that the corporation shall store anything. It shall buy the products and immediately export them. It is not intended that they shall store anything, but that they shall buy and sell, and that against the products of the sales, which, in this instance, are going to be notes and securities and bonds and obligations of different kinds, they shall issue debentures, and in turn get money to buy other products. If we were to use the $100,000,000, I will say to the Senator, to buy and store, we would come to an end of our operations in very short order. It would not take us long to spend that $100,000,000.

Mr. REED. Then the Senator's idea is, in a word, that we are to buy these farm products and sell them on credit in European countries?

Mr. RANSDELL. Or in any other countries of the world, where the people wish to buy them.

Mr. REED. Or any country that will buy them. And I believe the Senator used the statement that we will take paper of any kind that they can get.

Mr. RANSDELL. The best available that can be gotten. Of course, we would not do an absolutely wildcat business. This corporation is to be composed of the Secretary of Agriculture and two of the best men the President of the United States can select. But it is intended that we will sell these products to people who need them, and who have a reasonable chance of meeting their obligations some day, if we give them proper credit. That is left to the discretion of the corporation, I will say to the Senator.

Mr. REED. There is no difficulty now in getting farm products to Europe. The difficulty is in finding somebody over there who has the money to pay for them.

Mr. RANSDELL. That is the trouble. That is the point.

Mr. REED. And the Senator's idea is that if we will sell them on credit, and the United States will stand good for the bonds that are issued to obtain money in that way, we can create a market and sell these goods to the people who have not the money to buy them?

Mr. RANSDELL. That is exactly the situation.

Mr. REED. And in countries where the credit is so poor that they can not raise money even to buy the flour to feed their people or the clothing for their backs.

Mr. RANSDELL. That is exactly the situation. I wish to add that, in my judgment, it will never cost the Government of the United States one cent. Some of the European countries we may be obliged to give as much as two or three, aye, perhaps five years' credit, but we will put those people upon their feet by so doing. Who else will be put upon their feet? We will put American agriculturists upon their feet by furnishing them markets for products which they can not sell now and which in some instances are going to waste. We will benefit American agriculture wonderfully and we will help our brethren in the Old World to get on their feet. The bill is a wonderful piece of legislation, in my judgment, fraught with the greatest good not only to American agriculture but to humanity.

Mr. REED. Let me ask the Senator if it is not a fact that we have sold more wheat abroad during the last year than we ever sold in the history of the country in any year, and got the cash for it?

Mr. RANSDELL. I believe we have.

Mr. REED. Have we not sold practically all of our surplus crop of last year?

Mr. RANSDELL. I rather think that is true from the testimony before the Committee on Agriculture and Forestry. A number of witnesses said that the people of Europe could not afford to starve; that they could wear rags, they could wear clothing made of paper, but they could not starve, and that all the money they could get hold of was used to buy foodstuffs.

Mr. REED. The fact is, nevertheless, no matter how they get hold of it, that we have marketed last year's crop of wheat, we have marketed the surplus that was carried over from the year before, and we have exceeded all former shipments to Europe by some 60,000,000 bushels. Does the Senator know of any reason why Europe will not still continue to buy bread? Is their condition any worse now than it was last year?

Mr. RANSDELL. I have understood, I will say to the Senator, that there is a very promising crop in many parts of Europe; but while Europeans have bought wheat, they have not bought corn.

Mr. REED. Oh, yes; they bought 60,000,000 bushels more of corn than they ever did before.

Mr. RANSDELL. Perhaps they bought corn, but there is an immense quantity of corn in America now for sale.

Mr. REED. Certainly, and always will be, but we never have shipped any corn abroad in any large quantities in recent years. We shipped more abroad last year than we ever shipped before in the history of the country, as I get the figures. I was looking for an article that I have here, but can not lay my hand on it at this moment. It gives the figures, and I hope I shall find it in a moment.

Assuming that the foodstuff question is not going to be affected, I suppose that leaves us, then, to the question of cotton. The Senator said they could not afford to wear clothes, but they could afford to buy food. I merely wish to point the farmers of my country to the fact that the bill is not going to benefit them very much.

Mr. RANSDELL. I wish to say to the Senator that I do not live in a corn State. There is some corn raised down in my section. We raise about 50,000,000 bushels of corn, but we consume more than that. We had a number of very intelligent agriculturists before the Committee on Agriculture and Forestry who thought they would derive a very great benefit from the passage of the bill. We had a number of men before us who testified that corn was worth less on the farms of the West than the transportation charge on that corn from the farms to the Atlantic seaboard.

We had very strong indications before us from representatives of European countries that the people over there, or many of them, would be delighted to purchase not only cotton, as the Senator said, but food products of every kind and sort. They have bought more wheat than ever before, if I am correctly informed, but they have not bought as much as they need, not as much as they would like to buy, and they would buy more if they had the opportunity to buy it. They would buy some corn if they had the opportunity to buy it. It is well known that the old country is not a great corn-eating country, but when people are hungry they will eat any kind of wholesome food.

Of course cotton is a very important product of foreign export, and there is a great deal of cotton needed in Europe. There is some difference of opinion about how much is needed. I shall discuss that later on when we come to the consideration of the bill, but it is my firm belief that it would assist in bettering the present very low price of the commodity if we could furnish a reasonable market for a few hundred thousand bales of cotton.

The agricultural products of this country are not confined to wheat and cotton. We had some discussion in the House last week, I believe, about hides. Hides are raised in considerable quantity in parts of this Nation. I was told the other day by a man representing a railroad that hides are now so cheap that when his railroad killed an animal they would not even have it skinned. They could not get enough for the hides to pay for skinning the beef. Europe needs a great many hides and possibly they would buy some of them if we had a market.

I close, Mr. President, by saying that in my opinion there is no comparison between the importance of the two pieces of legislation. We ought not to hesitate. One is really an emergency and the other is not.

Mr. REED. Mr. President, it is an undoubted fact that Europe will buy all the United States can produce for the next 100 years if we permit her to pay in notes. If Europe has money or if she has property so that the notes she should give are well secured, then there is not the slightest difficulty in Europe for arranging among her own financiers for the money to buy these products. If Europe is in a situation where there can not be had one single dollar of money to buy the products of America necessary to feed her people and to clothe her people, then she is so bankrupt that no one with very sound business judgment would wish to take her notes and make advances to her. That is the cold truth of the situation and all the gesticulations we may indulge in will not avoid it.

Mr. RANSDELL. Mr. President, will the Senator yield for a question?

Mr. REED. Certainly.

Mr. RANSDELL. I should like to have the Senator point out some solution for the problem now confronting American agriculture. I assume that he admits we have a great surplus of agricultural products on hand. Certainly the evidence before the Committee on Agriculture and Forestry indicates that there is a very great surplus. We all know that there are growing crops in the fields, crops that will come on speedily, of wheat, of corn, of oats, of cotton, and all those agricultural products. With an immense surplus on hand and growing crops coming in, I ask the Senator what he would suggest as a means of disposing of that surplus. In what market would he sell?

Mr. REED. In the first place there is not this surplus. As usual in matters of this kind we get our facts all mixed up. I am willing to take up the agricultural bill and discuss it, but I am not willing to let statements go unchallenged which are liable to be misleading. I shall devote myself to a moment or two on that question, and then I shall take my seat.

It is not true that Europe is without money. It is true that Europe because of the war, and because of the wars that they are still carrying on, is pressed for money. They have a certain number of mouths to feed and a certain number of backs to clothe. If they have resources that make good security they can get money on those resources without coming to this Government to get it. The trouble is with the security. If we give money under the provisions of this bill on securities that will not be accepted by the banks, the financiers, the money lenders, the business men, the manufacturers of those home countries where they know the condition of the people, then we will be loaning money that we will never get back.

We have heard these alarming stories about the Old World going to starve to death, freeze to death, die by pestilence, dis-

appear from the face of the earth; but it is doing nothing of the kind. The fact is that the scars of war are being healed over where they have quit fighting and are giving them a chance to heal. France is being rehabilitated. We have even just now been told that Europe is going to raise a crop this year which the Senator tells us is in a measure going to fill the gap between supply and demand. If Europe is going to raise that crop she is going to have some resources. It can not be argued in one breath that a country is starving and bankrupt and going to ruin, and in the next breath that she is going to be a competitor against American farm products. The two arguments can not stand at the same time, and they ought not to be heard in the same moment in the same forum.

With all these dire predictions that have been made, they are not starving to death.

I believe we were told in another alarming report which came from Russia the other day that they are going to starve to death there next winter; and I suppose we will be soon asked to send money there. However, let us look at the cold figures. We were told a few months ago that Europe could not buy American farm products at all; that they were bankrupt; but I quote from an article appearing in this morning's Washington Herald, the headlines of which read:

United States wheat export in fiscal year 1921 a record breaker—Both quantity and value of foodstuffs reaches best marks—Corn exports high—Year's wheat exportations total 365,000,000 bushels; corn, over 60,000,000 bushels.

Right at the time when we were told that Europe could not buy anything she bought 165,000,000 bushels more wheat than in the average year; at a time when we were told that Europe could not buy anything she bought 60,000,000 bushels of corn, although we seldom export much corn. The article proceeds:

The United States made its highest record in supplying breadstuffs to the world in the fiscal year just ended. Of wheat, which the world must have, and will find some way of buying, irrespective of other conditions, the exports were the "biggest ever," totaling in round terms 365,000,000 bushels, an average of 1,000,000 bushels a day for the full year, as against a former high record of 332,000,000 in the fiscal year 1915. Of corn the export record of the year was far above the average of the past decade, and in rye, which we no longer use for distillation purposes, and of which the world's chief producing area in Russia, Poland, and Germany have been cut off from world markets, our exports in 1921 far exceeded that of any earlier year.

Further on the article, repeating, says:

Wheat exports for the fiscal year 1921, including flour in terms of wheat, total approximately 365,000,000 bushels; corn over 60,000,000; rye nearly 50,000,000; and of rice, of which we were until recent years very small producers and large importers, the exports of the year total over 400,000,000 pounds, and are larger than those of any earlier year except 1920.

The article proceeds to state where this wheat has gone:

The quantity sent to the United Kingdom alone was slightly more than 100,000,000 bushels, as against about 60,000,000 in the immediately preceding year, these figures also including the flour stated in terms of wheat. Italy ranked next to Great Britain, the wheat sent to Italy in the fiscal year 1921 aggregating nearly 60,000,000 bushels, as against approximately 30,000,000 in the immediately preceding year; Germany, 34,000,000 bushels; France, 25,000,000 bushels; and Belgium, 25,000,000 bushels.

So it appears that Germany has again come into the market and is buying our wheat and, of course, is buying our corn and will buy our meat if it is not already doing so; and it will unquestionably begin buying our cotton and everything else that it needs in its productive activities.

Mr. President, if it is proposed by this bill to buy and to hoard and to keep from the market, that would be unjustifiable, and that is disclaimed by my distinguished friend who has just spoken. If it is proposed to advance the price beyond where it is now, the only way that can be accomplished is to advance the level of world prices, to meet the competition of the world, and in some way or other force that price level up. We know that we can not force the price level up. If, then, there is any more to be paid to our people, it must be that this corporation will pay more for what it gets than it will obtain for the same articles when it sells them.

The consequence will be that about all this scheme can do is to furnish a billion dollars on rotten securities or on securities that nobody over there will accept and saddle them upon the United States of America and ultimately compel our taxpayers to bear the burden. That is exactly where we are going to come out in this proceeding. The markets are open. It is not claimed that there are large profits collected by those who handle grains. The facts are otherwise. They are handled on the very slightest of margins, in the most economical way.

There is, however, one thing in the bill that might benefit the farmer, and I am willing that the bill may come to consideration because of that. There is a proposition looking toward a reduction of railroad rates upon farm products reaching the market. The railroad rates now, in my judgment, are paid by the producer; for the producer must sell upon the world market, and whatever it costs him to get his goods to that market comes out of the pockets of the producer. So if railroad rates could be reduced there would be that much more money left in the hands of the producers in the various States. That far, in my opinion, there is merit in the bill.

I am not in favor of mulcting the United States to the tune of a billion dollars more and, in lieu of that hard cash, taken from the pockets of the Treasury taxpayers themselves and of the farmers themselves as well as others, to substitute securities of a most doubtful character. I am, however, willing to have the bill taken up and considered and see what the Senate has to say about it.

Mr. RANSDELL. Will the Senator yield?

Mr. REED. I yield.

Mr. RANSDELL. I had expected that the Senator would answer the question I propounded to him, which was a very simple one. As I stated, there is a very large surplus of agricultural products in this country. This bill proposes a solution—perhaps it will not work out—but what solution does the Senator offer when he seeks to destroy the best efforts of the Senate Agricultural Committee? He is seeking to pull down the house which we are proposing to build; but what house does he build in lieu thereof? What plan does he suggest? How would he get rid of our agricultural surplus?

Mr. REED. Mr. President, answering that question, I will say it is a familiar one; it is about the equivalent of a doctor proposing to give a patient a dose of strychnine, and when another doctor protests and says strychnine will kill the patient, the doctor prescribing the strychnine demands that the doctor who criticizes the strychnine treatment shall immediately suggest an infallible cure. The question is not whether or not I have the remedy or whether there can be a remedy, but the question is whether or not the thing that is proposed is a remedy. That proposition and that one alone is before Congress.

If my own opinion were asked in regard to this and all similar propositions, I would say that the law of supply and demand must be allowed to work out all such questions. It will take Europe a while to get upon its feet; but in the meantime it will buy as far as it can buy. We will have to meet that condition and accommodate ourselves to it; but while Europe is buying more than she has ever bought, although she is buying at a low price level, I do not know how we are going to stimulate the matter any further.

Mr. WILLIAMS. Mr. President, the Senator does not mean——

Mr. REED. I will yield to the Senator in just a moment.

If she bought 165,000,000 bushels more wheat and 60,000,000 bushels more corn and 50,000,000 bushels more rye last year from this country than she ordinarily buys, it looks as though at least they had enough money over there to fill their stomachs and as though they had filled their stomachs. I do not know why they should eat a great deal more than they are eating now when they are already buying more now than they have ever bought before in the history of their countries.

Mr. WILLIAMS. Mr. President, the Senator does not mean it to go to the world as his opinion that Europe is buying more than she ever bought before; but the Senator means to say that Europe is buying more from us than she ever bought before.

Mr. REED. Exactly.

Mr. WILLIAMS. And the reason why she is buying it is because she is producing less. Europe is still hungry and Europe is not full. Europe has been forced to buy from us with what credit and what cash she had simply because Europe did not produce for herself. The Senator must know that Russia is producing nothing that she can give to the remainder of Europe; that Turkey and Asia Minor are producing nothing that they can give to Europe; that Poland is producing nothing and Serbia nothing that they can give to the remainder of Europe; in other words, Mr. President, there is a great deal of difference between Europe buying more than ever and Europe buying more than ever from us.

Mr. REED. That is what I meant to say.

Mr. WILLIAMS. I hope so.

Mr. REED. And, of course, what the Senator said is true; that some parts of Europe are not producing, notably Russia's great wheat fields are not supplying Europe as they did in the past.

Mr. WILLIAMS. And Bulgaria and Rumania partially and Asia Minor.

Mr. REED. That only means that that makes that much better market for us, and perhaps accounts for the surplus that we have shipped over there above what we ordinarily ship.

Mr. WILLIAMS. If the Senator will excuse me for seeming to indulge in politics, it also demonstrates the fact that the

Republican pretense that we are going to be "dumped" to death with European products is false.

Mr. SHEPPARD. Mr. President, in the interest of the earliest possible disposition of both measures, I shall vote against taking up the so-called Norris bill at this time. The prohibition bill is almost out of the way; it can be disposed of quickly. The discussion already had on the Norris bill this afternoon shows that it will lead to prolonged and intense debate; that it involves fundamental departures. As the debate proceeds and further efforts are made to take up the prohibition bill, the recess time will arrive and entanglements may ensue which will be fatal to both measures. Furthermore, Mr. President, from the maneuvers I have seen on the floor it seems that certain Senators who are far more interested in obstructing the prohibition bill than they are in the passage of the Norris bill are going to vote to take up the Norris bill. I say this by way of warning, and trust we may decide to proceed with the prohibition bill.

Mr. JONES of Washington. Mr. President, I am going to vote to take up the so-called Norris bill. The Senator from Texas [Mr. SHEPPARD] and I have been working together in reference to temperance measures. No one will question the views of either one of us or our desire to promote temperance legislation. I am going to vote to take up the so-called Norris bill because I am satisfied that the Senate will not recess and it will not adjourn until the prohibition measure is passed. As was suggested by the Senator from Alabama a few moments ago, if the Norris bill is not taken up now it may not be taken up during this session or the next session. I do not know what the Senator from Alabama had in mind.

Probably he had in mind what the Senator from Texas has just suggested, that we are likely to take a recess. I do not know whether we are or not, Mr. President, but I do know that this side of the Chamber is being polled to ascertain whether or not we are in favor of recessing or adjourning after certain things are done. What those certain things are, I do not know; but I want to say that if this side of the Chamber decides, with the help of some Senators on the other side of the Chamber, to recess or adjourn for any particular time without certain mensures being disposed of, it can not do a thing that would be worse for it before the country.

I hope this situation will be considered from a party standpoint by the leadership on this side of the Chamber, which is trying to ascertain whether or not we can get enough Senators on this side with enough Senators on the other side to determine the policy of this Congress as to the dispatch of its business by adjourning or recessing. The people of the country expect us to stay here and do things until something is accomplished. Of course, the question of recessing or adjourning is not a party question; but we are in control of this body. The organization is in our hands. We are held responsible for the policies the Senate may adopt, and very properly so. It is all right for us to consider measures in this body in a nonpartisan way, and I am glad that we do it; but it is right for the country to hold the Republican Party responsible for the policy that is adopted here, and for the manner in which the business of the Senate and the country is carried on, so long as we have control of this body, and so, when it comes to saying whether we will quit or work, the Republicans should determine it with the good of the party in view as well as that of the country, and the public good and party welfare should be placed above personal convenience or comfort.

Mr. President, there are other matters of tremendous importance that are going to come to the Senate in the very near future that will have to be disposed of, that will have to be dealt with, that will entail upon this country tremendous loss if the Senate is not in session at the time they must be taken care of. We are going to have an estimate come down here in a day or two for one hundred or one hundred and fifty million dollars to take care of a situation transferred to this administration from the last administration with reference to the Shipping Board, and if it is not taken care of promptly it will entail a tremendous loss upon the Government, upon the country, and upon the Treasury. It should be the duty of the Republican Party to stay in session so that it can take care of these things when they should be taken care of.

We ought to consider very carefully whether or not our organization wants to assume the responsibility of presenting to the country an actual cessation of business. They think we are not doing very much, and that we have not done much. We are working hard. We have accomplished a great deal. There is much to be done. The people expect us to do it. If we quit now, we confirm the idea they have that we are not looking after their interests.

Mr. KING. Mr. President, will the Senator yield?

Mr. JONES of Washington. I yield to the Senator.

Mr. KING. Does not the Senator think, in the interest of economy and saving the Treasury from the ravishments which will be made, that we had better adjourn?

Mr. JONES of Washington. No; Mr. President, I do not. If we have to appropriate one hundred or one hundred and fifty millions to take care of the situation of the Shipping Board, it will be to save money. It will be because by the expenditure of $150,000,000 to meet the situation that confronts us we will probably save several hundreds of millions of dollars in actual money and far more in the benefit to business and commerce. There is a situation that must be dealt with, and the longer it is put off the more it will cost. I think we are confronted with the very proposition to-day for early solution as to whether or not we are going to have a merchant marine, or whether what we have done during the war to build up a merchant marine shall be lost entirely. We may lose some more money, but unless we do something to meet the situation it is absolutely certain that the loss to this Government will be something tremendous.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Mississippi?

Mr. JONES of Washington. I yield to the Senator.

Mr. WILLIAMS. I should like to ask the Senator from Washington, if the only way to have a merchant marine is for the Government to appropriate for a deficit of one hundred or one hundred and fifty million dollars a year in order to maintain it, what is the difference between that and a direct ship subsidy?

Mr. JONES of Washington. Mr. President, I am not going to discuss the merits of the proposition. I am simply telling the Senate of a proposition that is going to be presented to us that must be passed on or, at any rate, should be passed on one way or the other. Now, it may be a subsidy; I am not disputing that one way or the other, and I am not frightened at the word "subsidy." If it is necessary for us to pay direct subsidies to have an American merchant marine, I am in favor of paying direct subsidies, Mr. President; but I do not want to discuss the merits of subsidies or of this proposition at this time.

Mr. WILLIAMS. But, Mr. President, the Senator did not put himself upon that ground. The Senator said that we had to appropriate this $100,000,000 or $150,000,000, whichever it is, in order to save a larger amount of money.

Mr. JONES of Washington. In order to save us from a great loss. The Senator must not overlook the fact that we have ten or twelve million tons of shipping. Now, then, the question is, What are we going to do with it?

Mr. WILLIAMS. I understand that.

Mr. JONES of Washington. And I do not want to discuss the merits of the proposition.

Mr. WILLIAMS. The Senator has said that we are to appropriate this one hundred or one hundred and fifty millions in order to save ourselves from a greater loss than that.

Mr. JONES of Washington. Yes.

Mr. WILLIAMS. Now, then, we are faced, it seems to me, with this proposition: Either getting rid, as a Government venture, of this entire business and returning it to private industry or keeping up indefinitely a yearly deficit to be paid of one hundred to one hundred and fifty millions of dollars. So that the question is whether we shall dispose of our assets, so called—principally liabilities—and charge it to profit and loss, or whether we are to keep up indefinitely a deficit appropriation of, say, $150,000,000 a year.

Mr. JONES of Washington. Mr. President, I do not want to be discourteous to the Senator, but I do not care to go on upon that line any further. That will be discussed when the proposition comes before us, and then all the questions that the Senator has raised will be, of course, pertinent, and they will be considered and discussed by the Senate, and the Senate will decide what it thinks ought to be done in the matter; but the proposition is coming to us, it is coming to us very soon, and we ought to be here to take care of it and to meet it.

As I say, I am heartily in favor of the bill of the Senator from South Dakota [Mr. STERLING]. I would not do anything that I thought would lead to the defeat of that measure; but, as I said a while ago, I have no doubt whatever but that the Senate will pass that measure, and if there are any interests outside of the Senate Chamber that think there is a possibility of Congress repealing or modifying or failing to provide for the proper enforcement of the eighteenth amendment and the Volstead Act, the sooner they disabuse themselves of that idea the

better it will be for them, financially and otherwise. Congress is going to see that a fair and honest enforcement of the eighteenth amendment and the law is had.

It has been suggested that they are holding up the issue of permits down at the department. I hope they will continue to hold them up until Congress acts, because Congress will act; and it will be better for the men who have money to invest in this proposition that they should be held up until Congress acts than that they should be issued and that these men should go on and put their money in. If there is any man who wants to put his money into the construction of a brewery because the department issues permits allowing him to manufacture beer for medicinal purposes with the idea that it will not be stopped, the sooner that man gets disabused of that idea the more money he will have in the very near future, because, whether the department issues those permits or not, Congress is going to prevent by legislative enactment the manufacture of beer for these purposes, because Congress believes that it is necessary to a proper enforcement of the eighteenth amendment.

So, Mr. President, I am satisfied that the prohibition amendment will pass before there is any recess, if a recess should be considered, or before there is any adjournment, if an adjournment should be contemplated. This measure may not secure its consideration if postponed. It ought to be considered. The matter that it covers is of tremendous importance. I do not know whether I shall vote for it or not; but, as I said, it ought to be considered; and for those reasons I intend to vote for its consideration.

The VICE PRESIDENT. The question is on the motion of the Senator from Nebraska [Mr. NORRIS].

Mr. HEFLIN and other Senators called for the yeas and nays, and they were ordered.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk proceeded to call the roll.

Mr. FERNALD. Mr. President, a parliamentary inquiry. What are we voting on?

The VICE PRESIDENT. On the motion of the Senator from Nebraska [Mr. NORRIS] that the Senate proceed to the consideration of Senate bill 1915, to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

The calling of the roll was resumed.

Mr. DIAL (when his name was called). I transfer my general pair with the Senator from Colorado [Mr. PHIPPS] to the Senator from Rhode Island [Mr. GERRY] and will vote. I vote "yea."

Mr. EDGE (when his name was called). I transfer my general pair with the Senator from Oklahoma [Mr. OWEN] to the Senator from New York [Mr. WADSWORTH] and will vote. I vote "yea.'

Mr. FERNALD (when his name was called). I transfer my pair with the Senator from New Mexico [Mr. JONES] to the Senator from Arizona [Mr. CAMERON] and will vote. I vote "nay."

Mr. SWANSON (when Mr. GLASS's name was called). My colleague [Mr. GLASS] is unavoidably detained from the Senate. He is paired with the Senator from Vermont [Mr. DILLINGHAM].

Mr. HARRIS (when his name was called). I transfer my pair with the junior Senator from New York [Mr. CALDER] to the senior Senator from Texas [Mr. CULBERSON] and will vote. I vote "yea."

Mr. HARRISON (when his name was called). I am paired with the junior Senator from West Virginia [Mr. ELKINS]. I understand that, if present, he would vote as I am going to vote, and I therefore feel at liberty to vote. I vote "yea."

Mr. REED (when his name was called). Making the same announcement as on the last vote as to my pair, I again am compelled to announce that I withhold my vote.

Mr. STERLING (when his name was called). I have a general pair with the Senator from South Carolina [Mr. SMITH]. I transfer that pair to the Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "nay."

Mr. TRAMMELL (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. COLT], but I feel at liberty to vote upon this question. I vote "yea."

Mr. WILLIAMS (when his name was called). First transferring my pair with the senior Senator from Pennsylvania [Mr. PENROSE] to the senior Senator from Nebraska [Mr. HITCHCOCK], I vote "yea."

The roll call was concluded.

Mr. HALE. I transfer my pair with the senior Senator from Tennessee [Mr. SHIELDS] to the junior Senator from Vermont [Mr. PAGE] and will vote. I vote "nay."

Mr. MYERS. I have a pair with the Senator from Connecticut [Mr. MCLEAN], who is absent. I am not able to obtain a transfer of the pair, and therefore withhold my vote. If at liberty to vote, I should vote "nay."

Mr. KING (after having voted in the affirmative). I have a general pair with the senior Senator from North Dakota [Mr. MCCUMBER]. In his absence, I am compelled to withdraw my vote.

The result was announced—yeas 47, nays 17—as follows:

YEAS—47.

Ball	Harris	McKinley	Smoot
Borah	Harrison	Moses	Spencer
Broussard	Heflin	Norris	Stanley
Bursum	Jones, Wash.	Oddie	Swanson
Capper	Kendrick	Overman	Trammel
Caraway	Kenyon	Pittman	Underwood
Curtis	Ladd	Poindexter	Walsh, Mass.
Dial	La Follette	Pomerene	Warren
Edge	Lenroot	Ransdell	Watson, Ga.
Ernst	Lodge	Robinson	Weller
Fletcher	McCormick	Shortridge	Williams
Frelinghuysen	McKellar	Simmons	

NAYS—17.

Ashurst	Kellogg	New	Walsh, Mont.
Brandegee	Keyes	Nicholson	Willis
Cummins	Knox	Sheppard	
Fernald	McNary	Sterling	
Hale	Nelson	Sutherland	

NOT VOTING—31.

Calder	Glass	McLean	Reed
Cameron	Gooding	Myers	Shields
Colt	Harreld	Newberry	Smith
Culberson	Hitchcock	Norbeck	Stanfield
Dillingham	Johnson	Owen	Townsend
Elkins	Jones, N. Mex.	Page	Wadsworth
France	King	Penrose	Watson, Ind.
Gerry	McCumber	Phipps	

So the motion was agreed to, and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; that the House had receded from its disagreement to the amendments of the Senate numbered 1 and 2, and agreed to the same; and that the House receded from its disagreement to the amendment of the Senate to the title of the bill and agreed to the same.

The message also announced that the House had passed a concurrent resolution (H. Con. Res. 24) to correct an error in the enrollment of House bill 5756, in which it requested the concurrence of the Senate.

EXTENSION OF PHILIPPINE INDEBTEDNESS.

Mr. NEW. Mr. President, I ask the Senator from Nebraska to yield to me for a moment in order that I may submit the conference report on House bill 5756.

Mr. NORRIS. I yield for that purpose.

Mr. NEW submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1 and 2, and agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same.

HARRY S. NEW,
P. C. KNOX,
KEY PITTMAN,
Managers on the part of the Senate.

H. M. TOWNER,
JAS. P. GLYNN,
FINIS J. GARRETT,
Managers on the part of the House.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WALSH of Montana. Mr. President, will the Senator kindly give the Senate the significant facts contained in the report?

Mr. NEW. The House agreed to the bill exactly as it passed the Senate, and with the report there is a concurrent resolution.

The VICE PRESIDENT. The first question is on agreeing to the conference report.

Mr. WILLIAMS. Mr. President, I ask that the concurrent resolution may be read before we act upon the conference report.

The VICE PRESIDENT. The Chair lays before the Senate a concurrent resolution from the House of Representatives, which will be read.

The reading clerk read as follows:

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 5756) entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,' approved August 19, 1916, and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903," the Clerk be authorized and directed to enroll the title so as to read as follows: "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government of these islands,' approved August 29, 1916, and to amend an act entitled 'An act to establish a standard of value and to prohibit for a coinage system in the Philippine Islands,' approved March 2, 1903."

Mr. WILLIAMS. Mr. President, I have obtained some inkling that this concurrent resolution involves a desertion of the historical attitude of the United States toward the Philippine Islands. We have been bound from the beginning by our utterances to turn the Philippines loose and to grant them ultimately their independence. We have at various times conditioned that in various ways, but we have never before left it and deserted it. There was always behind every public utterance the promise that ultimately we would not keep in subjection to the United States of America an unwilling alien people.

There are men here always interfering with Europe because some power in Europe, in their opinion, is keeping in subjection some alien and unwilling people, where some nationality desiring self-determination has revolted. Yet we are about to desert, in this, the position that the Filipinos are entitled, ultimately at any rate, whenever they are prepared for self-government, to self-determination. I could not interfere with this conference report. The conference report does not directly depend upon this concurrent resolution, but I wanted to enter my protest against this desertion of the historical American position with regard to these other people.

Mr. President, I do not take any interest in the United States Government interfering with foreign countries for the purpose of securing self-determination for their minorities. That is not my business as a United States Senator, nor is it a part of the business of the United States Government. We have no right to interfere with foreign Governments in the control of their domestic affairs. But I do enter my protest eternally against the idea that either in the Philippines or in Porto Rico or elsewhere the United States Government itself, of which I am a part, shall subject any unwilling community of a different and alien people to subserviency to the United States, its flag, its traditions, or its ideals. Each people is entitled to its own ideals and its own traditions.

When I come to judge my own household, I judge it as a member of the household. When I am called upon to judge other households, I decline to judge at all, because of the fact that I am not a part of them and have no part or parcel with them or in their quarrels.

I can not stop the adoption of this conference report, nor do I want to do it, because it has nothing directly to do with the resolution, but I do want to protest against that part of this resolution which makes this change in what we have hitherto decided to do or pretended to do. This is the language:

That in the enrollment of the bill entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for those islands,' approved August 19, 1916; and to amend an act entitled 'An act to establish a standard of value.'"

And so forth. That is not relevant to what I am talking about.

This comes down from an original announcement of the purpose to prepare the people of the Philippine Islands for independence to an announcement now that the purpose is, as to the future political status of the people of the Philippine Islands," to provide a more autonomous government."

That is not correct English, by the way. What was meant was "a more nearly autonomous government," because the government even now is not autonomous, and if it were autonomous it could not be more autonomous. A "more approximately" or "more nearly autonomous government" was what was intended.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. The Senator from Indiana has the floor. Does the Senator yield?

Mr. NEW. I yield.

Mr. WALSH of Montana. I understand the sole purpose of this bill is to authorize the Philippine Government to contract in excess of the value limited by the act of 1916.

Mr. NEW. Certainly.

Mr. WALSH of Montana. It does not in anywise declare the policy or purpose of the United States with respect to the future disposition of the Philippine Islands.

Mr. NEW. Not at all. Mr. President, I was about to say that I think the Senator from Mississippi entirely misapprehends the whole subject under consideration. The concurrent resolution merely gives to the Clerk of the House authority to correct a printer's mistake in the printing of the date mentioned in this act. It should have read "August 29," whereas it appears in print as "August 19," and this concurrent resolution merely gives the Clerk authority to correct that error.

Mr. WILLIAMS. That may all be true; but the title of the so-called Jones bill sounded in terms of ultimate independence for the Philippine Islands, and this changes that title, and all other titles in the law books, to one sounding in terms of a more autonomous government.

Mr. NEW. Mr. President, this is simply the old title of the existing act, and I am sure the Senator from Mississippi is under a misapprehension.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The conference report was agreed to.

The VICE PRESIDENT. The question now is on concurring in the resolution of the House.

The resolution was concurred in.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. HEFLIN. Mr. President, I wish to say a word in favor of the Norris bill, which seeks to aid in exporting farm products. The bill proposes to give and I think will give some relief to the distressed farmers of America. The rapid deflation of the currency and the crazy curtailment of credits has cost agriculture alone many billions of dollars.

In times past the Federal reserve banking system functioned in a most pleasing and satisfactory manner. It rendered valuable service to commerce, to industry, and to agriculture. It was created for the purpose of serving the business needs of the people. For a long time it performed its duties and, to the gratification of the American people, fulfilled its useful mission well. We had a 3 per cent rediscount rate at one time, but, strange to say, at a time when money was most needed and the easiest and cheapest rate possible should have been granted, the Federal Reserve Board directed or sanctioned an increased rate of 7 per cent. That has now been reduced to 6 per cent on some agricultural paper, but that, under the demoralized conditions created by the board, is not low enough.

The legal rate of interest in North Carolina is 6 per cent. How on earth are the bankers of North Carolina going to borrow money from a Federal reserve bank at 6 per cent and reloan it at a profit when the legal rate in that State is 6 per cent? They are not allowed to make one cent in a transaction involving that situation, and that is wrong.

I am told that to-morrow the governors of the Federal reserve banks are going to meet in this city. A grave responsibility rests upon them and those who meet with them. I trust that they have been in close enough touch with the people and with real conditions to be able to tell the Federal Reserve Board just what its strangle hold upon money and credits is doing to the business of the farmer, merchant, and banker of the South and West. I trust that they come in the interest of the suffering and distressed people of the country, and I pray that they may be able to impress upon the Federal Reserve Board the necessity for lowering the rediscount rate and granting an extension of time on farm loans.

We all know that speculative interests of Wall Street get all the money they want for use in beating down the prices of farm

products. These same farm products are mortgaged. Farmers have borrowed money on them when the price was higher. Money is loaned to Wall Street and is now being used to beat down the price of these products on which the farmer has already borrowed. Through this evil process the farmer is so crippled and the value of farm products so depreciated by speculation that it is difficult for him to get additional loans.

I call upon this board when it meets to-morrow to reduce to 4 per cent the rediscount rate on farm paper and other paper backed by Liberty bonds. I have a right to ask that in the name of the farmers, merchants, and bankers of the South and West. I ask them to reduce the rediscount rate upon farm and mercantile paper in the South and West to 4½ per cent.

The Federal reserve system can well afford to do that. It made through its operations nearly $100,000,000 last year.

Mr. President, we never created that system for the purpose of making money out of it. We created it for the purpose of rendering service to the large and the small business interests of the American people, and that system we boasted would go to the rescue of legitimate business in distress and put its arms around it and shield it from the wolves that sought to devour it, and permit it to get up on its feet and breathe the breath of life again.

It did that under Secretary McAdoo. It performed admirable service then to the people of the country, but now, strange to say, some strange power seems to have hypnotized the board and business is paralyzed. But some tell us that the Federal Reserve Board which now directs the system was appointed by President Wilson. When President Harding retains these men in the service, when he keeps them around his council table, they became his children. They belong to his official family, and he is responsible for their acts, and not only that, Mr. President, he acquiesces in and indorses their past conduct and administration of the system. He can not escape responsibility for their present policy, which is killing productive enterprises in America. That is a pretty severe indictment, but there are farmers and business men all over the country who will bear testimony to what I am saying.

The President of the United States must, and I am sure he does, assume responsibility for the Federal Reserve Board and its policies.

Then I appeal to the President to direct that board to reduce rediscount rates on farm paper and grant liberal extensions of loans on farm products.

I call upon the President and the Federal Reserve Board not to permit the prices fixed on farm products by designing speculators to obtain in the matter of loan extensions or the granting of new loans, but to permit the farmer to renew at the price accepted when he first obtained the loan.

I ask that the farmers, merchants, and bankers of the South and West be permitted to have a say as to what is a fair price for these products, rather than permit interested speculators to fix the price to suit themselves—a price that does not even cover the cost of production. I am talking now about the price upon which the farmer is going to be granted a loan or have a loan renewed and extended, if at all. If the board renews or extends loans on prices that exist under rapid deflation and speculation, the farmer is robbed literally and the Government is a party to it. The Senator from Missouri [Mr. REED] spoke about the law of supply and demand. The law of supply and demand, in the long run, of course, must have its way, but I have seen it suspended. I have seen it cease to operate until the man who produced certain farm products was slaughtered in the market place. Let me illustrate.

Here comes the farmer from the West. He has his wheat and corn. He is ready for market. The price suddenly goes down and down under market manipulation until it is below the cost of production. He says, "I do not want to sell. I am entitled to a price that will cover the cost of production and give me a profit." Here comes the farmer with his cotton. The market is open. The crop-moving season is on. The price falls from 40 cents a pound to 10 cents a pound under deflation and Wall Street speculation and he says, "That is $100 a bale below the cost of production and I can not afford to sell. I will hold until the price comes up and the cost of production can be covered and I can derive a profit."

In a situation like that where is the law of supply and demand so far as the farmer is concerned? Here comes the fellow who holds the paper against the wheat and corn and the paper against the cotton, and he says, "I am pressed by the Federal reserve banks and you must pay me right away." The wheat and corn man turns to the Federal Reserve Board and says, "Can you help me to hold this wheat and corn until the demand is greater and until I can get a price that will give me a reasonable profit?" They say, "No; we must deflate the currency; we must curtail credit as rapidly as possible."

The cotton man says, "Won't you let me hold this cotton and help me to arrange this debt until the demand for cotton is increased and I can make a profit?" They say, "No; we must beg to be excused. We are afraid that we will injure our deflation program if we do." So they do not go to the rescue of the wheat, corn, and cotton producers, and they are forced to sell when to do so means ruin to the business of the farmer of the South and West.

Then what happens? In a few weeks or a few months all three of these farm products rise in price and the farmer who sought aid that he might retain his produce and obtain that price sees the speculators get it by the aid of the Government.

By that action of the Reserve Board the farmer of the South and West was slaughtered and the speculator was aided.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER [Mr. ROBINSON in the chair]. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. HEFLIN. I am glad to yield to the Senator.

Mr. SIMMONS. I wish to call the attention of the Senator from Alabama, in connection with the argument he is now making, to the fact that the Federal reserve banks in the agricultural sections of the country, claiming that they were acting under a policy prescribed by the Federal Reserve Board, refused to advance money upon cotton or wheat held by farmers upon the ground that when a farmer withheld his wheat or his cotton from the market and sought to borrow money to enable him to do that he became a speculator, and that a loan made to him under those circumstances would violate that rule which they had prescribed for the purpose of deflating credits and currency and all that sort of thing and against making loans upon speculative paper.

In other words, if the Senator will pardon me, when a farmer was doing exactly what the Senator said a little while ago, holding his cotton because there was practically no market in this country for that product, he was classified by the Federal reserve banks of this country, under direction of the Federal Reserve Board, as a speculator because he was seeking to protect himself from absolute ruin and from sacrificing the product of his labor.

Mr. HEFLIN. I thank the distinguished Senator from North Carolina for his valuable contribution to the argument that I am trying to make. I am glad to have his suggestion. In line with his suggestion, here is a farmer coming to market. With the fruits of his year's investment and toil he says, "Market conditions will not justify me in selling my produce. If I sell now I shall lose all that I put in it. Will not the Federal Reserve Board come to my rescue and help me to hold it until I can obtain a little profit?" The Federal Reserve Board says, "No; you will be guilty of speculating when you do that." That is the most ridiculous idea that any body of intelligent men ever suggested since the dawn of creation.

Mr. President, the law of supply and demand is a beautiful thing, but how many thousands and multiplied thousands in the army of agriculture in America are slaughtered annually under the confusing and misleading plea that the law of supply and demand is responsible for the pillage and plunder of the farmers of America?

Mr. ASHURST. Will the Senator yield to me?

Mr. HEFLIN. In a moment I shall be glad to yield to my friend from Arizona. The law of supply and demand operates in the end, I say, but I am talking about the time between the time that the produce is obtained from the farmer and the time that the consumer must have it. They rob the farmer; they destroy him in the market place and permit others to flourish upon his misfortune, all in the name of the law of supply and demand. I want to see the farmer aided in holding his products until he and not the speculator can receive the price that the consumer ultimately has to pay.

Now I gladly yield to the able Senator from Arizona.

Mr. ASHURST. Mr. President, from advices I am receiving from the West, it is obvious that the farmer is growing very tired and disgusted with a system which distributes to him literature telling him how to work, how to plan, and how hard he should labor, and then, just as the harvest time comes and he is about to go to market to receive something for his 10 months' work and toil, that same system that has distributed so much literature to him, and has been paying so many farm bureaus allows his market to go to pieces and his labor to go for naught. I repeat that the farmers in my section of the West are growing very suspicious of that system.

I am going to support this bill or any other legislation that will have a tendency to afford the farmer a market for what he produces.

Mr. HEFLIN. Mr. President, the Senator from Arizona is entirely right in his suggestion. In other words, following the suggestion of the Senator from Arizona, the farmer as he goes out to till his soil in the springtime opens a batch of bulletins from the Agricultural Department. He is told by those who control the money supply and credits of the country, who fix the interest rates upon it, that there will be no hard times for the five years following the World War; that we shall have prosperity for five years. The farmer goes out and tills his soil. He reads the bulletins. He reads the suggestions about putting forth great efforts, and the advice to him to be enterprising and industrious and to make the earth to blossom as the rose, and that the world will need all that he can produce.

Then the farmer comes up to the market place with his produce and he says, "Here I am; I have complied with your request; I have followed your suggestions, and I am now ready to dispose of the fruits of my labor." The Federal Reserve Board say, "Well, we are very sorry, but the price is not so good as we thought it would be." The farmer replies, "No; I knew that when you announced your purpose to deflate currency and credits that hard times were coming; when you commenced to deflate the currency and to curtail the credit you tore the market to pieces; but here I am with my produce; I must have enough out of it on which to live, to pay my debts, and to support my family. Now, will you not help me to hold it, because market conditions do not justify me in selling it at this time? I ask you to put around me the arm of protection, as the Federal Reserve Board has in the past, and protect me from those who want to take my substance away and leave me helpless in the market place." The Federal Reserve Board say, "No; we can not do that. If we did we would be guilty of aiding you in speculation." Then the farmer turns back and says, "How about those millions of dollars you loaned in Wall Street? You loaned to four concerns up there more money in the crop-moving season than you were loaning to five regional banks in 21 agricultural States at the crop-moving time. Why can you not loan to me? They are speculating in stocks and bonds; they are keeping down the price of agricultural products; they are destroying the army of agriculture, the farmers of the country; they are hurting legitimate business; they are flourishing in rank luxuriance, and yet if you extend to me a helping hand in order to prevent suffering in my family and ruin to my business you say you are aiding the business of speculation."

How utterly ridiculous, inexcusable, and indefensible is such rot. It is just, it is right, and it is proper for the farmer to be aided in his efforts to obtain a price that will yield him a profit. This foolish, shortsighted policy of attempted deflation at such a time and under all the circumstances will go down in history as one of the greatest crimes ever committed against the business of the Nation. Personally, I have nothing whatever against the members of the Federal Reserve Board. One of them is from my State, a very clever gentleman personally, W. P. G. Harding; I served with one of them in the House of Representatives, Mr. Platt, of New York; but this is not a matter of retaining somebody in office because of personal friendship, and I would be unfaithful to the people that I represent if I should allow personal friendships to prevent me from doing what I know is my duty in the premises. The Federal Reserve Board machinery belongs not to the men who now misdirect it; it belongs to the people of the United States and they are entitled to have it function properly.

I helped to create that system and I know that I never dreamed that this great and helpful agency in the emergencies of the past would ever be used as an instrument of torture and tyranny.

A deflated dollar and high interest rates foisted upon the American people at one and the same time is a criminal act against every legitimate enterprise and industry in the United States.

I am hoping and praying that something will happen to bring about a change in the destructive, inexcusable, and indefensible policies that have caused so much suffering, so much financial distress and embarrassment amongst millions of people in the South and West.

Mr. EDGE. Mr. President, the hour is late, and I simply wish to give notice at this time that following the completion of the routine morning business to-morrow I should like to have the privilege of speaking upon the bill known as the Norris bill.

Mr. LODGE obtained the floor.

Mr. NORRIS. Will the Senator from Massachusetts yield to me for a moment before he makes a motion to proceed to the consideration of executive business?

Mr. LODGE. Certainly.

Mr. NORRIS. Mr. President, I have in my hand an article on this particular bill prepared by Mr. Louis Crossette, which, I think in a great many respects, is a good analysis of the bill. I ask unanimous consent that it may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nebraska? The Chair hears none, and it is so ordered.

The article referred to is as follows:

"THE FARMERS' EXPORT FINANCING CORPORATION BILL (S. 1915).

[By Louis Crossette.]

"Convinced as we are, those of us who fostered this measure of general relief, that the pitiless searchlight of publicity is the stanchest advocate of the bill, I am going to lay before you in the order of their importance the principal objections to the measure, brought out by the hearings of the committee, and then undertake to answer them separately.

"1. The loudest cry was 'class legislation.'

"2. Keeping the Government out of business for fear of destroying the initiative of private enterprise.

"3. Credit specialists who claim that all the farmer needs is more credit.

"4. The overlapping and duplication of powers.

"5. The same old crowd who advise that Europe does not need our food or aid.

"6. The element who claim that we can not get proper security—the credit bitter-enders.

"7. We have heard that all was being done that could be done.

"8. The ever-present warning of trouble with the Reparations Commission.

"(1) CLASS LEGISLATION.

"Because this idea was the product of agricultural minds—who, by the way, are not supposed to think—the general cry immediately went up that this was 'class legislation,' and therefore was bad. This is a very good point, and we were really glad it was brought out, for the development of the idea has built us a very beautiful case.

"There seemed to be no dissenting from the fact that we were holding over the greatest surplus of agricultural products in the history of the country. Also, most were agreed that agriculture represented about 50 per cent of our total productive wealth. And it was further agreed that on account of the natural law of supply and demand this surplus was ruining millions of farmers, and at any minute, if the bank examiners were to do their duty, it might close literally thousands of banks. The situation is just this: The banks have loaned vast amounts against this huge surplus and, unfortunate as it may seem—and not to their discredit, be it said—this money was loaned when the products were worth from four to ten times their present value. What was at that time considered a safe, conservative margin to-day represents from two to three times the actual market value. When the slump in prices came things happened so quickly that even those who would have liked to dispose of some of their products before it was too late could not get into the market in time and therefore soon reached the point where they dare not sell because it meant bankruptcy; it meant the loss of the live stock, implements, farms, and everything that was dear to them. The great contributing causes of this break will be brought out later on. As I have pointed out, the amounts advanced by the banks in most cases represented values that only a stimulated market will produce, and in creating this market we naturally expect a slight increase at least in values. We recognize, of course, that you can not legislate market values, but feel that anything that will help move the products will naturally have a tendency in this direction. This movement will enable the farmer to take up some of his paper at the bank and will allow the small bank to ease up on the big bank; and in this event, inasmuch as these prices can not hope to be stimulated even to the cost of production, but merely to a point where the bankable paper can be redeemed, at least partially, it looks almost as though this 'class legislation' were in favor of the banks.

"I can not take up the time to point out each item, but take corn, for instance, such as is produced in Illinois, Iowa, and Nebraska at a cost estimated by the Federal Government all the way from 85 cents to a dollar per bushel. The hearings before our committee showed that on the present market in these States—and Iowa alone has some 250,000,000 bushels of the 1919 and 1920 crops left on hand—which averaged 34 cents per bushel at the elevator, after deducting 14 cents per bushel,

which was the average cost per bushel for husking, shelling, and hauling after the corn had been placed in the crib, the farmers' net was 20 cents per bushel on an average. This 20 cents per bushel represents what the farmer had toward the cost of production, which in most cases represents about one-fourth of the actual cost. As against this 20 cents per bushel received by the farmer I am going to point out some more 'class legislation.'

"The average haul on this corn by the railroad to the seaboard from the States named would be 60 cents per hundred pounds, or 36 cents per bushel, to the railroad company. We realize, of course, that the railroads are very hard up. But if this 36 cents per bushel represents to them anything like what the 20 cents does to the farmers then they are in a bad way, for a 1,500-bushel carload would bring the railroad a gross receipt of $540 per car and a 60-car train about $32,000. And if the railroads could have even half the corn now rotting in the bins in Iowa to haul to the seaboard at half this rate they would not be begging Congress for $750,000,000. This is some more 'class legislation.'

"We can go a step farther on this subject and say that this 'class legislation' will, if these products move to the seaboard, put to work some of the 502,000 idle freight cars, which in the common course of business will be worn out or crippled, so that they will have to be repaired, and besides offering employment for those men who cripple the cars it will also afford employment for repairmen, and these repairmen will have to have supplies from factories all over the United States with which to complete this work, and the increased buying power of these men due to this employment will greatly increase our domestic markets, and these freight cars that went to the seaboard with corn will return from the factories of the East loaded with supplies both for workmen and farmers whose buying power will be partially at least restored.

"I merely call attention to this fact so that some of our eastern Senators who do not think they represent agriculture and its buying power may be thinking up some excuse to offer their constituents for opposing this bill on the ground of its being 'class legislation.'

"This, of course, really only hits the high spots on the subject of 'class legislation,' and the details will have to be left largely to your imagination.

"(2) Now, about keeping the Government out of business and destroying the initiative of private enterprise. This subject will have to be covered rather fully in order that the representatives here of the banking interests may understand our position thoroughly.

"To quote from Mr. Hoover's testimony on the subject of the Government going into business, he said:

"I hesitate greatly at the Government going into any more business. We have the experience of the Shipping Board, etc.

"This statement coming from Mr. Hoover practically convinces me, inasmuch as this was the only real opposition offered that he is really not at all opposed to the bill but merely following instructions of the administration. That, gentlemen, was his main objection. And we who are for the bill feel very much encouraged, for that means absolutely nothing.

"For instance, to compare this proposed organization with the Shipping Board—established as a war measure and with over $2,000,000,000 of dead weight overhead—is like comparing an antelope with an elephant. If Mr. Hoover had wanted to compare the proposed organization with about the only organization bearing any resemblance whatever, he would have selected the United States Grain Corporation or the War Finance Corporation, as either one of these organizations functioned along the lines of the one proposed. The United States Grain Corporation, through the efficient management of Mr. Julius Barnes and his associates, earned over $80,000,000. The impression has gone out that this money was made at the expense of agriculture, which is a wrong impression. This money was earned largely by conditioning grain that would otherwise have been lost outright or sold off on account of grade, and had this grain been less efficiently handled instead of netting this profit the farmers of the country would have been forced to stand the direct loss of many times this amount.

"This is a sample, gentlemen, of the only governmental organization in anything like this kind of business.

"The War Finance Corporation, which has in a small way been effective, but which must within a year go out of business, is really too new or its activities so hampered and restricted by the banking mind that it can not well be compared. I do not wish to be considered as criticizing the War Finance Corporation for not having done more business, because they deserve a great deal of credit for the work accomplished, and I want to compliment them on having spent a large portion of their time and moneys for the movement of agricultural products. It has been said by Mr. Meyer himself to our committee that, with the requirements of the War Finance Corporation complied with, any banker would be willing to take the same risk—all this because the director has his hands tied by legislation and the ever-present fear of permitting the Government to lose a penny.

"The War Finance Corporation has advanced to date $21,143,600, and to their credit be it said $18,218,600 has gone toward agricultural products. Of this $18,218,600 just $290,000 of it was advanced to exporters, the balance—$17,928,600—was advanced to banks. Again, this statement is not made in the form of criticism, but merely to point out where these loans were going and to establish the necessity of the corporation we propose that will in reality go out and seek business and not leave it to the banks to find.

"Now, let me quote Mr. Hoover again, and this time from his speech before the meeting of the United States Chamber of Commerce at Atlantic City in April. He said, in part, 'We, the United States, are in the position as to foreign trade of a great general staff and an immense supply train loaded down with supplies, with no fighting men in the front lines.' Those words are more like the Hoover mind we have all heard so much about and ring true to the situation and speak with more force for the passage of this bill than all Mr. Hoover or anyone else can say against it in hours. One thing is certain, as Mr. Hoover pointed out, we have not the fighting men at the front, and as long as we penalize firms doing business abroad under our present methods of taxation we are not likely to have any fighting men at the front. It will take time to make the necessary tax changes, and in the meantime our farmers are being smothered with their surplus.

"A corporation such as proposed in this bill would not be handicapped as a private corporation, and would enable us to get in the field at once and be training men for this very important work in the export field. Then when the affairs of this corporation are wound up, as they will be at the end of five years, these men would gradually be taken over by private enterprise, and that is as it should be.

"I agree that this all leads back to the much-discussed point of subsidizing business, and personally I do not like the term, but it seems to be the only one that fills the bill. And, gentlemen, I say this to you, that so long as the United States of America produces agriculturally more products than she can consume this question of the encouragement of export business, instead of discouragement, is one we can not turn our backs on and get away with it. The farmers are looking to us for help, and that is what we are here for, and if we are going to waste time discussing policies and politics we might as well be men enough to pack up and go home and make way for some one who can fill this breach.

"No matter what we may think personally of Germany, we must admit she has always fostered and encouraged in the most efficient manner her foreign trade, even to sitting in conference with her exporters and aiding them in getting their business.

"England for centuries has handed down from father to son wonderfully well-organized export corporations that have been fostered and subsidized by the home Government, and for the past century at least the raw materials exploited were to a great extent produced in this country.

"At the best the farmers of this country will not have an even break on the foreign markets, for it takes years to build up corporations of this character, and if we aid and abet this business for our farmers while times are hard—and these people are going to buy where terms are most favorable—perhaps we can make up with liberal credit terms what we lack in organization and experience, and business that would otherwise be lost might be gained for our farmers by those supplying the credit. It is safe to say further that these foreign purchasers will be more likely to pay our price with the credit advantage, whereas without it Australia, the Argentine, or some other well-organized governmentally controlled foreign organization will get the business, and in that event our surplus will be thrown back on the home markets to further demoralize the price.

"We have just passed through the most glaring example of the Government being out of this business when it should have been in the game in competition with others. This same Mr. Hoover, who now wants to keep the Government out of business, rose up in indignation when it was proposed to dissolve the United States Grain Corporation. He pointed out that it would be suicide for us to remove Government control as long as the foreign countries maintained their Government control. He said it would throw

our unorganized farmers on the mercy of the organized buyers abroad, and that, gentlemen, is exactly what happened, and it is one of the most important contributing causes of our present agricultural prices, and in order to protect themselves these foreign countries, as fast as they have discontinued governmental purchases, have established subsidized private enterprise to take its place, which is the very thing we are attempting to cover in this bill.

"A great part of the decline of our grain markets during the past year was caused by our lack of organization. The shrewdness with which some of our large grain operators took advantage of the difference in exchange between the United States and Canada caused England in an effort at self-preservation to retaliate against our grain and partially at least helped to break our markets. Forty per cent of all the wheat and flour dealt in on the Minneapolis Exchange was Canadian wheat and flour, and I will tell you why. With wheat selling in this country at from $2.26 to $2.50 per bushel and from $2.30 to $2.75 in Canada, and sterling at $3.80, our grain men were able to buy Canadian wheat for American dollars and make from 40 to 65 cents per bushel on the difference in the rate of exchange alone. That is one of the reasons millions of bushels of grain stayed on the Northwestern ranches which normally would have gone to the terminal markets. Practically every grain buyer, instead of being sent out in our own States, was sent to Canada to buy grain on which this exchange difference could be taken advantage of. This condition caused the price of wheat to remain high in Canada, and England was being forced to buy her own wheat at what she considered exorbitant prices, and the only way she could protect herself was to aim a blow at our home markets, forcing down our prices by terrible leaps and bounds. I do not wish to charge England with deliberately short selling our market to break it, but to merely point out what governmental organization and control can and did do. In doing that, our private wire houses were tipped off when this export buying would take place, and when they were through for the time word would go out over the country that export demand was light and the gamblers were advised to sell short, which they would consistently do, breaking the market from 5 to 10 points at a time. When the exporters were coming into the field for their purchases, information was sent out that the export demand seemed strong and shorts were advised to cover, which they would promptly do, taking with them from 5 to 10 points gain on the downward trend. As soon as the export buying was over this stunt was repeated time and again, with the result that American wheat was broken from $2.70 a bushel to $1.20 a bushel.

"All this, gentlemen, is just exactly what Mr. Hoover had in mind when he wanted the Grain Corporation maintained to meet the governmentally controlled agencies abroad. And God only knows why we did not follow this advice, for in breaking the wheat market it has carried with it all other agricultural products, as it always does, and billions of dollars have been lost to American agriculture owing to this insane desire to get the Government out of business.

"This all applies directly in favor of the passage of this bill and it proves conclusively that we can not pit our unorganized agricultural interests against foreign subsidy and get anything but the worst of it.

"Not to hark back too much, but if I remember correctly one of Mr. Harding's campaign pledges was to put more business into the Government and less Government in business, and while that statement is filled with generalities my interpretation was that the Government would participate in any constructive legitimate business that would be helpful to our interests and business welfare, and any man that makes general statements and is not specific lays himself open to just such a comeback.

"This, I think, answers the critics of the Government in business as an objection to this bill, and I want to call attention again to the fact that the bill provides a 5-year term of life for the organization, retiring at that time in favor of private enterprise which in the meantime will have a chance to get on its feet and take over this line of business.

"(3) Replying to the assertion that our farmers need more credit: As a matter of fact, if the farmer's pockets were bulging with borrowed money he would not be better off, as in the long run he must pay. Mr. Meyer, the director of the War Finance Corporation, said to us: 'Credit is like a drug. Used intelligently and in moderation, it is most helpful and healing; but when used to excess, is very dangerous.' As I have pointed out before, in many cases the credits extended by the banks have been and are greater than the present market value of the products. Even if corn and other agricultural products would keep indefinitely, which they will not, we would not immediately benefit by more liberal credits alone, and the only thing that is going to solve this question is ample markets for our surplus products; credits may help for a very short time, but that only. And the only way we can be sure of these is to go out and seek them and offer better terms or better prices to the purchaser. We do not propose to say to the farmer, "Cut your price to get this business," but we do propose to make better terms to the consumer so we can get the business at something like a fair price.

"No, gentlemen, further extension of credit will only put off the day of reckoning a little longer and put our farmers further in debt, for credit costs money. That is one of the things that is the matter with us now. If the Federal Reserve Board had made a careful study of world conditions from the beginning of the Napoleonic wars they would have observed that the only way to curtail speculation and keep prices from running riot to the skies is to advance the discount rate, and had this been done when prices began to soar a great many of our present heartaches at least would have been averted.

"To make this plain, let me explain that in England during the Napoleonic wars the discount rate at the Bank of England remained stationary at 5 per cent, and as a result prices went sky-high until it was not physically possible for them to go any further. Then the crash came and they went down just as suddenly, carrying with them almost the entire business fabric of England. They found by this lesson that the only way this could be averted the minute there was an undue tendency toward speculation and wildcatting was to advance the discount rate, which had the tendency of flattening out this condition, and which up to this time had prevented England from repeating the Napoleonic fiasco. The exchange problem which confronts her to-day is an entirely new one and consequently can not be compared to previous conditions. In this respect the Federal Reserve Board failed so utterly, and then to make matters worse, instead of gradually lowering the discount rate, knocked the props out from under our entire business fabric by the most unprecedented rate decline.

"All this points, not to the need of further credit alone but wider markets, and that is what we are trying to provide with this bill.

"(4) Now, as to the overlapping and duplication of powers of the proposed organization with the War Finance Corporation.

"This subject of duplication of powers is a dangerous one, and I am inclined to believe might act as a boomerang on some of those using the argument. The fact that the Province of Alaska is looked after and guided over by 34 separate bureaus does not seem to be causing any great deal of excitement here in Washington. The War Finance Corporation automatically ceases to exist one year from the date of the signing of peace, which has already been done. The security requirements of the War Finance Corporation are so rigid that of the two and a half billion dollars of export business done in the past 11 months the War Finance Corporation has done twenty-one million. It was not because the business was not there. It was simply because they could not do anything that any bank in the country could not do. The fact that seventeen and a half million out of the eighteen million of their loans went to banks proves conclusively that they are not able to function along lines helpful of exportational expansion. The fact that Mr. Meyer himself has made the statement that with their requirements met anyone else would be willing to put up the money on the same terms would indicate they were helpless as a relief measure.

"As I have said, the subject of duplication of powers is a dangerous one, for Washington reeks with it, and, as a matter of fact, taxpayers of the country would probably be better off to the extent of one billion dollars if we were to wipe out every bureau and department in Washington with the exception of the five major departments. They all start out modestly enough, but it does not take long until they are white elephants, and, in some cases at least, outlive their usefulness. So it occurs to me that this subject might start something that would be hard to quiet.

"The hands of this corporation are not to be tied if the bill is passed as reported, and its powers are broad enough so that it ought to be effective if properly managed, and the Secretary of Agriculture has assured us that he will give his best thought and effort toward making a success of the bill if it were passed.

"(5) Next in line comes the statement that Europe will not need our food this year. There is always some one who raises such a cry. Why, even when the Chinese were dying by the thousands of famine the press of the country carried the statement that conditions in China were greatly exaggerated. The cussedness of some people is almost pathological and the ignorance of others is tragic.

"The list below is a partial one, including food, cotton, and wool, that we were able to obtain:

	Tons.
Germany needs	2,500,000
Austria	1,500,000
Poland	500,000
Czechoslovakia	1,000,000
Switzerland	75,000
Finland	150,000
Esthonia	50,000
Lithuania	75,000
France, bales of cotton, etc	500,000

"There are many others not listed, but this gives some idea, at least, of the possibilities for the coming year.

"The Polish commissioner pointed out to us that it would be possible for them to get through on a starvation basis with what food they have, but that it would be on a starvation basis. And with bolshevism so close to their doors they dare not attempt it, but must buy from the outside so that their people could be well fed and contented.

"Czechoslovakia pointed out the same thing.

"If these well-meaning critics would devote one one-hundredth part of the time to thought and study that the people have who have worked out these plans this world would be richer one hundredfold.

"(6) The subject of Europe's ability to pay.

"If, as some of these people contend, Europe is practically bankrupt, then we are in the same position as a large creditor with a bankrupt customer. If the customer has help, factories, and a market for his goods, it has been the custom to get together with him, supply him with further credit, and help put him on his feet. And if you think we are going to get a dollar out of Europe by any other methods you are badly mistaken.

"We do not like to claim too much for it, but if you only knew it this bill provides the best insurance policy against bolshevism, both abroad and at home, that we can think of. If we give these people a chance to go back to work, eat normally, live normally, and consume normally, some day they will be able to pay us. But if we cut off their credit, and through hunger and unrest bolshevism spreads all over Europe, I doubt if we will ever collect a penny.

"This would all be a very different matter if we were having to deny and ration our own people to send this food abroad, but this food and cotton is rotting in our granaries and warehouses and we can not give it away.

"A few months ago the farmers of the country, through Carl Vrooman, gave the starving peoples of Europe 500 carloads of corn, which was hauled to the seaboard by the railroads and their employees free of charge. This corn went to countries where corn had heretofore been considered only fit for cattle feed. And to show you how quick the reaction which we got on such a movement was, I want to tell you that I had in my own hands an offer from the Polish Government for 10,000 tons a month of American corn, on which they requested nine months' credit. If this is not casting your bread upon the waters and having it return quickly then I am mistaken.

"These people abroad have minerals, forests, natural resources, railroads, mills, and municipal securities, and they are willing to pledge any or all as a guaranty if we will only give them a chance to go to work.

"(7) Mr. Meyer, of the War Finance Corporation, went so far as to make the statement that all was being done that could be done, and if there was any more business he did not know where it was. And that is quite possible. I can furnish him with the names of people who want cotton, corn, wheat, and wool, and my information comes through cable advices from our own representatives abroad which I obtained through the kindness of Mr. Hoover.

"Mr. Meyer also testified before our committee that he had been told by a representative of the Poles that they could not spin any more cotton than they were at present getting. I took the trouble to look up this man who had been quoted and whose name was Faterson, and found out that he had been deliberately discouraging any cotton transactions going to Poland that did not go through certain channels in which he was financially interested, and that he was a completely discredited individual who had been practically sent out of his country. I merely mention this to show how some of our well-meaning people can be misinformed.

"(8) Now, as to the possible conflict with the Reparations Commission.

"To admit or even suggest that our State Department is not forceful enough to convince the Reparations Commission that their only hope of collecting is to allow these people to take our raw materials and go to work and be fed, and if these allies of ours can not see how they themselves can profit by allowing these supplies to have preference over reparations payments, then it occurs to me that we had better discontinue the term 'allies' and call on them to pay up or shut up.

"Every person testifying before the committee was agreed that the seriousness of the situation could not be exaggerated, and even those who were opposed to this particular bill all prefaced their remarks with the same stereotyped friendly feeling for anything that would help better agricultural conditions. The truth of the matter is simply this: The farmers of the country are all fed up on sympathy and words and want some results, and the entire complexion of this legislative city is going to witness a mighty change if action does not speedily replace words. The old saying that you can fool some of the people part of the time, but not all the people all of the time is as true as anything ever quoted. There is another old adage that rings true to this case and that is 'Every cloud has a silver lining' and the silver lining in this case is the fact that 'misery loves company,' and the farmers are for the first time in their lives getting together, and those of us here fighting for them know and feel that we have our constituents behind us to a man, and while it does not seem to worry some of you, those of us behind this bill know that we are going to pass this bill now in an effective manner or see some new faces here in the near future with maybe more interest in the public at large than the dictates of a chosen few.

"Some of our opponents have pointed out that we will not be able to do any business with this corporation, and if that is so, and they sincerely believe it, why do they not forget the entire matter and say nothing, for if there is no business done, then this attempt will have been made, and with no business to transact no public moneys will have been used.

"Others have pointed out that even if we do any business, it would be a very small part of the export trade. In the last 11 months our export trade has amounted to $2,250,000,000, and with the $100,000,000 initial capital and the privilege of expansion of 10 to 1 the $1,000,000,000 made available by this method would, potentially at least, represent almost one-half of our export trade.

"Some say these countries will find cash to pay for these products if we do not furnish them with credit. Another absurd statement. Czechoslovakia last year required a little over 1,000,000 tons of supplies and actually was able to secure less than 300,000 tons because she did not have the cash to pay and could not get the credit, and the same thing applies to other countries.

"To repeat, Mr. Meyer said, 'If there was any more business to be had, he did not know where it was,' and he was probably right. There is no other business to be had on the terms laid down by the War Finance Corporation. When a man sends for information to the War Finance Corporation as to credit requirements it is my humble guess that after looking over the printed form he usually has heart failure and wonders if anyone ever did actually comply with the requirements.

"We have further been advised, gentlemen, that this is not 'good business,' and rather than argue this point we will admit the charge and merely reply that we have been sitting around for almost two years waiting for 'good business' to do something, and it has failed to function, so we now propose to do it in an unbusinesslike way, if you please, but to at least try something. If we do not a million more farmers will be bankrupt by winter, and, gentlemen, the farmers will not take this 'sitting down.'

"We admit the charge that we do not know absolutely that it can be done, but are relying on the very apt saying that 'a thing that can't be done is usually done by the darned fool that doesn't know it can't be done and he goes ahead and does it.' That is the old Yankee spirit. Go out and meet it. We saw the outcome of the policy of 'watchful waiting,' and let us not have a repetition of its costliness."

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the Speaker of the House had signed the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

H. R. 5756. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; and to amend an act entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903;

H. R. 6573. An act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and

compensation on an equitable basis, and for other purposes; and

H. J. Res. 31. Joint resolution authorizing and directing the accounting officers of the Treasury to allow credit to the disbursing clerk of the Bureau of War Risk Insurance in certain cases.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 35 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, July 19, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 18, 1921.

DEPARTMENT OF THE INTERIOR.

RECEIVER OF PUBLIC MONEYS.

James H. H. Hewett, of Alliance, Nebr., to be receiver of public moneys at Alliance, Nebr., vice John C. Morrow, resigned.

REGISTER OF THE LAND OFFICE.

Jules Haumont, of Broken Bow, Nebr., to be register of the land office at Broken Bow, Nebr., vice Mack C. Warrington, term expired.

PROMOTIONS IN THE NAVY.

Capt. William A. Moffett to be Chief of the Bureau of Aeronautics in the Department of the Navy, with the rank of rear admiral, for a term of four years.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 18, 1921.

TREASURY DEPARTMENT.

COLLECTORS OF CUSTOMS.

Harry E. Murray to be collector of customs, customs collection district No. 32, Honolulu, Hawaii.

William B. Hanes to be collector of customs, customs collection district No. 44, Des Moines, Iowa.

ASSISTANT APPRAISER OF MERCHANDISE.

George O'Brien to be assistant appraiser of merchandise, customs collection district No. 11, Philadelphia, Pa.

DISTRICT OF COLUMBIA.

John Joy Edson to be member of the Board of Charities.

George M. Kober to be member of the Board of Charities.

HOUSE OF REPRESENTATIVES.

MONDAY, *July 18, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father and our God, Thou hast given us all things richly to enjoy. Be pleased to accept our expressions of gratitude and thanksgiving. Oftentimes in our vague longings and in our confused ignorance, our little appeals seem like a cry in the night. O give unto us the morning face, the morning courage, the morning outlook in the morning of the world. Render our lives worthy and sincere, that they may continue to give birth and breeding of reverence for Thy law and Thy precepts. Thus we shall feel the uplift of our high calling and be made bigger and better in the service of our Republic. Through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Saturday, July 16, 1921, was read and approved.

RUBBER TIRES.

Mr. BURTON. Mr. Speaker, I ask unanimous consent to be recognized for one minute.

The SPEAKER. The gentleman from Ohio asks unanimous consent to be recognized for one minute. Is there objection?

There was no objection.

Mr. BURTON. Mr. Speaker, I desire to introduce into the RECORD a telegram from the President of the Goodyear Tire & Rubber Co., of Akron, Ohio, Mr. E. G. Wilmer, in which he advocates levying a duty on rubber tires at 10 per cent, the existing rate, instead of increasing it to 20 per cent, as proposed in the pending bill.

The SPEAKER. Is there objection to the printing of the telegram in the RECORD?

There was no objection.

The telegram is as follows:

AKRON, OHIO, *July 16, 1921.*

Hon. THEODORE E. BURTON,
Member of Congress, Washington, D. C.:

Increased tariff on rubber tires as proposed by Ways and Means Committee ill advised in our opinion. Statistics show importations not materially increasing under present rate. Therefore no increase in rates needed for protection, and any increased rate can naturally be expected to produce less revenue. Imposition of duties or increase in tariff on rubber tires now in effect being strongly agitated in Great Britain and dominions, Spain, South America, and other places. This aimed principally at American competition. Protectionist factions in those countries will, we believe, be successful in having retaliatory measures adopted if our tariff rates increased. Importation of manufactured rubber products into the United States for 11 months ending May 30 amounted to $1,250,000, exports from United States for the same period amounted to $57,700,000. Goodyear Co. last year exported over $17,000,000 alone. If tariffs of foreign countries increased, our exportations will materially decrease. We therefore strongly urge that you do everything possible to forestall any increase in the tariff rates on rubber tires into this country at this time.

E. G. WILMER,
President the Goodyear Tire & Rubber Co.

THE TARIFF.

The SPEAKER. Under the rule the House will resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes, with Mr. CAMPBELL of Kansas in the chair.

The Clerk reported the title of the bill.

Mr. LONGWORTH. Mr. Chairman, I understand the pending question is the motion of the gentleman from Tennessee [Mr. GARRETT] that debate upon this paragraph and all amendments thereto be now closed. I offer as a substitute for that, that debate shall close at the end of three and one-half hours.

The CHAIRMAN. At the time the committee rose on Saturday there was a motion pending, offered by the gentleman from Tennessee [Mr. GARRETT], to close debate upon the amendment of the gentleman from Massachusetts [Mr. TREADWAY] to the paragraph and all amendments to the paragraph. The gentleman from Ohio moves as a substitute for that motion that debate close at the end of three hours and one-half.

Mr. HARDY of Texas. Mr. Chairman, would it be in order to amend the amendment by making it one hour and a half?

The CHAIRMAN. It would.

Mr. HARDY of Texas. Then, Mr. Chairman, I move to amend the amendment by making the time one hour and a half.

The CHAIRMAN. The question is on the amendment to the amendment, offered by the gentleman from Texas [Mr. HARDY], that debate close in one hour and a half.

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs upon the motion of the gentleman from Ohio, in the nature of a substitute, that debate close in three hours and a half.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 56, noes 32.

Mr. GARRETT of Tennessee. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. GARRETT of Tennessee and Mr. LONGWORTH to act as tellers.

The committee again divided; and the tellers reported—ayes 65, noes 40.

So the amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question now recurs upon the motion of the gentleman from Tennessee as amended.

The motion was agreed to.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that the time for debate be equally divided between the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER].

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the debate on this motion be controlled equally by the gentleman from Michigan and the gentleman from Texas. Is there objection?

Mr. BLANTON. Mr. Chairman, I object.

Mr. UNDERHILL. Mr. Chairman, the attempt has been made to make it appear that the only, or at least the chief, opposition to the placing of a tariff on crude and fuel oils comes from New England, and more particularly from Massachusetts. This is not the situation, as the adverse effect of an import duty on these oils will sooner or later reach every business, every family, and almost every individual in the United States.

I will present to you some of the arguments against the tariff which applies with equal force to almost all sections of the country fully as well as they do to New England.

I do not approach the matter from the standpoint of a tariff, but from its economic effect. If effective, it will either increase the cost of fuel originating outside of this country or increase the demand upon our own fuel resources. Any increase in fuel costs will create a tax upon practically every individual and industry. It will also increase the cost of living; it will reduce materially our ability to compete in foreign trade by the increased cost of production. This applies to the West as well as to the East and to the South as much as to the North. It will necessarily result in an increased charge for gas, coal, and all oil products, affecting directly over 50,000,000 of our people. The steadily increasing use of oil for fuel lessens the demand for coal, and therefore keeps the price of coal lower and conserves the supply. Every person in the country is affected by fuel costs and is concerned in fuel conservation, whether it be oil or coal. The proposed tax on oil would be approximately equivalent to more than $1 per ton on coal.

The people in the immediate district where this commodity is produced are particularly favored over the rest of the people of the entire country. As users of oil they are assured of a ready supply of light, heat, and power. They are not disturbed by the excessive high cost of transportation. They have been favored by the Almighty and they should not ask additional favors from Congress at the expense of by far the greater number of people less fortunately situated.

One of the advocates of this tariff duty stated on Saturday that if we were going to make financial nabobs, "Let us make them in this country rather than in some foreign country." I am opposed to making financial nabobs even in our own country at such a terrific expense to the rest of the people. Then he goes on to say, "Let us protect all of those who have commodities to sell, whether they be natural or manufactured products"; but what about the majority of the people, who have nothing to sell and who have to buy all they have; those whom I mentioned in my remarks last Friday, whose income is stationary, but which has been steadily declining and who will suffer severely if we impose a tariff on this natural product, which has become an absolute necessity of life.

I have little sympathy for these poor (?) oil producers who have experienced an unprecedented period of prosperity up to very recently. Why, the whole business of oil production is largely a gambling proposition, and because of a temporary reverse in the fortunes of the gamblers you now are trying to legislate a permanent profit for them.

Another thing which is an appeal to your prejudice rather than to your judgment is the statement that the Standard Oil Co.—used in the past by demogogues, socialists, and anarchists as an illustration to prejudice and poison the minds of the people—that the Standard Oil Co. is opposing this legislation. I think any analytical mind would come to the conclusion that the Standard Oil Co. and the bituminous coal operators might be back of a demand for a tariff on oil. If the proposed tax is actually assessed upon our importations of oil it unquestionably means that the general public as well as the manufacturers of the country must pay millions more for their fuel, both oil and coal.

I have received a letter from John L. Lewis, president of the United Mine Workers of America. I assume that every Member of the House has received this letter. It is very explicit, if not a very convincing argument in behalf of the proposed tariff on petroleum and fuel oil. This communication is entirely respectful. It is also entirely candid. It is a most timely and illuminating contribution to this discussion. I may say the letter is savagely frank. It lays the subject as bare as a scalping knife. Stripped to the bone, these are Mr. Lewis's arguments and conclusions: First, the proposed duty will keep crude and fuel oil out of this country. Second, the keeping of crude and fuel oil out of the country will raise the price of coal. Third, raising the price of coal would enable the mine operators to employ more men or pay better wages. In the main I agree with Mr. Lewis's reasoning and accept his conclusions The proposed tariff is prohibitive. It will exclude crude and fuel oil from this country. The exclusion of these oils will raise the price of coal. The American people—the American consumers—will pay more for oil and they will pay more for coal. As to that, Mr. Lewis and I are in perfect agreement.

But Mr. Lewis does not establish his last conclusion, that the operators will employ more men or will pay better wages. In order to establish this conclusion he must demonstrate that there is to-day a shortage of coal. If the supply of coal equals or exceeds the current demand, the operators will neither employ more men nor pay more wages. If Mr. Lewis can demonstrate that there is at present a shortage of coal he will at the same time provide himself with the best economic, automatic remedy for the evil of which he complains. A shortage of coal will automatically and necessarily result in increased production. The operators would need no other incentive to employ more labor or to pay better wages. There is the point where Mr. Lewis's conclusion falls short of certainty. He is, however, entirely correct in his conclusion that the proposed tariff, by excluding crude and fuel oils, will increase the price of coal. The price of coal will increase, even though there is no shortage. If we adopt this duty we invite the coal operators to increase the price of coal. They will undoubtedly accept the invitation. They would not be so rude as to decline it.

What does this mean? Let us analyze Mr. Lewis's figures. He says that 1 ton of coal is the equivalent of 3½ barrels of Mexican fuel oil. The proposed tariff on fuel oil is 25 cents per barrel. For 3½ barrels this would be 87½ cents. Including interest and incidentals, call it 90 cents in round numbers. This, then, would increase the price of coal at least 90 cents a ton if Mr. Lewis's dream should come true. Consumers would have this to pay.

What was the production of coal in the United States last year? Anthracite was 89,000,000 tons and bituminous was 556,000,000 tons. The aggregate was 646,000,000 tons. If the proposed tariff had been in effect last year, it would have added $600,000,000 to the price of coal at the mouth of the mines. But that is not half what the consumers would have been compelled to pay. Coal retailed at three times the price at the mine's mouth, and it has retailed at four times the price at the mine's mouth. This $600,000,000 which would have been added to the price of coal at the mouth of the mines last year would have cost the consumers of this country at least one and a half billion dollars. This is just what Mr. Lewis wants. He has both a personal and a class interest in bringing about an increase in the price of coal. He urges you to impose this tariff on oil as a means to that end.

It is perhaps natural that those who expect to become the beneficiaries of the increased price of coal should favor this duty. Those who expect to pay the increase, those who would be required to pay the increased price, should oppose it. The railroads of this country consume about 30 per cent of the entire output of bituminous coal. This would be something like 170,000,000 tons. But the tariff would add much more than $170,000,000 to the cost account of the railroads. Many of our railroads are bankrupt. Many are in the hands of the receivers. Others are staggering on the edge of insolvency. Both freights and fares are high—high beyond all precedent, so high as to interfere with transportation, commerce, and industry, so high as to interfere with the revival of business and the return of prosperity. Yet you are asked in cold blood to levy a tariff on crude and fuel oil in order to increase the price of coal, notwithstanding this increase would add hundreds of millions to budgets of the railroads of this country.

Forty per cent of bituminous coal is used for industrial purposes, including coke, but not including gas and public utilities. This means two hundred and twenty-odd million tons. According to Mr. Lewis's figures the proposed duty would add $200,000,000 to the price of this coal at the mine. This would mean an addition of approximately $500,000,000 to the price of the coal in the furnace of the factory. This would add to the cost sheet of every industrial plant in America. Fuel is one of the chief items of the cost. This item would add enormously to the cost of production. Is that the path to prosperity? What we need is to cheapen production, so that the wages and profits of the people will go further in purchasing the necessaries and comforts of life without impairing prosperity itself. I ought to add that this tariff will not only raise the price of fuel and raise the cost of production at home, but the Mexican oil, which we exclude from this country, will find a market in the industrial countries of Europe. It will cheapen the cost of production there and will make the difficulties of competition more serious if indeed it does not make competition impossible.

Anthracite coal is used principally for domestic purposes. The proposed tariff would add $80,000,000 or $90,000,000 to the price of anthracite coal at the mine. This would mean a quarter of a million dollars by the time it reached the homes of this country. This proposition is to lay a tax on the family hearthstone, to impose a tariff upon the warmth that drives away the frosts of winter.

And what is the object of this scheme to add a billion and a half dollars to the price of coal? In order that a few more miners may secure employment by some chance or possibility, or that the miners already employed may by some chance or possibility secure an increase in the prevailing rate of wages. To accomplish this we are to burden the railroads, burden the factories, and burden the homes of the land. By multiplying

our burdens we propose to win back prosperity. This miracle is to be wrought by means of tariff which will exclude from this country 100,000,000 barrels of Mexican oil. The total value of all the oil—crude, fuel, and refined—imported into this country last year was only $66,000,000. To keep out $66,000,000 worth of oil, you propose a tax which would add one and a half billion dollars to the coal account of the American people. This added expense would pay for the Mexican oil twenty times over. Better buy the Mexican oil twenty times over and sink it in the sea rather than adopt this burdensome tax. Let me add that while we imported last year less than $66,000,000 worth of oil we exported more than $549,000,000 worth of oil and its products. There was a balance of trade in our favor on oil alone of more than $470,000,000. And yet this industry demands a prohibitive tariff, demands a tariff notwithstanding no tariff measare ever passed carried a duty on petroleum or its products.

The mid-continent producers are pleading for the little fellows and arguing that the proposed tariff would work to the disadvantage of the Standard Oil group. They also make the statement that four-fifths of all the oil that leaves Mexico is Standard oil. This argument is not sound, and the statement is not correct. Official figures prove that the Standard Oil Co., through its subsidiaries, exported for five months in 1921 less than 16 per cent of the oil leaving Mexico.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. UNDERHILL. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection?

Mr. REAVIS. Mr. Chairman, reserving the right to object, I desire to submit a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REAVIS. Will the extra five minutes come out of the three hours and a half?

The CHAIRMAN. It will. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. UNDERHILL. Mr. Chairman, American oil can not be sold for fuel oil in any part of the East in competition with bituminous coal, because of the prohibitive freight rates. Coal operators abrogated their contracts when foreign trade favored them with extremely high prices, and manufacturers saw the wisdom of protecting themselves against a tendency to exploit them by changing their boilers over and burning oil instead of coal.

Right here I would call to your attention that if you put this tariff on oil the Standard Oil Co. and other large companies will go down into Mexico, establish refineries, and bring into the United States the gasoline products, which carry no duty, and you will throw out of employment thousands and thousands of men along the Atlantic seaboard who are now employed in American refineries making the by-products of crude oil.

The availability of oil has helped to bring down the price of bituminous coal. Put a tariff on oil and the cost of coal will go up. There is no large country in the world that is not making a bid for all of the available or possible oil supply, and there is no country in the world that would consider for one moment the interest of a few producers wherever located as paramount to the interests of the general public.

The Federal Government, and almost every State and municipality, are preparing to spend enormous sums of money raised by taxation on the construction of highways. Highway construction and maintenance have been seriously handicapped by the high cost of road-building material, and it is almost impossible to believe that at this time, with the possible employment of thousands of men in the construction of highways, you are going to increase the cost 15 or 20 per cent and discourage the extension of this public work or penalize it with a tariff and throw more out of employment.

The effect upon the cost to the Government through the operation of naval and Shipping Board vessels has not been emphasized as strongly as it should. You not only tax all of the people of the country, which is the best little thing Congress does, but you tax the Government. It is a situation heretofore practically unheard of.

I do not possess a copy of President Harding's letter on this subject nor do I claim to be in his confidence, but when reputable newspapers of the country give what is purported to be his views in opposition to the imposition of this tariff—and their statements are not denied either officially or otherwise—I think I am justified in quoting him as having said:

To levy a protective tariff on crude petroleum would be at variance with all that has been done to safeguard our future interests.

And further—

is so thoroughly out of harmony with the larger policy which I have had in mind that I would be more than disappointed if Congress decides to levy a tariff on import oil.

And lastly:

I think it is vastly more important that we develop an abundance of resources rather than a temporary profit to a few producers who feel the pinch of Mexican competition.

Gentlemen, if he did not say this he surely ought to. It gives me a great deal of satisfaction to stand with the President and applaud his statements. I trust that this body, and particularly the Republican Members, will not disappoint not only the President but the millions of people of this generation and of coming generations who are and will be dependent upon a cheap and uninterrupted supply of crude and fuel oils.

This development is not a Massachusetts problem, it is not a New England problem. It is a problem of the whole country. There is hardly an individual in the country—farmer, worker, manufacturer, producer—who will not be adversely affected both at the present time and in the time to come unless the advice of President Harding is followed and our national resources conserved and developed.

What we all desire is the return of prosperity. What we need is to cheapen, not to increase, the cost of production. We ought to promote general welfare; we ought not to make the return of prosperity an economic impossibility.

Mr. HIMES. Mr. Chairman, I rise in favor of the amendment.

The CHAIRMAN. Will the gentleman permit the Chair to make this statement with respect to the matter of order? The Chair desires to see to it that the time is as really equally divided as may be. The Chair asks all gentlemen to aid him in accomplishing an equal division of the time, and when a gentleman rises the Chair wishes that he state whether he is for or against the amendment, so that the Chair may make an equal division of the time as near as may be.

When a Member speaking for an amendment closes let the next gentleman rise in opposition and vice versa. This will aid the Chair in doing a very difficult thing in seeing that there is division of this time.

Mr. GARRETT of Tennessee. There are two amendments pending. The amendment of the gentleman from Massachusetts was to strike out the paragraph and the amendment of the gentleman from Oklahoma was to perfect.

The CHAIRMAN. This debate——

Mr. GARRETT of Tennessee. The debate is upon the paragraph and all amendments thereto. I should think it would be necessary for gentlemen to state what they want to discuss, in order to keep the matter clear. I hope the gentleman from Texas will not object. It is so much more convenient to be able to arrange this time by gentlemen controlling it on the floor.

Mr. BLANTON. Well, Mr. Chairman, at the request of the minority leader I withdraw the objection.

Mr. GARRETT of Tennessee. I ask unanimous consent that the remaining time may be controlled by the gentleman from Texas [Mr. GARNER] and the gentleman from Michigan [Mr. FORDNEY], credit to be had for the time that has been used on the different sides.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the remaining time on the motion of the gentleman from Massachusetts and all amendments thereto be controlled by the gentleman from Michigan [Mr. FORDNEY] and the gentleman from Texas [Mr. GARNER]. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. FORDNEY. Will the gentleman yield some time?

Mr. GARNER. I will have to wait until I get my list.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. HERRICK].

Mr. HERRICK. Mr. Chairman and gentlemen of the committee, we have heard various debates pro and con on this subject here. We have heard from the gentleman from Massachusetts, I believe last, claiming that the industries in Massachusetts would suffer by the Standard Oil Co. setting up refineries in Mexico and bringing its products and gasoline in free. I can not agree with the gentleman from Massachusetts. In the first place, most of this Mexican oil is fuel oil, and therefore it would be impossible and impractical and illogical to set up a refinery down there for the purpose of refining fuel oil designed to get the gasoline contents. As a little further proof, I arose merely for the purpose of reading into the RECORD a few letters showing just what class of people are really asking for free fuel oil. I will first read this one:

MISSOURI, KANSAS & TEXAS RAILWAY,
LAW DEPARTMENT,
Muskogee, Okla., July 2, 1921.

Hon. MANUEL HERRICK,
House of Representatives, Washington, D. C.

DEAR SIR: According to the newspaper reports, the proposed new tariff bill will impose a duty of 25 cents on fuel oil.

We are now burning Mexican fuel oil on about half of our locomotive engines under a five-year contract with the producers.

If this duty is imposed it will no doubt result in a breach of this contract because of the failure of the vendor to sell, and if this is done we will have to change all of our oil burners back to coal burners, which would be very expensive, not only to ourselves but to the public, through freight rates.

Oil is much more economical than coal, and there is not enough domestic production, as most of the important roads in the Southwest are now burning fuel oil.

I hope you can consistently oppose this tariff, or if any tariff is to be placed on fuel oil that an exception be made in favor of fuel oil used by railroads in the operation of their lines.

Very respectfully,

M. D. GREEN.

Now, I think those gentlemen must have considerable cheek to come here and ask that a special exception be made in their favor. It might be interesting to read my answer to the gentleman, which is as follows:

JULY 11, 1921.

Mr. M. D. GREEN,
Law Department Missouri, Kansas & Texas Railway,
Muskogee, Okla.

MY DEAR MR. GREEN: Your letter of the 2d instant reached me several days ago, and I have delayed answering because I have been very busy.

I can not agree with your deductions. In the first place, your 5-year contract with Mexican oil producers, if made at high prices, is a bad contract, and you should welcome getting rid of it and should buy your fuel oil from Oklahoma, Kansas, and Texas independent producers, who patronize your lines, and I understand that you can to-day purchase fuel oil delivered in Muskogee cheaper than the transportation alone would amount to on Mexico imports.

I feel that the defeat of the tariff will not result in lowering the price of the refined product but will help to crush the independent refineries and so destroy the competition of the Standard.

I would not favor making an exception in favor of the railroads. I feel that they have already been the beneficiaries of too many exceptions. The farmers have not been so favored. Business conditions in Oklahoma have been injured by the depression in oil, and I could not give my support to a policy of making the situation worse.

Very truly,

——— ———.

Now, there is a great contention that the farmers are against a tariff on oil and want oil brought in on the free list. Let us see about that. I want to read this:

FARMERS' EDUCATIONAL AND COOPERATIVE
UNION OF AMERICA, OKLAHOMA DIVISION,
Oklahoma City, Okla., July 13, 1921.

Hon. MANUEL HERRICK, M. C.,
Washington, D. C.

DEAR FRIEND: There are 31 of the members of our organization here in the city this week attending an organization school. They come from about that many counties. I have canvassed every one of them on the question of whether or not the prosperity of the oil interests of the State is of a benefit to the farmers of the State, and they are unanimous that it is, and overy one of them has told me that they believe that a protective tariff on oil would indirectly benefit the farmers of this State.

The farmers are now selling wheat of the new crop for 80 cents a bushel, oats at 10 cents a bushel, and potatoes at 30 cents a bushel. You must know that at such figures they not only receive nothing for their work but actually do not get back as much as they have expended in cash on these crops. When the oil business flourishes development work goes on and thousands and tens of thousands of our farmers have opportunity to lease their land. I know many farmers who would not be able to pay their taxes were it not for the dollar an acre they get from their oil leases.

Therefore I feel that I am voicing the sentiment of the farmers of the State when I say that we would be glad to see you support a tariff on oil.

Yours, sincerely,

JOHN A. SIMPSON, *President.*

JULY 16, 1921.

Hon. JOHN A. SIMPSON,
President of Farmers' Union, Oklahoma City, Okla.

MY DEAR MR. SIMPSON: I was very glad indeed to receive your letter of the 13th instant, in which you gave me the result of your canvass of representative members of your organization as to their views with reference to the effect of the depression in oil upon the interests of the farmers of the State.

While I had been convinced from the beginning that it was my duty to support a tariff upon oil, I am impressed by your effective presentation of the matter, and I feel that I can use your argument to advantage.

I am glad to hear from you from time to time, for your suggestions and criticisms are of a constructive kind, and your presentation of the viewpoint of the farmers whom you meet as you go about in your work can not help but be a great assistance to anyone who is sincerely desirous of serving the class of our citizens who, in the final analysis, are the foundation of our State's prosperity.

I feel that this year is something of a crisis for the farmers of Oklahoma, and that anything that will tide them over until the readjustment has brought us more stable conditions will be worthy of consideration and support.

Very truly, yours, ——— ———.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HERRICK. I would like to have about five minutes more.

Mr. FORDNEY. I can not yield any more to the gentleman.

Mr. HERRICK. Can the gentleman yield me two minutes?

Mr. FORDNEY. I can not.

Mr. HERRICK. I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman has that privilege.

UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., July 14, 1921.

To the Members of the Senate and House of Representatives of the Sixty-seventh Congress, Washington, D. C.

GENTLEMEN: It is our most earnest desire that you give your fullest support to the end that the import tariff on Mexican oil contained in the original draft of the Fordney bill may be enacted for the protection of labor's interest and to better insure the possibility of employment of hundreds of thousands of workers now totally unemployed and to give them means of subsistence, of which they are now totally devoid.

It is estimated that there are at present approximately four and one-half million laboring men in the United States who are unemployed, including about 242,000 miners and many thousands of oil-field workers. When we presume an average dependency of three to one for each of the unemployed workers, the present condition of unemployment affects about 18,000,000 souls in this country, a situation that is appalling and almost beyond human conception.

We respectfully submit that one of the main contributing causes for the present condition of unemployment is occasioned by the unrestricted importation of Mexican fuel oil and the figures on this importation show a surprising increase since the year 1918, indisputable evidence of the activity of large corporate oil interests who invested their war-created profits in Mexico and are now exploiting American markets to the serious detriment of American industries and labor. This condition directly affects the employment of approximately one and three-quarter million workers who are ordinarily engaged in coal and oil producing industries, besides occasioning the unemployment of hundreds of thousands of men who were employed in interdependent and interrelated industries. Stagnation of community life in the vicinities where the production of coal and oil are the basic industries is now acute. Surely this can not be construed as contributing to the welfare and perpetuity of our Nation.

We reiterate that the unrestricted importation of Mexican fuel oil is one of the greatest factors in the throttling of American industry. We submit the following figures to show the seriousness of the situation. These figures show an abnormal increase in importations which we respectfully contend is proof of our assertions. The importation of Mexican oils jumped from something over 50,000,000 barrels in the year 1919 to 106,175,000 barrels in the year 1920, and, on the available figures of 1921 for the first three months of this year, the importation was 36,879,174 barrels, the average increase in 1921 over the same period in 1920 being 101.92 per cent, despite a stagnated trade condition. This importation displaced a like amount of American produced oil or occasioned the displacement of 61,162,865 tons of coal on the British thermal heat unit basis of three and one-half barrels of Mexican fuel oil being the equivalent of 1 ton of American coal, assuming that the ratio of increased importation is maintained for the whole-year period.

We also cite authentic figures compiled from the reports of the United States Geological Survey, showing the fluctuation in coal production for the year 1920, and available figures for 1921, showing as it does the marked effect of the importation of Mexican oil owing to the large number of consumers being converted to use of this oil during the last few months.

Production of bituminous coal in the Southwestern United States and total production in the United States 1920 to April, 1921 (in net tons).

[The Southwestern group is comprised of Iowa, Kansas, Missouri, Arkansas, Oklahoma, and Texas.]

YEAR 1920.

	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
Southwestern group.	2,970,000	2,491,000	2,720,000	2,253,000	2,360,000	2,461,000	2,282,000	2,205,000	2,320,000	2,631,000	2,601,000	2,636,000
Total United States..	48,689,000	40,181,000	46,832,000	37,939,000	38,993,000	45,114,000	45,009,000	48,910,000	49,172,000	52,144,000	51,457,000	52,123,000

TOTAL 1920.

Southwestern group	29,930,000
Total United States	556,563,000

YEAR 1921.

	January.	February.	March.	April.
Southwestern group	2,040,000	1,588,000	1,569,000	1,455,000
Total United States	40,270,000	30,851,000	30,392,000	27,553,000

It may be argued that the conversion of industrial and electric utility plants and railroads to the use of Mexican oil will mean a cheaper coal fuel for the American domestic consumer but this reasoning will not hold good as industrial and utility plants were using the slack or screened product whereas the domestic consumer mostly uses the lump product. Conversion to oil of railroads, electric utility, and industrial plants has restricted the market facilities of the small product to such an extent that it has closed down many mining operations and, at those

that are not closed for this reason, the loss of price sustained on smaller products is being charged on the larger or lump product to the burden of the domestic consumer.

The operations hit the hardest by Mexican oil competition are those west of the Mississippi River, although the whole of the coal field of the United States has felt the shock. In Southwestern coal operations we have men who have not had the opportunity to work since October, 1920, not a day. In many instances where coal operators have some lump orders they claim that they can not operate their mines because they have no sale for the slack product which in many instances approximates 50 per cent of the gross production.

Again the report of the United States Bureau of Mines will show that in many mines the total recovery of the entire coal area now being operated by these mines is 43 per cent, the other 57 per cent left as pillars to support the roof under the present advancing system of operation and development, but a much larger percentage of this coal area could be recovered on a retreating system. But it is argued that the instability of market conditions does not justify the extra amount of initial expenditure required under the system last named, and with the result that labor loses employment. The resources thus left in the ground can not be recovered after operation is suspended and is a complete economic loss which does not speak well of the stewardship and the duty we owe to posterity in the conservation of natural resources.

In view of these facts and in the interests of the workers and national prosperity, we earnestly request your support for the enactment of the provisions of the Fordney bill placing an import tariff on Mexican oil.

Respectfully, yours, JOHN L. LEWIS,
President United Mine Workers of America.

Mr. FORDNEY. Mr. Chairman, I will yield three minutes to myself. I ask to have read at the Clerk's desk a letter from the President on this subject.

The CHAIRMAN. Without objection, the Clerk will read the letter in the time of the gentleman from Michigan.

There was no objection.

The Clerk read as follows:

THE WHITE HOUSE,
Washington, June 30, 1921.

Hon. JOSEPH W. FORDNEY,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

MY DEAR MR. FORDNEY: I understand that your committee is very soon to decide whether to include a protective duty on crude oil in the tariff bill to be reported to the House. I can not refrain from expressing the hope that your committee will take note of the foreign policy to which we are already committed, under which the Government is doing every consistent thing to encourage the participation of American citizens in the development of the oil resources in many foreign lands. This course has been inspired by the growing concern of our country over the supply of crude oil to which we may turn for our future needs, not alone for our domestice commerce but in meeting the needs of our Navy and our merchant marine.

To levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interests.

I am not unmindful of the oil industry within our own borders, and most cordially believe in its proper consideration. Would it not be practical to provide for such protection in some bargaining provision, which may be placed in the hands of the Executive so that we may guard against the levy of duties against us or the imposition by other nations of export tariffs which are designed to hinder the facilitation of trade which is essential to our welfare?

In the matter of crude oil, as in the case of lumber, concerning which we talked, our position will be stronger if the tariff levy is omitted in your bill and authority is given to the Executive to impose a duty in approximately stated circumstances. I hope your committee will find it consistent to give consideration to these suggestions.

Very truly, yours, WARREN G. HARDING.

Mr. FORDNEY. Mr. Chairman, all I wish to say, gentlemen, is this: The gentleman from Oklahoma [Mr. CARTER] Saturday offered an amendment to reduce the rate on fuel oil from 25 cents to 20 cents per barrel, and from 35 to 25 cents on crude oil. Personally I am willing to accept that amendment. [Applause.]

Mr. BYRNES of South Carolina. Will the gentleman yield for a question?

Mr. FORDNEY. I will.

Mr. BYRNES of South Carolina. I want to ask the gentleman from Michigan whether he had another letter from the President on the same subject?

Mr. FORDNEY. I replied to this letter, and the President answered my letter, in which I stated that I would lay his letter before the committee, and the substance of that letter is simply his reply to mine. That is all there is to it.

Mr. BYRNES of South Carolina. The gentleman could not present us with the other letter?

Mr. FORDNEY. No; not the other letter—this is the gist of the thing from the President.

Mr. BYRNES of South Carolina. Would not the gentleman let the House have the benefit of the other letter?

Mr. FORDNEY. No; I do not care to produce the other letter. It does not affect the President's position at all.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARNER. How much time have I to control?

The CHAIRMAN. The gentleman from Texas has an hour and 45 minutes.

Mr. GARNER. I will yield five minutes to the gentleman from South Carolina [Mr. BYRNES]. [Applause.]

Mr. BYRNES of South Carolina. Mr. Chairman and gentlemen of the House, I made inquiry of the gentleman from Michigan [Mr. FORDNEY] as to the second letter from the President because the press of the country has published what purports to be the contents of the other letter from the President and inasmuch as the press could have access to it, it seems to me that the House should have the benefit of the views of the President. The other letter of the President to the chairman of the Ways and Means Committee is supposed to contain this paragraph:

The oil industry is so important to our country and our future is so utterly dependent upon an abundance of petroleum, I think it vastly more important we develop an abundance of resources rather than temporary profit to a few producers who feel the pinch of Mexican competition.

That statement is as good a Democratic statement as we could expect from this side of the House. The President realizes, as we realize, that this oil tax is to be levied in the interest of a few producers, and that the millions of people of this country are to be taxed for the benefit of a few producers. Of course, it is true that what he says of this schedule applies with equal force to every other schedule in the bill. My objection is that he has not for the same reason opposed the rest of the bill. But his failure to do so is no reason why we should refuse to agree with him when he is right. In this other letter he told the House, through the chairman of the Ways and Means Committee, though the chairman will not give it to you, if you enacted the tariff bill with this schedule it would be a great disappointment to him, the President of the United States. It will be a great disappointment also to the millions of people who use manufactured gas in this country, to the eight millions who use automobiles, to the half million men who own trucks, to all the farmers of this country who use tractors and have upon their farms gasoline engines.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BYRNES of South Carolina. I can not yield now.

It will be a direct attack upon the merchant marine of this country, for 1,700 ships of the Shipping Board use oil, as do 400 vessels of the Navy. Gentlemen from New England oppose this schedule because it lays a tax upon the people for the benefit of a few producers. That is sufficient justification for voting against the tax, but that argument can be made to every other schedule. I oppose it because of the position the President takes, that it hastens the exhaustion of the greatest of our natural resources at this time. The Director of the Geological Survey and the Director of Mines have told the Appropriations Committee for several years that our supply of oil will be exhausted in 18 years. Just as we have exhausted our timber, we have become spendthrifts in oil, consuming last year about 100,000,000 barrels more than we produced.

This presents a serious problem, because we must have an adequate supply of oil to insure our industrial progress and our national defense. We need 100,000,000 barrels per year for our Navy and merchant marine. Realizing this problem, our Government is now encouraging our nationals to seek oil in foreign fields. This Congress has not only appropriated $350,000 for the Geological Survey to seek new sources of oil in this country, but you appropriated $25,000 to the President and directed him to seek oil supplies in foreign fields. So that while we are spending the money of the taxpayers with one hand to develop oil fields abroad, with the other hand, through the instrumentality of this bill, you are levying a tax upon that oil should they ever attempt to bring it into this country. Our State Department is negotiating with Holland to protect the rights of our nationals to develop oil fields abroad, and yet this bill is seeking to restrict the importation of that oil. Departments of the Government are in conflict. Our duty is to vote to protect this great national resource so essential to our commercial prosperity and our national defense.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. HIMES].

Mr. HIMES. Mr. Chairman and gentlemen of the committee, as the representative of one of the largest oil-producing districts in my State, the district which gave to America that greatest of exponents of protection, the beloved McKinley, I urge the adoption of the amendment presented by the gentleman from Massachusetts and the defeat of any import tax whatsoever on crude petroleum and fuel oil.

This tax will yield no revenue. The world is demanding oil, and oil can always find a free market. Paragraph 89, if enacted into law, will absolutely cut off importation of oil into the United States.

The benefit of this tax to the producers of America is conjectural. Many of the great producers themselves are opposed

to such a tariff, as stated Saturday by the gentleman from California, who represents one of if not the largest oil-producing district in the United States. In fact, a recent referendum of the Midcontinent Oil and Gas Association, the chief proponent of a tariff on oil, resulted in a vote of 43 opposed to such a tariff out of 133 members voting.

Mr. CHANDLER of Oklahoma. Will the gentleman yield?

Mr. HIMES. I am not unmindful of the golden rule, but if the gentleman will permit, I think I will stop before the five minutes have expired, and then I will be glad to yield.

The proponents of this tax frankly state that it is higher prices that they seek. I say to you that foreign oils are not now in competition to any extent with American production areas. Foreign oils are used almost exclusively for supplying the United States Navy, the merchant marine and Atlantic seaboard communities remote from our own areas of production. Accordingly the United States Government and our shipping interests, which other nations subsidize rather than handicap, would necessarily have to pay the bill.

Permit me to call your attention to another phase of this question. The foreign oils imported into the United States are from American-owned wells. There may be some little competition with foreign resources, but there is absolutely none with foreign capital. Great Britain, Holland, and other world powers are urging and aiding their people to seek oil throughout the world for their own consumption. Gentlemen of the Congress, England realizes the value of oil, and I thank God for the far-sighted policy on this question of our President and his Cabinet. A tariff on oil threatens no producers but Americans. It may be that some American capital invested in this country will benefit, but the greatest financial benefit will accrue to foreigners engaged in the exhaustion of American oil fields, looking toward the time when we will have to import from the oil fields now being conserved by Great Britain and Holland.

I yield to no man in my Republicanism. I yield to no man in my desire to protect American industry and business, not even the distinguished gentleman, the chairman of the Ways and Means Committee, who reported this bill to the House, but when I am called upon to cast a vote against the national welfare and safety, then I call a halt. Especially do I protest against the protection of foreign corporations, who are among the largest producers and refiners of the midcontinent field, and who are engaged in a British and Dutch effort to exhaust American oil fields and place the American public in vassalage to European producers of petroleum abroad.

I would place the protection of this natural resource above the protection of capital, and especially foreign capital.

Petroleum is power. Petroleum is economic power. The nation which could control the sources and supplies of petroleum could establish and maintain industrial and commercial ascendancy over all rivals and competitors. Petroleum is sea power. The nation which could control the sources of petroleum could control the seven seas. Its navy would be the mistress of the seas. Lord Curzon recently stated that the World War was won on a sea of petroleum, and that sea of petroleum, gentlemen, flowed from the wells of Mexico, the control of which is now being sought by British capital. [Applause.]

It may prove of interest if I insert the following statement:

Figures on production and consumption of petroleum in the world and the United States compared.

1920.	Barrels.
Total world production (American Petroleum Inst.)	688,474,000
Total United States production (domestic) (U. S. Geological Survey)	443,402,000
(64⅓ per cent of world production.)	
Total United States consumption [1] (U. S. Geological Survey)	531,186,000
(77 per cent of world production.)	
Total imports to United States, crude (U. S. Geological Survey)	106,175,000
Total imports to United States, refined (Department of Commerce)	2,618,000
	108,793,000
(Virtually all from Mexico.)	
20½ per cent of United States consumption.	
Total world resources (U. S. Geological Survey)	43,055,000,000
Total United States resources (David White—Geog. Sur.)	6,740,000,000
(15⅝ per cent of total world resources.)	

With but one-sixteenth of world's resources available within her borders, the United States is furnishing two-thirds of the world's total production. We are consuming over three-fourths of the world's total production, necessitating development abroad and import of 25 per cent over our total domestic production.

The CHAIRMAN. The time of the gentleman from Ohio [Mr. HIMES] has expired.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. HAWES]. [Applause.]

[1] Domestic production plus imports minus exports plus stocks on January 1 minus stocks on December 31.

Mr. HAWES. Mr. Chairman and gentlemen of the committee, the great unsolved problem confronting this administration is that of transportation.

It is apparent to everyone that the railroads must be assisted either directly by the Government or by a loan, or the big systems of the country will soon be placed in bankruptcy and certainly in the hands of receivers.

The only practical supplement of transportation by rail is transportation by highway, and this Congress will soon be called upon to pass appropriations for a 4-year highway building program of $400,000,000.

If we add to this the assistance which must be given to the railroads, we find that we are facing a national investment in transportation by land of approximately $1,000,000,000.

Transportation affects every avenue of trade; public health is conserved by it; and certainly in the matter of highway development it will be the greatest possible aid to the rural school. Its benefits are too many to be even mentioned, let alone discussed, within the period allotted to me.

We find, according to United States statistics for 1920, that there are 9,278,361 motor vehicles, with a valuation of $3,594,814,620. They paid in taxes and license fees to the various States of the Union $101,104,019 in the year 1920.

My own State—Missouri—has 297,000 machines, which pay into the good-road fund of my State annually nearly $3,000,000.

In addition to motor vehicles there are approximately 400,000 tractors and 2,500,000 stationary engines used on the farms of our Nation, approximately 95 per cent of which use oil or gasoline as their motive power.

Our consumption of gasoline to move these motors and tractors amounts to 4,256,428,005 gallons, which is about 355 gallons for each automobile, tractor, and stationary engine, or approximately a gallon a day for each machine.

Thirty-three per cent of all the motor vehicles in the United States are located on farms and in towns of less than 1,000 population; 22 per cent are in towns of 1,000 to 5,000, many of which are owned by farmers.

It is safe to say that nearly one-half of the automobiles in this country are therefore owned by farmers, and the farmer will be the greatest sufferer if the gasoline tax is imposed.

When we add 239,102 motor cycles to the motor cars and trucks, we find that this a direct tax placed upon a special class of our citizens, who number 9,500,000 persons, or nearly 1 person out of each 10 men and women of the total population of the United States.

Seventy-seven million five hundred thousand dollars of motor revenue is applied to road work under State departments, and over $20,000,000 is applied to county road work under local subdivisions.

Paragraph 89 provides for a duty of 35 cents for a 42-gallon barrel, and for fuel oil 25 cents for the same-sized barrel.

It will be surprising if this tariff does not permit the oil monopoly to increase its prices at least 4 cents a gallon for gasoline; but, trying to be conservative, I will place the approximate increase at 2 cents a gallon. At this rate, there being 4,256,428,005 gallons consumed in the United States, at 2 cents a gallon it would cost the users of motor vehicles, tractors, and farm engines $85,128,560.10 a year.

This increase may not come immediately, but it provides an excuse too compelling, too attractive, for the monopoly to resist, so I am confident that in this one item the United States will pay $85,000,000.

Eliminating for the time being the question of conservation of natural resources; eliminating our State controversy with Mexico and with Holland, where we are demanding equal rights with the citizens of those countries; eliminating the increased cost of roofing materials in building; eliminating the increased cost to the Navy, which burns oil, and the great ships on our lakes and sea whose engines burn oil; eliminating all possible increase of cost of lubricating 10,000,000 automobiles and hundreds of thousands of machines of all kinds; eliminating the cost of fuel oil used by a large number of our railroads, and confining this contention solely to the matter of motor transportation we find that during the year 1920 a little over 100,000,000 barrels of Mexican petroleum and petroleum products were imported into the United States.

Placing all this not on the 25-cent basis but on the high basis of 35 cents, we gamble on securing from this item in this law a revenue of $35,000,000, as against which a slight increase of 2 cents a gallon which this tariff will undoubtedly create, it will cost our citizens $85,000,000; or, in other words, in order to secure a revenue of $35,000,000 our citizens must expend $85,000,000, a foolish business venture from any point of view.

Let me reduce the direct cost of this schedule to the State of Missouri and the States which surround it.

Missouri motor vehicles consumed 98,903,664 gallons of gasoline in 1920. If the increase comes at only 2 cents a gallon, this will cost the State of Missouri each year $1,978,073.28. It will cost Kentucky, $676,000; Iowa, $2,900,000; Illinois, $3,800,000; Kansas, $1,900,000; Arkansas, $393,000; Nebraska, $1,400,000; and Oklahoma, $1,400,000.

All a direct tax of these various amounts on a transportation system which is growing by leaps and bounds, and is the only prospect open to supplement the present impaired railroad transportation.

The tax of $85,000,000 on the motive power of motor transportation is to be added to by a direct tax on highway construction.

There are used in the United States 800,000 tons of hard and soft asphalt for road purposes, over which these 9,000,000 motors travel.

In 1 mile of an 18-foot road there are about 10,000 square yards of asphalt. The cost of this, under paragraph No. 207, will be added to by at least 1½ cents a square yard, or about $150 a mile. As asphalt in some form or other enters largely into the construction of our roads both in the cities and in the country, this will mean an additional tax on highways of many millions of dollars, and will enable the manufacturers of cement and other road-building materials which now compete with asphalt to raise the price of their products.

If we build only 20,000 miles of road in the United States in the next year and the tariff tax on asphalt would amount not to $150 but only to $50, it will cost the Nation and road-building States $1,000,000, or occasion a loss of $1,000,000, and the $900,000,000 voted for bonds in the States will have shrunk to only $800,000,000.

I can not be exact in these figures, but they are approximately correct, quite enough so to put the proponents of this tax upon inquiry. So that highway transportation under these two schedules is required to pay:

1. A motive tax on fuel of $85,000,000 and an approximate tax on the construction of highways of $1,000,000, or approximately $86,000,000, taxed upon highways and motor transportation by the two sections of this bill.

The various States in the Union in 1920 passed bond issues for good roads amounting to $900,000,000, which will be largely increased this year, and added to which will come $400,000,000 from the National Government in the 4-year building program, making immediately in sight the building of roads and highways in the United States a building program of certainly $1,300,000,000, and this, supplemented by city and county construction, can reasonably be assumed to run up to at least $2,000,000,000.

Every dollar of this enormous sum will lose its purchasing power by the increased cost of highway building material, so that it is reasonable to assume that in order to secure from oil an approximate revenue on imports of $35,000,000 and an approximated revenue on asphalt of $5,000,000, or a total of $40,000,000, the highway and motor transportation of the country will have to pay the enormous sums of approximately $86,000,000.

This is not good patriotism; it is not good business; it is not even common sense.

The remedy of the independent oil operator is not to be found in a tariff, but in presenting their complaints to the office of the Attorney General.

Their trouble is not competition with foreign oil, but competition with a great trust which controls the price of oil in America. [Applause.]

Mr. CHANDLER of Oklahoma. Will the gentleman yield? Will you tell the committee who informs you that that would raise the price of gasoline?

Mr. HAWES. My friend, it is the history of monopoly in this country. This tariff means that the Standard Oil Co. can, and therefore will, raise the price of gasoline to any sum it pleases, and the remedy of the gentleman from Oklahoma for the independent oil consumer is not a tariff wall, but is to be found in the office of the Attorney General of the United States, and in that office there is an able and courageous man, and the independent operators in oil can safely take their story to him. [Applause.]

I insert herewith a letter addressed to me by the Federal Highway Council, which reads as follows:

FEDERAL HIGHWAY COUNCIL,
Washington, D. C., July 15, 1921.

Hon. HARRY B. HAWES,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN: The Federal Highway Council is not interested in any fight between oil producers of this or other countries, who are demanding or opposing a tariff on crude and fuel oils.

It is not interested in any proposition as described in a recent letter mailed to the stockholders of such companies, urging the adoption of such a tariff, and in which we find the following: "It is of the highest importance that every corporation send out an immediate letter to every stockholder asking that he immediately get in touch with his Member of Congress, urging him to support a tariff on crude and fuel oils from Mexico and other places."

In the interest of the general public, however, the council is definitely opposed to the proposed tariff on oil. The Federal Government, together with the several States and counties, are now expending and preparing to spend vast sums of money on the construction of highways. Additional appropriations will be necessary to meet the highway traffic needs of the country. Requests for these appropriations are now before Congress. For several years highway construction and maintenance have been seriously handicapped by the high cost of road-building materials. The public demands a reduction in the price of these materials rather than an increase. If the proposed tariff should be adopted by Congress, its effect would be to increase the price of oil and its by-products, used in such construction and maintenance, from 15 per cent to 20 per cent.

It seems impossible to the general public that Congress should appropriate large sums of money to assist in meeting the economic needs of the country in highway construction and maintenance and then penalize it with such a tariff.

Speaking for our membership, which includes representatives in your district, may we ask for your views on this matter?

Very truly, yours,

FEDERAL HIGHWAY COUNCIL,
S. M. WILLIAMS, *Chairman.*

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. MCKENZIE].

Mr. MCKENZIE. Mr. Chairman and gentlemen of the committee, all my life I have had an unfaltering faith in the wisdom of the doctrine of protection as enunciated by the Republican Party and as approved by the great majority of the people of this country, including thousands of Democrats. When properly applied, in my judgment, it results in benefit either directly or indirectly to all the people of our country. In short, it is a policy for the benefit of Americans. But I am not unmindful of the fact that when misapplied it may result in injury and injustice to a part, if not all, the people of our country. In the proper application of protection it is constructive in effect. The proper application of it puts the great herds of cattle on the almost boundless plains of Texas, keeps the flocks of sheep on the farms and ranches in this country, has built up all along the Atlantic coast and all over our land, great, strong, permanently lasting industrial plants, where the labor of the country is employed, and has insured the investor in American enterprise a fair return for his money and a living wage for the man who toils. But, gentlemen, while I realize all that, I am not unmindful that the enthusiasm of some of our citizens to apply the policy in an improper way has inflicted injustice, on the people.

I am one of those who believe that when applied to the handicrafts of man or to the cultivated products of the soil it is just. But when you undertake to say that the great natural products that were placed in the earth, as on its surface, by the Creator, products such as oil and lumber and potash and coal, should be subjects upon which there should be levied a protective tariff, I say it is a subversion of the doctrine of protection. [Applause.]

Why is it that such a policy on the one hand builds up, is constructive, and on the other is destructive? A tariff applied to timber or to oil or to coal or to the potash of our country means that we will use up our own natural products. We ought not to think of but to-day, or to-morrow, or next year, but we should think and so legislate that we will conserve these great natural resources, not only for this generation, but for the generations to come.

No man needs to do more than to look back into history and read of the forests we once had, of the great forests primeval that Longfellow spoke of all over this country, which to-day are nearly all gone, and of which we have only a small portion left in the Northwest and Southeast. And yet even in this bill, that pretends to say it is for free lumber, there is a provision whereby we undertake to say to Canada, "Unless you let us take our lumber into your country, away from the people who want to build homes in this country and sell it in Canada, we will not let you bring your lumber in here free."

Oh, my Republican friends, believing in the wisdom of this great policy, a policy that has made us the greatest country on the face of the earth, I hope in the Senate they will take out all these provisions that lay a tariff on such products as I have named. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GARNER. Mr. Chairman, I yield three minutes to the gentleman from Arkansas [Mr. OLDFIELD].

The CHAIRMAN. The gentleman from Arkansas is recognized for three minutes.

Mr. OLDFIELD. Mr. Chairman, Abraham Lincoln, I believe, said repeatedly in his speeches, using the Scriptural quotation, that "a house divided against itself can not stand." It

seems that the President of the United States is against this petroleum tax, and that the gentleman from Michigan [Mr. FORDNEY] is for it. Therefore it seems that your house is divided, and I feel sure that it will not stand. The gentleman from Michigan [Mr. FORDNEY] is always a protectionist; hence he is consistent and always wrong. The President is not always consistent, therefore he is sometimes right.

Now, gentlemen, the independent oil producers of this country did not appear before the Committee on Ways and Means asking for protection on petroleum, but they have depended on propaganda. The facts are, gentlemen, they started here to ask for a duty on petroleum, but they did not come. We thought they were coming, but one day while the committee was having its hearings we saw in the newspapers of the country a statement that the independent oil producers in the mid-continent field had had a meeting and that 90 of those persons attending that meeting voted to have representatives come here to urge a protective tariff on oil and 43 voted against it; hence the independent oil producers themselves therefore were unable to get together on the proposition, and so they did not come before our committee and produce testimony but depended upon propaganda, and our mail has been flooded with it for the past two or three weeks.

Now, as I said, this, of course, is a tax upon all the 110,000,000 consumers of this country for the benefit of the mere handful of independent oil producers. That is all there can be to the proposition. Of course, the oil business is depressed. But it is not depressed any more than is the business of the farmers of this country or any other business in the country. Why, then, do you want to tax all the people for the benefit of a relatively few independent oil producers? There are 50,000,000 people in the country and villages in America to-day who use kerosene. All the people of America use petroleum and its by-products. Therefore, why should a Republican, even—and the President does not want to—why should any Republican or Democrat want to tax all the people of America for the special benefit of a few thousand people scattered over certain sections of the country? I say it is not fair to the people of the country. You ought not to do it. In the last 11 months we have imported $65,000,000 worth of petroleum, and at the same time we exported $27,000,000 worth—that is, of crude oil. But at the same time we exported $509,000,000 worth of gasoline, naphtha, and other products of petroleum.

The trouble about this proposition is that the gentleman from Michigan [Mr. FORDNEY] and the Republican Party are always willing to rob the poor and give to the rich. The gentleman from New York [Mr. LONDON] and the Socialist Party would rob the rich and give to the poor.

Mr. LONDON. I deny that. [Laughter.]

Mr. OLDFIELD. The Democratic Party, however, believes in equal rights to all and special privileges to none, if you please. [Applause.]

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. OLDFIELD. No; I regret that I can not. I have not the time to yield.

Now, gentlemen, I hope that this proposition will be voted down. I hope that no Democrat will vote for this duty on petroleum; because when you do it, gentlemen, you tax all the people of America for the benefit of a few people who are depressed, whose business is depressed. The business of the cotton farmer, of the wheat farmer, of the stock grower is also depressed. You want to increase the price of a prime commodity, of an absolute necessity of all the people of the country. That is what you want to do. And how do you expect the people, those whose business is depressed also, the farmers and business men generally—how do you expect them to pay the increased prices that you lay upon them by means of this tax and many of the other outrageous taxes included in this bill?

I thank you, gentlemen. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. GENSMAN.]

The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes.

Mr. GENSMAN. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Oklahoma [Mr. CARTER], which I ask to have read.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment to the amendment offered by Mr. CARTER, which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. GENSMAN for the amendment offered by Mr. CARTER: Page 35, line 9, after the word "crude," strike out "35" and insert "75." In line 10 strike out "25" and insert "50."

Mr. GENSMAN. Mr. Chairman and gentlemen, to begin with I am not altogether certain that this substitute of mine will meet your approval. I am in favor of letting the bill stand as it is at this time. I am for it first because of the fact that the farmers of the Middle West are for it, notwithstanding what other gentlemen may have said here to-day. The farmers of Oklahoma and the farmers of the entire Middle West are for this bill, just as it was brought here upon the floor of this House. In support of that proposition I would like to have you listen to the following letter:

FARMERS' EDUCATIONAL AND COOPERATIVE UNION OF AMERICA,
Oklahoma City, Okla., July 13, 1921.

Hon. L. M. GENSMAN, M. C.,
Washington, D. C.

DEAR FRIEND: There are 31 of the members of our organization here in the city this week attending an organization school. They come from about that many counties. I have canvassed everyone of them on the question of whether or not the prosperity of the oil interests of the State is of a benefit to the farmers of the State and they are unanimous that it is and everyone of them has told me that they believe that a protective tariff on oil would indirectly benefit the farmers of this State.

The farmers are now selling wheat of the new crop for 80 cents a bushel, oats at 10 cents a bushel, and potatoes at 30 cents a bushel. You must know that at such figures, they not only receive nothing for their work but actually do not get back as much as they have expended in cash on these crops. When the oil business flourishes, development work goes on and thousands and tens of thousands of our farmers have opportunity to lease their land. I know many farmers, who would not be able to pay their taxes were it not for the dollar an acre they get from their oil leases.

Therefore, I feel that I am voicing the sentiment of the farmers of the State when I say that we would be glad to see you support a tariff on oil.

Yours, truly, JOHN A. SIMPSON, *President.*

From this letter it appears that the farmers of 31 counties of Oklahoma are unanimously in favor of a tariff upon oil. If that is the case, gentlemen, it goes without saying that the farmers of Kansas are in favor of a tariff on oil, and that the farmers of the entire Middle West are also in favor of it. Who else is in favor of it? This morning every Member of this House received a letter from the United Mine Workers. These men are interested in it. Labor is interested in it. There is absolutely no question but what the common people are in favor of this tariff on oil, regardless of the fact that some gentlemen here may have said that it is going to hurt the common laborer and the common people of the country.

Mr. WYANT. Will the gentleman yield for a brief question?

Mr. GENSMAN. Yes.

Mr. WYANT. I understand there are 204,000 producing oil wells in the United States.

Mr. GENSMAN. Yes.

Mr. WYANT. That those wells average 2.4 barrels each per day, whereas in Mexico the wells average 2,600 barrels per day. Now, what effect will the free importation of Mexican oil into the United States have upon the successful operation of these 204,000 wells in the United States?

Mr. GENSMAN. It will absolutely ruin the independent operators. It will absolutely ruin the oil business in the United States. Regardless of what anybody may say to you, it will absolutely ruin the oil business in the United States.

Now, gentlemen, you have heard some of the gentlemen over on the Republican side of the House take the opposite side of this question. Why, the other day we heard a man here who is supposed to be a Republican—a member of the Committee on Ways and Means—and I want to say to you that when the gentleman from Massachusetts [Mr. TREADWAY] got through making his speech it was one of the best Democratic speeches I ever heard fall from the lips of any Democratic soap-box orator in the city of New York. I have heard a good many of them get up on soap boxes and make Democratic speeches, and I want to say to Mr. TREADWAY that so far as I am concerned he "takes the cake," without the question of a doubt. He is absolutely inconsistent. If a man is going to be a Republican, I say to him be a consistent Republican. [Applause.]

Mr. WYANT. Will the gentleman yield for another question?

Mr. GENSMAN. Pardon me, I have so little time I can not do it now. If you are going to be a Republican, be a consistent Republican. If you are going to be a Democrat, go over on that side of the House, where you belong. [Applause.] And to the Democrats over on the other side of the House I want to say that the sonorous voice of my good friend Mr. TREADWAY may fit in over there. I do not know anything about that, but I do say that if his sonorous voice does not fit in well over on the other side of the House it is an absolute lead-pipe cinch that his logic does. [Applause and laughter.]

It has been said that the price of gasoline is controlled by the price of crude. Why, gentlemen, that is just a joke. The Standard Oil Co. and its subsidiaries control the price of gasoline. Have you not learned that early in the game?

Six months ago crude was selling for $3.50 to $6 and gasoline sold for 30 cents a gallon; to-day you can buy from the independent producer in the Lawton field all the crude you want for 50 cents a barrel, and if you attempt to fill your gasoline tank on your car in Washington you pay 27 cents per gallon. I paid that price last evening for gasoline on the streets of your city.

Mr. FORDNEY. Will the gentleman from Texas use some of his time?

Mr. GARNER. I yield to the gentleman from Arkansas [Mr. TILLMAN]. [Applause.]

Mr. TILLMAN. Mr. Chairman, I want to congratulate my good friend from Oklahoma [Mr. CHANDLER] on his sturdy consistency. He is wrong on many, if not all, of these schedules, and yet he is consistent, and I am inclined to indorse what has just been said by the other gentleman from Oklahoma [Mr. GENSMAN] when he asserts that a man ought to be either a Republican or a Democrat. He insists that Mr. TREADWAY, the gentleman from Massachusetts, has been converted to Democracy. If that is true, I insist right here that we open the doors of the Democratic church and allow FINIS GARRETT to baptize Brother TREADWAY, and may the Lord purge all Republican sin from his saved soul.

Mr. LANKFORD. I object. [Laughter.]

Mr. TILLMAN. Objection is made, and the invitation is withdrawn. [Laughter.] The gentleman from Massachusetts [Mr. TREADWAY], however, did make a good Democratic speech upon one schedule, to wit, the oil schedule.

The State of Oklahoma is to be congratulated on the fact that her able delegation, both Democrats and Republicans, are to-day wielding keen blades in the spirited battle now on to take care of her leading industry—the great oil business. They are right when they charge the Republican President and Republican Congressmen with ridiculous inconsistency on the different schedules in this bill. I never could understand why if protection sauce must be had for the textile goose of Massachusetts protection sauce should be denied the petroleum gander of Oklahoma; but the discussion here this morning illustrates better than anything else the inherent vice in this monstrosity—the Fordney tariff bill. As I took no time whatever in discussing this bill while general debate was going on, I will ask indulgence to use some time to give my views generally upon the subject of this bill.

In the early days of the Republic the first suggestion of a tariff was based on the avowed purpose of producing needed revenue, but even then the protection spirit in Massachusetts and Pennsylvania was so strong that their representatives caused to be inserted in the first tariff act—that of 1798—the protective principle. How modest were these early protectionists. In this first act a general duty of 5 per cent was imposed upon all the goods not specifically enumerated, and the largest ad valorem rate fixed in this bill was a duty of 15 per cent on carriages. For 20 years after this date only moderate increases were allowed by legislation. The tariff act of 1816 was but a mild one, the duties averaging about 20 per cent. From 1830 to 1860 high tariffs were followed by low tariffs and low tariffs by high tariffs. During all these years the duties were not high as compared with later bills, and certainly low as compared with the present iniquitous measure. The tariff act of 1832, passed by the Whigs and National Republicans, had an average rate of dutiable articles of about 30 per cent.

INFANT INDUSTRIES.

In the beginning the most plausible argument in favor of protection was expressed in the phrase, "Protection to infant industries." Mill himself approved this idea, as did early German economists. It was generally believed that it was better to give protection to men with capacity and capital to start industries where there were none rather than to allow the people to continue to purchase necessary articles from foreign producers. None of us are insisting on free trade; all believe in establishing and maintaining legitimate manufacturing industries in this country and all are willing to grant these manufacturers every reasonable protection until they are able to compete with foreign manufacturers; but Democrats do not believe that tariff duties should be so high that those engaged in the manufacture of any article can charge and receive an unreasonable bounty on the same, which bounty accrues to him because of the fact that foreign producers of the same product are kept practically and often entirely out of the American market, because the duties levied are such as to sometimes exclude entirely any competing articles from a foreign field.

Now, as to infant industries, most of them are fully grown and yet the Fordney bill now pending proposes to still treat them as if they were sightless, toothless babies "mewling and puking in their nurses' arms." What a lusty infant is the American Woolen Co., and yet it must still be coddled and protected. What a bearded child is the Steel Trust, and yet it must be fed by Uncle Sam with a golden spoon. What Sampsonlike kids are many of the great cotton-mill factories, and yet they must be sustained and soothed with Fordney high protection lest they perish. The sober truth is, many of these infants are "bearded like the pard" and have pockets on them like meal sacks, filled with gold and silver and profiteering profits wrung from the sweaty hands of tired but patient consumers all over the land. Some of these tariff favored youngsters stalk about in 7-league boots. Most of them are infants like the one described in First Samuel 17, whose height was 6 cubits and a span; who had an helmet of brass upon his head and was armed with a coat of mail, and the weight of the coat was 5,000 shekels of brass; who had grooves of brass upon his legs and a target of brass between his shoulders. And the staff of his spear was like a weaver's loom; and his spear's head weighed 600 shekels of iron. [Applause.]

THE FORDNEY BILL.

This bill has 346 pages and repeals something like 200 sections of the present tariff laws. This measure was born not in a manger but in a gilded cradle in the northeast corner of the star chamber occupied by the Republican members of the Ways and Means Committee, to wit: Messrs. FORDNEY, GREEN, LONGWORTH, HAWLEY, TREADWAY, COPLEY, MOTT, YOUNG, FREAR, TILSON, BACHARACH, HADLEY, TIMBERLAKE, BOWERS, WATSON, HOUGHTON, and CHANDLER. These Members were engaged in incubating this Fordney baby from the 6th day of January, 1921, until the sad day of its birth on the 21st day of June following at low tide. No Democratic member of the committee—and some of them, particularly KITCHIN, GARNER, COLLIER, OLDFIELD, and CRISP, are more or less experts in the business of incubating tariff babies—were permitted to even glance past the polished doors shutting them and other good and lawful men out from this rich star chamber, while the skillful Republican accoucheurs, the secretive, deft he-midwives aforementioned were incubating and producing this ugly monstrosity, this cross-eyed abortion of a tariff youngster, and yet claimed by its fathers to be the most sacred, the best constructed, the livest, and the most promising of all the baby tariffs brought forth since 1798.

Mr. YOUNG. Will my colleague yield?

Mr. TILLMAN. I shall be glad to do so.

Mr. YOUNG. I should like to ask the gentleman whether there were any Republicans present at the time the Underwood bill was prepared.

Mr. TILLMAN. I was not here at that time.

Mr. YOUNG. I will tell the gentleman that there were not.

Mr. TILLMAN. Old members of the Ways and Means Committee say that they extended more courtesies to the Republicans then than you did to your Democratic colleagues in framing this bill.

Mr. CLARKE of New York. Will the gentleman yield for a question?

Mr. TILLMAN. Yes.

Mr. CLARKE of New York. Can the gentleman tell me the difference between the export and import prices of oil for the last year?

Mr. TILLMAN. I am not advised about that.

It is said that Richard the Lion Hearted was born with a full set of teeth. This baby has teeth also, and will at once begin to kick and scream and chew, to the delight of the 17 obstetricians who brought it forth and to the detriment, if not to the destruction, of a hundred million consumers among the American people. [Applause.]

Whilst many of the schedules of this bill are vicious and unconscionable, the dye monopoly, the gentleman from Wisconsin [Mr. FREAR] justly says, is "fundamentally indefensible," and this gentleman, one of the clearest-headed and strongest members of the majority, claims that many other schedules are objectionable and can not be defended. To my mind, the measure will bring untold suffering to consumers, and its repeal will be demanded by nine-tenths of the American people within a year from its enactment.

It professes to be drawn in the interests of the farmers, whose occupation is to garner "a husky harvest from the grudging ground." God help the farmer, because of the kind of help it will give him. Like all other Republican tariff bills, it was drawn in the interest of the manufacturer and not the farmer. Almost at the beginning there began a sectional struggle for political power in America, having its origin in opposing economic policies, in a struggle between the agricultural people in the South and West, desiring wide markets with the whole world,

and a commercial manufacturing faction in the North and Northeast, who sought and obtained protective tariffs under which that section was able to buy cheaply the foodstuffs and the raw materials of the South and West, while the latter sections were compelled to pay high prices for the manufactured articles produced in the North and East. This system fostered in this wicked bill imposed and will continue to impose an unjust burden of taxation far in excess of any burden imposed on us by the British Government prior to 1776, and because of which burden so imposed by the British Government young America sprang to arms and fought for American independence.

Examine a few of the schedules and you will find that they really do nothing for the farmer or the ordinary consumer. They profess to levy a duty on hides which will benefit the packers and not the cattlemen, and as an offset they want more, more, more protection on shoes, harness, and all kinds of leather goods. It was amusing to listen to a short coloquy between the gentleman from Kansas [Mr. TINCHER], Republican champion of the farmers, and the gentleman from Massachusetts [Mr. TREADWAY], also Republican and champion of the protected manufacturers. Listen to this colloquy:

Mr. TREADWAY. Will the gentleman yield?
Mr. TINCHER. I will be glad to yield, because I think you are one of the gentleman I want to yield to.
Mr. TREADWAY. In view of the gentleman's information as to the need of a duty on hides, does he go to the extent of a compensatory duty on manufactures?

The gentleman from Massachusetts could not bear to think of a duty on hides unless coupled with a still higher duty on New England shoes, harness, and leather goods.

The manufacturers are willing to throw a little sop in the direction of the farmer in the way of an alleged tariff which does not protect and then claim 2 or 3 cents for one as a compensatory duty on the product manufactured from the farmer's raw material. This specious claim that they are protecting the farmer's corn, wheat, cotton, and various things like that produced on the farm is the rankest sort of nonsense, because the farmer exports a large surplus of these products and is not injured because of the inferior and unimportant imports of like nature that come into this country. The only way to help the farmer is by encouraging trade abroad, by giving him not only a home market but a foreign market as well, and this bill will destroy his best market—the foreign market. This can be done only by a reasonably high tariff wall, one low enough to let the products of other countries come in in exchange for ours. How are we to sell our products abroad if we shut out imports? We have almost half the gold of the world, over three billions, as against a world total of about seven billions, and foreign countries can not pay for our products in gold, and we will not take their depreciated currency, but must get our pay from them in goods; that is to say, imports must pay for exports. Aside from this, we are now the creditor nation of the world. Our late allies owe us $10,000,000,000 and interest, borrowed money, and in addition to that the nationals of other countries owe our nationals $5,000,000,000 more. How is this money to be paid or how is the interest even to be paid unless our tariff wall is low enough for these amounts to be paid in goods? Right now in America are men, as has been stated before in this debate, who are not only willing but anxious to cancel Europe's debts to us in order to discourage the importation of foreign goods to be sold in competition with American goods produced by them and their friends. For one, I shall never consent to the cancellation of a single penny of the debts that Europe owes to us.

BLOWING HOT AND COLD.

It is amusing to hear some of our friends representing manufacturing districts insisting on protection to goods manufactured in their section and demanding free raw materials out of which to make those goods. The gentleman from Massachusetts [Mr. TREADWAY] wants protected cotton, leather, and woolen goods, and yet he wants no tariff on imported oils. Right here I think of another bit of sectional inconsistency. Many gentlemen living in the great section often referred to by them as north of the Ohio and east of the Mississippi claim to be very solicitous about the welfare of the South and want to help us and save us, in spite of ourselves, as they term it. They say they are protecting our raw wool, and yet, as a matter of fact, we are paying them two or three times the amount of its protection, if indeed it is any protection at all to us, for much higher protected woolen clothing. They say they are protecting our cotton, the bulk of which we export and which will not be benefited by this alleged protection, and for this alleged protection they are trimming us half a dozen cents for one on their manufactured cotton cloths. They are merely juggling with us. They are merely tricking us. They are promising us something that we never get. How well Shakspeare expressed the thought when he said:

> And be these juggling fiends no more believ'd,
> That palter with us in a double sense;
> That keep the word of promise to our ear
> And break it to our hope.

Referring again to the opinions of men representing different interests and living in different sections, I recall a reference I made earlier in the debate to what I consider a rather prevalent inconsistency on the part of many of the friends of protection. Now, my friend from Oklahoma [Mr. CHANDLER] is a consistent protectionist. I hear quote a colloquoy from the RECORD of July 14, proving that all protectionists are not:

Mr. TILLMAN. Mr. Chairman, will the gentleman yield?
Mr. CHANDLER of Oklahoma. Yes.
Mr. TILLMAN. I take it for granted that the gentleman from Oklahoma heard the gentleman from Massachusetts [Mr. TREADWAY] this morning when he stated that he estimated that the rate of 35 cents a barrel on crude oil and 25 cents a barrel on fuel oil would mean at least 1 cent a gallon extra in the cost of oil in New England. Did not the gentleman hear the gentleman from Massachusetts insist that almost all raw materials and manufactured products competing with articles produced up there should be compelled to pay a duty, and does the gentleman regard the gentleman from Massachusetts as consistent in his opposition to a tariff on oil and his advocacy of a tariff on cotton goods?
Mr. CHANDLER of Oklahoma. I do not.
Mr. TILLMAN. I will ask the gentleman from Oklahoma if he has read the statement of Gov. Cox, of Massachusetts, where he said, "It would be a serious blow to New England industries, a large number of which are to-day consuming oil, as well as an injury to the several new oil refineries recently built in Massachusetts," and "It would tend to raise the price of coal in New England, and also to increase the price of gasoline"? Is that good Republican doctrine or good Democratic doctrine?
Mr. CHANDLER of Oklahoma. It is pretty good Democratic doctrine; at least it sounds to me like what you gentlemen have always asked for in the past.

How very anxious they are to help the South, so they claim. In order to demonstrate their benevolence southwardwise they propose in schedule 15, paragraph 1634, to impose a duty on potash, used largely in the South as a fertilizer by the cotton and tobacco farmers. This fertilizer is absolutely essential for the lean lands of our older cotton States. I happened to be on the Committee on the Public Lands during the war, and our committee was charged with the duty of passing measures to develop on the public lands of the Nation, if possible, potash production. I ascertained during that time that this country had been producing very little potash; that the principal source of supply lay at Strassfurt, Germany, and in Alsace. Prior to the war potash had been costing the southern farmer $40 per ton. During the war the supply was cut off, and it rose to $500 per ton, and but little could be had at that figure. Potash is used not only as fertilizer but in making explosives, and the Kaiser, knowing that we had but a limited supply of potash, said that if America went into the war she would go into the struggle with a rope around her neck, because of this dearth of potash. So our committee set to work to ascertain if we could produce sufficient potash locally to fill American needs. We found about the only available sources of supply to be Searles Lake in California, a small supply in Nebraska, and some potash could be produced from kelp or seaweed along our northwestern coasts, but we come to the conclusion that we would have to depend largely upon importations from other countries if the necessary amount of this fertilizer could be forthcoming. Now, the authors of this bill are proving their great attachment to the South but putting $50 per ton on all potash imported in bulk. The farmers of the Southern States use more than 75 per cent of all the potash consumed and must pay under this schedule something like $10,000,000 a year for this necessary fertilizer. Instead of getting potash for $40 or $50 per ton, they will be compelled to pay under this bill about $100 per ton. One trouble about the meager amount of customs money that goes into the Treasury because of high protective tariff is that for every dollar that reaches the Treasury the millions of consumers throughout the country must pay to the protected profiteering industries three or four dollars.

THE TARIFF AND WAGES.

The gentleman from Michigan [Mr. FORDNEY], and such other zealous champions and friends of the laboring man, insist that bills of this character make a home market, and they say that they are for this measure largely because of the fact, and that the maintenance of a high protective tariff is the main factor in making the rate of wages high for the laboring man. Hear what Prof. Taussig, teacher of economics at Harvard University, author and lecturer on economic subjects, says on the subject of tariff and wages:

No economist of standing would maintain that a protective tariff is the one decisive factor in making high a country's rate of wages. There are familiar facts in plenty which run counter to the argument.

They are familiar, but as is often the case, people fail to see the significance of that which stares them in the face.

A plain fact universally known is that we regularly export from the United States goods to the value of billions of dollars. How can this be, if low-paid labor can always undersell high-paid labor? Wages in terms of money, and in terms of commodities also, are higher in the United States in all occupations of whatever kind, yet we know that not all employers of every kind are undersold by their foreign competitors. The simple existence of an export trade proves that they are not; nay, that so far as there is any underselling, it is the Americans who undersell the foreigners.

We export an extraordinary quantity and variety of articles. Agricultural products, like cotton and wheat; crude and semimanufactured products, like mineral ores, timber, and copper; and all sorts of manufactured goods; cotton fabrics, iron and steel in all stages, machinery, and tools. All the laborers who are employed in making these exported articles get higher wages than those employed in making similar articles abroad. Yet the very fact of exportation proves that the articles are sold at least as cheaply as the competing foreign product.

Wages in agriculture are higher here than in Europe; Canadian wages are about the same; but notwithstanding this sustained higher rate of pay in the United States and Canada, American and Canadian farmers meet foreign competition in its own home. The same thing is true of copper. It is sold all over the world, notwithstanding wages in American smelting and refining plants are higher paid here than elsewhere. The same thing is true of agricultural implements, sewing machines, structural steel, rods, rails, and wire. In these the total exports rose to hundreds and hundreds of millions in the years 1912 to 1914, years preceding the war, which were not affected by abnormal war conditions.

The explanation of all such facts is simple. Turn to the most familiar fact of all—the continuing exports from the country of high wages to those of low wages. The workman whose labor is embodied in the exports is paid more, but he also produces more. The labor is more effective, and the employer can therefore afford to pay more for it. Sometimes, as in the case of wheat and iron and copper, the same exertion produces a greater quantity of identically the same article. Sometimes, as with our exported cottons, it produces a greater quantity and also a better quality. Sometimes again, as in the case of our sewing machines and agricultural implements, the greater effectiveness consists in producing an article which is better made and better adapted to its purpose. The greater (or better) product yields a larger gross return to the employer, even though not a larger sum per unit, than the return from similar labor elsewhere, and the employer is able to pay higher money wages. Not only is he able to do so, but he must, for thousands of employers compete with each other for laborers, and the result must be that wages will be high in some proportion to the productiveness of the laborers. Beyond doubt this is the fundamental explanation of the differences that prevail in the various parts of the world. * * *

The general proposition that a high rate of wages is the result of a high productiveness of industry is simple and undeniable.

THE FREE LIST.

The gentleman from Michigan [Mr. FORDNEY], many times a millionaire, we are told, chief godfather of this tariff baby, chief defender of the laboring man, champion in chief of the farmer, friend, benefactor, and lord protector par excellence of the downtrodden, has provided a free list in this bill that I shall discuss briefly. By reason of his kindness, there is still something free for Americans besides salvation. Sandwiched and hedged in between devices and subterfuges and pitfalls and jokers and traps is now and then an article on the free list. Some chemicals, and here is one of them: Sulphide of arsenic; also valerianic acid. The consumer is taxed for everything he wears, from the hat on his head to the shoes on his feet, but asafœtida, cocculus indicus, annatto, cudbear, gambier, osmium, and kieserite can leap over the tariff wall, higher than the wall that grim old Romulus built around Rome, and kieserite et al. do not have to pay for the privilege of the leap. The poor old American consumer must be taxed for his collar and his coat, his shirt and his socks, but there comes to him galloping through the wide breach Mr. FORDNEY made through his tariff wall such necessities as civet, musk, arrowroot, bones (crude, steamed, or ground). Many a good woman will complain because of the duty on baby clothes and a shroud for her dead husband, but Mr. FORDNEY provides that she shall have coir yarn, dividivi, and fish skins (both raw or salted) without any duty. Handkerchiefs are taxed, but lava is free. Neckties are on the dutiable list, but leaches crawl in untaxed. Boys, Mr. FORDNEY makes you pay two prices for your suspenders, but pulu is not taxed, and so on ad libitum, ad nauseum. [Applause.]

AGRICULTURAL PRODUCTS.

I greatly admire men and women of independent spirit. What few contests that I have had with my fellow man, I have not asked that he be handicapped in any way in any contest that I might have with him. I greatly admire the pioneer spirit of our people, who left good homes with pleasant surroundings and went out and helped to win the West. Sturdy, self-reliant, bold, and hardy individualists, who did not ask the Government to do more for them than to give them a square deal, an even chance. Unaided they wrought a wonderful development by felling the forest, by opening up mines. They wrought with their good right arms, asking no man any odds, asking no paternalistic favors from their Government, asking no neighbor to contribute to their support, taxing no man or set of men by exacting small amounts here and there and yonder that they might thrive beyond their just deserts. And so I think the well-organized, wealthy, firmly established manufacturing corporations, trusts, and monopolies in this great country should be content with a modest tariff, based on the difference caused by the cost of production here and abroad, and they should not clamor for prohibitive duties or embargoes like this bill provides. I would not destroy the industries of this country. I want them to prosper, but I do not want to see a tariff wall builded so high as is the one builded by this measure, so that our carrying trade will be destroyed, our merchant marine banished from the seas, the privileged few made richer, and the consuming public everywhere made poorer, a thing which this bill, in my opinion, will accomplish.

This bill will not help the farmer, and I do not believe it will deceive him. I submit expert opinion on this immediate issue, and quote the foremost American economist, Dr. Taussig, in support of my position:

A duty on a commodity which is produced within the country as cheaply as without, and sold as cheaply, ordinarily has no effect whatever. Of such levies there has been a plenty in our tariff history. Those on the staple agricultural products are the most familiar and conspicuous. In the logrolling which is an almost universal concomitant of protective tariffs the notion that a duty will surely be of benefit to domestic producers has caused our farming sections to insist on "their share" of the going favors, and to accept, nay, demand, duties on wheat, corn, meat, and meat products, which yet have been quite without industrial effect. There has been no more striking illustration of the average farmer's naïve state of mind on this subject than the bitter opposition aroused by the reciprocity treaty with Canada which the Taft administration proposed in 1910–11. The free admission of wheat contemplated by that treaty was supposed to portend disaster to the wheat growers of the Northwest, though it was known to all the world that wheat was exported both from the United States and from Canada and that it was the same in price (allowing for cost of transportation) in these two countries and in England. The range of commodities subjected to duties yet not at all affected by them, has been very wide, including not only agricultural staples, but many manufactured articles.

[Applause.]

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. HARDY].

Mr. HARDY of Texas. Mr. Chairman, I think this Congress ought to understand that the pretended opposition of the Standard Oil Co. to a duty on oil is a myth, invented or imagined by some advocate of such a duty, in the hope that the opposition or alleged opposition of the Standard might cause other people to favor it. The Standard may be indifferent about it. So far as I know they have taken but little part in the controversy and I can see why they might feel that they are not greatly interested, because they export oil and its products in greater quantity than they ever import. If oil on the free list means a lower price for oil here, or if a duty on oil means a higher price for oil and oil products here then the Standard Co. have a greater interest to having a duty than any other people in the United States, because they have greater production, and a greater hoard of crude and refined oil than all other producers put together. If a duty of 25 cents per barrel means an increase in the price of 25 cents on every barrel of their stored oil it means perhaps $100,000,000 to them, just as it means an added 25 cents on every barrel owned by so-called independent producers. In fact, they would be more certain to benefit by the duty than anybody else, since the price paid to independent producers of crude oil is generally fixed by the pipe line under local conditions. But the Standard is a great exporter as well as producer and refiner, and perhaps exports more products of oil than it imports, and under the drawback would get back 99 cents on every dollar of taxes it may pay. That being so they might use imports if they saw proper to beat down the price of crude or refined oil, whether there was a duty on it or not, whenever they wanted to beat down the price of the domestic oil in order to buy it cheap. On the other hand independent producers export but little, and their sole interest would be in having a duty, unless they also own Mexican production, in which case they might want no duty.

The situation with reference to these interests is this: The Standard and its associate companies produce perhaps 30 per cent of all the oil produced in the United States, and they buy through their pipe lines perhaps 60 per cent of the independent production as soon as it comes out of the ground—generally at their own price—and refine it or store it in tanks for future disposition or ship it to foreign markets. They have their warehouses and their oil prospectors in all quarters of the globe and their own oil tankers for shipping it. You can not make them pay a duty on the oil they import unless you strike out section 316 of this bill, which provides that on the exportation of articles made in the United States in whole or in part from imported products 99 per cent of any duty paid is refunded. This section is a general section inserted for the

protection of manufacturers generally, and it will stay in the bill. It protects the mill man and makes the pretended duty on wheat a sham and a fraud. It makes the duty on hides, voted into the bill last Saturday, a sham and a fraud. It will stay in the bill.

Many of our oil producers in Oklahoma and Texas believe that they are now receiving low prices because of free oil from Mexico, but I remember when oil from Mexico was not free and we sold many millions of barrels at 5 cents per barrel at Beaumont in 1901. In times like 1901 and in new fields generally the man who could not store and hold his oil had to take what he was offered. The man who can store and can hold and can ship is the man who gets the cream of every big oil field in the United States. If the duty on oil imports helps anyone, as I am sure it does, it helps the great companies who are strong and dominate the oil fields and oil prices. It does not help the small producer, even. But if it raises the price to the consumer of the crude oil or its products—gasoline and kerosene—it injures almost every farmer and every poor man in the land.

It does not help the laborer. If there is a new field and a rush to it, the laborer gets possibly $10 per day, head driller perhaps $15. When the rush subsides and there are more rigs on the ground than can find drilling, the wages and the price per foot for drilling goes down. Men will go into the gamble for oil if they can not get 25 cents per barrel. All Texas and Pennsylvania and Ohio did it at Beaumont, Sourlake, and Humble, Tex., in 1901 and 1902. We will do the same thing again. All speculation has stopped now. Money can not be had for gambling, and our Oklahoma and Texas oil prospectors think that wildcatting is stopped and oil has gone down because there is no duty on oil from Mexico. They do not stop to think that there was a duty when we sold oil at Spindle Top, Sourlake, and Humble for from 15 cents to 3 cents per barrel, and that oil was on the free list last June when oil was selling at the well in north Texas for $3.75 per barrel. They do not think about the Mexican export tax that exists to-day and did not exist then.

But if a duty of 25 cents a barrel would give no special bounty to the owners of vast hoards of oil like the Standard, nor give any special advantage to the big exporters, and would exclude every barrel of Mexican oil from the United States and add 25 cents a barrel to the price of the oil of every small owner, every man on whose farm oil had been found, or every well driller who had drilled a well, I still would not vote for the duty.

Let me tell you why. Oil is the great fuel for our Navy and our merchant marine. It gives the former speed and the latter both speed and economy of operations, both necessary for us if we compete in transoceanic transportation. Our Government is anxious—is moving heaven and earth—to get an assured supply of oil for the use of the Navy.

The other day we passed an embargo against chemicals and dyestuffs in order to provide a supply of that material in case of war, and here we are—some of us—seeking by a tariff to help deplete the natural resources that God has given us to defend ourselves in time of war, and your President wisely warns you not to put a duty on crude oil. [Applause on the Democratic side.]

Gentlemen, the Government of the United States would spend $100,000,000 in order to find an increased supply of crude oil sufficient to supply our Navy for 20 years. The Senate ratified a treaty with Colombia giving them $25,000,000 largely because we wanted to encourage friendly relations that we might have a supply of oil for the United States Government. The truth is this material ought to have no duty either for revenue or for protection, because we want to preserve the limited natural resources of our country for times of need, resources which will be, according to experts, very soon exhausted. Every barrel of oil we use is gone forever. If Mexico would pump oil in here free for five years and give it to every consumer we would be asses if we did not accept it. [Applause.]

Why, Mr. Chairman, if we should discover an island out in the Pacific or Atlantic where oil was more abundant than anywhere else in the world our Government to-day would give a billion dollars for it, hard as times are. And yet such a find would amount to the same thing as allowing imports of oil free of duty—because our own labor and our own capital are producing most of the oil in Mexico. I will conclude, Mr. Chairman, by printing a letter to Hon. JOSEPH W. FORDNEY, a copy of which was sent me. While I do not vouch for the specific accuracy of all its statements they are, I believe, substantially true. They are worth considering by every man, woman, and child in the United States.

JULY 14, 1921.

Hon. JOSEPH W. FORDNEY,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

DEAR SIR: Our attention has been called to a letter and a news item from the New York Herald recently addressed to the Members of the House by Wm. N. Davis, president of the Mid-Continent Oil & Gas Association. The letter and clipping were preceded by the following typewritten caption: "Standard Oil opposes import duty on petroleum!" This letter, clipping, and caption had but one design. That design was to create the impression that the Standard Oil Co. would be the chief beneficiary of the continued importation of Mexican oil duty free. The Mid-Continent Association has a perfect right to present its cause with all appropriate facts and arguments to the membership of the House. Mr. Davis has a perfect right to present the views of a majority of the association of which he is president. It may not be unworthy of mention here that a referendum was taken in March last to ascertain the views of the Mid-Continent producers, respecting a tariff on petroleum. The vote stood 43 against the tariff, 90 for the tariff. This reveals a serious division of views among the Mid-Continent producers themselves as to the necessity and propriety of a tariff on oil.

Permit us to say that the caption "Standard Oil opposes import duty on petroleum" does a serious if not an intentional injustice to our company. It does an injustice not only to our company but to all the independent companies which have ventured their capital in the Republic of Mexico. It does an injustice not only to the independent producers in Mexico but it does grave injustice to President Harding himself. It impeaches both the motives and object, it impeaches the good faith of the President, as set forth in a recent letter. It virtually accuses the President of being an ally and an accomplice of the Standard Oil Co. It implies that the President is a minion of monopoly and not the representative of the whole people and the best interests of the Nation at large. In his letter the President said:

"To levy a protective tariff on crude petroleum would be at variance with all that has been done to safeguard our future interest."

And the President added:

"I should be more than disappointed if Congress decided to levy a tariff on imported oil."

The caption above quoted is, of course, a display of the familiar scarecrow—the Standard Oil Co. It assumes, however, that the chosen Representatives of the people charged with the solemn responsibility of legislation will be so much affrighted as to be deterred from an investigation of the merits and demerits of this extraordinary, this unprecedented tariff on petroleum. The proposed tariff is unprecedented both as to principle and as to detail. Unprecedented in this: No tariff measure, whether framed for protection or revenue, ever imposed a duty on petroleum. Unprecedented in this: The proposed duty approximates 100 per cent ad valorem; it would be prohibitive, not protective. It is unprecedented in this: The duty is imposed on raw materials—on crude oil and fuel oil—whereas refined oils are admitted duty free. Under the proposed tariff crude and fuel oils produced by the independent companies in Mexico would be excluded. Refined oils produced by the Standard would be admitted without tax or duty. If it be desired to enable the Standard to monopolize the Mexican oil fields, nothing more effective than such a discriminating duty can be either devised or imagined.

The Island Oil & Transport Corporation has no Standard affiliations, either past or present, either direct or indirect. We took the hazards of the Mexican situation. We invested our capital in good faith. We are American citizens. We have built up a substantial business in Mexico. The Mexican oil fields are now controlled by independent oil companies. The Standard Oil Co. proper controls only 15 per cent of oil exports from Mexico. The Standard and its former subsidiaries control but 26 per cent of such exports. The independents control 74 per cent. The proposed tariff would make it impossible for the independents to maintain this proportion, to maintain their ascendency. Would it be distributive justice to visit destruction on the independent producers who have themselves avoided and resisted monopoly?

We do not undertake to exploit it as a virtue, but we are entitled to mention it as a significant coincidence. Our opposition to the proposed tariff on petroleum is coincident with President Harding's petroleum policy, conceived not in a partisan spirit but in the interest of the general welfare and national security.

Our opposition is coincident with the enlightened and far-sighted policy of Secretary Hughes, with his efforts to secure for American citizens the right to exploit foreign oil fields in behalf of America's future.

Our opposition is coincident with the best interests of all American producers, either of raw materials or of finished products. It is coincident with the best interests of the farmers, who now own 400,000 tractors and 2,500,000 stationary engines. It is coincident with the best interests of all manufacturers, regardless of whether they use oil or coal in the production of power. An increase in the price of oil will react on the price of coal.

Our opposition is coincident with the best interests of all the consumers in the United States. It is coincident with the best interests of the 46,000,000 consumers of manufactured gas. The proposed tariff would add 5 cents per 1,000 feet to all gas consumed in the country. Our opposition is coincident with the best interests of the more than 8,000,000 owners of automobiles and motor trucks. Our opposition is coincident with the best interests of all American shippers or payers of freight, whether by land or sea. It is coincident with the best interests of every railroad in the United States, as well those that burn coal as those that burn oil. It is coincident with the best interests of our merchant marine. It is essential to the existence of our merchant marine, since without the use of oil, competition with oil-burning vessels will be an economic impossibility.

We need hardly add that our opposition to the proposed tariff on oil is coincident with the best interests of the American Navy. It lays a burden not only on the sacred right, but even on the capacity for self-defense. It lays tribute upon one of the paramount objects of the Federal Government as recited in the preamble to the Constitution.

Against this undivided array of American consumers and independent American producers stand the divided membership of the mid-continent oil producers. The isolated majority of the mid-continent producers lacks the support even of the independent oil producers of California, the leading oil producing State of the Union, who have filed formal protest against a tariff on oil.

Yours, very truly,

ISLAND OIL AND TRANSPORT CORPORATION,
By M. J. MURPHY,
Vice President.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Tennessee [Mr. BYRNS].

Mr. BYRNS of Tennessee. Mr. Chairman, I am opposed to a tariff on oil because I am unwilling by my vote to tax millions of consumers, including farmers, manufacturers, and business men of this country, for the benefit of a few or any particular class. It has been amusing to me to hear some of these high protectionists, particularly those from New England, who stand for other high protective features in this bill and past tariff bills, oppose this provision on the ground that they are doing so in the interest of the consumer. I am not going to permit their inconsistency in this respect to prevent me from opposing this provision and other protective features in this bill, for they are right now, even though they are wrong in other respects. The pending tariff bill was not drawn in the interest of the consumer. Those who have defended it have declared that it was drawn with the purpose of protecting American industry and labor. The chairman of the committee said the other day that it would restrict imports, and of course that is the whole object of a protective measure, and hence it will inevitably increase the cost to the consumer of articles carrying a high protective rate, and I take it that labor and the millions of consumers of this country are vitally interested in the cost of what they must buy. If this bill does not have the effect of increasing the cost to the consumer of practically everything he wears and uses in life, then the chairman and those whose high protective ideas have fashioned this bill have utterly failed in their object. I regard this bill to be indefensible as a whole because it will inevitably increase the already high cost of living in the country for the further enrichment of the favored few who benefit by a protective tariff. It is indefensible because it ignores the fact that we are a creditor Nation, and if we close the doors of our markets to our debtor nations we will retard, if not wholly defeat, the collection of the huge debt owing to our Government.

I am opposed to this tariff on oil, because it is proposed as a protection to what, in a certain sense, is a monopoly because of the limited amount of oil in this country. I heard the Chief of the Bureau of Mines and the Director of the Geological Survey say to a committee not many months ago that if the present rate of consumption of oil in this country should continue, our entire known supply would be exhausted in about 20 years.

And yet, by this tariff, you propose to restrict the importation of foreign oil and increase the demand on our domestic supply. As the President says, in this day when every nation is seeking to conserve its oil supplies it is not the time to restrict the importation of foreign oil and increase the demand on our own domestic supply. And you propose to do this for the benefit of the oil producers and at the expense of the masses of the people.

I have said that this tax will serve to take from the pockets of millions of consumers in this country for the benefit of a certain class. I have heard gentlemen on this floor talk about giving relief to the farmer. Congress passed a farmers' emergency tariff bill, and time has demonstrated that it has given no relief to the farmer in the way of even maintaining the price of his products. Here you propose to increase the price of what he must buy to operate his farm. The farmers own 3,000,000 automobiles out of the 10,000,000 in the United States, and they own something like 400,000 tractors used in the preparation and cultivation of their land for their crops. There are in use about 700,000 stationary engines, and I do not know how many motor trucks. We propose by this provision to place a duty on oil and increase the cost of fuel, adding millions to the burden of the consumers. One gentleman stated this morning that fuel oil could be obtained cheaper in Oklahoma than by importing from Mexico. If that be true, there is no need for a tariff on oil to protect the producer.

A friend of mine, a producer of oil, rather in favor of this tariff, very frankly told me last week that if this tariff was imposed it would undoubtedly increase the cost of fuel; and that, of course, is the result anticipated and expected by those who are advocating the levying of this tax. In addition to that, it will increase the cost of road building and street paving in this country. We are appropriating great sums for road building. How can we justify ourselves by voting to increase the cost to the people.

I have a letter in my hand here from Mr. S. H. McKay, clerk of the city of Nashville, in which he states that the board of public works of the city of Nashville, with the approval of the mayor of that city, went on record as vigorously protesting against the proposed tariff on crude oil. I quote from the letter:

As this crude Mexican oil is largely used in the manufacture of asphalt cement, which is being used in the construction of street paving in nearly all of the southern cities, it would mean an additional cost of from $4 to $5 per ton in the finished asphalt cement, thereby also increasing the price of street paving of other materials.

I submit that in view of the fact that every nation in order to maintain its independence commercially and its own defense in future years is now seeking to conserve its oil supply and to secure supplies of oil throughout the world, this is not the time for America to undertake to place a tax upon oil which will serve to keep out foreign importation and diminish our own supplies, which, as the Chief of the Bureau of Mines and the Director of the Geological Survey say, are rapidly diminishing. [Applause.]

Mr. FORDNEY. Mr. Chairman, 50 minutes' time have been used in support of the amendment and only 13 minutes against it. We shall now have to divide the time equally, half the time for the amendment and half the time against the amendment. I yield five minutes to the gentleman from Kansas [Mr. BIRD].

Mr. BIRD. Mr. Chairman and gentlemen of the committee, a great deal of the trouble about this question comes because the oil industry is not understood. Can anyone tell how much oil there is under the ground in the United States? What happens to an oil well that is a gusher after it has passed its flush condition if it is not pumped? It goes back and becomes a nonproducer and whole fields go back in the same way. This is not alone a question of protection or of tariff, it is a question of the oil supply of this country. It may be there, but if you do not get it, it is not worth anything to you either in time of war or in time of peace. This country produces 66 per cent of the world's supply. Of that 66 per cent the Standard Oil Co. and its subsidiaries produce 60 per cent and the independent oil producers 40 per cent. The Standard Oil Co. has its storage facilities and the independent producers do not. Let me say here that a few years ago Mexico produced 12 per cent of the world supply in one year and doubled her production the next year, when 184 wells produced 163,000,000 barrels, and her import to this country increased 610 per cent.

Mr. HIMES. Mr. Chairman, will the gentleman yield?

Mr. BIRD. I have not the time to yield. The trouble is this: The American industry involves hundreds of thousands of skilled laborers and billions of capital, and is facing the flush production of Mexico. Unless this Congress meets that situation—and meets it right now—you will not have any oil in this country except that owned by the Standard Oil Co. If we have one of two things, this country supplied by foreign fields, or if we are supplied by fields in this country owned by one monopolistic corporation, then we are going to have 50-cent gasoline in this country within three years. [Applause.]

From the standpoint of military protection to this country we are treading on mighty dangerous ground. The way to develop oil, the way to find out what oil we have in this country, is by development, and only by development. You can not count on the statement from a particular oil field. You tell me who owns the production and I will tell you what their attitude is on this tariff. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from West Virginia [Mr. GOODYKOONTZ].

Mr. GOODYKOONTZ. Mr. Chairman, in the Wall Street Journal of yesterday there appeared the following article:

An intensive fight is being waged at Washington between conflicting oil interests over paragraph placing a duty on imported oil. Independents, or those producing from American wells, argue that to put oil on free list would be driving them out of business, and larger producers would have the whole market to themselves. New England manufacturers support Standard and other large interests producing in Mexico and South America, who claim a duty would increase price of coal and gasoline.

I have not been one of those who have criticized the power and influence of the Standard Oil Co. for good in this country, and yet I am not one of those who would be willing to stand here for legislation in support of the interests of the Standard to the detriment and exclusion of the independent producers of this country. [Applause.]

It is true that the Standard Oil Co. has installed a big refinery in Massachusetts and that the manufacturers of that State and elsewhere in New England would like to have cheap fuel. Everything these people buy they want placed upon the free list. Everything they have to sell they want well protected. This is a selfish, and in the end will prove a disastrous, view to take. Members from the oil-producing sections of the country, as believers in protection, stand ready to vote for a reasonable protection on whatever the manufacturers of the Northern and New England States require, whether it be pots

or pans or wooden nutmegs, but we expect the Representatives of these great sections to come forward and support the rest of the country as respects their demand for protection on their products, such as oil.

The Mexican oil wells average in daily capacity over 2,500 barrels. In the United States there are 200,000 wells which average less than 5 barrels per day. Of the 200,000 wells 150,000 average less than one-half barrel per day. The rule is that an oil well must be operated. Failure to operate the well causes the salt water to come in and under hydraulic pressure the oil is forced back into the interstices of the rock, and as a result the production from that rock is forever lost. Therefore I come here in the interest of conservation of the natural resources of the country and insist that something be done to save our little wells and to protect the investment of the people who are producing oil from such little wells. [Applause.] West Virginia once stood second in rank in the States of the Union in the production of oil. Her great fields around Sistersville and elsewhere in the State have gone down in production until they have reached a very low capacity. Unless oil sells at a price sufficient to justify the pumping of small wells, the wells must be abandoned and go out of existence and the oil they would produce be forever lost.

Had our great and good President known of these facts and circumstances, I very much doubt if he would have written the letter read at this session of the House.

On January 1 last fuel oil sold at $3 per barrel. Fuel oil is now selling at prices ranging from 25 cents to 60 cents per barrel, and yet certain people whose greed is greater than their generosity come here and demand free oil, and with the help of the Representatives of the South, even from Texas, Arkansas, and Kentucky, oil-producing States, will likely be able to throttle the voice of a majority of the Republicans in this body and get free oil.

If there be any people in this country who are entitled to protection, it is the independent oil producers of this country.

Mr. BARKLEY. Will the gentleman yield for a question?

Mr. GOODYKOONTZ. I will.

Mr. BARKLEY. I do not know whether the gentleman has time, but I would like some explanation of the discrepancy between the price of refined, crude oil, and the export price of gasoline.

Mr. GOODYKOONTZ. I regret to say to the gentleman that I am not an authority upon the phase of the question involved in the gentleman's question.

In conclusion, Mr. Chairman, I desire to place in the RECORD a letter received this morning from Mr. John L. Lewis, president of the United Mine Workers of America, demanding a tariff on oil. Mr. Lewis speaks as the representative of several hundred thousand men engaged in coal mining, who know very well that Mexican fuel oil sent into this country free of tariff duty will have a strong tendency to put the coal miner out of work, the coal operator out of business, and the indpendent oil producer in a court of bankruptcy. [Applause.]

The letter from Mr. Lewis is as follows:

UNITED MINE WORKERS OF AMERICA,
Indianapolis, Ind., July 14, 1921.

To the Members of the Senate and House of Representatives of the Sixty-seventh Congress, Washington, D. C.

GENTLEMEN: It is our most earnest desire that you give your fullest support to the end that the import tariff on Mexican oil contained in the original draft of the Fordney bill may be enacted for the protection of labor's interest and to better insure the possibility of employment of hundreds of thousands of workers now totally unemployed and to give them means of subsistence of which they are now totally devoid.

It is estimated that there are at present approximately 4,500,000 laboring men in the United States who are unemployed, including about 242,000 miners and many thousands of oil-field workers. When we presume an average dependency of 3 to 1 for each of the unemployed workers, the present condition of unemployment affects about 18,000,000 souls in this country, a situation that is appalling and almost beyond human conception.

We respectfully submit that one of the main contributing causes for the present condition of unemployment is occasioned by the unrestricted importation of Mexican fuel oil, and the figures on this importation show a surprising increase since the year 1918, indisputable evidence of the activity of large corporate oil interests who invested their war-created profits in Mexico and are now exploiting American markets to the serious detriment of American industries and labor. This condition directly affects the employment of approximately 1,750,000 workers who are ordinarily engaged in coal and oil producing industries, besides occasioning the unemployment of hundreds of thousands of men who were employed in interdependent and interrelated industries. Stagnation of community life in the vicinities where the production of coal and oil are the basic industries is now acute. Surely this can not be construed as contributing to the welfare and perpetuity of our Nation.

We reiterate that the unrestricted importation of Mexican fuel oil is one of the greatest factors in the throttling of American industry. We submit the following figures to show the seriousness of the situation. These figures show an abnormal increase in importations which we respectfully contend is proof of our assertions. The importation of Mexican oils jumped from something over 50,000,000 barrels in the year 1919 to 106,175,000 barrels in the year 1920, and, on the available figures of 1921 for the first three months of this year the importation was 36,879,174 barrels, the average increase in 1921 over the same period in 1920 being 101.92 per cent, despite a stagnated trade condition. This importation displaced a like amount of American-produced oil or occasioned the displacement of 61,162,865 tons of coal on the British thermal heat unit basis of 3½ barrels of Mexican fuel oil being the equivalent of 1 ton of American coal, assuming that the ratio of increased importation is maintained for the whole year period.

We also cite authentic figures compiled from the reports of the United States Geological Survey, showing the fluctuation in coal production for the year 1920 and available figures for 1921, showing as it does the marked effect of the importation of Mexican oil owing to the large number of consumers being converted to use of this oil during the last few months.

Production of bituminous coal in the Southwestern United States and total production in the United States, 1920 to April, 1921 (in net tons).

[The southwestern group is comprised of Iowa, Kansas, Missouri, Arkansas, Oklahoma, and Texas.]

YEAR 1920.

	January.	February.	March.	April.	May.	June.	July.	August.	September.	October.	November.	December.
Southwestern group.	2,970,000	2,491,000	2,720,000	2,253,000	2,360,000	2,461,000	2,282,000	2,205,000	2,320,000	2,631,000	2,601,000	2,636,000
Total United States..	48,689,000	40,181,000	46,832,000	37,939,000	38,993,000	45,114,000	45,009,000	48,910,000	49,172,000	52,144,000	51,457,000	52,123,000

TOTAL 1920.

Southwestern group	29,930,000
Total United States	556,563,000

YEAR 1921.

	January.	February.	March.	April.
Southwestern group	2,040,000	1,588,000	1,569,000	1,455,000
Total United States	40,270,000	30,851,000	30,392,000	27,553,000

It may be argued that the conversion of industrial and electric utility plants and railroads to the use of Mexican oil will mean a cheaper coal fuel for the American domestic consumer, but this reasoning will not hold good, as industrial and utility plants were using the slack or screened product whereas the domestic consumer mostly uses the lump product. Conversion to oil of railroads, electric utility, and industrial plants has restricted the market facilities of the small product to such an extent that it has closed down many mining operations, and at those that are not closed for this reason the loss of price sustained on smaller products is being charged on the larger or lump product to the burden of the domestic consumer.

The operations hit the hardest by Mexican oil competition are those west of the Mississippi River, although the whole of the coal field of the United States has felt the shock. In southwestern coal operations we have men who have not had the opportunity to work since October, 1920—not a day. In many instances where coal operators have some lump orders they claim that they can not operate their mines because they have no sale for the slack product, which in many instances approximates 50 per cent of the gross production.

Again, the report of the United States Bureau of Mines will show that in many mines the total recovery of the entire coal area now being operated by these mines is 43 per cent, the other 57 per cent being left as pillars to support the roof under the present advancing system of operation and development, but a much larger percentage of this coal area could be recovered on a retreating system. But it is argued that the instability of market conditions does not justify the extra amount of initial expenditure required under the system last named, and with the result that labor loses employment. The resources thus left in the ground can not be recovered after operation is suspended and is a complete economic loss, which does not speak well of the stewardship and the duty we owe to posterity in the conservation of natural resources.

In view of these facts and in the interests of the workers and national prosperity we earnestly request your support for the enactment of the provisions of the Fordney bill, placing an import tariff on Mexican oil.

Respectfully, yours,
JOHN L. LEWIS,
President United Mine Workers of America.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McCLINTIC].

Mr. McCLINTIC. Mr. Chairman, if I am correctly informed, the independent oil producers of the United States at this time are practically bankrupt. This situation has been brought about by the rapid decline in price of fuel oil and certain of its by-products. If the independent producers and refineries are forced to continue selling their products at a price below the cost of production, it will be only a matter of time until their properties will have to pass into the hands of others. Should the Standard Oil Co., or their subsidiaries, acquire possession of these properties it means the creation of a complete monopoly on petroleum, and in my judgment the citizens of this country would then be compelled to pay the highest prices ever charged for gasoline and other by-products of oil.

To-day the independent producers of oil are the only competitors of these large oil corporations. They are pioneers that open up and develop practically all of the oil fields of this country. This competition is absolutely necessary to protect the Nation and its many industries for if the time ever comes when a group of oil companies are able to gain complete control over the oil industry, then every citizen of the Nation will be forced to directly or indirectly contribute to the monopoly.

It has been stated on this floor that the Standard Oil Co. and its subsidiaries are opposing the placing of an importation tax on oil. On the 24th day of June I introduced resolutions directed to the Secretary of the Navy and the chairman of the Shipping Board, requesting all available information relative to contracts made for the purchase of fuel oil from July 1, 1920, to May 1, 1921. I have here a reply to each of these resolutions, which contains information that shows that the Standard Oil and other large companies have made profits of many millions out of these contracts, and, because of the low price of Mexican fuel, I estimate that these companies will make an additional $30,000,000 of profit on the oil yet to be delivered on these uncompleted contracts:

Statement showing the number of barrels of fuel oil purchased by the United States Shipping Board for period July 1, 1920, to March 31, 1921.

Name of contractor.	Date of contract.	Period of deliveries.	Quantity.	Ports.	Price per barrel.	Remarks.
			Barrels.			
Atlantic Refining Co., 3144 Passyunk Avenue, Philadelphia, Pa.	July 24, 1920	Calendar year 1921	3,000,000	Philadelphia, Pa.	$2.30	Reduced June 1, 1921, to $1.765.
Atlantic Lobos Oil Co., 3144 Passyunk Avenue, Philadelphia, Pa.	July 31, 1920	Aug. 1, 1920, to Mar. 31, 1921.	1,000,000	Port Lobos, Mexico	1.55	Buyer pays taxes.
Atlantic Gulf Oil Corporation, 11 Broadway, New York City.	Aug. 19, 1920	Calendar year 1921	[1] 6,000,000 [2] 9,000,000	Tecomate, Mexico	1.25	Seller pays all taxes.
Gulf Refining Co., Frick Building Annex, Pittsburgh, Pa.	July 31, 1920	Oct. 1, 1920, to Mar. 31, 1921.	125,000	Port Arthur, Tex	2.10	
Standard Oil Co. (N. J.), 26 Broadway, New York City.	July 28, 1920	Oct. 1, 1920, to Sept. 30, 1921[3].	15,000,000	New York	2.30	Reduced Apr. 1, 1921, to $1.80.
				Baltimore	2.27½	Do.
				Norfolk	2.60	Do.
				Charleston	2.15	Reduced Apr. 1, 1921, to $1.71.
				New Orleans	1.90	Reduced Apr. 1, 1921, to $1.55.
Midwest Refining Co., Denver, Colo.	May 25, 1920	July 1, 1920, to Oct. 1, 1921	3,421,875	San Luis, Calif. San Pedro, Calif. San Francisco, Calif.	(4)	In exchange for this oil the Shipping Board delivers 2,161,230 barrels of royalty crude oil at the wells in Wyoming and Montana, which oil it purchases from the Interior Department at the ruling market prices. Up to June 1, 1921, this oil had cost the board approximately $1.11 per barrel.
	Mar. 31, 1921		500,000	San Luis, Calif. San Pedro, Calif. San Francisco, Calif.	(4)	In exchange for this oil the Shipping Board delivers 428,568 barrels of royalty crude oil at the wells in Wyoming and Montana, which oil it purchases from the Interior Department at the ruling market prices.
	May 31, 1921		1,000,000	San Luis, Calif. San Pedro, Calif. San Francisco, Calif.	(4)	In exchange for this oil the Shipping Board delivers 1,000,000 barrels of royalty crude oil at the wells in Wyoming and Montana, which oil it purchases from the Interior Department at the ruling market prices.

[1] Fuel oil.
[2] Crude oil.
[3] Coincident with reduction in price on Apr. 1, 1921, period of deliveries were extended to Jan. 31, 1922.
[4] See remarks.

Prepared in the office of the assistant to chairman, Washington, D. C., June 30, 1921, in response to H. Res. 132, of June 24, 1921.

I wish to bring to your attention a letter I have received from the Shipping Board, which shows that 17,550,000 barrels of fuel oil are yet to be delivered at prices ranging from $1.25 (buyer paying taxes amounting to approximately 47 cents) to $1.80 per barrel.

UNITED STATES SHIPPING BOARD,
Washington, July 8, 1921.

Hon. JAMES V. McCLINTIC,
House of Representatives,
Washington, D. C.

DEAR MR. McCLINTIC: As per request contained in your letter of the 2d instant, I give you below in round figures the amount of fuel oil yet to be delivered under the contracts covered by the statement which I forwarded to you with my letter of June 30, 1921:

	Barrels.
Atlantic Refining Co	2,300,000
Atlantic Lobos Oil Co	250,000
Atlantic Gulf Oil Corporation	10,000,000
Gulf Refining Co	
Standard Oil Co. of New Jersey	4,000,000
Midwest Refining Co	1,000,000

I trust that this gives you the desired information.

Very truly, yours,

J. C. O'LAUGHLIN,
Assistant to the Chairman.

I also wish to direct your attention to the contracts made by the United States Navy for the purchase of fuel oil:

Fuel-oil deliveries to United States Navy July 1, 1920–May 31, 1921.

Contract No.	Supplier.	Contract period, 1920.	Barrels fuel delivered, 42 gallons each.	Unit price per barrel at terminal.	Terminal point.	Total value of deliveries.[1]
51597	Standard Oil Co. of California	July–Sept. 30	196,441.03	$2.00	San Pedro	$417,074.91
52110	do	Oct. 1–Dec. 31	436,949.67	2.00	Port Richmond and San Pedro.	909,161.56
51721	Associated Oil Co.	July1–Sept. 30	125,647.10	2.00	Avon-Port Costa	253,987.99
				2.00	Monterey-Gaviota	
52101	do	Oct. 1–Dec. 31	202,017.96	2.00	Port Costa	408,524.58
N6197	Shell Co. of California	July 1–Sept. 30	64,832.74	2.00	Martinez	151,484.52
52067	do	Oct. 1–Dec. 31	70,632.28	2.00	do	162,536.07
51508	Union Oil Co	July 1–Sept. 30	184,619.00	2.00	San Luis	369,651.03
				2.00	San Pedro	

[1] Includes transportation cost from terminals to points of consumption.

Fuel-oil deliveries to United States Navy July 1, 1920–May 31, 1921—Continued.

Contract No.	Supplier.	Contract period, 1920.	Barrels fuel delivered, 42 gallons each.	Unit price per barrel at terminal.	Terminal point.	Total value of deliveries.
52159	Union Oil Co.	Oct. 1–Dec. 31	261,980.00	$2.00 2.10	San Luis do	$540,714.00
51600	General Petroleum Corporation	July 1–Sept. 30	57,682.71	2.00	do	115,979.03
52189	do	Oct. 1–Dec. 31	56,448.56	2.00	San Pedro	112,299.21
	Total deliveries, west coast	July 1–Dec. 31, 1920	1,666,251.07			3,451,412.87
51088	Texas Co.	July 1–Dec. 31	1,042,042.04	2.85	Port Arthur	3,199,122.90
50953	Gulf Refining Co.	do	424,976.22	2.85	do	1,264,767.56
51129	Standard Oil Co. of New Jersey	do	261,063.78	3.258	New York	1,209,756.61
51128	Standard Oil Co. of Louisiana	do	337,864.70	2.85	Baton Rouge	1,407,819.32
	Total deliveries, east coast	July 1–Dec. 31, 1920	2,065,646.74			7,072,466.39
		1921				
52458	Standard Oil Co. of California	Jan. 1–Mar. 31	374,650.68	2.00 2.00	Port Richmond San Pedro	855,695.48
53134	do	Apr. 1–May 31	213,922.73	2.00 2.00	Port Richmond San Pedro	527,363.72
52461	Associated Oil Co.	Jan. 1–Mar. 31	97,565.10	2.00	Port Costa	199,134.25
53138	do	Apr. 1–May 31	417,068.60	2.00	San Pedro	976,402.75
N5349	Shell Co.	Jan. 1–Mar. 31	98,189.35	2.00	Martinez	203,872.05
53141	do	Apr. 1–May 31	67,869.89	2.00	do	137,510.02
52460	Union Oil Co.	Jan. 1–Mar. 31	240,868.00	2.10 2.00	San Pedro San Luis	563,839.60
53136	do	Apr. 1–May 31	61,939.00	2.15 2.00	San Diego San Luis	127,222.00
52463	General Petroleum Corporation	Jan. 1–Mar. 31	72,851.67	2.00	San Pedro	145,703.34
53140	do	Apr. 1–May 31	131,889.48	2.00	do	263,778.96
	Total deliveries, west coast	Jan. 1–May 31	1,776,814.50			4,000,511.57
52457	Texas Co.	Jan. 1–May 31	815,329.12	2.47	Port Arthur	2,298,646.72
52477	Atlantic Refining Co.	do	137,700.83	3.185	Philadelphia	462,780.94
52456	Gulf Refining Co.	do	522,266.16	2.45	Port Arthur	1,292,387.33
52476	Tidewater Oil	do	203,093.17	3.17	New York	649,863.59
2853	Northeastern Oil Corporation	do	787,651.86	3.246	Fall River	2,551,992.02
	Total deliveries, east coast, Jan. 1–May 31, 1921		2,466,041.14			7,255,670.60

RECAPITULATION.

	July 1–Dec. 31, 1920.		Jan. 1–May 31, 1921.		Total.	
	Barrels.	Value.	Barrels.	Value.	Barrels.	Value.
West coast deliveries	1,666,251.07	$3,451,412.87	1,776,814.50	$4,000,511.57	3,446,729.31	$7,451,924.44
East coast deliveries	2,065,646.74	7,072,466.39	2,466,041.14	7,255,670.60	4,531,687.88	14,328,136.99
	3,731,897.81	10,523,879.26	4,242,855.64	11,256,182.17	7,978,417.19	21,780,061.43

At this time Mexican fuel oil, including the export tax and transportation charges, costs approximately 82 cents per barrel to land the same in the United States. According to the recapitulation relating to contracts with the Navy the average cost per barrel is $2.73. The average cost to the Shipping Board is approximately $1.65 per barrel. At this figure the Standard Oil and other large companies will take from the Government a great many millions of dollars that they have a legal right to take—yet they can not escape the brand of being profiteers. The smaller independent oil companies in the United States are not in a position to compete for this class of business—yet they are in a position to bring about a sufficient amount of competition to give some protection to small consumers of gasoline and other by-products of oil.

It is very evident to my mind that a few large companies and subsidiaries can put into effect a monopoly on Mexican fuel oil, and the contracts here given speak for themselves. It is fair to estimate that only about 50 per cent of the contracts with the Navy and Shipping Board has been completed. If this is true and an import tax of 35 cents per barrel on crude oil is levied, then the oil companies holding uncompleted contracts will be compelled to pay a tax of approximately $8,000,000 on the amount of oil yet to be delivered.

My distinguished colleague, the gentleman from Oklahoma [Mr. CHANDLER], called attention to the fact that the Standard Oil Co. has contracted for 50,000 barrels of Mexican crude oil daily for a period of two and one-half years, and a tax of 35 cents per barrel would bring into the Treasury a sum exceeding $13,000,000.

Inasmuch as these contracts are in effect, the tax will have to be paid by the oil companies. In other words they will have deducted from their profits the amount of import tax which is proposed in this bill should the same become a law. I can readily understand why this opposition has appeared, and I am of the opinion that the item will be stricken from the bill.

The Democratic Party has declared itself in favor of a tariff for revenue only. The Government has already paid many millions of profit to these large oil companies and will continue to do so until these contracts are completed. I have shown how this tax will increase the revenue of the Nation and at the same time cause certain contract holders who are making enormous profits to return a small portion as a contribution toward the maintenance of the Government; therefore I intend to vote for the perfecting amendment introduced by my colleague, Mr. CARTER, the gentleman from Oklahoma.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. McCLINTIC. I will be glad to yield.

Mr. BYRNES of South Carolina. The gentleman is in favor of this tax upon oil?

Mr. McCLINTIC. I am for the reason that I have named.

Mr. BYRNES of South Carolina. Can the gentleman tell me if the Republican members of the Ways and Means Committee who framed this bill were sincerely in favor of giving this tax, why did they not tie it with the other hundreds of provisions of the bill instead of having a separate vote on it. Can the gentleman answer me?

Mr. McCLINTIC. I realize if the Republican members of the Ways and Means Committee really wanted to help this situation in Oklahoma they would have tied it up in their caucus and it would not have been subject to discussion at the present time.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman and gentlemen of the committee, I have listened patiently to the different speeches and arguments on the tariff bill under consideration and have been greatly entertained and instructed. The tariff question has been a bone of contention between the two great political parties for many years, but should not be a political question. Many great men of both parties say that the tariff laws of this country should be formulated and administered by a nonpartisan tariff commission, and I agree with that doctrine. A government and its laws that are good for the people of one party are good for

the people of the other political faiths. I can not agree that because some Democrat votes for a certain schedule in this bill that he has his Democracy on wrong, for there are valid reasons for supporting this oil duty. I do not hesitate to say that if this Republican majority would bring in a tariff bill that was equitable and just in its provisions, I would vote for the bill regardless of what party wrote it, and if a Democratic majority should write a bill as vicious in its nature and as unequal in its schedules as this one, then I would vote against the bill. I will say, however, that a Democratic majority has never yet reported a bill so unfair as the bill before us, and it never will, for it would be undemocratic and against the principles of that great party.

It is the duty of a Member of Congress to oppose any measure reported to this committee when he conscientiously believes it to be unfair, unequal in its provisions, and discriminating. I do not believe in obstruction, as those tactics were used during the two or three years past in a preceding administration. There was never a time in our history when we needed a successful administration as now. We should all be interested in good and wholesome laws beneficial to the great masses of our people. We have had too much criticism and hate in some years gone by, and not very far in the past. During those years I was reminded many times of the words of Byron:

He who ascends the mountain top will find
The loftiest peaks wrapped in clouds and snow.
He who surpasses or subdues mankind
Must look down on the hate of those below.

Mr. Chairman, the principal difference between the Democratic and Republican Parties is that the Democratic Party believes in "equal and exact justice to all men from whatever country or persuasion, religious or political," while the Republican Party is the party of "special privilege," as is so aptly shown in the Fordney tariff bill. The distinguished Republican member of the Ways and Means Committee, Mr. FREAR, of Wisconsin, in his report says:

A platform pledge under which this bill is prepared reads that tariff rates "should be reasonable in amount and so adjusted as to prevent undue exactions by monopolies and trusts." By that standard the bill will be considered. Whenever tariff duties are placed so high that foreign-made articles can not be imported so as to compete with American-made goods, then the tariff becomes prohibitive in fact, and to that extent debtor nations are prevented from paying their debts to us in trade.

Mr. FREAR says that portions of the bill contain provisions fundamentally indefensible, and I agree with him.

I could not vote for any tariff bill that contained as vicious a provision as the dye schedule, which creates an absolute monopoly and further enriches the American Dye Trust and the Du Pont interests. As Mr. FREAR says, this unjust burden of millions of dollars annually in excess profits from indigo is levied on overalls, caps, shirts, dresses, carpets, and other items that use indigo dye. This dye provision of the bill should condemn the whole structure and defeat its passage, but there are many more valid objections and reasons why I can not vote for the document. Why, the proponents of this measure would tax almost everything from human hair to gun wads, and these two articles are on the protected list. It even places a tax on toothpicks and window blinds. We need to have the channels of commerce and trade opened with the different nations of the earth that we may have a place to sell the output of our farms and factories. This is not a time when we should have a high-tariff wall around the United States and thereby restrict our exports as well as the imports. Europe has products that we want, and we have much that they need. The plan outlined and provided for in this bill will almost prohibit imports and thereby restrict our foreign trade.

It is true that whalebone, broken bells, dried blood, bristles, bird eggs, spunk, rawhide rope, fossils, and leeches are all on the free list, which articles no doubt the Republicans will claim are for the good of the people and to keep down the high cost of living, but it takes but little investigation to find that almost all articles entering into the necessities of the home are on the duty list, and this will cause the people of the country to pay more for what they eat and wear and further enrich the manufacturers of the East at the expense of the consumer.

Mr. Chairman, we know that a tariff bill will be enacted this session of Congress, and what shape it will be in after it goes through the Senate we can not tell at this time. While I can not vote for the bill as a whole, I am going to support the amendment on the oil schedule, offered by my colleague from Oklahoma [Mr. CARTER]. There is a difference in the views of Members on both sides of the Chamber on the oil schedule. I have heard speeches made for and against this provision by gentlemen on both sides. Of course, I can not understand how any protection Republican can fail to vote for this amendment even if he is against the rate proposed in the bill. As a Democrat, I have considered this question from all angles and have given it serious thought to enable me to arrive at a proper conclusion on the oil rate. I do not believe in a tariff law that will enrich the few at the expense of the many, as this bill provides. I do, however, believe in the principle of a tariff for revenue for the purpose of collecting money with which to run the Government and to pay its expenses. We need revenue for that purpose as we have never needed it in all our history. This is one reason that I favor a duty on oil at this time. I do not even believe that the duty on oil carried in the bill—that is, 35 cents per barrel on crude oil and 25 cents on fuel oil—would be prohibitive at all, and the amendment offered carries a much lower duty. According to reliable estimates that I have examined and the information I have received, we are now importing oil from Mexico at the rate of from 12,000,000 to 13,000,000 barrels per month. At that rate we would import about 150,000,000 per year, which under the terms of this amendment would yield over $35,000,000 revenue and about $50,000,000 revenue per year at the rate provided in the bill. I do not question any Democrat who votes against the oil schedule nor his honest intentions, and I reserve the same right to myself. I can see no valid Democratic objection to this tax as a revenue producer, and especially at the present time, when we are in such great need for funds.

There are about 258,600 producing wells in the United States, according to the Geological Survey, and the average production per well per day is 4.9 barrels, while in Mexico the average production is about 2,500 barrels per well per day from about 190 wells. Oil can be produced much cheaper in Mexico than in this country. It flows from the great pressure and is carried to the tankers in the same manner. Labor is cheaper in Mexico than in the United States. Mexican wells produce oil much faster than ours and therefore the cost per barrel is much less than in this country. One barrel of domestic crude oil is equal to nearly four barrels of Mexican crude in the production of gasoline. We have seen the price of oil fall in this country from $3.50 per barrel to $1 per barrel in a few months. Some say that we should vote against this schedule that our oil supply may be conserved. I do believe that to be a valid objection, for the reason that the independent operators are the largest producers of crude oil, and if they are put out of business many of these producing wells will have to be abandoned. If a producing well is abandoned for a few months, its production is gone forever and can not be restored. Another reason that I am for a duty on oil in addition to those already given is that I am convinced that the Standard Oil Co. is opposing the duty, and from purely selfish purposes, as is its usual custom. We know that John D. Rockefeller and his interests do not favor one thing or oppose another thing from purely philanthropic purposes. [Applause.] Of course, he will build a college or make some other donation occasionally, and then there will be a little advance in oil. By shipping in this Mexican oil he can absolutely put the independent and little oil men out of business if it comes in duty free. I do not believe that this duty would materially raise the price of gasoline, for it has not dropped in price in proportion to the fall in the price of crude oil.

If, however, the Standard Oil Co. obtains control of the production of oil in this country, then God only knows what the price of oil would be and to what dizzy heights it would go. When it comes to my making a choice between the Standard Oil Co. and the little producers, you can count me on the side of the little fellow. I have no fight to make with those who disagree with me, but I am giving my reasons for supporting this amendment to the oil schedule. There is no question but what this duty will greatly assist in our revenue. Very little "wildcatting" is done by the Standard Oil Co., but this is done and the oil found and the great fields opened by the little oil men and the independent producers. If oil production is to continue in this country we must not permit the Standard Oil Co. to control our production, for it controls too much already. When a well is started in a community the farmers make some money selling their leases even if the hole is dry. Then they must employ labor, and if the independent operators are destroyed much of this great industry must stop, as is the case now; it will throw many more idle men on the country, and these men want employment in order to support their families. I heard President Harding's letter read opposing the duty on oil, but that has not changed my opinion, and I would like to hear his opinion on some of the other schedules.

I wish to submit a letter from Hon. John A. Simpson, president of the Oklahoma division of the Farmers' Educational and Cooperative Union of America. It is as follows:

OKLAHOMA CITY, OKLA., *July 13, 1921.*

Hon. F. B. SWANK, M. C.
Washington, D. C.

DEAR FRIEND: There are 31 of the members of our organization here in the city this week attending an organization school. They come from about that many counties. I have canvassed every one of them on

the question of whether or not the prosperity of the oil interests of the State is of a benefit to the farmers of the State, and they are unanimous that it is, and every one of them has told me that they believe that a protective tariff on oil would indirectly benefit the farmers of this State.

The farmers are now selling wheat of the new crop for 80 cents a bushel, oats at 10 cents a bushel, and potatoes at 30 cents a bushel. You must know that at such figures they not only receive nothing for their work but actually do not get back as much as they have expended in cash on these crops. When the oil business flourishes, development work goes on, and thousands and tens of thousands of our farmers have opportunities to lease their land. I know many farmers who would not be able to pay their taxes were it not for the dollar an acre they get from their oil leases.

Therefore, I feel that I am voicing the sentiment of the farmers of the State when I say that we would be glad to see you support a tariff on oil.

Yours, truly,

JOHN A. SIMPSON, *President.*

I also wish to call your attention to the two following telegrams:

JULY 14, 1921.

F. B. SWANK, M. C.,
House Office Building, Washington, D. C.:

Heavy importations of cheap Mexican fuel oil has greatly injured the oil and coal industry in the Southwest, causing much unemployment. Those who ordinarily favor a tariff are opposing it in this instance, probably because the present condition is favorable to large financial interests in Mexican properties and the Standard Oil Co. I have been requested by many members of our organization to request that you support a tariff on oil.

EDGAR FENTON,
President Oklahoma State Federation of Labor.

JULY 13, 1921.

Hon. F. B. SWANK, M. C.,
Washington, D. C.:

Acute unemployment situation affecting oil-field labor, building and construction laborers, and mechanics throughout all sections of Oklahoma, and in my opinion you will be assisting very materially in improving these conditions by supporting the tariff on Mexican crude oil.

CLAUDE E. CONNALLY,
State Commissioner of Labor of Oklahoma.

Oklahoma produced over 106,000,000 barrels of oil in 1920, valued at $371,000,000. This exceeds the value of oil produced in 1919 by $174,000,000. She is first in oil production among the States.

Mr. Chairman, in addition to the telegrams and letter quoted, I have received letters and telegrams from individual business men and chambers of commerce asking that a duty be placed on oil. This is not a local question, for the production of oil affects the whole Nation. I shall support this amendment for the reasons given, to raise revenue and for the purpose of not further permitting the Standard Oil Co. to fasten deeper its poisonous and monopolistic fangs into the people of the country, paying what they desire for leases and for labor and further controlling our oil supply.

I am for what I think is for the best interests of the people of my district, State, and Nation; for the weak as against the strong; for the helpless as against the powerful; am always opposed to monopoly in any line of business and hope to see a reasonable duty on oil adopted in the bill when it is enacted into law. [Applause.]

Mr. GARNER. Mr. Chairman, I yield five minutes to the gentleman from Georgia [Mr. UPSHAW].

Mr. UPSHAW. Mr. Chairman and gentlemen, both my conscience and my constituents urge me to put crude oil on the free list. [Applause.] In voting this way I frankly tell you that I do not enjoy the pain of parting company with some of my best friends on the floor of this House, who represent oil districts. But it is a wholesome thing, I think, to remember that government must proceed on the idea of the greatest good to the greatest number. And it is a good thing, I think, for us to remember that America, all of America, is bigger than the State of Louisiana, bigger than the State of Oklahoma, bigger than oil-enriched Pennsylvania, and startling and hard as it is to comprehend, America is bigger than the State of Texas with all of her wide plains and all her gushing wells. And America, all America—and I utter the declaration with warning prophecy—America is a "leetle" bigger than the Republican Party. [Applause.] We must protect not a few thousand here and there but more than a hundred millions of the American people. Our friends in the oil-producing States have had their day of victory and prosperity, and I want their prosperity to continue, but they can continue to produce and function, with oil coming free from the hand of God, without this discrimination against the masses of the people of America. Remember the wide practical interests wrapped up in this fundamental necessity. The question of good roads is largely at stake. Crude oil products are essential to the completion of good roads, and you know that good roads mean better schoolhouses, better churches, and greater prosperity and happiness for the plain American people.

Mr. LAYTON. Will the gentleman yield for a question?

Mr. UPSHAW. Yes, sir.

Mr. LAYTON. Now, I take it from your remarks that you want to be consistent, and that inasmuch as in a very short time you will be called to vote for $25,000,000 for Colombia on account of the tariff question, you do not see any sense in having a tariff wall between those undeveloped fields and America?

Mr. UPSHAW. I consider the gentleman's question a little bit irrelevant, but I will settle that question when I reach it. I want to get back to the plain, everyday people. I want to remind you gentlemen that putting a high tariff on gasoline, for instance, is almost like putting a tariff on bread, for gasoline, if you please, is the food and the fuel of the poor man's commerce. It is vital to his domestic necessities, his social pleasures, his community activities, and his agricultural progress. Gentlemen, putting crude oil on the free list is being true to the principle of the greatest good to the greatest number, and that is good government and good common sense. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Kentucky [Mr. BARKLEY].

Mr. BARKLEY. Mr. Chairman, I am not a protectionist, and therefore I shall not vote for this tariff on oil, but if I were a protectionist and a Republican I would have some difficulty explaining why I voted for an embargo on dyes, produced by a monopoly, that affects everybody, and at the same time voted for free oil, that is at present, at least, not produced solely by a monopoly. [Applause.]

Now, the gentleman from Delaware a moment ago asked the gentleman from Georgia [Mr. UPSHAW] something about the ratification of a $25,000,000 treaty with Colombia. The other night in discussing the oil subject I injected a little bit of diplomacy in it, based on the letter of the President. The President in his letter to the chairman of the Ways and Means Committee has asked that oil be permitted to remain on the free list, because it had entered into our diplomatic relations; it has become a matter of importance in negotiating treaties with foreign countries. A few years ago we heard a lot about "dollar diplomacy." We all rejoiced that dollar diplomacy was abolished, but I wonder if we are going to fare any better if the new diplomacy of oil has appeared on the scene than in the matter of dollar diplomacy?

Mr. NEWTON of Minnesota. Was dollar diplomacy abolished in Santo Domingo or Haiti?

Mr. BARKLEY. I do not think it ever got its grip on Santo Domingo or Haiti as much as on other nations. I am informed that the Standard Oil Co.—I do not know whether it be correct or not, but the information has come to most of us—is in favor of free oil, and the reason it is in favor of free oil is because it controls a large part of the production in Mexico and desires to bring its own oil in from Mexico free of duty. The Standard Oil Co. controls, I believe, 16 per cent——

Mr. REAVIS. Will the gentleman yield?

Mr. BARKLEY. I am sorry; I can not.

It controls 16 per cent of the production of the United States, and 60 per cent of the refining. By bringing this oil into the United States free of duty and refining it in its own refineries, where it controls 60 per cent, it has been able to bring the price of crude oil down in six months from $3.75 per barrel to $1 now. But gasoline has not been reduced in the same proportion as the price of crude oil has been. And if I were a Republican in favor of protection I would not give protection to American producers where they produce only in America and put upon the free list a commodity that is produced in foreign countries where men from the United States happen to have money invested in it. I am unable to understand how you will explain to the Republicans of Oklahoma who voted last year for putting more business in government and less government in business why you protect everything produced in New England and at the same time ignore them.

Mr. BURKE. The gentleman said the price of oil was $3.75.

Mr. BARKLEY. I said six months ago.

Mr. BURKE. It was $6.25.

Mr. BARKLEY. In certain places. Pennsylvania oil was that much. But in Oklahoma and Texas it was $3.75 per barrel.

Mr. BURKE. Do you know how much gasoline sold for then?

Mr. BARKLEY. Thirty-six cents in some places. It sold for 30 cents here in Washington.

Mr. BURKE. How much to-day? Twenty-six cents, 10 cents off on gasoline and $4 on oil.

Mr. BARKLEY. What does that same oil sell for now that sold for $6.50?

Mr. BURKE. Two dollars and twenty-five cents.

Mr. BARKLEY. I am speaking of crude oil.

Mr. BURKE. Two dollars and twenty-five cents, Pennsylvania crude oil.

Mr. BARKLEY. So that the reduction in the price of crude oil has not been reflected in the price of gasoline.

Mr. BURKE. I do not think it has anything to do with it. That is a matter which is controlled by one concern, the Standard Oil Co., and you know it. [Laughter.]

Mr. BARKLEY. That is what I am talking about. The Standard Oil Co. has driven the price of crude oil down and kept the price of gasoline up.

Mr. BURKE. Have you ever known of any man working at drilling or tool dressing outside of an American?

Mr. BARKLEY. I did not catch the gentleman's question.

Mr. BURKE. You are familiar with the oil business, are you not?

Mr. BARKLEY. No.

Mr. BURKE. Did you ever know a man working at drilling or tool dressing outside of an American?

Mr. BARKLEY. I am not familiar enough with the oil business, not being in it, to know anything about that. But my information is that the men who produce oil in this country are practically all Americans.

Mr. BURKE. I have worked in the oil country and been connected with the oil business since the time when this industry was in its infancy, and I must say that I have never known yet a tool dresser or a driller of an oil well who was not an American. I say that for the benefit of the gentlemen who are for protection on dyes, on iron, and other industries, that you do not find the same condition there with the workingmen.

Mr. BARKLEY. Yes. I appreciate that fact, and that is why I am addressing the gentleman's side of the House. I think the gentleman's remarks are very pertinent. We were told last year, when the people voted for a change, that we were going to have more business in government and less government in business. Now, I think, in view of recent history, we are to have less government in big business and more big business in government.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. FORDNEY. I yield five minutes to the gentleman from Ohio [Mr. MURPHY].

Mr. MURPHY. Mr. Chairman and gentlemen of the House, it seems that some gentlemen on this side of the aisle are wabbling very badly to-day and that they deserve some of the things that some of the sharp-tongued, big-brained men on the other side of the aisle are saying about them. They ought to point out your inconsistencies; you deserve it as you never deserved it before. Why? Because you lack courage and are afraid to go out and look in the face of the farmer who owns an auto, thinking he may have to buy a few gallons of gas, and you fear that he is going to find fault with you if you vote for a tariff on oil. Do not worry; the farmer is wise to-day and is not easily fooled. Did you ever stop to think that just one year ago the price of oil in the United States was from $3.50 to $6.25 per barrel and the price of gasoline was from 27 to 30 cents per gallon? To-day some grades of oil are selling for 60 cents a barrel and as low as 30 cents a barrel in some of the States that you gentlemen represent, and the selling price of gasoline here in Washington is from 24 to 27 cents per gallon. During the four months ending April 30, 1921, Mexican crude oil totaling 46,924,000 barrels was shipped into this country. The cost of producing Mexican crude oil is less than 10 per cent of the average cost of producing oil in the United States. The importation of this large quantity of Mexican oil has virtually displaced American fuel oil, which is largely a residue from refineries. The result is that gasoline is almost the only product which our independent refiners are selling, and gasoline must therefore carry the entire cost of refining. It is obvious that if there was a tariff on Mexican oil our own refiners could sell their fuel oil and thus afford to reduce the price of gasoline. In 1913 no oil was imported, and gasoline sold at 17 cents in New York. It is now selling at 24 cents. Then why should you be afraid to be identified with the protection of American oil?

As a matter of national defense you ought to vote for protection on oil. [Applause.] I do not know how many Members here know very much about an oil well. We have oil wells in my district that produce but one barrel of oil a day; but once the hole is put in the ground you must take care of that oil, you must keep the well in order, or, as the gentleman from West Virginia told you awhile ago, the salt water will choke it off. But then you say "We are going to protect big rich men." Oh, tell me what this country would be if we did not have some rich men in it. Just a few years ago, or just a few months ago, these same rich Americans were poor Americans. In the seats on both sides of the aisle in this House are men who have burned the midnight oil, men who never saw the inside of a schoolhouse, who are here because of the opportunity that this great land gives to those who have the courage and the will to do. That is the way it is with the American oil producer. Let us take care of him. Remember that this tariff on oil will not hurt very much the man who buys a few gallons of gas. You need not be afraid of the votes back in your district on that account, but you had better think of the American men, with 100 per cent American brains, who direct the drilling of these wells. You had better think of the men who dig the coal that furnishes the heat to melt the iron that makes the tubing to go down into these wells, to the end that American industry may continue to produce the tubing to put into our own wells. Oh, men; think first of America to-day in a big, broad way. Conserve her resources by taking care of what we have. Suppose you put all the small wildcatters out of business and suppose we should go to war with England. What would happen to us? Where would our United States get the oil which would be so badly needed for our ships? Answer that question for yourselves. Anybody who knows anything of oil knows you have got to have men of courage to go wildcatting for it. It takes men who are courageous with their capital and courageous with their health, too, to go out into the wild places of the earth seeking the treasure that is now so necessary to the comfort of mankind and the safety of our Nation. So I say to you wabbling Republicans that if you vote to-day against the tariff on oil you would feel more comfortable on the other side of the aisle, because you then would be consistent. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. BLACK].

Mr. BLACK. Mr. Chairman, I shall vote for the Treadway amendment to strike out the duty on oil. I will endeavor to point out that this effort to levy a tariff on crude oil and fuel oil is in violation (1) of the Democratic doctrine of a tariff for revenue; (2) it is in violation of the Republican doctrine of protection as heretofore announced by their ablest leaders; and (3) the proposed tariff will negative the deliberate policy of both the Wilson and the Harding administrations with regard to the acquirement of foreign located sources of supply by United States citizens. Therefore this duty should be opposed by both Democrats and Republicans.

Now, the best argument that can be offered in support of my contention that this tariff is not justified from the Democratic standpoint of a tariff for revenue is that the only two tariff bills that the Democrats have written in this generation, to wit, the Wilson tariff bill under President Cleveland's administration and the Underwood tariff law under President Wilson's administration—in both of those bills petroleum and petroleum products were placed on the free list. The reason for that is easily explained and that reason is that oil is one of our great natural resources. Its supply is definitely limited. Its consumption is proceeding at an enormous rate and nature is not storing up any more. The geologic age that put this great product into the bosom of the earth to be brought forth in this oil age, to be harnessed for the service of mankind—that geologic age has gone to join the years before the flood, and no more oil will ever be made, and when it is exhausted we must find a substitute, and thus far we have not developed a substitute. This is the oil age and that nation which husbands and conserves its oil resources will lead the world in shipping and commerce. Therefore the Democratic Party has always stood for a reasonable conservation of this great natural resource and has always regarded it as both unwise and illogical to impose a tax which might have the effect to hasten the depletion of our oil deposits. Now, as to my second point that this tariff on oil can not be justified from a Republican standpoint, the best evidence of that fact is that the two Republican tariff bills that have been written within the active memory of men who are here now in this House, to wit, the Dingley bill and the Payne-Aldrich bill, both had these products upon the free list.

The Republican justifies a protective tariff on the basis that it is necessary to protect an infant industry, to let it grow by this means of legislative favoritism until it will be strong enough to take care of itself, but here we have this oil industry which has grown under free trade in the Dingley bill, the Payne-Aldrich bill, and the Wilson bill and the Underwood bill—has grown from an infant industry until last year it produced more than 400,000,000 barrels of oil, 70 per cent of the production of the world.

Mr. REAVIS. Will the gentleman yield?

Mr. BLACK. I will.

Mr. REAVIS. This infant industry has produced among other things the richest man in the world.

Mr. BLACK. That is very true. It has brought riches to very many men.

Mr. BURKE. Will the gentleman yield?

Mr. BLACK. I will yield to the gentleman.

Mr. BURKE. When these bills were written into law was Mexico producing any oil?

Mr. BLACK. I presume there was some production in Mexico, although the large production in Mexico is of comparatively recent origin. But, gentlemen, the point I want to emphasize is this: That under the policy of free trade in the products of this industry, under both Democratic and Republican administrations, it has grown to where the Director of the Geological Survey says that if production continues at the same rate as during the last few years all of the oil resources of the Nation will be out of the ground in 18 years, while on the other hand the other nations of the world are only taking it out at a ratio that will exhaust their supply in 250 years.

In commenting upon this very situation former Secretary of the Interior John Barton Payne said in part on June 2, 1920:

> With four months' figures before me, I feel warranted in estimating this year's production at 420,000,000 barrels and the year's consumption, including exports, at 500,000,000 barrels.
>
> The welfare of the Nation demands that these figures be reduced.

So the whole truth of the matter is that the present depression in the price of oil is due very largely to the same depression which has deflated most all other commodities, and when that deflation runs its course and the industry gets on a new basis of production costs it will be prosperous and remunerative again and the depletion of our oil resources will be quite as rapid as the safety of the Nation will permit.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and gentlemen of the committee, I find myself out of harmony with my distinguished colleague from Ohio [Mr. MURPHY], who preceded me. If you men are acquainted with Ohio you know that it is not unusual to find two men from the same State of a different belief. The other day I gave five minutes talk on the tariff on hides, and I made the assertion that it was an economic maxim that the whole country prospered in proportion as every unit prospered. In order not to be inconsistent, or leave you with the inference that I do not know the statement I made, I find myself to-day compelled to be against the tariff on oil. My reason is this: Oil is a natural resource that is not reproduced and you can not increase the production of oil. I mean that you can not increase the quantity of oil that is to be had by any process known to man up to date. For every barrel of oil that is taken out of the ground there is one barrel less.

Now, I want to ask you men advocating a tariff on oil, in order to save the consumption of American oil, to preserve American oil, how do you square your attitude with this fact, that one-sixth of the natural resources of the oil of the world are found within the United States, according to best estimates and the geological experts, and two-thirds of the consumption of the oil comes from the United States?

Mr. LAZARO. Will the gentleman yield?

Mr. BEGG. I am sorry but I can not yield at this time. In other words, there is twice as much oil used from the United States in relation to the consumption of the world as we have of the commodity. Now, I want to ask you men if you are helping the American workmen if you use the natural resources twice as fast as the rest of the countries of the world?

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. BEGG. I can not yield. If the gentleman will get me five minutes from his side, I shall be very glad to yield to him. The United States is now consuming three-fourths of the world's output, and in connection with that let me read you a statement from one of the greatest scientists England has ever produced:

> The British position is impregnable. We will have to wait a few years for the harvest, but eventually to the tune of many millions of pounds annually, America will have to purchase from British companies and pay dollar currency for oil. She can not do without it and she is able no longer to furnish it from her own stores.
>
> We estimate that if the present curve of consumption—

And, that is what I mentioned a moment ago when I said we own only one-sixth of the resources and consume three-fourths of the world's output.

> We estimate that if the present curve of consumption, especially of high-grade products, continues America in 10 years' time must import 500,000,000 barrels a year.

At $2 a barrel—a very low figure—this means an annual payment of a billion dollars, most if not all of which will find its way to British pockets.

I ask you men who are advocating the using up of American oil and permitting the foreign oil to go unused, what is your answer when the time comes when we must produce or import 500,000,000 barrels of oil in order to allow the tractors on the farms to run, in order to run the gasoline stoves in the homes, in order to keep our merchant marine and Navy on the high seas?

Mr. BURKE. Mr. Chairman, will the gentleman yield?

Mr. GENSMAN. Mr. Chairman, will the gentleman yield?

Mr. BEGG. I can not yield—in order to run the 9,000,000 automobiles in this country. I ask you what is your answer, when you are compelled to import 500,000,000 barrels of oil a year at their price? Will you then maintain that you have protected the American interests?

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. BRINSON].

Mr. BRINSON. Mr. Chairman, the gentleman from Ohio [Mr. MURPHY], who immediately preceded the gentleman who has just spoken, extended a very cordial invitation to his Republican brethren to come over into the Democratic ranks if they voted for the free importation of oil. I want to ask the gentleman if he will also extend that invitation to the President of the United States, the amiable gentleman who now occupies the White House, and who, as I understand, in recent days suggested that all importations of oil should be free. [Applause on Democratic side.] I believe his letter has been placed in the RECORD. If the gentleman will yield the President to us, we will be very glad to receive that amiable, splendid gentleman into our ranks.

The distinguished chairman of the Ways and Means Committee, in opening debate on this bill, sought to justify it by a Bible quotation. With a solemn air he recited Timothy (5–8), "But if any provide not for his own, and specially for those of his own household, he hath denied the faith and is worse than an infidel"; and the faces of the gentlemen on the Republican side beamed approvingly, although the pious words of approval were unuttered.

I am sure it must have been fear that levity might invade this solemn assembly which restrained the utterance of solemn "Amens" as the distinguished chairman quoted scripture wholly unrelated to the subject matter to bolster up a cause which does violence to the fundamentals of all scripture teaching.

Having pulled this verse from Timothy from its context and connection, the distinguished gentleman from Michigan gives it a meaning foreign to that of the writer and uses it as a sanction for things altogether at variance with Bible teaching.

Paul, in the passage quoted, is contrasting two types of people—one class, those who zealously regard their obligations, and the other, the flippant, thoughtless, profligate, and wasteful, and he impresses upon the young minister Timothy the obligation to safeguard and protect that home which then—as now—is the fundamental thing in our civilization, the cornerstone of decent and orderly society.

The chairman of the committee meant no sacrilege and without doubt thinks that the economic policy to which he is wedded is grounded in sound morality and has abundant scriptural warrant.

It seems to me, however, that this policy offends against morality and does violence to basic scriptural principles and teachings.

"Bear ye one another's burden" does not square at all with a policy which places a grievous burden upon the great mass of toilers and consumers in order that a few might enjoy a larger measure of prosperity.

No tariff is placed on labor in this bill. No restriction whatever is placed in this or any other tariff bill on the importation of cheap foreign labor. On the contrary, a short time ago, when I and nearly every other Democrat voted to restrict foreign immigration, many of the gentlemen on the other side, who are now demanding protection for the American manufacturers, were then protesting against closing our doors to the foreigners with their cheap labor. Protesting their zeal for the protection of American labor, many of them voted against the measure which provides the only rational means for this protection.

So it is with agriculture. Professing special guardianship of and very jealous concern for the agricultural interests, they passed some weeks ago what is known as the emergency tariff, providing rates of duty for many agricultural products.

What farmers have profited by these rates? Cotton was placed on the dutiable list, and we know that cotton has steadily declined in price since then. So it has been with wheat and corn and all other agricultural products on which a so-called protective duty was placed. Seven cents was put on cotton, and it has reached its lowest level since 1914. A recent increase was due to the report of the Secretary of Agriculture showing

that 10,000,000 less acres of land are now devoted to its raising than last year.

Articles which must be exported, whose total production in this country far exceeds the domestic needs, can not be helped by an import duty on like articles which are imported. Their price is fixed in the markets of the world where they come in competition with like articles produced in other countries.

Rather, in case of this sort, the imposition of a tariff by this country is hurtful, because usually the retaliatory duty is placed on articles shipped by this country abroad. This is indicated by the decrease in our exportations, or sale of our goods abroad under the various Republican protective tariff laws. This has been markedly manifest after the passage of each one of these protective tariff laws. Under the Underwood-Simmons bill our exports exceeded our imports by about $3,000,000,000 per year. In 1914 imports from Europe were $895,000,000. In 1920 they had increased to $1,179,000,000, an increase on an average of only about $45,000,000 per year for the six years.

Our exports to Europe in 1914 were $1,486,000,000 and in 1920 they were $4,864,000,000, showing an increase on an average of about $563,000,000 per year for six years.

The average excess annually of exports over imports under the Democratic tariff law was $518,000,000—in other words, we sold abroad each year over a half billion dollars' worth of goods more than we bought from them. This was a foreign commerce four times as large as that of the last year of Republican control. This foreign commerce has steadily decreased until now it is only about one-half of what it was one year ago. It is not a mere coincidence but a very significant fact that—as stated by the gentleman from Mississippi [Mr. COLLIER] during 80 years, from 1840 to 1920, "the only two decades in the history of the Republic when the general wealth of the United States increased over 100 per cent were the two decades when the Democracy was in control and the tariff had been reduced."

An invariable rule of trade and commerce is that a people buy only where they sell. The farmer carries his produce to town, sells it, and then makes his purchases. This fact is pronouncedly true now as regards our trade with foreign nations because they can not pay us for our produce except with their own. To raise the tariff wall now is to close foreign markets to our farm products. This means, of course, an oversupply at home and a continuation of low prices for agricultural products.

I have time only to refer to a few of the agricultural products which have been placed upon the dutiable list, with the view of impressing the farmer with the friendship of the Republican Party for him. These cases will indicate clearly how little of intelligence our Republican friends credit the American farmer with possessing. Only a slight familiarity with the educational progress made in the rural sections of the United States during the past 20 years would discourage the effort made in this bill to fool the farmer. As an illustration, consider the tariff on cotton. How can a tax on cotton be of any value to our farmers? Of the twelve or thirteen million bales raised annually in this country, only about 500,000 are of the long-staple variety. This is about one twenty-fifth of the total crop of cotton and this is the only kind which has competition from abroad. This is raised in small quantities and only in Mississippi, Arkansas, Louisiana, Arizona, California, and a few places on the South Atlantic coast. None of it is raised in North Carolina. We have only the short-staple cotton. How will this tax benefit our farmers when it can not shut out one bale of short-staple cotton? Our cotton—more than 60 per cent of it—is exported and the price is of course fixed in the market in which it is sold. Not one cent will be added to a bale of North Carolina cotton. The Republicans know this, but they use this tax as a pretense and justification for placing a compensatory duty on the goods manufactured from cotton.

The manufacturer will not pay a cent more for his cotton, but will add considerably to the price he charges for the clothes manufactured from the cotton.

In legislative parlance this is a "joker." I think when the American farmer finds that all the cotton clothing and other cotton goods used by himself and family have increased in price while the raw cotton from which the goods are made has not increased by reason of tariff, the joke will be turned, and turned with some violence, on the Republican Party, which has rashly presumed on his stupidity to rob him of the fruits of his toil.

Another illustration of the solicitude of our Republican friends for the farmer is shown in the proposed tariff on potash. Potash, as we know, is useful as a fertilizer, and especially so in the South. The States of Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, and Mississippi use 75 per cent of the potash, and will, of course, pay 75 per cent of the cost of it. In 1913 the price of potash ranged from $38 to $48 per ton. During the war the German potash was shut out and the plants in Nebraska and California charged $500 per ton. They are now demanding a tariff of $50 per ton. They have never been able to produce more than 20 per cent of the amount consumed in this country. Their full output will thus supply only 20 per cent of our needs, and for this we in the South, who use three-fourths of all the potash consumed, must pay an exorbitant price, which will include well-nigh prohibitive freight rates across the continent, and the other 80 per cent we must get from Germany at a price practically doubled because of the high tariff. The whole South must pay tribute to the gentlemen who have invested in the potash plants of Nebraska and California.

Judge LARSEN, of Georgia, after careful study estimates the amount the farmers of the seven Southern States I have mentioned will have to pay as $9,375,000 per year.

Farmers of the country are in sore straits, their crops selling for much less than the cost of their production. Their debts (mortgages) have increased from $1,726,172,851 in 1910 to $4,012,711,213 in 1920. This is the measure of relief afforded them by this generous Congress. For every economic or financial ill our Republican friends propose "more tariff." Their nostrum is the same now as always, viz, "more tariff." The only refuge they offer is "a national hermitage," with a tariff wall so high that importations can never scale it.

Another effort to mislead the farmer is the tariff proposed on hides. The tax proposed is very small, but along with it comes the announcement by the chairman of the committee that a compensatory duty must be placed on shoes and every other article made from leather. The "joker" here is the moderate tax on hides and the additional high tax on shoes. The farmer will get a few cents more for his hides, but will spend many dollars more for shoes for himself and family, for the harness he must buy, and for every article of which leather or hides forms a part. The little child romping and skipping in his play will in a few months wear away in his shoes the added value this tariff will give his father's hides.

One of the most indefensible provisions of this bill is the tax proposed on crude oil of 35 cents per barrel and fuel oil of 25 cents per barrel of 42 gallons. Our supply in America is quite limited. Natural resources of this sort can not be renewed as other things may—as, for instance, agriculture—but when exhausted we must look elsewhere for a supply. Conservation of this limited supply is dictated by common prudence and wise forethought.

Just beyond our borders is a very large supply of oil. Our need of oil is increasing with astounding rapidity. Gasoline is a necessity in business and a great contribution to the comfort and happiness of the people. Every automobile owner must have it. Four hundred thousand tractors and 2,500,000 stationary engines on our farms require oil. In 1920 our consumption of crude oil exceeded our production by almost one-half. Mexican oil is of a comparatively low grade and contains about 9 per cent gasoline. It is, however, a good oil for road surfacing, and we all know how vast is the need for good roads. The State of North Carolina is now preparing to spend many millions of dollars on its roads and this proposed tariff on oils will add greatly to the cost of our road-building program.

Our National Government will have a much larger fuel bill if this bill as now written becomes a law, for all the large new vessels of the Navy and merchant marine use oil for fuel. I sincerely hope that the plea of the few who are interested in the development of our limited oil fields will not avail against the urgent need of our people generally and the farmers whose needs seem to be the most urgent.

Mr. Chairman, I can not believe that the American people, when they have learned the provisions of this bill and have felt its cruel effects, will fail to register their condemnation of this, as they have every other piece of high-protection-tariff legislation. This bill is the extreme of protective legislation and indicates clearly that the experiences of this country have taught the Republican Party nothing as respects this economic fallacy. This tariff system, however, is wholly in line with the traditional Republican policy of national aloofness. Isolation has characterized the attitude of the party as respects its relations with other nations, and that historic policy must be adhered to if its tariff system is to be maintained.

No thought of America, happily and contentedly exchanging its products with the rest of the world in friendly commercial intercourse, could enter the mind of the normal Republican

without awakening grave fears that the "home market" would be endangered.

Our country barns and city warehouses may be crowded to bursting with the surplus crops of our farms seeking markets abroad, but the wise men on Capitol Hill, who modestly proclaim themselves the sole exemplars of "pure Americanism," wave our country's flag at a disquieted people and run the tariff rates up still higher.

This tariff bill is merely another expression of that fundamental Republican policy of narrow provincialism which has gradually been changing the world's attitude toward us from that of enthusiastic and grateful friendship at the close of the World War to a speculating and rather suspicious feeling now respecting our national aims and purposes.

National aloofness has its train of evils, economic and otherwise, just as individual aloofness has.

Had our Nation, with the leadership of the world in its grasp, been true to the promptings of a higher and nobler sense and continued its fellowship and comradeship with the rest of the world, compensation of a material sort in commerce and trade would have been ours.

Instead, taking counsel of fears and yielding to the pressure of political exigency, we pulled our garments about us and left the world grappling with the largest problems which have taxed the wisdom and patriotism of all the ages.

The fruitage of that policy we have reaped in crippled commerce, closed markets abroad, the desperate condition of agriculture, and withal a general distrust of our intentions on the part of a large part of the world.

This bill makes harder the task of world reconciliation and world stabilization, because of its drastic interference with the orderly processes of world commerce.

Mutually profitable commerce is the surest guaranty of friendly relations and the most certain promoter of happiness and contentment among all peoples.

I sincerely hope, Mr. Chairman, that another body will materially moderate the harshness of this measure, especially as it affects the American farmer.

Mr. COLLIER. I yield five minutes to the gentleman from Nebraska [Mr. REAVIS].

Mr. REAVIS. Mr. Chairman and gentlemen of the committee, I regret exceedingly to be out of harmony with so many Republicans who have spoken upon this bill with reference to the schedule now being debated. For those who are familiar with my political life and whose good opinion I covet, I do not believe it is necessary for me to offer any indorsements of my Republicanism nor as to which side of the aisle I am entitled to occupy. With reference to this schedule now under consideration, it seems to me that a tariff would do violence to every principle of protection, as I understand it. I could never vote for a tariff upon any exhaustible natural resource. I am in favor of building up American industry as much as any man within the sound of my voice. I believe that one can do more for his country, that one can stand better for America, as the suggestion has been repeatedly made this morning, by conserving our natural resources for use in occasion of need and extremity and emergency, than we can by building up a few temporary profits for those who by good fortune or chance happen to be in possession of these resources. I feel this way about a protective tariff; my idea of a protective tariff as applied to a given commodity is to stimulate that industry so as to increase its supply and thereby make necessary additional labor at American wages.

But whenever you put a tariff upon an exhaustible national resource, the result of your tariff is to stimulate the demand, which results in diminishing the supply.

Mr. CHANDLER of Oklahoma. Will the gentleman yield?

Mr. REAVIS. With pleasure.

Mr. CHANDLER of Oklahoma. Does the gentleman know that there are more than 200,000 men employed in the production of oil, and that these small wells that are liable to be abandoned will lose over 300,000 barrels a day production?

Mr. REAVIS. I do not know that, I will say to the gentleman; but I do know that if you put a tariff on oil that will make the American demand for oil center upon the local supply, it will not be very many years before the men that are employed in these oil wells will be permanently out of employment, inasmuch as the present supply will thereby be exhausted.

A statement has been made here, I think by the gentleman from Kentucky [Mr. ROBSION], that he had voted for a tariff upon the products of the farmer—upon wheat, upon corn, upon hides. He probably intends to vote for a tariff upon cotton. So do I; but if the wheat and the corn and the cotton were the primary commodity instead of the usufruct of something else, I would not vote for them, because I would vote for no measure that would centralize the demand upon wheat and corn and cotton if the supply was limited and to which additions were impossible. It is the principle I stand for. I am not making any application with reference to this commodity as to how many men are working in the business, as to how much is being produced, as to the disaster that will come to isolated individuals if this tariff is not put on. My personal judgment is that the depression is merely temporary. Certainly it did not exist before the war; certainly it did not exist during the war. But everything is depressed now. But I feel this: That if it is a temporary condition, as I believe, in addition to utilizing the supply of a natural and exhaustible resource by putting a tariff on it, you are writing into permanent law a remedy for a temporary condition, which I believe to be unwise. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. I yield five minutes to the gentleman from Alabama [Mr. STEAGALL].

Mr. STEAGALL. Mr. Chairman, I am not a tariff expert nor am I familiar, as are the gentlemen of the Ways and Means Committee, with the various provisions of this bill and the arguments for and against the various schedules which it contains. But it only requires a little common sense and common honesty for a man to understand that it is morally wrong to tax one set of people in order to enrich or afford profits to another set of people, no matter where they may be or who they are. [Applause on the Democratic side.]

This country is suffering from a breakdown of international commerce, and yet the remedy which it is proposed to give to the American people for that condition is to build further barriers in the way of the extension of commerce throughout the world. Reference has been made to a statement of the Secretary of Commerce, Mr. Hoover, in which he emphasized the wisdom and necessity of adopting a most liberal policy in developing and reviving our foreign trade. There can be no doubt of the correctness of his views. I want to read just a line or two from one of even higher authority than Mr. Hoover, an authority which seems just now not quite so well regarded in this House as he was very recently by the Senate of the United States. In his recent address to the Senate President Harding said:

> The slump which is now upon us is an inevitable part of war's aftermath. It has followed in the wake of war since the world began. * * * The only sure way to normalcy is over the paths nature has marked throughout all human experience.

I hold in my hand an address recently delivered by Mr. Crissinger, the Comptroller of the Currency, another man in high place and in close touch with the financial and commercial affairs of the world. He says:

> I think we will be wise if we carefully consider, therefore, whether international commerce may not be considered somewhat by itself and provided with special financial facilities of its own, independent and apart from the money systems of the different countries. For myself, I may say frankly that I have become convinced that the exigencies of these times must be dealt with by processes more or less new and adapted to deal with international trade. Many countries which are to-day peculiarly in need of international trade would in normal times be comparatively independent of it. As to our own country, it is certain that we never have known a time when there was so universal a realization of the supreme importance of opening foreign markets for our wares, and particularly our agricultural products.

These gentlemen have but voiced the cry that is to be heard throughout the length and breadth of the land and to which Congress has time and again attempted to give legislative expression for the revival of our foreign trade and for the development of markets abroad. Yet the answer which Congress now proposes to give to this appeal is to build a tariff wall that will further restrict and hamper our trade with the nations to whom we must export the products of American mines and farms and factories. I can not see the wisdom of such a policy. The masses of the American people know the folly and injustice of it. They will not be fooled or mislead by the occasional benefits to be conferred here and there upon a few farmers and producers and which is being thrown out as bait to control the farmer vote of this country. For every crumb that falls to the farmers of the country the fattened favorites of the indefensible system of protection will gather in their millions. It is the same old scheme to enrich the few at the expense of the multitude—to take from the masses of the poor to give to those already enriched by governmental favor.

I despise the principle of protection. No man can defend it before the bar of enlightened and conscientious judgment. It is enough to levy tariff duties for the purpose of raising revenue to support the Government as advocated by the Democratic Party. Even that system involves enough of injustice and unfairness to call into question the wisdom of the policy. My father was a southern farmer and country doctor and reared a large family. For 50 years under our tariff system he contributed more to the support of the Federal Government than

the average millionaire. The case is but typical of the average farmer and producer of the country. This bill is in line with the protective bills which have preceded it. In fact, it is the most iniquitous tariff bill ever written, and the proposed tax on crude oil is probably the most indefensible provision which it contains. No man need take the trouble of going into the figures respecting the amount of oil imported or the amount exported. We all know that no excuse can be found, even from the standpoint of a protectionist, in placing this proposed tax on the people of the country for the benefit of further enriching the producers of oil and those who have in storage large amounts of oil and oil products. There is one argument alone which ought to enlist the earnest opposition of every thoughtful patriotic man in this House. Experts agree that so far as can be ascertained our supply of crude oil is fast approaching the point of exhaustion. How any man can justify a vote to handicap our people in the opportunity of drawing on the supply of other nations before exhausting our own is something I can not understand. I have seen the great forests of the South taken over by outsiders and our supply of lumber practically exhausted and our children robbed of their just inheritance that a few men might make large profits temporarily. I will not cast my vote in support of any law that encourages the same practice in regard to the oil supply, with which nature has blessed us and which means so much to the welfare of our children and the safety of the Republic.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Virginia [Mr. MOORE].

Mr. MOORE of Virginia. Mr. Chairman, several times during the debate those on this side of the House have been charged with being free traders. Of course, no one seriously entertains that opinion. There is no free-trade party in this country to-day, and in view of the long period in which the doctrine of encouragement of American industry has been applied, it is a very safe prediction that there never will exist in the life of the youngest man here a free-trade party. I recall what the distinguished chairman of the Ways and Means Committee said in his opening address about the attitude of early statesmen. He mentioned several great Virginians of the old days who were distinctly not advocates of free trade. They stood for revenue duties, but were in favor of reasonable incidental encouragement of domestic industries. Some of us who are their political descendants are opposed to free trade, and recognize, as they did, that it is proper to extend protection to our own industries within fair and reasonable limits.

But there is at least this difference between the parties: The minority party believes, or many of them believe, as the most of the statesmen in the beginning believed, in a tariff for revenue with incidental protection, while it has been demonstrated during this debate and demonstrated in previous revisions of the tariff that the majority party in this country believes in a policy of extreme and unreasonable protection, with revenue as an incident, and very often with revenue entirely forgotten. There has been a shining absence all during this discussion of any reference to the matter of revenue. The chairman of the committee is unable to make an estimate of the revenue which this bill will produce in case it is enacted, and that ignorance envelops us at this moment in the same fog as prevailed when the discussion started.

A gentleman a moment ago indorsed the proposition that the entire matter of revising or modifying tariff schedules or individual rates ought to receive better consideration than is possible under present methods. There are those who antagonize that view. There is in existence a Tariff Commission charged with the duty of exploring constantly the whole tariff situation, and yet there are influential gentlemen who for some reason are reluctant to allow that commission even to make a recommendation to Congress as to schedules or as to individual rates.

Why should we not at some time—and there is no more favorable time than when we will be fresh from the unhappy experience of a general revision—so amend the statute as to untie the hands of the Tariff Commission and breaking its silence by authorizing the commission not only to ascertain facts by investigation but to make recommendations which it conceivably might prove of great value or tend to make the tariff less a partisan question and have it dealt with more as an economic question, a business question. My time is expiring. There is no opportunity to say anything about the pending question except that I regard a duty on crude oil and fuel as utterly inexpedient and indefensible.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. MOORE of Virginia. Mr. Chairman, I shall try to find an opportunity hereafter to discuss the pending question. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. BARBOUR].

The CHAIRMAN. The gentleman from California is recognized for five minutes.

Mr. BARBOUR. Mr. Chairman, as I look at this proposition before us to-day I regard it not as a question of protection, but as one of conservation, and when my good friend from Ohio [Mr. MURPHY] gets up here and says that any Republican who is not willing to support this tariff on oil had better go over and sit on the other side he is not talking to me. I will take one chance on most propositions, but I will not sit on the Democratic side on account of my position on this question, even at the invitation of my friend from Ohio, FRANK MURPHY. I do not believe that in order to be a consistent Republican one must support a tariff on oil. If we must support every proposed tariff duty, then why have a free list in this bill?

There is a condition existing in the Mexican oil fields that has not been touched upon here. The export tax of 25 per cent placed upon Mexican oil by the Obregon government has resulted in the shutting down of many of the Mexican wells, and I am informed by those in position to know that if this condition continues for a month or two longer the existing surplus of oil east of the Rocky Mountains will be practically exhausted. Why should we, in addition to that export tax of 25 cents ad valorem placed on oil by the Mexican Government, put another tax on the oil as it enters the United States, when, as we know, this is a conservation measure and the question of protection is not involved?

We know that the supply of oil is limited. When you place a tariff duty upon oil coming from foreign countries the only result can be to further limit the supply in this country, and when you do that you are going to raise the price to every consumer of oil in the United States, to every farmer who uses a tractor, to every man who uses a gasoline engine, to every person who uses an automobile or an automobile truck. You are going to raise the price of electric light and power, because a considerable part of the power and light in this country is produced by oil.

You are going to further increase the rates on our railroads, because many of our railroads are to-day using oil as fuel, and the cost of operation always enters into the question of rates. There is going to be no limit to the field in which this increased price of oil is going to be felt.

I can not see, gentlemen, that the question of protection enters into this matter at all. You can not compare oil with any other item in this bill. Oil stands on an entirely different basis. [Applause.]

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. CONNALLY].

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. CONNALLY of Texas. Mr. Chairman and gentlemen, a few minutes ago the gentleman from Ohio [Mr. MURPHY], in speaking in favor of a protective tariff on oil, used this language:

> The American oil producer—let us take care of him.

Mr. Chairman, that piece of Republican scripture, "Let us take care of him," embodies the very essence in the theory of the protective tariff. Let us take care of him—the American oil producer. Let us take care of the manufacturer who is our friend; let us take care of this special interest, and that special interest, and the other special interest, because we "believe in a protective tariff and in reciprocity." If we take care of him he will take care of us. Those interests who subscribe to the Republican campaign fund must be subsidized and given special privileges even if all the rest of the people are taxed for that purpose.

But I wonder what the oil producers of the United States, especially those in Oklahoma, are going to say when it is known over the country that the President of the United States and a large part of his party are opposed to a tariff on oil? I wonder what the associates of the late Jake Hamon, who supported the Republican ticket in Oklahoma last winter—both Democrats and Republicans—who supported your ticket because they thought you would give them a tariff on oil, will say when they know that your party repudiates the doctrine of a protective tariff when it reaches the oil schedule? I am opposed to a protective tariff on oil, just as I am opposed to a protective tariff on other articles included in this bill.

The protective-tariff theory embodies the very essence of selfishness. The gentleman from Massachusetts [Mr. TREADWAY] and others from that section stood on this floor on Satur-

day—and I am addressing the Republican Representatives of Massachusetts now, if they will give me their attention—the gentleman from Massachusetts [Mr. TREADWAY] and others stood on this floor on Saturday of last week and espoused the doctrine of protection, but not for hides. They want a duty on their manufactured products, but not on hides. Neither do they favor a duty on oil. Can the answer be that New England produces neither hides nor oil, but consumes both? It is as though they said, "We believe in the doctrine of protection when you take care of me and my wife and my son John and his wife, us four and no more"; but when it comes to the rest of the world they do not believe in protection. If I were in favor of protection on one article, I would believe in passing protection around somewhat so as to equalize the burdens of the tariff. [Applause.] Taxes ought to be equalized, because the tariff is a tax. Last year the United states produced 18,622,884,000 gallons of oil.

Mr. ROSENBLOOM. Barrels or gallons?

Mr. CONNALLY of Texas. Gallons, of a value of $1,360,000,000. There was exported mineral oil of the value of $520,366,768.

Such an enormous production will ultimately drain the available fields and a tariff will bring exhaustion more quickly.

Petroleum is a natural resource whose supply can not be replenished at the will of man. It can not be reproduced by labor or machinery. Its sources are exhaustible, its springs are not perpetual. It would be unwise to place a duty on imported oil to retard its importation. Such a course would stimulate the quick consumption of our domestic supply, while it would conserve the foreign supply. Is it not wiser to permit foreign oil to be imported? Its consumption will measurably conserve the stores of oil that generous nature holds for our future use.

Great Britain is reaching out for the oil fields of Mesopotamia, Holland is jealously guarding her oil interests in East India, the fields of Russia and Rumania are looked upon by the covetous eyes of the rest of Europe. This struggle for control of the oil supply of the world is not simply for immediate consumption, but for naval and military purposes 25 or 50 years from now. The United States has been bounteously blessed with oil resources, but our future needs—naval, military, industrial, commercial, and agricultural—demand that we save, that we husband well, these unsurpassed resources, that they may be ours in times of peril and danger, that our children and our children's children may not be the inheritors of our waste and prodigality.

A duty on oil will increase the price of gasoline and oil to the owner of every motor vehicle, every automobile, every farm tractor; the price of kerosene will be higher to every user of an oil lamp.

In 1920 there were 7,904,271 automobiles in use in the United States. The automobile is no longer a toy, it is no longer merely a pleasure car. Trucks and tractors and commercial cars have become necessities. Thousands of trucks and tractors help the farmer perform his work. Millions of homes are lighted by kerosene. All must pay higher prices if a tariff on oil is levied. Where will the money spent for higher oil, higher gasoline, and higher kerosene go? It will go into the pockets of the oil producers. The many—and in this case the many means almost everyone in the United States—must pay a bounty, a tax, a gratuity to the few. Such is the mean, selfish, and sordid story of the tariff.

Republicans, such is the fruit of your protective tariff not only on oil but on the products of your districts. If you believe in protecting your industries, consistency and fairness would suggest that you protect the industries of other sections. If you believe in protecting anything, why not protect all products—and I see the gentleman from New Hampshire [Mr. BURROUGHS] smiling at that. The gentleman from New Hampshire believes in protecting the dye manufacturers.

Mr. BURROUGHS. He does not.

Mr. CONNALLY of Texas. I beg the gentleman's pardon. Does he not believe in a protective tariff on dyes?

Mr. BURROUGHS. Yes.

Mr. CONNALLY of Texas. Well, that is what I said. I said the gentleman believed in protecting the dye manufacturers, and he denied it.

Mr. BURROUGHS. No embargo.

Mr. CONNALLY of Texas. I did not say an embargo; but the purpose of every protective tariff is to create an embargo, to stop imports; maybe not a complete one, but a partial embargo. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Chairman, I appreciate the courtesy of the Democratic leader in giving me time to speak in favor of my own amendment. In view of the fact that during the process of this debate I have been classified as a Democratic soap-box orator, I have no doubt that it is proper I should get my time from the Democratic side. [Laughter.] Having been given that very euphonious title by one of my colleagues from Oklahoma [Mr. GENSMAN], I can only add that it is very delightful to be in such fine company as that of the President of the United States. Only a few moments before that statement was made about me, a letter was read from the President of the United States, advocating the same position that I advocate on this floor in connection with the oil proposition, so I certainly am in most excellent company. Further than that, it has never seemed to me to be necessary to get our orders from a new Member from Oklahoma about the kind of Republicanism we in New England shall preach. Therefore I particularly appreciate the unintentional courtesy shown me in the kind of designation the gentleman gave me.

But, of course, these personalities have nothing to do with the merits of the case. We have been accused of being sectional in New England in asking for free oil. Is it sectional if the President of the United States issues a letter advocating that same doctrine? Is it sectional when the maritime interests of the country everywhere ask for free oil? Is it sectional when every manufacturing industry throughout the country takes that position? It is not a sectional issue at all, Mr. Chairman. By a duty on oil we add $5,000,000 to the cost of the production of the industries of the State of Massachusetts alone; and when you multiply that throughout the country you increase the cost of production immensely. I would not dare to try to estimate the increased cost of production if you lay a duty on this natural resource. It is no great credit to anybody that he has discovered oil on his farm.

It is a natural resource that God Almighty put there. The kind of a tariff that we lay is on industry, on the results of your labor, not on the results of what the Ruler of the universe has placed there as a natural resource. That is the difference between putting a duty upon a natural resource and taxing production, the result of the brains of the manufacturer. So it seems to me that you can not classify this issue as a sectional or local one. It is national in its scope and affects the entire industry of our Nation. Add the cost of fuel oil to the cost of material and the consumer will pay the bill. A tariff on a natural resource is fundamentally wrong.

I yield the remainder of my time, if I may be allowed to do so, to the chairman of the committee [Mr. FORDNEY], who will add a few minutes for another speaker. Is that agreeable to the Democratic leader?

Mr. COLLIER. Yes.

The CHAIRMAN. The gentleman from Massachusetts yields back one minute.

Mr. FORDNEY. I yield two minutes to the gentleman from Massachusetts [Mr. ROGERS], making three minutes in all.

Mr. ROGERS. Mr. Chairman, paragraph 89 of the pending Fordney tariff bill reads as follows: "Petroleum, crude, 35 cents per barrel of 42 gallons; fuel oil, 25 cents per barrel of 42 gallons." I frankly can not see any conceivable reason why the Committee on Ways and Means should have included this item. Indeed, I can not imagine why any sensible American, unless swayed by avarice, should advocate the duty proposed in this paragraph.

I thoroughly believe in the protection of American industry, whether or not the particular industry is found in my section of the country. But oil is not a commodity comparable to most other commodities. It is a natural resource. It is not the product of human hands. It is a gift of Heaven. It is subject to exhaustion, and when exhausted can not be renewed. As it is a vital necessity in modern industrial life, the moment of exhaustion should be postponed as much as possible. The total oil supply of the United States now discovered or likely to be discovered will at the present consumption rate be totally exhausted in 18 years. It may be exhausted in 15 years. The curbing of the consumption rate is apparently impracticable. The only way to conserve the oil supply of the United States is to import as much as possible from other countries. In this case the true policy of protection—and, of course, the United States as a Nation must be protected in preference to any producer or group of producers—demands legislation to permit the introduction of the maximum quantity of oil into the United States. In the case of oil, a natural and exhaustible resource, true conservation and true protection require a lessening of the burdens upon our domestic supply. To put a duty on oil enormously increases this burden.

The vessels of our Navy, the fleet of our Shipping Board, our industries which have become oil burning because of the difficulty of obtaining coal, our millions upon millions of oil-burning motors and gas engines, all cry aloud for oil and yet more oil. The scope and extremity of the disaster, if the supply should be shut off, are manifest.

The international policies of the world depend largely upon the race for oil fields. It has been authoritatively stated that the policies of Great Britain at the Versailles conference were controlled and dictated to a very large extent by the British determination to control the oil of the world. Much the same situation prevails in Holland, Japan, and other countries. Our State Department under the supremely able guidance of Secretary Hughes has taken full cognizance of this fact. The administration realizes fully that America must not be outstripped in the race for oil. With but one-sixth of the world's resources available within her borders, the United States to-day is furnishing two-thirds of the world's total production. We are consuming over three-fourths of the world's total production. Our domestic demand exceeds our domestic production by over 100,000,000 barrels. Virtually all of this is to-day imported from Mexico. Mexican oil production is mainly by American capital and American brains. It is admitted that the duty under paragraph 89 is practically prohibitive. If the paragraph should be carried in the law the American oil producers, now operating in Mexico, would be forced to sell to other nations, rivals of the United States, who greedily watch for their chance. It is because of President Harding's recognition of this unquestioned fact that he wrote his strong letter of opposition to the provisions of paragraph 89. World history would change to the terrifying disadvantage of the United States if the Republicans in this House did not come to the valiant support of the President of the United States in the oil controversy.

The patriotic and the righteous thing is to protect and conserve our domestic oil supply by encouraging the bringing in of oil from any other country which can sell to us. What is the political effect of such a course?

The proposed tariff on crude oil of 35 cents per barrel will have to be absorbed by its gasoline content—equivalent to 5 gallons per barrel. The fuel residuum content will bear little or none of the tax because of the keen domestic competition. Crude oil is made up of approximately 11 per cent gasoline and 89 per cent of fuel residuum. I repeat that all or nearly all of the tax must be borne by the 11 per cent gasoline. This means an increased cost of gasoline of from 5 to 7 cents per gallon attributable directly and solely to the Republican Party.

This 5 to 7 cents difference in the price of gasoline would be borne by the 9,212,000 operators of licensed motor vehicles, the 400,000 farmers who own tractors, and the more than 2,000,000 operators of stationary gasoline engines and motor boats. Each owner speaks for from three to five members of his immediate family. It is safe to say that from forty to fifty millions of American citizens will be personally interested by the enormous jump in the price of gasoline. I should venture a confident prediction that the Republican Party would be swept from control of the Nation if this oil tax were to be retained in the Fordney bill. It is certain political suicide.

Considerations of politics should never outride considerations of right or wrong. As a matter of fact, they are seldom in conflict. I think the right thing is usually the politically wise thing. But in this case it is absolutely certain that politics and righteousness unite in condemning the projected duty.

It must be remembered that the use of gasoline is not a perquisite of the rich. It is an adjunct of business, trade, and industry on which the wage earners of America are economically dependent. It is true that a considerable percentage of gasoline is consumed in the pursuit of pleasure. But by far the greater part goes to promoting the industrial supremacy of America.

The great oil refiners of America, such as the Standard Oil Companies, are said to favor this duty, for the very reason that it means higher prices and larger profits. The midcontinent oil producers, of course, favor it for the same reason. But outside these two narrow classes, numerically almost negligible, every American citizen, rich and poor alike, would find his cost of living materially increased by the imposition of a duty on oil. Internationally the proposal is filled with menace to the world position of the United States. Governmentally the proposal means extreme embarrassment to our Navy, to our Shipping Board vessels, and to almost every useful activity of the Federal Government. Domestically the proposal means direct hardship to 14,000,000 people who personally use gasoline, and to at least 40,000,000 others who are indirectly but vitally interested. From the standpoint of conservation the proposal aims to exhaust with the utmost rapidity the vital oil wells of the United States which at best will run dry in 15 to 18 years. Politically the proposal spells suicide for the Republican Party. In my five terms as a Representative in Congress I think I have never known a single proposal advanced by either party which rivals the folly of this. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. CLOUSE] five minutes.

Mr. CLOUSE. Mr. Chairman, after the expiration of eight years under what is commonly known in America as free trade, we see history repeating herself and more than 4,000,000 honest sons of American toil out of employment. I am here to-day advocating this measure and a tariff upon oil because I believe that it will give employment to a few of the millions that are now roaming the streets of your cities in the vain search for employment. We have heard the argument advanced here that no tariff on oil is a means to the conservation of the natural resources of this country. Do you know that all told in the United States the territory has not been marked in the way of prospecting for oil. I venture the assertion that there has not been all told as much as 100 square miles of American soil tested for oil, and yet you say that the end of the supply is in sight. I deny it.

Mr. BARBOUR. Will the gentleman yield?

Mr. CLOUSE. I will.

Mr. BARBOUR. Does not the gentleman know that in the United States we are not producing from day to day anywhere near the amount of oil we are consuming?

Mr. CLOUSE. Yes; and that is the reason why I want to protect this great industry. [Applause.] I will say that if you open the ports to Mexican oil, in 10 years you will not produce enough oil in America to burn a lamp for a night. Conservation? Some gentleman says that we will be confronted with another war. Let me call attention to the fact that if you open the ports of the United States to free oil from Mexico the inevitable result will be to drive this important industry from America. It will close the doors of the factories, and a hundred thousand American citizens who are to-day earning good wages will be driven from the field when the crisis comes. If you are confronted with war, you need fuel. We are having trouble with our southern neighbor, Mexico, from which you are now advocating that her oil shall be admitted free, and if she closes her doors to your demands, I ask you, then, what are you going to do in that exigency to carry your vessels over the seas and carry on your war?

Mr. BARBOUR. Will the gentleman yield further?

Mr. CLOUSE. Yes.

Mr. BARBOUR. Would not it be a good idea to then have our own supply of oil?

Mr. CLOUSE. It would; and that is why I am saying that we should have a tariff on oil, to encourage the enterprise, so that the people can go forth and seek for the oil, and I say to you that in the United States, without doubt, they will find it. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from West Virginia [Mr. ROSENBLOOM].

Mr. ROSENBLOOM. Mr. Chairman and gentlemen of the committee, I find myself in what might be termed an anomalous situation. I agree to a considerable extent with arguments that have been made on both sides of the question. These arguments can be divided into two groups: First, those whose purpose it is in putting oil on the free list to conserve American deposits of oil; and, second, those whose purpose in putting oil on the free list is to protect the consumer of gasoline particularly.

It was for this purpose that the gentlemen who spoke against a tariff on oil came to the conclusion that in order to accomplish the results mentioned they would vote to put oil on the free list.

Personally I shall vote for a tariff on oil in order to bring about the identical result that these gentlemen desire—the result they claim will be secured by admitting oil free of duty—as my conviction is the same object will be achieved by placing a tariff on oil.

In this country at the present time there are about 260,000 oil wells, with an average production of five barrels per day; of these 260,000 wells there are 150,000 wells with an average daily production of only one-half barrel. To enable these wells of small production to operate at a profit sufficient to insure a continuation of their operation, the price of oil must be maintained by placing a tariff on imported oil. In this way the oil from the 260,000 wells, heretofore mentioned, will be produced; otherwise this immense quantity of oil must forever be lost to the consumer. It is an established and universally accepted fact that wells of this production are known as "settled" pro-

duction, and are very capable of producing for a great number of years. To permit a deflection in the price of oil by the admission of oil duty free would mean the abandonment of thousands of producing wells upon thousands of farms, and this would also deprive the farmer owner of the farm from the revenue which he derives as royalty from the production of the wells.

It is for the purpose of conserving this wealth in these wells of small production that I believe it imperative that necessary protection be afforded.

The second argument advanced by those who favor oil on the free list is to protect the users of gasoline. This argument is not appealing to me, for the reason that the price which the ultimate consumer pays for gasoline does not satisfactorily reflect the cost of production. In May and June of this year the producers of gasoline—and there are thousands of them—were receiving 20 and 21 cents per gallon for their product. To-day the same producers are receiving but 7 cents a gallon, and have sold their product for as little as 6 cents per gallon, which is less than the cost of production. But there has been no corresponding variation in the price of gasoline to the consumer. The price he pays to-day is virtually the same as he paid in May and June.

Because of the nature of the crude oil and the locations where it is found it is necessary that it be transported through pipe lines to refineries, there to be refined before being in marketable condition. This condition puts both producer and consumer at the pleasure of the owner of the distributing facilities. The Standard Oil Co. and its subsidiaries almost entirely control the distribution of oil and gasoline and are therefore in position to dictate the price at which the producer must sell, if he wishes to sell at all, and as well the price at which the consumer must buy.

It is further a fact that this same corporation and its subsidiaries control the Mexican oil fields where the average production per well per day is about 2,500 barrels. It must be apparent to you gentlemen what a difference there must be in the cost of producing oil from wells which yield 2,500 barrels a day in Mexico and the cost of producing oil from the 260,000 wells in this country whose average production is but 5 barrels per day. This is not the ordinary situation where the imported product would compete with the oil produced in the United States. The principal distributor in the United States is the principal owner in Mexico, and if we permit them to bring the Mexican product into the United States free of any duty, there will be no reduction in the price of gasoline to the ultimate consumer; it will inevitably bring about the abandonment of the 260,000 wells which are now operated for this small production, the farmer being deprived of his royalty from the production of this oil, and the revenue that might be acquired by the United States from the proposed tariff to be paid by the importer will be lost to the United States, and will go to swell the profits of the producer of Mexican oil. A further result of permitting oil to come into this country free of duty would be to discourage production in this country, thereby affording the Mexican producer a monopoly on the production of oil, and give into the hands of the Standard Oil Co. and its subsidiaries almost the entire production in Mexico and the entire distribution in the United States.

I am confident that even with the proposed duty there will be an extensive importation of this Mexican oil, and I believe the United States should collect the amount of duty recommended by the Ways and Means Committee, which, I am told, would amount to $100,000,000 annually, and it would be possible to reduce it by this amount whatever revenue must be raised from the citizens of this country.

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. VARE].

Mr. VARE. Mr. Chairman, I sincerely regret that the Ways and Means Committee, in their wise judgment, did not immediately consider and report a bill to revise war tax legislation at the beginning of the present extra session of Congress.

It is my opinion that the first step toward the return of prosperity should be the elimination of the excess-profits taxes and the establishment of a tax code upon which the average business man could base his future progress. Delay in the establishment of the tax policy of the Government under the Republican administration only adds to the uncertainty caused by natural conditions in the business world.

If there is one thing, above all others, necessary to encourage men to invest and again become active in all branches of business endeavor—to take the necessary risk or gambling chances, particularly at this time—it is the repeal of these excess-profits taxes.

During the war the people of this country were filled with patriotic fervor and devotion to the country. Business men did not hesitate to pay enormous taxes and contribute heartily into the Treasury of the United States. At that time, however, there was little risk in business. It was not a question of selling goods, irrespective of price; it was a matter of their ability to manufacture and produce.

Conditions have changed. Prices of raw material and labor are unsettled. It is therefore a much greater risk or gamble on the part of business men. Now there is little or no incentive. The removal of the excess-profits taxes will furnish that incentive.

I am of the opinion that if the tax revision law had been passed when this session convened it would have greatly advanced the time for the return of prosperity throughout the country.

However, we are now considering the Fordney protective tariff bill. I wish to congratulate the members of the Ways and Means Committee for the manner in which they have worked out this great problem. It is to be expected, however, that the committee could not perfect a measure which would be best for all communities. With some of the provisions of this measure I can not agree.

We have before us the Treadway amendment to strike out the provision which would levy a tariff on oil imported into this country. I favor protection of American industries. I might add that it is for this very reason I must oppose the proposed petroleum tariff as reported from the committee.

The tariff is one placed on a raw commodity. Large refineries are located in the United States giving employment to many thousands of men every day. In the congressional district which I represent there is a plant employing several thousand men. If the import tariff is placed on crude oil it is not only possible but more than probable that our petroleum products will be refined in foreign lands, throwing this vast army of refinery workers, efficient Americans, out of employment.

The objections to the proposed tariff on oil, however, are not centered only in local conditions. The import duty on oil will increase the cost of operation of every oil-consuming plant in the United States. It would in many instances increase the cost of operation to the point where the present users of oil and oil products would be thrown to the mercy of the coal men for fuel. The Navy Department and the great American merchant marine are users of oil. This consumption will increase as years go on. Against this it is proposed here to levy a tax on the energy and foresight of manufacturers, shipping men, and others who have equipped their plants to consume oil rather than coal.

The Government has encouraged the oil industry, large and small, to exploit for new fields in foreign lands, knowing that the supply in the United States is limited. To this end I am informed the oil-producing companies of this country have responded in an admirable way. The real purport of the situation is best outlined by President Harding in his message to the chairman of the Ways and Means Committee.

"To levy a protective tariff on crude petroleum would be at variance with all that has been done to safeguard our future interests," President Harding declared. In short the administration, after a close study of the Nation's needs knows, that the development of foreign fields is necessary to "safeguard our future interests" and an effort is being made here to penalize those who are expanding their activities according to the best judgment of those in command of the administrative branch of the Government. Let us support the President in this commendable task of protecting the Nation's future.

There is a grave question in my mind if there is any need for this tariff on the grounds of foreign competition. I am informed by one of the highest authorities that the crude petroleum imported from Mexico is not used in the same refining processes as the oil from the midcontinent fields. If that be so, and those whose business it is to refine oil should know, I can see no reason for the passage of this provision and think it should be stricken from the bill.

My colleague from Pennsylvania [Mr. WATSON] spoke in favor of this provision on the floor of the House last week. I fear that in his close attention to the bill in general and in his study of all matters pertaining to the measure, he has been unable to spend sufficient time to gauge the sentiment of eastern Pennsylvania on this subject. He can not but know, however, the large number of oil-consuming machines operating in Pennsylvania and the extra burden this tariff will place on such operation.

I would feel recreant in my duty if I should fail to protest against this proposed tariff. I trust that the House will recog-

nize the wisdom of confining this bill to matters of actual protection of great American industries and eliminate the crude petroleum.

I will read a telegram I have just received from a prominent business man and expert:

PHILADELPHIA, PA., *July 18, 1921.*

Hon. WILLIAM S. VARE,
House of Representatives, Washington, D. C.:

We respectfully call your attention to proposed import tax on petroleum in pending tariff bill. This company is a producer, through associated companies, of crude petroleum both in the midcontinent fields of the United States and in Mexico, having larger investment in the former than in the latter. It is also a manufacturer of petroleum products from nearly all grades of crude petroleum. It can therefore intelligently advise you there is no essential competition between the products of midcontinent and Mexican crude petroleum, as the latter furnishes principally asphalts and fuel oils to American industries dependent upon the same, which products the former can not economically supply. The proposed duty is therefore a device which will unnecessarily burden many American industries, and if persisted in will transfer to Europe and Mexico the business of refining Mexican crude petroleum, which is now carried on in great volume in the United States, and the products from same distributed to foreign countries. Your earnest and energetic opposition to this measure is urged.

THE ATLANTIC REFINING CO.,
W. M. IRISH, *Vice President.*

Mr. FORDNEY. Mr. Chairman, I now yield two minutes to the gentleman from Pennsylvania [Mr. FOCHT].

Mr. FOCHT. Mr. Chairman, I have listened to the telegram which has just been read by my colleague from Pennsylvania [Mr. VARE]. I might say that I have received a similar telegram this morning, and I might add that it reads very much like the telegrams that he and I used to receive at Harrisburg, when we were members of the house and senate, from these interested corporations. I do not blame them for,their interest in the side that they have taken on this question, but I want to say that the oil situation in Pennsylvania presents a better prospect for the future than at any other time in its history. I direct the attention of the Members of the House to a new method by which oil is secured from pools that were originally worked, and it is claimed by scientists that only about 25 per cent of the oil was originally taken from these pools, and that now by a method of water and gas pressure the remaining portion will be secured, and a very superior quality of oil.

Let us not be fooled by allowing free oil to come into this country from Mexico. If as much will come in as has been claimed here, then the business will be abandoned in this country, with the inevitable result that the price of oil hereafter will be fixed by Mexico, and you will pay any price that they want to charge. [Applause.] That is the living, everlasting, fundamental principle of protection. Let us not be deceived. As a Pennsylvanian I stand here in opposition to the position of the gentleman from Pennsylvania [Mr. VARE], and I advocate at least a reasonable measure of protection for oil.

Mr. ROSENBLOOM. Is it not a fact that the Atlantic Refining Co. is a large distributer of oil, much more so than a producer?

Mr. FOCHT. Oh, yes; it is the old story of the Standard Oil Co. We know all about it in Pennsylvania. Why be deceived? Certainly, we are not here as an eleemosynary institution to take care of that impoverished corporation or trust—it has its uses, but do not worry about John D. going broke, no matter what is done here. [Applause.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. CHANDLER].

Mr. CHANDLER of Oklahoma. Mr. Chairman, I was somewhat amused at the telegram the gentleman from Pennsylvania [Mr. VARE] read, signed by the Atlantic Refining Co. Everyone knows that company is a part of the Standard Oil Co. Again, the gentleman is a large user of certain kinds of oil and he buys those oils from that company.

This morning the statement was made that in the referendum by the Mid-Continental Oil & Gas Association, composed of over 2,100 members—and I am a member—43 votes were cast against this proposition. I admit that, and here is the source of the 43 votes: Twenty of them were memberships held by the Standard Co., 12 by the Tidewater Oil Co., which is one of the Standard subsidiaries, and the remainder were held by the Texas Co. and the Magnolia Co., and everyone knows that they are subsidiaries of the Standard.

There is another matter to which I wish to direct your attention, and that is this bunch of propaganda that has been going around here, such as I hold in my hand. Every Member got a copy of this this morning. It has nobody's name signed to it. It is a bunch of junk, made up of all kinds of assertions and nobody is sponsor for it. I called attention in my remarks the other day to this being sent all over the country. I ask gentlemen here if they have received a single document from the advocates of a tariff on oil that somebody has not stood responsible for; that has not had somebody's name signed to it. I have here a copy of a telegram sent out by Mr. Curtis, of the State of New York, in which he advocates the tariff on oil and I am going to take a few minutes' time to read it. That telegram is as follows:

JAMESTOWN, N. Y., *July 12, 1921.*

WARREN G. HARDING,
President of the United States,
Washington, D. C.:

I see by the press you oppose tariff on oil. I represent many stockholders of Wyoming operations, where I am engaged in oil and gas business. For references inquire of Senators WADSWORTH, SMOOT, WARREN, and LENROOT, First Assistant Secretary of Interior E. C. Finney, and Commissioner Spry, of General Land Office. Secretary Hughes will remember the undersigned. In Wyoming the people who have been the main factors to cause overproduction have the power to fix prices, and they have lowered the price from $2.75 per barrel in January to 50 cents per barrel now, and this oil is equal to Pennsylvania crude. These big interests have bought the most of this oil themselves. This is the present legal means of crushing the small producers, and legal means should prevent it. Protection should protect one American industry as well as another. The flood of foreign oil will ruin small producers in the United States and leave the whole industry in the hands of a few big interests. Let us now have an oil tariff to protect all of our oil producers and let us remove it when it is no longer needed. That is our regular tariff policy. I am personally figuring on the oil business in South America, as Secretary Fall knows, but I will not expect to ask United States producers to equally compete with oil shipped in here from foreign lands.

FRANK G. CURTIS,
President New York Oil Co.

Also, I insert here, under general leave to print the following telegrams, resolutions, letters, and editorial:

TULSA, OKLA., *July 6—11.55 a. m.*

Hon. THOMAS A. CHANDLER,
Member of Congress, Washington, D. C.:

The Association of Natural Gasoline Manufacturers, consisting of operators who manufacture gasoline by what is known as casing-head method, respectfully urge that the tariff provision of the Fordney bill relating to oil be supported. Our operators derive their gas supply from small oil wells, and the older the wells the richer the gas. If tariff is not placed upon imports of cheaply produced Mexican crude over one hundred thousand of these domestic oil wells from which we derive our casing-head gas will be abandoned and the casing-head gas industry seriously embarrassed. Casing-head gasoline in the United States exceeds in volume and amount the total gasoline derived in this country from Mexican crude. It would therefore be a serious loss to the gasoline supply of the United States if continued imports are allowed to put the small domestic oil well out of business. You may read this wire to Republican caucus if you desire.

ASSOCIATION OF NATURAL GASOLINE MANUFACTURERS.
By A. V. BOURQUE, *Secretary.*

HOUSTON, TEX., *July 5, 1921.*

OMER K. BENEDICT,
Washington, D. C.:

Am reliably informed that big importers of Mexican crude will cut off imports for one month, hoping thereby to bring about popular demand on Congress to deny tariff. This for your information.

R. L. YOUNG,
President Gulf Coast Oil Producers' Association.

WANN, OKLA., *June 2, 1921.*

Hon. T. A. CHANDLER, M. C.,
Washington, D. C.:

Conditions in the oil business very bad. Must have relief. We are overwhelmingly in favor of a tariff on Mexican oil. Don't let the United States become a dumping ground.

CHAMBER OF COMMERCE.

PAWHUSKA, OKLA., *June 1, 1921.*

Hon. BERT CHANDLER,
House of Representatives, Washington, D. C.:

Failure to provide an adequate import tax on Mexican crude oil would be calamitous to the oil counties of Oklahoma, including Osage County. The Junior Chamber of Commerce earnestly asks your strongest support for such a measure. Without such tax hundreds of the limited number of oil wells in Oklahoma now operating at a loss will be shut down.

JUNIOR CHAMBER OF COMMERCE,
MILLARD H. MOORE, *President.*

PAWHUSKA, OKLA., *June 1, 1921.*

Hon. BERT CHANDLER,
House of Representatives, Washington, D. C.:

The chamber of commerce, with 300 members and expressing the sentiment in Osage County, respectfully ask you to give your strongest support to a measure providing an adequate import duty on petroleum for the following reasons: First, the flood of petroleum from Mexico has so demoralized the oil industry in the United States that the market price on crude is below the average cost of production; second, many thousands of men have been thrown out of employment in Oklahoma and hundreds of the wells now being operated at a loss must soon be abandoned unless the market conditions improve; third, the shrinkage of over $2,000,000 a day or at the annual rate of more than three-quarters of a billion dollars in the receipts of oil production in the United States, bringing about demoralization of all business in oil-producing districts throughout the entire country and especially in Oklahoma oil counties. We are confidently looking to you for relief from this intolerable situation.

PAWHUSKA CHAMBER OF COMMERCE,
D. T. CASPARY, *President,*
W. T. LAMPE, *Secretary.*

PAWHUSKA, OKLA., *June 2, 1921.*

Hon. BERT CHANDLER,
House of Representatives, Washington, D. C.:

The Retail Merchants' Association respectfully requests that you lend your support to a measure providing adequate import duty on petroleum. The flood of oil from without our borders has demoralized the industry in this country, thus reducing the market price on crude below the cost of production. Thousands of men have been thrown out of work and wells will be forced to shut down unless market conditions improves. Demoralizing business throughout all the oil-producing districts of Oklahoma. We are confidently looking to you for relief from this situation.

RETAIL MERCHANTS' ASSOCIATION,
H. W. MCLAUGHLIN, *President,*
C. P. NOE, *Secretary.*

—

BARTLESVILLE, OKLA., *July 5, 1921.*

Congressman CHANDLER,
House of Representatives, Washington, D. C.:

It is vital to the existence of the independent oil operator and small producer, the backbone of the industry, that we be protected by an adequate tariff against the flood of cheap Mexican crude. Labor in the oil country will be destitute this winter if protection is not granted.

GERALD S. COBURN.

—

RESOLUTIONS BY THE PURCHASING AGENTS OF TULSA, OKLA., IN REGULAR CONVENTION ASSEMBLED.

That this association, while strictly adhering to the principle of nonparticipation in political or public questions and controversies, are firmly of the opinion that the question of a reasonable tariff on importation of crude and fuel oil has gotten to be, and is, an economic question vitally affecting not only the business of producing, transporting and refining oil, including the manufacturing and supplying the oil fields with material, machinery, and supplies, directly affecting more than 2,000,000 wage earners and workers dependent upon such employment for the necessary means of livelihood for themselves and families, including the individual members of this association, as well as thousands of our friends and acquaintances in various departments of the oil business, many of whom we have seen and know now to be without employment, and many more working for greatly reduced wage or pay. That to at least a considerable extent the recent cuts in the price of oil, the prorating of runs of oil, has been caused by a very large and increasing amount of crude oil being imported from Mexico, where it can be, and is being, produced so much below the cost of production in the United States. That our producers can not pay the high taxes demanded by our local State and National Governments and reasonable wage and salaries to the many thousands of men and women employed by our producers in the United States and compete with this cheaply produced Mexican oil that is being delivered by cheap transportation (ocean steamers) into this country without paying a penny toward the upkeep of any locality or State or of the United States.

That by reason of the fact that this Mexican oil is of low gravity, containing but a small amount of gasoline, but flooding the fuel-oil market, has resulted incidentally in reducing the price of oil in the United States from $3.50 and $4 and above to $1; but by reason of having killed the market for fuel oil the refiner is being required to carry the load of his refinery, and the price of gasoline has not been reduced perceptibly to the consumer, and if continued will likely result in causing thousands of small wells producing a small amount of high-grade oil, as well as casinghead gasoline gas, to be abandoned, losing forever such products and most likely causing the price of gasoline to increase; because if the production in the United States should to any great extent be abandoned, Mexican production while it would be possible to keep the fuel-oil market overflooded at all times, would not produce enough gasoline to furnish the United States in normal times.

We therefore believe that a tariff should be placed on crude and fuel oil for the following reasons:

First, that said oil should help pay part of the expenses of running this Government.

Second, that it should act as a protection to the producers of United States crude oil and to the millions of workmen and employees directly or indirectly dependent upon the oil industry as a means of livelihood for themselves and families.

Third, that it would act as a stabilizer, with effect, against temporary surplus of production in adjoining and foreign countries.

Fourth, that it is necessary that the United States oil industry be preserved and kept running intact that in case of war we might have crude oil and its ingredients, especially gasoline, sufficient for the Government's use, which we would not have if the oil industry should be completely destroyed, or even badly crippled.

For these reasons we deem it not only wise and prudent but for the best interest of all concerned and the duty of our National Congress to place a reasonable tariff on the importation of crude oil and ask and urge that they do so.

The foregoing resolution was passed at a regular meeting of the Purchasing Agents' Association of Oklahoma, June 28, 1921.

H. M. COSGROVE, *President.*

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THE TARIFF ON OILS.

[From the Springfield Republican.]

In the absence of indubitable corroborative proof, here is one always consistently Republican newspaper that must continue to discredit the recent rumors having their rise in Washington to the effect that the Harding administration is secretly, and in the final test will be found openly, opposing the committee's recommendations for a duty on imported petroleum products in the Fordney tariff soon to be enacted into law. It is "unthinkable"—to employ a favorite term with President Harding—that a real Republican administration should even seem to favor unrestricted, which in this case means ruinous, competition for an industry that affects so many people and is so vitally related to the prosperity of the Nation as is the oil industry in America.

To argue that more people are interested in the consumption of petroleum products than in the production and distribution thereof is wholly beside the question. The same thing is true of every other protected industry. There are more meat eaters than there are cattle raisers; more eaters of pork than there are pork producers; more consumers of mutton than there are sheep herders; more wearers of woolens than there are persons interested in the production of wool; more wheat eaters than there are wheat harvesters; more eaters and drinkers of corn than there are farmers engaged in raising it.

Recent developments in the oil industry in this country have been all to the bad. The price of crude oil is down to $1 a barrel, whereas less than a year ago it commanded ready sale at $3.50 a barrel. One doesn't have to be much of a mathematician to figure out widespread disaster for the industry on any such a decline as that. The one sure way to avert such disaster is by placing a reasonable tariff on petroleum products which would in a measure at least, though not fully, protect American producers with their high labor costs of bringing in wells and operating them against the producers in Mexico with their low-labor costs. There are approximately 275,000 oil wells in the United States, 160,000 of which yield 5 barrels per day or less. In Mexico there were fewer than 200 producing oil wells during the last month. But these latter, which are mostly owned and operated by American capitalists, the Standard Oil among them, have been able to ship in enough oil, duty free, into this country to drive the American price down to the point where absolute ruin for the oil industry in this country seems not only imminent but unavoidable unless the party of protection now in power at Washington shall early apply its remedial treatment in the form of a tariff that will really protect.

Under present conditions thousands of American oil wells are producing no profit for their owners, which means that they are likely to be allowed to fall into disuse, and anybody familiar with oil wells knows that once drilled they must be continuously operated—that temporary suspension means ruin.

The oil industry is among the biggest and most far-reaching in America to-day, not alone in the matter of money investment, but in the number and character of people directly and indirectly interested therein, from the farmer or landowner with his royalties to the laborer in the sinking of wells, the operating of the innumerable refining and manufacturing plants, and last, but by no means least, to the hundreds of thousands of stockholders all over the country.

With the number of people interested in or affected by oil conditions in the United States, the Republican Party, through its Representatives in Congress and its Chief Executive, can not afford to assume an attitude of indifference toward this, one of the most important as well as most far-reaching of American industries.

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HOMAOKLA OIL CO.,
Abilene, Tex., July 13, 1921.

Hon. T. A. CHANDLER, M. C.,
Washington, D. C.

DEAR SIR: This is one letter that I hope gets and holds your closest interest from first to last. It shows how poverty and ruin for hundreds of thousands of honest investors, unemployment and want for millions of laborers, and greatly diminished revenues for the United States Government are staring us in the face and will become serious realities unless you as a Member of Conress do all within your power, and do it promptly, to avert the calamity that is upon us. It is already too late for many, but others can be saved by prompt action.

I refer to the disaster that has overtaken the independent oil producers, independent refineries, the hundreds of thousands of honest but small stockholders in these industries, and millions of laborers depending upon these industries for bread, brought about by the unprecedented importation of low-grade cheaply produced Mexican oil.

In addition to the suffering already occasioned and that will follow these people, the farmers of the United States will also lose millions of dollars from the lapsing of leases, because the oil companies can not continue paying rentals and buying wildcat leases under present conditions; banks and other creditors of companies forced into bankruptcy will lose millions; and other millions will be lost by steel mills, lumber companies, drilling contractors, and others who furnish material, etc., for oil fields; and there will be other millions of men heretofore employed by these steel mills, lumber companies, and drilling contractors who must go without employment.

Because of greatly diminished incomes of many persons and the complete cutting off of incomes of thousands of small investors, the receipts of the National Treasury from income taxes will be seriously impaired.

Your own State will lose millions that have heretofore been collected from gross production taxes. Your State educational and eleemosynary institutions will sorely feel the need of the revenues they have been deriving from this source.

The price of mid-continent oil has been cut from $3.50 down to $1 per barrel since the first of this year. Heavy fuel oils are now bringing only 60 cents per barrel. In addition to this distress, the flood of oil from Mexico is rapidly filling up the small amount of available storage in America, and we are now almost surely facing a curtailment of pipe-line runs, which means forcing the producers to build more storage, or, in many cases, completely shutting in and ruining their wells.

Just a handful of Americans, some English lords, and a few others own this flood of Mexican oil which has already practically ruined the American markets and is bankrupting thousands of its most worthy citizens.

Is this a Government "of, by, and for the people," or is it "for and by" a handful of international oil plungers and wreckers? I believe the great majority of the Members of Congress and of the American people want to see the rights of the independent oil producers and refineries upheld. Why should these people who helped produce the oil that won the World War, made great sacrifices, and who have developed an industry that has blessed millions of our people, be singled out to be offered as martyrs on the political altar of America?

Will you not promptly investigate the distressing condition of the independent oil producers and refineries and those dependent upon them for a living and cooperate with other Members of Congress for the preservation of these much-needed industries before it is too late? It will be a comparatively easy matter for you to ascertain the present status of production, consumption, importation, and exportation of oil, and an examination of these figures will convince you of the precarious condition of the oil and refinery industries in America.

I know of your good work in behalf of justice and appreciate it.

Sincerely, yours,

W. J. MILBURN, *President.*

—

LYONS PETROLEUM CO.,
Okmulgee, Okla., July 15, 1921.

Hon. THOMAS A. CHANDLER,
House Office Building, Washington, D. C.

MY DEAR MR. CHANDLER: President Harding in a letter to Chairman FORDNEY states as follows:

"I can not refrain from expressing the hope that your committee will take note of the foreign policy to which we are already committed, under which the Government is doing every consistent thing to encour-

age the participation of America in the development of oil resources in many foreign lands."

It is perfectly proper and adequate that we have a foreign oil policy, and it should be vigorously prosecuted. However, it should be in addition to and for the protection of our home oil industry and not at the expense and bankruptcy of same.

In the second paragraph of his letter the President states:

"This course has been inspected by the growing concern of our country over the supply of crude oil to which we may turn for our further needs, not alone for our domestic commerce but in meeting the needs of our Navy and our merchant marine."

If the President is sincere in this thought to conserve a supply of crude oil for the future use of our Navy and merchant marine, he should be instituting a program of conservation directed by the Federal Government which would include the acquiring of the vast undeveloped oil lands in the United States and Alaska, together with interests in foreign lands directly through a Federal institution and not through the Standard Oil Co.

The President further states:

"To levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interest. I can readily recognize the claim of some of the oil producers for a protective tariff on their product, but such a course of temporary relief would be so thoroughly out of harmony with the larger policy which I have in mind that I should be more than disappointed if Congress decides to levy a tariff on import oil. The oil industry is so important to our country and our future is so utterly dependent upon an abundance of petroleum that I think it is vastly more important that we develop an abundance of resources rather than temporary profit to a few producers who feel the pinch of Mexican competition."

From the above it is apparent that the President is unfamiliar with the true oil situation. He is probably not aware of the fact that the whole oil industry of the United States is threatened with destruction if an adequate protective tariff is not imposed on imported crude oil. He is probably not aware of the fact that the Mexican petroleum imported into the United States at this time is produced from a few hundred wells where cheap labor and transportation permit the dumping of an inferior grade of oil on the American seaboards at a price per barrel below the cost of producing the high-grade American crude. He is probably not familiar with the fact that in the United States there are approximately 300,000 producing oil wells, and that the investment in these wells is approximately $5,000,000,000. He is probably unaware of the thousands and thousands of American citizens thrown out of employment and the general chaotic condition in the American oil fields because of his attitude toward this, one of the great American industries. It is apparent that the President is unfamiliar with these facts when he states:

"I think it is vastly more important that we develop an abundance of resources rather than temporary profits to a few producers who feel the pinch of Mexican competition."

If the President would act likewise for the protection of all other industries of the United States, he would soon bankrupt the country and junk our great industries with inferior and foreign imports produced at a low labor cost.

Yours, respectfully,

JAMES G. LYONS.

Mr. Chairman, I call attention to the statement made by the gentleman from Massachusetts [Mr. TREADWAY]. I have said here on this floor time and again that I am a consistent protectionist. I am a protectionist not only for the articles and products that are produced in my own part of the country, but for all the rest of the country I am a protectionist all the way through. I am ready and willing at all times to protect the industries of New England. They are the industries that have reaped more benefit from a protective system than any other in the United States, and I say to the gentlemen from New England that they are not consistent when they come here and oppose this great industry which is represented by hundreds of thousands of workmen. If their argument is correct, we should have free trade upon the milling products of the wool factories of New England; we should have free trade upon everything that is produced up there in their cotton mills. They can not come here and blow hot and cold. If it is good for one, it is good for another. We should either have free trade on everything or we should have a protective tariff on everything that is produced here in the United States.

Mr. WYANT. Mr. Chairman, will the gentleman yield?

Mr. CHANDLER of Oklahoma. Yes.

Mr. WYANT. Could the gentleman advise us as to the percentage of oil brought into the United States from Mexico and elsewhere which was brought by the Standard Oil Co. or its affiliated companies?

Mr. CHANDLER of Oklahoma. Every barrel that was brought in last year, except 1,000,000 which were brought in by the Shipping Board, was brought in by the Standard Oil Co. and its subsidiaries.

Mr. WYANT. Is it not true that the history of the industry shows that more than 65 per cent of our imported oils have been brought into this country by the Standard or its allied companies?

Mr. CHANDLER of Oklahoma. The fact is that except for this 1,000,000 barrels to which I referred 99 per cent has been brought in by the Standard and its subsidiaries.

Mr. COLLIER. Mr. Chairman, I understand about 15 minutes more time has been used in favor of the amendment, so I yield the balance of my time to the gentleman from Michigan.

Mr. FORDNEY. I thank the gentleman.

The CHAIRMAN. The gentleman from Mississippi yields 10 minutes to the gentleman from Michigan and the gentleman from Michigan has 13 minutes, so the gentleman from Michigan is recognized for 23 minutes.

Mr. FORDNEY. Mr. Chairman and gentlemen of the committee, I have great confidence in the judgment of our good President. On receiving his letter in reference to this matter I presented it to the Republican members of the Committee on Ways and Means. I wrote the President that I would lay it before the committee. Now I have presented it to the House. I do not agree with the President that we should have this great product on the free list. [Applause on the Republican side.] Gentlemen, we imported into this country last year 107,000,000 barrels of oil. The United States Shipping Board imported 1,000,000 barrels of that number, turned it over to the Waters-Pierce Oil Co., a subsidiary of the Standard Oil Co., so I am informed, and took crude oil in its place. The Standard Oil Co. imported 106,000,000 barrels of oil from Mexico last year.

Mr. HIMES. Will the gentleman yield?

Mr. FORDNEY. Very briefly, because I have only a few minutes. If the gentleman will make it brief, otherwise I can not yield.

Mr. HIMES. Does the gentleman mean to say that the oil imported from Mexico was imported by the Standard Oil Co.?

Mr. FORDNEY. Why, yes; my information is that out of the 107,000,000 barrels imported from Mexico last year the Standard Oil Co. imported 106,000,000 barrels. That is my information. Now, to go further——

Mr. HIMES. If the gentleman will permit.

Mr. FORDNEY. My information is that there is in the United States right now 1,000,000,000 gallons of surplus gasoline, and the production of gasoline is 50,000,000 gallons a month more than consumption.

Mr. MILLS. Will the gentleman yield?

Mr. FORDNEY. No; I decline to yield, because my time is too limited. Let me say further, since the 26th day of January last the price of crude oil in Kansas, Oklahoma, Texas, and Louisiana has dropped from $3.50 per barrel to $1 per barrel, and the price of gasoline has declined 20 per cent in that time; crude oil dropped 70 per cent, gasoline 20 per cent. The Standard Oil Co., my information is, owns 18 per cent of the production of crude oil in the United States and the independent companies own 82 per cent. The States of Kansas, Oklahoma, Texas, and Louisiana collect a tax upon the production of crude oil in those States. Will you say in all sincerity that the people of those great oil-producing States of this country should pay a tax on oil production and let the Mexicans bring into this country free of tax crude oil in competition with the products of those people of those great States? [Applause.] If you do, you and I disagree and part company right there on that question.

Mr. LAZARO. Will the gentleman yield for a short question?

Mr. FORDNEY. A very short question, please.

Mr. LAZARO. The statement has been made if you remove one barrel of oil from the earth it will not be replaced. Now, is it not true if you destroy the independent producer, finally you discourage and deter the man who may find a supply that would not be found otherwise?

Mr. FORDNEY. Yes; that is true. One gentleman stated a few minutes ago that the good Lord placed oil in the ground and no man was entitled to credit for producing oil. Does the gentleman know that down in that southwestern country it costs $25,000 to $35,000 to put down one well, and not one-half of the wells are successful; no, not 25 per cent of the wells put down find oil. Does the gentleman understand that it costs money to test for oil? My good friend from Texas the other day pointed out that the Texas farmer purchased a razor made in the New England States and paid a duty on it; he purchased a plow and harness; he purchased, this, that, and the other, shoes, clothing, hats, and all those things, and they were all on the protective list; he had but little to sell.

Now, that is true except this: Where in the name of goodness does he sell his products? Where does he get the money to buy these things produced in New England and the Northern States? Ninety-two per cent of the farmers' products are sold to the American people in the United States. [Applause on the Republican side.] He has to sell something to get money to buy with. We are protecting him by this bill in everything he produces, everything but oil, if you please. Is he to have no protection at all on one of his great products when the people of the North have protection? No. I agree that the men of the South should equally be protected with the men of the North, and therefore they should have protection on everything produced in the Southern States.

Mr. ROSENBLOOM. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. ROSENBLOOM. Is it not a fact that if there was free oil it would not be reflected for the benefit of the consumer of gasoline——

Mr. FORDNEY. Let me give an illustration as to the perfect correctness of the gentleman's question.

Mr. ROSENBLOOM. Just a minute——

Mr. FORDNEY. Just a minute, brother. In my State in one of the counties a Standard Oil man sold some gasoline to a man in the county seat. He used a match and it exploded and burned his face badly. He sued the Standard Oil Co. for $3,500 damages on the ground that he purchased kerosene and the man sold him gasoline. This case went into court and the Standard Oil man produced a receipt from this man for gasoline at the price of gasoline, then selling at 15 cents, while kerosene was selling for 9, as conclusive evidence that the man knew that he did buy gasoline, but the jury awarded him $3,500.

The Standard Oil Co.'s attorney wanted to carry the case to a higher court, but the Standard Oil Co. said no. They paid it the next day and put up the price of gasoline 2 cents until they got the money back—the $3,500. Do you mean to say that the Standard Oil Co. does not control? Oh, pshaw, you know better and so do I. Even though they have by law been broken up into subsidiary companies, they fix the price and hold it there, and the independents do not dare to undersell and they can not sell for more. That is why they all sell at one price.

Let me say to my good friends over here on the Democratic side, when you came into power in 1913 there was a Government debt of $1,000,000,000 and that was all. When you went out of power there was a Government debt of $25,000,000,000. You are not responsible for all of that. The war is responsible for a part of it, but the extravagant use of money accounts for some of it.

Mr. GARRETT of Tennessee. Mr. Chairman——

Mr. FORDNEY. Just a minute, please. When you came into power there was required to run this Government each 12 months or a year, in round numbers, $1,000,000,000. When you went out of power it took $6,000,000,000 to pay the running expenses of this Government 12 months. Now, during the war every Republican on the floor of this House went with you and your President and cheerfully voted a tax upon the people of this country to get money with which to carry on the war—loyal to our Government to a man. Now, a great debt is put upon the shoulders of the Republican Party, and we must have the money to liquidate it or become insolvent. Why not join with us, my good friends, in raising this money in a way that, in our opinion, is least burdensome upon the people? This Congress voted $200,000,000 for the maintenance and construction of good roads in the United States. Good roads—do not forget it, please. Now we are trying to get the money with which to pay the running expenses of this Government and pay the interest upon our great public debt, and why not fall in line and help us, gentlemen, and not all the time knock, knock, knock at us? You gentlemen do the talking and the Republican Party is now doing the thinking, and it is our duty to raise this money, and we must raise it, gentlemen. [Applause on the Republican side.]

Mr. GARRETT of Tennessee. Can the gentleman inform the House what the exportations of the Standard Oil Co. in by-products and refined oil were upon which they would have obtained a drawback during the time in which they imported the 106,000,000 barrels?

Mr. FORDNEY. I can not. I have not looked it up, but I can say to you that if we put this tax on imported oil it would not reflect itself to the fraction of a penny on gasoline. [Applause on the Republican side.] My good brother, if you are correct that the duty is always imposed upon the article to the consumer, tell me why in the world it is that the things on the free list have gone up in the same proportion to those on the dutiable list? [Applause on the Republican side.] Butter is paying 2½ cents a pound duty under the Underwood tariff bill, and it has gone to 70 cents a pound. There was no duty on wool, and wool went to a dollar a pound. Never in the history of the country were prices so high. No duty on flour, and flour went to $18 a barrel. Was the duty responsible for it? No. I contend, my friends, that nine times out of ten when an import duty is placed upon an article the duty is paid by the foreigner, and if I only had time I could prove it to you.

Mr. GARRETT of Tennessee. I was interested in the revenue appeal which the gentleman made, and it is a fact, of course, that the Standard Oil Co. is a large exporter of oils and oil products. That is true, is it not?

Mr. FORDNEY. Oh, I do not know. I have not looked it up. The gentleman can get the exact figures. It does not make any difference in this discussion. I have tried to be courteous to the gentleman, but I have not the time to yield. Why have they not reduced the price of gasoline in proportion to the reduction in the price of crude oil? They are the importers of Mexican oil. You tell me that, will you, and I will show you a white blackbird.

Mr. CARTER. Will the gentleman yield?

Mr. FORDNEY. I decline to yield now. I have just said that we are doing the thinking and doing the work, and you are doing the talking half of the time, and you are only one-third of the membership of the House. There are 300 items in the Underwood bill on the free list, and we have transferred 110 of them to the dutiable list in this bill. Why is it not true, then, if the duty cuts such a figure in the price, that those 300 articles have gone up in price the same as the articles on the dutiable list? Tell me that, will you? You can not do it and you know you can not. What is the use? You have said for every dollar of duty put upon an article there were $8 that went into the pockets of the manufacturer. Prove it if you can. It is easy to say I am a thief, but prove it. That is the next thing. It is a common thing to make general statements, broad statements, and all this and that, but to bear out those statements with facts is another proposition.

Mr. COCKRAN. Will the gentleman yield?

Mr. FORDNEY. I yield to my beloved friend.

Mr. COCKRAN. How much revenue is derived from the taxation on steel?

Mr. FORDNEY. I do not know.

Mr. COCKRAN. There is interest paid on a billion dollars of water. That is what is paid.

Mr. FORDNEY. State it to the House in your own time, please. It does not make any difference. American labor is employed by the steel producers. One million five hundred thousand citizens of the United States are employed by the steel industry of this country, supporting five or six millions of our population with bread and butter earned in those industries. Great God, man, do not transfer any American industry to a foreign country. That is not what I have been elected for.

No foreigner elected me. [Applause on the Republican side.] Citizens of the United States, men and women, voted for me and for you. [Applause on the Republican side.] It is your duty and my duty to legislate for our people at home before we turn our attention to the Jap and the Chinaman. [Applause on the Republican side.]

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield for a question?

Mr. FORDNEY. We should turn our attention first to questions at home. Yes; I yield to the gentleman.

Mr. HARDY of Texas. If the tariff does not increase the price, how is it going to help the Oklahoma oil producers?

Mr. FORDNEY. It will keep out that flood of oil that has been coming in here and making the price lower; and, in addition to that, if this provision is enacted and that oil from Mexico after the bill goes into effect keeps on coming in, Uncle Sam will get more than $50,000,000 revenue in the next 12 months out of the Mexican oil producers, and we need the money. [Applause on the Republican side.] You shouldered this great debt upon us. I did not do it alone. [Applause on the Republican side.]

Mr. HARDY of Texas. Do I understand the gentleman to say that it affects the price of the oil by preventing it from being lowered?

Mr. FORDNEY. Usually, my friends. That is the Republican principle, and it is my belief that the duty is paid by the foreigner; and I am going to show that it is so, and prove it to you, but you are so confoundedly blind on that proposition that you will not see. [Applause.] You know, brother, that under the Payne-Aldrich law, with $1,800,000,000 imports, we collected $330,000,000 into the Treasury on imports, and last year, with $5,300,000,000 imports, we collected less money. Can you justify that? If under the terms of this bill imports keep on coming as they have done, and as they are now coming under the Underwood tariff law, we will get a billion dollars a year revenue. But, thank God, it is the purpose of this bill to produce in the United States the things that American labor, American brain, American brawn, and American money can produce. [Applause on the Republican side.]

Let me give you one illustration, my friend, that you can take home with you. I do not know how you can answer it. In the early days there was a blacksmith down in Virginia who, in that particular neighborhood, when the country was new, began to make plows and sold them to his neighbors in exchange for flour and butter and eggs produced by them. Finally an English plowman came along and one of this blacksmith's customers bought from him an English-made plow at $2 less than the blacksmith charged, and the whole neighborhood began buying English plows. One day that farmer brought in his butter and eggs to sell to the blacksmith, and the blacksmith said, "No; I have not the money to buy them." The farmer said, "I will trust you." The blacksmith said, "No; why don't you sell them to Great Britain? Why don't you sell them to the fellow over in Great Britain from whom you purchased your plows? If you buy my plows, I can buy your butter and

eggs." The farmer said, "My friend, forgive me, and so help me God, I will never buy another plow abroad. I will deal with my people at home, to whom I expect to sell my products." [Applause on the Republican side.]

So it is with the people of the South. Ninety per cent of all you have to sell you sell to citizens of the United States, and why not have protection on that as against the foreigner? Why not protect the fellow who buys your stuff, buys your products, so that he can find employment and so have money to buy the things he needs and furnish bread and butter to his little ones, instead of sending your money across the ocean to employ an Englishman or a Jap or a Chinaman? [Applause on the Republican side.]

Mr. BLACK. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. How much time have I, Mr. Chairman?

The CHAIRMAN. The gentleman has one minute remaining.

Mr. FORDNEY. I have only one minute remaining.

Oh, gentlemen, let us sum it up in this way: Here we are a family of citizens in the United States. We are the most prosperous people in the world. Our labor is the highest-priced labor on the face of God's green earth. Our workmen and their families, their wives and their children, are better housed, better schooled, and better clothed than any other laboring man or his wife or children that God's sun shines on. Why not keep it so? In order to do that, gentlemen, we can not, as the gentleman from New York [Mr. COCKRAN] said the other day, lift up to our standard of living the whole world; but under free trade we are sure to come down to a common level. [Applause on the Republican side.]

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time for debate on the amendment of the gentleman from Massachusetts [Mr. TREADWAY] and all amendments thereto has expired. The question is on the motion of the gentleman from Oklahoma [Mr. GENSMAN] as a substitute for the amendment offered by the gentleman from Oklahoma [Mr. CARTER].

Mr. GENSMAN rose.

The CHAIRMAN. For what purpose does the gentleman from Oklahoma rise?

Mr. GENSMAN. I rise to ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to withdraw his substitute for the amendment of the gentleman from Oklahoma [Mr. CARTER]. Is there objection?

Mr. WINGO. I object.

The CHAIRMAN. Objection is heard.

Mr. LONGWORTH. Mr. Chairman, may we not have the amendment read again?

The CHAIRMAN. Without objection, the substitute offered by the gentleman from Oklahoma [Mr. GENSMAN] will be again reported.

The Clerk read as follows:

Amendment offered by Mr. GENSMAN as a substitute for the amendment offered by Mr. CARTER: Page 35, line 9, after the word "crude," strike out "35" and insert "75"; in line 10 strike out "25" and insert "50."

The CHAIRMAN. The question is on agreeing to the substitute.

The question was taken, and the Chair announced that the "noes" appeared to have it.

Mr. WINGO. Mr. Chairman, I demand a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 0, noes 183.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Oklahoma [Mr. CARTER] to the motion of the gentleman from Massachusetts [Mr. TREADWAY].

Mr. FORDNEY. Mr. Chairman, may we have the amendment again read?

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CARTER to the motion of Mr. TREADWAY: Page 35, line 9, after the word "crude," strike out "35" and insert "25," and in line 10 strike out "25" and insert "20."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MANN. As I understood, the Chair stated that this was an amendment to the amendment. Of course, it is an original amendment to perfect the text.

The CHAIRMAN. The motion of the gentleman from Massachusetts was to strike out.

Mr. CARTER. This is a perfecting amendment.

Mr. MANN. This is an amendment to perfect the text.

The CHAIRMAN. Yes; this is an amendment to perfect the text. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the noes appeared to have it.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 143, noes 47.

Accordingly the amendment of Mr. CARTER was agreed to.

The CHAIRMAN. The question now recurs on the motion of the gentleman from Massachusetts [Mr. TREADWAY].

Mr. KINCHELOE. May we have that read?

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. Treadway: Strike out lines 9 and 10 on page 35. Insert on page 200, line 10, after the word "petroleum." the words "crude, fuel, or."

The CHAIRMAN. The question is on the motion of the gentleman from Massachusetts.

The question being taken, the Chair announced that he was in doubt and ordered a division.

The affirmative vote was taken.

Mr. FORDNEY. Mr. Chairman, a parliamentary inquiry. I believe some gentlemen have not understood this. Is this a motion to carry the amendment as amended?

The CHAIRMAN. The amendment of the gentleman from Oklahoma [Mr. CARTER] was a perfecting amendment to perfect the paragraph. The motion of the gentleman from Massachusetts [Mr. TREADWAY] is to strike out the paragraph.

Mr. BLANTON. It ends the tariff on oil.

The negative vote was taken.

The Chairman announced the result of the division—ayes 187, noes 79.

Mr. FORDNEY. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chairman appointed Mr. TREADWAY and Mr. CHANDLER of Oklahoma.

Mr. BURKE. Mr. Chairman, a parliamentary inquiry. A vote "aye" means a vote for free oil?

SEVERAL MEMBERS. Sure.

The committee again divided; and the tellers reported—ayes 196, noes 86.

Accordingly the amendment of Mr. TREADWAY was agreed to.

Mr. FORDNEY. Mr. Chairman, for the purpose of allowing the gentleman from Iowa [Mr. TOWNER] to present a concurrent resolution I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House of the state of the Union, reported that that committee having had under consideration the tariff bill (H. R. 7456) had come to no resolution thereon.

FUTURE POLITICAL STATUS OF THE PHILIPPINES.

Mr. TOWNER. Mr. Speaker, I ask unanimous consent for the present consideration of a concurrent resolution to correct an error in a bill that we passed last week.

The SPEAKER. The gentleman from Iowa asks unanimous consent for the present consideration of a concurrent resolution which the Clerk will report.

The Clerk read as follows:

House concurrent resolution 24.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 5756) entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide for a more autonomous government for these islands,' approved August 19, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903," the Clerk be authorized and directed to enroll the title so as to read as follows:

An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; and to amend an act entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

Mr. TOWNER. I move the adoption of the concurrent resolution.

The concurrent resolution was agreed to.

LEAVE OF ABSENCE.

By unanimous consent leave of absence was granted as follows:

To Mr. DOMINICK, for one week, on account of illness in his family.

THE TARIFF.

The SPEAKER. Under the rule the House again resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will resume the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill (H. R. 7456), with Mr. CAMPBELL of Kansas in the chair.

Mr. LONGWORTH. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. LONGWORTH. By direction of the Committee on Ways and Means I offer the following committee amendment to the tariff bill.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Amendment offered by Mr. LONGWORTH: Page 2, line 13, after the word "acid," strike out the figure "10" and insert in lieu thereof the figure "12."

Mr. GARNER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. GARNER. To make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. GARNER. Under the special rule under which we are considering this bill an amendment by the Committee on Ways and Means is in order. The Committee on Ways and Means has had no meeting for the purpose of authorizing the amendment sent up by the gentleman from Ohio.

Mr. LONGWORTH. Will the gentleman yield for a question?

Mr. GARNER. I will.

Mr. LONGWORTH. Is it the contention of the gentleman that the majority of the committee have not the right to offer amendments unless a formal meeting of the committee has been called and all the members of the committee invited to be present?

Mr. GARNER. I certainly do.

The CHAIRMAN. The Chair is anxious to hear this statement. Will the gentleman from Texas again state his point of order?

Mr. GARNER. My point of order is that the Committee on Ways and Means has not authorized this amendment; that there has been no meeting of the Ways and Means Committee, to which the minority at least have been invited or had an opportunity to attend, that authorized the offering of this amendment under the special rule.

Now, I do not say, Mr. Chairman, that there has not been an assumed meeting of the committee composed of the majority, but I do say to the Chair, and I think the majority will not contend otherwise, that there has been no notice of a meeting to the minority and no opportunity to attend, and we know nothing about the authorization of this amendment. My understanding of the proper conduct of a meeting of committees in the House of Representatives is for the minority to be notified and have an opportunity to attend the meeting, where it may take part in matters of this kind and authorize amendments. How you can have a committee meeting without notifying the minority and giving them an opportunity to participate in the authorization of it I do not understand.

Mr. LONGWORTH. Mr. Chairman, I am willing to concede that a technical construction of the rule would probably justify the contention of the gentleman from Texas, but let me call the attention of the House to this fact: Ever since the tariff bill was reported the majority of the committee has been meeting daily to perfect the paragraphs of the bill. We have agreed upon a very large number of committee amendments—I should say perhaps 200, some of them purely technical and some of them changing certain duties up or down, as the case may be. Now, if the gentleman from Texas and his colleagues assert that the majority of the committee, acting as they have acted, have not the right to bring in committee amendments our only alternative is to at once meet as a committee with all the formalities that the gentleman from Texas demands, take up again some 200 amendments, and vote on all of them separately. Under such conditions I fear that but little time can be devoted to the reading of the bill in this House. In view of the position taken by the gentleman from Texas it might be proper to suggest, considering the immense delay that there may be in acting upon amendments, that the gentleman from Michigan move that the committee do now rise and call a meeting of the Ways and Means Committee to immediately consider these amendments.

The CHAIRMAN. Does the gentleman from Ohio concede the point of order made by the gentleman from Texas that there has been no meeting of the Committee on Ways and Means in which the amendments referred to were considered?

Mr. LONGWORTH. I concede that a strict construction of the rule would justify the contention of the gentleman from Texas.

Mr. TOWNER. Mr. Chairman, I desire to discuss the point of order raised by the gentleman from Texas. Notwithstanding, Mr. Chairman, the concession made by the gentleman from Ohio, it occurs to me that if the Chair should make a ruling in accordance with that concession it would be a most unfortunate ruling. As I remember the precedents, which I can not take time to call to the Chair's attention, which however I am justified in saying exists, there could not be a challenge made on the floor of the House at this time regarding the action of the committee. It was not stated by the gentleman from Texas that there had not been action of the committee; it was stated by the gentleman from Texas that the Democrats had not been allowed to attend and that there had not been a full meeting of the committee, and therefore there had not been a meeting of the committee. The point has been raised a good many times as to whether or not a quorum was present when action was taken, as to whether or not action was taken at a regular meeting, and whether the members of the committee were duly notified. When these objections were made during the progress of a bill's consideration in Committee of the Whole, it has been held that it was too late to raise that objection. We are acting now under a special rule.

Mr. GARNER. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. GARNER. I want to ask the gentleman, who I know is a just man and wants the precedents of the House on a high plane, if he thinks it is proper and fair to call a meeting of a majority of the committee without any notice to the minority to attend, and call that a meeting of a committee of the House?

Mr. TOWNER. I am not making the point upon that ground.

Mr. GARNER. I have just said that it has not been controverted that there has been no meeting of the committee of which the minority had any notice. If the gentleman considers that a meeting of the Committee on Ways and Means, it is not from a viewpoint fair and honest.

Mr. TOWNER. If gentlemen who constitute the majority have excluded the minority in any way, that is a question to be determined upon other grounds, and I have no doubt that the Democrats will go to the country on that proposition. But we are discussing now not that question but the proposition as to when the majority of the committee act and bring in a report after several days' proceedings have been held upon it, whether that action can be challenged in the Committee of the Whole during the consideration of a bill.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. GARRETT of Tennessee. Does the gentleman from Iowa think that the Ways and Means majority could have had a meeting and reported this bill to the House originally without notifying the other members of the committee, and if it had done so, would that have constituted an action of the committee?

Mr. TOWNER. If that had been the case, if there had been action taken by the majority of the committee in the absence of the minority, it was an objection that ought to have been raised on the report of the committee to the House. If that objection could be made now in this instance it could be made on every occasion where the majority had taken action and the minority had not been present.

Mr. Chairman, let me call attention to a precedent in Hinds, section 4584:

It being shown that a majority of a committee had met and authorized a report, the Speaker did not heed the fact that the meeting was not regularly called.

In other words, the action of the committee can not be impeached in the middle of the proceedings in the Committee of the Whole.

Mr. MONTAGUE. Will the gentleman yield?

Mr. TOWNER. Yes.

Mr. MONTAGUE. I understood the gentleman, in answer to a question by the gentleman from Tennessee, that the report of the committee originally made could be challenged on the presentation of the report?

Mr. TOWNER. I think so.

Mr. MONTAGUE. Then I ask the gentleman if the amendment offered is not now originally presented to the House? By

analogy, is not this a report, and is it not challenged upon its first presentation—that is, the first possible moment upon which it could be challenged?

Mr. TOWNER. I think it must be clear to the gentleman from Virginia, that the objection that the committee had not been legally constituted ought to have been made before we went into the Committee of the Whole under the rule. It would certainly not be expected that when a committee has a bill in charge, and during its consideration in the Committee of the Whole, and its chairman or a member of the committee offers a committee amendment, that the question could then be raised as to whether the committee ever had taken action authorizing the offering of such an amendment as a committee amendment. The report was made in which these matters were agreed to by a majority of the House. There was no question regarding the report. Among other things it said that the committee could bring in privileged reports and make privileged amendments. The committee now does this.

Mr. MONTAGUE. Does not the gentleman beg the whole question? Was it the action of a committee? The gentleman has assumed that it was the committee, and that is the question for decision by the Chair. I contend that there is no committee until it is lawfully organized and lawfully called—that is, either by the rules of the House, by notice by its chairman to all members of the committee, or by a meeting of the committee reassembled in pursuance of adjournment.

Mr. GREEN of Iowa. Mr. Chairman, I am somewhat surprised at my friend from Tennessee [Mr. GARRETT], who the other day was so anxious to have the bill read and complaining so much because it was not read, that he should now use every possible opportunity to keep it from being read. The other day he said that this bill would not be read, but he also said that the minority would have no delays to interpose. Now, at every possible opportunity, the minority is preventing the reading of the bill.

Mr. HARDY of Texas. Is it not the deliberate purpose of the majority of this body to prevent the reading of the bill by offering amendments to take up all of the time?

Mr. GREEN of Iowa. No. We started to read the bill, but the gentleman from Tennessee would not permit the reading to go on. I was present at the time the Underwood bill was presented to the House. I never was called into any committee meeting at that time except the original committee meeting which reported the bill. That was the only meeting the committee held.

Mr. GARNER. The Underwood bill was passed under the general rules of the House and we did not have to make any committee amendments. We passed them under the general rules of the House and anyone could offer an amendment who desired to.

Mr. GREEN of Iowa. That is not so easily disposed of. You had amendments to the bill; they were offered as committee amendments. In this particular case the majority of the committee has met and passed on these amendments. Most of the gentlemen on the other side have them already in their hands and have been considering them, so that there is nothing in the contention that they have had no opportunity to examine the amendments.

Mr. GARRETT of Tennessee. Mr. Chairman, this is entirely too serious a matter to be cast lightly aside by such intimations as those just made by the gentleman from Iowa [Mr. GREEN] that the minority is seeking to delay the passage of the bill.

All of the record made by the minority during the consideration of this bill is a complete refutation of that. Every time a motion has been made on this side to close debate at a particular time a motion has been made on the other side to continue for some hours longer. We have forced no roll calls that delayed the bill, but even if we had delayed the bill, or had sought to delay it, that is not the question here presented. The question here presented is the right of a minority in a parliamentary matter. It is conceded that from the time this bill was reported out there has not been a meeting of the Committee on Ways and Means. Certain members of the committee have gotten together, we are to understand from the statement made by the gentleman from Ohio [Mr. LONGWORTH], and they have agreed among themselves, but it is conceded that there has been no meeting of the committee. Do you mean to tell me that it can possibly be held in the face of a point of order that a portion of the membership of a committee can meet and agree among themselves upon amendments without even an informal meeting of the full committee?

Mr. MONTAGUE. If it does not interrupt the gentleman from Tennessee, will he permit me to read the rule?

Mr. GARRETT of Tennessee. I yield.

Mr. MONTAGUE. I read from section 400 of Jefferson's Manual, page 157 of the House Manual and Digest:

> A committee meet when and where they please, if the House has not ordered time and place for them; but they can only act when together, and not by separate consultation and consent—nothing being the report of the committee but what has been agreed to in committee actually assembled.

And, of course, that means legally assembled.

Mr. GARRETT of Tennessee. Mr. Chairman, to overrule the point of order made by the gentleman from Texas [Mr. GARNER] would set a precedent here which, if followed, might absolutely destroy parliamentary government. The minority have a right to look to these amendments. We know nothing of them now.

All knowledge of them reposes in the bosoms of the few who got together and consulted concerning them. The question of what course the minority shall pursue in respect to them when they have an opportunity to look at them is another matter, but their right is indisputable. This committee has the right as a whole to have them examined by the minority at a regular meeting of the committee.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. Yes.

Mr. GREEN of Iowa. If this is not for delay, will the gentleman state for what purpose it is that this point of order is made? It will accomplish nothing else, and the gentleman knows it.

Mr. GARRETT of Tennessee. It is in order to give the minority an opportunity to examine the amendments, a right which they have. If the contention of the gentleman from Iowa is correct, why were the minority members called in when you reported the bill originally?

Mr. FORDNEY. Mr. Chairman, will the gentleman yield?

Mr. GARRETT of Tennessee. There has been a sharp division here upon some of these matters. Compensatory duties are about to be brought in, I assume, as well as technical amendments that are to be made. I yield to the gentleman from Michigan.

Mr. FORDNEY. If the gentleman is correct, I am ready to leave it with the Chair or to a vote of the House right now, and whatever the House decides upon I shall cheerfully acquiesce in, so that we may proceed to something else. I think the Chair is ready to rule.

Mr. GARRETT of Tennessee. It seems to me that the gentleman from Iowa [Mr. GREEN] and the gentleman from Michigan [Mr. FORDNEY] do not realize the seriousness of this proposition.

Mr. FORDNEY. Oh, yes; I do.

Mr. GARRETT of Tennessee. This is a fundamental thing affecting for all time to come the rights of what we sometimes call the greatest parliamentary body in the world.

The CHAIRMAN. The Chair is ready to rule.

Mr. MONDELL rose.

The CHAIRMAN. For what purpose does the gentleman from Wyoming rise?

Mr. MONDELL. To discuss the point of order. I think there is something in the contention of the gentleman from Tennessee [Mr. GARRETT]. It is true that the minority seems to have embarked upon a policy intended to prevent the House or the committee from having an opportunity to vote on amendments to the paragraphs in the bill. On Saturday the Clerk proceeded to read a paragraph of the chemical schedule of the bill. The gentleman from Tennessee [Mr. GARRETT] did not allow the Clerk to conclude the paragraph, in order that an amendment might be offered to it, but insisted instead on offering one of the preferential amendments—I assume that is what he had in mind.

Mr. GARRETT of Tennessee. That was in the interest of expedition. I wanted to get those out of the way. Will the gentleman yield for a question?

Mr. MONDELL. The House was proceeding in an orderly way to consider the bill for amendment.

The gentleman did not intend to offer an amendment to the paragraph. He proposed to offer one of the so-called preferential amendments, and he did not wait until a paragraph was read. He attempted to offer an amendment foreign to the paragraph and before the Clerk finished reading it.

Mr. BANKHEAD. Mr. Chairman, I make the point of order the gentleman is not discussing the point of order.

Mr. MONDELL (continuing). Up to this time the minority have prevented the House from considering the paragraphs in the bill or offering amendments to them.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. MONDELL. I will yield.

Mr. GARRETT of Tennessee. Mr. Chairman, by proceeding now to read the bill under the 5-minute rule it lies within the power of any gentleman under the general rules of the House to offer an amendment to each paragraph that is read, and it does not have to be a committee amendment. Is the gentleman willing to proceed with that?

Mr. MONDELL. The gentleman from Tennessee on Saturday declined to allow us to do that or to give any Member of the House an opportunity to offer an amendment to the bill. He would not allow the Clerk to conclude the reading of the first paragraph in order that there might be opportunity to offer an amendment to it. He insisted in the very center and midst and bowels of the paragraph on injecting a proposition entirely foreign to the matter then under consideration.

Mr. BANKHEAD. Mr. Chairman, I insist on my point of order, that the gentleman is not discussing the point of order.

The CHAIRMAN. The gentleman from Alabama makes the point of order——

Mr. LONGWORTH. Will the gentleman from Wyoming yield? It is not in the power of any Member of this House to offer an amendment to this paragraph until the reading is completed, and therefore the action of the gentleman from Tennessee prevented the offering of an amendment.

Mr. MONDELL. Mr. Chairman, I am rather inclined to agree with the gentleman from Tennessee touching these so-called committee amendments. If the gentleman from Tennessee and other gentlemen on the minority side of the House will not object I shall ask the gentleman from Ohio to withdraw his offered amendment in order that we may proceed with preferential amendments to the bill.

[Cries of "Rule!"]

The CHAIRMAN. There is a point of order pending at this time.

[Cries of "Regular order!"]

Mr. MONDELL. I ask unanimous consent that the gentleman from Ohio may be allowed to withdraw his amendment in order that preferential amendments may be offered.

Mr. GARRETT of Tennessee. Mr. Speaker, I think we might just as well have a decision upon this matter, and I object.

Mr. LONGWORTH. Mr. Chairman, I offered the amendment largely to test the question as to whether that technical point of order was to be made. Now I am willing to do either one of two things, to have a ruling of the Chair or withdraw the amendment.

The CHAIRMAN. The Chair is ready to rule. The gentleman from Ohio [Mr. LONGWORTH] sent to the Clerk's desk, and the Chair directed that there be read, what purported to be a committee amendment from the Committee on Ways and Means. The paper read at the desk as a committee amendment was objected to by the gentleman from Texas [Mr. GARNER] as not being a committee amendment and stated as his reason for making the point of order that the Committee on Ways and Means had not met and had not considered the amendment in question. The gentleman from Ohio concedes that the gentleman from Texas stated the facts with reference to the matter. The gentleman from Ohio further stated that the majority members of the committee had met informally and agreed upon the amendment in question.

Mr. GREEN of Iowa. And a majority of the committee.

The CHAIRMAN. That constituting also a majority of the committee.

Mr. BANKHEAD. Mr. Chairman, I challenge that statement. I do not think the record shows such a statement was made.

Mr. GREEN of Iowa. Whether the gentleman made it or not I now make it as a fact.

Mr. BANKHEAD. The gentleman stated it had been made, whereas it had not.

The CHAIRMAN. There are 17 majority members on the Committee on Ways and Means. That would constitute, if they were all present, a majority of the committee. But can 17 members of the committee of 25 assemble informally and constitute a committee in session and act for the committee? That is the question which is presented. The Chair thinks the question is fundamentally important in its relation to the proceedings of the House.

In the limited time the Chair has had in which to investigate the matter he finds that informal reports have frequently been presented by committees of the House. Back as far as 1846 an informal report was presented by a committee. Objection was made that it did not represent committee action. That question was submitted to the House for its consideration. Recently informal action was taken by one of the committees of the House. A majority of the members of that committee, a numerical majority, signed what purported to be a report of the committee and what purported to be the action of the committee. A point of order was made, when that action was brought up for consideration in the House, that the purported report was not the report of the committee such as is contemplated by the rules for the guidance of committees in the House of Representatives. Speaker Clark made a decision in that case in which he held—

That the authority of a committee to call up a bill from the Speaker's table must be given at a formal meeting of the committee.

The Chair quotes from Hinds' Precedents, as follows:

Committees can only agree to a report acting together. On January 9, 1905, Mr. JOHN S. WILLIAMS, of Mississippi, asked unanimous consent for the present consideration of House resolution No. 415, relating to statistics of the ginning of cotton, and the following paper was presented. Mr. WILLIAMS spoke of it as a unanimous report from the Committee on the Census.

COMMITTEE ON THE CENSUS,
January 9, 1905.

We, the undersigned members of the Committee on the Census, agree to a favorable report on House resolution No. 415, and further agree that its author, Mr. WILLIAMS, of Mississippi, may call up same when the opportunity presents itself.

That was signed by a majority of the members of the committee. The point of order was made, and Speaker CANNON said:

The Chair understands that, in point of fact, the formal report has not been made from the Committee on the Census, although there is a paper on the Clerk's desk signed by a majority of the members of that committee.

To make a ruling that would cover one bill and let this one in would not do very much harm, but to rule that this kind of a paper may take the place of a report or authorization from a committee at an authorized meeting—because the Speaker does not rule in one case only, for the rule is made for all similar cases—would open the doors so wide to a proceeding not authorized by the House that the Chair must hold, in order to preserve the integrity of the proceedings of the House, that the point of order made by the gentleman from Illinois [Mr. Foster] against this paper which the gentleman from Alabama [Mr. HEFLIN] presents, is well taken.

The Chair in this case can not hold, though it would do but little harm to do so in itself, that a majority of the members of the committee really acted. But the Chair is of the opinion that the committees of this House can only act when they meet formally with such notice as advises the members of the committee of the proposed meeting, and that the amendment offered by the gentleman from Ohio [Mr. LONGWORTH] was not authorized by the Committee on Ways and Means at such a meeting of the committee, and therefore sustains the point of order made by the gentleman from Texas [Mr. GARNER].

Mr. LONGWORTH. Mr. Chairman, in view of the decision of the Chair, with which I am in hearty concurrence, would the Chair be prepared now to state what constitutes the necessary formality? Does it consist of a written notice to the members of the committee?

The CHAIRMAN. The Chair thinks that if the chairman of the Ways and Means Committee would say that there was to be a meeting of the Committee on Ways and Means at 3.50 this afternoon, that would be sufficient notice.

Mr. FORDNEY. I state to the House that at 10 o'clock tomorrow morning there will be a meeting of the full committee in the room of the Ways and Means Committee. [Applause.]

Mr. BOWERS. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from West Virginia rise?

Mr. BOWERS. To offer a preferential motion.

The CHAIRMAN. The gentleman from West Virginia offers a preferential motion, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BOWERS: Page 192, paragraph 5557, line 15, after the comma, insert the words, "not specially provided for."

And on page 113, between lines 9 and 10, insert a new paragraph, as follows:

"Cotton having a staple of 1⅛ inches or more in length, 15 per cent ad valorem."

Mr. FORDNEY. Will the gentleman from West Virginia yield long enough for me to make a statement?

Mr. BOWERS. Yes.

Mr. FORDNEY. Let me say that I have just learned that there will be a meeting of the committee on committees tomorrow morning at 10 o'clock, and the Ways and Means Committee will meet immediately after adjournment to-night in this room in the corner here. Or make it 8 o'clock, if the gentleman from Texas prefers.

Mr. GARNER. Mr. Chairman——

Mr. FORDNEY. I will make it immediately after adjournment.

Mr. BOWERS. Mr. Chairman and fellow members of the committee, I have been brought up in politics under the idea that protection to American industry and American labor by the broad shield of American law has been, and is now and will always be, correct. [Applause.]

It is not my purpose to discuss any matter in relation to this amendment, except to briefly submit some statistics. We have asked that a duty be laid on cotton of a staple of 1⅛ inches. This is to prevent competition principally of Egyptian and Peruvian cotton. The length of the staple of the upper Egyptian cotton will range from 1 7/16 to 1⅛ inches, and that of the Sakellaridis variety will measure from 1⅛ to 1⅛ inches. The length of the Peruvian cotton imported is 1 7/16 to 1⅛ inches. The length of the bulk of the Mexican cotton imported will range from seven-eighths to 1 inch, and in a few cases 1 7/16 to 1⅛ inches, and the length of the staple of the Chinese cotton will range from five-eights to three-fourths inch.

In 1920 there were imported to this country 468,582 bales of Egyptian cotton of 500 pounds to the bale; of Peruvian cotton, 59,177 bales; of the Chinese, 41,407 bales; of the Mexican, 64,256 bales; and of all other countries, 23,169 bales.

This, gentlemen, will show that, of the 651,000 bales admitted, 522,000 were of the long-staple variety.

Unmanufactured cotton has been classed as a "raw material" in all tariff bills. The duty of 7 cents a pound on long-staple cotton in the emergency tariff law is the only exception.

The doctrine of "free raw materials" has been the bulwark of the free traders with a leaning toward "incidental protection." Most of them want their raw materials free and their manufactured products protected.

What is raw material?

Obviously the only "raw materials" in the world are the ores in the ground, the trees in the forest, the wealth and treasures of nature untouched by the hand of man. The moment human labor touches or is applied to these articles, transforming them even in the slightest degree, that moment they become finished products to that extent. Nothing suitable for man's use or valuable in the process of material progress and development is raw material.

The principle of protection is founded on the proposition that whatever material is grown or produced or manufactured or assembled to the actual or possible extent of our wants is entitled to protection against unfair competition in the American markets. The fact that we produce and export a surplus or produce less than our needs does not relieve us from the obligation of applying the principle.

The United States has been the world's great producer of cotton. In 1919 the United States produced about 60 per cent, in 1920 about 50 per cent, of the world's supply. "Cotton is king" has been the statement of an economic truth as well as a slogan of sectional security.

For 44 years following 1870 there was a steady increase in the production of cotton in the United States—from 4,024,000 bales in 1870 to 16,991,000 bales in 1914. At 500 pounds a bale this means 2,012,000,000 pounds in 1870 and 8,495,500,000 pounds in 1914. In 1919 production fell off to 5,710,000,000 pounds, and in 1920 to 6,682,000,000 pounds. The estimated crop this year will be only 4,216,000,000 pounds.

The recent war stimulated the production of cotton and raised the average export price from 5.9 cents a pound in 1898 to 35.9 cents a pound in 1920. Since then the price has dropped to the prewar level. The southern cotton growers are complaining bitterly because prices are below the cost of production and because forced sales to pay overdue debts at the banks may ruin many cotton growers.

Doubtless the recent war period saw the maximum of cotton production in the United States, at least for many years. Exports have decreased during the last two years:

	Pounds.
1919	3,367,000,000
1920	3,179,000,000
11 months 1920	3,420,000,000
11 months 1921	2,559,000,000

Of the 6,600,000,000 pounds of cotton produced in the United States in 1920, 54 per cent was consumed at home and 46 per cent exported. In 1900, before the war, 67 per cent was exported and 33 per cent consumed at home. Between 1900 and 1920 imports of unmanufacturd cotton have increased from 67,398,000 pounds to 299,994,000 pounds.

American cotton mills have doubled their consumption of domestic cotton and increased their consumption of imported cotton almost five times since 1900.

It can not have escaped attention that Great Britain is taking steps to increase the production of cotton in many of her tropical possessions. The avowed purpose is to be less dependent on the United States for unmanufactured cotton. This undertaking is backed by the British Government. If it succeeds, it will be a strong competitor with the cotton product of the United States, even in the American markets. In the face of such a situation it is obvious that the cotton producers of the South can not compete with the cotton producers of India and other British possessions, where labor is cheap and living conditions among the masses deplorably backward.

The time has arrived for serious consideration of this problem which the United States must face soon. Rapidly the South is changing its views on the tariff. The hard facts of experience are compelling. The principle has taken a strong hold on the population, and the Southern Tariff Association, representing 18 Southern States, on the 20th of April, 1921, presented to the Ways and Means Committee a memorial asking for protection on 19 agricultural products of the South, 20 manufactured products made in the South, and 20 mineral products found in the South.

These industries—

Says the memorial—

represent two-thirds of the wealth of the South and have directly dependent upon them two-thirds of all the inhabitants. Unless these industries function and prosper, the 18 States in which they are situated must rest commercially stagnant, their business inert, and their progress definitely halted. * * * The South comes into competition agriculturally with the cheapest labor on earth. Her products are the products likewise of the Orient and semitropical nations, where living conditions are such that labor is the cheapest of all things. * * * The disaster is progressive. * * * Our people are convinced that it is within your power by the imposition of equalizing tariffs at once to control the catastrophe and restore economic vitality.

Before the recent war imports of unmanufactured cotton averaged 60,000,000 to 70,000,000 pounds. Once it reached 75,000,000 pounds. Recently imports have been:

	Pounds.
1918 (calendar)	112,684,000
1919 (calendar)	175,358,000
1920 (calendar)	299,994,000
January, 1921	12,000,000
February, 1921	14,000,000
March, 1921	13,600,000
April, 1921	9,365,000
May, 1921	5,270,000
Total	54,235,000

These imports largely come from Egypt, Mexico, China, Peru, and British India.

In 1920, 179,894,000 pounds of long-staple cotton came from Egypt alone. Long-staple cotton is produced in Arizona, Oklahoma, South Carolina, Texas, and some in California.

The freight rate from Egypt to Boston is 70 cents per 100 pounds. The freight rate from California to Boston is $1.88 per 100 pounds. Freight rates from India and China to Boston are less than from the southern cotton fields to Boston.

Should the production of staple cotton in Egypt, India, Mexico, and the Orient increase in the next 20 years as present efforts would seem to warrant, the time is not far distant when southern staple cotton, not long staple alone but all cotton, will come in direct and serious competition with imported foreign cotton, produced for less than one-half the cost of production in the South.

A reasonable protective duty on cotton is in harmony with the principle of protection, and will prepare the cotton growers of the South against a possible, if not probable, competition in the American markets, spelling disaster to the great American industry, and degradation to wage earners engaged in that industry.

The value of the average American cotton crop in normal times is approximately a billion dollars. The wages paid in the cotton industry are estimated at $100,000,000 annually.

This industry is too vast and too important to be jeopardized by unfair competition from the cheap labor of India, Mexico, and the Orient. For the first time, such competition is imminent.

If the principle of protection is good for the North and East, it is equally good for the South and the West. This principle is national in scope, and the South asks for its equitable and just application. I hope the committee will agree to this amendment.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that debate upon this amendment and all amendments thereto close in 55 minutes, or 1 hour including the time occupied by the gentleman from West Virginia, and that that time be divided one-half for the amendment and one-half against.

Mr. GARRETT of Tennessee. I object, Mr. Chairman. I move that all debate close now.

Mr. FORDNEY. As an amendment, I move that all debate close in 55 minutes on the amendment and all amendments thereto.

The CHAIRMAN. The gentleman from Tennessee moves that all debate on this paragraph and all amendments thereto close now. The gentleman from Michigan moves as a substitute that debate close in one hour. The question is on the substitute of the gentleman from Michigan.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. GARRETT of Tennessee. Division, Mr. Chairman.

The committee divided; and there were—ayes 103, noes 51.

So the substitute was agreed to.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee as amended by the gentleman from Michigan.

The motion as amended was agreed to.

MESSAGE FROM THE SENATE.

The committee informally rose; and the Speaker having taken the chair, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5756) to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for these islands," approved August 29, 1916.

The message also announced that the Senate had passed the following concurrent resolution without amendment:

House concurrent resolution 24.

Resolved by the House of Representatives (the Senate concurring), That in the enrollment of the bill (H. R. 5756) entitled "An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands and to provide a more autonomous government for these islands,' approved August 19, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903," the Clerk be authorized and directed to enroll the title so as to read as follows:

"An act to amend an act entitled 'An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands,' approved August 29, 1916; and to amend an act entitled 'An act to establish a standard of value and to provide for a coinage system in the Philippine Islands,' approved March 2, 1903."

THE TARIFF.

The committee resumed its session.

Mr. WALSH rose.

The CHAIRMAN. For what purpose does the gentleman from Massachusetts rise?

Mr. WALSH. To offer an amendment to the amendment offered by the gentleman from West Virginia [Mr. BOWERS].

The CHAIRMAN. The gentleman will send up his amendment.

Mr. WALSH. It is to strike out "one and one-eighth" and insert "one and seven-eighths."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts.

The Clerk read as follows:

Amendment offered by Mr. WALSH to the amendment offered by Mr. BOWERS: Strike out the word "one-eighth" and insert in lieu thereof "seven-eighths."

Mr. WALSH. Mr. Chairman, I would like to ask the distinguished gentleman from West Virginia [Mr. BOWERS] if it is his intention to offer an amendment proposing any compensatory duties if his amendment is agreed to?

Mr. BOWERS. Personally that is not my idea, but that is a matter that the Committee on Ways and Means will probably handle.

Mr. WALSH. I would like to ask the gentleman from Michigan [Mr. FORDNEY] if it is intended to include in the amendments to be offered by the committee any compensatory duties, provided the amendment of the gentleman from West Virginia is agreed to?

Mr. FORDNEY. I will say to the gentleman from Massachusetts that that is for the committee to determine, and it will be done immediately when the committee meets to-morrow morning at 10 o'clock; perhaps this evening. Personally I believe we ought to have a compensatory duty on cotton goods made from long-staple cotton.

Mr. WALSH. Mr. Chairman, I yield back the balance of my time.

Mr. WINGO rose.

The CHAIRMAN. For what purpose does the gentleman from Arkansas rise?

Mr. WINGO. Under the rules, to oppose the amendment.

The CHAIRMAN. The gentleman is recognized.

Mr. WINGO. Mr. Chairman, the pending amendment is to put a tariff on 1⅛-inch cotton and over, and to that the gentleman from Massachusetts [Mr. WALSH] offers an amendment to change it from 1⅛ to 1⅞. The amendment to the amendment is no more ridiculous than the original amendment. There is just as much sense in undertaking to impose a tariff on cotton of a staple of 1⅞ and over as there is on the other.

Of course, I appreciate, Mr. Chairman, the real object of offering this amendment by our Republican friends. In the first place, some of them seem to have the mistaken idea that it is embarrassing to a man from a cotton State to vote on that kind of an amendment, and it is for that reason that they offer it. Another reason is—and that is the principal one; I will not mention the third one—if they can get a tariff on raw cotton, then that would justify them in offering an ironclad rule to increase the tariff rates on cotton manufactured goods by way of a compensatory rate to cover the tariff on the raw cotton. That is the milk in the coconut.

The gentleman from Michigan [Mr. FORDNEY], in winding up his wonderful speech made this afternoon—not an argument, but a speech—said that 92 per cent of the products of the people of the South were consumed in this country. That is about as correct as other arguments he has made in favor of the tariff bill. He knew, if anything, that 65 out of every 100 bales of cotton produced in the South have to find a market outside of the United States.

I noticed not long since one of the leading writers in the official organ of the Republican Party in the South—I forget what they call it, that tariff organ in the South—in discussing the emergency tariff bill, said, "Of course, a tariff on cotton is not worth anything to the cotton grower." The gentleman from Iowa [Mr. GREEN], I think will admit, as he has done on the floor before, that it is absolutely absurd, even from the standpoint of the protectionist, to even intimate that there can be any possible benefit to the producer of cotton by putting a tariff tax on it. It is absurd and ridiculous.

There are several things that are now troubling the cotton farmer as well as the wheat grower, and they are in common. We have got to have the markets of the earth in which to sell our surplus products. That market is stagnant at this time. Another curse that has been visited on the cotton farmer at the present time is that the customary credits by which he could hold his crop for a market have been denied him in the last 11 months, and to-day I am getting protests from my district against the proceedings of the Federal reserve bank of St. Louis in refusing to renew cotton paper unless they put up other cotton than that which secured the original note. Now, the lack of a market and the lack of credit to the cotton farmer and his inability to get a stable market or a more stable market, those are the things that are hurting the cotton farmer of the South, and you can not cure them with your cure-all tariff. You can not find half a dozen Republicans in my district that are so ignorant as to think that a tariff on cotton would help them. In fact, I have never found more than one man in my district, and he was a Republican, and he thought that it would help on long-staple cotton. [Applause.]

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. BYRNES of South Carolina rose.

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. BYRNES of South Carolina. To oppose the amendment offered by the gentleman from West Virginia [Mr. BOWERS].

Mr. LAZARO. Mr. Chairman, I desire recognition. I am in favor of the amendment.

The CHAIRMAN. The Chair is considerably embarrassed. The Chair would like to see a unanimous-consent agreement reached at this time. The Chair does not think that he can fairly, in this situation, make an equitable distribution of the time.

Mr. FORDNEY. To save embarrassment to the Chair, Mr. Chairman, I will ask that the time be equally divided between the gentleman from Texas [Mr. GARNER] and myself.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the time be equally divided between the gentleman from Texas and himself. Is there objection?

There was no objection.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Massachusetts [Mr. TREADWAY].

The CHAIRMAN. The gentleman from Massachusetts is recognized for five minutes.

Mr. TREADWAY. Mr. Chairman, in some remarks that I made last week I referred to the impossibility of any gain to be had from a duty on cotton when we export such a large amount, our production in this country being so much greater than our home consumption.

I also stated that if there was any excuse for a duty on cotton of any kind, it was limited to long-staple cotton, which is practically the only kind that is imported into this country. According to the statistics of the Department of Commerce, importations of cotton are practically limited to the long-staple variety. Now, I am not sufficiently familiar with details of definitions, or with the length of the staple used in the

manufacture of certain lines of goods, to be able to state this definitely. We have had more or less discussion in the committee as to the length which should or should not be designated for duty, if any duty was to be put on cotton. My own understanding was that for a practical solution of the definition of long-staple cotton it should be specified as an inch and three-eighths, but the gentleman from West Virginia [Mr. BOWERS], who is much more familiar with this subject than I am, has offered an amendment which practically defines long-staple cotton as an inch and one-eighth. Now, if that takes long-staple cotton out of the category of ordinary cotton, what we know as raw cotton, I for one am willing to support the amendment.

Mr. CRISP. Will my colleague yield?

Mr. TREADWAY. I will yield to my colleague from Georgia.

Mr. CRISP. I would like to ask my colleague if the majority members of the committee have considered what compensatory duty they would want on manufactured cotton if this amendment should prevail.

Mr. TREADWAY. I was just coming to that point. I am glad my colleague referred to it. The entire cotton schedule is written on the basis of free cotton. The moment you take out any portion of cotton at all and put a duty upon it you must establish a compensatory duty. I am afraid it is going to be extremely difficult to write that compensatory figure. I am afraid we are getting into a difficult complication in asking that a duty be put on one class of cotton and not on another. I am absolutely opposed to any duty being put upon cotton as a general proposition, but I am willing to support the amendment of the gentleman from West Virginia [Mr. BOWERS] provided the House sees fit to establish a satisfactory compensatory duty for the lines of manufacture made from the long-staple cotton. It is the only logical place to lay a duty in connection with raw cotton. The kind that actually is imported into this country comes in competition with certain cottons grown in this country, namely, in sections of Arizona and in sections of California. It is the only logical course we can take if we desire to put a duty of any kind whatsoever on cotton. I can see no argument in favor of making a general tariff provision upon cotton as a whole, but there may be a logical argument for a duty on long-staple cotton.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. STEVENSON. Mr. Chairman——

The CHAIRMAN. The time is under the control of the gentleman from Texas.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry. How much time have I to control?

The CHAIRMAN. The gentleman from Texas has 25 minutes and the gentleman from Michigan has 20 minutes.

Mr. GARNER. Mr. Chairman, if the gentleman will permit me, I have 25 minutes. I have had requests for 1 hour and 30 minutes. I propose to yield 12½ minutes to those in favor and 12½ to those opposed to the amendment on this side.

Mr. FORDNEY. On this side I will divide the time, 10 minutes for the amendment and 10 minutes against it.

Mr. GARNER. That is the only way I know of to get out of a very embarrassing position. It is impossible for me to give gentlemen time who have asked for it, and I know of no way to do except to divide the time equally between those who are in favor of the amendment and those who are opposed to it.

Mr. HUMPHREYS. Will the gentleman yield for a suggestion?

Mr. GARNER. I will.

Mr. HUMPHREYS. Five minutes have already been taken on this side against the amendment.

Mr. GARNER. That is correct, and I will yield 15 minutes to those in favor of the amendment and 10 minutes to those against it, if that is satisfactory. I state this so that the membership of the House will understand that it is impossible for me to comply with the requests that have been made of me.

I yield 3 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, I want to call the attention of the House to the fact that this proposed amendment is merely directed at Egyptian cotton. That is the only long staple that comes in here. The Egyptian cotton that was imported in the cotton year 1920 was 485,000 bales, because it was bringing $1.50 a pound. The Egyptian cotton that has been imported into this country this cotton year, 10 months of which have already gone, is 79,000 bales. You will see very readily that it does not amount to anything. The cotton with which it competes is less than 80,000 bales. There is no cotton of an inch and three-eighths except about 75,000 bales made in California and in Arizona, and the competition is practically nothing. The long staple that is 1⅛ inches in length constitutes about 1,000,000 bales. My friend from Massachusetts will find that his mills consume a very large part of that 1⅛-inch cotton, and that is what it is contemplated to protect by the amendment of the gentleman from West Virginia [Mr. BOWERS], but there is nothing to protect it against except 80,000 bales of Egyptian cotton, which is being imported for special purposes. For the first 20 years of this century we produced 248,954,015 bales of cotton of all kinds, or an average of 12,447,700 bales per annum. We exported of that cotton 160,318,354 bales, or an average of 8,015,917 bales per annum, and we imported an average of 230,116 bales per annum, and of the long staple, protected in this amendment, for the first nine months of this cotton year we have imported only 70,145 bales this year as against 456,692 bales for the same period last year, when the price was over a dollar a pound. There is practically no competition in these imports, and certainly none for at least 11,500,000 bales of the cotton crop which does not measure 1⅛ inches, and which competes with the Mexican, Chinese, and other cotton, of which we have imported this year 132,000 bales.

Mr. GARNER. Mr. Chairman, I yield two minutes to the gentleman from Tennessee [Mr. GARRETT].

Mr. GARRETT of Tennessee. Mr. Chairman, there is absolutely no justification from any standpoint of a duty on 1⅛-inch cotton or any other cotton. What it is going to result in is this: I understood the gentleman from Michigan and the gentleman from West Virginia to state that there would be no compensatory duties offered. But I understand from the gentleman from Massachusetts that compensatory duties will be necessary. If it is provided in the bill for high enough duties without compensatory duties, then the duties ought to be lowered, but here is going to be the result: If the bill finally becomes a law, the consumer of all cotton goods in this country, no matter what the staple cotton they are made from, is going to have an undue tax levied at the customhouse upon that character of goods. It will be utterly impossible, in my judgment, if my information from the Treasury is correct, to work out a compensatory duty on the goods from 1⅛-inch cotton, and the result is going to be what it always has been, that the cotton, as well as the woolen schedule, which has always made the greatest trouble, is going to be filled with jokers until the consumers of cotton goods will bear the burden and not get the benefit of one cent of it. There is not a gentleman here from the long-staple cotton section who will pretend even that it is going to do the grower of cotton any good. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. PRINGEY].

Mr. PRINGEY. Mr. Chairman and gentlemen of the committee, in the brief time allotted to me for the discussion of this question of placing a duty on lint cotton, I shall only be able to advance a few concrete thoughts.

There are 17 States in the American Union that produce cotton; last year there was imported into the United States 651,591 bales. Egypt contributed 468,582 bales 1⅛-inch to 1⅛-inch lint.

Peru shipped us 59,671 bales with an average lint of 1⅛ inches.

The Chinese shipped us 41,407 bales, her lint five-eighths of an inch.

Mexico shipped us 64,256 bales, her lint seven-eighths of an inch.

Other countries shipped us 23,196 bales, making a grand total of 651,591 bales.

It is a conservative estimate that the United States received annually from other countries a million bales of cotton.

These figures I have obtained from the Agricultural Department. Would any gentleman upon the floor of this House attempt to argue that the American farmer should come in competition with the cheap labor of these southern countries—for instance, Egypt and Peru and Mexico—men whose chief garment is a breechclout; whose chief diet is a bowl of rice soup; and who receive as a reward for their labor 20 to 30 cents a day, or $2 per week. That class of citizenship will come in competition with the American farmer with our present scale of wages and living.

Much is being said about a compensatory duty on the manufactured article if we should place cotton on the dutiable list.

This little suit of clothes that I have on I believe contains about 3 pounds of cotton. Our cotton in Oklahoma, on the market to-day, is worth about 12 cents per pound; by placing an ad valorem duty of 20 per cent on cotton, I wish some statistician would figure out how much additional compensation the manufacturer should receive who made this suit of clothes for $25.50.

There are 17 States in the American Union that produce cotton. Cotton has always been on the free list, due to one fact, largely.

The South has always been Democratic and has protested against the principles of protection, consequently the tariff schedules that have been made up for the last half a century have allowed the South to have her free cotton.

In the drafting of the Underwood tariff law all agricultural products were placed on the free list. This, it appears to me, set our southern brethren to thinking, and the Southern Tariff Association has done a valuable work for the principle of protection by demanding that their Representatives shall place agricultural products, and especially cotton, on the dutiable list.

And now you men from the South, I want to appeal to you especially. You say that you voted for a duty on hides, but also declare that you will vote against the bill. Now, all that I will ask of you is to vote for a 20 per cent ad valorem duty on cotton and we will see to it that you get it.

And you Representatives from the East should remember that for a century we have been sending our raw material to your factories. You have built up wonderful cities and villages and wonderful manufacturing institutions supplied by the raw material that the farmers of the West have furnished.

I simply want you to remember that the bale of cotton is the finished product of the farmer as much as a suit of clothes or any other garment that might issue from your Massachusetts or New York factories.

I wish to especially appeal to you northern Representatives. You, possibly, feel that you are not interested in the cotton of the country. You should remember that you are interested in the success of the Republican Party, a party that pledged protection, one of the fundamental principles of our Government. All that I ask of you to do is to be liberal. We were willing to give you a duty on hides or anything else that you produce, but do not draw the line on us on the item of cotton, one of the chief articles of commerce of the world. [Applause.]

There is only one criterion by which to judge the future, and that is by the past. The principle of protection was one of the things that first attracted the attention of our colonial fathers. Old free-trade England was determined that our colonial fathers should not be allowed to manufacture, consequently the enactment of their stamp act.

We all remember when Dr. Franklin went before the English Parliament in begging for the repeal of the stamp act; that he told Parliament:

> You have made a burden upon the American Colonies that you would not touch with one of your fingers.

The Colonies were loyal to the old country; but when patience ceased to be a virtue, when they realized that they would always be hewers of wood and drawers of water, that England was determined that they should produce the raw material and allow England to furnish the manufactured goods, Washington, with the rest of them, drew their swords for independence, and that was settled at Yorktown when Lord Cornwallis surrendered his sword, red with the blood of American patriots, to the great chieftain, Washington, and the American independence was established. [Applause.] One of the first acts was the enactment of a protective tariff law, signed by Washington. And from that time on up to 1830 the American Government went by leaps and bounds, and from 1830 to 1860, under the leadership of John C. Calhoun, the idea of free trade was sprung.

From 1830 to 1860 we were under a low-tariff period, which period marks one of the darkest records in American history.

In 1862, under President Lincoln's term, a tariff law was enacted and we began the progress and development that we have enjoyed for the last half century.

I would like for any man to stand on this floor and argue from the standpoint that the tariff is a tax, that from the time of the enactment of the tariff law under Washington it was added to the cost; but on the other hand proved to this body of men that prices advanced on the manufactured article instead of diminishing.

We know of our own observation that with the establishment of protection in 1862 the competition between the American mills brought down the price of the manufactured article.

The other side of the House when they have a sick patient, or a bad case to defend generally send for the Hon. Dr. BOURKE W. COCKRAN. When I listen to his address, with his charming eloquence and beautiful oratory, it appears to me that it lacks but one sentence to make it complete. "God save the King," and the hoisting of the British flag in the place of the American flag.

I believe that the advocacy of free trade for the American people is as disloyal as it would be to pull down our Old Flag and plant in its stead the British colors.

I am for America against the world, and anything that we do not produce in this country it is time enough to throw down the bars and admit the products of the Old World.

Now, gentlemen, in conclusion allow me to say that the history of the country reveals the fact that as we have approached free trade in some of our administrations we have in every instance embraced disaster.

Upon the other hand, when a sufficient duty was placed on imports to protect American labor we have gone by leaps and bounds in developing our country.

The farmers of this country are standing at the halls of Congress knocking and we had better open our hearts and admit them. The cotton growers of the South are here from 17 cotton-growing States and we can not afford to ignore their earnest supplications.

NEAR FAMINE HITS RURAL SOUTH, SAYS UNITED STATES HEALTH BOARD—THOUSANDS UNDERFED WHEN FARMERS EXHAUST ABILITY TO BUY.

"While the American people have been spending money lavishly to save the Chinese and the Europeans from starvation, a veritable famine has been developing in the rural districts of the South and particularly in those of the cotton belt, which stretches from eastern Texas to the Carolinas," the United States Public Health Service said last night. "The tenant farmers, most of whom devote all their land to cotton and allot none to kitchen gardening or for the use of a cow or for poultry raising, have been forced by the failure of the cotton market to adopt a starvation diet that is rapidly decimating them," the statement says.

"The latest reports to the United States Public Health Service shows that pellagra, which results the world around from famine conditions, will this year claim about 100,000 victims, of whom at least 10 per cent will die; and that unless radical relief measures are taken it will take a still heavier toll from the already enfeebled population in 1922."

The emergency tariff act that passed some time ago provided for a 7-cent duty on long-staple cotton, and many of the members of the Ways and Means Committee argued with me that we imported no short-staple cotton, while the record shows that the great majority of the cotton coming to this country is short-staple cotton. I would like for some one to explain here on the floor why we should make any distinction between the man that grew inch and a half lint or an inch lint, why there should be any distinction.

I am proud that to-day the two old parties are closer together on the principles of protection than ever before.

There never has been a time in the history of this Nation when 24 Democratic governors invited a Republican President to address the Cotton Growers' Association of the South, as they did this year, when they invited President Harding to address them in their convention at Atlanta, Ga.

The principle of protection is as broad as the domain over which the American flag waves, and the Representatives sitting here in this House should be equally as broad.

In the name of common reason, men, give the American farmer the recognition that he is asking to-day, and to you southern Representatives, when you have protected the cotton industry of the South, when you return home your constituency will call you blessed. May God help you to do the right thing. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Arizona [Mr. HAYDEN].

Mr. HAYDEN. Mr. Chairman, I desire to offer a substitute and have it pending.

The Clerk read as follows:

> Substitute offered by Mr. HAYDEN: Amend page 192, line 15, by inserting in paragraph 1557, after the words "cotton and cotton waste," the words "not specially provided for," and by inserting a new paragraph between lines 9 and 10, page 113, as follows:
> "PAR. 900. Cotton having a staple of 1⅛ inches or more in length, 20 cents a pound."

Mr. HAYDEN. Mr. Chairman, to save anyone on the Republican side of the House from the necessity of making the banal remark that, as a Democrat, I am inconsistent in advocating a high tariff on long-staple cotton, let me say at the outset that this is announced and conceded to be a protective tariff bill and that the scheme for American valuation makes it the highest tariff bill ever presented to Congress. With that for a premise, there can be no inconsistency in my pointing out, Democrat though I be, that as the bill stands it does a most serious injustice to the American producers of long-staple cotton. It has been repeatedly asserted that this measure is to be passed for the benefit of all sections of the country, which gives me the undoubted right to demonstrate that as the bill stands the Northeastern States get the cream and that the States of the Southwest do not even get the milk after they have skimmed it. We are told that this bill is to protect the factory laborers from the competition of the pauper labor of Europe. Then why should

I be denied the right to say that it does not protect the Arizona cotton farmer from an economic conflict with the Egyptian fellaheen, who works from sunrise to sunset in the valley of the Nile for what is equivalent to 40 cents a day in American money?

When the emergency tariff bill was under consideration on December 22, 1920, I said in support of an amendment which I offered providing for an import duty of 30 cents a pound on long-staple cotton:

I have demonstrated that section 14 in its present form will produce very little revenue and is practically useless for even incidental protection. It now costs 4 cents a pound in the seed, or at least 15 cents per pound of lint, to pick Pima cotton with Mexican labor in my State. A duty of 7 cents will not equal half the expense of picking and will offer no encouragement to farmers who saw consigned cotton from Arizona sell at $1.26 a pound less than a year ago. If the majority who are in control of the House have any real desire to benefit the producers of long-staple cotton in the United States, they will abandon this camouflage provision and accept my amendment.

The duty of 7 cents a pound on long-staple cotton which went into effect on May 28, 1921, as the result of the approval of the emergency tariff act has been of no practical benefit to the Arizona cotton growers. The market price of Pima cotton has nominally advanced during the last 40 days from an average of 28 cents per pound to 32 cents at present or about one-half of the duty, but the total sales have been small. The Egyptian-grown cotton that competes with it has declined about 5 cents a pound on the Alexandria market during the same period. These changes in prices merely demonstrate that a low hurdle was erected over which the Egyptian cotton can easily vault and come into the American market in as great a volume as the spinners may require. That a tariff of 7 cents a pound is no serious obstacle to importations is proved by the fact, of which I am reliably informed, that Egyptian cotton has recently been offered for sale at 7 cents less than the American market price.

The emergency tariff of 7 cents per pound has not only proved to be as valueless as I said it would be but the advance in railroad freight rates in the United States and the decline in ocean shipping rates have served to further handicap the American cotton growers. The railroad rate on a bale of cotton from Arizon to Boston is $10.40, but 500 pounds of cotton can be shipped from Alexandria to Boston for $2.38. There appears to be no relief in sight for the high railroad tariffs which are stifling the American producers and neither does the end of the rate war on the ocean appear to be in view. It is said that the Shipping Board has recently directed that no matter what kind of charter was offered by the English, the price was to be met. When I pointed out the evil effect of such a policy upon the market for Arizona-grown cotton delivered in New England, I was advised that there was no alternative, because otherwise the cotton from Egypt would be carried to this country in British bottoms.

By the amendment offered by the gentleman from West Virginia [Mr. BOWERS], it is proposed to reduce the present import duty from 7 cents a pound to 15 per cent ad valorem, which, at the present American price, would be about 4½ cents per pound. Even if American-grown Egyptian cotton should advance to 40 cents a pound, as I hope and pray it will, this 15 per cent duty would only amount to 6 cents. As conditions now are, such a duty will do but little more than offset the difference between the ocean and the rail rates and offers absolutely no inducement for any American farmer to plant a single acre of such cotton.

Let nobody say that the majority of the Committee on Ways and Means have not been fully informed as to the exact facts of the long-staple cotton situation. First, they had the data submitted by the Bureau of Plant Industry of the Department of Agriculture, which was printed in the report on the emergency tariff bill. I stated the case to the best of my ability last December when that measure was under debate in the House and have been harping on it ever since. When the emergency tariff bill was considered by the Senate, Senator ASHURST, of Arizona, presented all of the facts and figures in complete detail. When this general tariff bill was being framed by the Republican members of the Ways and Means Committee I presented Mr. Dwight B. Heard, of Phoenix, Ariz., who made a strong argument and filed an exhaustive brief which demonstrates the absolute necessity for a duty of 20 cents a pound. Mr. Frank R. Stewart, a Republican presidential elector from Arizona, and Mr. F. A. Ried, president of the Salt River Valley Water Users' Association, also appeared before the chairman of the subcommittee having in charge the cotton schedule. Recently Mr. Sims Ely, secretary of the Arizona Resources Board, came to Washington, and in addition to personal interviews he has furnished every member with a written statement which can not be refuted in any particular and which supports every contention that has been made for a tariff of 20 cents a pound on long-staple cotton. Supplementing all such personal efforts numerous letters and telegrams have been sent to members of the committee by citizens of Arizona who know the facts.

Therefore none of them can plead ignorance as an excuse for leaving this cotton on the free list or for offering so inadequate a duty as 15 per cent ad valorem.

Speaking for the cotton growers of Arizona, I want to know what a pledge made by the Republican Party amounts to? The Republican platform adopted at Chicago in June, 1920, contains these words:

The farmer is the backbone of the Nation. National greatness and economic independence demand a population distributed between industry and the farm, and sharing on equal terms the prosperity which is wholly dependent upon the efforts of both. Neither can prosper at the expense of the other without inviting joint disaster. * * * The Republican Party reaffirms its belief in the protective principle and pledges itself to a revision of the tariff as soon as conditions shall make it necessary for the preservation of the home market for American labor, agriculture, and industry.

Warren G. Harding, then a candidate for President, said at Baltimore on September 27, 1920:

Proper protection, American industry and American labor have the right to expect. This much they should properly receive. It would be an intolerable thing if we stood by and beheld our enterprise impaired and our labor injured. If it be placed in responsible control in the November election, the Republican Party solemnly engages that this shall not come to pass. The stability of American industry, the prosperity of American agriculture, the security of American labor—these shall be its purpose—to be achieved by deliberate tariff revision, protective revision, whenever and wherever the necessity exists.

Standing squarely upon the Republican platform, the leaders of the Republican Party in Arizona, many of them men whose word in any business transaction is as good as their bond, solemnly assured the farmers who grow this cotton in my State that the election of a Republican President and a Republican Congress would mean, beyond the shadow of a doubt, that a protective tariff law would be enacted which would equalize the cost of production between Arizona and Egypt. No one who knows the facts will deny that this promise was one of the chief causes for transferring a normally Democratic State into the Republican column. Such positive and unequivocal assurances explain in a large measure why the electoral vote of Arizona was cast for Harding and why there is a Republican United States Senator from that State at the other end of the Capitol.

I made no such promise. I told everyone who asked me that tariff bills are pork barrel bills and that the interests with the most votes in Congress always received the most protection. I said that political expediency and not justice had framed every Republican tariff bill that had ever been written and that the cotton growers of the Southwest were not in position to demand consideration because they could count on only 4 votes in the Senate and 2 votes in the House from the States and congressional districts where cotton having a staple of 1⅛ inches or longer is grown.

I predicted then, and I repeat now, that any general tariff bill written by a Republican Congress will give the manufacturers more protection than is granted to the producers of raw materials. I further stated, and time has proved it, that the Arizona cotton growers would get as much protection, and no more, than the New England spinners of tire fabrics and the Ohio tire makers would, out of charity, permit them to obtain. I do not know and do not question the motives of the Republican members of the Committee on Ways and Means, but results speak louder than words. They have presented a tariff bill to the House with cotton on the free list and every article made of cotton protected. Now comes the gentleman from West Virginia with his pitiful apology in the way of an amendment for a duty of 15 per cent ad valorem. In the name of the cotton growers of Arizona, I thank him for his good intentions. I know that his heart is right and he would do more for them if he could. But as for the Republican Party, it promised them bread; it first offers them nothing, and now it brings them a stone.

The adoption of the amendment that I have offered is the only thing that can be done to keep the Republican pledge made to the cotton growers of Arizona. Twenty cents a pound, and no less, must be the duty levied to equalize the cost of production at home and abroad. Any duty less than that has just that much repudiation in it. The Republican Party has a two-thirds majority on the floor of this House. It is within your power now to make good your pledged word. I have pointed out the way. The responsibility is upon you, and you have the power to act before the sun goes down to-day. Will you do it?

Mr. MONDELL. Mr. Chairman, will the gentleman from Arizona yield?

Mr. HAYDEN. I regret that my time is so limited that I can not.

The gentleman from Massachusetts [Mr. WALSH] and his colleague [Mr. TREADWAY] have inquired about a compensatory duty on cotton manufactures. My father was born in New England, his ancestors lived there for seven generations, and he taught me that the way to answer a Yankee question was by asking another. I want to know who gave the New England spinners a vested interest in a compensatory tariff? Who first made any such law? Was it handed down from Mount Sinai or was it made by selfish men who wanted the highest possible import duty on their manufactures and no duty on the raw materials?

A compensatory duty? It is not the cotton manufacturer who should mention such a thing in connection with this bill. By the rates already fixed and the American valuation he now has more protection than he is justly entitled to have. Knowing this to be true, it is the producer of long-staple cotton who feels outraged at the discrimination. It is the American cotton grower who is demanding a compensatory duty on his finished product, the cotton in the bale, which will place it on an equality with the products that are made from it. I shall print in the RECORD an extract from the cotton schedule as now written in this bill that will show the measure of protection which has been granted and will further prove with what poor grace this request for a compensatory duty is made.

SCHEDULE 9, COTTON MANUFACTURES.

PAR. 901. Cotton yarn, including warps, in any form, not bleached, dyed, colored, combed, or plied, of numbers exceeding No. 120, 28 cents per pound or not less than 25 per cent ad valorem.

Cotton yarn, including warps, in any form, bleached, dyed, colored, or plied, of numbers exceeding No. 120, 34 cents per pound or not less than 27 per cent ad valorem.

PAR. 903. Cotton cloth, not bleached, printed, dyed, colored, or woven-figured, containing yarns the average number of which exceeds No. 40, 16 cents per pound, and in addition thereto fifty-five one-hundredths of 1 cent per average number per pound for every number in excess of No. 40 or not less than 29 per cent ad valorem.

Cotton cloth, bleached, containing yarns the average number of which exceeds No. 40, 18 cents per pound, and in addition thereto three-fifths of 1 cent per average number per pound for every number in excess of No. 40, or not less than 33 per cent ad valorem.

Cotton cloth, printed, dyed, colored, or woven-figured, containing yarns the average number of which exceeds No. 40, 22 cents per pound, and in addition thereto sixty-five one-hundredths of 1 cent per average number per pound for every number in excess of No. 40, or not less than 33 per cent ad valorem.

PAR. 907. Cloth in chief value of cotton, containing silk or artificial silk, 8 cents per square yard and 17 per cent ad valorem.

PAR. 915. Hose and half-hose, fashioned, seamless, or mock-seamed, finished or unfinished, composed of cotton, valued at more than $5 per dozen pairs, 35 per cent ad valorem.

PAR. 916. Underwear and all other wearing apparel of every description, finished or unfinished, composed of cotton, valued at more than $20 per dozen, 40 per cent ad valorem.

Long-staple Egyptian cotton is used in only the highest-priced cotton cloths. Listen to these names and then ask your wives if anything more expensive in the way of fabrics made of cotton are to be found in the dry-goods stores: Sateen; plyvoile; semivoile; dimity; transparent organdy; cotton mull; sheer nainsook; French lawn; batiste; chiffon mull; poplin, warp-print; fine shirting poplin; fancy piqué vesting; fancy striped voile; sateen brocade; thread stripe organdy; fancy leno voile; Jacquard; clip spot lawn; fancy swivel voile. These trade names are taken from a list made up to show the kinds of fine fabrics which are manufactured from that cotton. Will anyone say that the prices at which these goods are sold justifies a further raise by way of a compensatory tariff?

Permit me to say in all sincerity to my Democratic colleagues that each and every one of them can vote for my amendment with a clear conscience, because it comes strictly within the terms of a tariff for revenue. The average annual importations of long-staple cotton from Egypt amounted to 100,000,000 pounds, and the production in the United States is about 50,000,000 pounds. A tariff tax of 20 cents a pound will therefore amount to approximately $30,000,000, of which $20,000,000 will be paid into the Treasury and $10,000,000 will be incidental protection to the American growers of long-staple cotton.

I hold in my hand a copy of the Underwood Tariff Act of October 3, 1913, and anyone who examines it will find that every manufactured product of long-staple cotton bears a duty. Over 80 per cent of this cotton is used in the manufacture of automobile tire fabric, principally cord fabric, which is dutiable under the Underwood law at 30 per cent ad valorem. The cotton schedule of that act provides a duty of 27½ per cent ad valorem on cotton thread and carded yarn exceeding No. 99, and it is well known that this long-staple cotton is exclusively used in manufacturing the finer yarns and threads. Unbleached cotton cloth containing yarns exceeding No. 99 carry the same rate of duty, which is advanced to 30 per cent when the cloth has been bleached or dyed. Every Democrat who voted for the Underwood Tariff Act and who supports it now can consistently vote for my amendment, because it does not carry as great a measure of incidental protection as the rates on cotton manufactures which I have quoted.

If this import duty of 20 cents a pound is levied, who will pay the tax? Principally the users of cord automobile tires, but the tax will be so small that it will hardly be noticed. A 30 by 3½ pneumatic tire contains about 5½ pounds of this cotton and sells at $28. The adoption of this tax would increase the price by $1.10. All of the other articles made from long-staple cotton are semiluxuries, upon which the purchasers can well afford to pay a reasonable tax.

I feel that I am fortunate indeed in being able to offer an amendment which can be honestly supported under either of the tariff theories upon which the two great political parties are divided.

I have shown that from a revenue point of view the Treasury will receive twice as much as the cotton growers, and that every manufacture of long-staple cotton is now taxed in the Underwood law, which was passed by a Democratic Congress. Upon the other hand, there is no argument in favor of a protective tariff which does not fully and completely apply to long-staple cotton grown in the United States. It is an infant industry which sadly needs to be placed on a prosperous basis, and the difference in the cost of production at home and abroad can only be equalized by the tariff rate that I have proposed. Whatever his political principles may be, every Member of this House can consistently give it his approval, and I hope that a majority of you will. [Applause.]

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. LAZARO].

Mr. LAZARO. Mr. Chairman, do the cotton farmers of the United States need protection? In my judgment, I say yes; and here are my reasons, which I do not believe any practical business man will deny:

We imported, mostly from Egypt, 690,000 bales, valued at $160,000,000, during the fiscal year ended in 1920. This was principally long staple, which competed with our long-staple varieties, produced by very high-priced labor, as against the cheap labor of Egypt and India.

Now, let us see about our short-staple cotton. A bale of this cotton weighing 500 pounds gives 1,000 pounds of cotton seed, 1,000 pounds of cotton seed gives 13 gallons of oil, and the price of the farmer's cotton seed is based on the price of the oil. There was imported into this country during the fiscal year ending in 1920 over a billion pounds of cheap foreign vegetable oil in competition with our cottonseed oil. This, of course, lowered the price of our cotton seed. The present tariff law admits raw textile fibers free, but levies a duty against all manufactured fibers. Raw cotton is not only unprotected, but every substitute on the face of the earth which comes in competition with it has been put on the free list. This brings every man who toils in the cotton field and who herds the sheep upon the plains in direct competition with cheap land and cheap labor of other countries.

The more I study the tariff question the more I am convinced that it should cease to be the football of politics. It is an economic question, and what we need in this country is a stable tariff policy. No property is safe while in a state of perpetual friction between protection and free trade. No industry can prosper protected half the time and free half the time, and no country can prosper half protected and half free. We need a uniform and permanent tariff policy that equally distributes its burdens and its benefits among all industries without discriminating against any section, class, or product. A policy of alternate waves of legislative free trade and protection compels an industry to lead a turbulent and reckless life. No conservative and capable investor cares to own property that depends entirely upon the ballot for its value. The history of every political establishment in which a principle of uncertainty, discrimination, and change has prevailed is a history of impotence, perplexity, and disorder from the contagion of common passions and interests. Nothing but an invincible aversion to common sense can prevent us from finally adopting a permanent business policy in dealing with the tariff. That is why the farmers of the United States are getting out of their old rut and thinking for themselves, and that is why they are organizing on sound business principles and demanding that their products receive the same consideration and protection as that given to manufactured products. [Applause.]

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. WARD].

Mr. WARD of North Carolina. Mr. Chairman, I rise to say to you Republicans that you can not fool North Carolina with your deceptive word "protection." We know that it ought to

be called "deception." We know that your sweet, nice, gentle arm is thrown around our necks for the purpose of trying to call us into your fold, to strengthen the forces of protection and plunder, and that that is the only reason that the Republican Party ever adopted as a policy a tariff on raw materials. We feel your friendly arm about our necks, coddling, cajoling, and feigning fondness and affection, but we know that you have a knife in your hand with which to cut our throats, and we would not let you do it if we could help it. That knife is the compensatory duty you are preparing to levy on every fabric into which cotton enters in even the slightest degree. You hold high your claims of protective-tariff prosperity, and loudly do you proclaim depression in the wake of low tariff, but, under what you call this Democratic free trade, let me read you just a few figures that I wish you would think of after this debate. With one exception North Carolina has beaten any State represented in this hall in her progress under the Underwood-Simmons tariff. With one exception she has excelled you all.

She has paid you out of her profits on cotton and tobacco, which you here pretend needs your protective tariff, every lock and leaf raised under what you call that free-trade tariff, $162,665,942.25 for the fiscal year 1919, and for 1920, though I have not the authentic figures, they are reasonably estimated at $179,000,000, to help run the Government. If you will let her alone 10 years more, keep the oppressive hand of tariff taxation off, and give her fair showing, unfettered in the race, and reasonable Government assistance, she will support the paupers of this Nation, which you have so loudly acclaimed as growing out of Democratic tariff.

When that Underwood-Simmons tariff fell upon the cotton planters of North Carolina, they were listing only $382,775,953 in real estate, $243,626,571 of personal property, and $121,098,098 in what the Census Bureau calls "all other property," and in 1919 they listed $1,029,993,778 worth of property, and we beg you to let us alone, keep the hand of oppression off, and stand by and see North Carolina march by all of you in her progress to the high and lofty destiny that awaits her.

Mr. FORDNEY. Does not the gentleman know that one Northern State paid more income taxes than all of the 13 Southern States?

Mr. WARD of North Carolina. But it was not progress. You started bigger. You have been helped by this protective tariff for your manufacturers while we paid the tribute, and notwithstanding that, we have about caught up with you, and if you will keep your oppressive hands off us, we will overtake you and surpass you in the march of progress. [Applause.]

Mr. FORDNEY. We are bound to save you in spite of your efforts.

Mr. WARD of North Carolina. That is your deception; you are trying to seduce, but we are on to your racket, and you can not fool North Carolinians. They can do nothing now but beg, but do not forget that retribution, though she treads with a leaden heel, strikes with an iron hand. North Carolina is going to be standing around here in this hall and will see the lick that retribution will strike you for the cruel oppression of taxation that you are laying upon her and her sister States, pretending all of the time that you love her better than anything you ever saw, when we know you are simply trying to strengthen the forces of privilege by fooling her.

Your citations of the history of American tariffs and your construction of their effects upon the industrial life of the country are as unreal and imaginary and as unfit to support the real truth of its effect upon the country as are the adventures of Baron Munchausen to support the veracities of authentic history, and by their constant use and the contortions of facts to support your contentions you establish the virtues of a protective-tariff program, false both in reason and in fact. [Applause on the Democratic side.]

It can not be forgotten, in answer to these deceptive citations and contentions, that it was under the Underwood-Simmons tariff that farmers sold their cotton at 40 cents a pound, or, conservatively speaking, from 30 to 40 cents for a whole season, and that for the next former season from 20 to 25 cents, while the lowest mark that the cotton market ever touched was between September 10 and October 20, 1898, when the Dingley tariff was in force, and, although raw cotton was, I think, on the free list then, the general tariff rates were as to all time then past unprecedentedly high, with its boasted opportunities to give life and energy to the general industrial conditions of the country.

This compensatory duty, which I described as the knife in your hand, is, by your admissions made on this floor, the duty to be laid on every product into which cotton of any kind enters, taking back from the cotton raiser in the prices he pays for the things he must buy more and more tribute money to fill the treasuries of the manufacturers, who are the main object at last of your legislative favors. Already under the low rates of the Underwood law, and as it was before that law was superseded by your emergency tariff, which went into effect the 28th of May, 1921, the difference in the cost of raw cotton and the manufactured article was far beyond the bounds of human understanding and common justice. A bale of cotton selling in North Carolina for $50 in October goes through New England milis and back to the shelves of the merchant in North Carolina by Christmas and sells for more than $1,000. Your tariff here gives a duty on $50 and takes back a duty on $1,000, leaving the advantage twenty times to the favor of the manufacturer and the jobber, and this you call Americanism—protecting the high markets of America against the cheap markets of the other nations of the world.

We export 8,000,000 bales of cotton and import of the same kind 200,000; these being fair conservative figures. The protective argument is, that as the markets where the 200,000 bales come from are so much lower than our market here, a duty should be imposed on the 200,000 to bring it up to the price of our 8,000,000 bales here. It is certain that no country raises enough for its own consumption except the United States, and if the market in the foreign country is so much lower than here, it is to be wondered why at the cheap price the people do not consume it instead of buying in this market and paying ocean freight. This 200,000 bales imported is purchased here principally because of its difference of quality and texture, to be introduced with ours into a fabric that can only be made by the blending of the two. A market producing its full supply of cotton for its own home consumption and shipping abroad 8,000,000 bales can not be protected by a tax imposed on 200,000 bales imported, and to pretend otherwise is to practice the art of deception. That deception is held out to support the compensatory duty on the manufacturers, as I have stated, because the facts above stated do not apply to him for the reason that foreign nations are manufacturing our cotton and shipping it back here in competition with the American manufacturer. Now, to deal with full justice and fairness to our manufacturer it would seem that as he buys here in the home markets without an ocean freight, he could compete with the foreign manufacturer who is paying two ocean freights in addition to the American market price, besides the commissions, ocean insurance, and storage and cost of a second sale in his home market. But up steps the manufacturer, his lobbyist, and legislator with his swag bucket in hand and says: "Look how much more I pay my laborer. If you reduce me to the level of European prices you force me to reduce the wages of my laborer to the European level." Right here is met the bloody angle of the general tariff debate in its application to commodities generally, but not so as to raw cotton because, as stated, there is no appreciable amount of raw cotton imported and none practically to be imported. In answer to this wage proposition, it is undoubtedly true that taking in review the whole scope of mechanical industry the American laborer, though paid more money for his wages, is the cheapest laborer in the world.

The price of labor is tested by the intelligence and energy and strength and skill and appliances and methods and expertness of direction and supervision of the laborer, and measured at last by its output—its results. How plain it is to everybody that the cheapest laborer is not the one paid the lowest wages, but often the one paid the highest. Never was there a more fallacious and absurd contention invoked to support any doctrine on earth than that the trained, artful, energetic, skilled, well-fed, and well-directed American laborer, with all his superior appliances of invention and ingenuity, is a higher priced laborer than the less efficient and less advantaged laborer of the foreign world.

The real source and cause of high wages are natural resources, skillful leadership and direction, good health and strength, an ambition to accomplish, and an intelligence and understanding of the demands made by the duty assigned upon the brain of the laborer. Given these you will always have high wages; and the dull and stupid intellect, the unambitious and unaspiring character of the Asiatic and, very generally speaking, European laborer, in his loathsome surroundings, and lack of advantages of machinery and leadership can no more successfully cope with the higher type of the American laborer than can their generals and private soldiers cope with us on the fields of war. The strong need no protection against the weak any more than those who see need to be led by the blind. It is only a fraudulent pretext and excuse—this argument of holding up the wages of the American laborer by protective tariff—to levy a tax at the customhouse on the imports of the foreign world, in order to keep the American buyer and consumer from

the advantage of competition in the world's markets and to enable the manufacturer to raise his price to the amount of world market prices plus the tariff duty, which said plus is in addition to the fair and honest profit which industry, sense, and capital are always able to make. This excess profit, this plus, is the tribute laid on the consumer and piled up in the coffers of the rich, reduced only by the levy made each recurring campaign by the Republican campaign committee; and this policy has resulted in the conditions of which the gentleman boasted when he reminded me that one Northern State paid more taxes than the whole South.

If you think you can fool the farmers of North Carolina with the pretension that you are protecting them against the efforts of their Congressmen, as suggested by the remark of Mr. FORDNEY, what answer do you expect them to make, if you assume they are sensible men, to your duty in this bill on the potash that enters into their fertilizer?

North Carolina farmers use nearly 700,000 tons of commercial fertilizer each year. From 3 to 7 per cent of this is potash. From the State board of agriculture of my State I have a telegram begging your mercy against the imposition of this tariff; but what can I do for them? If I kneel in prayer at your feet, I am mocked. If I reason, I am scorned. If I contend and protest, I am overwhelmed by your majority force. So my farmers must pay. Nothing else is left to them, unless they are to ignore the fertilizer markets and see their crops dwindle away to the point that there is no profit in them.

Your paragraph 1634 imposes a duty of 2½ cents per pound on this essential element of their fertilizer for the first two years, 2 cents for the third, 1½ cents for the fourth, and 1 cent for the fifth. Thereafter it is free. God grant there may be no thereafter with you and this bill. In your emergency bill you pretended to recognize the fact that there was an emergency for immediate farmer relief; yet not having paid this tax heretofore they must for five years bear this increased burden to help your manufacturer get on his feet. Mr. Chairman, when he gets on his feet the farmer will find those feet on his own neck, and that is where this paragraph in this bill is intended to put them—on the farmer's neck.

It is, I think, generally recognized that this is the highest tariff bill ever enacted by the American Congress. It is the first in the history of this Government to impose the duty upon the basis of the American market price rather than upon the purchase price, and in this particular must be admitted to be the most inviting one to the home manufacturers to combine and hold up prices.

Your whole bill threatens a burden to the farmer, like the sufferings of Cain, "too grievous to be borne," and it wrings my soul with anguish to contemplate them thus at the mercy of one who has no mercy except for one who needs no mercy.

Mr. COLLIER. I yield five minutes to the gentleman from Mississippi [Mr. HUMPHREYS].

Mr. HUMPHREYS. Mr. Chairman, the gentleman from Michigan [Mr. FORDNEY] a few days ago read into the RECORD the tariff planks in the Democratic platform of 1892 and 1912. Those planks declared it to be a fundamental principle of the Democratic Party that Congress had no power or right under the Constitution to levy tariff taxes except for the purpose of raising revenue.

I personally subscribe to that doctrine, and during my long service in this House I have never consciously, certainly never intentionally or deliberately, voted for any tax, tariff, or excise which did not have for its purpose the raising of revenue. Of course, the only power Congress has in the matter of taxation is given in the Constitution, which provides that—

> The Congress shall have power to levy and collect taxes, duties, imposts, and excises, etc., but all duties, imposts, and excises shall be uniform throughout the United States.

In another section it provides that—

> Direct taxes shall be apportioned among the several States according to population.

The sixteenth amendment exempts income taxes from the rule of apportionment.

These are the only provisions in the Constitution which give Congress any power to collect any sort of tax. Whatever limitations hedge about the power to levy taxes or limit the purpose for which they may be laid and collected limits equally, and, of course, the power to levy excises as well as duties and imposts. In other words, if Congress has no power to provide a tariff except for the purpose of raising revenue it has no power to provide an excise tax for any other purpose. Both such taxes are collected under the same grant, which is contained in the single sentence—

> Congress shall have power to lay and collect taxes, duties, imposts, and excises, etc.

I have been criticized, I do not mean harshly; perhaps I should say I have been twitted by some of my Democratic colleagues for having voted last December for the emergency tariff, which was manifestly not primarily for the purpose of raising revenue.

Strangely enough these criticisms have usually come from men who had voted to exercise the taxing power not for the purpose of raising revenue, but for the purpose of regulating child labor in the several States, for the purpose of preventing the manufacture of phosphorus matches, for the purpose of regulating cotton exchanges, and other similar measures in the face of our platform declaration that it is a fundamental principle of the Democratic Party that Congress has no constitutional right or power to levy taxes except for the purpose of raising revenue. I did not vote for that bill, however, until, and I would not have voted for it unless, the Supreme Court had upheld the constitutionality of the Volstead Act, the war-time prohibition section of which had been enacted some six months before the eighteenth amendment became effective.

In view of that decision, of course there could be no question of the power of Congress to lay and collect tariff duties for a purpose other than revenue so long as we remained technically in a state of war. A short while after I had voted for the emergency tariff I received a letter from a constituent complaining of my vote, and as I set forth very fully in my reply the reasons which had led me to support that bill I will, with the permission of the House, insert that letter in the RECORD instead of restating those reasons.

I still believe that had that bill been written upon the statute books as it passed the House and without delay it might have helped, but it was not enacted until about the 1st of June this year, and then in such form as prevented me giving my support to it. Under these circumstances it accomplished no good purpose.

If I were drawing a tariff bill for the purpose of raising revenue, I think I would include in it a reasonable tariff on hides and a reasonable tariff on crude and fuel oil and a reasonable tariff on cotton.

Both of the great political parties of this country are in favor of a tariff. The Republicans favor a tariff and the Democrats favor a tariff, and they both take particular pains to declare their belief in a tariff whenever they hold their national conventions and write their platforms. There is only one political party in this country represented on this floor which is in favor of free trade—the Socialist Party, represented here, and very ably represented, by the distinguished gentleman from New York [Mr. LONDON].

I understand, of course, that this bill is written solely for the purpose of protecting American producers from any sort of competition in our home markets with the producers of other countries. What revenue is produced will be incidental. The purpose of the bill, therefore, being not to raise revenue but entirely foreign to that purpose, I shall vote against it.

I do not follow the logic of the gentleman from Michigan [Mr. FORDNEY], however, when he insists that no man can consistently vote for an amendment to the bill and then vote against the bill if the amendment is agreed to. I have voted many, many times for amendments which I believed would improve the bill to which they were offered, although I was convinced that even if so amended the bill should still not become a law. It occurs to me that every Member here ought to try to improve every bill that is brought up for consideration, and in so doing make a bad bill less harmful.

Now, if, as I stated a moment ago, I would write into the tariff bill, if I had the privilege of drawing one, a revenue duty on hides, petroleum, and cotton, how could I justify a vote against those provisions when they are proposed as amendments to the pending bill? I confess that I can not answer that question. A low duty on these items will produce many millions of revenue, and surely there was never a time when we needed revenue more sorely than to-day. Our people are literally burdened with taxation. The Nation owes some $25,000,000,000 in bonded indebtedness, the interest on which runs up beyond a billion dollars annually. Every State, every county, every city, and every town has its bonded indebtedness. In addition to these, bonds are issued by road districts, by drainage districts, by levee districts, by reclamation districts, by all sorts of improvement districts, and the interest on these bonds, to say nothing of the principal, must be paid by taxes.

I do not know how it is in other States, but I assume that it is true everywhere as it is in my district, and there I know that taxes are a most serious burden and the problem of adjusting taxes to meet the burden is most perplexing.

Now, if we are to raise a part of our revenue by laying tariff duties on imports, what peculiar reason can there be why the

man who imports cotton or oil or hides should be exempt from the burden which is laid upon everybody else? If we are to raise six or eight hundred million dollars by a tariff on imports, it is perfectly certain that the general level of rates must be higher in proportion to the number of articles which we admit free of duty. If 4,000 articles come into the customhouse and we let half of them in free, then rates must be placed sufficiently high on the other half to make up for the revenue thus lost. This does not appeal to my judgment as a wise policy to pursue. If we fail to collect the fifty or seventy-five million dollars which would be paid into the Treasury upon the imports of hides, oil, and cotton, which are now coming in free, we will have to collect it on something else.

I believe in the lowest tariff rates that will produce the revenue required, and in order to get these low rates we must exempt as few articles as possible from bearing their share of the burden.

I think the tariff ought to be on all cotton imported into this country instead of being limited to long-staple cotton. Several reasons have been advanced why this should not be done. First, because more than half of our cotton crop is exported and only a relatively small amount is imported. It is urged that for this reason a tariff would do the American cotton producer no good.

I can understand the force of this objection when made by a Republican who is thinking about protection, but I fail to catch the point when made by a Democrat. It will raise revenue, and that, as I understand the Democratic theory, is the purpose for which tariff duties should be imposed. The fact that we export much more than we import is no reason why an article should be put upon the free list, and it has never been regarded as a good reason by Democrats.

The Underwood tariff bill is certainly an expression of the Democratic view. My colleague [Mr. COLLIER], for whose opinion on such matters I have the highest respect—and I quote him because I think he is high authority—said the other day that the Underwood tariff was the best tariff law ever written, not even excepting the Walker tariff of 1846.

Referring to schedule G—agricultural products and provisions—of the Underwood Act, the very first item is a tariff of 10 per cent ad valorem on animals, on horses and mules. This law was enacted in 1913. By reference to the Statistical Abstract, I find that in 1912—and these were the latest figures to guide us when we framed the Underwood Act—there were imported 8,333 horses, whereas our exports of horses for that same year were 29,229, nearly four times as many as our imports, yet we levied a tariff of 10 per cent on horses.

During that same year we exported 4,940 mules and imported none. Still we levied a tariff of 10 per cent on mules. During that year we imported 3,125,000 bushels of oats, but we exported more than 30,000,000 bushels, about ten times as much as our imports. Yet the Underwood bill, in the face of these figures, provided a duty of 6 cents a bushel on oats.

From this, and I could cite a number of other items equally as illuminating, it is perfectly clear that the mere fact that our exports were larger than our imports has never been considered sufficient reason to admit an article free of duty when Democrats were writing a tariff for revenue only.

Last year we imported into this country 700,000 bales of cotton, 500,000 bales of which were long staple—1⅛ inches and over. We produced in this country about that same number of bales of long staple. A duty of 15 per cent ad valorem would certainly have yielded a very substantial revenue, but as it was we permitted this cotton to pass through the customhouse absolutely free of duty.

Much of the short-staple cotton which comes in is of a different type from any short staple produced in the United States and it will continue to come in even if a duty of 15 per cent is imposed upon it.

Cotton imported from China, for instance, is very short. It is what is called "rough cotton" and is used not as a substitute for nor in competition with our short cotton but as a substitute for wool. This is largely true of the cotton that comes from Peru also, though it is of longer staple. The short cotton from India is, practically all of it, very low-grade cotton, and it, of course, does take the place of our low-grade cotton.

Why should this cotton be permitted to come in without paying some revenue at the customhouse if we are going to resort to the tariff at all for the purpose of raising revenue?

The pending amendment, however, limits the tariff to long-staple cotton—that is, cotton having a staple length of 1⅛ inches and over. We have never for many years imported less than 100,000,000 pounds of long-staple cotton and usually very much more than that annually. Last year it amounted to some 250,000,000 pounds. This will continue to come in and will add from $5,000,000 to $25,000,000 annually to our revenue if importations continue as they have in the past.

I do not believe there is any merit in the contention that a tariff should not be levied on articles which are exported in larger quantities than they are imported. I have just shown that the Underwood tariff, in the matter of horses, mules, and oats, did not proceed upon any such theory. But so far as long-staple cotton is concerned, the imports are very much larger than exports. In fact, last year we imported about as much as we produced in this country, in round figures 500,000 bales.

Ever since the days of the Walker tariff Democrats have pointed to it as a model, and one of its suggestions was that tariff duties should be highest on luxuries.

The Bureau of Markets, in a report which they made to the Ways and Means Committee at the request of the Secretary of Agriculture, states that "long-staple cotton is required for certain specific purposes, such as the manufacture of automobile tire fabrics, for mercerized hosiery and underwear, for sewing thread, for lawns and ladies' dress goods, and for the finer numbers of yarn." This is particularly true of cotton which has a staple length of 1⅛ inches and over, and nearly all of the so-called long-staple cotton imported into this country runs from 1⅛ inches up.

I believe that a tariff is a tax and that the consumer pays it. The consumers of long-staple cotton are the manufacturers of the highest-priced cotton fabrics. I seriously doubt if this tariff will be reflected in the retail price of these manufactured articles. Four or five cents per pound on the cotton which is used in the manufacture of mercerized hosiery and underwear, which looks like silk and is usually sold as silk, would have to be spread over perhaps a dozen pairs of stockings or 10 or 15 yards of cloth.

Prior to the war, when times were normal, the fluctuations in the price of long-staple cotton varied during the course of every season very much more than 15 per cent without affecting the retail price of the manufactured articles. But suppose 5 cents per pound is added to the retail price of a pound of silk stockings or a pound of the higher-priced dress goods, is it not a tax on luxuries?

Frankly, I can not fully comprehend the solicitude manifested by gentlemen on this side of the House for the consumers of these high-priced articles.

Every tariff law ever written by a Democratic Congress provided a tariff on manufactured cotton goods. This is true of the Underwood law, and yet our exports of cotton manufactures greatly exceed our imports. In 1919 we imported in round figures $52,000,000 of cotton manufactures and exported $273,000,000.

In 1920 we imported $137,000,000 of cotton manufactures and exported $402,000,000.

If rates on cotton manufactures are now too high, as has been suggested by several gentlemen on this side, the best way I know of to reduce them would be to collect this revenue on imported cotton which goes into high-grade automobile tires and mercerized hosiery and underwear, and take it off of the cheaper cotton fabrics, which are consumed by the masses.

We have now become a creditor nation, and it may be that we will in time find it to our interests to become a free-trade nation. I do not think that many of us believe the time for that radical change in our tariff system has yet arrived. The last Democratic platform reaffirmed "the traditional tariff policy" of our party, and that policy has always favored a tariff for revenue.

I conclude as I began, therefore, by declaring that if we are to collect revenue at the customhouse, I can not understand why the Standard Oil Co. should be permitted to import 106,000,000 barrels of crude oil, and the manufacturers of silk hosiery and underwear should bring in 300,000 or 400,000 bales of long-staple cotton free of duty, when the man who imports the articles of everyday household necessity is halted at the customhouse and required to pay a tax. [Applause.]

The following is the letter above referred to:

UNITED STATES HOUSE OF REPRESENTATIVES,
Washington, D. C., January 1, 1921.

MY DEAR SIR: Your letter of the 16th received, and I hasten to reply. I agree with practically everything you say in your letter touching the tariff.

I believe there will be less excuse for high tariffs hereafter than there has ever been. If we are to collect what foreign governments owe us and continue to sell much of our products abroad, we will certainly have to maintain low tariff schedules, because the only way they can pay us is with goods.

The emergency tariff bill which I voted for, you understand, was purely a temporary measure. There were two bills which were intended to relieve, or at least to help in a measure to relieve, the distress in the country due to abnormal financial and industrial conditions.

The situation was about this: The farmers had a large surplus of agricultural products which they could not sell. Europe was in dire need of these products but could not buy. It was proposed to revive the activities of the War Finance Corporation to assist in financing the exportation of these products to Europe temporarily, and that while this process was going on to prevent the abnormal importation into this country of like agricultural products which had developed during the past six months. For instance, we had 180,000,000 bushels of wheat surplus and we were making an effort to finance the export of that to Europe. Canada was shipping 150,000,000 bushels of wheat into our market.

If this were permitted, our burden would be increased to that extent and we would then have to finance the export of 330,000,000 instead of 180,000,000 bushels of wheat. The same was true of other products. Seven hundred thousand bales of cotton had been shipped into the United States in 10 months, and tens of millions of dollars' worth of cottonseed oil and its substitutes.

The emergency tariff bill, it was thought, would check these unusual and abnormal imports until we could finance the export of the surplus we then had on hand. Personally, I had little faith in either proposition bringing substantial relief. There were many bankers and exporters who believed, however, that it would help materially. There seemed to be no reason why one of these measures should pass and the other be defeated, and I therefore voted for both.

The argument that to vote for the emergency tariff bill would embarrass the Democrats politically did not appeal to me. The patient was very sick, and if heroic treatment would save him I could not understand why it should be withheld simply because some one would insist that we must continue that same heroic treatment hereafter, whether it was indicated by the patient's condition or not.

My views on the tariff have not changed, except that I think we will probably have to maintain a lower level of duties hereafter than ever before. In order to do this we will have to shorten the free list and require practically everything which is imported in large quantities to pay some duty instead of fixing high duties on a few articles. By doing this we can lower the general level of tariff rates and still increase the total revenue from that source.

With best wishes, very truly, etc., B. G. HUMPHREYS.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. Mr. Chairman, I yield the remainder of my time to the gentleman from Texas [Mr. RAYBURN]. [Applause.]

The CHAIRMAN. The gentleman from Texas is recognized for two minutes.

Mr. RAYBURN. Mr. Chairman, I have not voted to put a tax on any raw material in this bill. I shall not vote for this tax on cotton, because I believe it is pure, unadulterated bunk. [Applause on the Democratic side.] The gentleman from Mississippi [Mr. HUMPHREYS] says that it has never been the Democratic doctrine to place all things on the free list, and I quite agree with him in that statement; but when you are writing a Democratic tariff bill and put a tax upon raw materials Democrats are then writing the schedules that put a tax upon the finished product. Some gentlemen over here said that there would be no compensatory duty placed upon cotton goods if these rates on cotton went into effect. But the gentleman from Massachusetts, from the manufacturing sections of the country, the manufacturers of cotton, says if this tax is put upon raw cotton there must be worked out a compensatory duty upon the finished product, and if you look in the House and Senate, in the great committees of this House and in the Senate, the leadership in the House and the leadership in the Senate, represented by the Vice President and by the Speaker of the House, and other great and important positions in the House and in the Senate, you will agree that Massachusetts not only in legislation but in the organization of the two branches usually gets about what she wants, and that is going to happen in this cotton schedule. Gentlemen of the House stand up and say, even though it does not do cotton any good, it will not hurt it. [Applause.]

Mr. FORDNEY. Mr. Chairman, I yield four minutes to the gentleman from California [Mr. SWING].

Mr. SWING. Mr. Chairman and members of the committee, neither the amendment offered by the gentleman of the committee nor the amendment offered by the gentleman from Arizona exactly expresses my idea. I would have been willing to have had the cotton amendment include cotton of all kinds, so that everybody who came in competition with outside cotton could be protected. This was the position of Mr. Harding when, at Chattanooga, Tenn., on October 13, 1920, he said:

> We believe in protecting the cotton and cottonseed products of the South and wheat and wool in the North.

But the gentleman from North Carolina spurns the proffered hand of protection, as does the gentleman from Texas, and they say that they are willing to be counted out from the benefits which will result from this great protective measure. But I want to say to you that the State of California wants to be counted in on this measure.

In a conversation with the President at the beginning of this session he made a statement to me which I know to be true, namely, that California can not live without a protective tariff. Those of you on the Republican side of the House who have stood firm on the traditional policy of our party for a protective tariff for infant industries should recognize the fact that the production of long-staple cotton in this country began only in 1910, and did not reach large proportions until about 1915. You will not find the manufacturers who use the greatest quantity of this long-staple cotton opposed to a reasonable tariff upon it. The fact is that it is the child of the automobile-tire manufacturers. They have virtually subsidized the industry in America; they virtually have created it, and have encouraged it in every way. Under their tutelage over 250,000 acres of cotton were planted in 1920. As against that there was imported last year fully one-half million bales of long-staple cotton from Egypt. During the war we had the protection which those extraordinary circumstances gave us, but with the end of the war we come back to the conditions of free trade. In the production of cotton labor is the big element. With our farmers having to pay their cotton labor at the rate of $3.50 to $5 a day, they could not compete with cotton raised in Egypt, where labor is 40 to 50 cents a day. Under this competition our acreage has shrunk to one-half that of last year. We must have protection or this entire industry will fail.

Mr. FORDNEY. Mr. Chairman, I yield eight minutes to the gentleman from Iowa [Mr. GREEN].

Mr. GREEN of Iowa. Mr. Chairman, in response to what was said by the gentleman from North Carolina [Mr. WARD] I want to say this: I do not know how North Carolina will go in the next election, but I do know that the great majority of the people of that State are hoping and praying that this bill will pass substantially as it is written. The cotton mills of North Carolina are running at a loss to-day under the Underwood bill. They can not possibly continue to operate any great length of time under that law. The only thing that will save them will be the Fordney bill which we are presenting to the House.

Mr. WARD. Will you put the statistics in the RECORD, so that we can get them?

Mr. GREEN of Iowa. I know if he will go to the manufacturers and talk to them they will tell him just what they told me. They told me they were running at a loss and could not afford to do so indefinitely. If the proposition in this case was to put tariff on all kinds of cotton, I would be strongly, almost bitterly, opposed to it. In my mind it would not only be wrong, but it would actually put this House in a ridiculous light, to undertake to put a tariff on a product of which 60 per cent, or about that, is being exported, in order to raise the price, when anyone knows we must depend on the export price to fix the value of a commodity like cotton, if we take it as a whole. But the principal proposition now before us is considerably different. It is to put a tariff on what is commonly known as long-staple cotton, of 1⅛ inch or over in length. This can be justified under protective principles only in the event that a tariff upon that kind of product will increase the amount produced in this country until we can supply a far larger portion than we do at present. I doubt whether it would increase the area devoted to its production or the amount of it.

The amendment before us lowers the staple of 1⅛, as carried in the emergency tariff, to 1⅛. I think there can be no controversy over the fact that if the staple is confined to 1⅛ inches, it would do nobody any substantial good. So far as cotton of that length is concerned, we must import it, and we never produce any great quantity of it. At one time we produced about 13,000,000 pounds of the sea-island cotton, of a staple of about 1⅜ inches. Now, last year we produced only about 160,000 bales, or something like that, the ravages of the boll weevil having entirely devastated the regions that had heretofore produced it.

Mr. SWING. And the ravages of the Underwood tariff.

Mr. GREEN of Iowa. No; it had little to do with the production of sea-island cotton. In my judgment it would be produced to-day if it could be done; but in California and Arizona, according to the figures given me by the department, they produced only about 68,000 bales last year. That is not a drop in the bucket compared with what we need in this country, and as the gentleman from California [Mr. SWING] very properly states, the protection given in this amendment is not sufficient to enable them to carry on the business there, and I do not believe that cotton can be successfully grown on a commercial scale upon irrigated land. The cost is too great. It makes it a sort of hothouse product, and it was never good protection doctrine that we should put a tariff on bananas in order that they might be raised in this country.

On the whole I am unable to see how this amendment will either raise the value of the cotton to the cotton producer to any appreciable extent, or will it increase the amount of cotton that is produced in this country, and therefore, I do not favor it.

But there is another important reason. I am inclined to think, if this amendment passes, that there ought to be some kind of a compensatory duty, and yet, familiar as I am with

the cotton schedule, I am at a loss to draft any kind of a compensatory duty on cotton goods that will fit the situation if this amendment were to pass. Inasmuch as we do not raise enough of the 1⅛ inches and upward, unquestionably it will increase the cost of that kind of cotton.

It is true—and this must be taken into consideration—that that kind of cotton, or even cotton of 1⅛ staple, does not enter into 93 per cent of the cotton goods manufactured in this country, so that so far as cotton goods are concerned, made from yarn No. 40, or below, it would not be necessary to meet it by a compensatory duty.

We may say in that connection that over 90 per cent of the cotton raised in this country is less than 1⅛-inch staple, so that this duty will apply to only a very small proportion of the cotton that is raised in this country. The Egyptian cotton—that is, the cotton having a staple of 1⅛ inches and over in length—does not come in competition with the ordinary cotton that is raised here. It is used for fine goods and automobile tires. Probably 75 per cent of it is used for automobile tires. Gentlemen say this comes in competition with their cotton because it displaces it. I think they are in error. This cotton must be used for this particular purpose, and the short-staple cotton will not do. I have heard no gentleman on this floor claim that there was any prospect of increasing the acreage or amount of long-staple cotton in this country, except possibly on the irrigated lands of Arizona and California, by putting a duty of 20 cents a pound on it. Such a duty is wholly out of the question. Now, a duty of that kind on the finer goods that we have here, or any duty that might be added to the duties in this bill to compensate the manufacturers for the extra price that they must pay in this case, will raise the duties in this bill above those of the Payne bill. That is all there is to it, and you must face that question, gentlemen, in voting upon this amendment.

I repeat that it never was good protective doctrine that a duty should be placed on an article simply because it is imported into this country. It never was contended that a duty should be placed on articles not produced in this country for the purpose of protection. It is true that a small quantity of this cotton is produced in this country, but I think it is only about one-fiftieth, or even less, of the amount consumed. We are putting a duty on a raw material by this amendment, of which an insignificant quantity only is raised and can be raised in this country. Therefore I am opposed to the amendment. [Applause.]

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. FORDNEY. Mr. Chairman, I yield one minute to the gentleman from Wyoming [Mr. MONDELL].

The CHAIRMAN. The gentleman from Wyoming is recognized for one minute.

Mr. MONDELL. Mr. Chairman, long-staple cotton is a competitive article, a product the growth of which can largely be increased in the United States. It is therefore a proper subject for protection. I believe it should be placed among the protected articles. I expect that under protection the industry of growing long-staple cotton will be very greatly increased and extended.

I hope the amendment for a 15 per cent duty on long-staple cotton will carry. [Applause.]

Mr. FORDNEY. Mr. Chairman, I understand that I have two minutes. In that two minutes let me say that I am in favor of this amendment. I want to say to the gentleman from North Carolina [Mr. WARD], who made such an impassioned speech a few minutes ago about the great prosperity of North Carolina, that if you can only escape the sheriff under free trade you will prosper under this bill. [Applause.] Every time a man on that side of the House speaks against a duty upon as important a product of this country as long-staple cotton it reminds me of an old colored man down in Mississippi, who went squirrel hunting with his son. They had but one gun between them, and the boy carried that gun. They saw a squirrel run up a tree, and they were looking for it. The old man was on one side of the tree and the boy on the other. The old man had very long eyebrows. The sun was shining brightly, and the father called to the boy and said, "Come here, son, quick." The boy ran to his father, who said, "My son, look over there. Don't you see there is a bear half as big as a cow up in that tree?" The boy said, "Father, that is no bear; that is a flea in your eyebrow." [Laughter.] Every time you look at a rate that carries a duty on an agricultural product, be careful that there is not something in your eyebrow that magnifies the rate of duty.

Mr. GARRETT of Tennessee. Will the gentleman from Michigan yield?

Mr. FORDNEY. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. When did the gentleman refresh his recollection by reading Lincoln's speeches?

Mr. FORDNEY. I did not just understand what the gentleman said.

Mr. GARRETT of Tennessee. The story which the gentleman told is one of Lincoln's.

Mr. FORDNEY. I hope the gentleman will not occupy my two minutes. He can tell the story in his own time. Gentlemen, long-staple cotton is a product of the farm which has greatly increased in output in this country in the last few years, and the importations of long-staple cotton from the various countries of the world menace that great industry in this country. Vote for the duty and come in and help us, in the name of protection and prosperity. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I ask for a vote.

The CHAIRMAN. All time on this amendment and all amendments thereto has expired. The question is on the amendment offered by the gentleman from Massachusetts [Mr. WALSH], which, without objection, will be reported by the Clerk.

The Clerk read as follows:

Amendment by Mr. WALSH to the amendment offered by Mr. BOWERS: Strike out "one-eighth" and insert "seven-eighths."

The CHAIRMAN. The question is on agreeing to the amendment to the amendment.

The question being taken, on a division (demanded by Mr. WINGO) there were—ayes 14, noes 93.

Accordingly the amendment to the amendment was rejected.

Mr. TREADWAY. Mr. Chairman, a parliamentary inquiry. Is an amendment to the Bowers amendment now in order?

The CHAIRMAN. Yes.

Mr. TREADWAY. I offer the following amendment.

The CHAIRMAN. The gentleman from Massachusetts offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. TREADWAY to the amendment offered by Mr. BOWERS: Strike out "one-eighth" and insert "three-eighths."

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Massachusetts [Mr. TREADWAY].

The question being taken, the amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the substitute offered by the gentleman from Arizona [Mr. HAYDEN]. Without objection, the Clerk will report the substitute.

The Clerk read as follows:

Substitute by Mr. HAYDEN: Amend, on page 192, line 15, by inserting in paragraph 1557, after the words "cotton and cotton waste," the words "not specially provided for," and by inserting a new paragraph between lines 9 and 10, on page 113, as follows:

"PAR. 900. Cotton, having a staple of 1⅛ inches or more in length, 20 cents a pound."

The CHAIRMAN. The question is on agreeing to the substitute.

The question being taken, on a division (demanded by Mr. HAYDEN) there were—ayes 22, noes 98.

Accordingly the substitute was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from West Virginia [Mr. BOWERS].

Mr. McDUFFIE. Let us have it reported.

The CHAIRMAN. Without objection, the amendment will be reported.

The Clerk read as follows:

Amendment offered by Mr. BOWERS: Page 192, paragraph 1557, line 15, after the comma insert the words "not specially provided for"; and on page 113, between lines 9 and 10, insert a new paragraph, as follows:

"Cotton, having a staple of 1⅛ inches or more in length, 15 per cent ad valorem."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. COLLIER and Mr. OLDFIELD) there were 118 ayes and 17 noes.

Mr. COLLIER. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. BOWERS and Mr. COLLIER.

The committee again divided, and the tellers reported that there were 105 ayes and 75 noes.

So the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456, the tariff bill, and had come to no resolution thereon.

ENROLLED BILL SIGNED.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that they examined and found truly enrolled bill of the following title, when the Speaker signed the same:

H. R. 5756. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these Islands," approved August 29, 1916, and to amend an act entitled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903.

EXTENSION OF REMARKS.

Mr. BYRNES of South Carolina. Mr. Speaker, I ask unanimous consent to print in the RECORD a speech made by John Skelton Williams in Augusta last Thursday.

The SPEAKER. The gentleman from South Carolina asks unanimous consent to print in the RECORD the speech referred to. Is there objection?

Mr. LAWRENCE. Mr. Speaker, I object.

Mr. BYRNES of South Carolina. Will the gentleman withhold his objection?

Mr. LAWRENCE. I will.

Mr. BYRNES of South Carolina. This is a speech that should be read by every Member. Mr. Williams makes specific charges against the Federal Reserve Board. If the charges are true, we ought to know, and if they are not true, we ought to know it.

The SPEAKER. Is there objection?

Mr. LAWRENCE. I object.

CALENDAR WEDNESDAY.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent to dispense with the business under the Calendar Wednesday call on Wednesday next.

The SPEAKER. The gentleman from Wyoming asks unanimous consent to dispense with the business under the Calendar Wednesday call on Wednesday next. Is there objection?

There was no objection.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock p. m.) the House adjourned until to-morrow, Tuesday, July 19, 1921, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. FULLER, from the Committee on Invalid Pensions, to which was referred sundry bills of the House, reported in lieu thereof the bill (H. R. 7827) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war, accompanied by a report (No. 273), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 7673) granting an increase of pension to Nellie Hubacher, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PERLMAN: A bill (H. R. 7826) to repeal the act entitled "An act to limit the immigration of aliens into the United States," approved May 19, 1921; to the Committee on Immigration and Naturalization.

By Mr. FULLER: A bill (H. R. 7827) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; committed to the Committee of the Whole House and ordered to be printed.

By Mr. SWING: A bill (H. R. 7828) for the relief of certain chief warrant and warrant officers of the United States Navy and Marine Corps who were called into active service during the war with Germany and promoted; to the Committee on Naval Affairs.

By Mr. McFADDEN: A bill (H. R. 7829) to amend section 13 of the act approved December 23, 1913, known as the Federal reserve act, as amended by the acts approved March 3, 1915, September 7, 1916, and June 21, 1917; to the Committee on Banking and Currency.

By Mr. McLAUGHLIN of Nebraska: A bill (H. R. 7830) to place officers and employees of the legislative branch of the Government in the classified civil service; to the Committee on Reform in the Civil Service.

By Mr. LANGLEY: A bill (H. R. 7831) for the erection of a Federal building at Pikeville, Ky., and increasing the limit of cost for the site; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7832) for the erection of a Federal building at Paintsville, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7833) for the erection of a Federal building at Prestonsburg, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7834) to provide for the purchase of a site and for the erection of a public building thereon at Hazard, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7835) to provide for the purchase of a site and for the erection of a public building thereon at Whitesburg, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. IRELAND: Resolution (H. Res. 152) directing the Clerk of the House to make a survey and classification of the books and documents in the House Library and of the reserve stock stored in the House Office Building, and dispose of same, as provided by law, and to remove the contents of the rooms now occupied by the House Library and refit and make ready said rooms for the occupancy of certain employees of the Clerk's office, and for other purposes; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROOKS of Illinois: A bill (H. R. 7836) granting a pension to Charles Edward Tate; to the Committee on Invalid Pensions.

By Mr. BURROUGHS: A bill (H. R. 7837) granting a pension to Mary F. Conway; to the Committee on Pensions.

By Mr. COLE: A bill (H. R. 7838) granting a pension to Pauline Cassaro; to the Committee on Pensions.

By Mr. HAUGEN: A bill (H. R. 7839) granting an increase of pension to Walter G. Benninger; to the Committee on Pensions.

By Mr. LARSON of Minnesota: A bill (H. R. 7840) for the relief of the Duluth, Winnipeg & Pacific Railway; to the Committee on Claims.

By Mr. PURNELL: A bill (H. R. 7841) for the relief of Alden H. Baker; to the Committee on Claims.

By Mr. REECE: A bill (H. R. 7842) to correct the military record of Alexander Morefield; to the Committee on Military Affairs.

Also, a bill (H. R. 7843) granting a pension to Oscar Burrow; to the Committee on Pensions.

Also, a bill (H. R. 7844) granting a pension to George A. Taylor; to the Committee on Pensions.

By Mr. ROBSION: A bill (H. R. 7845) granting a pension to James Noe; to the Committee on Pensions.

By Mr. STEPHENS: A bill (H. R. 7846) granting a pension to Mary Sanders; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2036. By Mr. COOPER of Wisconsin: Petition of and memorandum on Polish atrocities and persecutions in East Galicia from the Michala Gruszewskayo Club, No. 158, of Racine, Wis.; to the Committee on Foreign Affairs.

2037. By Mr. DYER: Petition of Walter C. Doering, president of the Associated Industries of Missouri, relative to railroad legislation; to the Committee on Interstate and Foreign Commerce.

2038. Also, petition of Marion Stevenson, editor in chief Christian Board of Publication, St. Louis, Mo., urging relief for the Armenians; to the Committee on Foreign Affairs.

2039. Also, petition of executive committee of the Missouri Farm Bureau Federation, indorsing what is known as the Muscle Shoals project; to the Committee on Military Affairs.

2040. Also, resolutions Nos. 8 and 42 adopted by the Missouri State Federation of Labor at the annual convention held May 16 to 20, 1921, relative to a State bank and relief for ex-service men; to the Committee on Interstate and Foreign Commerce.

2041. By Mr. DRIVER: Petition of Chapman & Dewey Lumber Co., in support of commodity sales tax as a basis for our internal revenue; to the Committee on Ways and Means.

2042. By Mr. FAIRFIELD: Petition of 240 citizens of the fourth district of Indiana, favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

2043. By Mr. FENN: Petition of Second Church of Christ, Scientist, Hartford, Conn., looking to disarmament; to the Committee on Foreign Affairs.

2044. By Mr. FESS: Petition of 15 citizens of Washington Courthouse, Ohio, protesting against Sunday legislation, with particular reference to the Zihlman bill; to the Committee on the District of Columbia.

2045. By Mr. FULLER: Petition of the American Farm Bureau Association, favoring increase of the loan limit to the Federal land banks from $10,000 to $25,000; to the Committee on Banking and Currency.

2046. Also, petition of Island Oil & Transport Corporation, opposing a tariff duty on petroleum; to the Committee on Ways and Means.

2047. By Mr. GRAHAM of Illinois: Petition of H. O. Butler and others, of Illinois, opposing Senate bill 1948; to the Committee on the District of Columbia.

2048. By Mr. KISSEL: Petition of the Roessler & Hasslacher Chemical Co., New York City, urging the repeal of the Adamson law; to the Committee on Interstate and Foreign Commerce.

2049. By Mr. LINTHICUM: Petition of the William Schluderberg-T. J. Kurdle Co., of Baltimore, Md., opposing duty on sausage casings; also petition of Paving Commission of Baltimore, Md., opposing tariff on importation of oil at rate of 35 cents per barrel; to the Committee on Ways and Means.

2050. By Mr. MAGEE: Petition of residents of Syracuse, N. Y., in opposition to the Sunday observance bill, Senate bill 1948; to the Committee on the District of Columbia.

2051. By Mr. RAKER: Petition of International Brotherhood of Blacksmiths, Drop Forgers, and Helpers, of Chicago, Ill., protesting against joint resolution 171, allowing Chinese coolies to be imported into Hawaii; to the Committee on Immigration and Naturalization.

2052. Also, petition of Simon Levi Co. and S. G. Marshutz, of Los Angeles; C. H. Loskamp, of Fair Oaks; Noble S. McKinney, of Orland; J. V. Maciel, of Roseville; W. E. Simpson, of Gridley; Walter G. Maynard, of Corning; F. W. Lenfestey, of Burson; H. E. Horting and the Tehama County Almond Growers' Association, of Corning, all of California, and R. J. Mills, of Buffalo, N. Y., urging an increase in the tariff rate on almonds; also, petition of S. H. Frank & Co., of San Francisco, urging for free hides and duty on leather and shoes; also, petition of the School of Industrial Arts, Trenton, N. J., urging no increase in duty on mechanical drawing instruments; to the Committee on Ways and Means.

2053. By Mr. SNELL: Resolution of the Woman's Christian Temperance Union of Malone, N. Y., favoring immediate action by the United States Government for the relief of the Armenians; to the Committee on Foreign Affairs.

2054. By Mr. YATES: Petition of Daughters of American Revolution, Mrs. R. C. Pearle and Mrs. Ettinger, committee, protesting against the Walsh bill to dam Yellowstone Lake; to the Committee on the Public Lands.

2055. Also, petition of Mary A. D. Ryan, 4827 Washington Boulevard, Chicago, Ill., urging disarmament and reduction in taxation; to the Committee on Ways and Means.

2056. Also, petition of W. M. Webster, brass manufacturer, of Chicago, Ill., urging establishment of a bureau under Secretary of Commerce where merchants and manufacturers may confer; to the Committee on Interstate and Foreign Commerce.

2057. Also, petition of James P. Walsh, sergeant of police, Chicago, Ill., requesting that the United States recognize the republic of Ireland; to the Committee on Foreign Affairs.

2058. Also, protest of Messrs. Mundy, Britten, Leitchish, and Buscher, of Litchfield, Ill., against passage of the Capper-Tincher grain bill; to the Committee on Interstate and Foreign Commerce.

2059. Also, petition of A. C. Wirtz, of New York, requesting consideration of American valuation plan be dropped; to the Committee on Ways and Means.

2060. Also, petition of Asphalt Association of New York, Chicago, and Toronto, signed by Mr. J. E. Pennybacker, protesting against any duty on crude oil; to the Committee on Ways and Means.

2061. Also, petition of Charles D. Clark, urging tariff on long-fiber cotton; to the Committee on Ways and Means.

SENATE.

TUESDAY, *July 19, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we thank Thee for that endearing Name, lisped first at our mother's knee and carrying with it the sanctities of the years, and that Thou art still our Father. Help us so to recognize this relationship as to live before Thee conscious of holy kinship with Thyself and fulfilling Thy will according to Thine own good pleasure revealed in Jesus Christ our Lord. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McKellar	Stanfield
Ball	Gerry	McKinley	Sterling
Borah	Harris	McNary	Sutherland
Brandegee	Harrison	Moses	Swanson
Broussard	Heflin	Nelson	Trammell
Bursum	Johnson	New	Walsh, Mont.
Cameron	Kellogg	Nicholson	Warren
Capper	Kendrick	Norbeck	Watson, Ga.
Culberson	Kenyon	Norris	Watson, Ind.
Curtis	Keyes	Overman	Williams
Dial	Ladd	Pomerene	Willis
Edge	Lenroot	Robinson	
Elkins	Lodge	Sheppard	
Fernald	McCormick	Simmons	

Mr. CURTIS. I wish to announce that the Senator from New Jersey [Mr. FRELINGHUYSEN], the Senator from Virginia [Mr. GLASS], and the Senator from California [Mr. SHORTRIDGE] are detained at a committee meeting.

I wish also to announce that the Senator from Washington [Mr. JONES] is detained from the Senate on official business.

Mr. GERRY. I desire to announce that the Senator from Pennsylvania [Mr. PENROSE], the Senator from New York [Mr. CALDER], the Senator from Utah [Mr. SMOOT], the Senator from Wisconsin [Mr. LA FOLLETTE], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Massachusetts [Mr. WALSH], and the Senator from Missouri [Mr. REED] are detained at a meeting of the Committee on Finance.

The VICE PRESIDENT. Fifty-three Senators having answered to their names, a quorum is present.

CONDITIONS IN IRELAND.

Mr. WALSH of Montana. Mr. President, I give notice that at the close of the routine morning business to-morrow, with the permission of the Senate, I shall address the Senate on Admiral Sims and the Irish revolutionary movement.

PETITIONS AND MEMORIALS.

Mr. LODGE. Mr. President, I have received a number of letters from physicians in Philadelphia in regard to the use of beer and other malt productions as medicine. There is a difference of opinion on the subject; these are reputable physicians of good standing, and I ask that their letters may be printed in the RECORD.

There being no objection, the letters were ordered to lie on the table and to be printed in the RECORD, as follows:

PHILADELPHIA, *March 24, 1920.*

G. SCHMIDT & SONS (INC.).

GENTLEMEN: Would you kindly inform me if it is possible to procure porter or ale at the present time?

I have had such excellent results shown by these tonics in various postinfluenzal and senile debility patients that I am at a loss for a proper substitute.

Malt as formerly manufactured is particularly beneficial in maternity cases when there is a deficient lactation (secretion of milk) and where such substitute tonics as iron, strychnine, or hypophosphites would be contraindicated owing to their toxicity.

Yours, very truly,

GEORGE J. HOLTZHAUSSER, M. D.

PHILADELPHIA, *April 1, 1920.*

Mr. RUDOLPH H. WOLF,
Secretary the Robert Schmidt Corporation,
Thirty-eighth Street and Girard Avenue, Philadelphia, Pa.

DEAR SIR: In reply to your letter of March 26 I would like to state that it has been my custom for many years to order brown stout as a tonic for nursing women, anemic girls, and in convalescence after long, exhausing illness. It is my opinion that it would be well if brown stout were included among those beverages prescribed by physicians.

Very truly, yours, ADAM KLEMM.

ROXBOROUGH, PHILADELPHIA.

To ROBERT SMITH ALE BREWING CO.

MY DEAR SIR: My observations regarding the benefit derived from the use of ale and brown stout are that they are very useful, particularly in convalescent women following labor, in convalescent typhoid fever cases, and in slow convalescent pneumonia cases; they are also valuable in convalescent septic cases. They produce a more rapid convalescence in the above conditions than other means; in the old people they are very valuable. I would feel very sorry were we to lose them in my practice. My observations are based on 18 years' experience.

Very truly, yours,

H. S. CARMANY.

—

CLIFTON HEIGHTS, PA.

C. SCHMIDT & SONS,
127 Edward Street, Philadelphia, Pa.

DEAR SIRS: Will you kindly advise me whether it will be possible or not for you to make brown stout or ale for medicinal purposes only?

Thanking you for an early reply, I am,

Very truly, yours,

J. M. HUTCHINGS, M. D.

—

1014 NORTH SIXTH STREET, *March 26, 1920.*

Mr. CHARLES H. O'NEILL,
C. C. Schmidt Brewery Co.

MY DEAR MR. O'NEILL: Can your concern send to patients on my written order beer or ale of the old percentage of alcohol for non-beverage purposes? For years I have been in the habit of ordering it with good results for those patients convalescing from pneumonia and influenza.

Awaiting your reply, I am, yours,

ALBERT J. BRITT.

—

STATION O, PHILADELPHIA, PA., *March 27, 1920.*

ROBERT SMITH CORPORATION.

MY DEAR SIRS: I find it impossible to obtain for my patients malt preparations in the form of ale or brown stout. These have been of such benefit in past years, especially in the cases of nursing women, and many times in convalescing patients from various diseases, that now that I can not prescribe these preparations and can not find adequate substitutes I am at a loss and my patients are allowed to suffer.

Can not you push some legislation which will allow physicians to prescribe these absolutely necessary agents?

Truly, yours,

WM. L. TAYLOR.

—

1930 RACE STREET, PHILADELPHIA, *March 25, 1920.*

C. SCHMIDT & SON (INC.),
127 Edward Street.

GENTLEMEN: I have since the enactment of the prohibition law found amongst my patients, especially nursing mothers, a demand for ale or stout. This, it is a well-known fact, is a legitimate demand, and for years physicians have so prescribed. What I want to know is: Would your firm qualify by taking measures to give you authority to honor physicians' prescriptions for ale or stout?

Very truly, yours,

JNO. H. EGAN, M. D.

—

PHILADELPHIA, *March 27, 1920.*

THE ROBERT SMITH CORPORATION,
Thirty-eighth and Girard Avenue, Philadelphia, Pa.

GENTLEMEN: I am glad to hear that you contemplate making application to the Internal Revenue Department for permission to bottle and sell ale and brown stout.

Malt beverages are of great value as tonics, particularly in convalescence from various febrile diseases, and in those underweight from various causes they have a definite field of usefulness. Furthermore, malt beverages are of considerable value after childbirth in maintaining the strength of the mother and as a stimulant to the production of milk.

I take great pleasure in indorsing your efforts to have these beverages made accessible to the many who are in need of these benefits.

Yours, very truly,

H. H. MACKINNEY.

—

PHILADELPHIA, PA., *March 29, 1920.*

ROBERT SMITH CORPORATION,
Thirty-eighth and Girard Avenue.

GENTLEMEN: I often find it necessary to prescribe ale, malt, and brown stout for nursing mothers. I have been extremely irritated at the stupidity of the present law in making this difficult.

I should be very glad to cooperate with you in order to make it easier for patients to get what is essential for their health.

Sincerely, yours,

B. C. HIRST,
Per S.

—

PHILADELPHIA, *March 29, 1920.*

DEAR SIRS: In my opinion, malt beverages at times are most necessary in the treatment of certain diseases, and I trust that you will be successful in your efforts to secure a permit for their sale. I have known of the good quality of your ale for many years, and in my judgment no better ale is brewed in the United States.

Very truly, yours,

JUDSON DALAND.

—

PHILADELPHIA, *April 1, 1920.*

To the ROBERT SMITH CORPORATION,
RUDOLPH H. WOLF, Esq., *Secretary,*
Thirty-eighth and Girard Avenue, Philadelphia.

GENTLEMEN: I believe that it would be of advantage if physicians could prescribe for certain of their patients, when necessary, malt beverages in place of distilled liquors. The latter are practically the only ones at the disposal of physicians at present, are not adapted to all conditions, and possess many inherent disadvantages. They can not replace malt beverages in certain forms of malnutrition in states in which it is urgent to stimulate appetite and digestion, especially the digestion of starchy foods, in certain forms of exhaustion and overfatigue, and at other times when the organism is under undue physiological strain.

Very truly, yours,

F. X. DERCUM.

—

PHILADELPHIA, *April 5, 1920.*

The ROBERT SMITH CORPORATION,
Thirty-eighth Street and Girard Avenue,
Philadelphia, Pa.

GENTLEMEN: Judging from my experience, I would say that ale and brown stout are of decided benefit in certain conditions, especially in nursing mothers.

Yours, truly,

DAVID RIESMAN.

—

PHILADELPHIA.

The ROBERT SMITH CORPORATION.

GENTLEMEN: No less a man than the late Dr. D. Hayes Agnew taught me that these malt extracts were beneficial and to be recommended. I have always prescribed them, and especially in my own family. Mrs. Davis has had nine children and always used malt extracts on Dr. Louis Starr's recommendation when her milk would lessen. I trust the Government will let us obtain them again.

Yours, very truly,

CHAS. N. DAVIS, M. D.

—

PHILADELPHIA, *March 29, 1920.*

ROBERT SMITH ALE BREWING CO.

GENTLEMEN: I understand that you have applied to the collector of internal revenue for permission to manufacture malt liquors. I wish to state that in my experience malt liquors are of value in convalescence from various diseases and in lactation, due regard being had for any contraindications to their use.

Very truly, yours,

S. L. IMMERMAN.

Mr. LODGE. I present a memorial signed by Maurice V. Tyrode, Frederick Kingsley, and 110 other reputable physicians of Boston, Mass., protesting against the passage of H. R. 7294. The heading of the memorial is as follows:

The undersigned members of the medical profession practicing in Boston and vicinity desire to express their opinion that beer and wine have valuable medicinal qualities and respectfully to urge through you their opposition to the passage of the proposed amendment to the Volstead law now under consideration by the Senate. Further, we protest against the present onerous Federal restrictions on the manufacture, prescription, and sale of alcoholic beverages for medicinal purposes.

The VICE PRESIDENT. The memorial will lie on the table.

Mr. WILLIS presented 24 petitions signed by 720 citizens of Cincinnati, Norwood, and Glendale, all in the State of Ohio, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

Mr. ROBINSON presented resolutions of the Helena (Ark.) Chamber of Commerce and the Rotary Club, of Helena, Ark., favoring the enactment of legislation making appropriations to complete the dam at Muscle Shoals, Ala., and also that the nitrate plants be operated by a Government control corporation, which were referred to the Committee on Appropriations.

Mr. NICHOLSON presented resolutions and letters in the nature of memorials of the board of county commissioners, of Buena Vista; the board of county commissioners, of Lake City; the advisory board of the Saguache County Cattle and Horse Growers' Association, of Saguache; the board of county commissioners of Garfield County, of Glenwood Springs; F. W. Gloyd, of the Gloyd Agency Co., of Salida; the Commercial Club, of Salida; and H. Preston, president of the First National Bank, of Salida, all in the State of Colorado, remonstrating against the enactment of Senate bill 1355, to provide for the establishment, construction, and maintenance of a post roads and interstate highway system, to create a Federal highway commission, and for other purposes, unless the bill shall be amended so as to provide that a substantial sum be expended annually by the Secretary of Agriculture on secondary roads and trails necessary for the development of the national forests and forest communities and roads connecting therewith, etc., which were referred to the Committee on Post Offices and Post Roads.

Mr. CAPPER presented six petitions of sundry citizens of Newton, Wichita, Aurora, Miltonvale, and Delphos, all in the State of Kansas, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

He also presented a resolution of the mayor and municipality of the city of Pittsburg, Kans., favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

Mr. TOWNSEND presented memorials of sundry citizens of Perry, Cadillac, Manton, Lansing, and Wexford County, all in the State of Michigan, remonstrating against the enactment of legislation regulating the conduct of business in the District of Columbia on Sunday, which were referred to the Committee on the District of Columbia.

REPORTS OF COMMITTEES.

Mr. CALDER, from the Committee on Finance, to which was referred the bill (S. 1718) authorizing the distribution of abandoned or forfeited tobacco, snuff, cigars, or cigarettes to hospitals maintained by the United States for the use of present or former members of the military or naval forces of the United States, reported it with an amendment and submitted a report (No. 229) thereon.

Mr. LODGE. Mr. President, from the Committee on Foreign Relations I report back favorably with an amendment the bill (S. 2133) ceding jurisdiction to the State of Texas over certain lands or bancos acquired by the United States of America from the United States of Mexico. I ask that the letter of the Secretary of State, which I send to the desk, be printed with it. I should like to have this letter preserved for the files.

The VICE PRESIDENT. It will be printed as requested. (Rept. No. 230.)

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by uanimous consent, the second time, and referred as follows:

By Mr. BURSUM:

A bill (S. 2274) to ascertain and settle private land claims of persons not Indian within Pueblo Indian land, land grants, and reservations in the States of New Mexico and Arizona; to the Committee on Public Lands and Surveys.

A bill (S. 2275) to confer jurisdiction on the Court of Claims in the case of Manuelita Swope; to the Committee on Claims.

By Mr. HARRIS:

A bill (S. 2276) to amend section 2 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended; and

A bill (S. 2277) to amend section 7 of an act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended; to the Committee on the Judiciary.

By Mr. ROBINSON:

A bill (S. 2278) authorizing the Secretary of War to donate to the Richard L. Kitchens Post, No. 41, American Legion, Helena, Ark., two German cannon or fieldpieces; and

A bill (S. 2279) for the relief of John L. Williams, alias John L. Scranage; to the Committee on Military Affairs.

By Mr. SWANSON:

A bill (S. 2280) for the relief of Lieut. Commander J. A. Guthrie, United States Navy, retired; to the Committee on Naval Affairs; and

A bill (S. 2281) to extend the benefits of the employers' liability act of September 7, 1916, to Daniel S. Glover; to the Committee on Education and Labor.

By Mr. BURSUM:

A bill (S. 2282) for the relief of Manuelita Swope; to the Committee on Claims.

By Mr. BALL:

A bill (S. 2283) to regulate the practice of medicine and midwifery in the District of Columbia, and to punish persons violating the provisions thereof; to the Committee on the District of Columbia.

By Mr. MYERS:

A bill (S. 2284) for the relief of Carl C. Lewerenz; to the Committee on Public Lands and Surveys.

FEDERAL RESERVE BOARD.

Mr. WATSON of Georgia. Mr. President, I ask leave to introduce a joint resolution which I desire to have read by the Secretary and lie on the table and be printed, with the privilege of calling it up hereafter.

The joint resolution (S. J. Res. 84) instructing the President to remove from office the present five members of the Federal Reserve Board and to appoint five members who shall not be bankers, etc., was read the first time by its title and the second time at length and ordered to lie on the table, as follows:

Whereas the secret, unlawful, and ruinous policy of the Federal Reserve Board during the last year has inflicted an irreparable damage of at least $31,000,000,000 upon the helpless American people by the sudden and colossal contraction of the money in circulation without any previous notice to the citizens who were to be disastrously affected by this Wall Street policy; and

Whereas the said reserve board has loaned to monopolistic profiteers the larger part of the entire loanable funds of these Government banks; and

Whereas the said Federal Reserve Board has been insolently heedless to the universal cry of their victims who are the laborers, farmers, merchants, and plain common people of our country upon whom depend the future welfare, prosperity, and defense of this Republic: Be it therefore

Resolved, etc., That the President of the United States be, and he is hereby, directed to remove from office immediately after the passage of this resolution the present five members of the Federal Reserve Board and to appoint in their stead five members who shall not be bankers, but who shall be men of affairs, competent, and honest and not mere assiduous servitors of the Morgan interests, the Standard Oil interests, the packer interests, the Steel Trust interests, or any other legalized marauders upon the common people of this Republic.

EXPORTATION OF FARM PRODUCTS.

Mr. McCORMICK submitted two amendments intended to be proposed by him to the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which were ordered to lie on the table and to be printed.

REPUBLIC OF HAITI AND THE DOMINICAN REPUBLIC.

Mr. McCORMICK submitted the following resolution (S. Res. 112), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That a committee of three Senators, appointed by the President of the Senate, is hereby authorized and instructed to inquire into the occupation and administration of the territories of the Republic of Haiti and of the Dominican Republic by the forces of the United States. For this purpose such committee, or any subcommittee thereof, is hereby empowered to sit during the recess and sessions of the Senate, at such times and such places as by it may be deemed advisable, to require by subpœna, or otherwise, the attendance of witnesses and the production of books, papers, and documents, to administer oaths, and to employ a stenographer at a cost not exceeding $1.25 per printed page, and such other clerical assistance as may be necessary.

THE SHIPPING BOARD.

Mr. LA FOLLETTE. Mr. President, I ask unanimous consent to withdraw Senate resolution 90, which I introduced some days ago and which is lying upon the table.

The VICE PRESIDENT. Without objection, the resolution will be withdrawn.

Mr. LA FOLLETTE. I now offer another resolution upon the same subject. I have modified somewhat the preamble and resolution as formerly introduced and prefer to withdraw Senate resolution 90 and offer a resolution to take its place. I ask that the resolution may lie upon the table to be called up by me at the earliest opportunity.

The resolution (S. Res. 113) was ordered to lie upon the table and to be printed, as follows:

Whereas a controversy has existed since May 1 last, and still exists, between the United States Shipping Board and the men employed upon its ships and between the men and the private owners of American ships, whereby hundreds of ships, including those owned by the Government and those privately owned, and many thousands of men have been made idle; and

Whereas the loss to the owners of the ships as a result of the controversy has amounted to many millions of dollars and the loss to the men in wages alone has amounted to several million dollars monthly; and

Whereas it is reported that as a result of this controversy large numbers of American seamen are leaving the sea to follow other pursuits, thus threatening the success of the program for the upbuilding and maintenance of an American merchant marine, upon which billions of dollars of the people's money have already been expended; and

Whereas the people of this country, who are the real owners of the ships controlled by the United States Shipping Board, have the right to know fully all the facts respecting this controversy; and

Whereas the settlements recently made of strikes and controversies between seamen and shipowners and operators in Great Britain and other countries have released the full maritime resources of those countries to compete with the disorganized merchant marine of this country; and

Whereas the continued disorganization of our merchant marine must result in closing foreign markets to our agricultural and other products, except as they may be carried in foreign ships upon terms dictated by foreign rivals, presents a situation which menaces the interests of all classes of our people; and

Whereas grave charges against the integrity and efficiency of the management of the Shipping Board and of the public business and the property committed to its care have been made in the press and in the public debate in the United States Senate; and

Whereas it has been charged in the press and on the authority of responsible men and organizations that in the present controversy the Shipping Board has used its great power in a manner inimical to the men and hostile to organized labor: Now, therefore, be it

Resolved, That the Senate Committee on Commerce, or any subcommittee thereof to be appointed by it, is hereby authorized and directed to make a thorough and complete investigation into the controversy above mentioned, and the causes thereof, and into the questions of wages and working conditions involved in said controversy, and into the claims and contentions of the respective parties to said controversy and the merits thereof, and into the conditions existing in the maritime service of this country on both publicly and privately owned ships; and that said committee thoroughly investigate the methods and practices of said Shipping Board, including its attitude toward marine workers and their organizations, and the agreements, understandings, and relations, if any exist, between the shipowners or operators in the United States, including said Shipping Board, and all association of shipowners among themselves, and with the shipowners or operators or associations thereof in other countries, and any control or attempt to control the shipping interests or business of this country, or any portion thereof, or the regulation thereof, by any foreign interests, concerns, or influences whatsoever, and to report its findings and conclusions thereon to the Senate with all convenient speed.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses, by subpœna or otherwise, and to require the production of books, papers, and documents, and to employ counsel and other assistance and stenographers at a cost not exceeding $1.25 per printed page. The chairman of the committee, or any member thereof, may administer oaths to witnesses, sign subpœnas for wit-

nesses; and every person duly summoned as a witness before said committee, or any subcommittee thereof, who fails or refuses to obey the process of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law. The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

SESSION LAWS OF ALASKA.

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, referred to the Committee on Territories and Insular Possessions, and ordered to be printed:

To the Senate and House of Representatives:

In compliance with the requirements of section 20 of the act of Congress entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative power thereon, and for other purposes," approved August 24, 1912, I transmit herewith a copy of the session laws, resolutions, and memorials passed at the fifth regular session of the Territorial Legislature of Alaska, convened at Juneau, the capital, on the 7th day of March, 1921, and adjourned sine die the 5th day of May, 1921.

WARREN G. HARDING.

THE WHITE HOUSE, *July 19, 1921.*

(NOTE.—Copy accompanied similar message to the House of Representatives.)

AMENDMENT OF NATIONAL PROHIBITION ACT.

The VICE PRESIDENT. Morning business is closed.

Mr. STERLING. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 7294.

Mr. ROBINSON. Mr. President, what is the request of the Senator from South Dakota?

The VICE PRESIDENT. The Senator from South Dakota asks unanimous consent that the Senate immediately proceed to the consideration of the bill (H. R. 7294) supplemental to the national prohibition act. Is there objection?

Mr. SIMMONS. Mr. President, I make the point of no quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Ernst	Lodge	Simmons
Ball	Fernald	McCormick	Smoot
Borah	Fletcher	McKellar	Stanfield
Brandegee	Gerry	McKinley	Sterling
Broussard	Harris	McNary	Sutherland
Bursum	Harrison	Moses	Swanson
Calder	Heflin	Nelson	Townsend
Cameron	Johnson	New	Walsh, Mont.
Capper	Kellogg	Nicholson	Warren
Caraway	Kendrick	Norbeck	Watson, Ga.
Culberson	Keyes	Norris	Watson, Ind.
Curtis	Knox	Pomerene	Williams
Dial	Ladd	Ransdell	Willis
Edge	La Follette	Robinson	
Elkins	Lenroot	Sheppard	

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum is present.

Mr. STERLING. I understand objection was made to my request for unanimous consent. I therefore move that the Senate proceed to the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

The VICE PRESIDENT. The question is on the motion of the Senator from South Dakota.

The motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

Mr. WALSH of Montana obtained the floor.

Mr. SMOOT. Will the Senator from Montana kindly yield, in order that I may merely give a notice?

Mr. WALSH of Montana. I yield.

CARE AND TREATMENT OF EX-SERVICE MEN.

Mr. SMOOT. I desire to announce that the Finance Committee has concluded the consideration of the so-called Sweet bill. The report thereon will be made, and I hope will be printed before the time of adjournment to-day, in order that the bill with all of the amendments and the report thereon may be presented to the Senate and be available to Senators. If there is any time in the morning hour to-morrow, I now give notice that I shall ask that the bill may then be considered by the Senate.

Mr. ROBINSON. Will the Senator from Montana yield, in order that I may ask the Senator from Utah a question in reference to the statement he has just made?

Mr. WALSH of Montana. I yield.

Mr. ROBINSON. Is the bill to which the Senator from Utah refers reported with or without amendment?

Mr. SMOOT. There are quite a number of amendments; I should judge about 20 of them.

Mr. ROBINSON. To be reported by the Senate committee?

Mr. SMOOT. To be reported by the Senate committee.

Mr. ROBINSON. Does the Senator from Utah expect action on the bill to-morrow?

Mr. SMOOT. At the first opportunity which occurs I shall ask for the consideration of the bill.

Mr. ROBINSON. I am anxious to see the bill immediately disposed of. I wonder if the Senator from Utah could state what are the primary differences between the bill as reported by the Senate committee and the bill as it passed the House of Representatives?

Mr. SMOOT. I am afraid it would take too long to do that. I will say to the Senator from Arkansas, however, that one reason why I desire the report printed to-day is that Senators may have the report, as it will give in detail just the changes that have been made in the House bill by the Senate committee.

Mr. ROBINSON. I hope the report to which the Senator from Utah refers will be available before the bill is called up for consideration.

Mr. SMOOT. I will say to the Senator from Arkansas that with the exception of one amendment, which the Senator from Massachusetts [Mr. WALSH] and I are to prepare according to the instructions of the committee given about 50 minutes ago, I could prepare the report at once, but just as soon as the amendment to which I refer is put in shape I can send the report down to the Government Printing Office and have it printed. I am quite sure that I can get it back before the adjournment of the Senate to-day.

AMENDMENT OF NATIONAL PROHIBITION ACT.

The Senate, as in Committee of the Whole, resumed the consideration of the bill H. R. 7294, supplemental to the national prohibition act.

Mr. WALSH of Montana. Mr. President, when the Senate last had this bill under consideration I was endeavoring to answer the contention of various Senators to the effect that the bill under consideration extends the scope of Federal supervision and regulation beyond the limits prescribed by the amendment to the Constitution in this particular, namely, that, while the Constitution simply prohibits the manufacture and sale of intoxicating liquors for beverage purposes, we are proposing to regulate the manufacture and sale of liquors for medicinal purposes. I showed that the Supreme Court had held that, though the amendment simply prohibited the manufacture and sale of intoxicating liquors, the Supreme Court held that it was within the power of Congress to expand that part of the statute, so to speak, so as to include also the power to prohibit the sale of liquors which are not intoxicating if the sale of such nonintoxicating liquors would make easier the sale of intoxicating liquors for beverage purposes.

So likewise, Mr. President, I think it is entirely indisputable that, although the Constitution simply prohibits the manufacture and sale of intoxicating liquors for beverage purposes, we may prohibit, if necessary, the manufacture and sale for purposes that are not beverage purposes if the manufacture and sale for such purposes would tend to make abortive the statute preventing the sale for beverage purposes. So I answered——

Mr. STANLEY. Mr. President——

Mr. WALSH of Montana. If the Senator will pardon me for just a moment, I will yield to him. So I answered the interrogatory that was put to me, whether I do not recognize a difference between the prohibition of the manufacture and sale of liquors other than those that are intoxicating and the use of the intoxicating liquors for other than beverage purposes, that I do not recognize any such difference.

If we may, so to speak, expand the constitutional amendment with reference to intoxicating liquors to bring in those that are not intoxicating the manufacture and sale of which would prevent the enforcement of the statute, so likewise we may expand the other portion of the amendment "for beverage purposes" to include purposes other than those that are beverage if the sale for those purposes will render it impossible to carry out the purposes of the amendment or the statute for its enforcement. I now yield to the Senator from Kentucky.

Mr. BORAH. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Idaho?

Mr. WALSH of Montana. I will yield to the Senator from Idaho if that is agreeable to the Senator from Kentucky.

Mr. BORAH. I suppose, then, whether we shall have expanded the statute beyond the necessity of controlling the liquor traffic will be a matter which the courts will ultimately have to decide?

Mr. WALSH of Montana. Undoubtedly. It is easily conceivable that Congress might pass a statute so wide and com-

prehensive in its scope that the court would say, "The purpose of this was not in good faith to prevent the sale of liquor for beverage purposes."

Mr. BORAH. If the court should conclude, then, upon a hearing under this statute that the prescribing of more than the amount of liquor permitted under it was actually necessary for medicinal purposes, it would hold that we had gone beyond our power, I suppose?

Mr. WALSH of Montana. Of course, in a matter of that kind the rule is that the court pays the very highest deference to the congressional judgment; but, of course, there is a limit beyond which Congress can not go. Undoubtedly Congress could not prevent one from drinking cold water, because the drinking of cold water has no very immediate reference, at least, to the prevention of the manufacture and sale of intoxicating liquors for beverage purposes; and yet it has been held that Congress can prevent the sale of malt liquors that contain no alcohol whatever, and that just because it is held in the congressional judgment that to permit the sale of those liquors would make easy the avoidance of the statute which is intended to prevent the use of intoxicating liquors for beverage purposes.

Mr. POMERENE. Mr. President, will the Senator yield?

Mr. WALSH of Montana. I yield to the Senator from Ohio.

Mr. POMERENE. If, then, under a constitutional provision which prevents the manufacture, sale, and transportation of intoxicating liquor for beverage purposes the Congress can go beyond that and prevent its use for medicinal purposes, I assume that by a parity of reasoning the Senator would hold that if the Congress saw fit to prevent the manufacture, sale, and transportation of wine for sacramental purposes the Congress could also do that?

Mr. WALSH of Montana. Congress has restricted and regulated the manufacture and sale of wine for sacramental purposes.

Mr. POMERENE. Oh, undoubtedly it has regulated and restricted, but it has not prohibited.

Mr. WALSH of Montana. No; it has not prohibited.

Mr. POMERENE. Does the Senator feel that the Congress could go further and prohibit the manufacture, sale, and transportation of wine for sacramental purposes?

Mr. WALSH of Montana. I should say not.

Mr. POMERENE. Does the Senator think that the Congress could go further and prevent the manufacture, sale, and transportation of liquor for industrial purposes, in view of the fact that while it might be thus manufactured and sold and transported for industrial purposes, it might lead to the violation of the constitutional provision with reference to the manufacture, sale, and transportation of liquor for beverage purposes?

Mr. WALSH of Montana. I do not see why such a question as that should be addressed to me at all. Of course, I do not make any such contention at all. I never have, and nothing that I have said can be construed in that way. The statute which we are about to amend has a special title devoted to the manufacture, transportation, and sale of intoxicating liquor—that is, alcohol—for industrial purposes. It is not prohibited, but it is all regulated, because it must be in order to prevent it from being diverted from industrial uses to beverage purposes.

Mr. BORAH and Mr. STANLEY addressed the Chair.

Mr. WALSH of Montana. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, the logic of the argument of the Senator seems to be that while we undertook by the eighteenth amendment to confer upon Congress the power to control liquor when sold for beverage purposes, as a practical proposition we have conferred upon Congress entire control of the subject matter, whether for beverage purposes, medicinal purposes, or mechanical purposes.

Mr. WALSH of Montana. The decision of the Supreme Court clearly is that in order to prevent the sale of intoxicating liquors for beverage purposes, we may regulate the whole subject of the manufacture and sale of intoxicating liquors.

Mr. BORAH. For any purpose?

Mr. WALSH of Montana. For any purpose so far as it is reasonably necessary to accomplish the end contemplated by the amendment.

Mr. BORAH. But the Congress and the courts together decide how far that is?

Mr. WALSH of Montana. Yes.

Mr. BORAH. So, as a matter of fact, it is within the power of Congress in the exercise of its discretion, if supported by the court, to regulate the entire subject matter of intoxicating liquors?

Mr. WALSH of Montana. I think so.

Mr. BORAH. Now, then, take an analogous proposition. Would not the same reasoning give the Congress absolute control over intrastate rates as well as interstate rates with reference to shipments?

Mr. WALSH of Montana. The Senator from Arkansas [Mr. ROBINSON], when the subject was last before the Senate, referred to that as a very persuasive consideration. It has been held that so far as it is necessary to regulate rates in interstate commerce the Interstate Commerce Commission may regulate intrastate rates. That has been recently held by the Supreme Court in the Minnesota case.

Mr. BORAH. Yes; I am familiar with that case.

Mr. WALSH of Montana. That is to say, if the Senator will pardon me, that in order to make effective the legislation in relation to interstate commerce the Congress has the power, so far as it is necessary, to regulate intrastate rates.

Mr. BORAH. I am not assuming to differ with the law which the Senator presents; but it is plain to me that the Senator's argument must ultimately result in eliminating from the eighteenth amendment the word "beverages."

Mr. WALSH of Montana. No; because the amendment is prohibitive altogether. We can prohibit, and we are required to prohibit, the manufacture and sale of intoxicating liquors for beverage purposes. We can not prohibit the manufacture and sale of liquors for medicinal, for sacramental, and for industrial purposes; but we may regulate the manufacture and sale for those purposes in order to make the amendment effective.

Mr. BORAH. But when you say that you shall prescribe only so much liquor in so many days you do prohibit after those days are over.

Mr. WALSH of Montana. That is the difference between regulation and prohibition.

Mr. BORAH. No; we call it regulation, but it is prohibition.

Mr. WALSH of Montana. Of course, in that sense every regulation is a prohibition. For instance, under the opium act a physician is prohibited from dispensing any opium whatever except upon a written order from the person to whom he dispenses it. Of course, that is a regulation, but one may say likewise that it is a prohibition upon opium; and so, likewise, with respect to the use of liquors for other than beverage purposes.

Mr. STANLEY. Mr. President——

Mr. WALSH of Montana. I now yield to the Senator from Kentucky.

Mr. STANLEY. Mr. President, the eighteenth amendment prohibits the manufacture and sale of alcoholic liquors for beverage purposes. So long as Congress enacts legislation within the scope of that amendment, our way is clear; but when we resort to the doubtful expedient of going beyond the plain purview of the constitutional amendment, and attempt to prohibit not for nonbeverage but for any purpose, or to restrict in such a way as to render the use of such liquors practically impossible, are we not left in the realm of conjecture? Is not Congress left to guess how far it can go? Is there any limitation upon its discretion, and are we not liable to go a step further; and may we not, according to the reasoning of a great reasoner—because I have profound respect for the legal ability of the Senator—may we not go just a little further into this twilight zone and absolutely prohibit the use of alcohol, an essential ingredient of many medicines and of a great number of articles essential to the useful arts, if it may be shown, as it always can be shown, that such inhibition is ancillary to the enforcement of the eighteenth amendment, and further tends to prevent the use of alcohol for beverage purposes?

Mr. WALSH of Montana. Mr. President, the Senator might make exactly the same line of argument with reference to the prohibition of the sale of other liquors than intoxicating liquors. Indeed, exactly that argument was made when that legislation was before us. It was argued that if you can prohibit the sale of malt liquors that contain no alcohol whatever, or that contain less than one-half of 1 per cent of alcohol, you can prohibit the sale of milk, and you can prohibit the sale of water; but of course that argument did not address itself with any particular force to the Supreme Court, and it is quite impossible to make any distinction between these two important phrases in the statute, "intoxicating liquors" and "beverage purposes."

Mr. STANLEY. Mr. President——

Mr. WALSH of Montana. Now, if under the statute we can go beyond the simple intoxicating liquors and prohibit the sale of liquors that are not intoxicating, why likewise can we not go beyond the phrase "beverage purposes," and prohibit, so far as is necessary, the use of intoxicating liquors, or at least regulate the sale of intoxicating liquors for purposes that are other than beverage purposes? Indeed, Mr. President, that is what we have done.

The Senator from Ohio [Mr. POMERENE] asks me if we can prohibit the sale for industrial purposes. We have not undertaken to do so. The Senator asks me if we can prohibit the sale for sacramental purposes. We have not undertaken to do so; neither is there anything in the legislation that is before us now or in the argument upon which it is founded that would lend color to the idea that we could prohibit the sale of intoxicating liquors for these entirely innocuous uses and beneficial purposes; but that we can regulate the sale for those purposes is evident from the statute, because we have done it, and the Supreme Court has upheld the statute.

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Ohio?

Mr. WALSH of Montana. I yield to the Senator.

Mr. POMERENE. The Senator's observation is hardly the proper construction to place upon my interrogatory.

Mr. WALSH of Montana. I shall be very glad to be corrected.

Mr. POMERENE. I have not even suggested that there was anything in this bill that attempted to prevent the manufacture and sale of wines for sacramental purposes.

Mr. WALSH of Montana. Oh, no; I did not assume anything of that kind.

Mr. POMERENE. The Senator's observation would bear that construction. Neither did I attempt to indicate that there was anything in this bill that would attempt to prohibit or regulate the manufacture and sale of intoxicants for industrial purposes.

The Senator was arguing the legal question. With all due respect to those who may differ with me, I think alcoholic liquor has its place in the medical science. I may be wrong about that. Other men may not know more than I do on that subject, but some of them pretend to know more than I do, and maybe they are right. What I was trying to present, however, was the legal phase of this question, and it has occurred to me—and I say it with all seriousness—that if, under the power to prevent the manufacture and sale of intoxicating liquor for beverage purposes, we can absolutely prevent it in certain forms for medicinal purposes, it seems to me that we could use the same argument and say that because if wine is manufactured for sacramental purposes its use may be abused; therefore, we could prevent that. I think we could, if Congress saw fit to do so, if the power of Congress to prevent the use of beer for medicinal purposes could be sustained. That is my position, and I am seeking light on the subject, if we can get it. I have great respect for the Senator's legal acumen, but I confess that up to date I am not able to follow his logic.

Mr. WALSH of Montana. The Senator from Montana is not entitled to any credit for his legal acumen. He is simply proceeding upon the clear decision of the Supreme Court of the United States. It may have been wrong, but we are obliged to accept its construction of the Constitution, and it has held as I have indicated; and I dare say that no one will be able to maintain the position that, although we can go beyond the limit expressed by the words "intoxicating liquors," we can not go beyond the limit indicated by the expression "beverage purposes" in our regulations.

Mr. WILLIAMS. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Mississippi?

Mr. WALSH of Montana. I yield.

Mr. WILLIAMS. I understand the gist of the Senator's argument to be that while we may not prohibit the use of wine for sacramental purposes, or the use of wine or beer or whisky for medicinal purposes, or the use of alcohol for industrial purposes, we could regulate it. Does not the bill before us absolutely prohibit the use of beer or malt liquors for medicinal purposes?

Mr. WALSH of Montana. It does.

Mr. WILLIAMS. Then, if that be true, all the Senator's argument falls down, because he has first attempted to make a clean-cut distinction between prohibition of use and regulation of use, and the bill which he is advocating prohibits the use of beer for medicinal purposes.

Mr. WALSH of Montana. No; I do not think so at all.

Mr. WILLIAMS. I thought the Senator just confessed that it did.

Mr. WALSH of Montana. The amendment does not undertake to specify the particular denominations under which intoxicating liquors may appear or masquerade. I dare say that we could prohibit the use of absinthe, for instance. We have prohibited the use of opium, except upon certain conditions.

Mr. WILLIAMS. We have prohibited the use of opium used for purposes of self-intoxication or self-oblivion. I would not call it a beverage; I do not know what you would call it. But we have never undertaken to prevent the use of opium as a medicine, and my question, which I thought the Senator answered a moment ago in the affirmative, was whether this bill did not prohibit the use of beer as a medicine.

Mr. WALSH of Montana. It does; and in that respect it simply follows the development of the science of medicine.

Mr. WILLIAMS. Then Congress sits as a doctor and determines that beer is never fit for use as a medicine.

Mr. WALSH of Montana. Yes, sir.

Mr. WILLIAMS. Probably our wives and our grandmothers knew better.

Mr. WALSH of Montana. I have a word to say about that, Mr. President. There is not anyone here to contradict the scientific medical testimony upon which Congress acts.

I have listened with much interest to the frequent references by the distinguished Senator from Mississippi to the use of Dublin stout and bitter ale in certain complications to which womankind are subject. I suppose probably in a past generation that was not an uncommon thing. I suppose probably the Senator from Mississippi will remember very well when the country doctors in his locality bled their patients weekly or monthly, when the mothers of families required every member of the family to take salts and senna tea when the spring came around every year, whether they needed it or not. The Senator himself will very well recall the time when the physicians of the country, considering the Garfield case, were delighted by the appearance of what they called "laudable pus" in the wound inflicted upon President Garfield. Of course, at the present time that would be regarded by all physicians and surgeons as a danger sign, an indication of infection, which would be very likely to terminate in death speedily, and that "laudable pus" was a fiction of the medical imagination at that time.

So I suppose that we must recognize that some progress has been made in the science of medicine in the last 30 or 40 years. The testimony before the committee is that beer and malt liquors have no value whatever for medicinal purposes or, if they have, that other remedies easily take their place.

Mr. WILLIAMS. Mr. President, of course the Senator's attempt, by analogy with witch doctoring and voodoo doctoring, to show that because niggers at one time prescribed lizards' legs for certain troubles, therefore beer is not fit for medicine, will fall down in the presence of the opinions of the best doctors in the world to the contrary. Of course, there appeared a lot of testimony before the committee on both sides. I have not read it. Most Members of the Senate do not read all this stuff. But the Senator can not create the impression that the entire medical fraternity everywhere has determined as a matter of modern science that beers and ales are never useful for medicine. The contrary is patent to everybody who knows the practice of modern physicians and their teachings.

Mr. WALSH of Montana. Of course, we will have to let the record determine that. The record is quite to the contrary.

Now, I want to refer to the imposing list of physicians who are protesting against the legislation offered by the senior Senator from Massachusetts [Mr. LODGE]. Upon an examination of the protest I find that they are protesting against the law as it stands, not against the bill now under consideration by the Senate. That is to say, those physicians find the regulations to which they are subjected under the existing law to be oppressive, and it is that which they complain about.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Louisiana?

Mr. WALSH of Montana. In just a moment. I find that some physicians do find the existing law obnoxious in some particulars, but I am perfectly satisfied that that is not the verdict or the judgment of the profession as to existing law, whatever may be done with respect to the additional restrictions prescribed by the bill under consideration.

Now I yield to the Senator from Louisiana.

Mr. BROUSSARD. The Senator refers to the existing law. Is it not a fact that the existing law is being interpreted in the spirit of the bill which is now before the Senate; in other words, that the Commissioner of Internal Revenue, notwithstanding the act never prohibited the prescription of beer, has up to this very minute acted as though the present bill which we are discussing was on the statute books, and that when these physicians protest against the existing law they are protesting against the course of action by the Internal Revenue Department, which assumes that this is already the law?

Mr. WALSH of Montana. I do not understand it that way at all. I do not understand that the physicians included in the list of physicians submitted by the senior Senator from Massa-

chusetts [Mr. LODGE] are protesting at all because they are not permitted to prescribe beer. They are protesting against any regulations whatever on the medical profession in the matter of prescribing any kind of intoxicating liquors.

Mr. DIAL and Mr. WILLIS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Montana yield; and if so, to whom?

Mr. WALSH of Montana. I yield first to the Senator from South Carolina.

Mr. DIAL. I understand, Mr. President, that the laws of certain States now provide that physicians shall not prescribe beer or wine.

Mr. WALSH of Montana. According to my information, there are only about 10 States in which physicians can prescribe them.

Mr. WILLIS. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from Ohio.

Mr. WILLIS. The Senator was just referring to the rather imposing list of physicians whose names were presented to the Senate by the senior Senator from Massachusetts, and pointed out that they are protesting against the present law and not against this bill. I wondered whether the Senator's attention had been drawn to the list appearing in the hearings at page 316 and following, showing that something like 500 of the leading physicians of the State of Massachusetts make the following statement:

> The undersigned physicians of Massachusetts desire to place on record their conviction that the manufacture and sale of beer and other malt liquors for medicinal purposes should not be permitted. Malt liquors have never been listed in the United States Pharmacopœia as official medicinal remedies. They serve no medical purpose which can not be satisfactorily met in other ways, and that without the danger of cultivating the beverage use of an alcoholic liquor.

That is signed, the Senator will notice, by something like 500 of the leading physicians of Massachusetts.

Mr. WALSH of Montana. I recall that the Senator from South Dakota [Mr. STERLING] mentioned the memorial in the course of his remarks upon the bill. But I again call attention to the fact that these physicians are talking with reference to the bill before us, which prohibits the prescribing of beer for medicinal purposes. The physicians named in the list submitted by the senior Senator from Massachusetts are not protesting against this bill at all. They are protesting against the existing law, which puts no restriction at all upon the prescribing of beer or malt liquors for medicinal purposes.

Mr. LODGE. I called attention to that at the time.

Mr. WALSH of Montana. Undoubtedly.

Mr. LODGE. I said they were asking the intervention of the State, and that I did not see very well what the State could do.

Mr. WALSH of Montana. The Senator told us at the time that they were protesting against the existing law, and, of course, they did not want any further restrictions or prohibitions.

Mr. LODGE. If the Senator will pardon me, they were not directing their opposition simply to the question whether beer is a proper medicine or not. There is a division, as I said this morning, on that question. I have received a number of letters from very well-known physicians in Philadelphia, some of whom use liquor in their practice, and others do not. The question is whether it should be denied altogether to the whole profession, no matter what they believe.

Mr. CARAWAY. Mr. President——

The VICE PRESIDENT. Does the Senator yield to the Senator from Arkansas?

Mr. WALSH of Montana. I yield.

Mr. CARAWAY. I am sure the Senator from Montana discussed this provision of the bill before I came in, but I did not hear him. So I desire to ask a question regarding the provisions of section 2, which reads:

> That only spirituous and vinous liquor may be prescribed for medicinal purposes, and all permits to prescribe and prescriptions for any other liquor shall be void. No physician shall prescribe, nor shall any person sell or furnish on any prescription, any vinous liquor that contains more than 24 per cent of alcohol by volume, nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of 1 gallon of vinous liquor, or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol, for use by any person within any period of 10 days.

I will say to the Senator that I intend to vote for the bill—I have always been for prohibition—but the thing I am curious to know is under what theory this provision was engrafted on the bill.

Mr. WALSH of Montana. That was under consideration in the Senate when the bill was here before. It is in evidence that sherry wine, which is generally regarded as the most potent variety, does not contain more than 20 to 22 per cent of alcohol, and accordingly that a wine containing more than 24 per cent of alcohol would not be in the list of wines that would be appropriately prescribed for medicinal purposes. It is assumed that wine which contained a higher percentage than that would not be used for medicinal purposes.

Mr. CARAWAY. The thing I am curious to know is whether physicians agree that wine containing less than 24 per cent may be valuable and wine containing more than 24 per cent is harmful.

Mr. WALSH of Montana. No; there is no such contention as that at all.

Mr. CARAWAY. That is just an arbitrary figure?

Mr. WALSH of Montana. In a sense, just the same as one-half of 1 per cent is arbitrary.

Mr. CARAWAY. That is what I wanted to know. I wish to vote for the pending bill. There is another thing I wish to know. If a physician is permitted to prescribe wine at all for a patient and discovers that he needs more than this amount, which is one-half a pint in 10 days, he is absolutely prohibited from prescribing it, is he not?

Mr. WALSH of Montana. No; he is entitled to get an additional blank by showing the necessity for it.

Mr. CARAWAY. Let us read it and see if the Senator is correct about that:

> No physician shall prescribe, nor shall any person sell or furnish on any prescription, any vinous liquor that contains more than 24 per cent of alcohol by volume, nor shall anyone prescribe or sell or furnish on any prescription more than one-fourth of 1 gallon of vinous liquor, or any such vinous or spirituous liquor that contains separately or in the aggregate more than one-half pint of alcohol, for use by any person within any period of 10 days.

That is arbitrary. Beyond that he can not go.

Mr. WALSH of Montana. Of course, that is arbitrary.

Mr. CARAWAY. When he as a reputable physician decides that his patient's life depends on having one glass or more of wine, we arbitrarily provide in the bill that, notwithstanding the fact that the constitutional amendment prohibits the manufacture and sale of liquors for beverage purposes, he may use so much and no more, and no authority under the sun can vary the matter. The reason for that is what I do not understand. I wish to support the bill if I can properly do so.

Mr. WALSH of Montana. We are simply obliged to fix some arbitrary limit.

Mr. CARAWAY. Is it not a matter that if we are going to trust a man at all we should trust him wholeheartedly? If a physician is worthy of being trusted to prescribe liquor at all, until he shows that he is violating that privilege why not let him be the judge as to whether he is doing right or doing wrong?

Mr. WALSH of Montana. The trouble about that is if we were able to trust them we would not need any legislation upon the subject at all. It is because there are those in the profession whom we can not trust that we need to legislate upon the subject.

Mr. CARAWAY. Could we not, then, provide that after a doctor had been found guilty of violating the confidence imposed in him thereafter he should not be permitted to prescribe at all?

Mr. WALSH of Montana. Oh, yes; we could do that; but we would have to convict him, in the first place.

Mr. WILLIAMS. Why should we punish any man without conviction?

Mr. CARAWAY. In my State a physician may prescribe cocaine, but if he sells it to people who are using it to intoxicate themselves with it, then his license as a physician may be revoked and he is not thereafter permitted to prescribe it at all; but they do not undertake to punish reputable physicians, because a man now and then in that profession, as in the practice of the law or any other profession, is not honest. I regret that we find it necessary to incorporate this provision in the bill.

Mr. STERLING. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from South Dakota.

Mr. STERLING. I think the suggestion made by the Senator from Arkansas may be as well directed against the existing national prohibition law, which limits the amount of spirituous liquor that may be prescribed to 1 pint in a period of 10 days. That being true with reference to spirituous liquor under the present law, has the Senator heard very much complaint because a physician was not permitted to prescribe more than that?

Mr. CARAWAY. I do not think that just because we enacted the present law we are precluded from exercising our natural intelligence in writing another. I know of nothing sacred in the present law. I do not know of any particular abuses under the present law and I do not know of any particular hardships. I should like to suggest to the Senator from South Dakota if under the present law there has been no complaint, then why change it?

Mr. WALSH of Montana. That is not the point. The Senator from South Dakota asks if the Senator from Arkansas has heard any complaint or objection to the restrictions of the existing law.

Mr. CARAWAY. I so understood him.

Mr. WALSH of Montana. But the Senator from South Dakota is not to be understood as saying that there are no complaints about the present law. The American Medical Association have recorded their complaint. They have declared that there are physicians who are actually turning their offices into dispensaries of intoxicating liquors for beverage purposes.

Mr. CARAWAY. I should like to ask the Senator another question. If that is true—and there is no doubt that it is true—is it the wise course, according to those who are in favor of the bill, to restrict the use of liquor that may or may not be desirable? I am not an advocate of the use of liquor. I do not use it and have no occasion to use it. I am not advocating the use of liquor at all. I have voted for prohibition all the way from township local option up to the national prohibition law. I voted for every measure that has been presented, and I am going to vote for this one, but I should like to be able to answer intelligently why we put certain restrictions in the bill.

Mr. WALSH of Montana. We put a restriction of one pint on spirituous liquors in the original act. The provision seems to have worked perfectly. There does not seem to be the slightest complaint about that feature of the law. No physicians are protesting against that. Accordingly we have concluded that this is a wise kind of limitation to put in the pending bill.

Mr. WILLIS. Mr. President, there is also this suggestion, that all the States that have undertaken through their legislation to enforce the prohibition principle have found it necessary to adopt a similar restriction.

Mr. CARAWAY. Oh, no; I do not think the Senator is correct in that statement.

Mr. WALSH of Montana. Much has been said about the reflection upon the medical profession. I do not see in this a bit more of reflection on the medical profession than we find in the opium statute or the narcotic drug act. It might be said, Can we not trust the great medical profession not to dispense opium to addicts who merely desire to have it, not for medicinal uses, but to gratify the appetite they have for that particular drug? But we do not trust them. We will not allow the most eminent physician in America to prescribe opium or other narcotic drugs of that character except upon strict compliance with the statute. He can not prescribe it for anyone unless upon a written order and upon blanks furnished by the Internal Revenue Commissioner in exactly the same way as the pending bill provides. It does not mean any reflection upon the medical profession at all because, of course, it is conceded that there are scoundrels in the medical profession just as there are in the legal profession, and we merely meet that situation.

Reference has frequently been made to the necessity for this legislation by reason of the ruling or opinion of former Attorney General Palmer. Mr. Palmer has been the subject of no little animadversion by reason of the opinion that he rendered. That is all wrong. I am no very great admirer of former Attorney General Palmer, so far as his official acts are concerned, but he is open to no reprehension whatever in this matter. The existing law clearly authorizes a physician to prescribe intoxicating liquors for medicinal purposes without any restriction whatever as to the particular kind of intoxicating liquors he might prescribe.

The opinion of the Attorney General was clearly in accordance with the existing law, and I have heard no lawyer come forward to question in any particular the opinion that was rendered by him. The pending bill is not necessary by reason of any opinion of the Attorney General. It is necessary by reason of the law which we ourselves passed. If anyone is blameable in the matter—and I do not think anyone is—it is the Congress of the United States and not the former Attorney General.

Mr. STERLING. Mr. President——

Mr. WALSH of Montana. I yield to the Senator from South Dakota.

Mr. STERLING. I think the Senator perhaps misstated himself there. The statement was in general that there was no restriction in regard to prescribing intoxicating liquors. There was restriction, of course, in regard to spirituous liquor.

Mr. WALSH of Montana. Now, a word with respect to section 5 of the bill which was savagely attacked, especially by the Senator from Louisiana [Mr. BROUSSARD] and the Senator from New York [Mr. WADSWORTH], and particularly that provision of it which exempts the warehouseman or carrier from payment of taxes upon liquor that has been stolen, while it does not accord to the warehouseman or carrier who has actually paid the taxes the right to recover the taxes that have been paid. That is a matter which, as I have understood heretofore, is of no particular interest or concern to the friends of prohibition, and none of those who are interested in the enforcement of the amendment have any interest in that part of the bill any more than any other Senator. It addresses itself in the nature of a request from warehousemen and carriers who handle the liquor, and it addressed itself to the committee as having some element of justice in it, but we preserved in the statute the well-settled rule that, except under extraordinary and unusual circumstances, a man who has actually paid his taxes can not recover them. I refer for the principle to Cooley on Taxation, which says:

> That a tax or assessment voluntarily paid can not be recovered, however, the authorities generally agree. It is immaterial in such case that the tax or assessment has been illegally levied or even that the law under which it was levied was unconstitutional. The principle is an ancient one in the common law and is of general application.

Now, I do not feel called upon to justify the wisdom of that principle of the law any more than I do to justify the principle of caveat emptor or to justify the principle of the statute of frauds or to justify the principle of the statute of limitations, all of which have been very vigorously attacked by many people as not founded upon principles of equity and right at all. But this is hardly the time or the place to engage in discussion about the elementary justice of these well-settled principles of law which the committee has felt it incumbent to incorporate in this provision in section 5.

Mr. EDGE. Mr. President, perhaps it is entirely futile to oppose the pending measure, but frankly I can not bring my mind to a position of supporting a bill the purport of which is frankly and freely admitted to make the present regulatory law more drastic, when I am sure all of us, if we are honest with ourselves, must admit that the present law is universally violated.

There can not be any question between us, whatever might have been our original view, as to the wisdom of the eighteenth amendment. There can be absolutely no argument so far as the necessity for enforcement of the law is concerned. Any Member of this body, any citizen of the United States, certainly must take the position and back it up in every possible manner that law should and must be enforced. If not, we are simply inviting general disrespect for the law, and the result of general disrespect for the law can be very quickly and clearly analyzed by everyone. Therefore it seems to me most inconsistent on the part of those who originally brought about national prohibition to attempt to frame a law more drastic, when, as I have previously said, it must be universally admitted that the present law is being continually violated and seems, under present conditions, to be impossible of enforcement. What we need is more enforcement and not additional restrictions.

The present situation reminds me somewhat of an incident occurring in the South several years ago. As we all recall, some of the Southern States, at least, rather led the movement for State prohibition. I happened to be in one of the Southern States shortly after the State-wide prohibition law had been ratified by the legislature or by the people, I do not recall which. I met a prominent resident of one of the large cities in the State and asked him what was the real result of State-wide prohibition. With a smile he replied, "Oh, I think it is working very well. Everyone seems to be satisfied. The prohibition advocates have the law; everyone seems to have everything he wants to drink, and no one pays any license money to the Government."

Far be it from me to furnish an illustration from a humorous standpoint, for I appreciate that the present situation is a very critical one, in view of the general violation of the law, but at the same time I think we must frankly admit that the situation throughout the country is very similar to that which was recited to me as existing in the Southern State to which I have referred.

I can not answer and will not attempt to answer—for I am not sufficiently familiar with legal interpretations to be able to do so—the argument of the Senator from Montana [Mr. WALSH]. I have great respect for his legal opinion, his legal knowledge, and his interpretation of law; but it does seem to me to be absolutely indefensible, Mr. President, in one breath to legalize the use of liquors for medicinal purposes and in the next to attempt to write a prescription in the Senate Chamber. If we have sufficient confidence—and we must have—in the great medical fraternity of the country to permit them to prescribe liquors as medicine, then for us to limit the amount of the prescription to a pint in 10 days, as if we knew beyond their professional knowledge in what quantities they should prescribe liquor, seems to me to be setting ourselves up in a posi-

tion which is absolutely ridiculous and indefensible. If it is right to prescribe liquor for medicinal purposes—as apparently it is; certainly a large majority of physicians have said that it is—then why can not we leave it to them to write such prescriptions within their own judgment and within their own professional knowledge of the necessities of each special case?

Mr. STERLING. Mr. President——

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from New Jersey yield to the Senator from South Dakota?

Mr. EDGE. I yield.

Mr. STERLING. I should like to correct the Senator in his very broad statement that a very large majority of physicians say that it is right to prescribe liquors for medicinal purposes. I do not so understand. I know what the position of the American Medical Association was in 1917, and also that that association has not changed that position.

Mr. EDGE. Mr. President, I have heard many views of that. I, of course, can not take the position positively that any certain proportion of physicians are for or against or favor, or otherwise, the use of liquors to be prescribed for medicine. We do know, however, that thousands of them believe that there are occasions when liquors of one kind or another should be prescribed.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Ohio?

Mr. EDGE. I yield.

Mr. WILLIS. If the Senator from New Jersey would care to have stated at this point the exact facts upon that matter, I will say that there are 152,000 physicians in the country, and 78 per cent of that number do not prescribe alcoholic liquors in any form whatsoever. That is shown by the hearings, and I can give the Senator the page where that statement may be found if he desires me to do so.

Mr. EDGE. I am very glad to have the figures which the Senator from Ohio has just furnished so far as they have been compiled. Then, it appears that 22 per cent of the physicians of the country, so far as the figures have been compiled, in their practice do prescribe liquors in some form.

Before leaving that point I might also draw attention to a situation with which we are all familiar. I do not know whether there are 78 per cent of the physicians who do or do not and 22 per cent who do or do not prescribe alcoholic liquors in their practice; but during the time of the prevalence of influenza in this country, when thousands and thousands of soldiers were dying in all of the cantonments and camps, I know, as every other Senator knows, though I can not give the Senator the proportion and will not attempt to do so, that at that time it was generally recognized that the use of whisky was very essential and was prescribed throughout those cantonments and that efforts were being made all over the country to get more whisky to send to the cantonments for the purpose of combating the terrible scourge at that time.

I can not discuss at all the merits of malt liquor, ale or beer, as to their use for medicinal purposes beyond the fact that I well recall that physicians frequently in the old days would prescribe what is known as brown stout or porter in cases where I assume it was for the purpose of a light stimulant. It was used very frequently, especially by country physicians. I recall that very clearly and very well. Physicians must have felt that there were some medicinal properties in porter, brown stout or beer or ale or, of course, they would not have prescribed such liquors for medicinal purposes. I think it is perfectly clear that we are going away beyond the necessity of regulation when we attempt absolutely to eliminate one class of liquor and then so closely and minutely to confine the use of another, and in the next breath say that physicians shall have the power to prescribe it as a medicine. However, leaving that question entirely, let us face for the moment the situation as it exists in this country to-day.

We know perfectly well that, under the law, every man who cared to have liquor filled his cellar with all kinds and classes of liquor and is using it to-day as he desires for himself and friends. He is permitted under the law to have and to retain those supplies. Many men who could afford to do so purchased very large supplies, and they are still being dispensed. We know perfectly well, also, that there is a feeling of unrest throughout the country among that very much larger class of men who were unable to accumulate a supply simply because they could not afford to do so and did not have the money to do it, and who, anyhow, as a general rule, have been consumers of beer. It appealed to me when the last Attorney General made the interpretation that he did as to the use of beer that it was fortunate that he could see his way clear legally to do so, because I thought it might in a proper way legally somewhat alleviate the feeling of opposition that we find especially throughout all of the large cities of the land.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from South Dakota?

Mr. EDGE. I yield.

Mr. STERLING. Does not the Senator's argument assume that by reason of the Attorney General's opinion it was desired for other than medicinal purposes and was expected to be so used?

Mr. EDGE. The Senator interrupted before I had reached that point. I had already said "in a legal manner." I felt if in an entirely legal manner a physician could properly, by prescription, permit the use of beer or ale or porter or brown stout or various other malt liquors for the same purpose that physicians have used such liquors in the past, as I have just indicated, as a light stimulant, and for their medicinal qualities, the fact that legally, under proper restrictions, beer could at least be obtained, would to some extent alleviate the situation that exists to-day, when the great majority of the people realize thoroughly that, perhaps, 3 or 4 or 5 per cent of the people of the land have their cellars full of all kinds of liquors while they themselves can not, even if they need it and a physician so tells them, legally purchase beer.

I recall very well when the Volstead Act was sent back to the Senate by the former President of the United States with his veto. It was apparently the President's view that a law that was so far-reaching as the eighteenth amendment should be interpreted liberally so far as regulatory measures are concerned. That must have been his view or, of course, he would not have vetoed the bill. Personally I recall voting to support and uphold his veto with entire satisfaction and agreement as to his views, and now that two years or thereabouts have passed since the eighteenth amendment became a law and efforts have been made to enforce the Volstead Act, I think the judgment of the former President of the United States in that regard was very sound, indeed.

We can not change a condition that goes home to so large a proportion of our people in the matter of personal habits and personal liberty if it is really desired to bring about prohibition and have the law enforced. I want to see the law enforced just as much as does any Senator in the Chamber, now that it is the law. We can not discuss the merits of the original law; that is water over the dam; but we can not change the personal habits of people to such an extent almost overnight and have the law enforced. That is the reason that I take the stand I have taken. I believe we would have better served prohibition and better served a final upholding of the law if in its interpretation, as the former President appafently believed, we had made our regulatory law a little less drastic and allowed a little more opportunity gradually to bring about a nation-wide condition of observance.

These, Mr. President, summing it all in one thought, is the reason that, as an advocate of law enforcement, I can not with my vote make the law more drastic when we have evidence before us that we can not enforce the law that we have.

Mr. NELSON, Mr. WILLIS, and Mr. STERLING addressed the Chair.

Mr. EDGE. I yield the floor. I will be glad to answer any questions, however.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. NELSON. Mr. President, there are different ways of approaching this subject. One way is to approach it from a theoretical and a high-altitude position; but when we get down to the solid terra firma of facts, what are the facts in this case? The question is whether in the interest of prohibition, whether in the interest of keeping the American saloon out of business, we should prevent the prescribing of beer as a medicine.

Judging from the correspondence and telegrams that I have received on this matter, as well as from the public press, my understanding is that the great body of the medical profession in this country are utterly opposed to prescribing beer. They do not believe it has any particular medical properties. There may be a bit of nourishment in it, like there is in rice soup or some other concoction, but as for medical properties it has not any. In addition to that, the druggists of the country are opposed to handling beer and filling prescriptions calling for it.

Where does this great demand, moving under the cover of high moral ideas of personal liberty, come from? It comes from the brewers of the country, and their letters are coming to me, who are anxious to reopen the country for beer and wine; and the moment you do that, Mr. President, you will reopen the saloons in the country, and the battle of prohibition we have

fought in the past we shall have fought in vain. There is no use of deceiving ourselves. This great clamor on the beer question comes from the brewers, and nobody else.

I listened to the arguments of some Senators who speak about limiting a physician in his prescriptions. Well, Mr. President, if there were no limitation upon the prescriptions of a physician, some physicians would be busy writing prescriptions for old soaks all over the country from early morning until night. Unless you put a limitation—and you have got to put it somewhere—there are some unscrupulous physicians who would continue to write prescriptions from morning until night, and the old topers would go in there and pay their dollar for the sake of getting a good, big drink to satisfy themselves.

This amendatory bill yields on the wine question to the extent of providing specifically that a doctor may not only prescribe whisky but he may also prescribe wine in a given quantity, and the maximum strength of the wine he may prescribe is equal to that of the best wine on the market. The percentage of alcohol is equal to the percentage of port wine or some of the other wines that have a high alcoholic content.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from South Dakota?

Mr. NELSON. I yield to the Senator.

Mr. STERLING. My understanding is that 24 per cent of alcoholic content is the maximum in wine. Nearly all wine has a much lower per cent than that.

Mr. NELSON. Yes; the maximum strength of the wine that may be prescribed covers the maximum strength of the wine that is in use in this country or any other country. I have known in the past a kind of a sweet wine in California that had been fortified immensely by alcohol and used to be sold by tough saloons that wanted to get people drunk. They would sell them that sweet California wine, doped with alcohol without limit, and, of course, they would get drunk quickly and sling their $5 bills on the counter and say, "Treat the crowd!"

Mr. President, the way I feel about this question, the people of this country have fought and won the cause of prohibition. We hear a great deal about the old argument of personal liberty. I remember how in olden times, when bills were pending before the Judiciary Committee, a certain friend of the brewers came in one day with a dozen ladies, with their little essays prepared, showing what an invasion of the personal liberty of the American it was to deprive them of their beer, and that was the great argument; and if I understood the argument of the Senator from New Jersey [Mr. EDGE], it was this personal-liberty idea that bothered him. I do not wonder at it, because one of the hardest-fought battles in the Supreme Court in reference to the prohibition question came from one of the big brewing concerns in the State of New Jersey.

To my mind the great danger involved here in not cutting out beer from prescriptions is that it is the opening wedge that will restore the saloon to this country, and God forbid that any such calamity should ever befall the American people. We fought the good fight, and we fought it during the Great War, at a time that was perhaps better than any other in the annals of this country for carrying out our antisaloon propaganda. I need not go into details, but Senators on this floor know why the battle was a little easier during the war than under ordinary conditions. We fought that battle. We won it, Mr. President, and now there is no use of taking a step backward in this program. There is no reason why this bill should not be enacted into law immediately. The great majority of the good physicians of this country are opposed to prescribing beer. The druggists are opposed to it. Nobody wants it, nobody pines for it, nobody aches for it but the big brewers whom we knocked out of business a year or so ago.

Mr. WATSON of Georgia. Mr. President, I do not know when the Senator from Minnesota [Mr. NELSON] began his fight against the barrooms. I should be glad to have him name the date. I can tell him when I began mine. It was when I joined the church and was buried in baptism in the waters of Sweetwater Creek, when I was 14 years old. I have been in that battle ever since, and I do not like to have any man insinuate that I am a whisky soak or have any sympathy with whisky soaks.

Mr. NELSON. Mr. President, may I inquire who has insinuated that about the Senator from Georgia?

Mr. WATSON of Georgia. The Senator made his remark as wide as this Chamber is, embracing everybody that is against this bill. Therefore, being a Member of this body, it embraced me; and I want to tell him that if he has friends who are brewers, I do not even know a brewer. There is not a single brewer of my acquaintance, as far as I know, and in this Chamber I do not take orders from any brewer nor from any other interest. I try to represent the right, my conscience, and my people, and to them I am accountable.

Mr. President, in a few days I shall be 64 years old, and never in my life did I take a drink in a barroom—not even a drink of lemonade.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. WATSON of Georgia. With pleasure.

Mr. NELSON. The Senator's age is no circumstance to mine.

Mr. WATSON of Georgia. No; the Senator is older than I. I wish he were younger.

The very first and only secret organization that I ever joined before I became 50 years of age was a temperance society, and I never broke its vows. The first public speech I ever made was a temperance speech, and I doubt if any man on this floor has made as many temperance speeches as I have made. When it comes to intemperate speeches, however, I will not make them; and when it comes to intemperate votes, I will not cast them; and when it comes to saying to a doctor who has been educated for his profession, just as I was for mine and just as my very much respected friend from Minnesota was educated for his, I would no more assume the right to dictate to him what he should do in the management of a sick case than I think the doctor ought to do in dictating to us the management of a law case.

Mr. President, I grew up in the old-fashioned life of the southern plantation, where nearly every landowner made his peach brandy and his apple brandy and his beer, and I never saw any drunkenness on the plantation during the whole of my youth—never. You might hear of a whisky soak in the community, but he was ostracized. He was not a welcome visitor to anybody's house. He was an exception. The gentleman took his mint julep before breakfast; he took his glass of whisky at dinner; he took his nightcap at night. The adage was, "three drinks a day; no more and no less"; and when the preacher came in, tired from his week's work, his arduous toils in the pulpit and his visiting, he was asked if he would not have a toddy from the decanter on the sideboard, and I never knew him to fail to take it, and it seemed to do him good. It genialized him.

In those days there was a barroom in nearly every grocery store. Just as Andrew Jackson sold Negroes into slavery when it was the habit in the South to do it, Abraham Lincoln sold whisky over the bar when it was the habit in the West to do it.

Times change and customs change with them, but principles ought not to change, and this mad rush of prohibition has now become more dangerous than almost any other form of legislation; and the first thing we know we will have somebody telling us how we ought to dress, what we ought to pay for a suit of clothes, and how much we ought to eat, and when to eat it; and perhaps somebody ought to have told the 129 girls who got sick the other night from eating too much or eating the wrong thing, at one of the Government hotels.

In the Legislature of Georgia in 1882 and 1883 I was chosen by the temperance committee to close the debate in favor of the local option bill. Local option was as far as anybody dreamed of going then, letting any county say by local vote whether that county would close its barrooms. I always was opposed to the open saloon, and this Anti-Saloon League, so far as it goes beyond that, is sailing under false colors and has gotten support under false pretenses. It calls itself an Anti-Saloon League, and as long as it was that and no more I was fervently in favor of it.

I did close the debate in 1882, answering those who opposed the bill in the Georgia Legislature, and we passed the bill; and under that bill, Mr. President, we voted out the barrooms from 118 counties in Georgia, there being only 137 counties at that time; and, inasmuch as public opinion was behind the law, the law was enforced. You can not enforce a law until you get public opinion behind it.

A few years afterwards—and I say this with some embarrassment, some natural diffidence—I wrote the first antibarroom plank that was ever put in a political platform south of the Mason and Dixon line. I wrote it, and by my influence I had the convention of which I was a member adopt it. Upon that platform we ran for governor a nationally known prohibition leader, Seaborn Wright, of Georgia, whose eloquence has been heard all over this Union in behalf of the Anti-Saloon League. We could not quite elect him. The Democrats would not vote for him because the Populists nominated him. After that, Mr. President, there was tendered to me the nomination for the Presidency by the national leaders of the Prohibition Party, and personally through Seaborn Wright. I declined it, because I

told them that I thought their plank, the one that has been referred to so often in debate, went too far, that I could not consistently support that platform.

So I come to this question with an open mind, having no record that fears anybody. I do not drink whisky myself, and I do not even now drink wine. I am on the water wagon for good, so far as that is concerned. But when it comes to dictating to an honorable profession as to how they shall save life, if they can, I think we are going too far.

The Senator from Montana [Mr. WALSH] says that there are scoundrels in the medical profession, as there are in the legal profession. That is true, Mr. President, but they are soon found out. In our profession, sir, we disbar them; and in the medical profession their licenses could be revoked.

Who are these men who have been violating the law by giving so much beer to whisky soaks? How much beer do you have to give to a whisky soak to satisfy him? A whisky soak can not be satisfied on anything but whisky or chloral or some stronger drink.

I will tell you what you are doing, Mr. President; you are putting millions of dollars into the coffers of the cocaine companies, the Coca Cola Co., the Cherry Cola Co., the lemon extract companies, the Tanlac Co., and several other soft-drink companies. There never was a more vicious drink than Coca Cola. Dr. Wiley said so officially. It is a habit-forming drink, which leads from one bottle to two, from two to four, from four to half a dozen; and I have had the best doctors tell me that it destroys in a woman the power to become a mother, if she becomes addicted to it; and that infamous drug is even now trying to escape taxes in the State of Georgia. The present governor of Georgia was elected on a platform pledging him to tax it. The Coca Cola Co., the Cherry Cola Co., and some other manufacturers of soft-drink poisons ran near beer and pure beer out of the State and deprived the State of $800,000 in taxes. Deprived of those taxes, the State is now virtually bankrupt, and is seeking wherewith to make buckle and tongue meet.

Mr. NELSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Minnesota?

Mr. WATSON of Georgia. With great pleasure.

Mr. NELSON. The Senator referred a moment ago to Coca Cola, if I heard correctly, did he not?

Mr. WATSON of Georgia. I did.

Mr. NELSON. What I desire to say about that, and it will bear the Senator out, is that one of the last cases in which Secretary of State Hughes wrote an opinion when he was a justice on the Supreme Court was a Coca Cola case, and it is a very interesting case. While I can not give the percentages exactly, I think the case shows that Coca Cola is composed of over 90 per cent sugar and water and a little bit of flavoring, with a little Coca Cola in it. The court held in that case that there was evidence to go to the jury that it was adulterated.

Mr. WATSON of Georgia. That carload of Coca Cola was seized near Chattanooga, and it had been doctored for the purpose. It was the very kind of a case of Coca Cola that would not be very harmful. Let the Senator try the real thing for a week, and he will never be able to get loose from it. It is one of the most pernicious drinks that ever made a belly wash for a human being. It is the curse of our State right now.

What have your prohibition laws done, when people are driven to these extremes? As long as it was a question of closing the barrooms all the people were united, because the barroom was the place of lewd pictures and libidinous conversation, a place where men idled, a place where boys congregated, when they should not have been there, a place where one man treated another and the treat was returned, until the hospitable habit of treating one another was turned into a debauch, when neither one had intended it. As long as the Anti-Saloon League confined itself to closing the barrooms there was no harm done, but an immense benefit, and I am proud of the fact that the best years of my life were spent in contributing to that result.

But, Mr. President, what has been the result of these drastic laws, these unreasonable laws, these laws that would penalize Moses, the great lawgiver; these laws which would penalize one of the most persistent and triumphant races that ever was created by the Almighty—the Jew; these laws which have penalized the daily habits of Jesus Christ and his example the last night he spent on earth?

You have driven men into guilty secrecy, into ways of deception, into the ways of criminality. You have driven men into doing in violation of law, by indirection, subterfuge, fraud, that which in itself is no violation of the law. You have made mala prohibita into mala in se, and you have slaughtered 10,000 good men by doing it; and you are doing it every day.

This resort to potash to put in whisky, this resort to wood alcohol to put in whisky, this manufacture of all sorts of poison in the name of whisky, has killed men throughout all the walks of life, and will continue to do it. You may think that by act of Congress you can make a man different from what God made him, but you can not do it, no matter whether you come from Minnesota or from South Dakota. We are what God made us. You can not unmake us and you can not remake us.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The ASSISTANT SECRETARY. A bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

The PRESIDING OFFICER. The Senator from Georgia has the floor.

Mr. NORRIS. The Senator from New Jersey [Mr. EDGE] gave notice that he would address the Senate at this time on the unfinished business.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harris	McNary	Stanley
Broussard	Harrison	Moses	Sterling
Calder	Heflin	Nelson	Sutherland
Capper	Johnson	New	Swanson
Caraway	Kellogg	Nicholson	Townsend
Curtis	Kendrick	Norbeck	Trammell
Dial	Kenyon	Norris	Underwood
Edge	Keyes	Pomerene	Walsh, Mass.
Elkins	Ladd	Ransdell	Walsh, Mont.
Fletcher	La Follette	Reed	Warren
Frelinghuysen	Lenroot	Sheppard	Watson, Ga.
Gerry	McCormick	Shortridge	Watson, Ind.
Glass	McCumber	Simmons	Willis
Gooding	McKellar	Smoot	
Hale	McKinley	Stanfield	

The PRESIDING OFFICER. Fifty-eight Senators having answered to their names, a quorum is present.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. EDGE. Mr. President, the pending bill, the unfinished business before the Senate, is the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

It appears to me that if the measure should become a law in its present form, absolutely changing the traditional policy of the Government for one hundred and forty-odd years, it is of such extreme importance that Senators owe it to themselves and their constituencies to give the bill the most careful study and consider its effects upon the relationship of Government to business in the future. I am quite sure that there is not a Member of the Senate who would not make every possible effort in some practical way or in any way practical to relieve the present agricultural situation.

I am quite sure every Senator agrees that it is incumbent upon us, if there is any method that can be worked out, to relieve that situation. Beyond that, speaking personally, even though I am unalterably opposed to the principle or the policy of the Government administering business, that type of business, at least, that can be and has been for years past administered by private institutions, yet at the same time if I could become convinced that the bill would really result, through the operation of such a corporation, in relieving the agricultural situation and at the same time not too seriously interfere with the general business and economic conditions and practices of the country, I would cheerfully support the bill and lay aside, as it were, my conviction against the Government administering business.

But a rather careful study of the bill, according to my view at least of its probable results, has convinced me that it is absolutely unsound economically and that for the Government to go into this type of business, buying and selling farm products or farm-manufactured products, is absolutely indefensible from the standpoint of real results to the farmer.

In the first place, the farmer wants one thing—he wants higher prices. We can wipe out and lay aside every other thought. He must, if he is going to meet the present situation, have higher prices for his products. The bill is designed

to secure for him higher prices. There would be absolutely no relief if it did not. Laying aside for the moment what it means to the army of consumers throughout the country if higher prices are brought about for food products, I shall apply my argument directly to what would be the result if the farmer secured higher prices through the operation of this corporation.

There is only one way for him to secure higher prices, and that is for the corporation to buy the present surplus products which it is generally claimed exist, although that is somewhat in dispute as to whether there are large surpluses at the present time. The corporation must purchase existing crops or the crops to come from the next harvest and thus create a shortage. We never elevate prices in the world unless we create a shortage. When there is an overabundant supply of whatever the commodity may be, the natural result, of course, is that prices go down, so that this corporation must buy the surplus products of the farmer in order that he can get a higher price for the crops yet to come. What are they going to do with those crops?

The design of the bill is that they shall sell these products abroad. In the first place, I think it is a gross exaggeration, not borne out by the facts, to believe that we have such a tremendous market abroad for farm products at this time. I am positive that the Government corporation buying these farm products would be compelled to a great extent to store them, or, if they operated with an understanding that they would never buy until they had a purchaser, then they could not buy or would not buy in large volume, and as a result the provisions of the bill would not give the relief it is expected to give.

We have set up to-day in the Government an agency known as the War Finance Corporation. It was created as a war measure. It has been continued during times of peace and is now operating. So far as I have been able to learn it is operating very successfully. Only a few days ago I read in the paper an interview from the managing director, Mr. Eugene Meyer, jr., that they had practically arranged for several million—I do not recall the exact figure—bales of cotton to be exported, and the credits had been arranged for that sale. Since their operations, since they were rejuvenated by the emergency bill passed during the last Congress——

Mr. SIMMONS. Mr. President——

Mr. EDGE. I yield to the Senator from North Carolina.

Mr. SIMMONS. Did I understand the Senator to say that he had information that the War Finance Corporation had made provision to take several million bales of cotton?

Mr. EDGE. Yes.

Mr. SIMMONS. The Senator is entirely mistaken.

Mr. EDGE. One million bales of cotton of this year's crop. I might inform the Senator from North Carolina that Mr. Meyer, the director of the War Finance Corporation, advised me on the telephone just this morning, in substance, that they have practically arranged for the exportation of 1,000,000 bales of cotton to a foreign country.

Mr. SIMMONS. Does the Senator mean that that arrangement has been made in the last two or three days, or does he mean that all the arrangements that have been made up to the present time would cover about 1,000,000 bales?

Mr. EDGE. My understanding is from the telephone conversation just had that the transaction had been consummated, or practically consummated, within a comparatively recent period, and it related to the coming year's crop; that the War Finance Corporation had arranged to finance a million bales of cotton.

Mr. SIMMONS. I have been advised during the last week that they have made arrangements to loan, I think it was some New Orleans corporation or association, $5,000,000; but that, of course, would not be sufficient to finance the exportation of anything like a million bales of cotton.

Mr. EDGE. I can only give the Senator the information which has been furnished to me.

Mr. SIMMONS. If it be true that they have arranged for the exportation of a million bales of cotton during the last few days, that is very good news, and news which I am exceedingly glad to hear.

Mr. NORRIS and Mr. RANSDELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Jersey yield; and if so, to whom?

Mr. EDGE. I yield to the Senator from Nebraska.

Mr. NORRIS. Mr. President, I have here in my hand a letter from Mr. Eugene Meyer, which I think will throw light on the subject about which the Senator from New Jersey has been speaking. Probably in the course of the debate I shall ask that the entire letter be printed in the RECORD. The letter is dated June 29, 1921. Mr. Meyer outlines in the letter just what the War Finance Corporation has done since it was reorganized. According to this letter, unless it has been done since the letter was written, the Senator's information is entirely erroneous in regard to the arrangement for the exportation of a million bales of cotton.

Mr. EDGE. The information I have just given the Senate was given to me this morning.

Mr. NORRIS. If the Senator will let me quote from the letter, I will state what Mr. Meyer says. He says that the War Finance Corporation has arranged with the banks for the exportation of cotton to various distributing points in Europe and Japan; that they have arranged a credit of $3,000,000 through a bank for the exportation of cotton under contracts for forward deliveries; $1,000,000 to two banks; in another case for $225,000; in another instance for the exportation of cotton to the extent of $100,000; to an exporter of cotton, $80,000, and to another exporter for the exportation of cotton, $85,000. Then he says:

> There have also been submitted to the corporation informally applications which contemplate the exportation of from 8,000 to 15,000 bales of cotton to France and other countries, 10,000 bales of cotton to England, and of $200,000 worth of cotton to France, Belgium, and Germany.

Of course, the corporation may have done something since that letter was written.

Mr. EDGE. The letter from which the Senator quotes is dated three weeks ago. There is no question that the figures in the letter are correct.

Mr. NORRIS. If the Senator will permit, I desire in that particular to call his attention to the fact that the figures I have just read show that arrangements for the exportation of the bales of cotton referred to were in contemplation. Mr. Meyer says:

> There have also been submitted to the corporation informally applications which contemplate the exportation of from 8,000 to 15,000 bales of cotton—

And so forth.

Mr. EDGE. I gathered from the telephone conversation which I had this morning that the statement which I have made related to an accomplishment of very recent origin. I can not give the Senator the details of the matter beyond that.

Mr. President, we have reached a point where we now have one governmental agency—the War Finance Corporation—designed to aid our export trade, and by setting up the contemplated agricultural corporation it seems to me that we shall be simply developing dual responsibilities, each with the same general object in view of financing exports to foreign countries.

However, we are going away beyond that. I believe the War Finance Corporation, perhaps, should be given additional powers if they find them necessary in order to meet the market demands and fill the orders they may be able to obtain abroad. Perhaps the Government could go so far, under proper restrictions, as to guarantee the solidity of foreign securities after due and careful investigation, where such foreign securities would be used as a credit for the purchase of American products; but for the Government itself to set up a department store, to go into the business of buying and selling, with all of its attendant political difficulties, it seems to me would be unthinkable and not necessary. I am standing here now attempting to participate in the debate in the hope of finding a real solution of this problem. I feel that this proposed legislation is unnecessary in order to reach that solution.

This morning I picked up the Washington Post, the first headline of which reads:

> Shipping deficit shocks—Lasker reports $380,000,000 cost for year to President—Will ask $300,000,000 more.

Then the writer goes on to demonstrate in the article that the governmental operation of ships through the Shipping Board has resulted in those appalling conditions.

Mr. President, when and where are we going to stop? The pending bill provides for an appropriation of $100,000,000 to be employed as capital by the corporation to be created. That $100,000,000, of course, must come from the taxpayers; it can not come from any other source. Then, on top of that, the bill provides for the issuance of a billion dollars in bonds. By the bill as originally drawn they were supposed to be issued by the corporation, but an amendment is pending to the bill that they shall be guaranteed by the Treasury of the United States. So far as that is concerned, I see little difference in either event, for if the Government of the United States furnishes $100,000,000 for the capital stock of the corporation and the Government is the only stockholder, it is morally responsible anyway for the bonds that the corporation may issue, whether the pending amendment is adopted or not. And these bonds must carry high interest rates to be at all attractive in these days, and the tax evader will jump at them if tax exemption is provided.

Aside from the question of the policy of the Government buying and selling and going into competition with every interest in the country which is now engaged in the business of buying

and selling, what is going to be the result? If we continue the policy of additional taxation and imposing additional burdens on the people, can we then expect to reach any definite, positive, permanent solution of the present evils and economic troubles?

There is only one way, in my opinion, to meet this situation, and that is the permanent way. We shall never restore confidence in the country—and when I say the country I mean every citizen, be he big or little or whatever his interest may be—until we revise the present taxation policy; until we permit a man who has energy and ability and determination to reserve for himself a reasonable portion of the profits which he makes, for the risk he takes in any business development.

The purchasing power of this country has not greatly changed, and when we do restore confidence, when the wheels of industry turn again and men are employed, then we shall find that the result will be the natural rejuvenation of business. Good times bring about a development that no legislation in the world can bring about, and good times, of course, are simply the outcome of satisfaction on the part of the people who have confidence and who feel that for the risks they assume some permanent results may accrue to themselves.

Mr. President, the corporation proposed to be created by the bill, so far as looking for markets and studying local agricultural conditions is concerned, will operate, I presume, in a manner very similar to that in which the War Finance Corporation is now operating. I freely admit that the War Finance Corporation in its few months of activity since it was resurrected has not accomplished a great deal; perhaps it has accomplished a mere bagatelle so far as the number of actual definite orders that they have placed abroad is concerned; but, on the other hand, they are equipped to do the very thing that the corporation proposed by this bill is designed to do, and without that added responsibility of putting the Government in a bartering and trading, buying and selling business. They act in a way, as I understand, as agent. They are looking for markets; they are looking for the man with goods; they are trying to bring the market and the producer together by furnishing credit, and that is exactly what the corporation now proposed would be expected to do, except that it would be loaded up as a running and going concern with all the attendant extra expenses that always surround any governmental agency.

Why is the Shipping Board showing a tremendous deficit of $380,000,000, and why is it coming to ask us in the next few days for another $300,000,000? It certainly can not be because of businesslike management. Any private concern faced with such conditions would have been compelled long ago to have done things that governmental agencies do not think it is necessary to do, because they have behind them a waiting Treasury, and it is easy to come and get additional appropriations.

So it would be, in my judgment, in the case of the corporation proposed to be created. They will have no one to be accountable to except the people, and the people as a rule, and in a general way, are rather easy taskmasters. The result is they will pile up and can not help, in my judgment, piling up a deficit. The Government is ill-calculated to run business. We know that by all the experience we have had; we know it by our railroad experience; we know it by the efforts of the Government to operate a merchant marine; and we will know it if the corporation now proposed to be created is ever created and begins operations.

There is another point that occurs to me as being rather pertinent to the present situation. Almost daily on the floor of the Senate we have been discussing our relations with foreign nations in regard to debts they owe us, and almost daily—and very properly so, in my opinion—questions are asked about the interest on those debts and what the policy of the Government is going to be and why we do not collect the interest from countries that apparently should be able to pay it, because of the investments which they seem to be making elsewhere. I agree with that sentiment, so far as that is concerned. If we set up this proposed corporation, whose sole and only permitted purpose will be to sell goods abroad, is it not reasonable to assume that our customers abroad will in great part be that type of country whose securities are rather questionable? Without mentioning any particular country, has not that really been the history to date of the War Finance Corporation? Then in that event will not the Government operating this big store be in a position where political matters will enter into consideration? If we refuse to send 100,000 bushels of wheat or bales of cotton to a certain country abroad because, as a business proposition, we are not satisfied with the securities they offer, will not the nationals of the particular country spread all over the United States come to Washington and ask why we do not accept the credit offered and sell to the particular country the invoice of goods? So the Government will be drawn into that political situation, which will certainly prove more or less embarrassing. To-day, on the other hand, under private direction, as business always has been since the country was a Republic, we do not face that contingency. It is a private transaction. When some concern that is engaged in the exporting business passes on the validity of bonds or securities offered by some foreign Government in exchange for our products they look upon it naturally in the cold-blooded manner of a banker, whereas the Government will be in a very embarrassing position in trying to distribute the products of the country through the interchange of more foreign bonds and securities. In my judgment, we have enough of such securities.

Mr. President, if there is any practical, businesslike method of relieving this situation I want to see it relieved. I agree absolutely with the Senator from Nebraska and other Senators who have studied the conditions existing in the agricultural sections of their country, and know them far better than I do, that they are deplorable, almost pathetic in many cases. The prices of agricultural products have gone down and the prices of everything the farmers use have stayed practically where they have been and have not gone down in comparison. There is not any question about that. If I wanted to bring in any sectional viewpoint, I could illustrate the same thing in the State of New Jersey and other States, where industrial products have gone down and where stagnation exists and suffering and distress, perhaps not in equal proportion, but very generally.

I am not, however, going to discuss that. I am not discussing relief, so far as this debate is concerned, for industry. I am trying to see if there is a practical way to help the farmer without the Government going into the department-store business. I am leaving the other sufferings and troubles of the country entirely out of the matter. We know that they exist, and they do exist. If you will come up through the large cities of New Jersey, New York, Massachusetts, and so on, you will find thousands of unemployed who have heretofore been employed in industrial works of various kinds; but that does not change the fact that the farmer needs relief. We tried to give him some relief here in the emergency tariff bill. In my judgment we have done absolutely nothing for him; and in connection with this bill, I want to submit another thought which has to do with the dates of crops. By the time you could establish such a corporation in the ordinary way and have it actually doing business, $100,000,000 appropriated, and bonds issued, or, at least, enough of them so that they could have the capital to work on, it would be too late, as I understand, for the present year's crop; and let me tell you, Mr. President and fellow Senators, that if this corporation is formed, and we do not find some general relief, not alone for the farmers but for every business industry in the country, before another year rolls around and in time for the next year's crop, then we shall have to form hundred-million-dollar corporations for every class of industry in this country, because the suffering and the conditions will be such that no Senator can question their existence.

I go back to the same general answer as the solution and as the relief: Restore confidence at home. Get men working again. Let them feel that they are going to retain a reasonable sum for their efforts and their work. Have them feel that after a revision of taxation has been brought about, and the necessary revision of the tariff, Congress is through then with regulatory, confiscatory, or any other class of measures that would interfere with the development, energy, and enterprise of the American business man or the American farmer, so that they can go back to work feeling secure that the old days are with them again and that they are going to be able to have, as a result of that energy and that enterprise, a full measure of profit to themselves.

That is the only time that the rank and file are happy and satisfied and fully employed. Business humming is not simply for the wealthy. I do not like to hear these class distinctions, or any form of class distinctions. The only way this country can roll on successfully, and men and women be happy, and families raised of the same type that they were, educationally and otherwise, before we got into the naturally upset condition caused by the war, is to proceed as we did before we had confiscatory taxes. I realize that there must be something in the place of the existing taxes, because the expenses are going down only gradually. It is a case of revision, not that we can wipe off the present taxes. That would be perfectly ridiculous; but the revision must be along lines that do not stifle industry.

Personally, I believe in some type of a consumption or production tax. I believe that a tax on incomes carried too far is a tax on thrift; but a tax on production, or a sales tax, or a

consumers' tax, or whatever you call it, is a tax on too much expenditure. In other words, the wealthy man, the man who has his yacht and all that kind of thing, must pay a tax if he spends the money, and so on down the line. The man who spends the least will have to pay just that much less taxes to the Government, and I really believe that it is a more consistent system. A careful consideration of that type of revision of the tax and revenue-producing laws of the country would, in my judgment, when finally adjusted, bring confidence back to the country, and as a result we would not have to pass emergency bills.

This bill is an emergency bill. By its very terms its operation is limited to five years. That in itself demonstrates the idea of the measure. It is a subsidy—that is what it is—nothing more nor less. I do not think any business man would stand on the floor of the Senate and say for one moment that that type of corporation, surrounded by political control and management, could ever make a profit, with the result that it is a deliberate and complete subsidy and aid to the American farmer. Perhaps it is necessary to pay him one, but do not let us pay it in that way, where the cost of operation and the cost of administration will be such that we will lose the money in such a manner. I would rather pay it directly than pay it in any such form as that and have the Government go into this uncertain type of general business.

Mr. President, there is another way to accomplish the result that the Senator is very properly seeking. A year ago we passed an act that I had the honor of introducing, an amendment to the Federal reserve act providing for the incorporation of banks to transact foreign business. Under that act there have been, I believe, only three banks actually incorporated. The answer is: "Well, the business interests have not taken advantage of that act, and so therefore you must find something else."

I assume that that will naturally be the answer. It is a very pertinent suggestion. They have not taken advantage of that act as we hoped they would—I am perfectly free to admit it—although it was designed mainly in the interest of the producer, and the farmer is the biggest producer for export.

They have not taken advantage of it because of the general economic condition of the country, the difficulty of selling stock or bonds, which is thoroughly understood by everyone, and because of another reason which does not seem to permeate. There is not to-day—investigation will bear out that statement, I am sure—the foreign market that we assumed and hoped there would be. Mr. Meyer, in his report on behalf of the War Finance Corporation, demonstrates that, and he states it in the hearings before the committee several times. I read over the hearings this morning. Therefore, why should this big bank lock up a hundred million dollars of capital in its stock, and issue bonds? There is not a real market on the other side for this purpose. Let us make the market at home, and take advantage of all the foreign markets we can get, of course, where the sales are properly secured; but let us not have the false idea that we are going to solve the present problem at home by sales abroad when there is not a market abroad that will come anywhere near solving it.

What would be the result of issuing these bonds in case there was a market, and we found an opportunity to do business, and we took over some questionable securities from some of the foreign Governments, and it was necessary to issue bonds, of course, in order to get the cash to carry on the transaction?

We have been talking a great deal about the fallen value of Liberty bonds, the bonds which were put out by the Government during the war, and of course that is a subject of great criticism, because the bonds are selling down in the eighties. Everyone knows perfectly well that if we issue a billion dollars' worth of bonds, or any considerable part of them, either with Government security or otherwise, with foreign Government security, the result would be a further dropping of the value of Government bonds, with the resultant difficulties in the way of solving the financial problem with which the Treasury is now faced.

I do not believe the sponsors of this bill will find the results they are looking for from the operation of such a corporation any more than they did from the operation of the emergency tariff bill, which has only a few months to run. I want to see the Government go a step further. I believe that if you will authorize the Government, through the War Finance Corporation, to subscribe for stock in these private institutions under proper restrictions and let them conduct the business they will lose no opportunity to find a market for every bushel of products from every farm in the United States. If you are going to spend money, why not do it in that way, properly protected by the War Finance Corporation, with the Secretary of the Treasury in charge, rather than to set up your own artificial machinery here in Washington or elsewhere? If you are going to spend the taxpayers' money, put it in the hands of people who, through their operations, will naturally and necessarily reduce the actual expenses of administration as compared to a Government administration.

How can you get off, in the light of experience and knowledge of past governmental experiments in business, without recognizing that it is going to cost you more to operate this store than it costs the man in Chicago or some other place to operate a store doing a similar business? If it costs you more, then the price of goods will naturally reflect it and will be that much higher. Then, again, if you are going to spend the money, I repeat, why not put it in the hands of the man whose business it is to save that great, big Government overlapping which we have to-day with the Shipping Board, and still relieve the farmer? That is a practical way, is it not, to do business? I think the chairman of the Agricultural Committee will bear me out in the statement that whatever the volume of business is under the War Finance Corporation—from 80 to 90 per cent, I think the figures are—has been expended for agricultural products up to date. Is not that correct?

Mr. NORRIS. I do not think it is quite that big.

Mr. EDGE. It is in the neighborhood of 80 per cent.

Mr. NORRIS. I read earlier in the Senator's remarks an outline of what they have done, so far as it applied to agriculture—cotton.

Mr. EDGE. I think I have seen the statement printed several times.

Mr. NORRIS. Yes. That applies, however, only to the time since they have been reorganized.

Mr. EDGE. Yes; that is true. Since they have been organized I think approximately 80 per cent of the credit they have advanced or that they have been responsible for has been for agricultural exports, related to agriculture in such a way that they would be classified in the same manner.

In two months, I will say, or three months, you can accomplish the results you are seeking and save all this experiment—in fact, it is hardly an experiment, because we tried it before—of governmental administration. First, subscribe in properly restricted form through the War Finance Corporation either to those banks that are now engaged in doing such a business, or are entirely controlled by the War Finance Corporation, if you desire. Use that machinery. Secondly, through legislation provide that the War Finance Corporation, through the Secretary of the Treasury—and he is a member of the board anyhow—can permit Government guaranty of that type of securities from foreign countries, after due investigation, to be used as a credit for the sale of agricultural products.

I was in Atlanta recently on public business, and I met there two of the directors of the so-called Edge Corporation Bank operating in New Orleans, a bank with $7,000,000 capital and a turnover of $70,000,000, which is permitted under the act. Two of the directors live in Atlanta, and I naturally made inquiry of them as to the operation of the bank, whether it was encouraging or otherwise.

They have already financed several export sales, and they told me that after several months of operation they discovered that their difficulty was just the very thing I have brought to the attention of the Senate, the question as to the value of these foreign securities offered in exchange for the credit for our goods. They were not equipped, naturally, not having offices abroad, to properly investigate the standing of such securities. Therefore if the Government would meet that situation by further amendments to the Federal reserve act, so that they could guarantee these securities, after due investigation through the sources at the Government's command, then I think, Mr. President, we would meet this very situation. I will say very frankly that, ordinarily speaking, I would not think that such a thing should be done. I would think then that the Government was going even further than it should go as a Government, but recognizing the emergency, recognizing what has inspired this bill, I am perfectly ready to consider such alternatives as should, at least, fill the breach without actually putting the Government in business.

Now, Mr. President, permit me to ask a question, which I will be glad to have the Senator from Nebraska answer when he takes the floor. How can you secure any advantage through the administration of a store, borrowing and selling within the control of the board of directors of that institution or corporation; how can you secure any advantage by that method of endeavoring to find a market for your farm products over either of the methods I have suggested, through the use of which we would keep the Government out of this experiment, or still further going into the administration of business af-

fairs? All you want, as I take it, are results. All you want is to find a way to take advantage of any market which exists for such products as may exist now or hereafter, and through that, of course, gradually raise the prices to the farmer; and I am perfectly free to admit that they should be raised in many instances.

Let the Senator answer why we can not use this agency now in existence, and, through that, perhaps, in a proper way, take advantage of the private institutions already in existence, and probably encourage the formation of more, because of the possibility of the Government guaranteeing the solidity of these securities, if they will? Certainly, in looking for business, they will go to the Middle West, the Northwest, or anywhere else, and bring the producers and the representatives from the foreign countries together. Why we should bring this artificial business down here in the face of the actual existence of such a governmental agency is really beyond me to understand, and I do not think it would help the Senator solve the great problem he is trying to solve.

Again, we all appreciate and are discussing every day, almost, on the floor of the Senate the burdensome taxes now being exacted, realizing that all enterprise and energy is practically stifled, because, starting with the history of the Shipping Board, we come down to this big corporation which, in my judgment as a business man, could not do anything but show a deficit and a loss which the taxpayers must make up. If they are going to accomplish anything, if they are going to buy the products, they can not conduct the business excepting at a loss.

I do hope the Senator in charge of the bill and the committee having so much interest in bringing about a solution of this problem will study it from the angle of obtaining the results without setting up this new and artificial machinery, which can have no other result but to still further put the Government in business.

Mr. President, I want to read now just a few extracts, which may not otherwise be brought to the attention of Senators, because each Senator is so busy with other matters that he might not otherwise have them brought to his attention, from the hearing held by the Committee on Agriculture on this bill. The witness before the committee was Mr. Eugene Meyer, the managing director of the War Finance Corporation.

Being asked by the chairman of the committee, "What other instances have you financed besides the one in California that you spoke of?" Mr. Meyer answered:

> We finance sales on credit to concerns which come to us and want to give credit. The demand for credit is very much less than it was.

I particularly want to call attention to his statement in that regard. He continued:

> The foreigners are able to get a good deal of cotton through various channels, and lately they seem to prefer to buy from stocks in Europe for cash rather than on credit, because when they buy on credit and leave the dollar price open for a period of months it involves a very important and risky exchange speculation for them.

To the question, "Under the law your corporation will go out of existence in about a year?" he answered:

> Unless the law is amended, and I hope that most of the necessity will be over in a year, Senator. Of course things are very dark now.

I repeat what I said a short time ago, that if they are not over in a year we will be forming something in addition to $100,000,000 corporations in order to keep this country in anything like a stimulated condition. He said further:

> It seems to me that there are other things which must be done. I do not wish to wander too much, but I would like to point out that the revision of our unscientific system of taxation is absolutely necessary if we are to pull the farmer out of the hole.

I agree with him. Again he said:

> May I depart from the subject of this bill just to say what I have said once or twice to Senators in talking with them privately and what impresses me more and more? We are not going ahead with our domestic program very largely on account of the high taxes that are imposed upon incomes.

The following also occurred in the hearing:

> Senator McNARY. Mr. Meyer, do you think there is a field for a corporation of this character?
>
> Mr. MEYER. I would rather say this, Senator: In connection with the live-stock situation, I think we have produced something that will be effective. We have taken up the cotton situation—Secretary Hoover, Secretary Mellon, and I have been designated by the President as a committee to consider the matter—and I have already talked with some bankers, cotton men, and members of the Federal Reserve Board. We are going to see if something can be worked out that will furnish relief. If anything can be done, we can do it more quickly and more effectively, I believe, than this corporation could.

And why could they not?

Mr. NORRIS. May I interrupt the Senator there?

Mr. EDGE. Certainly.

Mr. NORRIS. He says they can do it quicker than this corporation.

Mr. EDGE. Yes.

Mr. NORRIS. The Senator will admit that that was a governmental agency, which the Senator is opposed to having anything to do with any business. He has not said that a private business could do it, but a different governmental agency than the one we attempt to set up.

Mr. EDGE. I will draw the attention of the Senator, so that I may not be misunderstood, to the fact that the War Finance Corporation would not, in ordinary times, receive my approval, because it is a governmental agency engaged in business. But I recognize the emergency and I am very much impressed with the good they have done during this emergency. What I said in that connection was that I thought the Government could, through the War Finance Corporation, acting itself as a board for the Government, invest money in these private corporations to bring about the very relief we are seeking. We would not be giving it to the War Finance Corporation, but simply using that agency.

Senator McNARY asked this question:

> In your opinion, could this corporation, if this bill should become a law, do any more than the War Finance Corporation is doing now?

The very question that has been asked. Mr. Meyer answered:

> I do not believe it could do more in foreign trade unless it should take obligations that our merchants and bankers would not take.

Get that—

> I do not believe it could do more in foreign trade unless it should take obligations that our merchants and bankers would not take.
>
> As I have said, questionable securities would prevent it from multiplying its activity beyond the use of the $100,000,000. I mean that the helpfulness might not extend beyond that figure, because it would not be able to float its bonds unless they were guaranteed by the Government or unless they had back of them securities that are regarded as thoroughly sound.

Now, another and a last quotation.

> Mr. MEYER. I would like to give you a little picture, gentlemen, that may throw some light on the subject, because in my opinion the problem to-day is quite different from what it was a year and a half ago, or even a year ago. At that time it was a problem of credits; to-day it is a question of markets much more than it is of credits; and it is a problem of domestic markets even to a greater extent than it is of foreign markets.

That is exactly the point I have attempted to bring out.

I believe to-day that the real answer to the difficulties of the farmer and of every other activity at home is to stimulate the local market and restore confidence, try to encourage beyond the present method or habit of buying from day to day; in other words, getting the Government at the same time as far away from the actual administration of business as is possible, get the governmental position thoroughly and clearly defined, cooperation from the Government, but not administration, and between those there is all the difference in the world; and when the business interests in this country recognize that that is as far as the Government is going to go, and that they will be permitted to go ahead and administer their own affairs, then, in my judgment, Mr. President, much of the problem we are now facing will be solved.

I sincerely want to help the chairman of the committee, and I hope he will give careful consideration, in the further consideration of this bill, to utilizing the machinery we have; and if it meets the approval of a majority of the Senate to utilizing in a semigovernmental way the present semigovernmental agencies we have, and not set up separate machinery to buy and sell in Washington, with its attendant difficulties and its great extravagance.

Mr. NORRIS. Mr. President, I would like, first, to briefly outline this bill and its provisions, and then offer a few remarks in regard to the situation and the remedy proposed through the instrumentality set up in the bill.

To begin with, Mr. President, I think it is conceded that it is an emergency measure. I would not, under normal conditions, favor this bill. I would not have introduced it, and it is safe to say that the Committee on Agriculture would not have recommended it to the Senate had it not seemed, in the judgment of that committee, after a great deal of consideration of the subject, the most feasible plan to relieve the people of this country from the present deplorable agricultural conditions. So the bill is an emergency measure, framed to meet abnormal conditions. We ought to bear that in mind at all times and through all of the discussion.

Let me say, also, Mr. President, that the committee is moved only by a patriotic desire to relieve what is believed to be a dangerous condition. We have no pride of authorship. We are here in good faith, Mr. President, and I am glad to say that as far as any debate that the Senate has heard so far is concerned, those who oppose the legislation are exhibiting the same patriotic good faith.

It may be that we are wrong, and that we have ventured on a step that is not proper, and that the Senate, after due and

proper consideration, will reject our plan or modify it along the lines which have been already suggested in the discussion. We are anxious only to relieve a situation that is becoming unbearable, we think.

It is not only in the consideration of this bill that our committee has given attention to the subject, but in connection with other bills. Even in the last Congress it was from this same committee the proposition came to reestablish the War Finance Corporation, and the provision at that time brought in by the Agricultural Committee included some instructions to the Federal Reserve Board.

They were excluded by the House, and the Senate agreed to that amendment, so that left nothing but the reestablishment of the War Finance Corporation. I think subsequent current events have justified the action taken by the Congress in that respect.

I appear in no sense to criticize the War Finance Corporation; but through the operation of that corporation it became apparent, I think, to those who have followed it somewhat, that they were not fully equipped to meet the situation, and so, in good faith, with only a desire to legislate so as to relieve the present agricultural condition, the Committee on Agriculture and Forestry have recommended to the Senate the passage of this bill. Many of its provisions are tentative. The Senate may, upon due consideration and debate, amend or change them, but I hope that all those who oppose it will approach the subject in that spirit. We wish to relieve the situation which everyone admits exists.

The bill provides for the establishment of a governmental corporation that shall be controlled by a board of directors, the chairman of which is to be the Secretary of Agriculture and the other members of the board to be appointed by the President and confirmed by the Senate. It is provided that the capital stock of the corporation shall be $100,000,000, subscribed by the Government from the Public Treasury.

The corporation shall have power to buy in America farm products in their raw and natural state or in a manufactured or prepared state, and to sell these products in foreign countries on time. They also are to have other powers that are similar to those of the War Finance Board, by which they can act as agents for the producers of farm products in their exportation and to help finance those who are exporting agricultural products.

It is provided that when the products are sold in foreign countries on time, the board of directors shall take securities such as they deem to be good upon such time as they are able to agree with the purchasers of the product, and that those securities shall be held by the corporation, and on the strength of them they will issue bonds and repeat the operation. The limitation on the number of bonds that can be issued is not to exceed ten times the amount of the paid-up capital stock. A committee amendment is offered by which the Government guarantees these bonds and the interest on the same.

Another provision of the bill, if an amendment of the committee is agreed to, will enable the corporation or any other shipper of these kinds of products to go before the Interstate Commerce Commission and get reduced rates upon these products for exportation.

There is also a provision in the bill that the bonds sold by the corporation shall have the same exemption features as are provided in the law for the bonds issued by the War Finance Corporation. That means that those bonds will be free from the so-called normal tax; that they will be free from State and local taxation; that they will be subject to the surtax, and that they will also be subject to inheritance taxes, with a provision that $5,000 of the face value of the bonds held by any one person shall be free of all taxation except inheritance taxes.

It is hardly necessary, it seems to me, to say anything about the necessity for some relief for the agricultural situation. The bill is intended to apply only to agricultural products. The corporation is intended to deal only with agricultural products. I feel satisfied that all thinking men will agree with me when I say that we believe the corner stone of prosperity and the happiness of our people depends more upon successful agriculture than upon any other one thing. No one expects the bill to be a cure-all. No one thinks that it will relieve us of all the burdens that must necessarily follow and logically do follow in the wake of the Great War through which we have passed.

I do believe that if the agricultural producers of the country are put upon a safe basis by which they can make a reasonable and a fair profit as the result of their work and their toil, it would mean that all branches of industry would prosper. If we drag down the farmer and ruin the producer, the grass will grow in the streets of our cities. Elevate him, put agriculture on a fair paying basis, and he lifts with him the entire superstructure of civilization.

Mr. REED. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Missouri?

Mr. NORRIS. Certainly.

Mr. REED. Suppose we grant the proposition that the Senator has laid down, how is the bill going to produce the result the Senator desires—that is, lift up agriculture and increase prices for the farmers? That is the question. We all agree to the proposition that if the farmer prospers everybody else is prosperous. The question is, Will this bill lift the farmer up and raise his prices and give him what the Senator calls fair prices?

Mr. NORRIS. The Senator has asked a very proper and pertinent question. As I said at the beginning, we may be mistaken. We think the bill will do it. In answer to the Senator's question, which puts the whole thing in a nutshell, I wish to outline how I think it will do it. The agricultural producer of this country is practically bankrupt, surrounded by a surplus for which he can not obtain a market.

Mr. REED. Now, Mr. President, if the Senator is going to answer my question regardless——

Mr. NORRIS. I hope the Senator will let me answer his question in my own way.

Mr. REED. If he contends that the farmer is bankrupt, on that proposition we shall have to disagree right here.

Mr. NORRIS. All right; then we will disagree.

Mr. REED. The farmer is suffering from low prices and is faced with many difficulties, no doubt, but surely the Senator does not mean to say that the farmers of the United States are bankrupt.

Mr. NORRIS. The disagreement, after all, between the Senator from Missouri and myself is only one of degree. I used the expression "bankrupt." I think that I am almost justified in its use. The Senator may not agree with me. He may not think the agricultural producer is in as bad a predicament as I believe he is, and I may be mistaken in my belief as to the degree of his bad financial condition. But, after all, it is only a question of difference in degree. We admit, and I think everybody will admit, that he is in a very bad financial condition.

But let me go on with my answer. He is surrounded now by a surplus that he can not market. It happens that in a great many other portions of the world the people do not have enough food to supply their daily wants. They do not have enough of the food that we have in abundance to supply those who would work in the mills and the factories and keep the spindles running in foreign countries, which in themselves would utilize a great deal of the farm products of this country.

Mr. REED. Mr. President——

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. REED. Let us try to get together on the facts. The Senator said the farmer is surrounded with plenty for which he can find no market. I placed in the RECORD yesterday the fact that the farmer marketed abroad last year 169,000,000 bushels more of wheat than on the average, 60,000,000 bushels more of corn than on the average, 50,000,000 bushels more of rye than on the average, and therefore it is clear that he has had markets which have absorbed the surplus better than it has ever been absorbed in the history of the country.

Mr. NORRIS. Let me take that up. The Senator read yesterday, and I think it was from Mr. Hoover's paper, a statement as to the exports from American farms being greater, and although it came from a news source that is very much opposed to the legislation, that statement was correct. It is argued, therefore, taking wheat as an illustration, that because the farmers of the country exported a great deal more wheat than heretofore, therefore, we can not expect to increase it any by this particular bill.

Mr. REED. That is not the way I put it. The Senator said the farmer is surrounded by a surplus and that he has no market, and I show him that the facts are that he has a better market, so far as sale of quantity is concerned, than he had before and is actually selling more abroad. Of course, it goes to the question of how much surplus there can be at home. If that is a normal increase in exportation, there can not be the vast surplus the Senator speaks of.

If the Senator will pardon me, and he is one of the fairest men in the world, although I do not always agree with him, it also appears from the facts as I get them that we have very largely cut down our surplus, our carry-over grains, so that we have not the surplus that we have had in the past. Query: Is there here now of farm products more than the American people

themselves will consume, in view of the fact that we have shipped this enormous quantity abroad in excess of what we have shipped before? The American people are still here and eating.

Mr. NORRIS. I hope the Senator will let me finish my answer. It is true that we have shipped abroad more this year than any year before. It is likewise true that we still have a surplus. Everybody knows that a surplus, however small, controls the price of the entire product of which the surplus is a part.

Now, let me take up the statement of the Senator that we have exported more, let us say wheat, for illustration, than heretofore. In the first place, 60,000,000 bushels of that wheat came in from Canada. Perhaps not the same wheat went out that came in, but there was an importation in round numbers of 60,000,000 bushels of Canadian wheat. Of course, if we were exporting any wheat that would crowd out 60,000,000 bushels of American wheat.

Mr. REED rose.

Mr. NORRIS. I wish the Senator would let me finish before he interrupts me. However, I will yield to the Senator.

Mr. REED. I only wish to ask the Senator if he knew how much wheat we sent into Canada last year?

Mr. NORRIS. Nothing like that amount.

Mr. REED. But it was a large amount.

Mr. NORRIS. Mr. President, if we have exported so much wheat is there still an opportunity of selling more wheat to Europe? We forget when we are speaking of the immense amount of wheat that was exported to Europe that the fields of production in other parts of the world did not produce wheat as they previously did. It does not make any difference whether we have exported more wheat or exported less wheat, if we still have a surplus on our hands that surplus is going to control the price to the farmer in America. If we have exported all that the foreign markets would buy or take or consume, then we can not accomplish anything by providing machinery for the exportation of more wheat because the wheat will not move; but the facts are—and I think the statement is uncontroverted from the record, and I shall offer some evidence later on the subject—that the countries buying our wheat did not get enough wheat and do not now have enough wheat to supply their needs. They do not consume more wheat than they previously did; they simply bought more wheat of us, and less wheat of other people.

The great fields of Russia did not enter into the production or exportation of wheat to any great extent, nor did the great fields of Austria, Rumania, or Bulgaria. All those great wheat fields, while producing something, did not produce anywhere near to their capacity. The result was that there was more demand and more use for American wheat by the people of foreign countries, who ordinarily buy wheat that is exported from different parts of the world, than there ever before was. There was more demand for American wheat because the other sources of supply were exhausted. If the American farmer who produces wheat has a surplus, let us say, of 50,000,000 bushels, we all recognize that the price would remain low; but if the farmers could get to the market this surplus, of course it would increase the price of the entire crop of wheat for the year, because when the surplus disappears the natural tendency would be to increase the price of the entire product.

There is a demand which has not been supplied, which we think the proposed corporation would supply. We had on the witness stand a representative from the Polish Government, for instance, who told us what Poland wanted. He was a very frank witness, a person who represents the Polish Government in the purchase of food and other agricultural products, but food and cotton mainly. He described conditions in Poland. That witness did not agree with Mr. Hoover, who, in his testimony, throws cold water on this proposition wherever he can. That witness does not agree with Mr. Hoover when Mr. Hoover says that foreign countries are producing all that they want, though they would come in and buy anything if we would sell it to them on time, leaving the inference that it probably never would be paid.

The Polish witness said that, although they are now producing good wheat in Poland, yet, because of starvation conditions, they were unable fully to cultivate their ground, and therefore the acreage is small. As I remember, it is less than 40 per cent of normal, and it seems to me he put it at 33 per cent. He stated that they were unable to put out wheat last fall because of their starving condition.

While—

He said—

we are in much better shape now so far as wheat is concerned than we were last year, we are still rationing our people; we do not have enough food to go around; we can not feed the men who would operate the mills. We have the mills all ready to operate if we could get the cotton and food with which to feed the laboring men who will work in the mills, but we can not do that now. With the crop that we are producing we shall be unable to feed all our people.

I have forgotten the percentage that he said they lacked, but I think it was 60 per cent.

Mr. Hoover said, in substance, before the committee, "They are producing a crop over there; do not hurry with this legislation; it is not necessary. Let them first eat their crop, and when that is consumed it will be time enough to talk about some machinery to sell our exports."

The Senator from New Jersey [Mr. EDGE] to-day takes the other horn of the dilemma and argues to the contrary. It was the idea of the committee when they reported this bill that, even though European countries should produce enough wheat to last them for a portion of the year, and even though they should first consume that, we ought to have the machinery available and ought to be ready, even though nothing could be done for two or three months, in order to export the food and other agricultural products to those countries.

Mr. REED. Mr. President——

Mr. NORRIS. I yield to the Senator from Missouri.

Mr. REED. That brings us, then, to the proposition that the Senator from Nebraska thinks that Poland needs more wheat than she can produce. The illustration may be broadened to include other commodities, and I will include in it that Poland needs more cotton than she at present has. What is the reason that Poland does not through its Government by the issuance of Government bonds, or Polish capitalists and owners of property by the issuance of their securities, buy wheat and cotton? What is the reason? There must be a reason.

Mr. NORRIS. I think so. My idea is, Mr. President—and that is one of the things we expect to accomplish by this bill—in contradistinction to those who oppose the bill in the main, who want private initiative and private agencies to transact this business, that foreign peoples must have time. They can not pay cash. In the case of Poland, the purchasing agent of the Polish Government stated that in some instances the Polish people would want as long as three years to pay for some of the products, but as to some of them they could pay for them in nine months.

Mr. REED. Very well.

Mr. NORRIS. Let me go a little further on the idea that the Senator from Missouri has brought out. Those people are not able now to buy our products; they have not the money; they have first to accumulate it, and they will require time to do that. The Polish witness said they would want in the coming year 350,000 bales of cotton, and to a great extent they would have to have food enough with which to feed the men who would manufacture that cotton into cloth.

Inasmuch as I have referred to the testimony of the representative of the Polish Government, let me outline what he said he thought they would be able to do in the way of financing the operation, because that is the point the Senator's question leads me to. He said, "We will be willing to do almost anything in the way of financing the operation." He suggested several methods; he said, in the case of cotton, for instance, "We will agree that the title shall remain in the corporation that you propose to set up or in any other American agency, and we will turn over a certain percentage of the manufactured product of the cotton; or we will organize the owners of the cotton mills, band them together in a syndicate"—I judge from what he said that some legislation had been enacted on the subject, for he said they could take such action—"combine their assets into one great corporation and mortgage everything they had in the way of mills, lands, and so forth." Then, on top of that, he said the Government of Poland would issue its bonds as a further guaranty of the payment.

In the case of food, especially in places where the factories could resume operations, he said, "We will get the municipalities or other organizations to combine and secure the payment of food products by municipal bonds, by the guaranty of associations organized for that purpose which would handle the food products and distribute them, and see that they got to the right place," and that, on top of that, they would give the guaranty of the Government for the payment of the debt.

Mr. REED. Now, Mr. President——

Mr. NORRIS. Let me go just a little further, because a question has come up which otherwise I might have forgotten. I have given merely an illustration, which was given to us to show their willingness to do anything which they can possibly do in the way of giving security that we may demand; but the witness was very frank with us in saying that, as to some products, they would have to have a long time. I think in some instances he said they would have to have three years.

In some cases they could pay sooner, but he said, "There is not any use in trying to deceive you or to secure the necessary commodities on less time, because we do not want them unless we can get them on terms under which we can pay for them." Private business will not finance these operations without too high a commission. Private agencies are not doing it. If they would do it at all they would demand such a high profit as to make the operation impossible. In my judgment it will take a governmental agency like that set up in the bill to finance the operation.

Senators, one of the cries that is made against the bill, one of the objections that is urged by those who are opposing it, is that it will put the Government into business, and that the Government will lose its money because we can not get good security. Mr. Meyer in effect so stated, and Mr. Hoover has given the impression in most of his testimony that the foreign countries to whom we may sell our agricultural products have not any good security to give us. Now, let us see whether in the case of some of the foreign countries which are willing to go to any length their security is good. Let us look the matter in the face. Who is it that will buy these products?

It is the people of the devastated regions; the countries which the war has left prostrate. They know that there is only one hope for their countries, for their civilization, and that is to become rejuvenated, to build themselves up; and they can not do that unless they get a start, unless somebody will trust them for a while. They are not a lot of blackguards; they are not a lot of robbers; they are not a lot of profiteers who are trying to cheat us out of our products; they are just as anxious that we should be paid every cent of the contract price as we are that we should receive it. Why? Because their own salvation depends upon it; their own civilization depends upon it——

Mr. SIMMONS. And their business future.

Mr. NORRIS. And their business future, as the Senator from North Carolina suggests, depends on it. If we do not sell them anything or if we do sell them something, whether on time or otherwise, and the whole thing goes to smash and bolshevism and anarchy ensue, where are we, with the foreign market for all of our farm products gone?

So, Mr. President, it seems to me we are in the same boat with all of them. If they build up, they will pay us. If they fail, then we have lost our market anyway, whether we sell to them or whether we do not.

Mr. REED. Mr. President——

Mr. NORRIS. I yield now to the Senator.

Mr. REED. The Senator has proceeded a little beyond the point where my question is exactly pertinent; but, if he will permit me, I will review his statement merely to the extent of saying that the Senator argued that Poland proposes to give certain securities which in the opinion of the Senator, I presume, are perfectly good. Among these is a lien on the ownership of the cotton which may be shipped, the ownership to apply to a per cent of the goods, the impounding, if you please, of the assets of various companies, the guaranty of the Polish Government, and so forth. Now, if that is good, if those securities are safe, sound securities, why is it that the money can not be secured from private sources?

Mr. NORRIS. It seems to me it is sufficient answer to say to the Senator that at least as far as I have been able to determine it can not be secured from private sources.

Mr. REED. The Senator knows the reason. The Senator is too frank a man to avoid it for a minute.

Mr. NORRIS. I am not going to try to avoid anything.

Mr. REED. No; I say, the Senator is too frank a man to avoid it. He knows that the securities are of an exceedingly questionable character, and that sound financiers will not go into Poland and invest their money on this class of securities at the present time. The Senator must know that if Poland is in a position where she is willing—to employ the words which he took from the mouth of this Polish representative—to do almost anything to get money, then, if her securities were basically sound, she would be willing to pay high rates of interest, which would at once invite capital within her borders.

It is idle to claim that the capital of the world has disappeared. It has not disappeared. Practically all that ever was here is here. The difference is that vast debts have been incurred by Governments; but private fortunes exist, great banks exist, great trust companies exist, private individuals have their fortunes; and the only reason in the world that can be assigned for a failure to get money when these extraordinary propositions are made is that the whole plan and scheme is filled with such danger that sound business judgment tells every investor to keep away.

Mr. DIAL. Mr. President——

Mr. REED. That brings us to the point that it is proposed by this bill that we accept some more of Poland's rotten, worthless securities, of which we already have scores of millions of dollars, the interest on which is defaulted, and the possibility of payment of the principal is one of those nebulous propositions that lie in the distant and uncertain future.

Mr. DIAL. Mr. President, will the Senator permit an interruption?

Mr. NORRIS. I should prefer to answer the Senator from Missouri.

Mr. President, when a man who has loaned money finds that his security is not good and that the person who owes him the money is making a failure, has perhaps produced a crop and can not sell it, but that his intentions are right, that he is doing everything he can, and particularly in a case where his failure means the failure, too, of the man who loaned him the money, there may come a time when the proper business step for the loaner to take is to loan the fellow more money in order to save himself. Europe will get out in time, I have no doubt. I am one of those who believe that the civilization of the world is not going to be blotted out and that she will get on her feet some time; but it will take her a great deal longer to get on her feet if somebody will not extend her credit while she is producing something—if we close the doors now and say, "You can not get anything."

Mr. REED. Will the Senator permit another question?

Mr. NORRIS. I was not through answering the first question, but I will yield.

Mr. REED. When Poland gets on her feet, she will produce more wheat than she consumes, and become an exporter of wheat, will she not?

Mr. NORRIS. Yes, sir; I suppose she will.

Mr. REED. So that we are going to put her on her feet, and the minute she is on her feet she will be producing wheat that will compete with American wheat in the markets of the world.

Mr. NORRIS. Yes, sir.

Mr. REED. And that is the way you are going to help the wheat raisers of America.

Mr. NORRIS. I presume that is correct. There are none of these countries but that when they get on their feet are going to compete in some way with every other country on earth, including our own.

Mr. REED. Yes, sir.

Mr. NORRIS. Is that any reason why we should want them to continue to starve? Is that any reason why, if we can export our surplus products now and get paid for them in time, we should not do it? Are we going to be prevented from taking this step simply because when we save the lives of these people, by saving the lives of our own, they are going to compete with us in the commercial world?

If that be true, Mr. President, then the Senate made a mistake when it voted $100,000,000 for Hoover to feed the starving people of Europe. Every dollar that was ever sent into Belgium to save the people from starvation was wrongly sent, because they are going to compete with us. They will compete with your cotton mills, they will compete with your woolen mills, they will compete with your agricultural products if you will save their lives, and if you kill them they will not be there to consume our surplus products, and we will have them on our hands and be bankrupt. Now, take your choice.

Mr. REED. Now, Mr. President, let us see the circle—and I say it respectfully—in which the Senator is traveling. He starts out and says Europe is starving. The American farmer must have a market for his products. If you let Europe starve, you will never have a market for your products; but if you feed Europe, then Europe will produce so much that it will not need your products. Ergo, you have no market for your products. That is where we come out.

If the Senator were to limit his claim to simply this, that we would get a temporary market for the wheat and the cotton, which we would afterwards lose, and that this bill is only intended to meet that emergency, then we would be nearer together on our facts and our logic; but then would come this question: If, in order to tide them over this temporary difficulty, we must plunge our country a thousand million dollars more into debt, accepting for it doubtful and rotten securities that no business man will take, will that benefit our farmers or benefit anybody else, when at the same time we have sold all of last year's crop and are carrying over a smaller surplus than in normal years——

Mr. NORRIS. No; I think the Senator is wrong about that.

Mr. REED. I think I am right.

Mr. NORRIS. The Senator may be, but I think we are carrying over a larger surplus.

Mr. REED. And when, in addition to that, our products are flowing to Europe every day with increased celerity, and Europe is gradually getting on its feet?

In connection with that, although it is hardly logically in point, the Senator speaks about helping this country of Poland to get on its feet. I have been trying to find a statement of how much it owes us. Poland was set up by the authority of the allied powers. It did not gain its liberties. It had no power to gain its liberties. The allied powers set it up as an act of what they thought was justice or grace, and in setting it up they fixed its boundaries. They had the right to expect Poland to proceed in good faith to set up a stable Government and to help them maintain the peace of the world, in the interest of which scheme Poland had been created.

Now, let us see about this proposed debtor of ours, and this already debtor. Immediately they proceeded, in violation of the terms of their very existence, to march into Russia some 300 miles, and to bring on a terrible war, in which hundreds of thousands of men were engaged for many months. They broke faith, as was charged at least by Lloyd-George a few days ago, with the Allies and those who had been their benefactors and plunged themselves accordingly that much further into debt.

Again, they were not content with this war upon Russia, but they proceeded to undertake to repudiate the most solemn arrangement with reference to Silesia. That country, it had been solemnly agreed, should settle its own fate by plebiscite, in which the people by a majority vote were to determine whether the country should come under the Government of Germany or the Government of Poland. They held the plebiscite, and Poland behaved so badly that France and England were both obliged to throw in troops to prevent outrages by Polish troops prior to the election and during the election. The election was held, and an overwhelming majority voted in favor of Germany, whereupon Poland said that wherever they had carried a province that was their province.

If the total vote in the country had been their way it was all to be theirs; but having lost on that, then they were to hold each province in which they happened to have a majority, and they again plunged Europe into war and again exhausted their resources; and part of that fighting was done with materials obtained from the United States on credit, to the amount of many millions of dollars.

It was after that occurrence that Lloyd-George declared that Poland had twice broken faith; and it required the prestige if not the arms of Great Britain to bring into subjection and reduce to order this belligerent child that we had just brought into existence. Now it is proposed to take a thousand million dollars of America's money and loan it to that country for the purpose of feeding it some more; and the appeal is not now being made on behalf of the American farmer, but it is again the revamped appeal that we must feed Europe.

If we are going to feed Europe, I want Europe to come to order. I want them to go to work and quit fighting. I want them to observe good faith with this Nation and the other nations of the world; and there has been no worse example of breach of faith within the short period of its history than Poland has furnished in the last three years.

I apologize to the Senator for making a speech in the middle of his speech. I ought not to have done it.

Mr. NORRIS. I have not any objection to that, Mr. President; but, with all due respect to the Senator from Missouri, it does not seem to me that it is quite pertinent to this discussion to take up the question of a plebiscite in Silesia and the action of the various Governments in regard to it, and I do not intend to be led into that debate. I think I ought to say this much, that as far as the plebiscite and the action of the Polish Government are concerned, if I understand the facts correctly, I agree with what the Senator from Missouri has said. There is so much information that we get from Europe that is wrong that I do not know whether I have the facts right or not; but if I understand what that election was to decide, the Poles lost the election. They carried some parts of the country. However, in taking the stand that the parts they carried should be given to them, they were backed up, as nearly as my idea can go from the information that filters through, not only by themselves but by some of our own allies, who are trying to assist them in taking advantage of it, and they fought the wars, Mr. President, with munitions, with guns, in uniforms that were furnished by the Allies, our allies. They fought Russia in part with American guns, in American uniforms, and with powder from France and cannon from England. That is a question all by itself, and I am not defending Poland. I used Poland as an illustration only of the foreign Governments.

But the Senator from Missouri replies that this bill proposes to spend a billion dollars of American money to finance Poland. It does not do anything of the kind, Mr. President. I do not know where the money will go if this bill is passed. It may be that not a dollar of it will go to Poland. It will go where the board of directors of this corporation think they can get the proper security.

I gave Poland as an illustration only. The witness from Poland who was before the Committee on Agriculture, and whose testimony is printed, so that any Senator may read it, told us that Poland was at peace, that the wars were over, that they had signed a treaty of peace with the Russian Government, and that they were through with their wars.

That may all be false; I do not know. It stands uncontradicted, however. They had a war with the bolshevik government of Russia. Men disagree as to whether they or the other fellows were right; and again, from lack of information, I could not form a judgment upon which I would have been willing to take action. But from what little information I could get it looks to me as though the Poles were wrong; that they had no business to invade Russian territory. Maybe if I heard all the evidence I would say they were justified. I have always believed they were backed and urged on in that campaign by the Allies, perhaps including our own Government. It looked like it. They got some of their supplies from us. They were commanded in a great many instances, I understand, by French officers, and there were a good many evidences to show that Poland really was not to blame in making that invasion of Russian territory.

But, Mr. President, I think that is aside from this question. The Polish people are a hard-working, industrious people. So are those of Czechoslovakia, so are those of the Ukraine, so are those of Lithuania, so are those of Austria and Hungary. They are an honest set of people, hard working, industrious, sober, careful in the preservation of their property. They are anxious to get on their feet. If they do not, the civilization of this world will collapse, and we go down with it. We can not live if the balance of the world is engulfed in a catastrophe.

When the Senator from Missouri says that after all this is a bill to help the stricken countries of Europe he misstates the principal object we have in view. The principal object is to help American agriculture; but, as in the case of every other good act under the sun, you can not do anything that is proper and honest and right for yourself but that by the very doing of it you help somebody else, and in this instance it happens that when we help ourselves we are at the same time helping the people who consume the products we produce and sell.

Mr. REED. Mr. President, the Senator is talking a good deal about the destruction of civilization. We have heard a good many times in the last few years that if this thing was not done civilization would be destroyed, and if that thing happened civilization would be destroyed, and if something else happened or did not happen civilization would be destroyed.

Now, if the Senator will permit me, let us get down to a concrete proposition. Does the Senator think that if this bill is not passed civilization is going to be destroyed?

Mr. NORRIS. No; I have not said so, either.

Mr. REED. The Senator does not mean that, of course?

Mr. NORRIS. I have not said so. I have not asserted it.

Mr. REED. But the Senator argues that we must help them, and if they go down civilization will be destroyed; and it would seem that the inference is that he is at least sort of clinging to the coat tails of that idea. The Senator does not think that?

Mr. NORRIS. I said at the beginning that nobody claimed that this bill would accomplish everything, make everybody happy, and relieve us of all our burdens. It is not a cure-all. We think it will go a good way toward relieving the situation, but when I am talking about Europe failing, and all those countries going into revolution, I am saying only what will be true unless they get on their feet, by their efforts, by their production, by their own labor. The world can not live and prosper if Europe goes into anarchy. If Europe does go into anarchy, if it does go bolshevik, and all the Governments are overthrown and a revolution takes place all over Europe, we will lose everything we have in the way of securities, very likely. But we might just as well lose them in that case, because if there is nobody in foreign countries to buy anything our farmers produce, there will be no market for farm products.

Mr. REED. Mr. President, the Senator has been very indulgent, and I hope he will permit a further question. Let us suppose the awful and the impossible situation of Europe lapsing into anarchy. Let us go further, and suppose that the indignant statement of Thomas Jefferson were to be realized, that the Atlantic Ocean were to become an impassable bar-

rier—I believe he used the term "an ocean aflame." Does the Senator think that civilization would be lost?

Mr. NORRIS. It would probably recover itself some time, but it would take a very great backward step; there is not any doubt about that.

Mr. REED. That is true. There would be a great loss to humanity. But I am talking about destroying civilization. If Europe were to disappear to-morrow, we would still have in America the highest type of civilization that has ever existed, would we not? And we would probably be able to keep it going without the aid of European ideas or European markets.

Mr. NORRIS. Mr. President, if Europe were destroyed to-morrow, and nine-tenths of the people were killed to-morrow, the time would come some time when Europe would again get on its feet, but it would be long after this generation and the next generation had passed away; and if Europe went down to-morrow our country would be bankrupt the next day.

Mr. REED. Oh, no; I am not sure but what we would be better off financially. But I do not want to see Europe go down.

Mr. NORRIS. But if we become bankrupt, I am not claiming that ultimately and finally we would not get on our feet again. I do not believe that even though Europe were blotted out, as the Senator says, it would be the end of the entire world, but it would be a catastrophe that would reach to every home and to every fireside in America. There is not any question in my mind about that.

Mr. REED. It would be an appalling thing that nobody wants to think about, and I only suggested it because I am getting tired of hearing people talk about civilization disappearing every time they have a fight over in Europe.

Mr. NORRIS. It would give civilization a pretty big backset just the same.

Mr. REED. Oh, I do not know about that.

Mr. NORRIS. We are suffering from the conditions in Europe now. The condition we are in now and what we think is an emergency which calls for some legislation is the result of the trouble in Europe.

Mr. REED. Mr. President, with all the complaint that is made there are better times in the United States right now than there were in 1900, than there were in 1904, and than there were in 1908, but I wanted to ask the Senator to let us deal with this question with relation to reasonable probabilities and not, as it may be viewed, with respect to a possibility.

Mr. NORRIS. I think the Senator is unreasonable when he says that these securities will be no good.

Mr. REED. That is another question. I want to stick to one question for a minute. As to the destruction of Europe, is there any reasonable probability of anything of that sort? Is it not as reasonably certain to-day as anything in the world that Great Britain and France and Italy and Norway and Sweden and Holland and some other countries over there are going to maintain peace, and is it not reasonably certain that Russia is going to speedily approach a condition of peace and that Germany, having been conquered, will have to go to work? Have we not reached the time when any of this wild talk about the destruction of civilization might well be forgotten and we might treat the world as a stable old world, which has been here for a good many years, which has had its final day of destruction announced ten thousand times, and that it still goes on and is quite likely to go on? Is not that the truth about this matter?

Mr. NORRIS. Is the Senator through now?

Mr. REED. Yes.

Mr. NORRIS. Very well; then I will proceed a while.

Mr. REED. Very well.

Mr. NORRIS. Mr. President, I think I have answered the Senator fully. I do not want to see the world fail any more than he does, and I presume I am just about as optimistic about it as he is. But it does not follow that because we are going to ultimately get out of this difficulty in which we are—and we are in a difficulty now—that we should not do something to relieve the fundamental industry, the corner stone of all others.

When a man says there is danger of civilization losing out I presume he means it, perhaps, in a relative sense. He does not mean that to-morrow morning or this afternoon all the Governments of the world are going to fail. He does not mean that. But, Mr. President, there is, in my judgment, more danger of financial failure in this country to-day, more danger of a financial panic, there there was any time during the war.

I never was one of those who believed, for instance, that if Germany had been successful the next day she was coming over to America and in 30 days we would have all been slaves. I do not think that could have been accomplished. I do not think if Europe, instead of having been divided, had all been put together and come over here, they would have made any headway at all in conquering this country; yet there were a good many people who thought we were just about to become slaves, and I suppose they were perfectly honest in their belief.

It comes down to this proposition. Under the conditions now existing in this country, can the Government afford to back up such a corporation as we have outlined in this bill? Is there such an emergency presented now that it would be wise for us to do it? Everybody admits that we ought to do something. I have not heard that disputed. Everybody admits particularly that agriculture is in a terrible condition. That stands undisputed.

The only remedy thus far proposed was that suggested by the Senator from New Jersey [Mr. EDGE], who said the way to do it is to take Government money and buy stock in private corporations and let them do the business. He may be right. I think he is wrong. I myself am not in favor of taking Government money and turning it over to private institutions for their use. No matter how careful or how patriotic or how businesslike they may be, I do not think that is proper. That may be the best remedy. I think it is wrong, and that it is no remedy at all.

It may be that we ought to turn Government money over to private individuals instead of establishing this governmental corporation that would have all the powers of any private corporation. I am not in favor of taking public funds raised from taxing the people and turning it over to private parties for their own profit, and, so far, that is the only other plan proposed. And after all that idea is one of the powerful sources of opposition to this bill. It is feared that this governmental corporation will deprive some middlemen of large profits, and this class want the Government to furnish the money and to run the risk, while favored individuals shall reap all the profits. In other words, let the Government furnish the money for the middleman to buy at bottom prices from the American farmer and to take advantage of the starving toiler in foreign lands by charging him exorbitant prices for the product.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER (Mr. MCNARY in the chair). Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. NORRIS. Certainly.

Mr. HEFLIN. I am sure the Senator does not agree with the Senator from Missouri, who said that the conditions in this country were worse in 1918 than they are now.

Mr. NORRIS. No; I do not think so. Nineteen hundred and four I think the Senator said.

Mr. HEFLIN. The conditions that existed then do not approach the conditions that exist now.

Mr. NORRIS. Oh, no; I do not agree with that statement of the Senator from Missouri. In 1900 we had hard times, at least in the western part of the country. I know there were a good many business failures and very poor crops in a large section of the best agricultural part of the country, but there was not anything like the condition confronting us now.

While I think of it, since my attention has been called to it, let me say in reference to another statement made by the Senator from Missouri that there was plenty of capital in the country; that if you are so unfortunate as to try to borrow some money you will find that however much capital there may be it can not be borrowed. It is impossible to go to a bank and borrow it. I have read in the Senate letters from the agricultural sections of the country showing that it is an absolute impossibility in large sections covering more than several States for a man to borrow a cent at the banks.

I read a letter some time ago, I remember, from a country banker who himself said, in substance—I am not quoting it verbatim, of course—"My bank has loaned to the very limit almost entirely to the farmers of this community. I can not collect a dollar and yet any man acquainted with bankable paper in this section of the country who will examine my bank will say that my paper is gilt edge. Under any normal condition I could send it anywhere and get all the money I wanted to get on it. Under any normal condition I could send out a letter to-day and in less than a week 75 per cent of it would be paid off by the farmers who owe it. They would be able to borrow somewhere else if they did not have the money. However, I can not collect a dollar. I have mortgages upon farms, mortgages upon cattle, upon horses, upon farm implements. You may say that I could go out and sell them. Yes; I could under my mortgage, but what would happen then? There is not a soul in this community who would be able to bid on any of the stuff. A horse worth $150 sold for cash would not bring a ten-dollar bill. There is no one there with a ten-dollar bill. It could not be done, and the result would be that I would be in the stock business and out of the banking

business. My deposits are going down gradually. Business men are drawing out their money. Little by little it is going down. To save me you have to save the farmer."

He said that is one illustration of thousands of country banks scattered all over the country. If we commence at the bottom, we can loan money to the farmer, and loan it and loan it and loan it, and eventually the interest will eat him all up.

There must come a day of liquidation. The pending bill is framed upon the theory of giving the farmer a market for his products. Loans ought to be made where necessary, and in many instances where already made ought to be extended, but ultimately there must come a day of liquidation. We can ruin the farmer or the man in any other line of business if we will induce him to go in debt and always stay in debt. There must come a day when they must sell. There must come a time when they must pay the indebtedness.

What we are seeking to do is to give the farmer a market. He represents the bottom or the corner stone of the superstructure of our civilization, and when he gets the market for his crop that he has in abundance and can not now sell he will pay the country banker, the country banker will pay the city banker, and it will move on up the whole line.

That is the way we desire to relieve the situation. If we do not relieve the farmer, the man who owes the country banker, what will ultimately happen? Ultimately the interest that he is paying will eat him up, the deposits will come out of the country bank, the country banks will fail, and when the country banks go to the wall over the agricultural portion of our country what will happen to the city banks? They will go down next. Then the factories will close. Then the grass will grow in the streets of our cities, and then revolution will take place. Then the bread line will be established in every city. That is what we want to avoid.

I have not overdrawn the picture as to what is a possibility at least. We want to avoid that by the provisions of the bill. We think we can relieve it to some extent. We ask your constructive criticism. If there is something wrong here, let us make it right, let us get together on an honest basis, in an honest effort to save the situation, and if in saving our situation we help some poor devil over in Europe, so much the better. If after he is helped and is alive and well he gets into competition and produces wheat or something else that comes in competition with us we will not complain. We always had that before this condition came about. It was always that way. Take whatever security is necessary, take whatever security we can get, if we can get it from a people whom we are convinced on investigation are going to toil and labor and produce something in order that they may pay their debts. We will take care of the competition when the sick man gets well and produces more and sells it in the same market with us.

I hope no one will be so selfish as to think that when we find a part of the people of the world failing or starving or out of work because they can not get food, that we ought to let them die for fear if we help them up and get them on their feet they may compete with us afterwards. After all, in God's own time and in nature's own way these things are righted. We got along pretty well before the war when they did produce wheat in Russia, when they did produce wheat in Poland, Czechoslovakia, Rumania, and Hungary. We got along. We had pretty good times, sometimes extraordinary good times. They were all producing then. They were happy and so were we.

The war tied us up with every civilized people on earth, and we can not get away from it. They have gone down. They always did consume a part of our products, not Poland necessarily, but the other countries in Europe. We always did have to export our surplus, and we are now without a market for our surplus products.

Mr. SIMMONS. Mr. President——

Mr. NORRIS. I yield to the Senator from North Carolina.

Mr. SIMMONS. I wish to say to the Senator from Nebraska that he gave a few moments ago not only a very graphic description of large areas of the southern part of our country, but also a very accurate description of conditions there with respect to both the banks and their customers who in the main are farmers.

I think it might be said with absolute truth that there is at least one-fourth in area of the State which I in part represent in this Chamber where agriculture is practically the sole industry of the people, where cotton and tobacco are the staple products of the farmers, in which the farmers on account of their disaster, resulting from the fact that the last crop was sold at an average of very much less than the cost of production, have been utterly unable to meet their obligations to the bankers. These farmers are the chief customers of the banks. They have been large depositors in the banks. They have not only been unable to meet their payments of the obligations incurred to enable them to cultivate the cotton of 1920, but they have been compelled to draw out what little savings they had in order to enable them to finance even in a meager way the growing crops of the present year.

In that section of the country, by reason of their inability to collect their debts by reason of the withdrawal of deposits caused by the distress of their depositors, the banks, being unable to secure adequate loans from the Federal Reserve Board on account of the outrageous restrictions which have been placed upon their credit by reason of the tabooing of the character of securities that they might offer, which were largely of paper taken to enable farmers who withheld their products from the market until there was a market for the product, have been unable to borrow money to lend to these people.

It is a fact, as the Senator has stated upon this floor, that in that part of my State the banks are utterly unable to meet the urgent demands of their customers, their former depositors, for loans to enable them to complete the cultivation of their crops and to prepare for the housing of those crops.

Mr. President, in that situation what has happened? Have the banks sought to collect those debts by process of law? Have they attempted forcibly to compel payment? No. Why? Under ordinary circumstances they would, as a matter of self-protection and self-interest, have done so; but they have not done so for the reason that they knew, as the Senator has said, that if they should attempt to force payment it would mean that they would simply acquire a lot of property for which there was no market and no demand. As a result of that situation, it is a notorious fact that in that section of the country—and it is true of a very large part of the South to-day—there is existing a voluntary moratorium, everybody indulging everybody else, because it would be futile to undertake to collect by the processes of the courts.

In that situation, I want to ask the Senator what is going to happen if the farmers of that section of the country are not able to obtain for this year's crops any better prices than they obtained for last year's crops; if the farmers in that section are this year forced to sell their cotton and their tobacco for less than the cost of production and have nothing with which to meet their obligations at the banks, not only the obligations of last year but those that have been accumulating during the present year? That will be the condition, Mr. President, unless we can dispose of the enormous surplus that is now on hand. Is there any Senator of ordinary intelligence in this body who believes that the farmers of the country will be able to get any better prices for the products of this year than they did for the products of last year unless before the present crop is placed upon the market we are able to dispose of the surplus? The amount of surplus that will be on hand when the new crop comes into market will measure the price of the new crop.

Mr. NORRIS. Of course.

Mr. SIMMONS. And if we do not get rid of that we will get no more for the new crop than we received for the crop of last year.

Mr. NORRIS. In reality it is the surplus that measures the price of the entire product.

Mr. SIMMONS. Yes; and if the farmers of the section about which I am talking get no more for the present crop than they got for the last crop, it will mean that the banks will collect nothing on loans for this year's expenditures and this year's advances nor for last year's expenditures and last year's advances.

We have not as yet had bankruptcy in the case of our banks; they are still surviving; some failures have taken place, though the bulk of them are still afloat; but, Mr. President——

Mr. NORRIS rose.

Mr. SIMMONS. If the Senator will pardon me, the life of those banks is dependent upon the ability of the farmers upon whom they rest to meet their obligations this fall. If the farmers this year are in no better position to meet those obligations than they were last fall, then I say to the Senator that in the section of country of which I am speaking there will be widespread and almost universal bankruptcy on the part of the banking institutions. They can hold out, though they have had a desperate struggle to hold out, until the next crop is harvested and sold, but they can not survive any more than the farmers of that section can survive another utter crop failure, so far as the price of those crops is concerned.

I have said this much because I have been impressed with the force and truth of the statement of the Senator from Nebraska. There are too many Senators in the Senate, Mr. President, who survey the situation in the big cities, who con-

sider the situation in the manufacturing centers, but who know nothing about the desperate condition that exists in the agricultural sections.

I want to say to those Senators that they have not, to any very great degree, felt the effects of the situation which exists in the South; but if we should have a crop failure, so far as prices are concerned, this year, and the banks of that section should be driven to the wall, as they would be, then, Mr. President, the big cities and the big financial centers of the country will begin to realize for the first time the magnitude of the misfortune and the affliction which has befallen the people of that section.

Mr. NORRIS. Mr. President, I am very much obliged to the Senator from North Carolina, not only for what he has said in regard to the section of the country with which he is personally familiar but for his approval of what I said in regard to other agricultural sections of the country. I do not think he has exaggerated the situation.

Mr. NELSON. Mr. President——

Mr. NORRIS. I yield to the Senator from Minnesota.

Mr. NELSON. Mr. President, it will be found on examination that the reason why the farmers and producers in this country got good prices and had a good market for their commodities in the years 1919 and 1920 was that they financed themselves. The proceeds of the Liberty bonds which were subscribed for by the people of this country, or a large portion of them, at any rate, were devoted to our foreign loans and commitments. If Senators will examine the records they will find that most of the foreign loans and commitments were made after the armistice; and they were made mainly to enable the people of foreign countries to buy supplies from us.

They secured credits here, and those credits or commitments acquired in this country were devoted to the purchase of American products, and the money did not go out of the country. So practically, when it is boiled down, the farmers of this country—the people who bought the Liberty bonds under the first, second, third, and fourth Liberty loan acts—financed the crop movements of 1919 and 1920.

Mr. NORRIS. Mr. President——

Mr. NELSON. If the Senator will allow me a little further—the Senator from North Carolina is a member of the Finance Committee, and if he will examine the documents that have been sent to his committee to-day by the Treasury Department he will find that the commitments and loans which were made subsequent to the armistice by this Government to foreign Governments were devoted largely, if not entirely, to furnishing the people of those Governments with food supplies and other necessities. That is what gave the farmers and producers of the United States a good market for their products in 1919 and 1920.

Mr. SIMMONS. The Senator is absolutely right about it.

Mr. NORRIS. Yes. I am obliged to the Senator.

Mr. President, the committee took considerable evidence upon the question as to the quantity of American products various foreign countries would need. Of course, it was a difficult question to investigate.

Mr. SIMMONS. Mr. President——

Mr. NORRIS. I yield to the Senator.

Mr. SIMMONS. Before the Senator goes into that, will he allow me to occupy a moment to clear up some statements made by the Senator from New Jersey [Mr. EDGE] in his speech this morning with reference to the quantity of cotton which the War Finance Corporation has arranged to finance for exportation?

Mr. NORRIS. I yield.

Mr. SIMMONS. The Senator from New Jersey said that arrangements had been made by the War Finance Corporation for the exportation of 1,000,000 bales of cotton. I interrupted him and asked this question:

> Did I understand the Senator to say that he had information that the War Finance Corporation had made provision to take several million bales of cotton?

Mr. NORRIS. The first statement of the Senator from New Jersey was "several million bales," but he after a while reduced it to 1,000,000 bales.

Mr. SIMMONS. Yes. I continue reading from the colloquy:

> Mr. EDGE. Yes.
> Mr. SIMMONS. The Senator is entirely mistaken.
> Mr. EDGE. One million bales of cotton of this year's crop. I might inform the Senator from North Carolina that Mr. Meyer, the Director of the War Finance Corporation, advised me on the telephone just this morning, in substance, that they have practically arranged the exportation of 1,000,000 bales of cotton to a foreign country.
> Mr. SIMMONS. Does the Senator mean that that arrangement has been made in the past two or three days, or does he mean that all the arrangements have been made up to the present time which cover about 1,000,000 bales?
> Mr. EDGE. My understanding is from the telephone conversation just had that the transaction had been consummated, or practically consummated, in a comparatively recent period, and it related to the coming year's crop; that the War Finance Corporation had arranged to finance 1,000,000 bales of cotton.

Mr. SIMMONS. Mr. President, I called up Mr. Meyer to make inquiry with reference to that statement, because I had not seen any notice of it in the newspapers. I had noticed that when that corporation succeeded in making a loan to a southern corporation, either in Louisiana or Mississippi—I do not recall which State—of $5,000,000, for the purpose of providing for the exportation of 100,000 bales of cotton, it was promptly reported through the press and exploited as a very encouraging achievement. I was very much delighted to learn of it, and I felt sure that if that corporation had succeeded in making arrangements for the exportation of so large an amount of cotton as a million bales, the press would have carried that information to the country. For that reason I felt that there must be some mistake about it, and I called up the director of the corporation and made inquiries.

I find that the facts are these, Mr. President: The corporation has arranged for the financing of the exportation of only 400,000 bales approximately. That we all knew of. It is, however, negotiating with certain gentlemen in Texas and in Oklahoma with reference to additional arrangements, which, if completed, would probably provide for enough more cotton to bring up the total to 1,000,000 bales. Three hundred thousand bales, I think, is what certain Texas gentlemen are trying to arrange to have exported. Mr. Meyer told me they did not even have the cotton yet; they were trying to get the cotton. In Oklahoma they are trying to make the arrangements. If they succeed in making their arrangements, then the War Finance Corporation stands ready to advance them the money.

That is all there is in it. After very diligent efforts on their part to do something to help out the situation, they have really been able, through the cramped machinery of the War Finance Corporation and within the limitations which the provisions of the act creating that organization throw around them, to make arrangements up to this time to take care of only 400,000 bales of cotton.

Mr. NORRIS. Mr. President, the committee got some evidence from Finland, Esthonia, Lithuania, and some from Belgium, in addition to the evidence I have spoken of from Poland, and in practically every one of these countries, with the exception, I think, of Rumania, they are not going to have enough foodstuffs to feed their own people this year.

Some estimation was made of the needs of Germany and Austria. Since the reparation arrangement has been agreed upon between Germany and our Allies over there it is estimated, reducing the matter to tons of cotton and wheat and corn and food products, putting them all together, that Germany will need 2,500,000 tons, Austria 1,500,000. Poland, 500,000, Czechoslovakia 1,000,000 tons, Switzerland 75,000 tons, Finland 150,000 tons, Esthonia 50,000 tons, Lithuania 75,000 tons, and there are, of course, still many other countries where this corporation could sell our farm products.

Mr. President, these are only estimates. We could not get anything accurate or definite. The most definite information that we got, I think, was from Poland, because we had a representative of the Polish Government there, but the estimates have come in most instances from the representatives in Washington of these Governments. They were not able, and it would not have been proper, of course, for them to have appeared before the committee in person. It is the judgment of the people who ought to know that these figures are approximately correct, so that it is not a question of whether we have exported more wheat and more cotton and more other things this year than in any other year. The question is, Have we more than we want and have they less than they want? That is the way I look at it, and there is not anybody who has investigated the subject but that will admit that we have more than we can consume. They have less, even of food products, than enough to keep them in a healthy condition for next year.

Most of those countries will have to be rationed. The people will have to go on rations or they will starve. In other words, they will have to divide the food products and keep them going in less than normal quantities to the people who consume them, or they will not have enough to go around; and the proposition as I look at it, and as this bill seeks to settle it, is to provide a method by which our surplus can be sold to those people and to those countries, bearing in mind the fact that it is just as much to their interest as it is to ours that they pay the debt; that they must pay it, or their Governments must fail.

So there can be, in my judgment, no doubt in the mind of any fair-minded man but that this corporation will be able to get

securities which, while they may not be sufficiently gilt-edged to meet the criticisms and the demands of a great many investors who want certainties, will satisfy the honest mind of anyone who takes into view the entire world situation, realizing that it is just as much to their interest as to ours that they pay every dollar; and they will. As I said before, we are not going to deal with a lot of men who are trying to avoid the payment of their debts. They are honest. They are industrious. They want to work, and put their families and their nations again upon the high road of prosperity and happiness, and to do it they must have time. They must buy our products that are spoiling on our hands. They must buy them, and they must buy them on time or they can not take them.

Mr. President, unless there are some other questions, I think that is all I care to say about the bill at this time.

Mr. NELSON. I trust the Senator will move an executive session.

Mr. NORRIS. Yes; we will have an executive session.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, July 20, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 19, 1921.

DEPARTMENT OF JUSTICE.

UNITED STATES JUDGE.

George W. McClintic, of West Virginia, to be United States district judge, southern district of West Virginia. (An additional position created by the act approved June 25, 1921.)

DEPARTMENT OF THE INTERIOR.

SURVEYOR GENERAL OF ALASKA.

Karl Theile, of Akiak, Alaska, to be surveyor general of Alaska, vice Robert J. Sommers, resigned.

PROMOTIONS IN THE REGULAR ARMY.

CAVALRY.

To be colonel with rank from July 15, 1921.

Lieut. Col. Charles Annesley Romeyn, Cavalry.

MEDICAL CORPS.

To be captains.

First Lieut. George William Reyer, Medical Corps, from July 4, 1921.

First Lieut. Claude Cyril Langley, Medical Corps, from July 13, 1921.

First Lieut. Byron Johnson Peters, Medical Corps, from July 13, 1921.

First Lieut. William Paul Dodds, Medical Corps, from July 14, 1921.

First Lieut. Joseph Rogers Darnall, Medical Corps, from July 15, 1921.

First Lieut. Nathan Rosenberg, Medical Corps, from July 17, 1921.

DENTAL CORPS.

To be captain.

First Lieut. Elmer Henry Nicklies, Dental Corps, from July 13, 1921.

To be first lieutenant.

Second Lieut. Claude Francis Cox, Veterinary Corps, from July 6, 1921.

CHAPLAINS.

To be chaplain with the rank of captain.

Chaplain Edmond Joseph Griffin, from July 3, 1921.

REAPPOINTMENT IN THE REGULAR ARMY.

COAST ARTILLERY CORPS.

To be first lieutenant with rank from July 12, 1921.

George Bernhard Anderson, late second lieutenant, Coast Artillery Corps, Regular Army.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

QUARTERMASTER CORPS.

Capt. Gwynne Conrad, Infantry, with rank from July 1, 1920.

Capt. Harold Lancelot Finley, Infantry, with rank from July 1, 1920.

Capt. Enrique Garcia, Infantry, with rank from July 1, 1920.

CORPS OF ENGINEERS.

Capt. Horatio Gano Fairbanks, Infantry, with rank from July 1, 1920.

CHEMICAL WARFARE SERVICE.

Capt. March Hugo Houser, Infantry, with rank from July 1, 1920.

First Lieut. Chase Whittier Hoadley, Infantry, with rank from July 1, 1920.

INFANTRY.

Capt. Ellis Bashore, Cavalry, with rank from July 1, 1920.

PROMOTIONS IN THE NAVY.

MARINE CORPS.

Lieut. Col. Louis McC. Little to be a colonel in the Marine Corps from the 14th day of July, 1921.

Maj. Earl H. Ellis to be a lieutenant colonel in the Marine Corps from the 14th day of July, 1921, subject to the examinations required by law.

Capt. Edmond H. Morse to be a major in the Marine Corps from the 14th day of July, 1921.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 19, 1921.

DEPARTMENT OF STATE.

CONSULAR SERVICE.

Charles L. Hoover to be consul of class 4.

TREASURY DEPARTMENT.

ASSISTANT REGISTER OF THE TREASURY.

Harley V. Speelman to be Assistant Register of the Treasury.

DEPARTMENT OF JUSTICE.

ASSISTANT ATTORNEY GENERAL.

Rush L. Holland to be Assistant Attorney General.

UNITED STATES ATTORNEYS.

George R. Craig to be United States attorney, district of New Mexico.

Andrew B. Dunsmore to be United States attorney, middle district of Pennsylvania.

UNITED STATES MARSHALS.

Secundino Romero to be United States marshal, district of New Mexico.

Stillman E. Woodman to be United States marshal, district of Maine.

W. Frank Mathues to be United States marshal, eastern district of Pennsylvania.

John H. Glass to be United States marshal, middle district of Pennsylvania.

DEPARTMENT OF THE INTERIOR.

SURVEYOR GENERAL OF NEVADA.

Joseph E. Gelder to be surveyor general of Nevada.

REGISTER OF THE LAND OFFICE.

John C. Ing to be register of the land office at Sacramento, Calif.

RECEIVERS OF PUBLIC MONEYS.

Grove L. Johnson to be receiver of public moneys at Sacramento, Calif.

Nelson D. McGinley to be receiver of public moneys at Guthrie, Okla.

PUBLIC HEALTH SERVICE.

William G. Stimpson to be senior surgeon.
Benjamine W. Brown to be senior surgeon.
Charles H. Gardner to be senior surgeon.
Richey L. Waugh to be passed assistant surgeon.
Ralph C. Williams to be passed assistant surgeon.
Dr. Joseph F. Paulonis to be assistant surgeon.

COAST AND GEODETIC SURVEY.

Leo Clark Wilder to be aid with relative rank of ensign in the Navy.

POSTMASTERS.

ALASKA.

Elbert E. Blackmar, Ketchikan.
Arthur F. Erickson, Latouche.
Laura Williams, Nenana.
Joe McNulty, Sitka.
Anna M. Stevenson, Thane.

GUAM.

James H. Underwood, Guam.

MARYLAND.

Frank L. Bennett, Hagerstown.

NEW HAMPSHIRE.

Robert Blair, jr., Rochester.

NORTH CAROLINA.

Robert B. Dunn, Kinston.

SAMOA.

Robert M. Walker, Pago Pago.

VERMONT.

Florence H. Hayward, Randolph.

VIRGIN ISLANDS.

Albert Pfaus, St. Thomas (late Charlotte Amalia).

HOUSE OF REPRESENTATIVES.

TUESDAY, *July 19, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, great and marvelous are Thy works, just and true are Thy ways, for Thou alone art holy. So work in us that truth shall spring up out of the earth and righteousness come down from Heaven. May Thy spirit enable us to rejoice in Thy merciful restraints and be glad in Thy wise compulsions, and may these be unto us as the arms of God. May the jewel of our hearts be peace and blessed calm, and when we reach the end of the pilgrimage may we front the gates of eternal glory. Through Jesus Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

THE TARIFF.

The SPEAKER. Under the rule the House will resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, with Mr. CAMPBELL of Kansas in the chair.

The Clerk reported the title of the bill.

Mr. YOUNG rose.

The CHAIRMAN. For what purpose does the gentleman from North Dakota rise?

Mr. YOUNG. To offer a preferential motion.

The CHAIRMAN. The gentleman will send it to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: Page 37, line 23, after the word "ton," strike out "limestone rock asphalt, 50 cents per ton; asphaltum and bitumen not specially provided for, crude, if not dried or otherwise advanced in condition in any manner, $1.50 per ton; if dried or otherwise advanced in condition in any manner, $3 per ton," and insert, line 21, page 156, a new paragraph, as follows:

"Limestone rock, asphalt, asphaltum, and bitumen."

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota.

Mr. YOUNG. Mr. Chairman, I call the attention of the committee to the fact that a duty on asphaltum can not be justified either upon the theory of protection or revenue. I call special attention to the fact that this duty was never asked for by any industry. It is conceivable that we may have differences of opinion here where one industry or a number of industries are asking for a duty and others who are consumers are opposing it. This is a case where absolutely no one ever asked for this duty, and it has been learned that they not only did not ask for it but that they do not want it and are opposed to it. The question is whether this Congress is going to force protection upon the asphalt industry. If anyone questions that statement, I have here a letter to prove it.

Mr. GARNER. Mr. Chairman, will the gentleman yield for a question?

Mr. YOUNG. Yes.

Mr. GARNER. What is the ad valorem rate equivalent in this provision?

Mr. YOUNG. I could not answer the gentleman offhand. If anyone questions the statement I have here a letter signed by the secretary of the Asphalt Association, representing 100 units or concerns, also representing 40 different concerns which make asphalt roofing, and in that letter he states that they have never asked for this duty and that they do not want this duty.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. Yes.

Mr. STAFFORD. In line with the statement of the gentleman, will he take the Committee of the Whole into his confidence and explain how it came into the bill?

Mr. YOUNG. I am not at liberty, under the rules of the House, to say what occurred in committee.

Mr. FORDNEY. Tell the gentleman that it was voted in.

Mr. STAFFORD. That is what I am seeking to know, whether this was a separate vote or not.

Mr. YOUNG. Speaking for myself, while I opposed it in committee, I did not know until yesterday that the industry itself did not want the duty. Yesterday I received a letter which I shall be glad to place in the RECORD.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. In which they state that they do not want this duty.

Mr. Chairman, there is a very good reason why this industry did not ask for protection. During the seven years that the industry has been on the free list it has increased its production over 200 per cent. The business done by the asphalt companies of the United States during the past seven years, without any protection, has increased over 200 per cent, and during the same period the importations into this country of asphalt have decreased 33 per cent. Of course, they did not ask for any duty. No concern with any decency would have the effrontery to come before the committee and ask for a duty. They never appeared to ask for a duty, as the hearings will show, and I have the signed statement here of the representatives of these industries saying that they never asked for the duty and that they do not want one. Ninety-two per cent of the business of this country is done by American concerns. In 1913 the production in the United States was 551,000 tons, and in 1920 that had increased to 1,731,000 tons. It seems to me that a duty on asphaltum under these conditions is absolutely unjustifiable.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. YOUNG. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from North Dakota asks unanimous consent to proceed for five minutes more. Is there objection?

Mr. GARNER. Mr. Chairman, reserving the right to object, let me say that it has been the policy of the minority continuously to object to these requests. The gentleman from Tennessee [Mr. GARRETT] is not present at the moment, and I am compelled to object. I apply this to every other gentleman as well as to the gentleman from North Dakota.

Mr. YOUNG. Mr. Chairman, I move that all debate on this section close in two hours.

The CHAIRMAN. The gentleman from North Dakota moves that all debate on this section and all amendments thereto close in two hours.

Mr. FORDNEY. Mr. Chairman, I think that is a longer time than is necessary. I move to amend that, that all debate on this preferential motion close in one hour and a half.

The CHAIRMAN. The gentleman from Michigan moves to amend the motion of the gentleman from North Dakota by making the time one hour and a half.

Mr. GARNER. Mr. Chairman, I offer as a substitute for the amendment of the gentleman from Michigan that all debate on this amendment close in five minutes.

The CHAIRMAN. The gentleman from Texas moves as a substitute for the amendment offered by the gentleman from Michigan that debate close in five minutes. The question is on agreeing to the amendment in the nature of a substitute.

The question was taken; and on a division (demanded by Mr. GARNER) there were—ayes 30, noes 52.

So the amendment in the nature of a substitute was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Michigan, that the time be one hour and a half.

The amendment was agreed to.

The CHAIRMAN. The question now is on the motion of the gentleman from North Dakota, as amended by the amendment of the gentleman from Michigan.

The motion was agreed to.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that the time be divided equally, one half to be controlled by myself and the other half by the gentleman from Texas.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the time on this amendment and all amend-

ments thereto be controlled by himself and the gentleman from Texas. Is there objection?

Mr. RAYBURN. Mr. Chairman, reserving the right to object, I want to submit an inquiry to somebody as to the procedure here. Yesterday I had a short time in debate and I was left high and dry in the middle of a sentence, and without those remarks being submitted to me they were slammed in the RECORD. I do not like to be put in that light, and I want somebody to tell me how it came about that remarks are being placed in the RECORD regardless of whether or not they have been submitted to the Member who is supposed to have made them. I have heard complaints from others along the same ground about their remarks made yesterday.

The CHAIRMAN. The Chair will state that unanimous consent was given early in the consideration of the bill that Members might extend their remarks in the RECORD on this bill.

Mr. WALSH. That is part of the rule.

Mr. RAYBURN. I understand that.

The CHAIRMAN. That is part of the rule.

Mr. RAYBURN. I understand all that, of course, but I wanted to know by whose authority somebody is placing remarks in the RECORD without submitting them to the Member who made them. That is the question I am asking.

Mr. MANN. Of course, it is customary to do that with all Members except myself, but I should not think it was necessary to submit remarks to the gentleman from Texas, who is always clear in his expression and ought not to need any revision whatsoever.

Mr. RAYBURN. I will say to the gentleman from Illinois this, that I never would have taken the short time and left myself in the attitude of trying to discuss anything in that time if it had not been to start my remarks.

Mr. MADDEN. I think the gentleman can still extend his remarks. It was an inadvertence, probably.

Mr. RAYBURN. I do not like remarks credited to me in the shape those placed me in.

Mr. HUMPHREYS. Will the gentleman from Michigan yield me a minute?

Mr. FORDNEY. I yield five minutes to the gentleman from North Dakota [Mr. YOUNG.]

Mr. GARNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARNER. Has the request for unanimous consent submitted by the gentleman from Michigan been passed upon?

The CHAIRMAN. It has not.

Mr. GARNER. I think before the gentleman yields to anyone that should be determined.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. BLANTON. Mr. Chairman, reserving the right to object, I would like to ask whether these two gentlemen are on the same side of the question.

Mr. FORDNEY. Whether they are or not I do not know, but my request was that one-half of the time be yielded to those in favor of the amendment and one-half to those opposed to it, no matter which side.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. FORDNEY. I yield five minutes to the gentleman from North Dakota [Mr. YOUNG].

Mr. YOUNG. Mr. Chairman and gentlemen of the committee, I want to have it cleared up without any doubt as to whether anybody on earth ever asked for this duty, connected with the asphalt industry, directly or indirectly. I challenge any man to rise and say that anybody asked for this duty.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. YOUNG. Nobody seems to accept the challenge. Now, I have a letter from the secretary of the Asphalt Association saying that they never asked for it and they do not want it.

Mr. BUTLER. Does the genleman want me as a blazing target?

Mr. YOUNG. Yes.

Mr. BUTLER. I have been asked for it, and I am a Member of the House, not a very important Member, but when the gentleman challenges the whole House I accept it.

Mr. YOUNG. I will ask the gentleman whether any asphalt association asked him to vote a duty on asphalt and give me its name

Mr. BUTLER. I have had printed material, and men have come, whose names I do not remember, saying there ought to be a duty on asphalt.

Mr. YOUNG. I am afraid my friend has gotten this confused with some other item in the bill. I will say that I am a member of the Committee on Ways and Means——

Mr. BUTLER. I know the gentleman is.

Mr. YOUNG. As a rule, when any concern wants a duty it writes not only to one member but to all members of the Ways and Means Committee, and no letter asking for a duty on asphalt has ever been received by me or any other member of the committee, but I have here a letter from the secretary of the Asphalt Association, representing 100 concerns, saying they do not want it, and they have never asked for it, and are opposed to it.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. YOUNG. I will.

Mr. CHINDBLOM. Was this duty in any sense related to a duty on oil so that a kind of sympathetic action was taken in reference to asphalt by reason of the duty placed on oil?

Mr. YOUNG. I do not think so. Long before the oil proposition came to a head it was known that the asphalt industry did not ask for protection.

Mr. FESS. Will my friend yield to another question?

Mr. YOUNG. Certainly.

Mr. FESS. With oil on the free list, would it be consistent or proper to put asphalt on the dutiable list?

Mr. YOUNG. Of course it would not, because it would give a free product to all those asphalt concerns who use oil as a base. I think that only one concern imports native asphalt from outside of the United States. Now, as everybody knows——

Mr. BANKHEAD. Will the gentleman yield?

Mr. YOUNG. Very briefly.

Mr. BANKHEAD. I understood the gentleman to state that about 90 per cent of the asphalt production was domestic?

Mr. YOUNG. Yes; 92 per cent.

Mr. BANKHEAD. Where does the other 8 per cent come from?

Mr. YOUNG. From Trinidad and a point in Venezuela, in a rough state, and is prepared here and made ready for use.

Now, everybody knows that there is an effort being made to have a building campaign gotten under way in the United States, and one of the important things to help along that building campaign is to get roofing as cheaply as possible. As those who import asphalt or produce it are not asking for a duty, and as they claim, and as everybody knows, a duty would increase the cost of asphalt roofing, it seems to me that this is a very simple matter for each Member to decide. We can help along the building campaign in the United States by putting asphalt on the free list, and in so doing we will do no injury to any industry in the country, not even to those who produce the asphalt. It is also well known that immense sums of money have been voted for roads by the National Government, the States, counties, cities, and towns. We ought not to discourage this great movement for better highways by imposing a duty on asphalt.

The CHAIRMAN. The time of the gentleman has expired.

The letters referred to by Mr. YOUNG are as follows:

STATEMENT PREPARED BY MR. J. E. PENNYBACKER, SECRETARY OF THE ASPHALT ASSOCIATION, 23 WEST FORTY-THIRD STREET, NEW YORK.

WASHINGTON, D. C., *July 18, 1921.*

Hon. GEORGE M. YOUNG,
Ways and Means Committee, House of Representatives,
Washington, D. C.

MY DEAR MR. YOUNG: The Asphalt Association, of which I am secretary, represents in the neighborhood of 100 companies and individuals producing or using asphalt or manufacturing equipment for the use of asphalt.

I am also speaking for the Prepared Roofing Association, which comprises about 40 companies engaged in the production of roofing materials. The capital represented in these various organizations for which I am speaking exceeds $500,000,000, and the distribution takes in every section of the United States. The concerns referred to represent about 70 per cent of the entire asphalt and roofing industries.

Asphalt is invariably derived from petroleum, whether by natural processes or by distillation at a refinery. To-day more than 60 per cent of the entire asphalt supply of the United States for all purposes is derived from Mexican petroleum; about 20 per cent is derived from California crude oil, and the excessive freight rate from California operates to limit the use of that material to the Pacific coast and the Rocky Mountain States. This means that about 80 per cent of the asphalt required east of the Rocky Mountain States comes from Mexican crude oil; of the remaining 20 per cent probably two-thirds is imported in a natural state, coming from the island of Trinidad and Bermudez, Venezuela, and is known as native asphalt.

A tariff such as is proposed would tend to shut out the Mexican crude oil and leave this country without an adequate supply of this material, so vital to roofing and paving. This is due to the fact that the mid-continent oils, as a rule, have a paraffin or grease predominating instead of the asphalt base, which is peculiar to the Mexican and California oils. It would therefore be impossible to meet the demand from domestic sources.

The proposed tariff on the native or lake asphalt would not protect any home industry, as native asphalt for highways and roofing is not produced in this country, and such a duty has never been asked for by the associations which I represent. The only result which would come from such a duty would be to increase the cost of paving and roofing by just that amount and the revenue to the Federal Government in the form of import duty would be negligible.

The Congress of the United States has already appropriated $275,000,000 to aid the States in the construction of country highways,

conditioned upon an equal amount provided by the States, or a total of $550,000,000. An additional appropriation has already passed the House carrying $100,000,000 a year to continue this aid. It would, therefore, mean that a duty which would increase the cost of asphalt and road oil would render this highway program more expensive, both to the Nation and the individual States, and would thus tend to offset any possible gain in the form of an import-duty revenue.

From the standpoint of roofing, it has been established that during the year 1920 the asphalt shipments for roofing purposes exceeded an amount sufficient for two and three-fourths billion square feet of roofing. This, on the basis of 1,000 square feet of roofing per dwelling, would be equivalent to roofs for over two and one-half million homes. Considering the great housing shortage and the urgent measures being advocated to bring about the resumption of home building, the effect of these duties would be to interpose another obstacle to getting the home-building campaign under way.

With much appreciation of your courtesy in affording me the opportunity to lay these facts before you, I am,

Very respectfully, yours,

J. E. PENNYBACKER.

LETTER OF T. R. ATKINSON, CITY ENGINEER.

BISMARCK, N. DAK., *July 13, 1921.*

Hon. GEORGE M. YOUNG,
Member of Congress, Washington, D. C.

DEAR MR. YOUNG: On last evening I forwarded you the following night letter: "The proposed tariff on imported asphalts will be a hardship on municipalities doing paving work and will help to eliminate competition in asphalt paving work. Will appreciate your doing everything possible to kill this legislation, which is up in the House now for action." I am sure you would be glad to give this matter your attention and do what your conscience dictates to you in the matter. I firmly believe and know that the natural lake asphalts obtained from Venezuela and the Bermudas are much better for paving work than the oil asphalt obtained in this country, and it would appear to me that a tariff on these imported asphalts will increase the costs very materially.

With personal regards, I remain,

Very truly, yours,

T. R. ATKINSON.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 224. An act authorizing the Secretary of the Interior to purchase a tract of land with sufficient water right attached for the use and occupancy of the Temoak band of homeless Indians, located at Ruby Valley, Nev.;

S. 2062. An act ratifying, confirming, and approving certain acts of the Legislature of Hawaii granting franchises for the manufacture, distribution, and supply of gas, electric light and power, and the construction, maintenance, and operation of a street railway, and for other purposes; and

S. 391. An act for the relief of Alfred Cluff and certain other settlers at Forestdale, Apache County, Ariz., who were evicted from their homes by reason of a change in the location of the north boundary of the White Mountain or San Carlos Apache Indian Reservation.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 224. An act authorizing the Secretary of the Interior to purchase a tract of land with sufficient water right attached, for the use and occupancy of Temoak band of homeless Indians located at Ruby Valley, Nev.; to the Committee on Appropriations.

S. 391. An act for the relief of Alfred Cluff and certain other settlers at Forestdale, Apache County, Ariz., who were evicted from their homes by reason of a change in the location of the north boundary of the White Mountain or San Carlos Apache Indian Reservation; to the Committee on Claims.

S. 2062. An act ratifying, confirming, and approving certain acts of the Legislature of Hawaii, granting franchises for the manufacture, distribution, and supply of gas, electric light and power, and the construction, maintenance, and operation of a street railway, and for other purposes; to the Committee on the Territories.

THE TARIFF.

Mr. OLDFIELD. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. McDUFFIE].

Mr. McDUFFIE. Mr. Chairman and gentlemen of the House, I have not only studied the 346 pages of this bill as much as I could, but I have listened attentively for several days to the remarks of its proponents with a view of acting intelligently upon it. The more I have studied it and the more I have heard it discussed the more I am convinced that the tariff should be removed from politics. I have heard here gentlemen of integrity on one side of the aisle make assertions which are contradicted by gentlemen of equal integrity on the other side, and I agree with the gentleman from Virginia [Mr. MOORE] that it is to be regretted we have been unable in all these years to devise some means of getting the tariff out of politics or politics out of the tariff.

At this time in the Nation's history, when we are passing through a period of adjustment following the great World War, we should act unselfishly and harmoniously, regardless of which side of the aisle we occupy, in all matters vital to the life of the Republic and the preservation of its institutions.

If I thought, Mr. Chairman, that the enactment of this bill would tend to relieve the distressing conditions which now obtain throughout the country, if in my judgment it would add to the prosperity and happiness of the American people as a whole, I would vote for it, regardless of partisanship or politics. Believing as I do that the purpose of this bill is to so far restrict the importation of foreign goods that it will act as an embargo; that its effects will inevitably be to raise the prices of manufactured products to the American consumer; that the cost of living will be increased under its provisions by hundreds of millions, if not a billion dollars; that the millions who toil and consume would under this legislation pay tribute to a favored class of beneficiaries, the manufacturers of the country; believing that it signally fails to respond to the cry for relief from a people who are staggering under unparalleled financial depression, I wish to raise my voice to-day in solemn protest against visiting upon the overburdened people of this country this unholy act of the Republican Party.

The chairman of the Ways and Means Committee would charge all the industrial ailments and depression of the Nation to the lack of a high tariff. He says in his report that it was brought about by the "offering of foreign goods upon the American market at less than the American cost of production." All who know anything of the views of the gentleman from Michigan are not surprised at this statement from the Nation's foremost protectionist, yet everyone should know that the troubles American industry is now heir to have come from a war which shook the earth from center to circumference and destroyed the purchasing power of many nations. Everybody knows that our industrial depression is not chargeable to the Underwood tariff law, but is due to the lack of a market for our surplus products. It is not a high tariff, but a market that we need more than anything else.

There are other things we need which are paramount to a high tariff law. There are other measures which might bring relief to the distressing conditions, a relief which the American people are demanding and praying for. There are vital matters confronting this Congress which, in my judgment, should have been taken up, and which the people had a right to expect you would consider before entering upon your efforts to protect a few people at the expense of the many. The American people for two years have hoped that Congress would do something to bring back normal conditions. They have expected you to reduce the cost of living, and upon being asked a few days ago by the gentleman from Texas [Mr. GARNER] what you had done or expected to do to reduce the cost of living, your chairman [Mr. FORDNEY] held up this voluminous tariff bill as the criterion of your efforts in that behalf. They asked you for bread and you have given them a stone. They asked for a fish and you have given them a serpent.

It is to be regretted that at a time when the American people are staggering under a burdensome system of taxation, which you promised to revise and which President Wilson two years ago urged you to revise; when the great problems of transportation needs adjusting; when freight rates are so high that the products of our fields and factories have gone to waste instead of reaching a market; when thousands of our citizens need assistance from the Federal farm loan banks; when our banking institutions can not properly function for the stricken and prostrated agricultural industries; when the development of our rivers and harbors has been for two years sorely neglected by your stinting policy of lump-sum appropriations; in the face of all these conditions, you Republicans run over each other to bring in here, not remedial measures, but this, the highest tariff bill in all the history of tariff legislation, which, if it ever becomes the law of the land, will add unnecessary burdens upon the toiling millions of this Republic. It is no wonder that we read in a great metropolitan newspaper the headlines, "The country yawns while the House discusses the tariff bill." It is not strange that we read a letter from Mr. Harriman, whom I presume is a stanch Republican, to the distinguished floor leader of the Republican Party, inquiring what is the trouble with this Congress that it does not turn its face to the real problems of the Nation and give its attention to the pressing needs of the country. Even many of your own faith throughout the Nation are persuaded that you are more anxious to carry out your pledges to the manufacturers of the country, who have already amassed great fortunes by virtue of your high protective

laws, than you are to carry out the pledges of your leadership to the majority of the people, that your best efforts would be given to bring American industries and conditions back to a normal basis.

Oh, you say we have passed an emergency tariff act; we have passed through this House a mensure regulating the grain exchanges; we have passed a measure regulating the packers. We have done all of this for the benefit of the farmers. Yes; you passed a packers' bill, which was heartily indorsed by the packers themselves. You passed a bill regulating the grain exchanges, which, I understand, had the unqualified approval of the operators of those exchanges. It is true you passed the emergency tariff bill, which was approved last May, providing a duty of 35 cents per bushel on wheat, 15 cents per bushel on corn, 3 cents per pound on peanuts, 7 cents per pound on long-staple cotton, 30 per cent ad valorem on cattle, and high rates of duty on other farm products, but be it remembered that from the date of the approval of this act until this good hour those protected products have steadily fallen in price and probably have not yet hit the bottom. Now, I ask where is the argument of the gentleman from Michigan that a high tariff will raise the price of our products?

Yes; there is another act to which your leader points with pride, and that is the peace resolution. The proponents of that empty and meaningless act argued that a state of peace should be declared by Congress in order that we might revive our trade with Germany and Austria. To-day we hear you clamoring for a high protective tariff in order to stop German goods from reaching American markets. By one act you invite German imports and by this act you practically destroy the possibility of placing German goods upon American markets. That emergency tariff act was a piece of political quackery and hypocrisy. The peace resolution was, in my judgment, not only unconstitutional but unbecoming to a great nation.

I realize, of course, gentlemen, that all the ills of the Nation can not be adjusted by legislative enactment. I know that much of the business of this country must resume its normal condition through natural channels and under economic laws. It is a wise and wholesome policy to remove governmental interference from private business. The tendency of the times seems to be more and more toward the centralization of the powers of government in Washington. There is a tendency on the part of some people to have the Government make wards of all its citizens and take charge of them, body and soul. I am not yet progressive enough, if you call it progress, to subscribe to such a theory, and I verily believe the more rapidly we centralize our powers of government the sooner will come the end of this Republic, the world's last and fairest dream of human liberty. We must not forget the faith and traditions of the fathers if we are to keep this great Nation intact. I would not suggest that this Congress should extend the hand of the Government to every business or every man now in financial straits, for such a thing is impossible. There are, however, conditions in this country, which, in my judgment, can be improved by congressional action and these conditions should have had your attention long before you busied yourself with a high tariff bill.

Your leadership has professed great solicitude for the South even to the extent of being "willing to vote a tariff on cotton," which could do the South no earthly good, but which would justify you in adding $50,000,000 in tariff taxes to manufactured cotton goods. We have long since learned to beware of the Greeks when they come bringing gifts. We produce 65 per cent of all the cotton grown in the world, while we export 40 per cent of all we produce. We can not now get one-third of the cost of the production of last year's crop on the market.

If you will help the great cotton-producing section to get its surplus to the peoples of the earth, who need it, at a price that will mean anything like the cost of production, then you will do a great service. The people of the South are not asking for special favors. They are not mendicants, nor do they ask their Government to relieve them from all their financial troubles. Though they are in distress, yet they are proud and courageous, and will overcome the future's burdens, as they did those of the past. They love this Union, and they love every star in that flag, which their sons proudly followed through Flanders field, across the Argonne Forest, up the heights of Chateau-Thierry, and finally planted on German soil. They ask no special favors because of this patriotic duty well done. They only ask that they, in common with every other raw-material producing section of the Nation, be given the benefits of wise economic legislation that will add to the prosperity and happiness of all these United States.

Let me say to you Republicans, who are responsible for the passage or the failure of passage of all legislation, if you will revise the burdensome system of taxation; if you will arrange freight rates that will permit citrus-fruit growers, truck farmers, cotton growers, and lumber men to get their products to the market; if you will join with us in an effort to place in the hands of the Federal Farm Loan Board $100,000,000 to be loaned on farm lands; if you will aid us in urging the Federal Reserve Board to extend the loans already made to our banking institutions and rediscount their paper at a lower rate, in order that we may tide over the present serious emergency, you will do the South more good than you can by all the tariff laws you can write in a hundred years. [Applause on the Democratic side.] Again, I would suggest that this Congress should proceed to care for the harbors of the country, which you have woefully neglected.

Mr. JOHNSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. McDUFFIE. Yes; I gladly yield to my colleague from the State of Washington.

Mr. JOHNSON of Washington. I was very much interested in the statement of the gentleman as to what is needed in the way of international improvements. How would the gentleman suggest that we get the Federal money needed to be spent? Could it be done if we were to cut down possible revenue from the tariff or would it be possible to get it if we cut down the amount derived from internal taxation?

Mr. McDUFFIE. I will say to the gentleman that under this bill you are going to cut down the revenue you seek to obtain, for the very reason that you will make the tariff so high under your impossible American valuation plan there will be no imports coming to this country, and, therefore, we will have no revenue from that source with which to make these much-needed improvements. [Applause on the Democratic side.]

Gentlemen of the House, one of the most serious objections to this bill is its effect upon our efforts to collect an indebtedness due us by foreign nations, which now amounts to $11,200,000,000, including the interest. We are the great creditor nation of the world. If our debtor nations can not pay us in gold, which they can not do, they must pay us in goods. If you further restrict the importation of their goods, how do you expect them to pay us at all? There may be some who seriously contend that these debts should be remitted. I am not of that class. I believe we should collect every dollar of that indebtedness with interest. We have need for it to-day, and will continue to need it. It amounts to almost half of our national indebtedness. With it we could build a highway to the home of every man in this country. With it we could more properly take care of those heroes who defended our Nation in the time of its peril.

The life of the Nation is trade. If you close our doors to the goods of those natfons who need our products and would exchange their goods for ours, then you will stagnate our own industries. A large percentage of our products are exported. Forty per cent of our cotton, 30 per cent of our wheat and flour, and millions of bushels of corn are sent annually to foreign markets. It is a matter of record that our exports and imports go hand in hand. Under normal conditions when the volnme of our export is large the volume of imports is correspondingly so, the one is largely dependent upon the other. If we do not permit the goods of other countries to come to our shores, then it follows as sure as the night follows the day we may not expect to send our goods to the shores of other countries.

The American people have expended three and one-half billions of dollars in order to build up a merchant marine. We are trying to put our flag upon every sea to carry the goods, not only of the American producer and manufacturer, but the goods of other nations, to all the busy markets of the world. If there are no goods to carry, then the expense of our merchant marine, which has cost the taxpayers of Amerien over a million dollars a day for the past 12 months, will continue to increase, and we must inevitably get out of the shipping business. Under this bill a very high duty is placed on structural steel, which means additional burdens for the American ship builder; under your proposed duty on oil, which is extensively used by our merchant marine, to say nothing of the Navy, you would probably add to the annual cost of operating our merchant ships alone the sum of $10,000,000. Are you determined to drive our flag from the seas? If you are sincere in your desire to give us a merchant marine you should not hinder its development by the provisions of this bill. Heaven knows it is costing us enough already. Do not add to its burdens, but lend encouragement to its development.

It has always been customary in the writing of tariff bills to place fertilizer upon the free list. This was done in the

Morrill bill, the McKinley bill, the Wilson bill, the Dingley bill, the Payne-Aldrich bill, and the Underwood bill. Both parties have heretofore tried to give the farmers of the country free fertilizers, yet you, who profess to be the farmer's best friends are proposing a duty of $50 a ton upon potash.

It has also been customary to place farming implements on the free list. In paragraph 1504, of title 2, you have written a general clause which provides that "plows, harrows, headers, harvesters, reapers, agricultural drills, planters, mowers, horse rakes, cultivators, thrashing machines, cotton gins, sugar machinery, wagons and carts, and other agricultural implements of any kind and description, whether specifically mentioned herein or not, whether in whole or in part, including repair parts," shall be upon the free list. This reads fairly well and sounds good to the farmer, yet by close inspection we find in schedule 3, of title 1, you have placed a tariff upon practically everything the farmer of this country has to buy in order to run his business.

I can not at this time name them all, but will mention a few articles, such as trace chains and chains of all kinds, sheet iron, tin plate, hoop iron, ties for baling cotton, rivets, bolts, nuts, fence wire of all kinds, wire screen, mesh wire, iron axes, anvils, blacksmith tools, cast-iron pipes, grindstones, hand irons, washers, staples, tacks and brads, horseshoes, galvanized wire, nails, screws, crosscut saws, table, household, and kitchen utensils, buckles, rings, snaps, bits, swivels, pocketknives and knives of all kinds, scissors, razors, and even safety pins.

You are about to place a duty on hides, which means that a compensatory duty will be placed on leather and leather goods, so that you gentlemen, the real friends of the farmer, propose that practically everything he has to buy, from the grindstone at the barn to the kitchen stove, and from the hame string on his mule to the shoes on the feet of his little children, must be purchased by him in a highly protected market. I notice you permit his Bible to come in free and for this he is grateful, because he will need the Bible to inspire more faith and greater courage to live under the provisions of this bill with which his Republican friends are proposing to favor him.

Be not deceived, gentlemen. The American farmer is not demanding nor does he need this legislation. What he is interested in now above all else is the reason why everything he produces can not be sold at the cost of production, while everything he buys is still so high it is almost impossible to provide the necessities of life for his family.

This Congress has appropriated hundreds of millions of dollars for the building of highways. The people of the State of Alabama have voted to tax themselves in the sum of $25,000,000 for highway improvements. Now you propose a duty on asphalt and crude oil, both of which are so extensively used in road building and in paving our streets.

While I have no idea the Senate will ever agree to a tariff on oil and asphalt, just as they will refuse to concur with you in many of the provisions of this bill, I beg you gentlemen not to add these unnecessary burdens at a time when every progressive community throughout the Nation is building better highways. Good roads are to-day as essential to the Nation's prosperity as railroads in solving the great question of transportation. I still have hopes that the American people will not suffer the provisions of this bill to be visited upon them. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. DYER].

The CHAIRMAN. The gentleman from Missouri is recognized for five minutes.

Mr. DYER. Mr. Chairman and gentlemen of the committee, it is impossible, of course, in five minutes to discuss at any great length the amendment which has been offered by the gentleman from North Dakota [Mr. YOUNG], to keep asphalt upon the free list, so I wish in the few minutes which I have to call to your attention a few salient points as to the necessity, in my judgment, of adopting that amendment.

No tariff should be imposed on asphaltum for the following reasons: First, in no sense of the word would it be a protective tariff, because there is no native asphalt produced in this country of the kind that is imported, and so far as is known there are no available sources of supply other than through importation. And I want to say, gentlemen, that when the Committee on Ways and Means were considering the bill which we now have under consideration I appeared before that committee a number of times and asked that, in case any effort was made or any request was made for a duty on asphalt, myself and others who were in favor of free asphalt might have an opportunity to be heard by the Committee on Ways and Means. When that item was reached in the bill I was told by the members of the committee that no one had appeared in person or in writing to ask that a duty be put upon asphalt, and therefore that the committee would not give any hearing on the item.

In my city and in my State we are spending a great amount of money for roads and streets, and I have telegrams here from the officials of the city and of the State, who are engaged in this work, who tell me that the tax as proposed in the bill on asphalt will materially increase the cost of road and street building. Native asphalts do not compete with the asphalts that are imported into this country, because they are different in quality. The asphalts needed in road and street building are not produced in this country from oils. They are the asphalts used in finishing streets, and we must have them and are compelled to have them. I want to say that under free trade the asphalt coming into this country has not increased in amount, but the products manufactured in this country have increased to a great extent.

Mr. HUSTED. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Missouri yield to the gentleman from New York?

Mr. DYER. In just a minute I will yield to the gentleman. From 1914 to 1918 the asphalt produced in this country amounted to 5,513,252 tons, while the total amount imported during those years was only 722,170 tons. So that, gentlemen, figuring $1.50 to $3 as a duty in this bill upon that amount, even if that amount should continue to come in, you see that the Treasury would receive practically no revenue if the duty should be put upon asphalt; and the result is, Mr. Chairman, that it would make the prices for State roads and city streets, for which over a billion dollars is now available, cost a greater amount of money. [Applause.]

Second, the imported native asphalts are not sold in competition with the manufactured product produced in this country, except as to kind and quality. At no time have they ever competed in price.

Third, it would in no way be protection to American labor, as three times as much American labor is expended in refining the imported native asphalt as is used in the manufacture of artificial asphalt from petroleum.

Fourth, the manufactured home product requires no protection, as is evidenced by the fact that since asphaltum was placed upon the free list during the years 1914 to 1918, inclusive, the production in the United States amounted to 5,513,252 tons, while the amount imported was 722,170 tons.

Fifth, as there is no competition as to price between the imported native asphalts and the manufactured product, the imposition of a tariff would tend to increase the price of both the manufactured and the imported product. It would also tend to decrease competition among the manufacturers of the home product.

The general use of asphalt for hard-surfacing of streets and roads is well established in this country. At this time hundreds of millions of dollars are being expended in building hard-surfaced roads, making new streets, and so forth, and the merit of this paving product is well recognized.

The State of Missouri at the last general election voted a bond issue of $60,000,000 for road building outside of cities and towns of the State. If a tariff is put upon asphalt, it at once restricts the general use of this material in road building, because the profit now permitted is too small to stand an additional burden, and the result would be either an added cost to the taxpayer or a reduction in the use of this valuable paving material.

Since the United States as a whole expends from $500,000,000 to $1,000,000,000 a year on roads and their maintenance, it would be the height of folly to effectually bar by an import tariff asphaltum for use in the building and maintenance of roads.

Assuming, for the sake of argument, that there was as much as 200,000 tons of lake asphalt anticipated to come in during the calendar year, and if the import duty were $1.50 per ton, the revenue would be $300,000 per annum. Of course, the importations might dwindle to a trifling figure under such a tariff. But if it were imported, and if, as a result of the tariff, it was practically barred from awards of competitive contracts, then a considerable portion of the $1,000,000,000 highway program would be jeopardized so far as durability is concerned.

In 1898 a tariff was placed on imports of asphalt when the McKinley bill was passed. The import rate was $1.50 per ton on crude and proportionately higher on dry or refined asphalt. That constituted a handicap upon the importation of asphalt. In the Payne-Aldrich tariff bill, the countervailing duty, which had always been in force against imported crude oil and its

products, provided that oils coming into this country should pay the same duties as such oils would pay going into the country from which shipment was made, was repealed. The removal of the countervailing clause admitted Mexican oil and oil products free. Since that time eight-tenths of the asphalt business of the United States has been in products of Mexican and other oils.

The asphalt made from oil can always be marketed at prices below the imported native asphalts, which are chemically not pure bitumen. The native asphalt as mined contains only 30 per cent bitumen, 30 per cent water, and 31 per cent of very fine sand.

It is very hard work to market the imported asphalts, because of the disparity in cost and selling price with the manufactured asphalts. If any duty whatever is put on, it will add to this difficulty and will so affect importations as to make the revenues a negligible quantity. In other words, it will tend to kill off the business, leaving it entirely to the asphalts made from oil.

In considering the advisability of placing a tariff on a commodity it has heretofore been customary to consider as of great importance:

First. The effect of such tariff on the price to the consumer of the commodity affected.

Second. Whether the home industry producing the commodity was entitled to any protection from foreign competition in the commodity.

As to the effect of such tariff on the consumer's price for the commodity, we must bear in mind that the native asphalts imported into this country are principally Trinidad Lake asphalt, from the island of Trinidad, and Bermudez Lake asphalt, from Venezuela. The current price per ton in barrels at United States refineries of refined Trinidad Lake asphalt is $32, for refined Bermudez Lake asphalt $45, and for oil asphalt $25. Imported native lake asphalts can not, in fact, compete on a price basis alone with oil asphalts, but they possess qualities making them superior to oil asphalts for street and road construction, which accounts for the large amount of native asphalt used for this purpose notwithstanding its higher price. The people paying for streets and roads constructed of native lake asphalts should continue to be permitted the advantage of this superiority in quality without the handicap of any additional cost imposed by a tariff. If a tariff is placed on native asphalts imported, to this extent competition between native asphalts and oil asphalt will be removed—bearing in mind that their present difference in price is offset by their difference in quality—and the effect may well be that oil asphalt, as the result of such higher price for native lake asphalt, may be raised in price by the manufacturer to the consuming public.

The well-known policy of the Federal Government, State, and local governments is to encourage street and road building, now a recognized necessity for the general use of automobiles and motor trucks for transportation, which is indicated by the fact, among other things, that the Federal aid road act of July 11, 1916, appropriated $75,000,000 to be expended in granting aid to the various States in constructing rural post roads. The extent, therefore, that the placing of a tariff on native lake asphalts imported tends to restrict its use in street and road construction and the substitution of an oil asphalt of an inferior quality in such construction, to this extent it would follow that streets and roads constructed of such inferior material might cost the Government and its people paying for the same an enormously larger amount in repair of such streets and roads on account of the inferior quality of the asphalt used. This additional cost would be many, many times larger than the amount collected by a tariff on imported native lake asphalts.

As to whether the industry needs be protected by a tariff for its proper development and growth: The amount of manufactured petroleum asphalt produced in the United States in 1918 was more than 74 per cent greater than that produced in 1914, while the amount of native asphalt imported decreased in 1918 and was only 83 per cent of that imported in 1914, proving that oil asphalt needs no tariff to protect it from foreign competition. Further, the amount of petroleum available for fuel oil is decreased to the extent that petroleum is used in the manufacture of oil asphalt. It therefore follows that to the extent that a tariff on natural asphalt would limit its use in this country, oil asphalt would be required to supply such want, reducing the amount of petroleum which would be available for use as fuel oil.

As to a tariff on asphalt for revenue only, your attention is called to the tremendous appropriations made by the Federal Government for aid to the various States in highway construction, involving hundreds of millions of public money. Federal responsibility does not stop with the initial appropriation but extends into the future to the extent of providing for the maintenance of these highways. The amount of money necessary will largely be determined and governed by the materials used, care in the choice of types and the conscientious effort expended in scientific construction.

Native asphalts are recognized the world over as having superior merits and longevity as compared to artificial asphalts produced from and as a by-product of petroleum. They do not compete in price, but only in quality, consequently any tariff upon asphalt that must increase its price to the American public will to the extent of such increase retard the use of the best materials at their lowest possible price. If inferior asphalts are used, short-lived roadways requiring excessive future maintenance can only be expected, with the result that the amount of Federal appropriation for maintenance will of necessity be much larger than if the best-known materials are used.

The prime factor to be considered in the expense of highway construction is not in its initial cost, but its first cost plus the cost of maintenance per square yard per year of its ultimate life. It will be evident that a tariff on asphalt for revenue can produce only one result—that is, the winning of a comparatively small amount of money, which will without doubt have to be spent many times over for the future excessive maintenance of highways—whereas the admission of native asphalts free of duty, as at present, will continue to contribute much to the benefit of the Federal Government and the public through the saving made possible in maintenance costs.

As for a tariff on asphalt for protection only, experience does not indicate that the artificial asphalt industry of this country requires any protection, as results during the years 1914 up to and including 1918, during which time native asphalts have been admitted free of duty, show that the production of artificial asphalt from petroleum has increased from 674,470 tons in 1914 to 1,177,819 tons in 1918, while the importations of native asphalts for the same period show a decrease from 137,352 tons in 1914 to 114,686 tons in 1918. Furthermore, of the 1914 tonnage of artificial asphalt 313,787 tons were produced from crude petroleum imported from Mexico, while 650,244 tons were produced from the same source in 1918, showing considerably over 50 per cent of the total artificial asphalt produced in this country having been derived from imported and not domestic crude petroleum, proving conclusively the lack of necessity for a tariff on asphalt for protection.

As to the effect of an asphalt tariff on American labor, your attention is called to the testimony of Arthur W. Sewall before the Underwood committee, tariff hearings, 1913, volume 1, page 486, at which time it was shown that three times more American labor is expended on a ton of imported native asphalt than on the same amount of artificial asphalt produced from petroleum.

Your attention is also called to the troubles of the Federal Government and others in the past few years in obtaining a satisfactory supply of fuel oil. The fuel-oil capacity of a refinery is seriously reduced when the production of asphalt from the same is attempted. A reduction in the amount of artificial asphalt produced will increase fuel-oil production proportionately, which should benefit the fuel-oil supply and price considerably. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. FORDNEY. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. NEWTON].

The CHAIRMAN. The gentleman from Minnesota is recognized for five minutes.

Mr. NEWTON of Minnesota. Mr. Chairman, I rise to support the amendment offered by the gentleman from North Dakota [Mr. YOUNG] taking asphalt from the dutiable list and placing it upon the free list, where it now is. Paragraph 207 of the pending bill provides for a duty of from 50 cents to $3 per ton upon asphalt, asphaltum, and bitumen, whereas under the present law all of these commodities would come in absolutely free of duty.

Who is it that uses asphalt? The municipalities, the counties, the States, and the Nation all use asphalt and similar substances for the development of roads. There are miles of asphalt pavement in Washington, in my own city of Minneapolis, and practically every other city of the country. Asphalt and bitumen have been used in the miles and miles of fine roadways throughout the State of Maryland and many other States of the country. The building of good roads should be encouraged and not discouraged. Not long ago we passed a bill appropriating an immense sum of money for good roads purposes. This money will be matched by like sums from the several States of this Union, and with it there will be built hundreds of miles of additional good serviceable highways. Many of these will be made of asphalt or bitumen.

It strikes me that to place a duty upon asphalt is in effect to tax the Federal Government, the several States, and the municipalities of the country. Its inevitable effect will be to discourage rather than to encourage the building of additional highways.

It would seem, therefore, that asphalt should remain on the free list unless very good reasons are given to the contrary. I have been searching in the printed hearings of the Committee on Ways and Means to find those reasons. The only reference to asphalt is contained on page 3483 of volume 5. The reference is to limestone-rock asphalt only. The importations were 4,745 tons the year before the outbreak of the World War and they were only 565 tons in the year succeeding the close of the World War. At 50 cents per ton, which is the proposed duty, there would not be much revenue derived from a duty on limestone-rock asphalt. No reference whatever is made in the seven volumes of hearings to a duty on other asphalt. The fact is that this is the only reference in the hearings to any kind of asphalt at all. This, then, is the only showing made upon which it is sought to levy a heavy duty upon indispensable road-building material. I can not understand it.

Mr. HUSTED. Can the gentleman tell us what percentage of the asphalt goes into public works.

Mr. NEWTON of Minnesota. I can not.

Mr. HUSTED. But the gentleman says the most of it goes into public works of some character?

Mr. NEWTON of Minnesota. That is my impression. Furthermore, I have consulted with Members of the House who have asphalt beds in their districts, and I have been unable to find any such Member who believes that there is any occasion for a duty upon asphalt. In addition, I know of no instance where any asphalt producer here in America is requesting such a duty.

I have a letter from our city engineer at Minneapolis, a national authority on paving and good roads, Mr. Cappelen, wherein he protests most vigorously against Congress imposing any duty whatever upon asphalt or bitumen. Yesterday this House was asked to place a duty of 35 cents per barrel upon crude oil. It was claimed that Mexican crude oil was coming into this country at 25 cents per barrel. This would have meant a duty of over 100 per cent. The House by substantial and decisive vote overturned the committee and placed oil upon the free list. Certain asphalt is derived from Mexican oil. It would seem, therefore, that this would be an additional reason for placing asphalt upon the free list.

There is a great housing shortage throughout the Nation. Some municipalities, notably New York City, has passed certain laws exempting newly constructed homes from municipal taxes for a period of years in order to stimulate the building of homes. Asphalt is used in the making of patent roofing. Most of this grade of asphalt is imported from Mexico. A duty upon asphalt would, therefore, tend to discourage this attempt throughout our land to relieve the housing situation. It seems to me, therefore, that the amendment of the gentleman from North Dakota placing asphalt of all kinds upon the free list should be agreed to. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. OLDFIELD. I yield five minutes to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Mr. Chairman, one of the most interesting paragraphs of the President's message to this Congress related to the subject of good roads. It was a constructive, helpful message, and I assume that this Congress, carrying out his request, will pass bills appropriating large sums of money for highways. During the last year the States of the Union, in State bond issues, have appropriated $900,000,000 for road purposes. This duty upon asphalt will increase the cost of every road built in America. It does not necessarily follow that it must be an asphalt road, but asphalt is such a good road-building material that as its price rises or declines, so will the price of cement and even macadam rise or fall. The cost of roads is largely controlled by the cost of asphalt.

The great problem that the States, assisted by the Nation, are solving is that of rapid transportation; and we know that it is not a city luxury, but that 52 per cent of the motor vehicles of the country are used upon the farm, so that it is a problem interesting alike to the urban and the suburban population of America. Unless this amendment is adopted, I assure you that in every crossroads schoolhouse, in the automobile clubs of luxury, in the big cities, everywhere that the slogan of good roads is sounded, the question of the cost of roads is paramount. One mile of concrete road in the State of Missouri before the war cost $20,000. To-day it costs $40,000, and men are not anxious to bid at that price. And now, with the indorsement of the President of the United States, with the cooperation of nearly every State in the Union, with the support of all the people for the great project of good roads, this Congress proposes to interfere with road building and to increase the cost of every mile of country road and every yard of city street. It is a tax that the people can not stand. It increases the price of all road building in America. If Congress is wise it will adopt this amendment. It gives me pleasure to support my colleague from Missouri, and I trust that, following the President, following the leadership of the States, following the wish of the man and woman who want their children to get to school quickly and the men and women who desire to go to church every Sunday in the year and not alone in the summer time, Congress will support this amendment. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. I yield two minutes to the gentleman from Maryland [Mr. HILL].

Mr. HILL. Mr. Chairman and members of the committee, the State of Maryland installs thousands of square yards of sheet asphalt pavements every year, and in addition uses many thousands of barrels of the lighter asphaltic oils for road purposes. Free asphalt is a matter of great importance not only to the city of Baltimore but to the State of Maryland at large. Such an import duty as this would very decidedly increase the cost of pavements yet to be installed, and also very materially increase the maintenance of those already installed. Therefore I am opposed to this duty on asphalt and I expect to vote for the amendment providing for free asphalt, as I voted for free oil yesterday, because that is also a great national public necessity.

I yield back the remainder of my time.

The CHAIRMAN. The gentleman yields back one minute.

Mr. FORDNEY. Will the gentleman from Arkansas use some of his time?

Mr. OLDFIELD. I yield to the gentleman from New York [Mr. LONDON] five minutes.

Mr. LONDON. Mr. Chairman, I propose a test for the proponents of high protection. They always claim to speak in the name of labor. They profess a particular solicitude for the worker. Now, the way I intend to put them to the test is this: I have introduced a bill to the effect that no duty shall be levied on any article when imported from any foreign country unless the following conditions prevail in the industry or in the branch of agriculture in which the article is produced, namely, that the working day for any wageworker shall not exceed eight hours——

Mr. BLANTON. Will the gentleman yield?

Mr. LONDON. One moment, please. That the working week shall not exceed 44 hours; that at least one and one-half days continuous rest each week shall be granted to the wageworkers; that no child under 16 years shall be employed; and that wages of the employees and the conditions of the employment shall be determined by collective bargaining.

Of course, the Committee on Ways and Means are not bound to accept my bill in its entirety. Under the rule adopted for the consideration of this bill, no individual Member will be given a chance to offer an amendment. The method adopted for the enactment of the tariff bill is as vicious as the bill itself.

Take the provision which relates to the observance of the Sabbath as a day of rest. The greatest contribution of religion to the progress of the world has been the day of rest, the Sabbath. The worst sinner in that respect is the protected steel industry. The principle of collective bargaining is of no lesser importance. With the onslaught which the triumphant swine of plutocracy are now making upon organized labor, the refusal to grant protection to an industry unless it concedes to the toilers the right to organize and to deal collectively would undoubtedly be of aid to the workers. In the steel industry, particularly, have the workers been unable by their own efforts to improve their condition. I would rather see the working people obtain the 8-hour day by their own effort, through their own organizations, by the development of their own solidarity of thought and of action than by legislation from the top. I always believe in making progress from the bottom up, but if the law is to do any protecting, let it protect the weak against the strong, the masses of the people against the gigantic corporations and trusts.

The Steel Trust is the mightiest trust of all. No feudal lord has ever ruled his vassals and serfs with less mercy than the Steel Trust rules its industrial slaves. Through a system of intimidation, through espionage, through a system of arranging the employees into groups on race and language lines so that there is a veritable Babel of tongues in the industry, all their efforts to organize for united and effective action have proven abortive.

In many another protected industry have the "horny-handed sons of toil" been reduced to the condition of horny-headed beasts of burden.

If you do not adopt my proposed amendment as a whole, adopt it at least in part.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. OLDFIELD. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. JOHNSON] two minutes.

Mr. JOHNSON of Mississippi. Mr. Chairman, I shall support the amendment offered by the gentleman from North Dakota [Mr. YOUNG] to put asphalt on the free list.

Heretofore the Republicans advocated a protective tariff, claiming that it was necessary to protect the "infant" industries of this country. Now that these "infant" industries have grown up to become such giants, even so good a Republican as the gentleman from North Dakota rebels against the proposed tariff on asphalt. Ninety-two per cent of the asphalt used in the United States is made and controlled by an American monopoly. Only 8 per cent is imported. It is proposed by the Fordney tariff bill to levy a tax of 15 per cent on all asphalt imported into America. The gentleman from Michigan [Mr. FORDNEY] claims that it is necessary for the protection of industries in this country to levy this tariff. He says it will reduce the price of asphalt to consumers in this country. I can not see how the placing of a tariff on imported asphalt, which means a protection to the American monopoly, will reduce the price of asphalt to the American consumer.

THE TRANSPORTATION QUESTION.

One of the great questions before the American people to-day is the means of transportation. The railroads are charging such exorbitant and unreasonable rates for transportation that the people are practically prohibited from shipping, and any reasonable or feasible method that this Congress can adopt to relieve the situation should be adopted.

This Government has appropriated more than $200,000,000 already for the purpose of building good roads, millions of which have already been invested or will be invested in asphalt. There are many hundreds of miles of asphalt roads already built in the United States and hundreds of miles of roads contracted for. The Government has paid out already, or contracted for, more than $100,000,000 for this purpose. Over these roads millions of dollars' worth of products are being transported to market, and if the building of good roads can be encouraged to the extent of placing the farmers in direct touch with the markets it will remedy the transportation situation materially.

There is not a State in the Union that is not improving its highways. Millions of dollars have been spent in constructing asphalt roads that have withstood the rains and floods, and the hard-surface roads are growing in favor every day. Now, just at this time, when the people are clamoring for hard-surface roads, most of which are built of asphalt, to allow this monopoly to have a protective tariff placed on imported asphalt would be a crime against the people.

EMBARGO ON DYES.

There are more than 6,000 items in this bill which should be considered, but under the "gag" rule adopted by the Republicans these items can not be discussed on the floor of the House. I wonder if the people of the United States really know or have any idea what is going on up here?

You have just been forced to vote for the Longworth amendment, which is the dyestuff amendment, to this bill. You placed an embargo upon all dyes, thereby prohibiting the importation to this country of dyes. This means that the dye monopoly, which is controlled by three or four men, may fix the prices as they see fit on dyes. This monopoly is now selling dyes for $1.75 a pound that before the war sold for 25 cents a pound, and dyes that sold for 26 cents to 32 cents before the war are now bringing from $1.75 to $4 a pound. Now, you propose to destroy all competition by placing an embargo on dyes.

You have placed a tariff on hides, which means there will be a compensatory duty placed on everything made of hides from hamestrings to harness. All shoes, boots, and everything else made of leather will carry an additional tax, thereby placing an unjust burden upon those who have to buy them.

DUTY ON STAPLE COTTON.

You have placed a duty upon long-staple cotton, which is nothing more than a fraud. It is intended by this method to deceive the cotton producers and the Members of Congress who live in the cotton districts. Only 250,000 bales of this cotton are imported into the United States, while we raise in all kinds of cotton in this country from 10,000,000 to 13,000,000 bales per year.

The manufacturers of cotton goods will derive all the benefits. The cotton producer will get no benefit because there is only a small amount of long-staple cotton raised in the United States, and a compensatory duty will be placed upon everything made of cotton, whether it be made of short-staple or long-staple cotton. In the last analysis those who use the products made of cotton will have to pay the tariff.

Mr. Chairman, I know that this House is going to pass the bill. I do not believe you can keep oil and asphalt off the free list, but there is usually a majority of Republicans who, under the party lash, will open their mouths and swallow anything their masters tell them.

I have no idea that this bill will ever become a law. I do not believe that the Senate of the United States will stand for it. If it does become a law, Coxey's ragged army will again march to the Capitol, and the country will soon return to Republican "normalcy."

Mr. OLDFIELD. Mr. Chairman, I believe I have four and a half minutes remaining. Mr. Chairman, in the present bill the rates on asphalt are the same as in the Payne-Aldrich law. Limestone rock asphalt at 50 cents a ton, the ad valorem equivalent under the Payne-Aldrich law was 12.18 per cent. Asphaltum crude not dried or advanced, the duty was $1.50 per ton and the ad valorem equivalent was 38.74 per cent. Asphaltum dried or advanced, $3 per ton and the ad valorem equivalent was 30.66 per cent. Each of these paving and road-building materials are on the free list in the Underwood law.

Taking into consideration the American valuation, these rates will run up to 45 or 50 per cent. The imports of asphalt during the last 11 months were 123,114 tons, of the value of $1,274,124. The exports were during the same period, the last 11 months, 1,931,351 tons, valued at $1,915,642. In other words, the exports last year were more than the imports. Hence from that standpoint they certainly do not need any protection, because the exports were more than the imports. As has been said on the floor, we will expend next year $1,000,000,000 in building roads and city streets throughout the country. Congress has already appropriated more than $200,000,000, and this duty if left in the bill will be an extra burden loaded on the people, not only the individuals, but the country, the cities and the Government itself. Therefore I am heartily in favor of the gentleman's amendment to place this article on the free list, and I hope the committee will so vote. [Applause.]

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield for a question?

Mr. OLDFIELD. Yes.

Mr. MOORE of Virginia. As I understand it, not only may the cost of road construction be materially increased by a duty on asphalt but increased by the duties on explosives provided by this bill; by the duty on cement, which the bill provides; and by the duties specified in the bill on structural steel and reinforcing steel. The matter of highway construction and maintenance is one of prime importance. In that work explosives are necessary. The Geological Survey states that the amount of stone annually quarried and crushed for road-building purposes and concrete road structures totals between 25,000,000 and 30,000,000 tons, and that involves the use of explosives. It is estimated that approximately 20,000,000 barrels of cement are used in the construction of highways, including streets and bridges, every year. Steel, to the extent of a heavy annual tonnage, enters into the cost of all highway bridge structures. What are the facts as to the employment of asphalt in highway work has already been detailed.

Mr. OLDFIELD. I believe what the gentleman has stated is correct.

Mr. FORDNEY. Mr. Chairman and gentlemen of the committee, I favor a duty on imported asphalt, and as briefly as possible I shall tell the reason why. Recently I was informed that bids for asphalt paving, I believe in the city of St. Louis, were asked for and were so very high that all bids were rejected. I want the gentleman who brought that information to me as the reason why we should put asphalt on the free list to remember that asphalt is now on the free list, therefore the duty has nothing to do with high prices, at least, in this case. Then there must be a monopoly somewhere or something wrong or the price would be lower. Asphalt is produced in the United States in four States—California, Kentucky, Oklahoma, and Utah.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. YOUNG. How are you going to get rid of the monopoly by putting a duty on imported asphalt?

Mr. FORDNEY. I shall try to show the gentleman. The General Asphalt Co. purchased the Barber Asphalt Co., and therefore are in control of the asphalt business in the United

States. I happen to be familiar with the matter of asphalt, because before I came to Congress I was in the common council of my home city and was chairman of the committee on pavements and sewers. We had many bitter fights over this question.

Mr. DYER. Does the gentleman remember as far back as that?

Mr. FORDNEY. Yes; the gentleman's memory may be very short, but I can remember that far back. The gentleman from Tennessee [Mr. GARRETT] yesterday called my attention to the fact that I was repeating a story told by Abraham Lincoln. I told that story to Lincoln myself. [Laughter.] Trinidad Lake was where asphalt was first found in the south, and that property was purchased by the Barber Asphalt Co. At times in the year it is a lake of water, but when the warm weather or dry season comes on the lake becomes a mass of thick, sticky substance, which is asphalt. Asphalt is found in that same form in the State of California. In some places it is mined and in other places it is taken from a lake. Last year 85 per cent of the imported asphalt was imported by the General Asphalt Co., 49 per cent from Trinidad and 36 per cent from Venezuela. The General Asphalt Co. own the majority of the output of asphalt in the United States, and I want now to read to you what an independent producer has just written on the subject of asphalt. This is written by a gentleman named M. M. Logan, whose home is in Kentucky. He goes on to explain the troubles and the trials of the independent operators in this country in competition with the General Asphalt Co., and then says:

There has been an asphalt trust for a number of years, and it has watched the field to prevent its development very carefully for the past 25 years. As far back as 1896 much money was spent in Logan County in an effort to develop the asphalt, but the Barber Asphalt Co. proved to be too strong for them, so they went broke. In 1895 an effort was made to develop the asphalt properties in Grayson County, and the venture fell for the same reason. Another effort was made in Grayson County in 1900, with the same result. About 1904 an effort was made in Warren County, and it went the same way. In 1904 operations were commenced in Edmonson County, and things went along precariously until 1916, when the trust again got too strong and put us out of business.

About that time I became interested and got together sufficient capital to start operations on a large scale in Edmonson County, Ky. Edmonson County is now putting out at least 50 per cent of the natural asphalt which is used in the United States, and it is the only independent asphalt operation in the United States.

Remember, now, this great combination became very busy and took this question up with various people in cities in this country where they are bidding for contracts, and those people have appealed to you, their Representatives, to vote for free asphalt upon the ground that it will increase the cost of asphalt in this country if there is a duty laid upon it, and will therefore cost the people more money. That is a propaganda which is most effective indeed.

Mr. DYER. Is the gentleman reading from the hearings of his committee or just from a letter from some gentleman?

Mr. FORDNEY. I shall ask the gentleman where he got his information from.

Mr. DYER. I appealed to the committee for a hearing on this question.

Mr. FORDNEY. Your people at home have asked you to vote for free asphalt, have they not?

Mr. DYER. Yes; all the public officials of my city and State.

Mr. FORDNEY. Several Members of the House have told me that they have received letters from their people requesting them to vote for free asphalt. This letter further says:

In 1904 the General Asphalt Co. was organized, and it took over the business of the Barber Asphalt Co. and every other asphalt company interested in imported asphalt.

A year ago or thereabouts this Congress appropriated $200,000,000 for good roads in this country. Where are we going to get the money? We have to tax the people for it. We have provided in this bill the identical rates of duty that were provided for in the Payne law, and there was not one single objection at that time nor during the life of that law about the duty on asphalt.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. YOUNG. There is very much less asphalt imported now than there was under the Payne law.

Mr. FORDNEY. No; that is not so.

Mr. YOUNG. It has been reduced 38 per cent.

Mr. FORDNEY. I beg to differ with the gentleman. I think the gentleman is in error; but if that were true, it is because that same combination that owned all of the importations of asphalt also have obtained a larger domestic interest by putting out of business the independents in this country. That is the only reason. With asphalt on the free list, why are not prices lower now than they were a year or two ago, or before asphalt was placed on the free list by the Underwood tariff law? Answer that, if you will. You can not do it.

Mr. COLTON. Has it occurred to the gentleman that it is due to the railroad rates?

Mr. FORDNEY. That has a certain amount of effect, and also the general increased cost of production. Why is it that the city of St. Louis rejects all of the bids because they were entirely too high? When I was a member of the common council of my own city the Barber Asphalt Co. put in bids, and the Bermudas Asphalt Co., then in existence, now owned by the Barber or the General Asphalt Co., came in and underbid, and then the Barber Asphalt Co. advertised that the domestic project was valueless.

And again and again and again these bids were offered over and over, and at last the Barber Asphalt Co. put in a bid at 40 per cent of its former bid.

Mr. COLTON. Will the gentleman yield again?

Mr. FORDNEY. Yes; I will yield.

Mr. COLTON. I think I represent a district that perhaps furnishes more native asphalt than any other district in the United States. There are several independent companies operating and not one of them has asked for this tariff, has come to me asking for a tariff, but they have asked repeatedly for a railroad rate that will enable them to ship the product.

Mr. FORDNEY. All right. The railroad-freight question is a serious one to our people, but that question is not up now. This gentleman furthers says:

It is an absolute monopoly and it is in control of the importation of all asphalt. If a tariff should be imposed on asphalt and bitumen, it would affect nobody except the General Asphalt Co. It would give this country an opportunity to develop the native product until there could be such a thing as competition. You know the old game that used to be played by the Standard Oil—

And it was played effectively here yesterday—

that of reducing prices to crowd out competition. That has been practiced in the asphalt industry for the past 20 years.

Mr. YOUNG. Will the gentleman yield?

Mr. FORDNEY. Not just now. I will later on. Some gentleman asked me to look up some information about asphalt and I did, and I found from Moody's Manual:

The business of the General Asphalt Co. is conducted by the Barber Asphalt Paving Co., the New Trinidad Lake Asphalt Co., and the New York & Bermuda Co., these companies being owned by the General Asphalt Co. through the ownership of their capital stock.

That is what Moody's Manual says about it.

It appears that a small duty may keep competition alive—

And so forth.

Mr. YOUNG. Will the gentleman yield?

Mr. FORDNEY. Just one word further; wait a minute. I find this, gentlemen, that before we had an independent producer of asphalt in this country the price of asphalt was $35 to $40 a ton, and with domestic asphalt coming on the market in 1909 and 1910 prices of the imported asphalt were steadily reduced, and at the time a brief was filed, when the Payne law was under consideration, the price had dropped to $19 a ton. Why? Because of the domestic competition with this great octopus. Nineteen dollars a ton; that hydra-headed monster reaching out and appealing to you to give them a monopoly, so that they can boost prices again sky-high. Do you think that to be the wise thing to do?

Mr. YOUNG. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. YOUNG. How can anybody get a monopoly of the business of the United States when——

Mr. FORDNEY. Great Scott! I have heard the gentleman yell "Monopoly" until I thought he slept with monopoly, and the gentleman is here now appealing, for goodness' sake, to enable this monopoly again to boost up the price when it has driven out domestic competition.

Mr. YOUNG. The gentleman, I think, is the one to-day talking about monopoly. I want to ask him this question.

Mr. FORDNEY. I do not want to be unfair, but I am speaking sincerely from the bottom of my heart what I believe. I believe it is your duty and my duty to protect this domestic industry to the disadvantage of this great monopoly so that the people of this country can have cheaper rates or at least open competition. That is what I stand here for and ask you for your earnest consideration, and nothing else.

Mr. YOUNG. Will the gentleman let me finish my question?

Mr. FORDNEY. I will.

Mr. YOUNG. How on earth can any concern in the United States get a monopoly of the United States business when it imports under free trade only 8 per cent of the amount used in the United States?

Mr. FORDNEY. How in the devil did it get the monopoly it has now?

Mr. YOUNG. It has not got it.

Mr. FORDNEY. It has, and the gentleman knows it if he will look up the record. It imports all the asphalt that comes from foreign countries and owns a majority of the domestic production.

Mr. DYER. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. DYER. If that is true, is not the remedy in prosecution by the Federal Government?

Mr. FORDNEY. Your remedy would be to put asphalt upon the free list and give this monopoly absolute control in the United States.

Mr. DYER. I do not see how it does.

Mr. FORDNEY. Let me say further——

Mr. HAWES. Will the gentleman yield?

Mr. FORDNEY. Let me finish this statement. In every city and town in this country even a peddler must pay a license to do business or get out or go to jail. Your plan is to permit the foreigner to come in here, sir, and enjoy our market without paying one penny in tax toward the conduct of this great Government that needs money so badly. Tell me how you justify that position?

Mr. CANNON. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. CANNON. I understand the Barber Co. and the other companies own the foreign product——

Mr. FORDNEY. Absolutely.

Mr. CANNON. Own it, and they want to bring their product in and they own largely the home product?

Mr. FORDNEY. Yes; the domestic product. They want to bring in the foreign asphalt, and every dollar's worth brought in, my friends, displaces a dollar's worth of the asphalt produced here.

This gentleman, who owns a mine in America, states that he has a supply that will furnish enough asphalt to build every road east of the Mississippi River.

Mr. LITTLE. Will the gentleman tell us what proportion of the asphalt we use is imported?

Mr. FORDNEY. Yes. I will say offhand that it is 20 per cent or 25 per cent.

Mr. LITTLE. They say back here that it was 8 per cent.

Mr. FORDNEY. I will give the figures, if you want them. Imported asphalt in 1914 amounted to 180,000 tons, valued at $918,000. In 1918 imports amounted to $40,000 less than in 1914. Of oil asphalt, which is one of the principal items in the preparation of asphalt for building our streets and roads, in 1914 we produced $7,148,000 worth and in 1917, $17,000,000 worth in the United States.

Mr. LITTLE. Your proposition is that a tariff will shut a lot of that out. What will the tariff do? What is going to happen?

Mr. FORDNEY. A tariff of 50 cents to $1 a ton will not keep the stuff out.

Mr. LITTLE. Then, how it is going to help the native asphalt?

Mr. FORDNEY. It will take out of the coffers of the General Asphalt Co. the amount of duty we impose in this bill, and will not cost the people of this country one single penny additional, unless that monopoly, like the Standard Oil Co., is strong enough to hold up the people by the neck and shake the money out of them. A reasonable protective tariff will encourage domestic production and thus create competition, which always reduces prices.

Mr. LITTLE. Then, as you put it, it will not help the producer at all, will it?

Mr. FORDNEY. It ought to do so, by increasing the domestic competition, which generally reduces prices.

Mr. LITTLE. You said that there would be just as much coming in as before.

Mr. FORDNEY. In 1909 we did reduce the price from $40 per ton down to $19 by domestic consumption.

Mr. LITTLE. You say that there will be just as much to come in.

Mr. FORDNEY. Do you not believe in protecting a home industry and bringing about a healthy competition or keen competition at home?

Mr. LITTLE. I believed you when you just told me there would be just as much foreign asphalt coming in as there is now.

Mr. FORDNEY. We use more and more asphalt as our population increases. It has fallen off 40,000 tons in four years and is likely to fall off more in proportion to consumption if we place a duty on it. I do not know what will happen, but I have my opinion concerning it.

Now, gentlemen, all there is to this matter, in my opinion, is that we want to raise a little revenue to help pay these enormous running expenses of this Government and reduce the enormous debt that is now on the heads of the people by collecting a small tax upon that amount of asphalt that will be imported. Do we want to collect a small amount on this asphalt that is coming in here to help out the Treasury of the United States, when you and I know that domestic competition will not permit them to monopolize the market? That is the theory on the Republican side as to a protective tariff, and you know it has worked that way every time we have tried it. If not, as I said to the gentleman yesterday or the day before on that side of the House, why is it that prices on articles on the free list have advanced in proportion with those on the dutiable list? There is no argument the other way, in my opinion. If I thought so, I would not stand here and argue. I believe I am arguing in the interests of my people that sent me here, to vote for them and to speak for them. And that is what I am doing.

I believe in the protective tariff system. I believe the only way to maintain prosperity and low prices in this country is by running our own institutions at full blast and producing at the lowest possible cost, and even though it may cost a little more to produce an article in this country than we can import it for, American labor will get that money and American labor will buy your product and my product and keep the wheels of industry in this country running.

Mr. YOUNG. I understood that the gentleman asks for this duty from a revenue standpoint.

Mr. FORDNEY. No. I have pointed out to you that we had institutions producing asphalt in four States of this Union, and when that competition was keen, before 1914, the price of asphalt dropped to $19 from $40 a ton. Since that time it has been on the free list, and because of the power of this great monopoly, this great wealthy concern, as this gentleman has stated in his letter, they have purchased one individual institution after another, and they are as powerful as some other of the great companies. I want competition at home. I want our own mines to run; I want American labor to be employed, and I want the American price brought down by keen competition.

Mr. DYER. The gentleman knows, of course, of the native asphalt and the asphalt imported into this country three-fourths of its final cost to the consumer consists of labor performed upon it by American labor in this country?

Mr. FORDNEY. I beg to differ with you. I have watched for hours and hours in my home city the work placed on the raw asphalt, and it is a mere bagatelle compared with the cost of raw material laid down in that city or in yours that the American laborer gets. It is like sugar. Sugar comes from abroad, and the amount of labor employed here in converting it into refined sugar is a mere bagatelle. But it amounts to something.

The rate is $3 a ton on the finished product in this bill, and identical with the rates in the Payne tariff bill, and at that time the Barber Asphalt Co. wanted the tariff as it is now, and you Members on the floor of this House had not heard indirectly from that great General Asphalt Co., as you are now hearing. It is a propaganda from start to finish, and it is not in the interest or for the welfare of our laboring people or of our people who must pay these taxes.

Mr. DYER. I think it is unfair for the gentleman personally, and unfair to other Members, for him to charge here that the asphalt company is influencing us.

Mr. FORDNEY. I do not impute dishonest motives to you or other men, but I do say that it is the propaganda started by the great asphalt company that you are hearing from indirectly. Of course, you think it comes from the taxpayers of your district.

Mr. DYER. The gentleman, if he thinks the conditions are as he indicates, should have been fair to this side of the House by allowing a public hearing in the committee on this and giving both sides a chance to be heard, which he refused to do.

Mr. FORDNEY. We held public hearings for 42 days.

Mr. DYER. But refused a hearing on asphalt.

Mr. FORDNEY. We heard everybody, and refused no one a hearing.

Mr. DYER. I asked you to be heard, because nobody appeared for protection or asked for protection.

Mr. HUSTED. Are there independent asphalt companies now operating which are not controlled by the trust?

Mr. FORDNEY. Yes, sir.

Mr. HUSTED. And do they ask for a duty?

Mr. FORDNEY. No one appeared asking for a duty, like many other industries that did not appear, and I believe that this gentleman, the gentleman from Missouri [Mr. DYER], was

the only man that asked that asphalt be placed on the free list. But since the bill has been reported this great monopoly has gotten its work in, and most effectively, too. I say this without discrediting any man. It has gotten in its work indirectly—this concern, and no one else. How could anyone in this country conscientiously ask you to vote to drive out of business an industry in this country right under your noses, in favor of a great monopoly that wants to bring in Venezuelan asphalt?

Mr. Chairman, I ask for a vote.

The CHAIRMAN (Mr. WALSH). The question is on agreeing to the amendment offered by the gentleman from North Dakota [Mr. YOUNG].

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. FORDNEY. A division, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan asks for a division.

The committee divided; and there were—ayes 123, noes 36.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PARAGRAPH 1. Acids and acid anhydrides: Acetic acid containing not more than 65 per cent of acetic acid, three-fourths of 1 cent per pound; containing 65 per cent or more, 2 cents per pound; acetic anhydride, 8 cents per pound; boric acid, 2 cents per pound; chloroacetic acid, 5 cents per pound; citric acid, 10 cents per pound; lactic acid containing by weight of lactic acid less than 30 per cent, 1½ cents per pound; 30 per cent or more and less than 55 per cent, 3 cents per pound; and 55 per cent or more, 5 cents per pound: *Provided*, That any lactic-acid anhydride present shall be determined as lactic acid and included as such: *And provided further*, That the duty shall not be less than 25 per cent ad valorem; tannic acid, tannin, and extracts or decoctions of nutgalls, containing by weight of tannic acid less than 50 per cent, 4 cents per pound; 50 per cent or more and less than 80 per cent, 10 cents per pound; and 80 per cent or more, 20 cents per pound; tartaric acid, 6 cents per pound; arsenic acid, arsenious acid or white arsenic, formic acid, gallic acid, oleic acid or red oil, oxalic acid, phosphoric acid, pyrogallic acid, stearic acid, and all other acids and acid anhydrides not specially provided for, 25 per cent ad valorem.

Mr. LONGWORTH rose.

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. LONGWORTH. I desire to offer an amendment; the same amendment that I sent to the Clerk's desk yesterday.

The CHAIRMAN. The gentleman from Ohio will send his amendment to the Clerk's desk. The Clerk will report it.

The Clerk read as follows:

Amendment offered by Mr. LONGWORTH: On page 2, line 13, after the word "acid," strike out the figure "10" and insert in lieu thereof the figure "12."

Mr. GARNER rose.

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. GARNER. To make the point of order that the amendment has not been authorized by the Committee on Ways and Means. Is this in a paragraph in itself?

Mr. LONGWORTH. Yes.

Mr. GARNER. Then I was mistaken. I withdraw the point of order.

The CHAIRMAN. The gentleman from Texas withdraws the point of order.

Mr. LONGWORTH. Mr. Chairman, the amendment I have offered raises the duty originally provided in the bill on citric acid from 10 cents to 12 cents a pound.

Citric acid is made from lemons. It is a very large industry in California, one that is daily growing in size and importance. The cull lemons, as they are called, which are the lemons not fit to be sold as fruit, are used in the manufacture of citric acid.

Citric acid is made directly from citrate of lime, which is also produced by the lemon industry of California. This product in the Payne law was on the free list and carried a duty under the Underwood law, as I recall it, of 2 cents a pound.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARNER. According to the information I have here, in the Payne law it was 7 cents a pound.

Mr. LONGWORTH. No; I am speaking now of citrate of lime, out of which this is made.

Mr. GARNER. Oh.

Mr. LONGWORTH. That was a sort of industry in Italy which was conducted mainly by women and children, who took the lemons that were useless as lemons and made them into this material. Since then the importance of this industry has greatly grown, and when we come to the paragraph I propose to offer an amendment to increase the duty on this product.

Citric acid is used largely in flavoring soda water. It is a beverage. The cost of the citric acid in the products finally sold to the consumer is of very little value and a matter to the ultimate consumer of practically no interest whatever.

We thought in the committee that 10 cents was a sufficient duty, that being a slight increase over the Payne rate and a somewhat substantial increase over the Underwood rate. But the California delegation made a strong representation. In fact, the request for a duty from the California lemon growers is for a very much greater duty than this, at least twice as much, and we thought that under all the circumstances this small increase suggested by my amendment would be a very proper one.

Mr. GARNER. Mr. Chairman, I merely want to occupy one moment to call the attention of the committee to the rate pertaining to citric acid in the present law and in the Payne Act. In the present law it is 5 cents a pound. In the Payne Act it is 7 cents. In the present bill it is 10 cents. Now, the gentleman from Ohio [Mr. LONGWORTH] desires to make it 12 cents, which is nearly 100 per cent over the Payne rate. But that is merely in keeping with other provisions in this bill where you have an ad valorem rate. It increases the Payne rate about 50 per cent. It is merely in accordance with the other rates in this bill. I merely desire to call your attention to it.

Mr. LINEBERGER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from California moves to strike out the last word.

Mr. LINEBERGER. Mr. Chairman and Members of the House, it is true that the duty fixed by the committee amendment is quite an increase over the Payne-Aldrich bill, to which the gentleman from Texas [Mr. GARNER] has referred, but at the time the Payne-Aldrich bill was enacted we had no citrus by-products industry in this country; in fact, we were not then producing enough lemons to supply our national consumption of raw fruit, and our tariff yardstick must change with changing conditions. Few seem to realize that since the World War we are living in a new economic world, and particularly so with respect to competitive conditions with cheap European and Asiatic labor. We must square our tariff schedules to meet these new conditions. I want to call your attention further to the fact that the rate of 12 cents a pound on citric acid carried in this amendment is all too little, as it amounts to only $4.80 per ton on the raw fruit which goes into the manufacture thereof, because 2,000 pounds of lemons will produce only 40 pounds of citric acid. As the gentleman from Ohio [Mr. LONGWORTH] has said, this product is used in the manufacture of beverages, and a small quantity of this concentrated article will go a long way. Many times the increase allowed would have but slight effect on the ultimate consumer, but would give in much fuller and fairer measure the protection required by this industry and the American—not Italian—citizen engaged in it. [Applause.]

Now, as to a comparison, gentlemen, between the duty allowed on citric acid and the raw fruit from which it is produced, on 40 pounds of citric acid derived from 1 ton of lemons with a duty of 12 cents per pound on the acid the tariff is only $4.80 per ton, whereas the 2 cents a pound allowed on the raw fruit is $40 a ton, so that you can see that the amount of duty allowed upon a ton of lemons going into the production of 40 pounds of citric acid is extremely low, being only about one-eighth of that allowed on the raw fruit.

As the gentleman from Ohio [Mr. LONGWORTH] has said, the California delegation was unanimous in asking for a much higher rate than this, because we felt that the producer of lemons should be allowed something on his raw fruit, and these rates give practically no protection to the grower and only partly cover the difference in cost in manufacture; so the rate of increase is one with which the California delegation, under the circumstances, has to be satisfied, although we are naturally disappointed; yet we realize that all legislation is the outcome of compromise, although this is a compromise which works very much to our disadvantage, as we think. We simply find ourselves, to use a slang expression, "out of luck." Still we are Republicans—9 out of 11 of us, at least—and we know that even if this duty be low it is that much more than the Democrats ever gave us—more than we could ever expect from that party; so we accept the schedule smilingly and in good nature, and will continue to be good Republicans, as only Californians know how to be, after eight years of Democratic fiscal and tariff acrobatics, which all but ruined our basic industries in that great State, and incidentally on November 2 last caused the greatest avalanche of Republican votes ever recorded in the history of California. [Applause on the Republican side.]

We certainly think it is quite fair and to be expected that this increase be allowed, and I hope that every real protectionist will vote for it. I assume that every man who sits on the Republican side of the House is a real protectionist, because he

was elected on a protectionist platform on November 2 last, and I can not imagine that any among you have so soon forgotten your party pledges as to vote against the amendment. I therefore expect every Republican and a goodly number of "protectionist" Democrats to vote for this increase as recommended by the Committee on Ways and Means. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question being taken, on a division (demanded by Mr. HARDY of Texas) there were—ayes 66, noes 35.

Accordingly the amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Iowa offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: Page 114, in line 10, after the words "ad valorem," make a new paragraph of the following sentence.

Mr. GARNER. Mr. Chairman, I reserve a point of order on the amendment.

Mr. CANNON. What is the following sentence? The following sentence has not been read.

Mr. GREEN of Iowa. If the gentleman from Illinois wishes to have that part of the bill read, the Clerk can read it.

Mr. CANNON. I would like to have it read, because I would like to locate it.

Mr. GREEN of Iowa. In line 10, page 114, after the words "ad valorem." It proposes to make a new paragraph of the sentence which follows. It proposes to separate it into a new paragraph. It does not change any of the words.

Mr. FESS. Lines 10 to 14.

Mr. GARNER. I have reserved a point of order on this amendment. I rise for the purpose of asking the gentleman from Iowa [Mr. GREEN] whether this is one of the amendments that was authorized in the committee yesterday afternoon? My memorandum here does not contain it.

Mr. GREEN of Iowa. It is one of the amendments which was authorized by the resolution——

Mr. GARNER. I make the point of order against this amendment that it has not been authorized by the Committee on Ways and Means.

The CHAIRMAN. The gentleman from Texas makes the point of order that the amendment offered by the gentleman from Iowa has not been authorized by the Committee on Ways and Means. The Chair will hear the gentleman from Texas.

Mr. GARNER. I will say to the gentleman from Iowa and to the Chair that I have here a certified copy of the amendments that were authorized by the committee on yesterday, at the only meeting we have had which authorized amendments. This certified copy is furnished me by the clerk of the committee, and in that certified copy the amendment just offered by the gentleman from Iowa does not appear. So I make the point of order that it has not been authorized by the Committee on Ways and Means.

Mr. GREEN of Iowa. There was so much disorder that I could not hear what the gentleman said. Will he kindly repeat it?

Mr. GARNER. I say I have obtained from the clerk of the Committee on Ways and Means a certified copy of the amendments authorized on yesterday by the Ways and Means Committee, and the amendment offered by the gentleman from Iowa [Mr. GREEN] is not contained in that certification. Therefore I make the point of order that the Ways and Means Committee has not authorized the amendment offered by the gentleman from Iowa.

Mr. GREEN of Iowa. The gentleman can let the Chair see what he has there, and see what the clerk has certified to.

Mr. GARNER. I will submit it to the Chair if he desires. This is signed by the clerk of the committee, and is a certified copy of the amendments that were authorized on yesterday by the Ways and Means Committee. In that certification the amendment offered by the gentleman from Iowa [Mr. GREEN] does not appear.

Mr. MANN. Mr. Chairman, of course where a committee amendment is offered, and objection is made for any reason that that is not a committee amendment, it is necessary for the Chair to obtain the information by asking, and the proper method is for the Chair to ask the gentleman from Iowa whether this is a committee amendment which he was authorized to offer in behalf of the committee.

Mr. GARNER. I asked that question and the gentleman said it was not.

Mr. MANN. Oh, no; he did not. The gentleman did not say that.

Mr. GREEN of Iowa. The gentleman from Texas entirely misunderstood what I said. I said nothing of the kind. On the contrary, I said expressly that it was authorized by resolution of the committee. If the gentleman has any certification by the clerk which is different from that, his certification is simply wrong. The clerk had no right to make any such certification, for it is not a fact, and is not correct.

The situation is simply this: In the meeting of the full committee a resolution was passed authorizing the chairman of the committee, in conjunction with such members of the committee as he saw fit to select, to report as committee amendments such amendments as might be deemed advisable or necessary by the majority for the perfecting of the bill, and to designate such persons as he saw fit to offer those amendments in Committee of the Whole. Now, this is an amendment that is covered by that resolution and is authorized by the committee in that way.

Mr. FORDNEY. Mr. Chairman, the chairman of the committee, as directed by the committee, appointed every Republican member of that committee to offer such amendments.

Mr. GREEN of Iowa. I think that covers the ground. Now, let us see what objection the gentleman has.

Mr. GARNER. Mr. Chairman, in order that the matter may come fully before the Chair and that it may be fully passed upon, I think it would be well for the gentleman from Iowa to submit the authorization of the committee authorizing him to offer this amendment or any other amendment. Let me see if I understand——

The CHAIRMAN. The Chair is not concerned with details of what occurred in the committee. The Chair is concerned merely with the results as they are stated by members of the committee.

Mr. GARNER. May I ask the Chair this question, then? I state to the Chair that this amendment was not considered by the Committee on Ways and Means, was not read to the Committee on Ways and Means, that the Committee on Ways and Means did not consider the amendment. The gentleman from Iowa agrees to that statement, but he also contends that this amendment is in order because the Ways and Means Committee passed a resolution authorizing the Ways and Means Committee or any member of it to offer any amendment that the majority might see proper to offer outside of the committee.

The CHAIRMAN. Does the Chair understand it to be the gentleman's contention that to make the amendment of the gentleman from Iowa in order it would be necessary for the Committee on Ways and Means to have the amendment read and considered in the committee and have the gentleman from Iowa or some other gentleman formally offer that amendment?

Mr. GARNER. If it is to be a committee amendment authorized by the Committee on Ways and Means, it certainly must have been considered by that committee. The Chair had yesterday before it a very clear case, and, I thought, made a very proper ruling, and it was to the effect that the integrity of the House and the proceedings of its committee made it necessary for bills and resolutions to be considered by the entire committee. The special rule under which we are acting authorizes the consideration of committee amendments. We put these amendments on a parity with any bill or resolution that might be reported from the Ways and Means Committee. I call the Chair's attention to an analogous situation that might develop if he should hold that a resolution passed by a committee repealed or suspended the rule of the House, as the proposed resolution of the Ways and Means Committee attempts to do. The amendments coming from the committee under the special rule must have the same dignity as a bill reported by the committee. Suppose the Ways and Means Committee at the beginning of Congress passed a resolution, such as the gentleman from Iowa has suggested, authorizing at any time during the Congress the Ways and Means Committee to report on any bill referred to it or any resolution by the chairman or any member of the majority after they had acted upon it outside of the committee. I submit to the Chair in all seriousness that that would contravene the rules of the House of Representatives. That is exactly what occurred in this instance. The Committee on Ways and Means passed a resolution authorizing—and if I may without breach of the rules of the House or the committee, I will send it to the desk and ask the Clerk to read it.

The CHAIRMAN. The Clerk will read the resolution for information.

The Clerk read as follows:

Motion of Mr. GREEN of Iowa as amended by the motion of Mr. LONGWORTH: That the chairman of the Ways and Means Committee be authorized, in conjunction with such members of the committee as he may select, to report as committee amendments such amendments as are found by the majority of all the committee advisable and necessary to perfect the bill H. R. 7456, and to appoint members of the committee to offer each and all said amendments in the committee.

Mr. GARNER. Now, the Chairman will see from the resolution of the Committee on Ways and Means that it has changed the rules of the House. The rules provide that bills and resolutions must be considered by a committee and not by a majority authorized by the chairman.

The CHAIRMAN. The Chair would like at this juncture to have the gentleman submit the rule of the House.

Mr. GARNER. I will read what the Chairman said yesterday, quoting ex-Speaker CANNON and ex-Speaker Clark, and I think that will be sufficient:

Committees can only agree to a report acting together. On January 9, 1905, Mr. JOHN S. WILLIAMS, of Mississippi, asked unanimous consent for the present consideration of House resolution No. 415, relating to statistics of the ginning of cotton, and the following paper was presented. Mr. WILLIAMS spoke of it as a unanimous report from the Committee on the Census:

COMMITTEE ON THE CENSUS,
January 9, 1905.

We, the undersigned members of the Committee on the Census, agree to a favorable report on House resolution No. 415, and further agree that its author, Mr. WILLIAMS, of Mississippi, may call up same when the opportunity presents itself.

That was signed by a majority of the members of the committee. The point of order was made, and Speaker CANNON said:

The Chair understands that, in point of fact, the formal report has not been made from the Committee on the Census, although there is a paper on the Clerk's desk signed by a majority of the members of that committee.

To make a ruling that would cover one bill and let this one in would not do very much harm, but to rule that this kind of a paper may take the place of a report or authorization from a committee at an authorized meeting—because the Speaker does not rule in one case only, for the rule is made for all similar cases—would open the doors so wide to a proceeding not authorized by the House that the Chair must hold, in order to preserve the integrity of the proceedings of the House, that the point of order made by the gentleman from Illinois [Mr. Foster] against this paper which the gentleman from Alabama [Mr. HEFLIN] presents is well taken.

Now, what does the Chair say? Remember that this special rule only authorizes amendments authorized by the committee, not outside of the committee, not amendments that have not been considered by the committee, and the gentleman admits that the amendment was not considered by the committee, but that he is offering it by virtue of the resolution. The Chair said:

The Chair in this case can not hold, though it would do but little harm to do so in itself, that a majority of the members of the committee really acted. But the Chair is of the opinion that the committees of this House can only act when they meet formally with such notice as advises the members of the committee of the proposed meeting, and that the amendment offered by the gentleman from Ohio [Mr. LONGWORTH] was not authorized by the Committee on Ways and Means at such a meeting of the committee, and therefore sustains the point of order made by the gentleman from Texas [Mr. GARNER].

Now, Mr. Chairman, it is admitted that this amendment was not offered at the meeting of the Ways and Means Committee, not considered by the Ways and Means Committee, but is proposed to put it in here by virtue of the resolution passed by the Ways and Means Committee.

Mr. HARDY of Texas. Will the gentleman yield?

Mr. GARNER. Yes.

Mr. HARDY of Texas. If this can be done, then by the same process could not the majority, when you have a meeting on any given bill, dispense with further meetings of the committee and authorize the majority to act as the committee?

Mr. GARNER. Oh, undoubtedly. If the Chair in this instance holds this point of order not well taken, then in the future any committee of this House can meet and pass a similar resolution, in the identical words of this resolution, and apply it to bills and resolutions, because this committee report has equal dignity. The rule requires a committee to report an amendment as it requires the committee to pass bills and resolutions, and you can pass this identical resolution, changing the word "amendment" to "bills and resolutions," and there would be no necessity for another meeting of the committee during the entire Congress. I submit to the Chair that to make this ruling will open the door, as the Chair very justly and wisely said yesterday, to all kinds of proceedings in the House of Representatives without the knowledge of the minority and an opportunity to act.

Mr. GREEN of Iowa. Mr. Chairman, what the gentleman says with reference to the ruling of the Chair and the previous decision of Mr. Speaker CANNON has as much to do with the point at issue here as if he had read something from the law of the Medes and Persians. The point in that case was, and the point the Chairman decided yesterday was, that the committee itself had not acted and authorized the amendment, and that was conceded yesterday. Exactly the opposite is true to-day. Was this amendment authorized by the committee? It was authorized in express terms. The full committee met and passed this resolution authorizing the chairman in conjunction with such of the members as he may select to present these committee amendments. You could not authorize it any further than it has been done here.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GARNER. If you should pass this resolution authorizing the committee in the same terms to report bills and resolutions, the gentleman's contention is that we could not give them any greater authorization than that.

Mr. GREEN of Iowa. The gentleman talks about reporting bills. Committee amendments are not reported; they are presented and offered to the House.

Mr. GARNER. They are of the same dignity and on the same plane with bills and resolutions.

Mr. GREEN of Iowa. The gentleman is in error. The rules provide for the reporting of bills; and as far as that is concerned, I have no doubt that it could be done. The committee has acted, the committee has authorized certain persons to present these amendments as amendments, and, therefore, they are authorized by the committee. Under every principle of law, the committee having given its expression thereto, these members of the committee are authorized to do this thing, and that is the whole question before the Chair.

Mr. HARDY of Texas. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HARDY of Texas. Does the gentleman contend that when the Committee on Ways and Means first met to consider the tariff bill, which was introduced and referred to them, having a majority of that committee, the Republican members, that that majority could pass a resolution authorizing any member of the Republican members to prepare and present a bill and support it outside of the committee?

Mr. GREEN of Iowa. I am not talking about that, and that has nothing to do with this question whether it could be done or not, because that is a matter of reporting a bill which is governed by certain rules of the House. This is a matter of reporting an amendment. If the Chair sustains this point of order, we will find all sorts of difficulties every day in presenting amendments.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. WALSH. Does the Committee on Ways and Means have any knowledge of what these amendments are?

Mr. GREEN of Iowa. Oh, yes.

Mr. GARNER. No minority member of the committee does, and this amendment was not offered in the committee.

Mr. WALSH. Does the Committee on Ways and Means have any knowledge of what this amendment is?

Mr. GREEN of Iowa. What does the gentleman mean?

Mr. WALSH. The amendment referred to in this resolution, which the chairman is authorized to present or designate members to present. Does the Committee on Ways and Means have any knowledge of what these amendments are?

Mr. GREEN of Iowa. Oh, yes. Gentlemen on the other side had a list of these amendments, including this one, in their possession at the time this rule was adopted.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GARNER. I say to the gentleman, in response to the question of the gentleman from Massachusetts, that the Committee on Ways and Means knew nothing about this amendment.

Mr. GREEN of Iowa. If gentlemen insist on shutting their eyes when amendments are produced before them——

Mr. GARNER. When was it produced?

Mr. GREEN of Iowa. I gave it to the gentleman the other day, along with the other perfecting amendments, and told him that he could look them over.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. LAYTON. Do I understand that a majority of the Committee on Ways and Means had knowledge of the purport of these perfecting amendments?

Mr. GREEN of Iowa. They not only had knowledge of the purport of them but they knew exactly what they were. They read them and approved them, and the majority passed a resolution which authorized them to offer them.

Mr. BANKHEAD. Mr. Chairman, does the gentleman state that at this hearing of the committee, which was called after the ruling of the Chair yesterday, this specific amendment was read to the committee for its action?

Mr. GREEN of Iowa. It was not. However, gentlemen on the other side had this perfecting amendment given to them sev-

eral days ago, but that has nothing to do with the question. The majority of the Ways and Means Committee, by a vote of that committee, was authorized to present this amendment, among others, and I was authorized by the chairman to make the formal motion in the Committee of the Whole.

Mr. LONGWORTH. Mr. Chairman, it seems to me that a very different question is presented to the Chair to-day from that presented yesterday. It was really for the purpose of securing a ruling from the Chair and of settling this question that I yesterday offered as a committee amendment an amendment that had been presented to and agreed upon by the majority of the committee, and which I was authorized by a majority of the committee to present. The gentleman from Texas [Mr. GARNER] made the point of order that this was not properly a committee amendment because it had not been authorized at a formal meeting of the committee, duly called together. I at that time conceded that while a strict construction of the rule by the Chairman would involve the very great and the very necessary delay in the consideration of this bill, yet that the contention of the gentleman from Texas was well founded.

Thereupon I asked the Chair to rule as to what was the necessary formality of calling the committee together, whether it was necessarily by written notice sent out some time in advance or whether the mere announcement of the chairman of the committee that a meeting was to be held would be sufficiently formal. The Chair said in his opinion such notice of the chairman would be regarded as formal, whereupon the gentleman from Michigan announced a meeting of the Ways and Means Committee immediately after the adjournment of the House. Immediately after the adjournment of the House the committee met. The resolution which has just been read by the Clerk was adopted. Now, that resolution it seems to me is pertinent to this case, and the Chair must consider what that resolution meant. The gentleman from Texas says it means an amendment of the rules of the House. To my notion it is no such thing. That resolution simply provided that the chairman might designate the members of the committee who could present committee amendments to the House.

Mr. GREEN of Iowa. Perfecting amendments.

Mr. LONGWORTH. Either of a perfecting nature or of a nature changing some policy in the bill or some rate of duty. That is what the word "advisable" means in this motion which the Clerk has read. Thereupon at a formal meeting of the committee, duly called in accordance with the formula of the Chair, that resolution was adopted. Now, thereafter certain amendments were presented to the full committee and agreed upon. This particular amendment offered by the gentleman from Iowa was not presented yesterday, but it had been presented some days before to a majority of the committee, a majority of the committee had passed favorably upon it, and a majority of the committee had authorized the gentleman from Iowa to present it. Now, it would be a very technical holding, it seems to me, if the Chair would say that under this resolution amendments adopted by a majority of the committee yesterday afternoon or yesterday morning stood in any different position in the House. The fact is that this amendment, together with those amendments which were formally presented yesterday, stands on exactly the same footing. They were all presented to a majority of the committee, favorably acted upon by a majority of the committee, and the gentleman from Iowa was authorized to bring that amendment to the floor of the House.

Mr. GARNER. Will the gentleman yield?

Mr. LONGWORTH. I will.

Mr. GARNER. The gentleman will agree there is this difference: One was formally authorized by the committee, and the other was never presented to the committee in its session.

Mr. LONGWORTH. That is true, technically——

Mr. GARNER. That is all I wanted the gentleman to admit.

Mr. LONGWORTH. Of course, it is technically true at a full formal meeting of the committee where all members, both the majority and the minority, were present the resolution was duly adopted which provided that amendments agreed upon by a majority of the committee could be presented to the House. Now, that is the situation in a nutshell, and that is this amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, a committee of the House is not a law unto itself. A committee of the House can not determine the course which it will follow under any and all circumstances and by its determination bind the House. It seems to me that the essential principle which is involved in the point of order made by the gentleman from Texas to-day was involved in the point of order made by him on yesterday and upon which the Chair rendered a clear-cut opinion, and in my judgment a most righteous and excellent decision. Mr. Chairman, how does a bill become a committee bill? Certainly by adoption by the committee. How is an amendment to become a committee amendment? Certainly by adoption by the committee. This rule provides that committee amendments shall have precedence over other amendments in that the committee amendments may be offered at any time to any place in the bill. Now, Mr. Chairman, we must always bear in mind, if we can, the reason that exists for a rule and a practice. What is the reason for having a committee at all? Why are committees of the Congress created? In order that they may give especial thought to special questions that are referred to it. The Committee on Ways and Means is created to give especial thought to revenue questions which are referred to it, and it is the agent of the House in performing this function. The duty of that committee is to bring to the House the result of its endeavors and to place it before the House for consideration and amendment under the general rules of the House, wherever that is permitted, or by special rule as is being done in this case. Does this amendment offered by the gentleman from Iowa, insignificant and unimportant though it is, represent the judgment of the committee? How can it represent the judgment of the committee as a committee when according to all admissions it never was submitted to the committee?

Mr. LONGWORTH. Will the gentleman yield?

Mr. GARRETT of Tennessee. I will yield.

Mr. LONGWORTH. For the sake of the argument the gentleman will concede that a majority of the membership passed favorably upon it.

Mr. GARRETT of Tennessee. Well, I do not know anything about that, but if the gentleman says so, I would assume—of course, I would know it to be true.

Mr. LONGWORTH. Does the gentleman deny the right of the full committee, duly called together with all formality, to pass a resolution saying that that is the action of the committee?

Mr. GARRETT of Tennessee. Yes, Mr. Chairman, I deny the right.

Mr. LONGWORTH. Of the full committee to pass upon something that has heretofore been done by a majority of the committee?

Mr. GARRETT of Tennessee. Oh, but the gentleman is putting it too broad now.

Mr. LONGWORTH. No; that is the precise question involved here.

Mr. GARRETT of Tennessee. No; I deny the right of the full committee to confer upon a part of the committee, even though the part be a majority, the authority to make a committee amendment out of a proposition never submitted to the full committee. If that can be done, then the decision which the Chair made yesterday, which throws around this parliamentary body, particularly the minority of the body, the protection of parliamentary law, has gone to the winds; there had as well not be any minority upon the committee in the future. Bear in mind, sir, the question is committee amendments, and an amendment can only become a committee amendment by action of the committee, and the full committee can not delegate by blanket authority, even to a majority, the power to make anything not submitted to the full committee a committee amendment.

Mr. LONGWORTH. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. LONGWORTH. The gentleman, as I understand it, denies the right of the full committee to delegate authority to do something in the future, but here the committee, formally called together, the full committee simply does not delegate any right but simply confirms the action heretofore taken by a majority of the committee, which is a different thing.

Mr. GARRETT of Tennessee. But, Mr. Chairman, this specific thing was not placed before the committee. The full committee did not pass upon this amendment. This amendment, it is conceded, was not laid before the full committee.

Mr. Chairman, it must be held that a committee amendment, in order to be a committee amendment, must go through precisely the same process that a bill itself goes through. I think surely there can be no doubt about that.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. GARRETT of Tennessee. Certainly.

Mr. GREEN of Iowa. Does not the gentleman from Tennessee make the same assumption that the gentleman from Texas [Mr. GARNER] makes—that the rules of the House with reference to the submission and passage of bills apply to the action of committees in reference to a bill or amendment? The gentleman knows that is not so. They do not apply. Bills are considered in a certain and specific way. They must have debate

on the bill, but in the committee it is not as necessary that we have any debate whatever.

Mr. GARRETT of Tennessee. I do not make that contention, Mr. Chairman. I think this is probably true in a general way, that unless a committee adopts special rules for its own guidance, that in so far as practicable the rules of the House would apply. I mean apply in committee procedure. But that is not the question involved here at all.

Mr. GREEN of Iowa. The gentleman knows that the rules of the House could not be made applicable to that procedure in a large case like this.

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman and I are arguing at cross purposes. That which he suggests is not involved here at all. This is a question of whether a committee can perform an act by a blanket resolution that will confer upon a mere portion of that committee the duties that must be discharged by the full committee. Let me say to the gentleman from Iowa, if I might turn to his argument for a minute, that if the rules of the House do not apply, then what would it require in committee to pass a proposition? If the argument of the gentleman from Iowa were good and the rules do not apply to a committee, then a majority of the committee could confer upon any number—one man, two men, three men—power to adopt any amendment he or they saw fit, and thus abrogate the entire functions of the full committee.

Mr. MOORE of Virginia. And could it not be also conferred on some one outside of the House?

Mr. GARRETT of Tennessee. Yes; in all probability. What force is there in a mere majority if the reasoning of the gentleman from Iowa holds good?

Mr. LONGWORTH. I understand that both the rule of the House and the rule of committees was the rule of the majority, and this is what this particular amendment provides, that a majority should act. It excludes the possibility of the condition the gentleman suggests, that two or three men might do it.

Mr. GARRETT of Tennessee. And yet the fact remains that if a majority of the committee can confer upon a majority power to make an amendment the action of the committee without it being submitted to the full committee, then there is no use to have minority members on your committees. By the same force of logic we could, right at the beginning of a session of Congress, say by resolution that whatever a majority of this committee shall declare shall be a bill, shall be a bill. The minority can be dismissed.

Mr. PADGETT. Will the gentleman from Tennessee yield?

Mr. GARRETT of Tennessee. I will.

Mr. PADGETT. Take a concrete case: There are 17 members on the majority side of this committee and 8 representing the minority. A measure comes before that committee and 8 or 9 of the 17 agree to a proposition to bind the majority. If it is brought before the whole committee the 8 of the minority could join with the 8 of the minority of the majority and you would have 16 against your proposition, and the 9 of the majority could thereby submit 200 amendments that were never submitted to the full committee.

Mr. GARRETT of Tennessee. That is a possibility that could easily arise.

Mr. LONGWORTH. Will the gentleman ask his colleague whether during his very eminent services as chairman of the Naval Affairs Committee he did not repeatedly offer on the floor of this House amendments that had never been adopted by a majority?

Mr. PADGETT. I have never submitted one as a committee amendment. I submitted numbers of them that were personal, but never submitted one as a committee amendment that was not authorized by committee action. [Applause.]

Mr. GARRETT of Tennessee. I dare say that never in the history of the Congress has there been submitted to us as a committee amendment one that has not been passed upon by the committee. Individual Members might offer amendments under the general rules of the House, but we are proceeding now under a special rule that provides for "committee amendments." Mr. Chairman, this is a fundamental thing. Of course, the Committee on Rules might bring in a special rule which could eliminate this matter of committee amendments, but fundamentally it is the right of this House to be the judge of its committees, not only upon the bill but upon the amendments that are to be submitted to it by committees. The rights of the minority are just as strong in the matter of amendments as they are in the matter of voting upon the bill itself. It does not seem to me, sir, that it is a question that even admits of argument.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. LONGWORTH having taken the chair, a message in writing from the President of the United States by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills of the following titles:

On July 11, 1921:

H. J. Res. 173. Joint resolution ratifying and confirming from and including July 1, 1921, obligations incurred pursuant to the terms of certain appropriations for the fiscal year 1922.

On July 12, 1921:

H. R. 4803. An act making appropriations for the naval service for the fiscal year ending June 30, 1922, and for other purposes.

H. R. 5222. An act to provide for the retention by the Government of the property in Seward, Alaska, known as the Alaska Northern Railway Office Building, and its use for court purposes.

On July 15, 1921:

H. R. 4976. An act granting the consent of Congress to the Trumbull Steel Co., its successors and assigns, to construct, maintain, and operate a dam across the Mahoning River in the State of Ohio.

H. R. 5622. An act providing for the appraisal and sale of the Vashon Island Military Reservation, in the State of Washington, and for other purposes.

H. R. 2421. An act granting certain public lands to the city of Phoenix, Ariz., for municipal purposes.

On July 18, 1921:

H. R. 6814. An act to authorize the construction of a dam across Wabash River at Huntington, Ind.

THE TARIFF.

The committee resumed its session.

Mr. MANN. Mr. Chairman, the gentleman from Tennessee [Mr. GARRETT] and the gentleman from Texas [Mr. GARNER] raised a highly technical question. They have raised a point of order that a committee amendment could not be offered, first, without direct authority from the committee and without specific action by the committee on that particular amendment. I say it is a highly technical question, because during my service in this House, which has included five or six or seven tariff bills, not all of which became laws, and which has included consideration of a great many appropriation and other bills, I have never before heard the question raised that if the man in charge of a bill, or one of his lieutenants, offered a committee amendment whether the amendment had been specifically acted upon by the committee. And I have known cases repeatedly, including the distinguished gentleman from Tennessee [Mr. PADGETT], formerly chairman of the Committee on Naval Affairs, where he and others in charge of bills offered committee amendments on the floor by reason of something that had arisen on the floor, without any specific authority from his committee, and the right had not been challenged.

Mr. PADGETT. Mr. Chairman, will the gentleman yield?

Mr. MANN. I yield.

Mr. PADGETT. I will state that that is incorrect.

Mr. MANN. I state that it is correct.

Mr. PADGETT. I offered them as personal amendments, but not as committee amendments authorized by the committee.

Mr. MANN. Not at all. The chairman of the committee in charge of the naval bill, where an item had gone out, perhaps on a point of order or for some other reason, offered a committee amendment, and I think, whether he had the technical right to do it or not, he was using good judgment in many cases.

Now, yesterday the question was raised whether a committee amendment could be offered without the authority of the committee, and whether the committee authorized action as committee action without a formal meeting of the committee. I remember very distinctly Speaker Clark's ruling upon that subject, and I took part in the debate. I think the ruling he made was correct, and I think the ruling of the Chairman yesterday was correct—that the offering of a committee amendment as a committee amendment could not be made without authority from the committee and formally made.

But what is the situation now? I never had dreamed that anybody would be so contentious as to say that no committee amendment could ever be offered until it had been read, debated, and voted upon and fully considered in the committee.

Gentlemen speak of reporting bills. I have noted cases repeatedly when bills were authorized to be reported before they were introduced. I have known cases repeatedly where the chairman of the committee was authorized to change and put amendments into a bill and report the bill as he amended it. I have known cases repeatedly where members of the committee, or members of a subcommittee of a committee, were authorized to make changes in a bill and report it as thus changed. That is in the interest of orderly procedure in the House.

Now, what is the situation here? We are considering a bill of great importance, a long, highly technical measure, where questions may repeatedly arise where it is desirous to make a change in the bill. An item may be stricken out and you may want to insert another. You may take up the final paragraphs of this bill and make a change, and it requires an amendment. Yet gentlemen say the committee can not offer an amendment without having a formal meeting and specifically considering that amendment. I heard the gentlemen on the other side say they never were given a chance to consider the bill.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MANN. I was told by gentlemen on that side that they were never given a chance to have the bill read before it was reported to the House. I yield to the gentleman.

Mr. GARRETT of Tennessee. Of course, amendments can be offered under the circumstances which the gentleman describes. When an item is stricken out it can be offered as an individual amendment, not a committee amendment.

Mr. MANN. It could if you reached that portion of the bill. I spoke of the last paragraph. I anticipate that, with the constant delay that gentlemen on the other side are forcing upon the House by their points of order, the last paragraph of the bill will not be reached for reading for amendment.

Now, what is the question? Whether the committee has given authority to offer this amendment? The committee may have had this particular amendmext in mind. They have passed a resolution authorizing certain members of the Committee on Ways and Means to offer committee amendments. That is the authority. That was done in formal meeting of the committee. It would be highly absurd to say that a committee could not authorize the offering of an amendment until the amendment had been read and voted upon in the committee. There is no authority for such a claim. There is no parliamentary law which sustains such a claim, and it never has been the practice of this or any other parliamentary body. It is highly technical to say that a committee must have a formal meeting. So I agree with the ruling of the Chair on that subject. But to say that when a committee had a formal meeting it can not authorize a committee amendment without having the amendment read and perhaps debated and voted upon specifically in the committee while the House has a bill under consideration is a ridiculous point of view. [Applause on the Republican side.]

Mr. LONGWORTH. Mr. Chairman, may I be heard?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. LONGWORTH. Mr. Chairman, if the gentleman from Iowa [Mr. GREEN] had undertaken to offer this amendment yesterday under the decision of the Chair—and it was an absolutely correct decision—the point of order of the gentleman from Texas [Mr. GARNER] would have been good. But since then there had been a formal meeting of the Committee on Ways and Means, and at that meeting a formal resolution was passed which authorized the presentation to this House of amendments which had been favorably acted upon by a majority of the committee. That is this case.

Mr. COCKRAN rose.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. COCKRAN. Mr. Chairman, I have listened to this discussion with a great deal of interest and some enlightenment. The gentleman from Illinois [Mr. MANN] has certainly made a singularly forceful presentation of the question as it occurs to him. But I think his speech is a most conclusive argument against the appointment of committees, at least against the wisdom of referring to committees or conferring on them the task of proposing amendments on the floor to measures under consideration by this body. I think he has shown very clearly the degree of awkwardness such a system is certain to produce. But conceding all this, I can not see that it constitutes anything more than an argument ad conveniendum—an argument addressed to the convenience of the House and not directed to the essential principle underlying the question we have been discussing.

I have a great respect for majority rule. I have always realized and asserted that you must have rule either by a majority or by a minority, because orderly existence requires that a rule must be found somewhere to govern it. And rule by a majority is absolutely preferable to rule by a minority. But surely it is a corrollary of that proposition that there must be no doubt whatever that it is a majority which actually rules. Now, it seems to me that unless a committee takes action on a matter formally—that is to say, while it is a committee—because a mere assemblage of some of its members at one place does not make it a committee in session—that is to say, in operation—you can not be sure that a majority reached a conclusion on that particular subject.

It may be awkward, as the gentleman from Illinois has said, to require that before matters referred to a committee can be brought before this body by a committee report the committee must be compelled formally to take action upon them; but the awkwardness of that procedure does not argue against its validity nor its necessity. For what is the purpose and object of committees? Why, they are appointed for the very purpose of doing the things which the gentleman from Illinois [Mr. MANN] seems to get impatient at contemplating. He says it would be very burdensome if they had to meet, consider, and decide every proposal before submitting it here. In the name of common sense, what were they appointed for except for that very operation? Why is it that the right to offer amendments in Committee of the Whole is restricted to recommendations made by the Committee on Ways and Means? It is because we assume that the Ways and Means Committee before offering any amendment will have done the very thing which provokes the impatience of the gentleman from Illinois. If that be not the assumption—the principle governing bestowal of this evident knowledge in the committee—then the whole procedure is absurd. And I do not think we are willing to admit that, or the Chair is ready to hold it.

Now, I want to make this additional point: A parliamentary majority is not a fixed quantity. The assumption that a majority is stable—unchanging—is, I think, the mistake under which the gentleman from Ohio [Mr. LONGWORTH] seems to be laboring. In contemplation of parliamentary law the majority and minority of this House are not fixed but fluid quantities. Theoretically and constitutionally every vote recorded by the Clerk embodies an exercise of independent judgment by every Member on a proposal pending before the House. The whole theory upon which the gentleman from Ohio [Mr. LONGWORTH] proceeds is that we have fixed divisions or castes; that when a Member joins one caste he belongs to it for all time, at least for all the time of his congressional life. But nothing could be more radically opposed to the whole theory of parliamentary operations. The gentleman from Tennessee [Mr. PADGETT] suggests a situation that might have arisen on any one of these proposals. There is no way known to parliamentary law by which existence of a majority on any given question can be determined except by a vote of the whole committee on that particular subject taken while the committee is in session—that is to say, while it is in actual existence. Again, if we are to take the position that a committee can delegate to a part of its membership the power of the whole, conceive where such a doctrine may lead us. Why, it might confer its entire power on the chairman. It could not be in handsomer hands, nor, so far as he is personally concerned, in better hands. But I think even the gentleman from Ohio would recoil from such a proposition as that. Conferring all power on the chairman would not be one whit more subversive of parliamentary procedure than to bestow it on a majority. There is no more virtue in the majority of a committee as such than in a minority when the committee is not in session. When it is not in session it is not in existence. After its appointment it is always potentially existent until the end of the session, but it is actually existent only while it is in operation.

Mr. Chairman, the very enlightened ruling made yesterday—a ruling which I think will stand for a long time conspicuous in the precedents of parliamentary procedure—will be sustained and confirmed by holding now that whatever the inconvenience—which I do not admit, but even conceding it to be all that the gentleman from Illinois [Mr. MANN] has suggested—action required to be taken by a committee must be taken while it is in session—that is to say, while it is actually functioning. There is something vastly greater at stake here than the convenience of gentlemen who happen now to be Members of this House. That is, the integrity of the system established by the House itself to govern its proceedings. It would be deplorable if no means were established by which existence of a majority can be determined at any time and at all times. Not its existence when the session began and the committee is appointed, not its existence last month, last week, or last night, but its existence now, its continued existence; and that can be established in no way except by a vote taken on every question as it arises for consideration. Committees of the House, like the House itself, are in contemplation of law to exercise an independent judgment on every matter referred to them and to express it by a vote of the majority. Until the committee is in session and the vote formally taken there is no way within the scope of parliamentary procedure by which even

the existence of a majority on any question can be determined, much less its future action.

Mr. MONDELL. Mr. Chairman, the gentleman from Illinois [Mr. MANN] has referred to the point of order raised by the gentleman from Texas [Mr. GARNER] and the gentleman from Tennessee [Mr. GARRETT] as being highly technical. That is true, but it is also true that the matter before the House is, after all, very simple. It is merely this: Is it necessary and essential, when a committee of the House meets in regular session for the consideration of legislation, that every word, every punctuation point, every mere change of verbiage suggested, proposed, or intended on a piece of legislation before the committee shall be considered separately by the committee and passed upon by the committee? In the case of the amendments to this bill a great many of them, scores of them, are merely changes of punctuation, changes of spelling, substitution of a word without essentially changing the provision or its intent. Gentlemen insist that it having developed that in a great bill like this, with its thousand paragraphs, all of these amendments, most of them relatively unimportant, must all be considered separately before the committee and the opportunity given to the minority to filibuster on them as much as they may see fit before the committee may report them. Many of these amendments are only found necessary after the bill has been carefully considered subsequent to the beginning of the debate. They are important to the perfection of the bill. The minority in committee might insist upon taking much time, and by demanding that each and every one of these propositions to insert a comma, to change a comma for a semicolon, to insert "and" instead of "or" be voted upon separately, they could easily delay the proceedings of the House so that it would be impossible to offer these amendments to the bill. The gentleman from Illinois [Mr. MANN] has clearly stated the practice of the House. The gentleman from New York [Mr. COCKRAN], with a good deal of committee experience, I think, but scarcely as much as that of some of the Members of the House, seems to have misunderstood the statement of the gentleman from Illinois [Mr. MANN]. The gentleman from Illinois does not contend that amendments are to be offered as committee amendments without any consideration, without any thought having been given to them, but rather that they need not, in their infinite details, have been considered by every member of the committee. How common it is for the chairman of the committee, as the gentleman from Illinois has well said, to be given authority to perfect the language of legislation, and as perfected to report it. How frequently members of a subcommittee are authorized to report bills of a certain tenor and effect, leaving to them discretion as to the phraseology of the legislation.

There is nothing commoner, nothing more essential to the orderly transaction of business in committees. These amendments are not offered without consideration. A majority of this committee has considered them, and a majority of the committee favors them. It is true the minority hold that it is essential that there should be a formal action of the committee on every one of them, that everybody should be present and everybody vote, which is absurd.

Mr. WALSH. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. WALSH. The gentleman has stated that many of these amendments are unimportant. Suppose they were all of the utmost importance and vital, would it make any difference in the gentleman's opinion whether the committee could offer them?

Mr. MONDELL. I think not; it is to be assumed that when a majority of the committee authorizes its chairman to report a bill in a certain form or to report a certain amendment that the majority of the committee has considered the amendment. They may be very important, as some of these are important. They have been considered, but the contention of the minority is that they must all of them, important or unimportant, be presented in detail and in particularity each and every one to the entire committee and be approved by formal action of the committee on each of them.

Mr. COCKRAN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. COCKRAN. I understand the position of the gentleman is that what constitutes important amendments should be considered by the committee, and only unimportant ones——

Mr. MONDELL. I said nothing of the kind about the importance of the amendment.

Mr. COCKRAN. I misunderstood what the gentleman said, then. One further question. Let me ask the gentleman how he would determine what are important and what are unimportant, what standard he would use?

Mr. MONDELL. The gentleman misunderstood me. I said in answer to the gentleman from Massachusetts that it is not a matter of the importance of the amendment. I was illustrating that in this case the great majority of the amendments are of minor importance.

Mr. COCKRAN. We will concede that.

Mr. MONDELL. But without regard to the importance of the amendment, the majority of the committee certainly has power to authorize the offering of the amendments.

Mr. COCKRAN. One question more. Where does the gentleman find in parliamentary law, in the structure of parliamentary bodies, any such entity as a majority of the committee?

Mr. MONDELL. I do not quite understand.

Mr. COCKRAN. The gentleman has been speaking of "a majority of the committee." What I want to ask the gentleman is, where he can find in the whole scheme of parliamentary organization, parliamentary law, or parliamentary rules, such an entity recognized as "a majority of the committee"?

Mr. MONDELL. The gentleman seems to be laboring under the impression that when I refer to the majority of the committee I have in mind the members of the majority side of the House.

Mr. COCKRAN. Certainly; that is very clear.

Mr. MONDELL. Nothing of the sort. It might be and frequently is the case that the active members of a committee who are considering the details of legislation are of both the majority and minority parties, and they have the authority to act if they constitute a numerical majority of the committee. In this particular case a more detailed examination of these amendments have been had by the gentlemen on the majority side, but in referring to a majority of the committee I did not have in mind the members of the majority side of the House but a numerical majority of the committee.

Mr. COCKRAN. How is the existence of a majority to be determined except in a session of the committee?

Mr. MONDELL. Nobody has raised the question that the committee was not in session, or a majority present.

Mr. STAFFORD. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. STAFFORD. The gentleman's argument is bottomed on the advantage of expediting consideration of the bill.

Mr. MONDELL. It is essential to the proceedings and necessary to the consideration of any legislation.

Mr. STAFFORD. I would like to ask the gentleman this question in view of his large experience in committees, whether there is anything to prevent the majority members of the Committee on Ways and Means offering at a formal committee meeting of the committee amendments en bloc and have them voted on en bloc.

Mr. COCKRAN. The House has shown the committee how to do that.

Mr. MANN. It is certain that the minority would contend otherwise.

Mr. COCKRAN. And probably be overruled.

Mr. STAFFORD. It would be within the power of the majority to move the previous question in committee.

Mr. CRISP. Mr. Chairman, if the Chair has made up his mind I do not care to delay the House longer.

The CHAIRMAN. The Chair would be glad to hear the views of the gentleman from Georgia.

Mr. CRISP. Mr. Chairman, to start with, I think the committee is fortunate in having the present occupant of the Chair in the chair for he has demonstrated that when he is presiding he is going to decide points of order in accordance with his views of the Rules of the House, whether it suits the expediency of the majority or not. The Chair's ruling yesterday meets the universal approval of the House in holding, to wit, that before there can be committee action the committee must formally assemble and act as a committee collectively. Jefferson's Manual, section 400 of the Rules of the House, reads:

> A committee meets when and where they please if the House has not ordered time and place for them (6 Grey, 370), but they can only act when together and not by separate consultation and consent—nothing being the report of the committee but what has been agreed to in the committee actually assembled.

That ruling was eminently correct, and it is accepted universally by the House as being correct.

The question now before the Chair is whether a committee, so assembled, can delegate its authority to certain members of the committee. It is a well-settled practice of law that where agency is delegated to some particular agent, that agent can not redelegate that power to some one else. Under the Constitution of the United States power is conferred upon the House of Representatives to originate revenue legislation. Could the House, or the Congress, by a resolution confer on

some 18 individuals the power to prepare and pass a revenue bill? I apprehend that no one would contend they had such a power. The House under the Constitution has the right to make its own rules, and one of the first things the House does when it meets is to prepare rules for its guidance, to insure orderly consideration of legislation, and in those rules certain committees are provided for and the powers and jurisdiction of those committees are stated in the rules. One of those committees is the Committee on Ways and Means, to which all bills affecting revenue shall be referred, and the House has conferred upon that committee, not the individual members of it, the power to consider matters pertaining to revenue, in order that that committee may make its report and recommendation to the House whether or not certain legislation shall be enacted. When that committee is sitting and acting as a committee they must sit in regular session, giving all of the members, the minority as well as the majority, an opportunity to be present. I grant you, Mr. Chairman, that the numerical majority of a committee, provided a quorum be present, has the right to determine their action, but while the minority can not control legislation, they certainly have a right to be present when the committee is considering legislation, and the right to vote against the legislation and present their views to the House. The distinguished gentleman from Wyoming [Mr. MONDELL], the leader of the House, and my beloved colleague from Illinois [Mr. MANN]—and I have the utmost and highest respect and regard for both of them—in their discussion of this matter tried to belittle the question and overlook the fundamental feature, namely, the right of the minority in a legislative body to be heard in the consideration of legislation. Whether this will work to the convenience or the inconvenience of the House has nothing to do with the point of order, and I do not think it complimentary to the majority side, with about 170 majority, to say that they can not function and do business under the rules of the House which they themselves adopted. I have never known, although it may be true, where a revenue bill was considered under such a peculiar rule as we are now considering this bill, giving to the committee the preferential right to offer amendments at any time, and to offer them to any part of the bill they please.

That is the method the majority of this House has selected for the consideration of this bill. That rule provides that the committee shall have the right to offer amendments at any time. It does not say that certain members of the committee, acting collectively, not as a committee, can do it. If the committee has the right to delegate the authority to certain individuals, would not the committee by the same rule of logic have the right to meet and pass a resolution saying that during the remainder of this Sixty-seventh Congress the chairman, with a majority of his colleagues, might meet wherever they please and recommend as the action of the Committee on Ways and Means the passage of every bill introduced and referred to it and never have a full meeting of the committee during the whole Congress, nor permit the minority party members to meet with them?

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. WALSH. Does the gentleman contend that the Committee on Ways and Means could not authorize the chairman of the committee to offer an amendment correcting the misspelling and the punctuation without calling each identical instance to the attention of the committee?

Mr. CRISP. No; I think the committee could authorize the chairman or any member of the committee to offer as a committee amendment any proposition that the committee considers as a committee amendment and instructed him to offer. I do not think they could delegate to the chairman or to any member of the committee the right to offer any amendment he saw fit, the committee never having considered it, claiming it to be a committee amendment.

Mr. WALSH. Then the gentleman contends that each individual case of a misspelled word or improper punctuation would have to be brought to the attention of the full committee before they could authorize the chairman to offer it.

Mr. CRISP. I contend, if you are considering the bill under a special rule which says that the committee can authorize amendments, that if the amendment be offered as a committee amendment those conditions must be complied with, but if it be offered as an amendment of an individual member, of course, not.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. CRISP. Yes.

Mr. LONGWORTH. Assuming that the gentleman is correct in his contention that the full committee could not delegate the authority to a majority of the committee to do something in the future, does he deny the right of the full committee formally called together to ratify something that has been done by a majority in the past? That is the question involved here.

Mr. CRISP. Mr. Chairman, I have always adopted the rule of not crossing a bridge until I arrive at it. These propositions were not submitted to the committee for ratification, and I shall pass my opinion on that question when it arises.

Mr. TOWNER. Mr. Chairman, yesterday I thought I saw the difficulties that would arise, involved in the proposition that was determined yesterday. However, I need not call the attention of the Chair to the fact that the condition to-day in the point to be decided by the Chair is vastly different from that of yesterday, because the committee has met and the committee has acted; but it seems to be impossible to satisfy our Democratic friends. In the first place, they want the authority of the committee to act, and then after the authority of the committee has been given and the committee has acted they still contend that in form and in minutiæ that action is not sufficient. Mr. Chairman, if what they contend be true, and if what my good friend who last addressed us from that side should be carried out, then it would be practically impossible on a long and intricate piece of legislation to conduct the business of the House. Unless the chairman of the committee on the floor of the House can be instructed by the committee, can be given directions by the committee, can be authorized to conduct the business necessary to the consideration of a particular bill before the House, then there is an end to the business of the House in the Committee of the Whole. The Chair ought not to have any difficulty in arriving at a conclusion, it seems to me, especially under the circumstances shown here, where the chairman of the committee has been authorized to offer these amendments by the committee. I think that ought to determine the question in the mind of the Chair.

The CHAIRMAN. The Chair will rule. The Committee of the Whole House on the state of the Union is considering the bill (H. R. 7456) under a special rule in which there appears the following:

> Thereafter the bill shall be considered for amendment under the 5-minute rule, but committee amendments to any part of the bill shall be in order at any time, as shall also amendments to paragraphs—

Enumerating a number of paragraphs. Under that authority the gentleman from Iowa [Mr. GREEN] offered an amendment, on page 114, line 10, separating the subject matter and making a new paragraph. To that amendment the gentleman from Texas [Mr. GARNER] made a point of order that the amendment offered was not authorized by the Committee on Ways and Means, and could not therefore be offered as a committee amendment. The gentleman from Iowa in reply states that the Committee on Ways and Means gave authority for offering the amendment. The gentleman from Texas has sent to the Clerk's desk and had read a resolution, which the Chair has and which reads as follows:

> That the chairman of the Ways and Means Committee be authorized, and in conjunction with such members of the committee as he may select, to report as committee amendments such amendments as are found by a majority of the committee advisable or necessary to perfect the bill (H. R. 7456), and to appoint members of the committee to offer each and all of said amendments in the Committee of the Whole House on the state of the Union.

The Chair is informed that there are probably 200 amendments to be offered as committee amendments. The gentleman from Texas has sent to the Chair 25 of those amendments which are certified by the Clerk to be committee amendments agreed upon by the committee. Upon yesterday a point of order was made, when an amendment was offered by the gentleman from Ohio [Mr. LONGWORTH] that the committee had not authorized the amendment which the gentleman from Ohio submitted. It was disclosed in the discussion that a political majority of the Committee on Ways and Means had considered the amendment offered by the gentleman from Ohio together with other amendments, but that a formal meeting of the Committee on Ways and Means had not considered the amendment. The gentleman from Texas, the gentleman from Tennessee, and the gentleman from Georgia urge that the decision rendered yesterday holding that the political majority of a committee of the House could not meet informally and act for the committee—that was the holding of the Chair—is similar to the question raised now which is whether a committee acting in a formal meeting upon a matter can authorize the action that has been undertaken by the gentleman from Iowa in submitting his amendment. The Chair sees a very great distinction between the question raised yesterday and the question raised to-day. On yesterday the question was whether or not a political minority—and we are governed by parties—could be entirely kept from knowledge of and denied the right to participate in the consideration of matters that a political majority thought proper to submit to the Committee of the Whole House on the state of the Union

or to the House for consideration. To-day there is no question raised that the Committee on Ways and Means was not properly in session, with notice to the minority, and the minority it is assumed, being present, while in such session the committee adopted this resolution that has been read by the Clerk heretofore and just now read by the Chair, providing for the offering of committee amendments. The Chair sees a very great difference. The Chair has been unable to find a precedent for the point of order made by the gentleman from Texas. The Chair has knowledge, as he is sure the gentleman from Texas has, that in the conduct of business of committees matters proceed informally. Judgments are matured, and finally two or more members of the committee are directed by the motion of the committee to perfect a paragraph, or to prepare an amendment or amendments and submit them thus perfected or thus prepared, to the House. This is the practice. The Chair has been unable to find any authority whatever for the statement that is made that this is in violation of the rules of the House. It is in keeping with the rules of the House, otherwise the work of the House would not progress.

We advance step by step with the work that is finally acted upon in the House of Representatives: First, in informal action of the committee, then whatever formal action may be necessary in the committee, then the submission of the matter, as in this case, to the Committee of the Whole House on the state of the Union, and, finally, submission of the matter by the Committee of the Whole House on the state of the Union to the House for its action. The action taken informally by the Committee on Ways and Means was one of the steps in the progress toward the final conclusion of the business in question. The formal meeting of the Committee on Ways and Means on yesterday was another step, in which the action that had informally been discussed was accepted formally by the committee. The gentleman from Texas says this matter was not considered by the committee. The Chair thinks that goes rather to the weight that the Committee of the Whole House on the state of the Union shall give to the judgment of the committee rather than to the validity of the action of the committee. But the Chair is of the opinion that the Committee on Ways and Means, sitting formally, had full authority to adopt the resolution which it did adopt authorizing the designation of several members of the committee to submit the motions and the amendments which were to be offered by the committee as committee amendments to the Committee of the Whole House on the state of the Union, and overrules the point of order made by the gentleman from Texas.

Mr. GARNER. Mr. Chairman, I respectfully appeal from the ruling of the Chair.

The CHAIRMAN. The gentleman from Texas appeals from the decision of the Chair——

Mr. GREEN of Iowa. And I move to lay the appeal on the table.

The CHAIRMAN. The question is, Shall the decision of the Chair stand as the judgment of the committee?

Mr. STAFFORD. Mr. Chairman, I would like to be recognized on the appeal.

Mr. LAYTON. Mr. Chairman, I simply rise for an inquiry. Is debate permissible on a decision from the Chair?

The CHAIRMAN. The practice is to have debate under the 5-minute rule.

Mr. STAFFORD. Mr. Chairman, it is with great reluctance that I rise in opposition to the decision of the Chair. This ruling has much more far-reaching importance than the present decision here to-day. It affects the very fundamentals of our legislation. [Applause.] Legislation not by the House or by the Committee of the Whole House on the state of the Union but by committees duly appointed under the rules of the House. The resolution under which this bill is considered provides that committee amendments to any part of the bill shall be in order at any time as shall also be amendments to certain designated paragraphs. I take it that the words "committee amendment" is not an amendment offered by some member of the committee or by some member representing a majority of the committee but an amendment with all the sanction of a committee formally in meeting shall be presented in order to qualify and to give it that precedence in the consideration of these amendments over those which Members of the House may have under the five-minute rule.

I find, Mr. Chairman, in support of this contention this from Jefferson's Manual. And when there is no rule of the House to the contrary, there is a rule under our rules that Jefferson's Manual shall obtain and be in force. Section 4540 of Hinds' Precedents is as follows:

In absence of direction of the House, committees meet when and where they please, but may only act when together.
A majority of a committee is the quorum.
That is the syllabus.

Jefferson's Manual, in Section XXVI, provides:

"In some cases the House has ordered a committee to withdraw immediately into the committee chamber and act on and bring back the bill, sitting the House. A committee meet when and where they please if the House has not ordered time and place for them, but they can only act when together and not by separate consultation and consent, nothing being the report of the committee but what has been agreed to in committee actually assembled."

What more pointed ruling, what more pointed and applicable rule can be found binding on the chairman than that rule of Jefferson's Manual? [Applause.] And it is bottomed on the fundamental principle of committee legislation.

I have served in committees almost as long, and perhaps on working committees longer, than the chairman, because I have served on appropriating committees—the Committee on the Post Office and Post Roads for 10 years, the Committee on Interstate and Foreign Commerce for two years, and the Committee on Appropriations now in my third term, and I want my individual right as a member when I dissent perhaps from the action of a majority of that committee to hear and determine and pass judgment on the matter that is brought up in the committee and not surrender my rights to a majority. [Applause.] I know full well the majority to-day is the minority to-morrow, and the rules of the House are as much for the protection of the minority as for the majority. And with this decision of Jefferson's Manual directly in point, as I contend, I shall vote to overrule the decision of the Chair. [Applause.]

Mr. LONGWORTH. Mr. Chairman, I move that debate on this appeal be now closed.

The motion was agreed to.

The CHAIRMAN. The question is, Shall the decision of the Chair stand as the judgment of the committee?

Mr. MANN. Mr. Chairman, I ask for a division.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask for tellers.

Tellers were ordered, and Mr. GARNER and Mr. FORDNEY took their places as tellers.

The committee divided; and there were—ayes 114, noes 90.

So the decision of the Chair stood as the judgment of the committee.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Iowa [Mr. GREEN].

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: Page 114, line 10, after the words "ad valorem" make a new paragraph of the following sentence.

Mr. GREEN of Iowa. Mr. Chairman, now that gentlemen upon the other side have completed their regular morning filibuster and wasted over two hours of very valuable time by raising a question that nobody had thought of in over a hundred years, we will come to the consideration of the bill. By this amendment, Mr. Chairman, I ask that the following sentence be separated and made a paragraph by itself.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer a further committee amendment:

Page 122, paragraph 918, line 6, change the figures "33" to 33⅓."

This is done simply to make it agree with the other provisions of the bill.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 122, line 6, strike out the figures "33" and insert in lieu thereof the figures "33⅓."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. FORDNEY. Mr. Chairman, let me say to the gentleman from Texas that it takes no intelligence to strike articles off the dutiable list and put them on the free list, as the gentleman from Texas and his committee did in 1913 in the preparation of the Underwood law, but it takes brains to prepare a bill like the present one. [Applause on the Republican side.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. GREEN].

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer another amendment. On page 119, paragraph 912, line 9, strike out the comma after the word "therefrom" and insert a semicolon in lieu thereof.

The CHAIRMAN. The Clerk will report the amendment.

Mr. BLANTON. Mr. Chairman, I make the point of order that the gentleman should have his amendment reduced to writing. It is not reduced to writing. It is not in the proper form.

The CHAIRMAN. The gentleman will send the amendment to the Clerk's desk.

Mr. GREEN of Iowa. The Clerk has the amendment, so that he can read it.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 119, line 9, after the word "therefrom," strike out the comma and insert in lieu thereof a semicolon.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I have another committee amendment: Page 123, paragraph 1001, line 3, insert a comma between the word "flax" and the words "not hackled."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 123, line 3, after the word "flax," where it occurs the second time, insert a comma.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer another committee amendment: On page 123, line 12, after the word "coarser," insert the words "in size."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 123, line 12, after the word "coarser," insert "in size."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. On page 124, line 4, after the word "pound," insert a semicolon.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: On page 124, line 4, after the word "pound," insert a semicolon.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Page 125, line 1, at the end of the line, strike out the word "or" and insert the word "and" in lieu thereof.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 125, line 1, at the end of the line, strike out the word "or," and insert the word "and" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Page 125, line 12, at the end of the line, strike out the word "or" and insert the word "nor" in lieu thereof.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 125, line 12, at the end of the line, strike out the word "or" and insert in lieu thereof the word "nor."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Page 125, line 17, after the word "articles," insert a comma.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 125, line 17, after the word "articles," insert a comma.

The CHAIRMAN. For what purpose does the gentleman from Kentucky rise?

Mr. BARKLEY. I desire to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BARKLEY. Would it be in order at this time to appoint an official punctuator for the Committee on Ways and Means?

Mr. HERRICK. We have got one. [Laughter.]

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I am very glad to see that the gentlemen on the other side are learning something about this bill. The gentleman from Texas [Mr. GARNER] has actually found out that the printer inserted the figure "1" instead of "15," and the gentleman from Kentucky [Mr. BARKLEY] has found out that the printer has misplaced some commas.

Mr. BARKLEY. That is more than anybody else outside of the Committee on Ways and Means in this committee has found out.

Mr. SEARS. Mr. Chairman, I offer an amendment. It is on page 102, paragraph 746. Under the ruling of the Chair, recently rendered, I understand the Committee on Ways and Means can report any amendment they want to. It is evidently impossible for this page to be reached, and I therefore take this opportunity to call the attention of the Committee on Ways and Means to paragraph 746:

Pineapples, three-fourths of 1 cent each; pineapples, prepared or preserved in any manner, 20 per cent ad valorem.

If the special rule did not prevent me from doing so, I would offer an amendment as follows: After the word "pineapples" I would strike out all but the semicolon and insert "1½ cents a pound." I would do so because under this paragraph those who know anything about pineapples know that it will be necessary for each box to be opened and the pineapples counted. And, further, pineapples vary in size, and therefore on a box of 100 pineapples selling for $1 apiece the duty would be three-fourths of 1 cent on each pineapple, and on a pineapple selling for 5 cents there would be the same tariff, which is evidently unfair, and can not be defended.

I have here a statement of the rates, but I have not the time to read it in full. The freight rate from Habana to New York is 50 cents. The freight rate from the pineapple district of my State to New York is $1.20. Therefore you can see that there is quite a difference in the rate, which makes it impossible for us to compete with Habana. This does not take into consideration the cheap Chinese labor used in Cuba.

We are not asking for a prohibitory tariff, but for a tariff for revenue. Of course, if there was not such a difference in freight rates, this protection would not be necessary, at least in the sum mentioned in my amendment, but, Mr. Chairman, it seems the people are never to receive any relief along a reduction of freights. I am consistent in the position I am assuming, for I voted against the Esch bill because I knew an inevitable increase in rates would be the result. No doubt you also recall, at least the older Members, I opposed each and every effort to place a tax on freight and express, but the majority of my colleagues did not agree with me. I trust the day is not far distant when the railroad owners will see that these high rates are simply killing their business and to a large extent directly responsible for reduction in receipts. But I will go into this more in detail at some future date.

Mr. GREEN of Iowa. Will the gentleman tell me on what page that is?

Mr. SEARS. It is paragraph 746, page 42, of the document print.

Mr. GREEN of Iowa. Page 102 of the bill.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. SEARS. I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to proceed for five minutes additional. Is there objection?

Mr. GREEN of Iowa. I shall be obliged to object to that.

Mr. SEARS. I hope the gentleman will not object.

Mr. GREEN of Iowa. The gentleman is aware that on his side such requests have been objected to right along. I shall have to object.

The CHAIRMAN. Objection is made. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. GREEN].

The question being taken, the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 49, line 2, after the word "spiegeleisen," insert the following: "Containing more than 1 per cent of carbon." And after the comma following the word "provided" insert the following: "Spiegeleisen for the purposes of this act shall be an iron manganese alloy containing less than 45 per cent of manganese: *Provided further:*"

Mr. BANKHEAD. Mr. Chairman, I desire to make a point of order against the amendment.

The CHAIRMAN. The gentleman will state his point of order.

Mr. BANKHEAD. The point of order is that since the passage of the resolution upon which the Chair acted a few moments ago, authorizing the majority of the committee to

recommend amendments, that resolution has not been complied with, and that a majority of the committee has not since the passage of that resolution authorized the offering of this amendment.

Mr. TILSON. Mr. Chairman, in order to relieve the anxiety of my friend from Alabama, I will state that this committee amendment and the others that I intend to offer were offered in the full committee, with the minority members present, and were formally adopted by the full committee.

Mr. BANKHEAD. Upon that statement, Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. TILSON. Mr. Chairman, this amendment is for the purpose of defining spiegeleisen; that is, fixing the lower as well as the upper limit of the percentage of carbon. Heretofore spiegeleisen and ferromanganese have come in at the same rate of duty, and there was no occasion for separating the two. Under this bill they bear different rates of duty, and therefore it is necessary to fix the dividing line. This matter was called to the attention of the committee after the bill was printed, by a suggestion from the Tariff Commission, and we have adopted the figure of 45 per cent because that was the figure used during the war by the War Industries Board as the dividing line between spiegeleisen and ferromanganese.

Mr. WINGO. What does the gentleman mean by the dividing line between the two?

Mr. TILSON. They are both materials used in the alloying of steel. Spiegeleisen is the material containing less than 45 per cent of manganese.

Mr. WINGO. Does the gentleman recall the quantity of imports of the two?

Mr. TILSON. I do not. I brought in some charts the other day containing all of this information, but it is so voluminous that it is impossible for me to carry it in my head. As I recall it, the imports of spiegeleisen have been very small, and so the duty on spiegeleisen is the same as on pig iron—very small.

Mr. WINGO. I am more familiar with the term manganese than I am with the other. The gentleman says they are both used for the same purpose?

Mr. TILSON. They are both used in the making of steel.

Mr. WINGO. Are the two materials used to about the same advantage? That is the point I want to get at?

Mr. TILSON. Oh, yes; but for different purposes.

Mr. Chairman, I think I should say just a word in reply to what the gentleman from Kentucky has just stated. He is in error in some respects. When he states that the Steel Trust mines its manganese ore largely in this country, and will therefore have an advantage over the independent competitors on this account, he is not accurate.

Mr. FIELDS. I will say that that is the contention of the independent manufacturers of iron.

Mr. TILSON. Allow me to explain. The United States Steel Trust and some other concerns have been all over this country with a fine-tooth comb searching for manganese ore. They have not been able to find it, in quantities sufficient to justify an operation of a magnitude suited to the needs of the Steel Trust. Therefore, the Steel Trust has gone to foreign countries, at any rate to Brazil, and has acquired large holdings of manganese ore. These ores are shipped here and manufactured into ferromanganese in the United States.

If the gentleman means to insinuate that the Steel Trust is in any way responsible for the duty on ferromanganese or manganese ore, I wish to relieve his mind. As chairman of the subcommittee having this schedule in charge, I sent for a representative of the Steel Corporation among others to get information from him. Among other things, I asked him in regard to manganese. I have received many strong briefs and statements in favor of leaving this article on the free list or with only a small revenue duty, but I received from no one else so strong a statement as from the United States Steel Corporation, assuring me that while it might give that corporation a slight advantage over certain independent manufacturers if a duty were put on, still it would be a serious blow to the steel business which would react unfavorably upon that corporation and all others. In fact, the representative of that corporation labored earnestly with the committee to oppose any substantial rate of duty. Therefore, if the gentleman has a rod in pickle for the Steel Trust he had just as well withdraw it so far as this particular matter is concerned.

Without telling any secrets outside of the committee, I wish to say that I personally did not favor this duty. The facts are, however, that during the war the mining of this ore, which had been imported almost entirely from foreign countries, was so developed in this country that in 1918 we produced over 40 per cent of the total consumption.

These mines were all over the country, some in Virginia, some in Arkansas, some in Montana, some in Minnesota, some in other States, so that in every part of the country, practically, the ore was mined. The miners were encouraged to produce it and did produce 40 per cent of the total consumption for the great war year of 1918. Of course, mining was abnormally stimulated by the tremendously high prices. Ferromanganese sold as high as $240 a ton, but when prices dropped to less than $100 a ton most of the mines closed. The resultant loss was a very great hardship to the miners of this necessity for both peace and war. A majority of the committee voted that they should have this duty on manganese.

Mr. SANDERS of Indiana. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. SANDERS of Indiana. Does the gentleman recall that when we were encouraging the production of this mineral we passed a bill appropriating $50,000,000 to encourage it, and subsequently we passed a law appropriating $8,000,000 to pay the producers of these minerals who had been practically ruined financially.

Mr. TILSON. Yes; and I will say that I was in favor of paying the men what they lost rather than put a duty on the ore. Possibly my judgment was wrong in this matter.

Mr. FIELDS. Let me say that they were not ruined by imports, but were threatened with ruin because the Government ceased to take their products by reason of the signing of the armistice.

Mr. WINGO. Mr. Chairman, I ask unanimous consent now, in order not to take the time of the House, that I may put in the RECORD a table that I put in the RECORD in 1918 on manganese ore.

The CHAIRMAN (Mr. MANN). The gentleman has that privilege.

Mr. WINGO. This table will be found in page 5529 of the RECORD of April 23, 1918. The RECORD shows that in 1917 we had the different classes of manganese divided into class A, class B, class C, and class D. In class A the domestic production was 113,000 tons, roughly speaking; in class B, 423,000 tons; in class C, 512,000 tons; in class D, 155,000 tons. That was the domestic production. In other words, the figures represent the domestic production in 1917. At that time the imports amounted—I do not seem to have them in the different classes—but lumped together the imports amounted to 639,000 tons, roughly speaking.

Now, I understand the gentleman from Connecticut to say that the imports have got back to where we only produce 40 per cent of the consumption?

Mr. GREEN of Iowa. We never produced over 40 per cent of the consumption, and that was in 1918.

Mr. WINGO. There are five classes of manganese, and we produced 113,000 tons in class A, 423,000 tons in class B, 512,000 tons in class C, and 155,000 tons in class D. This year we imported 629,000 tons.

Mr. Chairman, the table to which I referred a moment ago is as follows:

PRINCIPAL DOMESTIC SOURCES.

A. Manganese ore: Major—Montana, Philipsburg; Arkansas, Batesville; Arizona, Bisbee, Tombstone; Virginia, Bland, Rockingham, and Augusta Counties; Nevada, Lake County; Georgia, Bartow County; California, San Joaquin, Alameda, and Mendocino Counties. Minor—Virginia, Smyth, Giles, Campbell, and Warren Counties; Utah, Grand and Utah Counties; Tennessee, Bradley, Cocke, and Johnson Counties; Nevada, White Pine County; California, Riverside and Glenn Counties.

B. Ferruginous manganese ore: Major—Minnesota, Cuyuna Range; Colorado, Leadville district; New Mexico, Silver City; Michigan, Menominee Range. Minor—Georgia, Bartow County; Virginia, Augusta, Warren, and Smyth Counties; Montana, Butte and Philipsburg.

C. Manganiferous iron ore: Major—Minnesota, Cuyuna Range; Wisconsin, Gogebic Range; Nevada, Ploche district. Minor—Virginia, Wythe and Augusta Counties; Arizona, Tombstone.

D. Manganiferous zinc residuum: New Jersey, Franklin district.

Domestic production and prices.[1]

Year.	A	Average price of A.[2]	B	C	D
	Long tons.		Long tons.	Long tons.	Long tons.
1908	6,144	$12.74	[3]55,894		110,225
1909	1,544	12.74	[3]68,564		141,264
1910	2,258	$12.25 to 12.74	[3]61,101		137,173
1911	1,957	12.25	28,947	15,990	109,296
1912	1,664	12.25	28,316	23,201	104,670
1913	4,048	12.25	71,703	15,474	102,239
1914	2,084	11.76 to 12.74	81,540	17,276	100,198
1915	8,708	12.74 to 22.05	70,202	126,438	159,318
1916	26,997	22.05 to 26.95	176,130	372,673	198,817
1917	113,734	26.95 to 58.80	423,967	512,461	155,332

[1] Prices for B, C, and D not recorded in the survey.
[2] 49 per cent ore.
[3] B and C not separated prior to 1911.

Year:	*Imports, 1908–1917.*	Long tons.
1908		178,203
1909		212,765
1910		242,348
1911		176,852
1912		300,661
1913		345,108
1914		283,464
1915		320,778
1916		569,569
1917		629,365
	Imports classified by countries, 1917.	Per cent.
Brazil		81
British India		8
Cuba		7

Exports, 1917: Approximately equivalent to 24,000 long tons 48 per cent ore.

Mr. Chairman, the thing to which I wish to direct attention, because the gentleman from Indiana referred to it, is that we did appropriate $50,000,000, but we did not use it. However, the same people, in spite of what the gentleman from Connecticut may believe, who now are asking for certain classes of relief are the ones who went before the informal War Contracts Board and obtained allowances for speculative profits on the use of manganese ores on contracts they had with the small producers of the United States, and they broke those contracts and left that ore on the dumps, and those men have never gotten any relief because this Congress has denied them any relief.

I think gentlemen are going to be very much mistaken if they think the manganese deposits of Arkansas and the rest of the Nation can be developed by a tariff schedule which you have written here. I am very glad that you are going to try it. I do not think your schedule is either well balanced or that it will do what you have led the manganese-ore people to believe it will do, but they have been led to believe that a tariff is their salvation, and I am glad that gentlemen are going to give them a chance to test that out, because I think that they will find that the figures and the question of cost and all those different things will show them that it is a false hope that the Republicans are holding out to them, that they are going to build up an industry and give them a profit in that way, when they are absolutely at the mercy of the Steel Trust for the price that they get. That is demonstrated by the fact that to-day the Steel Trust is importing ore from Brazil, and there are certain classes of mines in the United States not able to find a market. The men who are developing independent deposits can not find a market or a buyer at the market price, and one by one they are being frozen out, and when they get frozen out they will find that the tariff will not help them one bit.

Mr. LINTHICUM. How much manganese ore is imported each year?

Mr. WINGO. The gentleman will find the figures stated in the table in my remarks. Those are the figures before the war. I do not know what they are since.

The CHAIRMAN. The time of the gentleman from Arkansas has expired. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 49, line 15, strike out the semicolon after the word "therein" and insert in lieu thereof a colon and the following: "*Provided*, That ferromanganese for the purposes of this act shall be such iron manganese alloys as contain 45 per cent or more of manganese.

Mr. TILSON. This is the converse of the amendment just adopted. This defines what ferromanganese is—at 45 per cent or above.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. KNUTSON. Does the gentleman's amendment mean that the content must be at least 45 per cent manganese?

Mr. TILSON. In order to call it ferromanganese; below that it will be spiegeleisen, but 45 per cent up it is ferromanganese.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 49, line 16, after the word "ferromanganese," insert the words "and spiegeleisen."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 50, line 21, strike out the words "zirconium" and insert in lieu thereof the word "ferrozirconium."

Mr. TILSON. Mr. Chairman, this is simply a clerical mistake, the prefix "ferro" being omitted.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 51, line 17, insert a semicolon after the word "bars" where the word first appears in the line and strike out the following: "and tapered or beveled bars; mill."

Mr. TILSON. Mr. Chairman, in this case the Tariff Commission going over this paragraph were convinced that the words "and tapered or beveled bars" added nothing to the word "bars." The words "billets and bars" are inclusive, the other words being unnecessary. The use of the word "mill" before the word "shafting" limits, in the judgment of the Tariff Commission, the meaning of the word "shafting," and it is the intention of the committee to include all shafting. Therefore, the word "mill" is stricken out.

Mr. SEARS. Mr. Chairman, I rise to oppose the amendment. I want to deal fairly with the House and state that I am going to talk about pineapples, and if the gentleman from Iowa [Mr. GREEN] still desires to object there is no use of my taking up further time. The page of the bill to which I wish to refer is 102, paragraph 746. I call the attention of the chairman of the Committee on Ways and Means to the fact that on peaches, oranges, lemons, and limes the tariff is based on the pound, and if you leave the tariff three-fourths of 1 cent each, as at present contained in the bill, because there is no law requiring shippers to stamp the number contained on the box, it will be necessary to count the pineapples in each box or barrel. As suggested before, there is a difference in freight rates from Stuart, Fla., to New York and Habana to New York of approximately 75 cents, which does not include the differential of 20 per cent in the money. If this rate of 1½ cents a pound is placed on pineapples, it is contended by the Phoenix Fruit Co., of Stuart, Fla.—and I only received the letter on July 13, and therefore did not have time to call it to the attention of the committee—there will be placed into the Treasury annually about a million and a half dollars alone from pineapples.

Mr. FORDNEY. Mr. Chairman, if the gentleman will prepare such an amendment as he would like to have and hand it to me, I should be very glad to lay it before the committee at the next meeting of the committee.

Mr. SEARS. I thank the gentleman for that. I want to state that I am opposed to the bill, but I believe the bill ought to be equitable as long as we are going to have one anyway.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 53, line 3, after the word "centum," insert the words "manganese or silicon."

Mr. TILSON. Mr. Chairman, this is a clarifying amendment, providing that this alloy shall contain more than 1 per cent of manganese or silicon.

Mr. WINGO. Will the gentleman yield?

Mr. TILSON. I will.

Mr. WINGO. It has escaped my mind, but what is the rate on manganese? Is it ad valorem or specific?

Mr. TILSON. It is specific.

Mr. WINGO. What is the specific duty; it has escaped my mind for the moment?

Mr. STAFFORD. Two and a fifth cents a pound on manganese contained therein and 28 per cent ad valorem.

Mr. TILSON. Two and a fifth cents a pound is correct. The 28 per cent ad valorem applies only to manganese metal, manganese silicon, manganese boron, and ferromanganese containing less than 1 per cent of carbon.

Mr. WINGO. Then, on certain grades it is a certain per centage?

Mr. TILSON. Yes.

Mr. WINGO. Take manganese ore; what would be the rate per ton?

Mr. TILSON. The best American ore runs about 47 or 48 per cent; so that the gentleman can figure pretty well what that would be with the present price of manganese.

Mr. STAFFORD. As I understand paragraph 302 putting a duty on manganese ore and ferromanganese, the duty is levied on the manganese content in the imported article?

Mr. TILSON. Correct.

Mr. STAFFORD. And the imported article usually runs 78 to 80 per cent of ferromanganese?

Mr. TILSON. This is ferromanganese, the manufactured product from manganese ore.

Mr. WINGO. I am not talking about ferromanganese, but manganese ore proper.

Mr. TILSON. It rarely runs higher than 50 per cent.

Mr. STAFFORD. As I understood the gentleman's inquiry was as to the rate of duty on ferromanagnese. The rate of duty on manganese ore or concentrates containing in excess of 30 per cent of metallic manganese is 1 per cent per pound on the metallic manganese contained therein.

Mr. WINGO. Possibly I am not advised, because it has been some time since I studied it, but I was struck with this: You use the words, "manganese ore or concentrates containing in excess of 30 per cent of metallic manganese." Is it the intention to put the same rate on manganese ore, crude ore, as it is upon the concentrate?

Mr. TILSON. This duty applies only to the metallic content. If it is a concentrate there is a greater metallic manganese content.

Mr. WINGO. As a matter of fact, if you put it on the ore which contains a certain metallic content—that is, on a percentage basis—would not the tariff on that be a great deal higher tariff than the same rate on the concentrate itself?

Mr. TILSON. Well, the freight rate would be more on the leaner ore. The concentrate, of course, would have less weight to pay freight upon than the ore; but the duty is upon the metallic content, the gentleman will remember.

Mr. WINGO. No; it is on either the manganese ore or concentrate with the metallic content in excess. In other words, you might have a certain unit of manganese ore that might have more than 30 per cent or 31 per cent of metallic ore, and yet you might have a concentrate that had an arbitrary figure of 60 per cent. Would not there be a difference?

Mr. TILSON. Not at all, because it is only upon the metallic manganese content that the duty is laid.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BURTON. Mr. Chairman, I want to be heard briefly, as I wish to make some inquires. This amendment does not change the duties?

Mr. TILSON. It does not, but merely clarifies the language.

Mr. BURTON. Has any action been taken by the committee in regard to ferrosilicon containing more than 95 per cent of silicon?

Mr. TILSON. None except what action is contained in the bill itself.

Mr. BURTON. I want to say I have received a very strong protest against these duties on silicon and manganese ores. They are raw materials absolutely essential for the making of better qualities of steel. Now, it is true during the war the Government encouraged many exploiters to develop these mines of manganese and of silicon, but I do not believe they exist in commercial quantities sufficient to afford more than a bare minimum of supply for the country, and I am compelled to enter my dissent in regard to these duties. Again, a very important invention, designated as alpax, has recently been made as a substitute for aluminum, for which ferrosilicon, 95 per cent and more of silicon, is the essential raw material.

I understand that silicon, 95 per cent pure, can not be obtained in this country. That duty, which I believe is 8 cents a pound, is sure to be a serious handicap in the manufacture of this new metal, which is a substitute—I do not say it is exactly a substitute—for aluminum. At least, it is a very similar metal. I fear it is too late for the committee to take any action, but I do wish to express my opposition to these duties.

Mr. WINGO. Will the gentleman yield for a question?

Mr. BURTON. Yes.

Mr. WINGO. Is it not true in the gentleman's judgment that this rate on this article has a tendency to practically, in effect, increase the rate on aluminum?

Mr. BURTON. Well, it will place that article in disadvantage with aluminum.

Mr. WINGO. It will have the same effect as if you put a higher rate on aluminum?

Mr. BURTON. Practically so.

Mr. BANKHEAD. Does not the gentleman from Ohio think that the committee and the House should be given more of an opportunity to act on such suggestions and advice as he has mentioned?

Mr. BURTON. As to that nobody gives more credit to the committee than I do. They have had to meet new conditions and new classifications on many classes of imports, and I can not find fault with the committee. It would be very much better if we took up each paragraph of the bill, but the gentleman from Alabama realizes that that would be practically impossible.

Mr. GREEN of Iowa. The gentleman from Alabama is mistaken in saying that there is no chance for correction of this matter. But if the gentleman from Ohio will present a short brief of this matter to the committee they will be glad to consider it to-morrow. The matter of using ferrosilicate for this new substance was not presented to the committee.

Mr. BURTON. I have already written a letter to the chairman of the committee about that.

Mr. STAFFORD. Can the gentleman from Iowa inform the committee whether the committee will consider a reduction of the rate of duty on ferromanganese, which in this bill has been increased to $40 a ton from $4 a ton in the Payne bill, $6 in the Dingley bill, and $2 in the Underwood bill? If so, I shall be very glad to present some formidable petitions against what I consider very high duties on manganese, which enters materially into the manufacture of tool machinery.

Mr. GREEN of Iowa. Will the gentleman, who has been assisting the other side in this matter, state whether he is going to vote for the bill?

Mr. STAFFORD. I dissent from the insinuation that I have been assisting the other side. I have been simply exercising my right as a Member of this House.

Mr. BURTON. Mr. Chairman, I believe this is in my time, and I do not know whether I approve this dialogue or not.

There is another rate here, on tungsten, which I think is very high. I have a letter from a maker of high-speed tools in this country, for which tungsten is a requisite. This firm has sent its tools all over the world. They say this duty, which amounts to about 300 per cent, might place them out of competition in the markets of the world.

Mr. TIMBERLAKE. The gentleman is probably aware that this House passed at the last Congress a special bill to protect this industry, which is to-day lying dormant, and which is considered a key industry in this country. The provisions in this bill are very much lower than the provisions carried in the bill at that time, a bill which had the support of the House, or of the Republican Members, almost to a man.

Mr. BURTON. I am not familiar with the exact import of the legislation passed in the previous Congress, but I say this to the House: That it would be better to pay a bounty to some of those who have invested in the development of these ores than it would be to impose this duty, which is approximately, as stated to me by a prominent toolmaker, 300 per cent. I noted the claim made that we have a special supply of some metals. Antimony was one thing discussed here, and manganese was another, and the general result has been that the promise of a domestic supply has been entirely disappointing. And, again, I have it from a toolmaker that the quality of the tungsten obtained in this country is not the fittest or the best for the making of tools, and that they have to import it.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield there?

Mr. BURTON. Certainly.

Mr. COOPER of Ohio. I would like to say that the manufacturers of steel in my district make the same contention that the gentleman makes here, that the tariff on tungsten in this bill is unjust and that it might have the effect that high-speed steel will be at an exorbitant price.

Mr. TIMBERLAKE. Mr. Chairman, will the gentleman yield?

Mr. BURTON. Certainly.

Mr. TIMBERLAKE. When I heard the gentleman make the suggestion that it might be advisable for this country to buy up the interests involved in this industry, the query occurred to me, Is that true Republican doctrine? The tungsten industry is a new industry, developed largely during the war, and it was recognized as a war industry, a key industry. It is lying dormant to-day on account of its inability to compete with the cheap ores of China and South America, and in view of the fact that the rates carried in this bill are very largely reduced from those in the bill which passed the House with almost no objection in the last Congress, I think the gentleman ought not to make any objection.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BURTON. Mr. Chairman, I ask for two minutes more. I want to answer the gentleman's question.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The gentleman from Ohio is recognized for two minutes more.

Mr. BURTON. I am not in favor of a duty to develop or promote the use of an article which does not suit the purpose of the American manufacturer. The statement made to me was that the tungsten of Colorado is not suitable for the best quality of high-speed tools.

The result of this duty, if this statement is correct, will be to increase the cost to the consumer of a necessary kind of raw material and at the same time confer no benefit on the domestic producer.

Mr. TIMBERLAKE. Does not the gentleman know that the cost to the consumer would amount to no more than 3 cents per ton of steel? A tool hardened by tungsten will perform the work of 20 carbon-hardened tools, so that the cost to the consumer is so small as to be infinitesimal.

Mr. GREEN of Iowa. Mr. Chairman, I feel compelled to make the point of order that the debate on this amendment is exhausted.

The CHAIRMAN. There has been nothing before the committee for some time. The Clerk will report the amendment offered by the gentleman from Connecticut.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 53, lines 5 and 6, strike out the numeral "1" where it appears in lines 5 and 6 and insert in lieu thereof "1½."

Mr. TILSON. Mr. Chairman, the provision in the bill is that there shall be an additional duty on the tungsten content of certain alloyed steel above 1 per cent. It was found that a number of steels contained a minute fraction above 1 per cent of tungsten and that the amount of computation and calculation necessary to ascertain the additional duty on the tungsten content would be very great, whereas if we raise the percentage to 1½ per cent it would relieve the customs officials of the labor of ascertaining the infinitesimal amount of tungsten in this considerable amount of steel.

Mr. COOPER of Ohio. Mr. Chairman, will the gentleman yield?

Mr. TILSON. I yield.

Mr. COOPER of Ohio. Please tell me what the duty on tungsten is in this bill by the pound?

Mr. TILSON. On tungsten ore the duty is 45 cents a pound on the metallic content.

Mr. COOPER of Ohio. What duty have you got on the foreign product that comes into this country that contains tungsten?

Mr. TILSON. If the gentleman will look at paragraph 305, he will find that there is an additional duty upon the tungsten content of the steel coming into this country.

Mr. BURTON. It is 15 per cent.

Mr. TILSON. Yes; it is 15 per cent, as I now recall.

Mr. COOPER of Ohio. What I was trying to get at was whether the duty on steel coming into this country containing tungsten protects the manufacturer from that importation.

Mr. TILSON. It protects the manufacturer to that extent. The steel producers who make this high-speed tool steel are protected to that extent.

Mr. WINGO. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. WINGO. How much did the gentleman say the rate on tungsten is in this bill?

Mr. TILSON. Tungsten is in different forms. In the ore the duty is 45 cents a pound.

Mr. WINGO. What per cent ad valorem would that be?

Mr. TILSON. I do not know exactly what the present price is. I will say to the gentleman, however, that it is a very high duty. The gentleman from Ohio [Mr. BURTON] says it figures something like 300 per cent. My recollection is that it is not as high as that, but it is one of the highest duties in this schedule, if not one of the very highest in the bill.

Mr. GREEN of Iowa. It would amount to about 3 cents a pound on a ton of steel.

Mr. WINGO. How much?

Mr. FORDNEY. It would amount to about 3 cents a pound on the amount of tungsten in a ton of steel, the amount used in a ton of steel. It is not more than 3 cents on a ton of steel.

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. WINGO. Mr. Chairman, I wish to be heard in opposition to the amendment.

The CHAIRMAN. The gentleman from Arkansas is recognized for five minutes.

Mr. WINGO. Mr. Chairman, the last statement made by the Chairman indicates the knowledge that the House and the committee have of this rate. I confess that I know just enough about it to realize that I do not know enough about it to intelligently analyze it, but I do know enough about it to know, before the gentleman admitted it, that this is one of the highest schedules in the bill. I know enough about it to know that when you seek to defend it by suggesting that the tax will amount to only a few cents on a ton of steel you might as well say that a tax on feathers would be a tax on angel's wings. [Laughter.] So far as the economic effect is concerned, the statement of the gentleman from Michigan [Mr. FORDNEY] throws no light on the question at all, because the cost of the steel is only one factor. Under the Payne-Aldrich bill, as I recall, you had a 10 per cent ad valorem rate on tungsten. Is that correct? Which gentleman over there has charge of this schedule? It was 10 per cent, was it not? Was it not 10 per cent ad valorem under the Payne law?

Mr. TILSON. I am not sure. It was a low duty. My recollection is it was 15 per cent. I may be in error, but as I recall it it was 15 per cent ad valorem.

Mr. WINGO. I hope I will not hurt the feelings of the committee, but I think those who are in charge of the bill will say that my strictures are not too harsh when I say they have demonstrated that they do not know a bit more about it than I do, and I do not claim to be an expert as you do; but I do know this, from what I can gather from men who, I think, know something about it, that the gentleman admitted the truth when he said this is one of the highest schedules in the bill.

Mr. TILSON. The duty on tungsten is one of the highest duties in the bill.

Mr. WINGO. Take the duty on manganese and these other things, the gentleman from Ohio [Mr. BURTON] has stated what the effect will be in a good many instances. So far as this one branch of this schedule is concerned, you might just as well have directly increased the rate on aluminum products. The benefit to the Aluminum Trust would have been practically the same. The effect on the price of tools of a certain grade would have been the same if you had put a higher rate upon them; but, gentlemen, we must vote in the dark. The gentleman from Connecticut [Mr. TILSON] is a man of very great information, but I appreciate the fact that even a man of his distinguished ability will get lost in the mazes of a subject like this. But one thing is certain, those benefited by it are not deceived. They know what the gentleman from Ohio [Mr. BURTON] suspects, that it does amount practically to a 300 per cent rate, and it does have the effect that the gentleman suggested a moment ago.

Mr. FORDNEY. I will say to the gentleman that tungsten is the metal used in an alloy——

Mr. WINGO. Mr. Chairman, as I had some trouble in getting time, I would rather not yield.

The CHAIRMAN. Does the gentleman yield?

Mr. WINGO. I do not yield.

Mr. FORDNEY. I do not ask the gentleman to yield. I thought he had concluded. I am addressing the Chair.

Mr. WINGO. It is customary to ask a Member's permission to interrupt him; but as the gentleman seems to want the floor, I will give it to him. Perhaps he can explain this schedule. He can not justify it if he comprehends its effect.

Mr. FORDNEY. I want to enlighten the gentleman, but he seems to object. Tungsten is a metal used as an alloy of steel in making steel tools. There is no metal which is more valuable in the making of certain tools, especially drills, that must stand hard use and pressure. A drill made of an alloy of tungsten can be used until it becomes red hot and still retain its temper. The information before the committee, as before stated, is that the addition of this duty to the cost of a ton of steel will only amount to 3 cents per ton. Now, if all this duty were added on all the tools that a carpenter would use for a whole lifetime it would not amount to the addition of $1.50 during the whole of his natural life. Before the war we did not produce all the tungsten that was used in this country. That industry has been built up during the war. Do you want tungsten produced at home so that in time of war we may have that metal here, as it is so valuable in time of war, or do you want to transfer its production abroad? That is all there is to it. I ask for a vote.

Mr. WINGO. Will the gentleman yield for a question?

Mr. FORDNEY. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The question being taken, the amendment was agreed to.

Mr. TILSON. Mr. Chairman, there is another amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. TILSON: Page 53, line 7, strike out the phrase "of the above-named articles" and insert in lieu thereof the following: "Articles containing molybdenum and tungsten."

Mr. TILSON. Mr. Chairman, this is purely a clarifying amendment, believed by the Tariff Board to make the paragraph clearer. I agree with their recommendation, and I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. I offer another amendment.

Mr. COOPER of Wisconsin. Will the gentleman permit an interruption?

Mr. TILSON. Yes.

Mr. COOPER of Wisconsin. Are we acting on the paragraph in which ferromanganese is contained?

Mr. TILSON. We have passed that. That is paragraph 302. We are now on paragraph 306. I offer another amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. TILSON: Page 59, line 8, strike out the words "iron or steel wire" and insert in lieu thereof the following: "Wire or iron, steel, or other metal."

Mr. TILSON. Mr. Chairman, the copyists have made an error in that. The word "or" should be the word "of," and I ask unanimous consent to modify it to that extent, so that it will read:

Wire of iron, steel, or other metal.

Mr. WINGO. What line is that?

Mr. TILSON. Page 59, line 8. I ask unanimous consent to modify the amendment.

The CHAIRMAN. The gentleman from Connecticut asks unanimous consent to modify the amendment in the manner indicated. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Page 59, line 8, strike out the words "iron or steel wire" and insert in lieu thereof the following: "Wire of iron, steel, or other metal."

Mr. TILSON. Mr. Chairman, the purpose of this amendment is to include copper, brass, bronze, and other wire in this wire schedule; and if it is adopted it is my purpose to move to strike out from the copper manufactures paragraph copper, brass, and bronze wire.

Mr. BLACK. Is this the paragraph of the bill that covers steel rails?

Mr. TILSON. No; this is the wire paragraph.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment by Mr. TILSON: Page 70, line 22, after the semicolon and before the word "cuticle" insert the following:

"Blades, handles, or other parts of any of the foregoing knives or erasers shall be dutiable at not less than the rate herein imposed upon knives and erasers valued at more than 50 cents and not exceeding $1.25 per dozen."

Mr. TILSON. Mr. Chairman, this is to supply an omission. The gentleman will notice that in most paragraphs, after enumerating the articles, we use this language, "or parts thereof." These words were omitted, and it takes all of this language to make perfectly clear that all parts are included and to fix the bracket under which the parts will be dutiable.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 81, line 9, before the word "unmanufactured," insert the following: "or nickel silver."

Mr. BLACK. Mr. Chairman, we are now on the metal schedule—steel, iron, nickel, and aluminum. On last Saturday the gentleman from Ohio, who is one of the ablest men on the Republican side of the House, stated the Republican doctrine of protection by referring to a statement which was made by President Garfield in his lifetime, and while we are on this steel schedule I think we might well refer to that statement. The greatest steel manufacturing concern in the world is in the United States, the United States Steel Corporation. There were years during the war period when the net earnings of that corporation were more than $300,000,000 a year. For example, the net earnings for the year 1916 were $333,000,000. Here is what the gentleman from Ohio [Mr. FESS] stated:

Mr. Chairman, one of the most historic announcements of economics was made by James A. Garfield on the floor of the House when he said, "That he was in favor of that sort of protection which would ultimately lead to free trade."

Then, in conclusion, Mr. FESS said:

So, after all, it was not a misleading statement; on the other hand, it is a fundamental principle of protection.

Now, Mr. Chairman, if that is the doctrine of the protectionists, if Mr. Garfield stated it correctly, if the learned gentleman from Ohio [Mr. FESS] was correct when he approved it, I am wondering when we will reach that point when such an infant industry as the United States Steel Corporation will get big enough so that the Government will not have to act as its wet nurse? When will the protection which it is receiving "ultimately lead to free trade," the expression of Mr. Garfield? Frequently the gentleman from Ohio [Mr. FESS] enlightens the House with able discussions on economics.

Mr. PARKER of New Jersey. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. PARKER of New Jersey. The gentleman from Texas is not discussing this amendment. This amendment relates to nickel, silver, German silver, or nickel silver.

Mr. GREEN of Iowa. And when we were on the Underwood bill we were strictly confined to the amendment and could not go outside.

Mr. BLACK. If the gentleman makes a technical point of order, I suppose that the Chair will have to sustain it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

The question was taken and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Amendment by Mr. TILSON: Page 81, lines 11, 12, 16, 17, and 21. In line 11, beginning with the word "wire," strike out the balance of the line and all of line 12, down to and including the word "copper" in line 13. Also strike out the word "brass" in line 16, "wire" in line 17, and "bronze wire" in line 21.

Mr. TILSON. Mr. Chairman, this simply strikes out of the paragraph relating to manufactures of copper, brass, and bronze, all reference to wire, so that the copper, brass, and bronze wire will fall in the wire paragraph.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. TILSON: Page 53, line 6, after the word "levied" insert a comma and the word "collected."

Mr. TILSON. Mr. Chairman, this follows the usual formula of "levied, collected, and paid." We have left out the word "collected," and thought that the language should be uniform. Therefore, we have offered to insert it by this amendment.

Mr. BLACK. Mr. Chairman, I think the amendment ought to prevail, because if we are to continue to protect such corporations as the United States Steel Corporation, such infant industries as that, which are not able to earn more than $300,000,000 in a year, and, if we are to levy these duties, they ought to be collected. In the speech which I was attempting to make a few minutes ago I referred to the fact that so able an authority as the gentleman from Ohio [Mr. FESS] quoted with approval the great speech of Mr. Garfield, in which he said——

Mr. PARKER of New Jersey. Mr. Chairman, I rise to a point of order. The gentleman is not discussing this amendment. He is discussing the purposes suggested by Mr. Garfield as to protective duties generally.

Mr. BLACK. Mr. Chairman, I am discussing the amendment which is to collect all these duties that are to be levied by the Government and passed on to the American consumer. In addition to these levied by the Government, the Steel Corporation will collect some more from the consumer in advanced prices on steel products. I think the amendment of the gentleman from Connecticut [Mr. TILSON] ought to be adopted, because I think the Steel Corporation ought to pay these duties on any of the things which it imports, inasmuch as it is perfectly certain to collect them from the American consumer in advanced prices. But what I wanted to especially say was to ask the gentleman from Ohio [Mr. FESS] to take the time of the House some time and in one of his able speeches explain to us when one of these big protected industries ceases to be a milk-fed infant and gets to be strong enough to eat meat. In other words, to stand upon its own feet and compete in the markets of the world without having to be constantly coming to Congress asking for protection.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 51, line 21, after the word "alloys," insert the words "not specially provided for."

Mr. TILSON. Mr. Chairman, the alloys are referred to in other portions of the bill, and it was feared that there might be a conflict. In order to make it perfectly clear, we have asked to have inserted the usual words, "not specially provided for."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 69, line 10, after the word "pins," strike out the comma and insert in lieu thereof a semicolon and strike out all of line 11 and that portion of line 12 down to and including the comma after the word "metal" and insert in lieu thereof the following: "brass, copper, iron, steel, or other base metal pins with heads of glass, paste, or fusible enamel; all the foregoing."

Mr. TILSON. Mr. Chairman, this is simply a transposition of language, and it is believed it will make clearer the original intention of the paragraph.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. TILSON. I yield to the gentleman from Mississippi.

Mr. COLLIER. On the American valuation, what would this 28 per cent be?

Mr. TILSON. Twenty-eight per cent.

Mr. COLLIER. But on the American valuation, what would be the increase over the Payne rate?

Mr. TILSON. I do not recall just what the Payne rate was.

Mr. COLLIER. It was 35 per cent ad valorem.

Mr. TILSON. And this is 28.

Mr. COLLIER. Yes.

Mr. TILSON. It is believed that this will be sufficiently protective——

Mr. COLLIER. That is not the question I asked the gentleman.

Mr. TILSON. That is the question the committee was considering.

Mr. COLLIER. There is no doubt about its being sufficiently protective, but I am asking for information. Can the gentleman tell me what the increase will be over the Payne rate, or will there be a decrease?

Mr. TILSON. Of course, it will depend upon whether the American valuation will prove to be higher, or how much higher it will be than the foreign valuation. The gentleman would have first to fix what the foreign valuation is and then assume that it is the intention——

Mr. COLLIER. I supposed the gentleman from Connecticut knew the difference between the American and the foreign valuation when he fixed the rate at 28 per cent. Did he fix it blindly?

Mr. TILSON. It is impossible for anyone to tell what the foreign valuation would be, but it is believed that on a fair American valuation 28 per cent on this product will be a reasonable, just, and adequate rate of duty.

Mr. COLLIER. What I rose for was to ask the gentleman another question. Has he any amendment in reference to an increase in the rates now in the bill on structural steel?

Mr. TILSON. No.

Mr. COLLIER. In view of the fact that nearly all of the specific rates in this bill were placed lower than the Payne Act, why, as chairman of the subcommittee which had the metal schedule in charge, after lowering the specific in nearly every instance, did the gentleman and the committee increase the specific on structural steel over the Payne rate from three-tenths of 1 cent a pound to seven-tenths of 1 cent a pound? As I stated in my speech the other day, 90 per cent of it is used in the construction of bridges, battleships, steel cars, and the building of our marine. Now, why was that particular rate, in view of its being specific, lower?

Mr. TILSON. I doubt if the gentleman is accurate about it. There is a change of classification, a widening of the bracket at this point in the structural-steel paragraph, but I believe that the gentleman will find that the duties are lower, and as they are specific instead of ad valorem there can be no question as to valuation.

Mr. COLLIER. One question. I have not the paragraph before me.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COLLIER. Mr. Chairman, I move to strike out the last word or oppose the amendment for the purpose of getting some information from the gentleman from Connecticut, if the gentleman from Connecticut will kindly give me his attention. My recollection is—I have not the schedule rate here—that all steel in the Payne Act valued at over nine-tenths of 1 cent a pound carried a rate of four-tenths of a cent, and in this bill all steel structural shapes that have been punctured and ready to be assembled are placed at 25 per cent ad valorem, and I find from the report from the Tariff Commission that 90 per cent of the steel that goes into the bridges and into the cars and into our battleships and our merchant marine is the steel that comes in at the cheaper rate. It was on 90 per cent of this steel valued at the lower price of steel you have raised from three-tenths of 1 cent a pound to seven-twentieths of 1 cent a pound.

Mr. FORDNEY. Does my friend know that there has not been a pound of foreign steel used in the construction of bridges in the United States?

Mr. COLLIER. If that be true, I do not see why it should be taxed 3½ mills a pound, and I would like to ask the chairman why he wanted to tax this?

Mr. FORDNEY. Structural steel; not bridge steel.

Mr. COLLIER. How about steel that goes into the construction of buildings?

Mr. FORDNEY. Structural steel? We have imported steel into this country.

Mr. COLLIER. I want to say to the gentleman, the report from the Bureau of Manufactures shows that in the nine months ending March 1 there was imported into this country less than $205,000 worth of this steel, and there was exported over $39,000,000 worth.

Mr. FORDNEY. There was imported $205,000 too much.

Mr. COLLIER. Just one second. Of structural steel there was imported less than 3,000,000 tons and exported over 941,000,000 tons.

Mr. FORDNEY. Too much imports and not enough exports to suit me.

Mr. COLLIER. That is just the difference between us on that.

The CHAIRMAN. The question is on the amendment of the gentleman from Connecticut [Mr. TILSON].

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Connecticut offers another amendment, which the Clerk will report.

The Clerk read as follows:

Page 69, line 22, after the word "and," insert the word "not."

Mr. TILSON. This is merely to correct a clerical mistake.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 164, line 8, after the semicolon insert the following: "natural leaves, plants, shrubs, herbs, trees, and parts thereof, chemically treated, colored, dyed, or painted, not specially provided for, 45 per cent ad valorem."

Mr. TILSON. Mr. Chairman, this is an addition which it is believed is necessary to make clear the phraseology. The Treasury officials seem to think that these articles are already dutiable under ornamental fruits, and so forth, but it is not entirely clear that this is so. This amendment makes it clear that these chemically treated leaves, and so forth, are dutiable under this paragraph.

Mr. MANN. The gentleman said tariff on natural leaves.

Mr. TILSON. After they are chemically treated.

Mr. MANN. I have been waiting for something of that sort. In view of the duty we have on many things, I supposed we would have a duty on dead leaves from trees.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Connecticut.

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 49, line 13, strike out the words "in excess" and insert the words "more than" in lieu thereof, and in line 16, strike out the word "less" and insert in lieu thereof the words "not more."

Mr. TILSON. This is purely a matter of phraseology for the sake of uniformity. The Tariff Commission believes that this will make the language of the entire bill more uniform.

Mr. COOPER of Wisconsin. This has relation to ferromanganese?

Mr. TILSON. Yes.

Mr. COOPER of Wisconsin. Was the duty on ferromanganese increased?

Mr. TILSON. Very much.

Mr. COOPER of Wisconsin. How much?

Mr. TILSON. More than I was willing that it should be increased.

Mr. COOPER of Wisconsin. Who makes the ferromanganese in this country now?

Mr. TILSON. The United States Steel Corporation is probably the largest producer of it. It takes a large operation to produce it economically.

Mr. COOPER of Wisconsin. Will the gentleman permit me to ask him a question, after reading from the RECORD of April 25, 1913, a little dialogue I had on that subject with Mr. A. Mitchell Palmer? I asked Mr. Palmer this:

Does the Steel Trust make all the ferromanganese it uses? I understand it does.

Mr. PALMER. Yes.

Mr. COOPER. Then the trust would pay no tariff on ferromanganese, but the independent iron manufacturer would.

Mr. PALMER. I have said that.

Mr. COOPER. I did not hear the gentleman say it.

Mr. PALMER. I said exactly that—that there is no ferromanganese made in this country for sale. The steel and iron corporation makes ferromanganese for its own use, and all other producers of steel and iron buy ferromanganese from abroad. When the Payne law was written they had ferromanganese at even a higher rate than this.

Mr. COOPER. Then, if the gentleman will permit an interruption——

The CHAIRMAN. Does the gentleman from Pennsylvania yield?

Mr. PALMER. I yield.

Mr. COOPER. If the Steel Trust makes its own ferromanganese and does not import any, and all the other manufacturers, the little fellows, do import it, the Steel Trust will not pay this duty, but the small manufacturers will. Will not that be the situation?

Mr. PALMER. Well, we can not write a law that will make everybody pay a duty at the customhouse.

Mr. COOPER. But we are expected to write a law that will not discriminate in favor of the trust and against the independent producers.

Do those statements of Mr. A. Mitchell Palmer, a Member from Pennsylvania and very familiar with the steel production in that State, accord with the facts to-day?

Mr. TILSON. Very largely. There has been some growth in the production of ferromanganese outside of the Steel Corporation, but the United States Steel Corporation is the principal producer of ferromanganese in this country. The ore used by this corporation comes from abroad, as the gentleman understands. The gentleman is mistaken if he thinks that the Steel Corporation wishes to have this duty imposed. It does not. It was the most insistent of those appearing before the subcommittee that this duty should not be imposed. Possibly the Steel Trust has sins of its own to answer for, but this is not one of them.

Mr. COOPER of Wisconsin. What I had in mind, Mr. Chairman, was what Mr. A. Mitchell Palmer said, that the Steel Trust would not pay this duty if it were imposed and that the independent manufacturers, the little ones, would. Did the small manufacturers ask for this duty?

Mr. TILSON. They did not. All the manufacturers, so far as I recall now, were opposed to this duty.

Mr. COOPER of Wisconsin. Well, then, if neither the Steel Trust nor any other manufacturer asked for it, why was it imposed?

Mr. TILSON. The friends of the mining interests were the ones who insisted upon it. It was over the protest of the steel manufacturers, of course, that these duties were imposed.

Mr. COOPER of Wisconsin. I wanted to get that information.

Mr. TILSON. It must be conceded, of course, that the manganese ore producers have the right to be considered in this connection, as well as the steel manufacturers.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Certainly.

Mr. LONGWORTH. Is not this the point of the whole proposition? These duties are imposed on the ore, and it is merely a compensatory duty on the manganese content?

Mr. TILSON. That is correct.

Mr. LONGWORTH. And the manufacturers, from the Steel Corporation down, object to the duty on manganese ore because they have to import it themselves.

Mr. COOPER of Wisconsin. Approximately, what was the revenue received from the importation of that ore?

Mr. TILSON. Very small, because the duty has been negligible heretofore. It has been substantially on the free list.

Mr. WINGO. Mr. Chairman, in this discussion the gentleman from Ohio [Mr. LONGWORTH] contributed an interesting fact, as he always does when he takes the floor. In putting on this rate of duty they have heeded the demands of the miners throughout the country, who hope to develop their manganese ore, and who have asked for a tariff on manganese. The gentlemen of the Ways and Means Committee in framing their tariff undertook to put a compensatory duty on everything in which manganese was used. I think that is natural from their standpoint.

In other words, gentlemen, you are so wedded to your own processes that notwithstanding every producer in this country that is in a different attitude or position from the Steel Trust has protested against it because it would give a special benefit to the Steel Trust, and notwithstanding the fact that the Steel Trust itself protested that they did not need it, yet you gentlemen on the committee, in order, as you say, to do something for the miners of manganese, impose this other burden, which is unnecessary, and which will have a very dangerous effect on the independents, the smaller steel manufacturers now competing with the Steel Trust.

As I recall from the testimony that we had before the Committee on Mines and Mining, possibly the United States Steel Corporation is in a better attitude upon ferromanganese than anybody else. The United States Steel Corporation also owns, as I now recall, the great bulk of the manganese deposits of Brazil. I do not know what their importations are now, but before the war 80 per cent of our importations of that product came from Brazil, from the deposits which they own. They are in an attitude where, without any protection, they have an advantage over the independent iron and steel manufacturers, and when you put this compensatory duty on the ferromanganese over the protests of the independents and in the face of the admission of the Steel Trust that they do not need it, you do an indefensible thing, which you have failed to explain, and can not justify.

Mr. FORDNEY. Mr. Chairman, let us have a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another purely clerical amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Connecticut.

The Clerk read as follows:

On page 52, line 16, after the word "levied," insert a comma and the words "collected and paid."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I have another clerical amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Connecticut.

The Clerk read as follows:

Page 52, line 25, strike out the word "and" and insert in lieu thereof a comma, and after the word "collected" insert the words "and paid."

Mr. McDUFFIE. Mr. Chairman, I rise in opposition to the amendment, for the purpose of getting some information, if I can, from the chairman of the committee or from some member of the subcommittee. I wanted to know why the committee saw fit to put a tariff on blackstrap molasses?

Mr. FORDNEY. I will tell you in about a minute. It is not in order, but if you will let me dispose of this, I think I can do it. We put a duty of 1 cent a gallon on blackstrap. There are thousands of tons produced in the United States. The purchaser from abroad imports it at 3 cents a gallon. Including a duty of 1 cent a gallon, that would be 30 cents a pound. There are 12 pounds of blackstrap in a gallon. The producers of ground alfalfa and other cattle feed mix that 4 cents' worth with the feed, and then it is sold at over $28 a ton, and where they use 60 per cent of blackstrap they are making $16.80 a ton on the blackstrap, and they are here asking that it be reduced so that their profits can be increased. I want it doubled up.

Mr. McDUFFIE. We imported last year about 159,000,000 gallons.

Mr. FORDNEY. Yes. And that was 159,000,000 gallons too much, because we produce it in this country.

Mr. GREEN of Iowa. I will say to the gentleman from Alabama that if he will not take up time now he is a good deal more likely to get the duty changed.

Mr. McDUFFIE. Will the committee give us an opportunity to amend the bill with respect to the duty on blackstrap?

Mr. FORDNEY. Just as soon as the Democratic Party gets into power you can do it, but you can not do it now.

Mr. McDUFFIE. Apropos that statement, I would like to read in my time what appears in a great metropolitan newspaper, the New York American. I read:

Representative MONDELL predicts——

Mr. LAYTON. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman from Delaware makes a point of order. The gentleman will state it.

Mr. LAYTON. Is the gentleman going to read something that is pertinent to the paragraph under discussion?

Mr. McDUFFIE. Not this paragraph, but it is pertinent to the bill.

The CHAIRMAN. Debate under the 5-minute rule must be germane to the pending amendment.

Mr. McDUFFIE. This is the point we were discussing with the chairman of the committee.

Mr. GREEN of Iowa. Oh, no.

SEVERAL MEMBERS. Regular order!

The CHAIRMAN. The gentleman will proceed in order.

Mr. McDUFFIE. This says:

Representative MONDELL predicts that the Fordney tariff bill will have more united support——

Mr. LAYTON. Mr. Chairman, I insist on my point of order.

The CHAIRMAN. The gentleman is not proceeding in order.

Mr. FORDNEY. At some other time the gentleman and I will discuss this matter, and I will satisfy him.

Mr. McDUFFIE. I should prefer to discuss it now.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 59, line 22, strike out the words "except gold, silver, or platinum."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BUTLER. Mr. Chairman, I should like to have that amendment read again. I do not know whether this affects a product in which my people are interested or not.

Mr. TILSON. It does not.

Mr. BUTLER. There is more noise here than you will find in an old sawmill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. BLACK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLACK. Is it in order for me to move to strike out the paragraph under consideration?

The CHAIRMAN. That is not in order at this time.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 75, line 13, strike out the word "and," and insert in lieu thereof the word "or."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment, on page 93, line 7.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY: Page 93, line 7, after the word "tobacco," insert the following: "of the kind known as Turkish, $1 per pound; filler tobacco."

Mr. HAWLEY. This provides a separate classification for Turkish tobacco and a rate of duty upon it. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. I offer the following amendment, on page 93, line 9.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY: Page 93, line 9, strike out the word "all" and insert a comma after the word "tobacco" and the following: "Not specially provided for."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. I offer the following amendment, on page 104, line 12.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY: Page 104, line 12, strike out "8" and insert "12" in lieu thereof.

Mr. HAWLEY. Mr. Chairman, this is to provide for the proper ratio between the shelled and unshelled almonds. The ratio was supposed to be 2 to 1, but the Tariff Commission on further investigation found that the ratio is 3 to 1. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer an amendment, on page 104, line 17.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows.

Amendment offered by Mr. HAWLEY: Page 104, line 17, strike out "1" and insert in lieu thereof "15."

Mr. HAWLEY. This is to correct a typographical error in the printing of the bill. It should have been 15 instead of 1. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. I offer the following amendment, on page 104, line 25.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY: Page 104, line 25, strike out the numeral "5" and insert in lieu thereof "7½."

Mr. GARRETT of Tennessee. Mr. Chairman, is this an increase in the rate?

Mr. HAWLEY. This increases the rate on shelled walnuts, in accordance with the report of the Tariff Commission. It was at first thought the shelling ratio of walnuts was 3 pounds of unshelled walnuts to 1 pound of shelled, but on further investigation it was found that the shelling ratio is practically 3 to 1, and this recognizes the scientific relation in the conversion of the walnuts from the unshelled to the shelled product.

Mr. GARRETT of Tennessee. How does this compare with the Payne rate of duty?

Mr. HAWLEY. This rate on the unshelled walnuts is half a cent lower than the Payne rate, but on the shelled walnuts it is higher. The relation between the two was not scientific in the Payne law, and the Tariff Commission says this is the scientific relation between the shelled and the unshelled walnuts. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer another amendment, on page 104, line 17, strike out the word "cent" and insert the word "cents."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 104, line 17, strike out the word "cent" and insert in lieu thereof the word "cents."

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment, page 106, line 8.

The Clerk read as follows:

Page 106, line 8, strike out "one and one-quarter" and insert in lieu thereof "one and three-fourths."

Mr. TAGUE. Mr. Chairman, I rise in opposition to the amendment. I would like to ask the gentleman what was the tariff rate in the Payne-Aldrich bill on beans?

Mr. HAWLEY. Forty-five cents a bushel.

Mr. TAGUE. This is in keeping with the rates put in this bill right along on food products. The tariff under the Payne-Aldrich bill made the rate $1.33, while this rate brings it up to $1.75, which is an advance of 42 cents per bushel on beans imported into this country. Now, Mr. Chairman, I suppose there is nothing that goes into the family of the home, providing a meal for the poorest class of people, to a larger extent than beans raised in this country or imported. Mr. Chairman, I object, and I hope that the House will vote down this amendment.

Mr. FORDNEY. The gentleman from Massachusetts is in error. A cent and three-quarters is not $1.75——

Mr. TAGUE. No; $1.66⅔; I was mistaken.

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TAGUE) there were—64 ayes and 35 noes.

So the amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer another amendment, on page 108, line 6.

The Clerk read as follows:

Page 108, line 6, strike out the words "cents per pound" and insert the words "per centum ad valorem" in lieu thereof.

Mr. HAWLEY. This was an error in the printing of the bill which put a high rate of duty on an article that we did not intend to. We reduce this particular item from 15 cents a pound to 15 per cent ad valorem.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I wish to make a brief statement. I want to say that when the House adjourns this afternoon the Ways and Means Committee will meet in the Ways and Means Committee Room in this building on this floor immediately after the House adjourns.

Mr. GARRETT of Tennessee. Does that mean the full committee?

Mr. FORDNEY. I said the Ways and Means Committee.

Mr. GARRETT of Tennessee. What is the use?

Mr. FORDNEY. Whatever ragtail and bobtail may come from that side we will treat them with delight.

Mr. GARRETT of Tennessee. What is the use?

Mr. FORDNEY. Well, you gentlemen insist on it.

Mr. GARNER. You have already ruled us out of order.

Mr. FORDNEY. No; you were present last evening when we reported out a certain resolution, and that was held to be in order.

Mr. GREEN of Iowa. Mr. Chairman, I offer the following committee amendment: On page 36, line 23, after the word "crude," insert a comma and strike out the comma after the word "crushed."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

On page 36, line 23, after the word "crude," insert a comma and strike out the comma after the word "crushed."

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 43, line 24, after the word "twenty," insert the word "square."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. GARRETT of Tennessee. What is the effect of that amendment?

Mr. GREEN of Iowa. It was an oversight in omitting the word "square." This makes the meaning intended by the committee perfectly clear.

Mr. WINGO. Mr. Chairman, I would like to know what was the meaning of the committee. Was it the meaning of the committee to square the cylinder?

Mr. GREEN of Iowa. The meaning is not clear in the words of the bill. The word "square" was omitted by the printer or by the typewriter. It is 20 square inches, and this says only 20 inches, without telling whether they are linear or square inches.

Mr. WINGO. What was the meaning of the committee? The gentleman said it was intended to make the meaning of the committee clear.

Mr. GREEN of Iowa. It was to be 20 square inches.

Mr. WINGO. It was to square the cylinder and not to make cylindrical the square. I see.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 44, line 5, after the words "eighty-four," insert the word "square."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I have a few amendments to offer to perfect the paragraph now under consideration. I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. LONGWORTH: Page 2, line 10, after the word "containing," insert the words "more than."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 2, line 10, after the word "centum," strike out the words "or more."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 2, line 13, after the word "acid," where it occurs the second time, insert a comma.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Line 19, page 2, after the word "duty," insert the words "on lactic acid."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: Page 43, line 25, after the word "inches," strike out the period and insert a comma.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456, and had come to no resolution thereon.

SESSION LAWS OF ALASKA.

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on the Territories:

To the Senate and House of Representatives:

In compliance with the requirements of section 20 of the act of Congress entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative power thereon, and for other purposes," approved August 24, 1912, I transmit herewith a copy of the session laws, resolutions, and memorials passed at the fifth regular session of the Territorial Legislature of Alaska, convened at Juneau, the capital, on the 7th day of March, 1921, and adjourned sine die the 5th day of May, 1921.

WARREN G. HARDING.

THE WHITE HOUSE, *July 19, 1921.*

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The question was taken; and on a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 61, noes 42.

So the motion was agreed to; accordingly (at 4 o'clock and 35 minutes p. m.) the House adjourned until to-morrow, Wednesday, July 20, 1921, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. PRINGEY, from the Committee on Pensions, to which was referred sundry bills of the House, reported in lieu thereof the bill (H. R. 7847) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, accompanied by a report (No. 274), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. PRINGEY: A bill (H. R. 7847) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors; committed to the Committee of the Whole House and ordered to be printed.

By Mr. SNYDER: A bill (H. R. 7848) authorizing appropriations and expenditures for the administration of Indian Affairs, and for other purposes; to the Committee on Indian Affairs.

By Mr. TILSON: A bill (H. R. 7849) authorizing the Secretary of War to transfer and convey to the city of New Haven, Conn., all right and title now vested in the United States to land and buildings thereon, known as Fort Hale; to the Committee on Military Affairs.

By Mr. ZIHLMAN: A bill (H. R. 7850) to equalize pensions of retired policemen and firemen of the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. McSWAIN: A bill (H. R. 7851) to amend an act entitled "An act to amend an act entitled 'An act to provide for the appointment of a district judge, district attorney, and marshal for the western district of South Carolina, and for other purposes,'" approved September 1, 1916, so as to provide for the terms of the district court to be held at Spartanburg, S. C.; to the Committee on the Judiciary.

By Mr. MADDEN: A joint resolution (H. J. Res. 176) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. McFADDEN: A resolution (H. Res. 153) authorizing the Committee on Banking and Currency, or any subcommittee thereof, to investigate the administration of the Federal reserve system, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON: A bill (H. R. 7852) to pay to the Pioneer Steamship Co. the sum of $3,100.50, money paid as duty for repairs in foreign ports; to the Committee on Claims.

By Mr. CHALMERS: A bill (H. R. 7853) for the relief of August Kranz, jr.; to the Committee on Claims.

By Mr. DRANE: A bill (H. R. 7854) authorizing and directing the Secretary of War to donate to the town of Bartow, Fla., one captured German cannon or fieldpiece, with carriage, for decorative and patriotic purposes; to the Committee on Military Affairs.

By Mr. ELLIOTT: A bill (H. R. 7855) granting a pension to William Hulshart; to the Committee on Pensions.

By Mr. FISH: A bill (H. R. 7856) granting a pension to James R. Lee, jr.; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 7857) granting a pension to Mary E. Selby; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 7858) for the relief of Gertrude Becherer; to the Committee on Claims.

By Mr. PARRISH: A bill (H. R. 7859) granting a pension to Margret Poore; to the Committee on Invalid Pensions.

By Mr. REECE: A bill (H. R. 7860) granting a pension to Louisiana Daniel; to the Committee on Invalid Pensions.

By Mr. ROACH: A bill (H. R. 7861) granting an increase of pension to Charles Kline; to the Committee on Invalid Pensions.

By Mr. WILSON: A bill (H. R. 7862) authorizing the Secretary of the Interior to sell and patent certain lands to William S. N. Calhoun and Zaidee Boatner Calhoun, residents of Catahoula Parish, La.; to the Committee on the Public Lands.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2062. By Mr. BARBOUR: Resolution adopted by Fresno (Calif.) Lodge of Perfection, No. 6, Ancient and Accepted Scottish Right, urging enactment of the Towner-Sterling bill; to the Committee on Education.

2063. By Mr. BURTON: Petition of sundry citizens of Lakewood, Ohio, praying for legislation to promote disarmament; to the Committee on Foreign Affairs.

2064. By Mr. FENN: Petition for the relief of disabled soldiers as exemplified in the five-point or Sweet bill; to the Committee on the Judiciary.

2065. By Mr. KISSEL: Petition of Brooklyn Chamber of Commerce, Brooklyn, N. Y., urging support of the bills by Senator FRELINGHUYSEN and Representative APPLEBY, making illegal the pollution of navigable waters by depositing therein oil, sludge, or other oil refuse; to the Committee on Rivers and Harbors.

2066. By Mr. KNIGHT: Resolution adopted by Betty Ross Council, of Elyria, Ohio, of American Association for Recognition of the Irish Republic; to the Committee on Foreign Affairs.

2067. By Mr. LINTHICUM: Petition of Purchasing Agents' Association, of Baltimore, Md., opposing duty on magnesite; also petition of Miller Drug Sundry Co., of Baltimore, Md., protesting against tariff on toothbrushes; to the Committee on Ways and Means.

2068. By Mr. McLAUGHLIN of Michigan: Petition of sundry residents of Grand Traverse County, Mich., protesting against the compulsory Sunday observance bill (H. R. 4388); to the Committee on the District of Columbia.

2069. By Mr. MacGREGOR: Petition of pastor and trustees of the Lutheran Church of the Redeemer, acting for the congregation, protesting against the use by the Republic of France of uncivilized colored troops in the occupied districts of Germany; to the Committee on Foreign Affairs.

2070. Also, petition of Erie Lodge, No. 226, Railroad Switchmen's Union of North America, urging the recognition of the Irish republic; to the Committee on Foreign Affairs.

2071. By Mr. RAKER: Petition of Boyd Jacobs, of Acampo; J. H. Eickhoff, of Spenceville; Sacramento Valley Development Association, of Sacramento, all of the State of California, urging an increase in the tariff rate on almonds; also petition of Western Industries Co., of San Francisco, Calif., urging support of duties on potash materials; to the Committee on Ways and Means.

2072. Also, petition of Sunshine Post, No. 251, American Legion, of Los Angeles, Calif., urging support of several bills relative to ex-service men; to the Committee on Interstate and Foreign Commerce.

2073. Also, petition of the American Farm Bureau Federation, of Chicago, Ill., urging an increase of the loan limit of the Federal land banks from $10,000 to $25,000; to the Committee on Banking and Currency.

2074. By Mr. RHODES: Resolution from the Missouri State Legislature urging the passage of legislation to pay the soldiers of the late war a bonus; to the Committee on Ways and Means.

2075. Also, resolution favoring the passage of a bill granting the Missouri State militia soldiers a pensionable status; to the Committee on Invalid Pensions.

SENATE.

WEDNESDAY, *July 20, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

O God, Thou hast been our refuge and strength, a present help in time of trouble. Therefore, will we not fear, though the earth be removed and the mountain be cast into the depths of the sea. We recognize the hand that is blessing us, and rejoice that our times are in Thy hand. So help us to fulfill our duty, confident in Thine own direction and acceptable before Thee. For Christ Jesus' sake. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceeding, when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fernald	McCumber	Simmons
Ball	Frelinghuysen	McKellar	Smoot
Borah	Gerry	McNary	Stanfield
Brandegee	Glass	Moses	Sterling
Broussard	Hale	Nelson	Sutherland
Bursum	Harris	New	Swanson
Calder	Harrison	Nicholson	Townsend
Cameron	Heflin	Norbeck	Trammell
Capper	Johnson	Norris	Underwood
Caraway	Kellogg	Overman	Walsh, Mass.
Culberson	Keyes	Pomerene	Walsh, Mont.
Curtis	Knox	Ransdell	Watson, Ga.
Dial	Ladd	Robinson	Williams
Edge	La Follette	Sheppard	Willis
Ernst	Lodge	Shortridge	

Mr. CURTIS. I wish to announce the necessary absence of the senior Senator from Washington [Mr. JONES], the junior Senator from Washington [Mr. POINDEXTER], the Senator from

Nevada [Mr. ODDIE], and the Senator from Oklahoma [Mr. HARRELD] on official business.

I was requested also to announce the absence of the Senator from Pennsylvania [Mr. PENROSE], the Senator from Indiana [Mr. WATSON], and the Senator from Missouri [Mr. REED] on official business, attending a meeting of the Committee on Finance.

Mr. McKELLAR. I wish to announce the unavoidable absence of the Senator from Iowa [Mr. KENYON] on official business.

The VICE PRESIDENT. Fifty-nine Senators having answered to their names, a quorum is present.

JAPANESE PARLIAMENTARY DELEGATION.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of State, transmitting copy of a note received by the imperial Japanese ambassador in Washington, communicating the appreciation of the Speaker of the House of Representatives of Japan for the courteous entertainment accorded to the Japanese congressional delegation while in Washington, which was read and ordered to lie on the table, as follows:

DEPARTMENT OF STATE,
Washington, July 19, 1921.

The VICE PRESIDENT.

SIR: I take pleasure in transmitting herewith a copy of a note which has been received by the imperial Japanese ambassador in Washington, communicating the appreciation of the Speaker of the House of Representatives of Japan for the courteous entertainment accorded to the Japanese congressional delegation while in Washington.

I have the honor to be, sir,
Your obedient servant,

CHARLES E. HUGHES.

(Inclosure as stated above.)

IMPERIAL JAPANESE EMBASSY,
Washington, July 11, 1921.

Hon. CHARLES EVANS HUGHES,
Secretary of State.

SIR: I have the honor to inform you that I have received a telegraphic communication from the Speaker of the House of Representatives of Japan desiring me to express, on his own behalf and on behalf of the members of that body, their most grateful appreciation of the special courtesy and consideration so generously extended by the American administration and by both Houses of the Congress of the United States to the Japanese parliamentary delegation which has just completed its tour in this country.

This feeling of gratitude is cordially shared by the Government of Japan, who have likewise requested me to give expression to their sentiments no less sincere and profound. They are particularly happy to note that the signal marks of good will thus shown to the delegation have created in the hearts of the Japanese people a deep and lasting impression.

In now taking the pleasure of forwarding the above messages to you and to the American Government, I venture to request that you may be so good as to convey them also to the Members of both Houses of the Congress, at whose hands the Japanese visitors have received such a splendid welcome.

Accept, sir, the renewed assurances of my highest consideration.

K. SHIDEHARA.

WAR RISK INSURANCE POLICIES.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting in response to Senate resolution 84 certain information with respect to war-risk insurance policies, which was read and referred to the Committee on Finance.

Mr. WALSH of Massachusetts. Mr. President, the communication is in answer to a Senate resolution offered by me and agreed to by the Senate. I understand the information is very brief, and it is of especial importance now in view of the pending so-called Sweet bill. I ask that it may be printed in the RECORD.

The communication was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF THE TREASURY,
Washington, July 18, 1921.

The PRESIDENT OF THE SENATE OF THE UNITED STATES.

SIR: Replying to Senate resolution 84, requesting certain information with respect to war-risk insurance policies, and transmitted to this department under date of July 11, 1921, the following answers to the questions set forth are submitted:

1. Q. How many Government war-risk insurance policies have been issued prior to May 1, 1921, under the provisions of the act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department?"—A. Four million six hundred and seventy-one thousand and seventy-one war-risk term insurance policies have been issued prior to May 1, 1921, under the provisions of the act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department."

2. Q. How many Government war-risk insurance policies were effective and in force on November 11, 1918?—A. Four million four hundred and thirty-nine thousand six hundred and sixty-four war-risk term insurance policies were effective and in force on November 11, 1918.

3. Q. How many, if any, Government war-risk insurance policies were issued between November 11, 1918, and May 1, 1921?—A. Two hundred and thirty-one thousand four hundred and seven war-risk term insurance policies were issued between November 11, 1918, and May 1, 1921.

4. Q. How many of the Government war-risk insurance policies that were effective and in force November 11, 1918, lapsed between November 11, 1918, and May 1, 1921?—A. Three million eight hundred and thirty-six thousand eight hundred and thirty-five of the war-risk term insurance policies that were effective and in force November 11, 1918, lapsed between November 11, 1918, and May 1, 1921.

5. Q. How many of the Government war-risk insurance policies that lapsed after November 11, 1918, have been reinstated under the provisions of existing laws or regulations?—A. Two hundred and nineteen thousand four hundred and ninety-six of the Government war-risk term insurance policies that lapsed after November 11, 1918, have been reinstated under the provisions of existing laws or regulations.

6. Q. How many who held Government war-risk insurance policies and whose policies have lapsed have actually applied for reinstatement but have not been reinstated on the ground that the applicant was not in as good health as at the date of discharge from service or at the expiration of the grace period of his insurance?—A. Six thousand nine hundred and one of those who held Government war-risk term insurance policies and whose policies have lapsed have actually applied for reinstatement but have not been reinstated on the ground that the applicant was not in as good health as at the date of discharge from service or at the expiration of the grace period of his insurance.

7. Q. In how many cases where, after reinstatement of insurance and the policy became due by reason of the death of the insured, has payment been refused for the reason that the purported reinstatement was invalid?—A. Payment has been refused on 46 cases of war-risk term insurance where, after reinstatement of insurance, policy became due by reason of death of insured.

Respectfully,

A. W. MELLON, *Secretary.*

PETITIONS AND MEMORIALS.

The VICE PRESIDENT laid before the Senate a resolution adopted by the Maui Chamber of Commerce, of the Territory of Hawaii, favoring the enactment of legislation providing for immigration to relieve the emergency caused by an acute shortage of labor in the Territory of Hawaii, which was referred to the Committee on Territories and Insular Possessions and ordered to be printed in the RECORD, as follows:

Resolved, That the Maui Chamber of Commerce, a nonpolitical organization, having at heart the continued American control of Hawaii's chief agricultural industries, strongly urges upon Congress and indorses the passage of joint resolution introduced in the United States Senate under date of June 20, 1921, permitting importation into the Territory of Hawaii, for limited periods of time, sufficient agricultural labor to relieve the present local labor shortage; and

Resolved, That this resolution be at once cabled to Walter F. Dillingham, Washington, D. C., and to our Delegate, J. K. KALANIANAOLE, and a copy thereof, over the signature of the president and secretary, mailed to the President of the Senate, the Speaker of the House, and the Secretary of Labor.

The above resolution was unanimously adopted by the Maui Chamber of Commerce on this 27th day of June, 1921.

MAUI CHAMBER OF COMMERCE.
By H. B. PENBALLON, *President.*
By D. H. CAN, *Secretary.*

Mr. WILLIS presented a resolution of sundry members of the Betty Ross Council, American Association for the Recognition of the Irish Republic, of Elyria, Ohio, favoring the recognition of the republic of Ireland by the United States, which was referred to the Committee on Foreign Relations.

He also presented 10 petitions of sundry citizens of Lancaster, Columbus, Bremen, Logan, Cleveland, Rockbridge, Sugar Grove, and Shawnee, all in the State of Ohio, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

Mr. CAPPER presented a memorial of sundry citizens of Grenola, Kans., remonstrating against the enactment of legislation regulating the conduct of business in the District of Columbia on Sunday, which was referred to the Committee on the District of Columbia.

He also presented petitions of sundry citizens of Newton and Sedgwick, both in the State of Kansas, praying for the recognition of the republic of Ireland by the United States, which were referred to the Committee on Foreign Relations.

FEDERAL RESERVE SYSTEM.

Mr. POMERENE. Mr. President, in view of the discussion which has taken place in the Senate about the policies of the Federal Reserve Board and the Federal reserve banks, I have procured and have before me a copy of a letter which was written by a man who, I believe, is identified with a commercial house which gives the views of those who have favored larger rediscounts and a larger reissue of Federal reserve notes.

I also have the answer to that letter by George J. Seay, governor of the Federal reserve bank of Richmond, which presents the views very forcefully of those who are identified with the administration of the Federal reserve banks.

I think that Senators, whether they take the one view of the proposition or the other, will be interested in this discussion. I ask unanimous consent that these letters may be incorporated in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The letters were referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

JULY 2, 1921.

DEAR SIR: Your letter of June 30, in which you ask for a brief report from us as to conditions in our particular line, also any other lines as far as they—incidental to our operations—come under our observation, is acknowledged.

The purchasing and debt-paying power of a large portion of our population has absolutely been destroyed as a result of the deflation policy of the Federal reserve system. This policy has paralyzed our agriculture and stagnated our commerce, and, unless relieved, eventually the consumers will pay a fearful penalty. The policy has, of course, resulted in forcing down prices of agricultural products. This has always been the case following great wars, in which we always have great inflation. Where credits have been restricted and rates of discount raised it has always resulted in bringing about artificial deflation and forcing down prices and has brought tremendous losses.

As the result of close study of the situation, we find that throughout the agricultural sections of the South practically the same conditions exist. The farmers are unable to secure credits of either money or goods with which to produce, except in a limited way. They are loaded with debts which were incurred on the peak of inflation in the spring of 1920 for the production of that crop. We had 18 months of prosperity and business activity following the cessation of hostilities, and the present distressing financial conditions therefore are certainly not the natural aftermath of the World War but the result of the deflation policy as outlined above.

Millions of people in Europe and Asia who own lands, forests, mines, and factories, and who are an industrious people are in desperate need of our raw products, while on our side, as a result of this policy, we are being smothered by the very products which they are needing so badly. We are suffering not from overproduction but from underconsumption.

There are no markets for staple products, except in a very limited way and at prices of less than one-third the cost of production.

Unless these conditions are relieved through a lowering of the rediscount rate to, say, 4 per cent on bonds (this being the understanding of the people who purchased the bonds) and 4½ per cent on agricultural and commercial paper, through a renewal of agricultural loans until markets can be opened and confidence restored, and through more liberal extensions of credits, conditions will grow steadily worse and a large portion of the agricultural section of the Nation will face universal bankruptcy.

In our immediate section there has been a drastic reduction in cotton acreage; in fact, in all agricultural production. We find that the same condition exists throughout the State. The report just issued by the United States Agricultural Department shows a reduction in cotton acreage of 28.4 per cent and a drastic reduction in the use of fertilizers, showing that the cotton yield of this year's crop will be the smallest in the last 25 years. In fact, even with ideal weather conditions, we can not expect it to be otherwise, due not only to the reduction in acreage but also on account of the distressing financial conditions; of the fertilizers used, there was not only a drastic reduction in tonnage but only the cheapest material was purchased by the farmer.

In my humble judgment confidence can only be restored and the present conditions remedied by an immediate reversal of the policy which created them. A lowering of the rediscount rate charged by the Federal Reserve Board to 4 per cent on bonds and to 4½ per cent on agricultural and commercial paper, renewal of agricultural loans until confidence can be restored and markets opened, extension of credits based upon credits justified by the gold reserve we view as a world-wide necessity.

We beg to remain, very respectfully,

——— ———,
Vice President.

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FEDERAL RESERVE BANK OF RICHMOND,
July 11, 1921.

MY DEAR SIR: Your letter of the 2d, written in reply to our request for a brief report from you as to conditions in your line and locality, for the purpose of incorporation in our monthly report on trade and financial conditions, has come to my attention.

Your letter is a very interesting one, and your opinions, whether we may be able to agree with them or not, are welcomed and encouraged, because they are needed to make up that composite viewpoint which alone can truly depict conditions as reflected by actual physical circumstances and the mental attitude of the people of a locality or district.

I am going to take the liberty of analyzing and commenting upon several of your statements in the hope that it may be profitable to both of us. First, you state that—

> The purchasing and debt-paying power of a large portion of our population has absolutely been destroyed as the result of the deflation policy of the Federal reserve system.

By this I assume you mean that the credit policy or practice of the Federal reserve banks has been the direct cause of the "deflation" or decline in the prices of commodities, particularly of agricultural commodities. Of course, it must be admitted that anyone who incurs obligations based upon high-priced commodities or labor or securities or real estate or anything else is seriously handicapped in his ability to pay by a drastic decline in the price of any of these things. That has always been the case and always will be; it is axiomatic. As to the cause of these severe declines in prices, there you will find a very great divergence of opinion. First and foremost must always be taken into account the antecedent rise, the natural law that what goes up is bound to come down, no matter what sends it up. As opposed to your opinion, I hold the view that the action of the Federal reserve banks in protection of their reserves, which were being rapidly exhausted—exhaustion of which would have caused collapse and ruin entailing universal disaster, from which there could have been no recovery except by the long, tedious, patient, toiling process of building up after destruction—was no more responsible for what you call the "deflation" of prices than you are responsible for the action of the law of gravitation.

This "deflation" or decline in prices was not peculiar to our own country, and to attribute such declines here or in other countries to the policy of the Federal reserve system is arbitrarily to assign to it an influence which it does not and can not exercise, but which is the result of those laws of action and reaction which have been at work from the beginning of things.

The first serious shock which the business world received, as a forewarning of what was likely to happen everywhere in the world, was the sudden and violent decline in the silk market in Japan and the demoralization of business and finance there. The significance of that decline was not grasped at the time. Then came along an equally violent decline in wool prices; the market simply disappeared overnight. Then came declines in sugar prices and in cotton prices, in copper, rubber, and a wide range of staple commodities. You might go around the world and in every land you would find a parallel.

This country waked up to the fact that the power to buy things at very high prices was limited by the income and disposition of a very large proportion of its population. The Governments of the world were no longer buying goods in unlimited quantities for war purposes, and the peoples of exhausted countries had not the means to buy them, whatever their needs. Moreover, the capacity for production, stimulated by the urgent demand of war and the consequent high prices, was tremendously increased. It gradually became apparent that the supply of raw products and the manufacturing capacity were both greater than the people were able to absorb. What was bound to be the result? Credit was powerless to sustain prices. From that time on it became, day by day, increasingly apparent that the supply of things which the peoples of the world were bound to have was greater than was supposed and greater than their incomes would enable them to purchase at the prices exacted. A very large proportion of the world had little or no income with which to purchase anything, even the bare necessities of life, and hundreds of millions of dollars were contributed by charity in this country to meet the needs of such people.

Surely no man can contend with any show of reason that these things were brought about by the policy of the Federal reserve system and by interest rates established by Federal reserve banks, which rates at no time were really very high, and which were never as high as the rates charged by private owners of capital.

In one paragraph of your letter you state:

> The policy has, of course, resulted in forcing down prices of agricultural products. This has always been the case following great wars, in which we always have great inflation.

In another paragraph of your letter you say:

> We had 18 months of prosperity and business activity following the cessation of hostilities, and the present distressing financial conditions, therefore, are certainly not the natural aftermath of the World War but the result of the deflation policy as outlined above.

There seems to be an inconsistency and even a contradiction between these statements. It was during the period of "18 months of prosperity and business activity" to which you allude that the extraordinary expansion or inflation of bank credit took place until it reached a dangerous point, beyond which it could not have gone much further without an inevitable, sudden, and violent collapse. It was during this period of what you call "prosperity" that the production of commodities, and particularly manufactured products of a peace-time nature, was stimulated, and competition in the

purchase of such commodities, under the cultivated belief that they would go still higher, resulted in rapidly rising prices, requiring more and yet more credit to finance transactions. Moreover, this should be taken into account, and it is an extremely important factor in considering business activity and the course of prices during the period to which you refer. After the armistice there remained about $2,500,000,000 of loans to foreign countries unexpended and available, and our large exports to Europe in 1919 were paid for very largely out of this fund, provided by the people in this country through Treasury loans. That situation in itself would have served to keep business active for a time.

For the full period of a year the attention of the whole country was called to these conditions and the inevitable consequences. Rates of discount at Federal reserve banks were gradually raised and warnings were given people to exercise restraint in the use of credit. But notwithstanding these warnings and increases of the discount rate many writers who should have known better bitterly scored what they termed restrictions of credit, when, as a matter of fact, credit was being continuously expanded. During the most violent stages of price adjustment credit was being expanded, not contracted. Nobody would heed the warnings. The individual banks the country over lent out all of their reserves—every dollar and more, too—and borrowed from Federal reserve banks to recreate or replace their reserves. It did not take long to discover that credit obtained against commodities and goods at high prices was being used to hold them off the market and create a belief in scarcity and force up the price. When this became well understood the game was up.

You further state:

> Millions of people in Europe and Asia who own lands, forests, mines, and factories and who are industrious people are in desperate need of raw products, while on our side, as a result of this policy, we are being smothered by the very products which they are needing so badly. We are suffering not from overproduction but from underconsumption.

Can anyone explain how these millions of peoples in Europe and Asia who own lands, forests, mines, and factories can use them in paying you for your raw products? Raw products are not usually paid for in any such way. The best thought of this country has been vainly searching for a way by which the people who have no liquid capital and little credit can buy our goods and by which we can safely sell them our goods under such conditions.

What has been done already in the way of granting them credit? Your statement appears to imply that there is some easy way of continuing it, and even that the Federal reserve system has the power of doing it. These countries to which you allude already owe us the incredible sum of about 18 billion dollars, made up about as follows:

Advances for war loans	$10,000,000,000
Surplus war material sold abroad	3,000,000,000
Due to American exporters and manufacturers	3,000,000,000
Due to American investors, etc	2,000,000,000
Total	18,000,000,000

There is a limit to this thing. Corporations have been formed for the purpose of aiding exporters to do more business with these foreigners described by you, but a very small amount of business has resulted, because no way has yet been found by which credit can safely be extended in large volume to people who can not pay, or if they can pay at all can only pay by slow degrees as they accumulate capital. Our merchants are slow to take further risks. Doubtless you know that hundreds of millions of dollars in goods were repudiated by foreign buyers and were left on decks unclaimed.

The English Government agreed to assume 85 per cent of the risk of its manufacturers in selling to these people whom you describe, but I am informed by very competent authority that comparatively little business has been done under that guaranty, because the English merchants are unwilling to assume the balance of 15 per cent of the risk and have found that the people have nothing available as a basis of credit and that they can not safely extend credit. As to "underconsumption" it has always everywhere been demonstrated that people under stress of circumstances can and will govern their consuming capacity and that without material distress. The difference between extravagant and frugal consumption in this country alone is sufficient to bring about temporary depression.

Is the Federal reserve system to blame for these conditions? You say:

> Unless these conditions are relieved through a lowering of the rediscount rate to, say, 4 per cent on bonds and 4½ per cent on agricultural and commercial paper, through a renewal of agricultural loans until markets can be opened and confidence restored and through more liberal extension of credits, conditions will grow steadily worse, and a large portion of the agricultural section of the Nation will face universal bankruptcy.

Loans are being constantly renewed. In your State, particularly, there has been practically no liquidation for a year. I am wondering what you mean by a more liberal extension of credits. There are 90 member banks in South Carolina, 91 of which are borrowing from us. (The 8 banks which are not borrowing amount to a small sum in resources.) This bank is lending those 91 banks 308 per cent of the amount which they contribute to the lending power of the Federal reserve system. This is between five and six times the amount of the reserve deposits of those banks in the Federal reserve bank of Richmond. Take the two member banks in your city by way of illustration: We are lending to these two banks ten times the amount of their reserve deposits. Would you contend for a more liberal grant of credit than this? In some cases in South Carolina—principally the cases of small banks—we are lending ten to fifteen times the amount contributed by those banks to the lending power of the Federal reserve bank of Richmond. We are lending to the banks of North and South Carolina $47,000,000, which is practically one-half of the largest amount ever borrowed at any one time by the national banks of the country prior to 1913, or before the establishment of the Federal reserve system. Besides, the member banks of your State are borrowing between six and seven million dollars from other banks, which get the funds from the Federal reserve system.

We often hear that the farmers can not obtain credit from their local banks. What is the reason, when the Federal reserve bank is lending its member banks so freely? As I have stated, the reserve bank is lending to some of these banks beyond all reason, and to all of them with the utmost liberality consistent with prudence. If, then, the banks, notwithstanding, are not in a position to lend to their agricultural customers as may be needed, it is due to one of two causes: First, a lack of capital in the community, or, second, to the management of the banks in placing their loans. In a very large number of cases the banks have so loaned their funds that they have become tied up, and they can do no more than renew the loans time after time. We, of course, have access to the statements of all member banks, and I feel that I am wholly justified in making the statement that the inability of banks to make temporary loans is due to the fact that they have so managed their funds as to allow them to become tied up. Sometimes the causes of this are beyond their control, but far more often, indeed, due to the nature of the loans themselves. The experience of banking everywhere is that there is danger in heavy borrowing by banks, and the safety of the national banking system was founded upon two principles: First, that no bank should become liable in an amount greater than its capital stock, and, second, in the limitation that was placed by law upon the amount which a national bank could lend to one borrower.

This week I participated in a conference with cotton men from the far South, or men interested in the cotton business, some of them bankers. One of them stated that he was lending to his cotton borrowers all that he was willing to lend, which illustrates the principle which I have enunciated above. These men appeared to have no delusion as to the causes of the decline of cotton prices and stated that they and many others whom they knew, more than a year ago when many people were advocating the holding of cotton for 40 cents, were selling their cotton as fast as they could and as fast as the market would take it, knowing what would come.

As soon as capital becomes sufficiently plentiful, the natural course of interest rates will be to decline. Nobody can say at this time that capital is plentiful. Then why should it be made artificially cheap? Look at the rates which cities, counties, and towns have to pay for their funds. Look at the rates which railroads and great manufacturing corporations have to pay for large loans. Look at the rates which governments, both foreign and domestic, have to pay for large loans. Capital can only be called abundant when banks have surplus funds of their own which they are anxious to place. It can not be abundant when they are forced to borrow from other banks or from Federal reserve banks for the purpose of lending. It would, therefore, serve no good purpose for Federal reserve banks to lower their rates, but, on the contrary, would give a false impression as to the supply of capital. Banking institutions are not borrowing institutions; they are lenders, and the sound opinion everywhere is that banks should be borrowers only for seasonal operations which demand greater use of capital, or for extraordinary emergencies to tide over difficulties in individual cases. For banks to borrow in order to lend at a profit has been everywhere at all times recognized to be an unsound practice. No bank can absolutely control the use of funds which it lends. Particularly is this true in the cases of large cities and large banking institutions. In my judgment, to lower the interest rate to any such figures as you specify

would not only be responsible for a false idea as to the abundance of capital but would result in stimulating the use of liquid capital in directions in which by no means it ought to go under existing conditions, and would make the situation worse instead of better.

We are advised that your State bankers' association at their recent convention unanimously rejected a resolution that the reserve bank rates should be reduced to the figures specified by you.

As for this bank, it is lending as liberally to its member banks—particularly in South Carolina—as any borrowers have the right to expect, and further "liberal extension of credits" in such cases could not possibly be allowed with prudence. When either banks or individuals are already borrowing more than their equitable proportion of available funds, and in many cases beyond the limits dictated by experience, prudence, and safety, how can there be talk of still more liberal extension of credits? The trouble lies deeper than this, and it can only be cured by time and the reaccumulation of capital by the slow process of saving and the discharge of debts by the products of labor. There is no universal remedy, nor is there any specific cause for the declines of which you complain, but rather a cause complicated by and embracing the operations of all natural and economic laws.

Yours, very truly,

GEO. J. SEAY, *Governor.*

Mr. OVERMAN. Mr. President, I hold in my hand a statement from Eugene Meyer, managing director of the War Finance Corporation, sent to me by Hon. A. W. McLean, also a member of the corporation, which will be of great interest to Senators, showing what this board is doing toward financing our cotton crop and offering facilities for the exportation of cotton. I think it ought to be read from the desk and printed in the RECORD. I make that request.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

Mr. HEFLIN. Mr. President, in line with the suggestion made by the Senator from Ohio [Mr. POMERENE], that a statement by a Federal reserve bank may be presented to Congress and to the country, I ask permission to have printed in the CONGRESSIONAL RECORD of to-day a speech delivered at Augusta, Ga., a few days ago by ex-Comptroller of the Currency Hon. John Skelton Williams. It deals with some of the policies and practices of the Federal Reserve Board. I think it ought to appear in the RECORD along with the other statement submitted.

The VICE PRESIDENT. Is there objection?

Mr. MOSES. Mr. President, I ask that the speech be referred to the Committee on Printing.

The VICE PRESIDENT. The Senator from New Hampshire requests that it be referred to the Committee on Printing.

Mr. OVERMAN. Mr. President, I rise to a point of order. I asked that the letter which I presented be read from the desk, and it was so ordered by the Chair.

Mr. MOSES. I am not objecting to the document presented by the Senator from North Carolina. I am referring to the speech which the Senator from Alabama presented.

Mr. OVERMAN. I understand; but I merely rose to a point of order. The order was made by the Chair that the document which I presented be read at the desk, when the Senator from Alabama interposed.

Mr. HEFLIN. Mr. President, I do not know what is contained in the statement submitted by the Senator from Ohio [Mr. POMERENE], and I consented for it to be printed in the RECORD because I felt that no one would object to printing the speech of the ex-Comptroller of the Currency in the same RECORD. I want both sides heard. I am going to get that speech in the RECORD if I have to read it upon this floor myself. I want the country to have the facts. I do not propose that the Federal Reserve Board shall present one side of this question to the Congress and to the country. I want the whole truth known. I am convinced that the deflation policy of the Federal Reserve Board has slaughtered property in America by the billions.

Mr. MOSES. Mr. President, I ask for the regular order.

Mr. HEFLIN. There are men who have killed themselves whose suicide may be traced to the policies and practices of this board.

The VICE PRESIDENT. The regular order, which is the presentation of petitions and memorials, is demanded.

Mr. OVERMAN. May I not have read for the information of the Senate the statement which I have presented as to what has been done by the War Finance Corporation in connection with the exportation of cotton?

Mr. HEFLIN. I have no objection to that. I am not objecting to the request of the Senator from North Carolina.

Mr. POMERENE. Mr. President, I rise to make an inquiry. I understood that my request to have printed the two letters presented by me was granted.

The VICE PRESIDENT. The Senator's request was granted by unanimous consent.

Mr. POMERENE. I presented those letters in the way in which I did because I desired to have both sides of the matter presented.

Mr. HEFLIN. Precisely.

Mr. POMERENE. I am not making any objection to the request of the Senator from Alabama.

Mr. HEFLIN. In line with what the Senator stated, that he wanted both sides presented, I did not object to his request; it is all right; but I did want the other side presented, and I asked that the speech of the ex-Comptroller of the Currency be printed following the letters presented by the Senator from Ohio. That is only fair to Congress and the country, and I hope the Senator from New Hampshire will not delay the matter by asking that the address of the ex-Comptroller of the Currency be referred to the committee. If he does, it will not appear in the RECORD directly following the letters which have been ordered printed.

Mr. MOSES. As the chairman of the Committee on Printing, I think I ought at least to read the address before it goes in the RECORD.

Mr. GLASS. Mr. President, I will say that the Senator from Alabama [Mr. HEFLIN] need not be disturbed about the situation. The speech of the ex-Comptroller of the Currency will undoubtedly go into the RECORD, because the Federal Reserve Board has addressed a communication to the chairman of the Banking and Currency Committee of the Senate requesting that that committee make an investigation of the truth of the statements which are contained in the speech of the ex-Comptroller of the Currency.

Mr. HEFLIN. In view of that, I ask the Senator from New Hampshire to withdraw his objection and let the speech be printed in the RECORD so that we may have both statements printed in the same connection.

Mr. MOSES. I did not catch what the Senator from Virginia [Mr. GLASS] said.

Mr. GLASS. I stated that the Senator from Alabama need have no fear about the speech of the ex-Comptroller of the Currency getting into the RECORD, because the governor of the Federal Reserve Board, by direction of the board, has addressed a letter to the chairman of the Committee on Banking and Currency of the Senate asking that the accusations made by the ex-Comptroller of the Currency be investigated by the Senate Banking and Currency Committee.

Mr. MOSES. Will that investigation take place, I ask the Senator from Virginia?

Mr. GLASS. I sincerely hope so.

Mr. MOSES. In view of that I withdraw my request that the address be referred to the Committee on Printing.

The VICE PRESIDENT. Is there objection to the printing of the address in the RECORD? The Chair hears none, and it is so ordered.

The address referred to is as follows:

ADDRESS OF JOHN SKELTON WILLIAMS BEFORE THE AUGUSTA BOARD OF COMMERCE AND GEORGIA PRESS ASSOCIATION AT AUGUSTA, GA., JULY 14, 1921.

SILK SHIRTS AND BUBBLES.

Hon. John Skelton Williams spoke as follows:

"Mr. Chairman, members of the Augusta Board of Commerce, farmers of Georgia, members of the Georgia Press Association, ladies and gentlemen, addresses of this kind, according to immemorial custom, are served like a Chinese banquet, hind part before. We begin with the dessert of compliment and oratorical confectionery, put the spice and pepper in the middle, and wind up with solid intellectual food, in case we have any to offer.

"It is not, however, merely complimentary or conventional when I say I thank you for the honor you have done me in inviting me here, for I appreciate most deeply your invitation to talk to the imperial powers of the Empire State, an empire in territory, in wealth, and in power, conducted on the highest principles of democracy.

"I thank you for asking me here not only because I feel gratified by the personal courtesy but because I believe I have something to say that should be said. Having no political purpose, no ax to grind, as you people say, I suppose I can talk rather more freely than those who are more or less entangled with parties or factions or individuals.

"My employment through the last seven years as Comptroller of the Currency of the United States has given me exceptional opportunities for knowing the inside and the outside of our commercial and banking operations and conditions, the moving spirits and influences, and has imposed on me the duty of

making special study of them, divested as I am of the interests and alliances which sway the judgments of men.

"We are now passing and have been passing through the same processes that have followed every great war. In my opinion, we have been subjected to unnecessary hardships and losses by failure to use properly the means provided for avoiding or ameliorating those hardships. We will recover completely and triumphantly, but there have been delays, dismays, and disasters from methods and policies which I believe to have been unnecessary, erroneous, and inexcusable, and neither political party can charge the other with responsibility for these grave errors, because the men in authority upon whom the responsibility primarily rested were, I believe, affiliated in equal numbers with both parties.

"Newspapers and magazines and much of our daily conversation have been filled with the period of extravagance among the people. We have read columns and many of us have listened for hours to talking of the silk shirts of the workingmen and the fine automobiles the farmers bought during the flush times. Both those much-discussed classes may comfort themselves with the knowledge that if they were unwise and lacking in foresight, they were not more so than many, if not most, of those supposed to be the seers and high priests of our finance and the special repositories and sources of business wisdom. The silk shirt was on the man's back, and the automobile was on the big road or plainly in view in the barn, but the millions invested in wildcat, impossible, or fraudulent enterprises and schemes are out of sight on the pages of books locked in safes and vaults or shut in safe deposit boxes in the shape of paper with pretty pictures and printing and bearing large figures and not worth what was paid the printer to make them. The difference is that, while the money spent by the workman and farmer went to help the dealers and manufacturers, and was their own, the investments in worthless so-called securities oftentimes built nothing, developed nothing, and frequently, if not generally, belonged to other people, who were made to foot the bill.

"Recklessness in expenditure and investment amounting almost to madness is one of the greatest of the many evils attending and following war. It has never been fully explained, as far as I know, but it seems like a psychological reaction of human nature to emergencies. Poorer men go to silk shirts or other corresponding indulgences, and those better off to bubbles, apparently spontaneously and automatically.

"Exactly two centuries ago, after two decades of long, general and deadly European war, there was a period of riotous waste among the people and frantic speculation which culminated in the notorious South Sea bubble, one of the most famous scandals of history. Kings of the world's foremost countries involved themselves, and even the Prince of Wales himself was forced to resign from the presidency of a bubble company. Contemporary history tells us of nobles, dukes, bootblacks, and criminals elbowing each other in the London streets about the offices where stock might be bought at a high premium, in wild competition to secure some; of ladies of the highest rank compromising their characters that they might win the favor of a few shares. It was a swindle often repeated since, familiar to some of to-day from recent instances in Boston and elsewhere, the simple scheme of using the money paid in for new stock to pay dazzling dividends on the old, but in the South Sea days the Government of Great Britain became a partner, adding new frenzy to the mania and for the time displacing the Bank of England itself in showering its confidence on the agents of a crazy dream and a fraud ridiculously barefaced.

"The official reports of the debates of the British Parliament of 1721 reveal that the ruin became widespread, tens of thousands of families, once prosperous and respected, disgraced, bankrupt, and destitute.

"To check the speculative mania in those days it became necessary for the King and Parliament, by proclamation and otherwise, to call a halt to the schemes and promotions which, in the language of the official record of those days, were described as 'pernicious projects and undertakings, first set on foot and promoted by crafty knaves, then pursued by multitudes of covetous fools, and at last appeared to be, in effect, what their vulgar appellation denoted them to be, namely, bubbles or mere cheats.' Continuing, the official report declares: 'By these extravagant and unwarranted practices many unwary persons were defrauded and impoverished and a few busy upstarts enriched, to the great detriment of domestic trade.'

"Among the corporations and flotations which two centuries ago were specifically mentioned in the parliamentary debates were such as a company for the purpose of carrying on 'an undertaking of great value, but nobody to know what it is'; another 'for erecting salt pans in Holy Island, two million sterling'; 'for importing walnut trees from Virginia, two million sterling'; 'for insuring to all masters and mistresses the loss they shall sustain by servants, three million sterling'; for the 'transmutation of quicksilver into a malleable fine metal'; for 'buying and fitting out ships to suppress pirates,' etc. The famous company for extracting sunshine from cucumbers does not appear on the list, but the worst of them all are but little more absurd than some of the enterprises in which our people of this day were putting their money a year or two ago.

"Incidentally this country gained vastly from the destruction abroad, because many people of fine heritage, abilities, and ambitions were driven to seek to mend their fortunes in the new land of Virginia, and their descendants have peopled and blessed all the older States of our Union.

"I cite this matter to illustrate that what we are seeing and feeling is no new thing under the sun, and as a comforting assurance that we are no worse and no more subject to crazes and paroxysms than our respected forefathers, who ruined themselves with considerably more rapidity and completeness than we do, and with less provocation or excuse.

"Coming down another hundred years, we find more of the same conditions we have known in the last four years, only very much worse in proportion to our size and wealth. In 1821, following the Napoleonic wars and our war with Great Britain, this country and Europe were feeling the results of a debauch of imaginary prosperity. Seven years after we had made peace with His Britannic Majesty and six years after Waterloo we were in the depths. Until about 1820 anybody could sell anything at any price. Wildcat banking was the rule and conservatism the discountenanced exception. The crash and panic that came were as inevitable as the operation of any law of nature. Newspapers of those days were filled with advertisements of real estate bought at fancy prices in boom times, for which buyers could not pay, and of farms and homes seized for debt improvidently contracted. The older American States in their turn contributed to the frontier States, as they had been contributed to by the old country, swarms of active and enterprising people who had been swept from discretion by the frenzy of the time and compelled to seek in new surroundings the fortunes hoped for and missed. As is the case always in such conditions, a few who had kept their heads and taken advantage of the follies of their neighbors, or who had been lucky enough to close out at the right moment, profited enormously and piled up fortunes enormous in that day, but in the cities the appeals for charity were incessant, and New York and Philadelphia saw bread riots.

"Fifty years later, after our Civil War, after duplication of the whirl of reckless spending, came duplication of the crash, and the panic of 1873 shook the world. Complete recovery from this did not come for many years.

"Now we are less than three years from the armistice of November 11, 1918. We have come through the period of lavishness in far less time than was required for the fever to exhaust itself after most of the other modern wars in which we have been concerned. The inherent wealth of our country is so enormous, the energy and intelligence of our people so unlimited, and our prestige among the nations of the world is so high, that with a wise use of our opportunities, an intelligent and courageous handling of our financial machinery, and an unselfish leadership on the part of our business and financial leaders, it is entirely possible for us to get back speedily to prosperity and good times. However, one of the most important opinions I am here to express to you is that we are not recovering as rapidly and as smoothly as we should have done, and as our great Federal reserve system was intended to enable us to do. I further declare the opinion that the partial failure is not the fault of the Federal reserve system itself, but is the fault of the administration of that system by individuals who have not measured up as they should have done to the great responsibilities imposed upon them. I know this opinion is founded on facts. I believe I can convince you that it is fully sustained by the evidence. I formed that opinion from close knowledge of the situation and developments acquired by me officially and accurately while I was comptroller. I expressed my views as strongly and clearly as I could put them into words, both orally and in writing, during the past 18 months or more, and I believe that if my remonstrances had been heeded and my admonitions given the consideration to which I considered them entitled, coming from a member of the reserve board, untold loss and suffering might have been avoided.

"Perhaps it is too late now to correct the very serious mistakes that have been, as I think, made, or to avoid or cure the natural and inevitable consequences. It is not too late to try to

point out some of those mistakes, especially when there is opportunity to do so before the ruling powers of a powerful Commonwealth. The local press and the farmers of any community can and should be powerful in guiding its thought and directing its action.

"All progress of the human race and of individuals is based on understanding of our blunders. My hope is to expose and explain blunders that have been made, to try to make them so thoroughly understood that they will not be repeated or continued.

"The Federal reserve act is the finest tool for commercial protection and construction ever put in the hands of a Government and people. I believe that by awkward and inefficient handling it has been used to injure where it was intended to guard, and to encourage and protect what it should have restrained and prevented. I believe it has been weakened and misdirected by the 'bureau disease,' a disease which I have described heretofore as 'bureaumania,' to which too often those intrusted with authority seem to become subject. It is so much easier to hold and regard policies and rules when once adopted as final, fixed, and unalterable, rather than to undertake the labor of studying their workings and effects and deciding on modifications and changes. It is so much more self-satisfying to accept our own opinions as the supreme fruit of wisdom than be at the trouble of analyzing and amending them in the light of results and to fit changing conditions and circumstances.

"I question nobody's motives. The dismal, cold fact, as it seems to me, is that the Federal reserve act, which was designed to provide a system of banking and currency supply, pliable and elastic, adaptable to the variations of seasonal and sectional requirements and of supply and demand and commercial development, became stiff and inelastic, consequently oppressive and injurious where it should have been helpful, and dangerously lenient where it should have been repressive.

"A valiant little country bank in Alabama, striving and straining to help its farmer customers, needed $112,000 to meet the needs of its community in crop-moving time, the latter part of September, 1920, and that little bank was charged for the use of that money for about two weeks by its Federal reserve bank an average rate of about 4 per cent—not 4 per cent per annum, gentlemen, but about 4 per cent per month on an average; in fact, the rate charged for a portion of that money was actually 87½ per cent per annum.

"I have studied the reports of the interest rates charged by the Government banks of all the other civilized countries of the globe—England, France, Italy, Scandinavia, Japan, China, and you may also include Germany and Austria, and all others—and I think the records will show, gentlemen, that the rates which certain small banks in Colorado, Kansas, Texas, Louisiana, Alabama, and other States were charged by their reserve banks, in certain exceptional cases, amounted to from two to five times as much as the rates charged by any Government bank in any civilized country on the globe. Gentlemen, these amazing rates are brutal, wholly without excuse. The Federal reserve system should be made to refund in every instance every dollar of interest exacted in excess of 10 per cent, if not in excess of 6 per cent.

"More than six months ago I urged the Federal Reserve Board to abolish entirely these grossly excessive rates which were being imposed under what was called the "progressive-interest plan," and offered a resolution to make the rate of interest 6 per cent, but my resolution was voted down. I then offered another resolution that the rate of interest should not exceed 10 per cent in any instance, but this resolution was also disapproved by my colleagues.

"Writing to the board, under date of February 4, 1921, I said very plainly:

> "The more I have looked into this subject the more I am convinced that the progressive rate, as it has been applied in certain districts, is wholly indefensible, and I believe that the reserve banks and this board would be very severely criticized if the rates of interest which have been exacted upon this plan by some of our reserve banks should be made public. I do not believe we are ever justified in pursuing a policy which can not be approved by a sound public opinion.

"It is due to the Federal reserve bank of Atlanta that I should tell you that officers of that bank earnestly pleaded with the Federal Reserve Board a year ago for permission to adopt, in certain respects, more liberal policies than those laid down for them by the board, but their supplications were unavailing.

"While small banks in the farming districts were being taxed in this manner, great banks in New York were being supplied with practically unlimited amounts of money at 5, 6, and 7 per cent. The official record will show that while the reserve bank collected $2,100 (equal to 8 per cent on the bank's entire capital stock for 12 months) from a little bank in your adjoining State of Alabama for the use of about $112,000 for two weeks in crop-moving time a year ago, a big bank in New York, whose funds were largely employed in speculative operations and deals, for the same cash consideration, or, say, $2,100, was given the use of about $800,000 for the same time.

"The policy of the Federal Reserve Board and of certain reserve bank authorities seemed to be that if certain big banks wanted anything, why let them have it promptly and no questions asked; but if a little bank or a farmer needed funds, comb him well; make him give up everything he has as security, and then make the directors, as well, guarantee the loans for all they are worth. This policy was carried so far that I have been informed recently that a national bank in the Southwest claims that it was not saved but was broken by the exactions of a reserve bank, and its directors are now planning to bring suit against a Federal reserve bank demanding that they pay its depositors in full. The prodigality with which certain big banks disposed of the funds so unstintingly loaned them by certain reserve banks may be illustrated by a loan of $500,000 to a fisheries company made by a big northern bank which came to my notice. When I inquired what the security for the loan was, I was informed that the collateral was fish. And when I asked where the fish were, I was informed officially that the fish had not been caught at the time the loan was made, but that they were supposed to be swimming in the oceans thousands of miles away; but that the corporation had promised to go fishing, and if they caught any fish, pack them and can them and then put them in warehouses and then deposit the warehouse receipts as security for their loan, which, when I last heard from it, had not been paid or reduced.

"Of course, much of the money loaned by the reserve banks was used for the legitimate purposes of trade and commerce, but entirely too large a proportion of it was also used for the promotion of all kinds of speculative schemes, and many millions borrowed from the New York reserve bank was employed by the borrowing banks to promote speculative schemes of the executive officers of prominent banking institutions in that city, to whom in various cases specially low interest rates, commonly spoken of as 'family' rates, were sometimes charged.

"In other cases banks which were borrowing from the Federal reserve bank at 6 per cent took advantage of the necessities of their customers, and in some instances charged them 20, 30, and 50 per cent per annum on good security, and I have before me one case where a bank which was borrowing several million dollars from the Federal reserve bank at 6 per cent charged its customer, the head of a large manufacturing corporation, the equivalent of about 200 per cent per annum interest on the net amount of money which the bank itself advanced to the borrower. That loan was secured by collateral and repaid within six months. For six months' use of about $250,000 the reserve bank charged the member bank approximately $7,500. About the same time that the member bank borrowed at 6 per cent from the reserve bank it loaned its customer approximately $250,000 net—exclusive of a portion of the loan which it passed on to its correspondents without indorsement—and for the accommodation exacted, in interest and commissions, the sum of approximately $250,000 for a loan repaid within six months, the interest rate being the equivalent of about 200 per cent per annum. In other words, the rate of interest per annum which that particular bank exacted from its unfortunate customer was about thirty-three times the rate of interest which it paid to the Federal reserve bank for the money at the time the loan was made. Is there any honest man in the entire United States who will seriously attempt to defend that transaction?

"The directors of the New York reserve bank include men of high character and excellent ability, and I do not believe that they would have approved of some of its methods and policies if they had been kept fully informed by the officers in active charge.

"You have noticed the uneasiness and well-nigh unprecedented depression in the security markets and in financial circles. This, my friends, is, in my judgment, in no small measure the natural result of a collapse of public confidence and the suspicions aroused by the operations of some of the men at the head of some of our big institutions, who have shown themselves unworthy of the trust which has been reposed in them. The public have the right to demand, and will demand, that the heads of the great banking institutions of our country, to whom are intrusted the savings and property of millions of business men and other depositors, shall be men of the highest integrity, whose first thought and duty shall be the protection of the interests committed to them, and whose time and thought and energy must not be dissipated or absorbed by their fantastically wild speculative ventures and promotion schemes, of too many

of which it might be truly said as Horatio Walpole said of the South Sea bubble in his day, that it was 'weak in its projection, villainous in its execution, and calamitous in its end.'

"My attention was recently directed to the case of a certain prominent high executive official of a certain large banking institution, to which he should have given all his time and thought and energy, but who was also a director in some 30 or 40 other corporations, a majority of which had already been crippled or come to grief. The shrinkage which has already taken place in the securities of less than half of those corporations from the top prices at which their stocks were sold in the past to the prices prevailing now amounts to about as much as the combined capital of all the banks and trust companies in New York City, or, say, from a quarter to a half billion dollars.

"Such instances as these emphasize the importance of the recommendations contained in my last annual report to the Congress, that the active officers of large banks should not be permitted to be directors in other corporations.

"The novel theory, which, unfortunately, appears has been acted upon sometimes in the past, that proper selections for bank executives, presidents, and vice presidents are active speculators and stock jugglers, on the one hand, or expert publicity men and 'tooters' whose main functions are to prepare press statements or attend bankers' conventions and maneuver the appointment of committees, who adroitly shape resolutions and policies for such conventions to adopt, has received a rude setback during the past year, and the importance of having men of the highest integrity, ripe experience, and sound views, both on the ethics and economics of banking, is, I am happy to observe, recognized now more thoroughly than ever before in our history.

"I have no hesitation in telling you that as far as I am able to see the decent and conservative banking element in New York City, as everywhere else, regards just as I do, and as I know you do, the operations and methods of certain big speculators, all the more dangerous because of the prestige given them by their official positions, who have made playthings of the funds of other people, and the performances of accidents and sons of somebody who have used the wealth and power intrusted to them to defy the moralities and decencies. When the stockholders understand how their confidence has been abused there will be radical changes in the personnel of some of our big banking institutions.

"If this was not the richest and strongest country the world has ever known, with its big element of the best people, immeasurable power of production, and natural resources, we would face to-day disaster by a comparison with which the disaster following the explosion of the South Sea bubble would appear trivial, despite our admirable banking system intended to make disaster impossible.

"Yet while this orgy of usury and speculation was raging in New York many of you here had the experience of going to your local banks for money with which to pick or hold your cotton or to carry your paper through the dull season, and of being told of the difficulty of getting money through the reserve bank, and of the limitation being put on the small borrowers. Seeing these things as I do, nobody on earth can convince me that there is not something wrong, a perversion of purpose somewhere. I do not mean to suggest that the New York banks, for instance, were handed out money without security. I do mean that they could and should have been admonished and restrained by the Federal reserve administrators precisely as the village man or the country farmer, even with ample assets, is advised and restrained by village and small-town bankers when showing a disposition to be too speculative or extravagant. These things, as all of you know, occur every day.

"I heard much talk while I was a member of the Federal Reserve Board about forcing the farmer to sell his wheat, or the cotton planter his cotton, or the cattle raiser his live stock, the wholesaler or retailer their stocks of goods, but I must tell you frankly that I do not recall a single occasion during the past year or two of deflation when the board ever discussed seriously the importance or desirability of requiring the big banks in New York City, some of which were lending millions of dollars to their own executive officials on highly speculative securities and to big syndicates in which those officials were actively interested and which those banks had been carrying for months and sometimes for years, to liquidate a portion of these loans, in order that by so doing those banks might have more money to supply the legitimate use of trade and commerce.

"Eighteen months ago, while this speculative orgy was under full headway, I addressed a written communication to the Federal Reserve Board, protesting against the extent to which the funds of the system were being used in fanning the fires of speculation, and I pointed to one instance where the Federal reserve bank of New York was lending to one institution about $130,000,000, twice as much money as the Federal reserve bank of Dallas was lending to all of the 1,000 member banks in that great district, embracing the State of Texas and parts of the States of Louisiana, Oklahoma, New Mexico, and Arizona. It was also shown that the New York reserve bank was lending to that particular institution at one time an amount equal to nearly six times the total capital of the Federal reserve bank of New York. The significance of this may be better appreciated when we remember that for many years a national bank was forbidden to lend to any one borrower more than 10 per cent of its capital stock. In my written remonstrance, I said:

"This is a concentration of the funds of the system with one debtor bank * * * which, in my judgment, is not only not justified but distinctly dangerous, and I feel it my duty to register my strong dissent from a continuance of such conditions as these.

"In my letter to the board of January 17, 1921, I pointed to the extraordinary fact that the Federal reserve bank of New York was lending to one particular institution in that city at one time last year more money—in one instance more than twice as much—than the seven Federal reserve banks of St. Louis, Kansas City, Minneapolis, Dallas, Richmond, Atlanta, and San Francisco were lending to all of the member banks, both National and State, in any of those seven respective districts.

"I also said in that same letter:

"It is entirely true that I wish to go on record * * *. I wish to be recorded definitely as having done my utmost to urge our board to saving or palliative action and consideration for the troubles of the public, and thereby at least free myself from the censure that will fall on us with crushing force if we omit any possible effort to mitigate present and real suffering or to avert disaster, although the consideration of personal exculpation is, of course, slight and negligible in comparison with my main purpose and hope, which are to obtain from the board some prompt and effective action for relief.

"Neither I nor any other local banker can regulate the conduct of our business by unreasoning, iron-clad, inflexible rules. We can not lend without limit to every man who offers security, or require $2 of gilt-edge security for every dollar we lend. We consider, if we are at all fit for our jobs, such matters as the moral hazard and the purpose for which the money is to be used. We do not lend without stint to the richest customer if we know he is gambling beyond the safety line, while denying the man who is trying to build something useful or productive, or to enlarge the trade of the community and promote its prosperity.

"The intent of the framers of the great Federal reserve law was that the system should be governed and conducted on those plain, common-sense principles applicable to both the village and small-town and big-town banker.

"One of the primal and most vital purposes was to prevent congestion of money at the centers for use in gambling or exactions from gamblers and speculators when funds are needed for moving or carrying crops, or for development and for the conduct of productive enterprises. I say that broad and noble purpose has been hindered, perverted, and in a large measure reversed by the attempt of a majority of the members of the Federal Reserve Board to maintain and enforce rules and policies unnecessarily hard, inflexible, and unvarying.

"I have been and am very much in earnest about this. For a long time past, as the records will show, but especially during the past 18 months, I poured in remonstrances and protests and also prophecies as to what would happen if my warnings were not heeded, and most of these prophecies, I am sorry to say, have been verified by unhappy events and unnecessary troubles for the people and our business. I gave facts which could not be disputed, deductions which could not be refuted, pointing to inevitable consequences. The correspondence would frighten you to look at. It covered hundreds of pages of writing paper. I was met with responses which certainly were not answers which, to my limited intelligence, seem to be absolutely apart from the important points which I was trying to have considered, dealing laboriously with matters of detail so small that I do not think I am discourteous when I describe them as trifling. In discussions in board meetings in which I sought to urge vital reforms for the welfare of the people so largely committed to our care, some astonishing and dismaying replies were elicited.

"When I remarked that serious failures might occur unless a certain course of action was taken, one member remarked with a cynicism and heartlessness which I was unable to comprehend, 'Let them fail.' Since then the same idea actually has been published in newspapers as a suggestion discussed by an important official of a certain prominent Federal reserve bank.

"The writer of the newspaper article to which I refer said:

"From a talk I had to-day with one of the important officials of the Federal reserve bank here it appears that there is a concensus of opinion among the different governors of the Federal reserve banks favoring a continuation of present policies despite the criticism heard from all quarters for lower interest rates and withdrawal of pressure to force payment of outstanding loans. There are three general policies which might be adopted, it was pointed out.

"One would be to ease up on interest rates, but that policy, with the heavy inflow of gold, it was argued, might result in a renewal of dangerous speculation and inflation.

"Another policy might be adopted that would result in putting on still more pressure, thus cleaning up the after-war mess in a hurry and getting it over. But if that course was adopted, it was pointed out, we would be a long time in picking up the pieces caused by the many forced failures.

"In commenting upon that article I took occasion to point out that it was not the cruel injustice or disregard of every principle for which the Federal reserve measure was created which, it seems, prevented the immediate adoption of the policy of further pressure, but it was because of the 'long time we would be in picking up the pieces caused by the many forced failures.' It was perhaps to lessen the troubles of the doctors and nurses by killing all the patients in the hospital—a plan actually under discussion being to restore business to generally sound condition by a preliminary massacre of business.

"The deflation policies of the past 12 months have borne their fruit. The mercantile agencies tell us since October last there have been about 14,000 business failures in this country, an increase of not far from 10,000 failures over the same period last year. I can not forbear drawing a parallel between such policies as these and the attitude of the Treasury Department in the Comptroller's Bureau toward the business interests of the country in the critical months following the outbreak of the European war. In the autumn of 1914, when the stock exchanges in the principal cities of the country had been closed as the result of the European crisis, a number of national banks in the big cities arbitrarily raised the rates of interest on their loans which were generally secured by bond and stock collateral from the prewar rates of 2 or 3 per cent to 8, 9, and 10 per cent, and also to as high as 12 per cent. Some national banks, however, in the same cities refrained from charging, in any instance, more than 6 per cent per annum. The Treasury Department, through the Comptroller's Bureau, had furnished to the national banks in New York, Chicago, St. Louis, and Philadelphia emergency currency to the extent of more than $200,000,000, upon which these banks were paying 3 per cent per annum interest. By November 1 the money situation had greatly improved, but the stock exchanges were still closed and there was no market for securities and no way open by which the owners of securities could sell them to pay those banks who had raised the rates of interest on their loans. As Comptroller of the Currency I sent telegrams to national banks in New York and other big cities asking them to inform me as to the maximum interest rates which they were charging on loans and inquiring in event the rate should be in excess of 6 per cent when a reduction to 6 per cent might be expected. As a result of those telegrams nearly all the banks addressed which were charging more than 6 per cent promptly reduced their interest rates to that figure. But in New York there were three large banks, one of which had received from the Government over $10,000,000 of emergency currency on which it was paying 3 per cent, which refused to reduce their rates. This latter bank in replying registered a formal protest against what its officers referred to as an attempt to force upon them a policy which they did not approve. The president of that bank said in his letter:

"We judge there is a sentiment by debtors not of prime standing or with prime collateral, and we feel that they should not assume that they are entitled to the same treatment by banks when they know the way they can easily have their notes reduced to 6 per cent or can pay.

"In answering that communication as Comptroller of the Currency I replied as follows:

"You suggest that debtors not of prime standing and not with prime collateral 'should not assume that they are entitled to the same treatment by banks, when they know the way they can easily have their notes reduced to 6 per cent or can pay.'

"In such times as these through which we have been passing I consider that the weaker concerns and those who may not have been in possession of abundant resources should have been treated with special consideration and forbearance, and to levy against and exact from them excess or unjust interest rates simply because they were, under unparalleled conditions, unable to help themselves is not defensible.

"In all kindness let me remind you that the usury laws are framed more for the protection of the weak than of the strong, who can take care of themselves, and I am sure that you will agree with me that it is neither good policy nor good ethics, in times like these, to take advantage of the weakness or misfortune of a bank's clients and customers. If some of those borrowers should have been forced to the wall and compelled to sacrifice their collateral, the consequences, in the delicate conditions through which we have been passing, might have been unfortunate and serious.

"The bank which refused to reduce its rates of interest also protested warmly against the comptroller's publication of the list of banks which were charging not more than 6 per cent per annum interest. In answer to that protest as comptroller, I said:

"May I suggest that, if it was improper or unjust or unethical or unbusinesslike to exact excessive interest rates, the fact that such a policy is kept from the public does not make it right; nor is it the publication of such facts that constitutes the wrong. A bank should not make, nor take part in, transactions which will not bear the light of day.

"If a bank is willing to have it known that it is charging one rate of interest but is ashamed or unwilling to have it known that it charges another rate, there must be something about the other rate which challenges criticism or calls for an explanation. Nothing is gained by concealing such operations from the public; and, under conditions like these, it is no part of the business or the proper function of this office to do so, directly or indirectly.

"In commenting on the correspondence published in the comptroller's report to Congress in 1915, I said:

"The effect of the action of the comptroller's office at that time was, as above stated, an immediate reduction in the high rates of interest which were being charged by a number of banks in the larger cities to a uniform rate of 6 per cent, which other banks there had adhered to through the crisis. This result inured greatly to the benefit of borrowers on collateral who had been obliged to pay the high rates dictated by the banks, as the stock exchanges being closed, they had no possible way of realizing upon their collateral except by ruinous sacrifices.

"It seems to me that these references to the work of the Treasury Department in the early days of the European War are not out of place at this time.

"I have been wholly unable to understand the point of view of some of my colleagues as matters affecting the welfare and well-being of the country came up for consideration from time to time in board meetings and conflicting views developed.

"For example, I was wholly unable to sympathize with the theory referred to by an eminent member of the board upon one occasion who alluded to, with what seemed to me to be a certain degree of approval, the theory that 'It is better to be unanimous than right,' which was certainly a striking parody on Henry Clay's famous declaration: 'I had rather be right than President.'

"Stenographic reports were taken of certain important discussions within the board shortly before I retired, and at the time the record was made, the governor of the board stated before the board that he would furnish copies of the proceedings to myself and to another member who was retiring about the same time. Subsequently he changed his mind, denied making the promise, and notified me that the record of the meeting referred to would be kept under seal, and the promised copy has never been supplied. If he really thinks he made no such promise his memory has become dangerously feeble. The records of those meetings, if they have been preserved intact, may be interesting some day to an investigating committee.

"The Federal reserve system, despite its faulty administration, in some respects has been of tremendous service to the country; but from the very outset Secretary McAdoo and the more liberal elements of the board had to combat and oppose the reactionary faction which fought for the centralization rather than the democratization of banking power.

"In the latter part of 1914, while the European war was raging and world finances were in a delicate condition, three or four members of the board made a determined effort to secure the closing up of 4 of the 12 Federal Reserve Banks, their efforts to do so being finally defeated as a result of Secretary McAdoo's appeal to President Wilson and the effective action of the Attorney General.

"I think it will surprise you to know that again in the early part of this year the governor of the Federal Reserve Board, who hails from your adjoining State, proposed at a Federal Reserve Board meeting, and informally advocated, the disestablishment or removal of the only two Federal reserve banks located south of the States of Virginia and Missouri, namely, the Federal reserve bank of Atlanta and the Federal reserve bank of Dallas. I can not conceive what his purposes were, but in a letter which I had occasion to address him under date of March 26, 1921, I said to him very plainly:

"I am convinced that the proposition to close those banks and to attach the sixth and eleventh districts to other districts would work a grievous and unpardonable injury to a vast section of our country, and furthermore that the agitation of such a plan at this time will result only in harm.

"The 12 Federal reserve banks as at present established have, I believe, vindicated fully their right to exist, and if properly supervised and administered they can be of untold value to our country and to the world, both now and in the years to come. I earnestly hope that they may never become the footballs of politics or the instrumentalities of unscrupulous or designing interests of any kind.

"I trust any effort to close up reserve banks and centralize further the money of the country may be as abortive now as were the efforts to this end in 1915, in which I vividly recall you joined, and which attempt was frustrated finally by action of the White House and of the Attorney General. It is far more important at this time to provide the reserve banks which we have with wise supervision and management and to have them function efficiently and adequately than it is to agitate for their disestablishment, removal, or increase.

"Facts which I have tried to give you briefly, and a multitude of others, were put before the board by me with names, dates, figures, times, places, and circumstances, sustained by official reports on file and accessible, but it seems that I failed to make at the time the desired impression upon my colleagues.

"I know of no way of dealing with what I regard as wrong but to fight it with all the fair means I can command, and with both fists, and to go on fighting. I confess that as this fight progressed I had but little hope except that in some way the battle might go before the people direct or through Congress. Experience had taught me to hope for little from the board itself. During the difficult uphill work of rooting out evils which had crept into our national banking system, all the more dangerous because they had been made respectable by long acceptance and uninterrupted usage, I had little or no help from the majority of the board or evidence of their sympathy. Struggling against tremendous political, social, financial, and journalistic powers in my efforts to rescue an important bank in Washington from mismanagement that had degraded it in certain respects to the plane of a pilfering bucket shop, and which had been openly violating nearly every provision of the national bank act or decent banking, and which I was endeavoring to convert into a useful, decent, and legitimately prosperous institution, I had the loyal, unwavering, and energetic support of Secretary McAdoo, but distinct indications of what I regarded as a discreditable lack of sympathy upon the part of certain board members. Their motive for their attitude I will not discuss. Striving to cure the disease of usury, which was not only oppressing and injuring the people but bringing the banks into disrepute, I had reason to know that President Wilson and Secretary McAdoo were supporting me cordially, but a majority of the members of the Reserve Board gave no sign or word of accord with my purpose, which was performed nevertheless, and the propriety of which time and conditions have fully vindicated.

"The heart-breaking and purse-breaking collapse in prices of farm products and other commodities were referred to in the board in terms of satisfaction, as indicating the success of its policy of deflation, and in response to my appeals of more than six months to apply the brakes and secure a more orderly recession in values, their response was, as expressed by the governor of the board, to the effect that a balloon was merely being punctured to let the gas escape. My reply on this point was that wise and sensible men should try to bring a balloon laden with human lives and fortunes safely to earth by the intelligent use of valve ropes and ballast, not by precipitating a sudden and ruinous crash.

"Some months before my retirement as Comptroller of the Currency and ex-officio member of the Reserve Board I was impressed with the exposed position of certain important institutions, and feared that in an emergency it might be difficult, if not impossible, for them to provide a sufficient amount of eligible paper to enable them to obtain the help they might need from the reserve banks in the event of a run upon them, and I therefore recommend to Congress in my annual report that in an emergency, but under proper safeguards, securities other than Government bonds and business paper not now eligible, which might include, for example, warehouse receipts for corn, wheat, cotton, and merchandise, might become necessary in order to prevent failures and avert a financial crisis. The majority of the members of the Reserve Board of both political parties opposed my recommendation, and it was then that one of the speakers in doing so said in effect, with a heartlessness which to me was incomprehensible: 'Let 'em fail. Their condition is the result of their own mismanagement, and they can take the consequences of it.' I remonstrated that the failure of an important banking institution would not only bring ruin to the culpable officers, but would mean wreck and disaster to many depositors and shareholders, and might also lead to widespread trouble elsewhere, but these considerations failed, apparently, to arouse the interest or concern of my distinguished colleagues.

"Upon another occasion when certain policies were being discussed in the Federal Reserve Board, which were being opposed on the ground that they might result in forcing the failure or retirement from business of many small State banks throughout the country, a certain member of the board, who has never been conspicuous for a knowledge of banking or an adequate comprehension of the difficulties which the country has had to face in the past year, spoke up and said in effect that 'if this plan means the failure of the small State banks, that need not stop it; in fact, if we can't get rid of the small State banks by any other method, it might be as well to get rid of them that way'—that is to say by their failure. It was the same statesman and member of the board who a few weeks later condoned the action of a large bank in a big city which had been discovered to have charged a valued customer the equivalent of about 200 per cent per annum interest on a loan of several hundred thousand dollars for about six months, with the remark that 'all banks charge those rates more or less.' His imputation upon the character and methods of the banks of the country I resented instantly, for a large majority of our banks are operated decently, honorably, and efficiently, and most of them would not countenance for a moment such interest rates as those which I deprecated, and which a colleague on the board sought to condone or justify.

"In the early days of my administration as Comptroller of the Currency I took some pains to determine what the experience of the national banks had been in the matter of loans to farmers. I know it will be gratifying to you to know that the managers of hundreds of country banks stated to me that the eventual losses on their loans to farmers had been strikingly small, a mere fraction of 1 per cent of their aggregate loans, and that although the farmer is not always prompt in meeting his notes at maturity, the farmer's loans are about the best and safest the banks make, despite the fact that it was principally the farmer who was usually required to pay the highest rate of interest and who suffered most from the excessive interest charges.

"While the Federal Reserve Board has been, during the past year, preaching and urging deflation with such vengance it is interesting to note there has been no deflation in the salaries paid to the officers of the 12 Federal reserve banks, especially to big banks. For example, in 1916 the salaries paid all officers of one reserve bank aggregated $93,000, while the amount paid for officers' salaries for the same bank in 1920 was over $400,000, and for 1921, I understand, there has been still further inflation in officers' salaries. The total pay roll of the Federal Reserve Bank, of New York, in the period of acute deflation from 1919 to 1920 actually increased $778,000 in that one year.

"I will not tire you at this time to give you illustrations of the extravagance and waste which have characterized certain features of the management of the reserve system. Perhaps there may be reasons why four officers of one reserve bank are allowed to draw salaries exceeding the aggregate salaries paid the President of the United States, the Vice President of the United States, the Chief Justice of the United States and to Gen. Pershing, or why one officer of a reserve bank is given a salary while off duty and on a 12-months' leave of absence exceeding the aggregate salaries paid to three United States Senators for the same period. It also seems ridiculous to me for a reserve bank to employ at a salary exceeding that paid to a United States Senator or the editor in chief of many important newspapers in big cities, a man for whose employment an urgent argument was made by the reserve bank employing him that he was needed to touch up and give literary style to the press statements which the bank had occasion to give out from time to time, although high-priced men were already employed in the bank's publicity department who were supposed to be fully competent for such work.

"These high salaried officials of the reserve bank, men not particularly conspicuous either for talent or constructive achievement, have luxurious tastes. You probably saw in the newspapers that plans were filed in New York by the reserve bank there last Thursday for a temple of banking in New York City to cost, including land, it is estimated, $16,000,000—probably more than the combined cost of the White House and Treasury Building at Washington, and the State capitols of a dozen States of the Union. This building with its luxurious and lavish appointment of marble and brass, its auditoriums, gymnasium, club quarters, restaurant de luxe, and objects of art will make Solomon's temple of old seem quite cheap by comparison.

"Not caring to be left behind, I am told the governor of the reserve board, some months ago, made quiet inquiries looking to the purchase of the expensive Metropolitan Club Building in Washington, sometimes referred to as the Millionaires' Club, with a view to converting it, if obtainable, into the Washington headquarters of the Federal Reserve Board and their employees. I hope these negotiations have fallen through.

"The reserve board can authorize a $10,000,000 or a $20,000,000 bank building when it pleases, but you can not get a $50,000 post-office building or a custom house or court house—however badly it may be needed—without passing a bill through both Houses of Congress.

"While members of the Cabinet and other important Federal officers are limited in their traveling expenditures (exclusive of transportation) to $5 per day, officers and employees of the

Federal reserve banks, I am advised, have been permitted to spend on their traveling expenses several times as much as the highest officials of the Government. But I will not weary you with further evidences of looseness or extravagance at this time.

"All this is history. What has been done can not be undone, but we can prevent it from being done again. We can stop it from continuing to be done—we, the people, masters in the last analysis and when it comes to the final showdown. That is why I am here and welcome and thank you for this opportunity to put the case before you, directors of public opinion and men and women who mold public opinion and make it irresistible. I say that the losses and the ruin which have attended the drastic shrinkage and deflation of values have been accentuated and made unnecessarily hard to bear by the stubbornly unwise and unwisely stubborn course of a majority of the members of the Federal Reserve Board. This will be borne out by the testimony of men of affairs, statesmen, and bankers in this country and abroad. One of England's foremost thinkers and economists in discussing a few months ago what he describes as the extremely sudden slump which was overtaking the business world said:

"What, then, are the common denominators which best account for the universality of that disaster now impending over the new year? I have pointed out one, namely, the deflation of credits and currencies. It is enough to say that if this intentional and malevolent destruction of credit is followed to its logical conclusion men's hearts may well fail them everywhere for the days that are at hand.

"The effects of the Federal Reserve Board's policies and criticism of them have been world-wide. To illustrate, a Tokyo, Japan, newspaper in April, 1921, in discussing trade between the United States and China, mentioned an instance of machinery which had been bought in the United States by a Chinese firm on a four months' draft, and then—

"When the Federal Reserve Board called in credits the firm was told that they would have to pay cash on delivery. This almost threw them into bankruptcy.

"The newspaper adds significantly:

"The Chinese memory is a long one.

"I say to you, gentlemen, that the process of deflation has been accompanied by loss and suffering and danger which could have been avoided or greatly ameliorated by intelligent study and comprehension of the facts and of developments and consistent compliance with the teachings of such study. I say, and the record proves, the board was abundantly warned by the leaders of public opinion from many parts of the country, by able Members of both Houses of Congress, and by me as Comptroller of the Currency and ex-officio member of the board, on divers occasions of the necessity for the revision of their policies before the resulting losses should become irreparable. For example, on the 18th of October last I pointed out to the board some of the appalling shrinkages in values which had already taken place; for instance, the loss of $500,000,000 in wheat, of two billion in corn, of a billion in cotton, and I used these words at that time:

"The plans and policies which have aided in bringing about deflation in the great staple commodities should be at once taken up for consideration and revised as far as may be necessary to meet present and changed conditions. If this is not done speedily, I am fearful as to the consequence which may ensue.

"Three days later, October 21, 1920, in a letter to the Secretary of the Treasury, who was also chairman of the Federal Reserve Board, I said:

"The strain upon the business fabric of the country is in some respects unparalleled, and I do feel that the time has come for the exercise of such salutary and constructive powers as may be at our command. * * *

"The situation * * * has become more aggravated of late, and unless relief can be found an increase in bank failures, I believe, will be inevitable.

"All these remonstrances, however, appear to have fallen on deaf ears. I now say to you, my friends, that if the policies and methods hitherto governing the course of the reserve board are continued the purpose of assuring proper distribution of the available currency of the country to meet the needs of the people and of legitimate business will be defeated in large part certainly, perhaps entirely, but I believe that if the public understands the situation it will make its opinions and demands felt at Washington so strongly that the administration of the system will be revised and we will have a reserve board whose members will have an understanding of the needs of the country and of all parts of it, as the local banker understands the needs of his own community and is sympathetically helpful to each great section as the local man is to the neighborhood and within his own territory. That is what we want and what we will have when the real conditions are understood.

"It is reported that the board has become much agitated over recent exposures and criticisms of its mismanagement, although I am now hopeful of better results from certain new elements recently introduced into its personnel. I have received a number of personal warnings, including a letter a few days ago from a gentleman of prominence more or less in touch with the situation, who wrote concerning the board's uncomfortable position:

"I have found a disposition initially to belittle your exposures, then to condemn you, and now to destroy you by 'propaganda,' and it is of the utmost importance that the facts as you have stated them should be gotten clearly into the comprehension of every business man, farmer, and laborer in the country.

"I might also add in this connection that the governor of the reserve board, at a meeting of the board which I attended shortly before my resignation, forgetting the proprieties, angrily threatened to defend himself with 'poison gas' in the event I should continue my attacks and exposures of board methods and policies. Concerning his threat to use 'poison gas,' I said to the governor of the board in a letter of March 26, 1921:

"I promptly informed you that as far as I and my administration of the comptroller's office were concerned or my relationship with the board, I had nothing whatsoever to conceal, and that you were quite at liberty to go ahead and publish anything you pleased, so long as you confined yourself to the truth. In fact, I rather urged publicity for our correspondence. I also informed you, in the presence of the board, that whatever methods of attack you might adopt, I should certainly not use 'poison gas' or any other plan or method not consistent with honor or fair play, and I should not expect you to adopt unworthy methods of attack. However, I am, of course, abundantly ready for any attacks from you or anyone else, whatever form they may take; and your threat of 'poison gas,' etc., impresses me merely as an evidence of desperation on your part, which I beg to assure you gives me not the least annoyance or concern. My only regret will be the damaging reaction on you.

"At another time I may have something to say concerning efforts made to suppress information concerning Federal Reserve Board matters.

"This is practically the message I have to give you. I am trying to be useful to you and to the country by pointing out the weakness, as I see it, in a system controlling literally the heart's blood of our commercial life and prosperity, a weakness which is entirely curable in a structure designed and entitled to endure.

"I am anxious to have you think over what I have said, the merest bare outline of what I could say, and to have the results of your thinking on a matter touching the last one of you, your homes, and families passed on to your Representatives in Congress.

"We are living in a kind of era of good feeling, and this is not a party matter. As it happens, the needs of Democratic cotton growers of the South and of the Republican wheat growers of the West are the same, and the country is awake as never before to the truth that there can be no prosperity in this country unless the farmers—the great producers of wealth and buyers and consumers of commodities—are prospering. If the last five years have done nothing else, they have taught that. You may feel that in the South as you are, and Democrats as many of you are, you have a powerful say in directing matters of internal policies.

"But what I would like to impress on you would be incomplete if I did not go further. You people—you editors and farmers here in Georgia—may as well realize now that you will have to think not only for your own counties and States and country, but for the world. All I can learn from the past and from the intimate study of world conditions forced on me by the position I held, and can discern in the present, give me not a vision of enthusiasm but a deliberate conclusion based on irresistible facts and realities. That conclusion is that the United States must be for generations to come the dominant financial power of the world, and therefore the umpire for the world. We can not avoid it. Our financial and commercial resources will develop to an extent hitherto undreamed. Our banks and bankers and people will view an ever-widening horizon, not only of opportunity, but of duty and responsibility. To put this subject in its very lowest and most practical and prosaic aspect, your thoughts must follow your cotton bales, because the buyers of those bales are in England, France, Belgium, Germany, Japan, China, and Africa. On their ability to buy and pay for what you make in your fields here, your prosperity largely depends. The nations are now woven and knitted together by the strongest threads of mutual interest and interdependence, so that nothing but the destruction of civilization can dissever them. You must meet and deal with the facts as they are. Those facts are that the United States, especially you cotton makers, are vitally concerned in the restoration of the world's peace and growth for increase of its own wealth and development, and that the world is dependent on the power, the wealth, and wisdom of the United States for restoration. Therefore, in doing your part to make this superb Federal reserve system of ours do its best work and fulfill its

highest purposes you will be doing service not only for your own country and yourselves, but for humanity, for people of all lands and tongues.

"I am an optimist. I am taught by history and observation to trust confidently to the American people to retrieve their own mistakes and correct faults and strengthen weak places in their own Government and to find their way, sometimes after many divergencies and errors, the right, the generous, and noble course.

"Looking back 200, 100, or 50 years, I am forced to believe that we have learned much, and with wonderful speed, because 50 years is supposed to be but a short time in the life of a people. We are thinking more broadly and on higher planes. It is the business of those who have had special opportunity to learn of the internals of our life, or any part of it, to communicate their knowledge to the people as opportunity offers, and the duty of the people is to assimilate and weigh and consider what they hear and to give the results of their thought tongue and action.

"I have tried to outline some of the difficulties, it seems to me, I have seen in what now is the most important agency of our Government. I shall leave believing that I have not spoken in vain. My look backward, my knowledge of our people, and observation of present conditions combine to teach me to look forward with strong faith and brilliant anticipation. I believe we will make progress in the next 50 years along all lines of thought, discovery, development, and endeavor far surpassing the progress of the 50 years just past. I see much reason to believe that our country has met gloriously its last great emergency, has come bravely and with honor through this last great crisis. I hardly dare dream of what we shall be and do, because I know what we are and are doing reach so far beyond the visions and most brilliant hopes of the great and far-seeing men who founded and freed and established our country. I do dare, however, believe and humbly trust that with continued guidance of the Almighty Power our preeminence in the world will become secure and acknowledged without war or wrong to any people, will be accepted gratefully and gladly by all people, because it will be used always to make the world and its nations better and happier and to lead humanity forward to fulfillment of its vast, mysterious—I believe, magnificent—destiny."

The VICE PRESIDENT. The Secretary will now read the communication presented by the Senator from North Carolina [Mr. OVERMAN].

The reading clerk read as follows:

"STATEMENT BY EUGENE MEYER, JR., MANAGING DIRECTOR OF THE WAR FINANCE CORPORATION.

"The advance of $5,000,000 to the Staple Cotton Cooperative Association, of Memphis, approved recently by the War Finance Corporation, marks the adoption of a new policy by the directors of the corporation. The corporation, which was directed by the Congress to resume operations for the purpose of assisting in financing the exportation of domestic products by making advances to American exporters and American bankers, has steadily broadened its policy in order to meet the present emergency which exists in the marketing of agricultural and other commodities. At first advances were made to exporters only on cotton actually exported under definite contracts of sale, but later, following conferences with cotton exporters and bankers in Washington, New Orleans, Atlanta, and New York, the corporation announced its readiness to consider applications in connection with the exportation of cotton on any one of the three following plans:

"1. For prompt shipment against deferred payments;

"2. For future shipments within a reasonable time against either prompt or deferred payments after arrival in foreign countries where goods were under definite contract for sale; or

"3. For prompt shipment to warehouses in foreign distributing points to be held there on account of the American exporters and bankers for marketing out of warehouses.

"The advance to the Staple Cotton Cooperative Association carries these plans a step further. By its terms, the association agrees that, out of the 100,000 bales of long-staple cotton pledged as security, it will export within one year a quantity sufficient to repay the full amount of the loan out of the proceeds of export sales, the cotton to be held in American warehouses until the time is favorable for export. The advance represents approximately one-half of the present market value of the cotton and will run for a maximum period of one year, but may be repaid as soon as the cotton is exported or sold.

"The Staple Cotton Cooperative Association comprises within its membership many of the leading cotton planters in the Delta district of the Mississippi. In fact, the owners and producers of 220,000 bales of long-staple cotton, out of a total average yield of approximately 600,000 bales, have agreed to sell their cotton through this organization. The action of the corporation will enable the association to market its cotton in an orderly way during the current cotton year without unduly forcing sales.

"If a similar plan could be carried out in connection with other types of cotton, it would be helpful in relieving the situation. Properly financed, it would insure the orderly marketing of the crop and make it unnecessary for the producers to dump on the market unduly large quantities of distressed cotton within a short period. But it would do more. It would help to stabilize the market so that the consumers of cotton would perhaps feel justified in replenishing their stocks, which in most cases are much lower than usual at this season of the year.

"The War Finance Corporation stands ready to assist other organizations, as well as cotton exporters and banking institutions, in the same way that it has assisted the Staple Cotton Cooperative Association, provided the advances can be made upon a sound business basis and provided also that the corporation may be definitely assured that the advances will be repaid from the proceeds of export sales within a year."

CARE AND TREATMENT OF EX-SERVICE MEN.

Mr. SMOOT. Mr. President, from the Committee on Finance I report favorably with amendments the bill (H. R. 6611) to establish in the Treasury Department a veterans' bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act, and I submit a report (No. 231) thereon. I wish to call attention to page 11 of the report. The printer in hurriedly printing the report last evening made a mistake. In the second line from the bottom of page 11 of the report the word "computed" should be "compounded."

Mr. President, I have had placed on the desk of every Senator a copy of the bill as it is now reported, together with a copy of the report thereon. As the bill involves a very urgent matter, I ask unanimous consent at this time that it be now considered.

Mr. BORAH. May we not first finish the routine morning business? It will take but a few moments to complete it.

Mr. UNDERWOOD. Mr. President, I hope that as soon as the morning business shall have been concluded—I presume that will only require a few moments—the request of the Senator from Utah [Mr. SMOOT] may be complied with. The bill for which he asks consideration, of course, will be enacted and ought to be enacted into law, but as the men for whose benefit it is to be enacted are sick and suffering and the question of perfecting an organization which may immediately function is of vast importance, I think we properly may by unanimous consent and we ought temporarily to lay other matters aside in order to take care of the wounded soldiers of the late war. I think, however, that the Senator from Utah should permit routine morning business to be first disposed of.

Mr. SMOOT. I withdraw my request at this time but shall renew it immediately after the conclusion of the routine morning business.

Mr. LODGE. Mr. President, I hope the Senator will renew his request as soon as the routine morning business is disposed of, for I think the bill ought to be passed and passed at once.

Mr. STERLING. Mr. President, I simply wish to say in regard to the request of the Senator from Utah that I had hoped that nothing would interfere with the consideration during the morning hour of the prohibition bill, but in view of the importance of the bill reported by the Senator from Utah and the need for its early consideration, I shall not object to the present consideration of the bill as asked for by the Senator from Utah.

Mr. WALSH of Massachusetts. Mr. President, I should like to announce that the Senator from West Virginia [Mr. SUTHERLAND] will file a preliminary report on behalf of the special committee investigating the agencies dealing with the welfare of disabled soldiers, in which report there is a request that the so-called Sweet bill be acted upon promptly and favorably.

ADDITIONAL JUDGE FOR NORTHERN CALIFORNIA DISTRICT.

Mr. SHORTRIDGE, from the Committee on the Judiciary, to which was referred the bill (S. 1960) providing for an additional judge for the northern district of California, reported it without amendment and submitted a report (No. 232) thereon.

INVESTIGATION OF INCAPACITATED SOLDIERS' RELIEF BUREAUS.

Mr. SUTHERLAND. Mr. President, I ask unanimous consent to submit a report from the select committee which was appointed to investigate soldier activities. It bears directly upon the bill which will be pressed for consideration to-day, and for that reason I submit it at this time, and ask that it be printed in the RECORD and also be printed as a report.

The VICE PRESIDENT. Without objection, the report will be printed as requested.

The report (No. 233) is as follows:

[Senate Rept. No. 233, 67th Cong., 1st sess.]

Mr. SUTHERLAND, from the special committee investigating the bureaus of the Government extending relief to incapacitated soldiers, submitted the following preliminary report pursuant to S. Res. 59:

The committee appointed under Senate resolution 59 (introduced by Senator WALSH of Massachusetts, April 28, 1921; approved June 9, 1921) submits the following preliminary report:

The committee was formed by Senate resolution 59 for the purpose of investigating all the bureaus and agencies of the Government dealing with the treatment, care, insuring, compensating, rehabilitating, and hospitalizing the incapacitated veterans of the late war.

The committee appointed on June 10 by the Chair consisted of the following: Majority members, the Senator from West Virginia, Mr. SUTHERLAND, chairman; the Senator from New York, Mr. CALDER; the Senator from Maryland, Mr. WELLER. Minority members, the Senator from Massachusetts, Mr. WALSH; the Senator from Ohio, Mr. POMERENE.

METHOD AND SCOPE OF INVESTIGATION.

The method by which the committee has proceeded from the date of its first meeting on June 16 to the present time has been the compiling and studying of all collateral data, authentic public documents, and reports made by private individuals and organizations who have investigated various phases of the subjects relating to our incapacitated soldiers. In addition, almost daily sessions of the committee have been held where witnesses have been examined who were drawn from all sections of the field embracing the treatment and care of incapacitated veterans.

Among the witnesses the committee has heard were those who are enjoying or seeking the benefits of the war-risk insurance legislation, officials of the various soldier organizations interested in studying the problems of rehabilitating their companions, department experts and employees in the relief bureaus, physicians engaged in the extension of Government hospital facilities, and public-spirited persons interested in the rehabilitation of the ex-service men.

We have proceeded to obtain as far as possible all available information about the extent and effect of the benefits, defects, and faulty functioning of the present laws and the present organizations engaged in Government relief work.

The scope of this work, it can readily be seen, is broad and extensive and the committee has by no means exhausted the sources of information—indeed, it has only begun to survey, to a very limited extent, the grave problem before it. The committee has, however, reached some definite conclusions which it feels in duty bound to transmit to the Senate at once, without waiting for its final report.

FINDINGS AND RECOMMENDATIONS.

In the opinion of the committee the conditions surrounding this relief work have reached a point where it would be unpardonable for Congress to tolerate a further continuation of the cumbersome, overlapping, haphazard methods under which this problem is being handled, with the consequent neglect and vacillation which has and will inevitably follow from such unwieldly and unscientific organizations as were set up to take care of this work. Considering the amount of good that has been accomplished, we believe the cost has been extravagant, indeed profligate.

The committee believes that a further continuation of the present system of separate bureaus handling the problems which are so closely interrelated would be not only unfavorable from the viewpoint of our incapacitated war veterans but would be a pitiable reflection on congressional inability to bring about quick beneficial changes in the present laws.

We are further convinced that unexplainable delays, confusion, red tape, complications, and intricate, slow-moving machinery have combined to increase the difficulties of the incapacitated ex-service men to the highest possible point in securing compensation or aid to which they are entitled. There have been many instances before us of soldiers who have legitimate claims waiting for judgment. Men have testified to waiting weeks and months without a settlement or decision, some of them maimed beyond hope of supporting themselves or their families; others, sick or badly disabled, unfit for resuming their old occupations, have been forced to wait indefinitely while their claims were pending.

In addition, your committee finds that the hospitalization arrangements have been utterly inadequate, sometimes insanitary and unwholesome, always laden with red tape and lumbering methodicity. Especially we are convinced that there are not sufficient hospital facilities for attending to the two special classes of disease resulting from this war, neuropsychiatric and pulmonary tuberculosis, and where cared for they are overcrowded.

The bureaus examining, rating, and hospitalizing the men, we find, have not been working in conjunction with the bureaus compensating and training them. For example, the Bureau of War Risk Insurance and the Federal Board for Vocational Education both are calling upon The Adjutant General for the military history of the same man and are conducting separate physical examinations in each case. Neither of them accept the medical findings of the other. The vocational board has often ruled a man's disease to be connected with the service, whereas the War Risk Department has taken the opposite view and denied compensation, and vice versa. Oftentimes a man has been granted vocational training, which implies at least 10 per cent disability by the Federal board, and denied a similar rating by the War Risk Bureau. Neither of the two bureaus have adequate control over the details of the hospitalization program.

In administration outside the field this duplication also exists. As an illustration: The district office of the Federal board in Cincinnati, Ohio, is in the Dayton Building; the district office of the War Risk Insurance is in another building some six or seven blocks away; the local office of the Federal board is in the Lyric Building, three blocks away; and the treatment of the Public Health Service is five blocks away; whereas the office of the War Risk Bureau is in the United States Government building (post office), also removed from the other offices. This condition is quite typical of the general administration of these bureaus throughout the country.

Moreover, the number of bureaus through which the incapacitated veteran has had to deal, we found, have tended to confuse him. Not infrequently he has been obliged to undergo several examinations in the same community by doctors connected with the separate bureaus. Thus the maintenance of numerous bureaus has served to bewilder the beneficiary and at the same time has added tremendously to the cost of administration.

Your committee also finds the duplication in the handling of this problem by variously separated bureaus to be a gross waste of public funds.

CONCLUSIONS.

In view of the evidence offered before your committee, which reveals such bad administrative shortcomings, out of which have grown neglect, delay, procrastination, slowness of action, and a shifting of responsibility, the committee feels that the continued existence of the present three separate independent organizations of war relief is absolutely unjustifiable.

From what has gone before it is clearly apparent to anyone who has surveyed the conditions that it is only in the fusion of these various agencies that the surest and quickest redress of the service men's grievances lies and the public business expedited and made more efficient. To bring about efficiency and to expedite the discharge of functions, the management of these bureaus should be brought under one authority. All necessary Government organizations should be amalgamated, so as to work coordinately. Duplicated effort and waste of energy in the present system have been responsible for many of the past failures. Correlation of the agencies would not only mean better service for the incapacitated ex-soldier but would, your committee believes, be more economical for the Government. The improvement that has resulted from the coordination that has taken place in the past few months justifies us in believing that a still greater improvement will follow the enactment of House bill 6611 and the difficulties of the past two years reduced to a minimum.

The committee therefore recommend the immediate passage by the Senate of H. R. 6611, otherwise known as the Sweet bill, which the committee believes would coordinate and centralize the organization of existing soldier-relief agencies, and also reduce the number of offices with which the needy soldier now must deal. By granting broader authority to the director of the new centralized bureau, the veterans' bureau, the bill would enable decentralization of the regional offices and empower them to act directly on cases without referring them to the central office at Washington.

We respectfully submit this report as an indication of the urgent pass to which affairs concerning hospitalization, compensation, and training have come. We do not feel disposed to enter into a discussion or review of the other provisions of the Sweet bill; those provisions that coordinate and centralize the hospitalization, compensation, and rehabilitation alone justify passage of the bill. However, without entering into the domain of the Committee on Finance, which has had this bill under con-

sideration, we feel that, in addition, the general provisions of the bill extending benefits for medical and other treatment and enlarging insurance benefits are in the direction of helping and benefiting our incapacitated veterans.

HOWARD SUTHERLAND,
WILLIAM M. CALDER,
OVINGTON E. WELLER,
DAVID I. WALSH,
ATLEE POMERENE.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. RANSDELL:

A bill (S. 2285) to make authors' manuscripts, typed or handwritten, second-class matter in the mails of the United States; to the Committee on Post Offices and Post Roads.

By Mr. KELLOGG:

A bill (S. 2286) for the relief of the Dispatch Printing Co.; to the Committee on Claims.

By Mr. CALDER:

A bill (S. 2287) for the relief of the next of kin of Edgar C. Bryon; to the Committee on Claims.

By Mr. LODGE:

A joint resolution (S. J. Res. 85) to provide for the remission of further payments of the annual installments of the Chinese indemnity; to the Committee on Foreign Relations.

EXPORTATION OF FARM PRODUCTS.

Mr. McCORMICK submitted an amendment intended to be proposed by him to the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which was ordered to lie on the table and to be printed.

AMERICAN TROOPS IN GERMANY.

Mr. BORAH. Mr. President, I submit a Senate resolution calling for information from one of the departments, and ask unanimous consent for its immediate consideration. If there is any discussion of it, I shall withdraw the request.

The VICE PRESIDENT. Is there objection?

There being no objection, the resolution (S. Res. 114) was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of War be, and he is hereby, directed to advise the Senate:

First. The number of troops which the United States now has in Europe.

Second. The cost per day, or per month, for keeping said troops in Europe.

Third. The amount of money which Germany now owes the United States for maintaining said troops in Europe.

CARE AND TREATMENT OF EX-SERVICE MEN.

The VICE PRESIDENT. Morning business is closed.

Mr. SMOOT. I ask unanimous consent that the Senate proceed to the consideration of House bill 6611.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6611) to establish in the Treasury Department a veterans' bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act, which had been reported from the Committee on Finance with amendments.

Mr. SMOOT. I ask unanimous consent that the formal reading of the bill be dispensed with, and that the bill be read for amendment, the committee amendments to be first considered.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

Mr. OVERMAN. Mr. President, since it has been asked that the formal reading be dispensed with, I hope the Senator from Utah will make a short statement of the provisions of the bill and the Senate amendments for the information of the Senate.

Mr. SMOOT. Mr. President, I will say to the Senator that the report made by the subcommittee and adopted unanimously by the full committee—and I might add also that the bill itself was unanimously agreed to—explains every amendment that is made. Perhaps the most important amendment is the one in section 1, wherein the committee has decided to establish a veterans' bureau as an independent bureau and consolidate in that bureau the Board for Vocational Education and the War Risk Insurance Bureau and so much of the Public Health Service as relates to the examination, assignment to hospitals, and the welfare of persons who served in the World War and are now or have been patients of the Bureau of War Risk Insurance of the Rehabilitation Division of the Federal Board for Vocational Education. The bureau is made an independent bureau with a director over it under the direction of the President of the United States.

By establishing an independent bureau we eliminate the multiplied duplication of work that has been under the three agencies named ever since their creation. This is what I wanted to do about two and a half years ago; and I want to say now that if it had been done at that time there would not and could not have been the complaints that have been made by the soldier boys from one end of the country to the other with regard to the treatment they received, or, rather, I may say, the nontreatment.

The other amendments I think it is better to discuss as they are reached in the consideration of the bill, and if the Senator from North Carolina or any other Senator desires to ask a question as to the reasons of the amendments, I shall be very, very pleased indeed to explain them at that time. If any Senator desires to know just what changes there are as to the cost to the Government, he will find that set out on the first three pages of the report; but, in substance, there is no change in the present law affecting the vocational training, but there is a change in the hospitalization—that is, the care of the soldier as far as the hospitals are concerned—liberalizing it. We are adding to present law, and it will cost the Government of the United States somewhere about $11,500,000 for the changes made.

Mr. OVERMAN. That has nothing to do with the vocational hospitals?

Mr. SMOOT. Nothing whatever to do with the vocational training.

The VICE PRESIDENT. The Secretary will read the bill.

The Assistant Secretary proceeded to read the bill.

The first amendment of the Committee on Finance was, in section 1, on page 1, line 4, after the word "established," to strike out "in the Treasury Department a"; in line 5, before the word "bureau," to insert "an independent"; and in the same line, after the word "bureau," to insert "under the President," so as to read:

There is hereby established an independent bureau under the President to be known as the veterans' bureau.

Mr. JOHNSON. Mr. President, I submit to the Senator from Utah that in the interest of clarity and of good English it is wholly unnecessary to describe this bureau as an independent bureau.

Mr. SMOOT. I will say to the Senator that in all of the legislation that has been passed creating bureaus that were not directly under a department they have always been referred to as independent bureaus, just the same as the Board for Vocational Education.

Mr. JOHNSON. I make no point about it, except to suggest to the Senator that the English would be better and the clarity of the whole enactment would probably be better if you described it as a bureau, as it is, instead of an independent bureau, which means nothing.

Mr. SMOOT. They are generally referred to as an independent bureau. The Interstate Commerce Commission is under no department at all. It is an independent establishment.

Mr. LODGE. It means that it is not under a department.

Mr. SMOOT. As the Senator from Massachusetts suggests, it means that it is not under a department of the Government.

Mr. ASHURST. Mr. President, I take the view that the Senator from California does. It seems to me that when we speak of an independent bureau, and then provide that it shall be under the President, one is the antithesis of the other. In other words, an "independent bureau" is negatived by the statement "under the President," although I do not wish to detain the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. UNDERWOOD. Mr. President, I am glad that the Senator from Utah has called up this bill for immediate action.

I notice that there was criticism a minute ago of the operation under the old law. It is conceded that the organization that was provided for by the last Congress and the Congress before the last to take care of the soldier did not work out successfully in all cases and that a marked improvement should take place; but I want the Senate and the country to bear in mind the fact that the original legislation in this case grew out of war and war action. We were not prepared to work out a plan to take care of the soldier before we got into war.

During the short time we were in war we were thinking about winning the war and fighting the battles and, as a matter of fact, there were comparatively few wounded and disabled soldiers until within 90 days of the close of the war, and then we awakened to the fact that we had over a hundred thousand

wounded and disabled men to take care of. Congress immediately rushed to their relief, passed hasty legislation—hasty legislation was demanded—organized hastily bureaus that had great work to perform, and it took time to coordinate their efforts.

I am not one of those who stand to criticize the misfortunes that came through hasty action, because it was our duty to agree on hasty action to relieve as many men as we could. It was one of those misfortunes that grew out of war conditions and the urgent conditions coming up immediately after the war. But now that the war is over and that we have more time to work out the problems, I think the first duty that rests on this Government and the people of America who were not on the front line in the front trenches in Europe is properly and fairly and justly to take care of the men who made the sacrifices for the Nation.

This bill seeks to do so. I think the bill is a great improvement on the law that is on the statute books. I think it will solve many of the difficult problems that have impeded the taking care of these men in the past. I think we should pass it as a matter of justice to them, not as criticism of what has occurred in the past but as an earnest effort to do our duty by these men who sacrificed themselves for their country.

This bill probably will not prove perfect. When you get it on the statute books you will find that some mistakes were made. Instead of criticizing the action of to-day, to-morrow, when we find the mistakes that always grow out of legislation, in good part and in fair play let us correct those mistakes, but make the objective that the Congress intends to take before the country the proper care and maintenance of the men to whom we owe the first obligation, to whom we owe the last dollar in the Treasury if it is necessary to take care of them.

Mr. SMOOT. Mr. President, I want to indorse every word that the Senator says. I hope it was not understood that the reason I gave for the change was stated in a spirit of criticism. I want to say that I think the bureau has been criticized a great deal more than is justified. Wonderful work has been done in the past, but there were mistakes, and necessarily so. The Senator from Alabama has stated the matter just as it is—that when this bill is on the statute books there will be some developments that will prove beyond a question of a doubt that there will be amendments made to it.

The VICE PRESIDENT. The Secretary will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 1, line 7, after the words "shall be," to strike out "an Assistant Secretary of the Treasury, in addition to those otherwise provided by law," and insert "appointed by the President, by and with the advice and consent of the Senate"; in line 9, to strike out the word "and"; in line 10, before the word "shall" to insert "the director of the veterans' bureau"; in the same line, after the word "salary," to strike out "at the rate"; and in line 11, after the words "per annum," to insert "payable monthly"; so as to read:

the director of which shall be appointed by the President, by and with the advice and consent of the Senate. The director of the veterans' bureau shall receive a salary of $10,000 per annum, payable monthly.

The amendment was agreed to.

The next amendment was, on page 2, line 4, after the word "Insurance," to insert "now in the Treasury Department"; in line 5, after the words "to the," to strike out "director of the veterans' bureau," and insert "director, subject to the general direction of the President"; and in line 7, after the words "and the," to insert "said," so as to make the paragraph read:

The powers and duties pertaining to the office of the Director of the Bureau of War Risk Insurance now in the Treasury Department are hereby transferred to the director, subject to the general direction of the President, and the said office of the Director of the Bureau of War Risk Insurance is hereby abolished.

The amendment was agreed to.

The next amendment was, on page 2, line 11, after the word "prescribe," to strike out "that" and insert "and," so as to make the paragraph read:

There shall be included on the technical and administrative staff of the director such staff officers, experts, and assistants as the director shall prescribe; and there shall be in the veterans' bureau such sections and subdivisions thereof as the director shall prescribe.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 15, after the words "of the," to strike out "Secretary of the Treasury" and insert "President," and in line 19, after the word "act," to strike out "but," so as to make the section read:

SEC. 2. The director, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this act, and for that purpose shall have full power and authority to make rules and regulations not inconsistent with the provisions of this act which are necessary or appropriate to carry out its purposes and shall decide all questions arising under this act except as otherwise provided herein.

The amendment was agreed to.

The next amendment was, on page 3, after line 8, to insert:

The Federal Board for Vocational Education is hereby abolished, and the powers and duties heretofore vested in such board shall be exercised by the director.

Mr. ROBINSON. Mr. President, I inquire of the Senator from Utah respecting this amendment. My recollection of the original House bill was that it transferred the functions of the Board for Vocational Education to the veterans' bureau, but that it made no express provision for the abolition of the board. Is that correct?

Mr. SMOOT. Mr. President, this is only as far as rehabilitation is concerned, as provided in the bill as it passed the House. The Senate committee amendment provides for the abolishment of the Federal Board for Vocational Education. The Senator will remember that in the law creating the Federal Board for Vocational Education there were seven commissioners provided for, the Secretary of Labor, the Secretary of the Treasury, the Secretary of Commerce, the Director of Education, and besides these there were three other members, one representing labor, one representing the trades, and one representing agricultural interests.

Mr. STERLING. Mr. President, I have the law right here, section 6 of the Federal vocational education act, which will show the exact composition of the board.

Mr. WALSH of Massachusetts. Did the Senator from Arkansas inquire about the personnel of the Federal Board for Vocational Education?

Mr. ROBINSON. Yes.

Mr. WALSH of Massachusetts. It consists of three Cabinet officers, the Commissioner of Education, and three men appointed by the President at a salary of $5,000 each.

Mr. ROBINSON. I observe that the bill as it passed the House transfers the functions of the board to the veterans' bureau but apparently leaves the board in existence.

Mr. SMOOT. That would be inconsistent. Now it will be under the direction of the President. Under the old law it was under the direction of seven commissioners.

Mr. ROBINSON. That is the very point I am trying to make, if the Senator will pardon me. Under the original act the functions of the board were transferred to the veterans' bureau and made a part of its functions, but the board was left in existence. I take it that if all the functions of the board are transferred to another agency, it is wise and necessary to abolish the board itself, since they would have no official functions to perform.

Mr. SMOOT. All the functions, powers, and duties are transferred, and there ought to be one head. That head will be the director of the consolidated agencies, under the direction of the President. There will be no change whatever of the work of that commission.

Mr. ROBINSON. The Senator does not seem to understand the purpose of my interrogatory. It is to develop the fact, if it is a fact, that the Senate committee amendment is logical in that it abolishes a board the functions of which, by the House provision, were transferred to the veterans' bureau.

Mr. NEW. May I ask the Senator from Utah what disposition this makes of the members of the Federal Board for Vocational Education? Are they transferred or are their offices simply abolished?

Mr. SMOOT. Section 4 provides that "all personnel, facilities, properties, and equipment, including leases, contracts, and other obligations and instrumentalities in the District of Columbia and elsewhere" of the various bureaus shall be transferred to the veterans' bureau.

Mr. ROBINSON. But the board itself is abolished by the Senate committee amendment. The House took no action respecting the board. It left the board in existence, with no functions to perform, but the Senate committee amendment abolishes the board.

Mr. NEW. The effect of the Senate committee amendment is to transfer the members of the board and the entire personnel.

Mr. SMOOT. No; it abolishes the board and transfers the functions and the subordinate agencies to the veterans' bureau.

Mr. NEW. The effect of it is to legislate out of office the members of the Federal Board for Vocational Education.

Mr. ROBINSON. It abolishes the board.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Tennessee?

Mr. SMOOT. I yield.

Mr. McKELLAR. I notice that as they are now divided one of the members of the board is a representative of the manufacturing and commercial interests, another one a representative of the agricultural interests, and the third a representative of labor. All I want to ask the Senator is what effect will this amendment abolishing the board have upon the arrangement? Will it destroy it and just put the power in the hands of the director to say whether they shall be retained or not retained, or what is the effect of the amendment?

Mr. SMOOT. Mr. President, the director will have complete authority, and there is not any doubt but that the same work will be carried on in the future as it has been in the past. The director may retain these very men who are now serving and have been carrying on this work, the representatives of the different industries named by the Senator and as named in the law, and there will be no change, so far as that work is concerned. But they will not be commissioners of the Federal Board for Vocational Education.

Mr. ROBINSON. Mr. President, I think it fair to state that there is nothing in the law to require retaining the representatives of the different industries as indicated by the present law and as reflected in the membership of the Federal Board for Vocational Education. The board is abolished, and all the functions of the board performed under existing law, as I understand it, are transferred to the director. The director will have authority to employ any agency that he desires, and he will, under this provision, be able to avail himself of the subordinate agencies which are now employed by the Federal Board for Vocational Education; but the board itself goes out of existence, and it would certainly be contrary to the spirit of the act, if this amendment is adopted, Congress having by it abolished the Federal Board for Vocational Education, for the director to continue it in another form. It was the purpose of the inquiry I rose to make of the Senator from Utah to develop this important change in the law.

Mr. WALSH of Massachusetts. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. I yield.

Mr. WALSH of Massachusetts. I think it ought to be said that the committee felt that in originally undertaking the vocational training the judgment of several men, the Secretaries in the Cabinet, special experts in manufacturing, in agriculture, and in education, would be required to map out the general plan and scope of this new educational work. That period is past, and there is not any need of a board, which has met only once a month in the past, to longer continue in existence. The work now is administrative and can be carried on by the directors of the Federal boards for vocational departments who will be retained under this law.

Mr. ROBINSON. I take it that the primary purpose of the amendment is in harmony with the general provisions of the act, the object being to concentrate authority in one head, so that questions arising may have a speedy determination.

Mr. McKELLAR. Will it not also reduce the expense? Is it not one of the purposes of the change to reduce the expense?

Mr. SMOOT. Yes; Mr. President, it will reduce the salaries and expenses only of the bureau, as the report shows, from $6,945,400 to $5,945,400, a saving of $1,000,000.

Mr. McKELLAR. What I meant by my question was whether there would be a reduction of expenses in this respect: The commissioners are paid $5,000 a year, and I would like to know if they are going to be retained at the same salaries after the board is abolished, or is the director going to reduce the salaries.

Mr. SMOOT. I can not say.

Mr. McKELLAR. Does the proposed law provide for it at all?

Mr. SMOOT. It does not provide for it.

Mr. McKELLAR. It just leaves it entirely in the hands of the director?

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. The law provides for the abolishment of those three positions, which would save $15,000.

Mr. LODGE. Mr. President——

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. I yield.

Mr. LODGE. As I understand it, the purpose of this act is consolidation and concentration. The whole service has been suffering from a lack of concentration, and one of the first steps to be taken in remedying that situation is to get rid of a board, and have one man responsible, and if he does not do well, turn him out and put in some other man. Boards, as a rule, move very slowly, and that has been one of the causes of the delays about which the soldiers have complained and which we have all felt. I think it is one of the best features of the bill.

Mr. SMOOT. Mr. President, when the reorganization takes place, I have not any doubt at all but what the Pension Bureau will be put under this bureau. But we did not go into that, because we did not want to create any condition whatever that would interfere with a direct and speedy settlement of all questions affecting the war veterans.

Mr. UNDERWOOD. I want to say to the Senator, if he will allow me—and I do not say it by way of criticism of any board—my viewpoint has always been that when you come to the executive branch of the Government, one man can work more effectively than a half dozen, and the head of a bureau accomplishes results more satisfactorily and more rapidly than a board where there has to be joint action.

Mr. SMOOT. The Senator is correct.

Mr. STERLING. Mr. President, there is just one question I want to have settled in my own mind. The vocational education act provides for a scheme of cooperation between the Federal Government and the States in vocational education throughout the Union, and I want to know if that same work will be carried on under the director of the veterans' bureau.

Mr. SMOOT. There is no doubt of it at all. That is one thing we want to have, so that there will be one head, and he can see at once what the conditions are, and have the authority to act immediately.

Mr. STERLING. There is a little inconsistency, however, in putting the major part of this work under the veterans' bureau; and I think vocational education or training throughout the country will always be the major part.

Mr. SMOOT. I will say to the Senator that to-day it is the major part, but it can not be in four years from now, because the end of the term of the training is fixed at four years. We hope that within the next four years those who desire training will have had it and will be out in public life, restored, so that they can take care of themselves.

Mr. STERLING. But the number will necessarily be limited always, so far as vocational rehabilitation is concerned. That is work which might properly be under a veterans' bureau; but the general work of vocational education throughout the whole United States will always be, I think, the major part of the work.

Mr. FLETCHER. Mr. President, the Senator from Utah said a moment ago that there would be a saving of some considerable money. He does not mean, I take it, that under this program there will be any saving to the Government?

Mr. SMOOT. No; I said in the expenses. I did not mean in the hospitalization, because there is an increase in the hospitalization of about $11,000,000.

Mr. FLETCHER. There will be an expenditure of about $11,000,000 greater under this bill than under the present system.

Mr. SMOOT. Taking the bill as a whole.

Mr. FLETCHER. One other point. The amendment on page 3 provides that—

> The Federal Board for Vocational Education is hereby abolished and the powers and duties heretofore vested in such board shall be exercised by the director.

The next provision is that—

> The powers and duties conferred, the appropriations made, the rights or property acquired, and the obligations incurred—

and so forth, shall be transferred to the veterans' bureau. Why should not all the powers and duties of the Vocational Education Board be transferred to the bureau rather than to the director?

Mr. SMOOT. Somebody will have to exercise that power, and we want the director to exercise it. The other is a transfer, and of course that transfer is to the bureau. It will have to be that way.

Mr. FLETCHER. I understand the powers and duties conferred and the appropriations made and the rights of property acquired and the obligations incurred are transferred to the bureau and the powers and duties of the Vocational Education Board are transferred to the director.

Mr. SMOOT. This is the hospitalization act of March 4, 1921, and, of course, the powers and duties, and so forth, had to be transferred to the bureau, not to the director.

Mr. FLETCHER. I was wondering why the powers and duties of the vocational board should not also go to the bureau instead of to the director.

Mr. SMOOT. No; it is the exercise of the power which goes to the director.

Mr. WALSH of Massachusetts. I think there is something in the suggestion made by the Senator from Florida that the

powers and duties ought to go to the bureau rather than to the official who is directing the bureau.

Mr. McKELLAR. Mr. President, I want to say to the Senator from Utah that I did not intend by my question to indicate that I am opposed to the proposition. I just wanted to find out what are the facts. As a matter of fact, I am very much in favor of this matter being handled by a director. I think it is always done better when there is one head rather than when there is a board. We have too many boards now.

Mr. SMOOT. I wish to say to the Senator from Florida that they must be exercised by the director, but in the second paragraph we are transferring property, we are transferring everything that is in the hospitalization work, and that has to go to the bureau.

Mr. FLETCHER. I can not see why all the powers and duties of the vocational board should not be transferred to the bureau rather than to the director.

Mr. SMOOT. The director has to exercise the powers and duties, but in the second paragraph we are transferring real estate, we are transferring everything in connection with the hospitalization work, and that must go to the bureau.

Mr. WALSH of Montana. Mr. President, I am inclined to think that sufficient attention was not given to the point made by the Senator from South Dakota [Mr. STERLING] touching the abolition of the Federal Board for Vocational Education. That board came into existence by virtue of the act of February 23, 1917, antedating the war. It was not a piece of war legislation at all.

Mr. SMOOT. That is correct.

Mr. WALSH of Montana. By the act of June 27, 1918, extensive powers were given to the Board for Vocational Education with reference to the rehabilitation of disabled service men, but its original function and its original purpose had no relation whatever to the war. It was for the purpose of cooperating with the States in the matter of vocational education upon a cooperative plan much like that pursued in the case of the good roads law. That work, of course, must be continued and, apparently, will now be transferred to the veterans' bureau.

It is a perfectly incongruous thing, to my mind, to put the matter of vocational education and vocational training of young boys and men and women who have no relation whatever to the service and ordinary work of vocational education under the direction of the director of the veterans' bureau. I am disposed to believe that much confusion will arise in the construction of the act of February 23, 1917, if the Board for Vocational Education is abolished. I am very much afraid that the entire work will be disorganized and disrupted.

Mr. SMOOT. I will say to the Senator that in every instance the director will act now just the same as the board did before, and he will act, of course, under the direction of the President.

Mr. WALSH of Montana. But even if that were the case we would be putting the conduct of the vocational education of civilians and nonservice men under the direction of a director whose chief duty and whose chief concern, of course, is taking care of disabled soldiers. Of course, there is a very marked difference between the methods to be pursued in the vocational education of people who have the use of all of their faculties and all their members and those which are pursued in rehabilitating disabled soldiers.

Mr. SMOOT. I will say to the Senator that is true, and I agree with him; but, of course, the Senator knows that the great percentage of those who are taking training now are soldiers.

Mr. WALSH of Montana. I suppose so.

Mr. SMOOT. And necessarily will be for years to come.

Mr. WALSH of Montana. Undoubtedly.

Mr. SMOOT. The committee thought that the only way to get real work accomplished and have it done and done properly was to have some one person responsible.

Mr. WALSH of Montana. The Senator will realize that so far as the disabled soldiers are concerned the work of rehabilitation and vocational training is conducted directly by the Federal Government. So far as the civilians are concerned, that is not the way it is done at all. So far as the civilians are concerned, the work of training is conducted by the States. The Federal Government simply extends aid in the manner prescribed by the act. I very much fear that we are going to have a very incongruous and unworkable system.

Mr. SMOOT. The committee took that into consideration.

The VICE PRESIDENT. The question is on agreeing to the committee amendment. Without objection, it is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 3, after line 11, to insert:

The powers and duties conferred, the appropriations made, the rights or property acquired, and the obligations incurred under the act entitled "An act providing additional hospital facilities for patients of the Bureau of War Risk Insurance and the Federal Board for Vocational Education, Division of Rehabilitation, and for other purposes," approved March 4, 1921, as amended, are hereby transferred to the veterans' bureau.

The amendment was agreed to.

The next amendments were, in section 4, on page 4, in line 6, to strike out the words "rehabilitation division of the"; in lines 7, 8, and 9, to strike out "as a result of the administration of the act approved June 27, 1918, and amendments thereto"; and in line 13, after the word "act," to strike out the following:

Provided, That all commissioned personnel detailed or hereafter detailed from the United States Public Health Service to the veterans' bureau, and such other personnel as shall be added from time to time when such added personnel is employed for the same purpose and for performing the same or similiar duties, shall hold the same rank and grade, shall receive the same pay and allowances, and shall be subject to the same rules for relative rank and promotion as now or hereafter may be provided by law for commissioned personnel of the same rank or grade or performing the same or similar duties in the United States Public Health Service.

So as to make the section read:

SEC. 4. All personnel facilities, property, and equipment, including leases, contracts, and other obligations and instrumentalities in the District of Columbia and elsewhere of the Bureau of War Risk Insurance, of the United States Public Health Service, as described and provided in a written order of the Treasury Department issued and signed by the Secretary of the Treasury on April 19, 1921, and designated "Order relative to the transfer of certain activities of the United States Public Health Service, relating to the Bureau of War Risk Insurance, including the trainees of the Rehabilitation Division of the Federal Board for Vocational Education," and of the Federal Board for Vocational Education are hereby transferred to and made a part of the veterans' bureau under the control, management, operation, and supervision of the director, and subject to such change in designation and organization as he may deem necessary in carrying out the provisions of this act.

Mr. McKELLAR. Mr. President, will the Senator explain just why that proviso is stricken out?

Mr. SMOOT. This provision was originally inserted in the House at the request of officials of the Public Health Service who now hold rank and grade similar to those in the Army. When we make the consolidation we want the organization to be a civil organization, and therefore we took out the proviso.

The amendments were agreed to.

The next amendment was, on page 5, lines 20, 21, and 22, to strike out "those which as a result of the administration of the act approved June 27, 1918, and amendments thereto, are in possession of the rehabilitation division of," so as to make the paragraph read:

All records, files, documents, correspondence, and other papers in the possession of the Bureau of War Risk Insurance and the Federal Board for Vocational Education shall be transferred to the veterans' bureau.

The amendment was agreed to.

The next amendment was, in section 6, on page 6, line 8, after the word "may," to insert the words "pending final action by the director," so as to make the clause read:

Such regional offices may, pending final action by the director, under such rules and regulations as may be prescribed by the director, exercise such powers for hearing complaint.

And so forth.

Mr. POMERENE. Mr. President, if I may have the attention of the Senator from Utah, I see the number of regional offices limited to 14 and the suboffices to 140. I take it the committee adopted those numbers because those are the numbers now in operation?

Mr. SMOOT. There are now in operation, I think, 146, I will say to the Senator, but now we are establishing 14 regional offices.

Mr. POMERENE. We have them now?

Mr. SMOOT. No; they are to be established as regional offices. They are new offices. We have suboffices to-day, but it takes those suboffices, where they undertake to get any decision or instructions from the bureau in Washington, all the time that is required to get word from California to Washington, and from Washington back to California, after passing through three or four bureaus in Washington, before any action can be taken. Now, we think that with 140 suboffices, having the powers granted to the regional officers, the work can be done in one-fifth the time. The committee thought that 140 would be ample if we maintained that number of suboffices.

Mr. JOHNSON. Mr. President, with some trepidation I call the attention of the Senator from Utah again to the language of the succeeding sentence. It may be that that is the design of the bill, but the language is, "such regional offices may

* * * exercise such powers," and so forth, not officers, nor are individuals in office given certain powers. It is a mere matter of clarity of expression to which I direct the attention of the Senator.

Mr. SMOOT. There is something in what the Senator from California suggests. My attention had not been called to it before, but I have no objection that it shall read "such regional officers," because they will be the heads of the regional offices. Let us so amend it and let it go to conference, and then we can look it up.

Mr. WALSH of Montana. I do not think that requires any change, with all deference to the Senator from California. We say that the President exercises the powers of his office.

Mr. JOHNSON. If the expression is deemed to be adequate I have no objection to it. I merely wished to call it to the Senator's attention, and that is all. I do not think it is appropriate myself. The matter is so inconsequential that I merely desired to direct attention to it.

Mr. SMOOT. There would be no objection to letting it go to conference.

The VICE PRESIDENT. The amendment to the text will be stated.

The ASSISTANT SECRETARY. It is proposed to amend by striking out the word "offices," in line 8, and inserting the word "officers," and in line 17 by striking out the word "suboffices" and inserting "subofficers."

The amendment was agreed to.

Mr. WALSH of Montana. In that case it will be necessary to make a similar change in line 3.

Mr. SMOOT. Oh, no; that refers to the number of offices.

Mr. WALSH of Montana. But we would have to have regional officers. In line 8 the language is "such regional offices." If we change "offices" to "officers," we must make a similar change in line 3.

Mr. SMOOT. The Senator is correct. So that it will all go to conference, I move to amend by changing the word "offices," in line 3, to "officers," as suggested by the Senator from Montana, because the word "such" refers back to that.

Mr. WILLIS. If the Senator proposes, in line 3, to change "offices" and "suboffices" to "officers" and "subofficers," it would be confusing. It would then read:

> The director shall establish a central office in the District of Columbia and not more than 14 regional officers—

And so forth.

That would not convey the correct idea.

Mr. WALSH of Massachusetts. I hope the Senator from Utah will allow the language to remain as it is in the bill, otherwise it will lead to confusion.

Mr. WALSH of Montana. I think so.

Mr. SMOOT. I think perhaps it would; but I thought if it went to conference it could be considered. If we are going to change it at all, we should strike out the word "such" in line 8.

Mr. WALSH of Montana. Let me remark that if we make them all officers we must change the wording, because we can not establish an officer, although we may establish an office.

Mr. SMOOT. Then, I ask that the vote by which the amendment was agreed to may be reconsidered and leave the language as it originally stood in the bill.

The VICE PRESIDENT. There has been no change in line 3.

Mr. SMOOT. Very well.

The VICE PRESIDENT. Is it the desire of the Senator from Utah that the language from line 8 to line 17 shall stand as it is?

Mr. SMOOT. Yes; just as the committee reported it.

The VICE PRESIDENT. Without objection, the action thereon will be considered as not having been taken.

The next amendment was, on page 6, line 8, after the word "may," to insert a comma and the words "pending final action by the director."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was, on page 6, line 22, after the numerals "1926," to insert "but nothing herein shall prevent the director from terminating any regional offices or suboffices when in his judgment this may be done without detriment to the administration of this act," so as to make the clause read:

> The regional offices and suboffices, with all authority to establish such offices, shall terminate on June 30, 1926, but nothing herein shall prevent the director from terminating any regional offices or suboffices when in his judgment this may be done without detriment to the administration of this act, and upon such termination all records and supplies pertaining thereto shall be delivered to the central office.

The amendment was agreed to.

The next amendment was, in section 8, page 7, line 9, after the word "heretofore," to strike out "and hereafter"; in line 10, after the words "provisions of," to insert the numeral "(1)"; in line 11, after the word "thereto," to strike out "and to carry out the provisions of" and to insert "(2) the act entitled 'An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure,' approved February 23, 1917, as amended, and (3)," so as to make the section read:

> SEC. 8. All sums heretofore appropriated for carrying out the provisions of (1) the war risk insurance act and amendments thereto, (2) the act entitled "An act to provide for the promotion of vocational education; to provide for cooperation with the States in the promotion of such education in agriculture and the trades and industries; to provide for cooperation with the States in the preparation of teachers of vocational subjects; and to appropriate money and regulate its expenditure," approved February 23, 1917, as amended, and (3) the act entitled "An act to provide for vocational rehabilitation and return to civil employment of disabled persons discharged from the military or naval forces of the United States, and for other purposes," approved June 27, 1918, and amendments thereto, shall, where unexpended, be made available for the veterans' bureau, and may be expended in such manner as the director deems necessary in carrying out the purposes of this act, with the restrictions heretofore imposed as to number of persons that may be employed at stated salaries.

The amendment was agreed to.

The next amendment was, in section 9, page 8, line 5, after the word "the," to strike out "Secretary of the Treasury" and insert "President," so as to read:

> SEC. 9. The director, subject to the general directions of the President, shall be responsible for the proper examination, medical care, treatment, hospitalization, dispensary, and convalescent care, necessary and reasonable aftercare, welfare of, nursing, vocational training, and such other services as may be necessary in the carrying out of the provisions of this act.

The amendment was agreed to.

The next amendment was, on page 9, line 4, after the word "purpose," to insert "with the approval of the President"; in line 6, after the word "Government," to strike out the words "or private"; and in line 7, after the word "necessary," to insert "The head of the inspection service shall report to the director in the manner the director may prescribe the result of each examination of facilities and services, and shall recommend to him methods of standardizing such facilities and services," so as to make the clause read:

> In order to standardize the character of examination, medical care, treatment, hospitalization, dispensary, and convalescent care, nursing, vocational training, and such other services as may be necessary for beneficiaries under this act, the director shall maintain an inspection service, with authority to examine all facilities and services utilized in carrying out the purpose of this act, and for this purpose, with the approval of the President, may utilize such other Government agencies as may be deemed practicable and necessary. The head of the inspection service shall report to the director in the manner the director may prescribe the result of each examination of facilities and services, and shall recommend to him methods of standardizing such facilities and services.

The amendment was agreed to.

The next amendment was, on page 9, line 15, after the word "shall," to insert "within the limits of appropriations made for carrying out the provisions of this paragraph," and in line 18, before the word "beneficiaries," to strike out "these" and insert "such," so as to make the clause read:

> When, in the opinion of the director, the facilities and services utilized for the hospitalization, medical care, and treatment for beneficiaries under this act are unsatisfactory, the director shall, within the limits of appropriations made for carrying out the provisions of this paragraph, make arrangements for the further hospitalization, care, and treatment of such beneficiaries by other means.

The amendment was agreed to.

The next amendment was, on page 9, after line 18, to strike out:

> In the event that there is not sufficient Government hospital and other facilities for the proper medical care and treatment of beneficiaries under this act, and it is deemed necessary and advisable to secure additional Government facilities, the director shall make such recommendation to the Secretary of the Treasury as in his opinion is deemed necessary and advisable for the further improvement or extension of existing governmental facilities, or for the acquiring, including construction, of additional facilities; such new property and structures as may be recommended.

And in lieu thereof to insert:

> In the event that there is not sufficient Government hospital and other facilities for the proper medical care and treatment of beneficiaries under this act, and the director deems it necessary and advisable to secure additional Government facilities, he may, within the limits of appropriations made for carrying out the provisions of this paragraph, and with the approval of the President, improve or extend existing governmental facilities or acquire additional facilities by purchase or otherwise. Such new property and structures as may be so improved, extended, or acquired.

Mr. CALDER. The amendment reported by the committee which has just been stated by the Secretary is on page 10 of the bill. Immediately following in the bill, beginning in line 22, is a provision which the committee recommends be stricken out. The language proposed to be stricken out seems to give the director the right to "contract with State, municipal, or private

hospitals for such medical, surgical, and hospital services and supplies as may be required."

If the amendment just stated at the desk is agreed to, I would like to know what is meant by the following language:

And the director deems it necessary and advisable to secure additional Government facilities, he may, within the limits of appropriations made for carrying out the provisions of this paragraph, and with the approval of the President, improve or extend existing governmental facilities or acquire additional facilities by purchase or otherwise.

I should like to inquire of the Senator from Utah [Mr. SMOOT], who has the bill in charge, if that would permit the director to lease from municipalities or from States facilities which they have constructed?

Mr. SMOOT. I will say to the Senator from New York that I am afraid it will. It is quite a broad power. The reason we struck out the paragraph beginning on page 10, line 22, down to and including the word "act," on page 11, line 5, was that we did not want it to appear that Congress was giving the director the right to make a 10-year contract for a hospital.

The provision was originally inserted for the purpose of enabling the director to carry out a contract with the State of New York, according to which that State was to build a hospital which the United States Government was to lease for a term of 10 years at a rate of interest of 10 per cent on the cost of the construction of the hospital, and at the end of 10 years the ownership of the hospital should revert to the State of New York. The contract not only so provided, but it further provided that all of the appliances and instruments and the equipment necessary for use in the hospital should be placed in the hospital by the Government.

I will say to the Senator from New York that I think the word "otherwise" would allow the director to do the very thing which he suggests; but I hope that the director, knowing that we have stricken from the bill the provision beginning in line 22, on page 10, and ending in line 5, on page 11, will not make any such contract for hospital purposes. I do not think it is necessary, nor do I think the Government of the United States is yet so poor that it is necessary for it to pay 10 per cent interest on money.

Mr. ROBINSON. Mr. President, if the Senator from Utah wants Congress to express that viewpoint in this proposed legislation, we shall have to strike out the words "or otherwise," for the power as provided in the Senate committee amendment is certainly broad enough to comprehend anything that may be done under the provision which it is proposed to strike out, namely, the provision from line 22, on page 10, down to and including line 5, on page 11.

The words "or otherwise" would include not only the acquisition of additional hospital facilities by lease but in any other manner. I think the language of the Senate committee amendment is even broader than the language of the House bill which the committee recommends be stricken out, and, in my opinion, it should be broad enough to enable the director of the veterans' bureau to acquire hospital facilities in every possible way when the existing facilities are not adequate.

Mr. SMOOT. The Senator is right as to that.

Mr. ROBINSON. I am in favor of the Senate committee amendment not because it limits or prevents the director from doing anything authorized under the language of the House bill but because it gives him the power to acquire necessary hospital facilities without limitation. He ought to have that power. The beneficiaries of this proposed legislation ought not to be denied hospital facilities by reason of a limitation placed in this bill by Congress on the power of the director of the veterans' bureau to acquire such facilities. What Congress wants to do is to give him the very broadest powers possible.

Mr. SMOOT. That is what the committee did do.

Mr. CALDER. Mr. President, I was very anxious to bring that very thought out by the discussion of this particular amendment. The Senator from Utah has referred to a New York hospital proposition. He has in mind legislative action by the New York Legislature which provides for the construction of a hospital in the city of New York at a cost of something like $3,000,000. It was proposed last year in legislation considered by Congress that the War Risk Bureau should take over that hospital at a prescribed rental. It may have appeared to some that that rental was excessive. I do not come to plead for an agreement, so far as this body is concerned, under which an excessive rental may be paid for any hospital in New York; I am against anything of that kind; but, Mr. President, for the hospital in question the land has been purchased, the plans have been drawn, and there can be furnished within nine months a brand-new modern hospital to take care of the immediate needs of many veterans in that vicinity who require hospital treatment.

I was anxious that it should be clearly understood under the amendments reported by the committee that the director of the veterans' bureau, if he deems it wise and in the interest of the soldiers, may make use of the facilities afforded by States and municipalities.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, on page 10, line 14, after the words "equipment of," to insert "the veterans' bureau or of"; and in line 18, after the word "as," to strike out "would" and insert "will," so as to read:

Such new property and structures as may be so improved, extended, or acquired shall become part of the permanent equipment of the veterans' bureau or of some one of the now existing agencies of the Government, including the War Department, Navy Department, Interior Department, Treasury Department, the National Homes for Disabled Volunteer Soldiers, in such a way as will best serve the present emergency, taking into consideration the future services to be rendered the veterans of the World War, including the beneficiaries under this act.

The amendment was agreed to.

The next amendment was, on page 10, after line 21, to strike out:

In the event Government hospital facilities and other facilities are not thus available or are not sufficient, the director may contract with State, municipal, or private hospitals for such medical, surgical, and hospital services and supplies as may be required, and such contracts may be made for a period of not exceeding 10 years and may be for the use of a ward or other hospital unit or on such other basis as may be in the best interest of the beneficiaries under this act.

The amendment was agreed to.

The next amendment was, on page 11, after line 5, to insert:

The President is hereby authorized, should he deem it necessary and advisable for the proper medical care and treatment of beneficiaries under this act, to transfer to the director the operation, management, and control of specifically designated hospitals now under the jurisdiction of the Public Health Service. Such hospitals when transferred shall be used exclusively for beneficiaries under this act and shall be under the operative control of the director for such period of time as the President may prescribe.

The amendment was agreed to.

The next amendment was, in section 10, on page 5, after line 23, to insert "Nothing in this section shall be construed to authorize a travel allowance to clerks or persons for transportation or subsistence outside of the district in which they are employed," so as to make the section read:

SEC. 10. For the purpose of this act the director is authorized to detail from time to time clerks or persons employed in the bureau to make examinations into the merits of compensation and insurance claims, whether pending or adjudicated, as he may deem proper, and to aid in the preparation, presentation, or examination of such claims; and any such person so detailed shall have power to administer oaths, take affidavits, and certify to the correctness of the papers and documents pertaining to the administration of this act. Nothing in this section shall be construed to authorize a travel allowance to clerks or persons for transportation or subsistence outside of the district in which they are employed.

The amendment was agreed to.

The next amendment was, in section 11, on page 12, line 10, after the word "may," to insert "with the approval of the director," so as to read:

SEC. 11. The director is hereby authorized to make such rules and regulations as may be deemed necessary in order to promote good conduct on the part of persons who are receiving care or treatment in hospitals, homes, or institutions as patients or beneficiaries of said bureau during their stay in such hospitals, homes, institutions, or training centers. Penalties for the breach of such rules and regulations may, with the approval of the director, extend to a forfeiture by the offender of such portion of the compensation payable to him, not exceeding three-fourths of the monthly installment per month for three months, for a breach committed while receiving treatment in such hospital, home, institution, or training center as may be prescribed by such rules and regulations.

The amendment was agreed to.

The next amendment was, on page 12, line 16, after the word "regulations," to insert:

Provided, That before any penalty for a breach of the rules and regulations which may be held to extend to a forfeiture by the offender of a part of his compensation shall be executed, the offender shall have the right to appeal the decision involving the forfeiture of a part of his compensation to a board of three persons which shall be established and appointed by the director in September of each year for each regional district. Such board shall be known as the board on discipline and morale. It shall serve without compensation and shall be composed of public-spirited citizens interested in the general welfare of incapacitated veterans, and at least one of the members of such board shall be an ex-service man and a member of some war veterans' organization. No person who is in the employ of the United States shall be a member of such board. The decision of such board, after hearing all the evidence presented by the offender and those charging a breach of the rules and regulations, shall be final.

Mr. WALSH of Massachusetts. Mr. President, section 11 is one of the important sections of this bill; and perhaps an explanation ought to be made, because it is a matter of very great public interest.

The House provisions of this bill gave to the director authority to make rules and regulations which could lead to the imposition of penalties for breaches of the rules by trainees and patients. No restriction whatever was placed upon the power to penalize except the restrictions named in the bill, limiting the amount that could be deducted from one's compensation to three-fourths of the amount payable for a term of three months; so that as the bill came from the House a disabled soldier who violated a rule or regulation of one of the hospitals could be penalized by having three-fourths of his compensation covering a period of three months immediately taken from him. The Senate committee thought that power was too great, and should be modified and restricted. Therefore, we first provide that no official of a hospital or institution can impose this penalty for breach of rules without authority from the director at Washington. Secondly, we establish an unpaid board, to be known as a board on discipline and morale, in each regional district, who will hear and pass upon appeals made by offenders who are charged with breaches of rules and are threatened with being penalized to the extent of having three-fourths of their compensation for a period of three months taken from them.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment was, on page 13, after line 8, to insert:

If any inmate of a hospital maintained by the United States shall be ordered to undergo an operation and shall protest against such operation, his protest, together with all the facts in the case, including, if necessary, a physical examination, shall be submitted to the board of appeals hereinafter provided for. Pending such appeal the protestant shall not be dismissed from a hospital, or subjected to any disciplinary treatment, or to an operation. If his protest is sustained in whole or in part, and he shall comply with the recommendations of such board, he shall not be dismissed from the hospital or penalized. A board of appeals shall be created in each town or city where there is located a hospital maintained by the United States. Such board shall consist of three members, two of whom shall be surgeons and one a physician. They shall be appointed by the director from a list of surgeons and physicians recommended by the American College of Surgery, and where practicable shall be residents of the place where the hospital is located. Compensation at the rate of $10 per day shall be allowed each member of such board for the actual time consumed in performing the duties of the board.

Mr. REED. Mr. President, before we agree to that amendment, I am very loath to suggest a change, but I think there should be one.

I want to suggest to the Senator in charge of the bill that the language of the section is this:

If any inmate of a hospital maintained by the United States shall be ordered to undergo an operation and shall protest against such operation, his protest, together with all the facts in the case, including, if necessary, a physical examination, shall be submitted to the board of appeals hereinafter provided for.

The purpose when we drew this provision was to give the applicant a physical examination by the board of appeals if necessary. Therefore, I suggest striking out of line 12 the words "including, if necessary, a physical examination" and inserting, after the word "for," in line 14, the sentence:

If necessary, the protestant shall be given a physical examination by the board, or under its direction.

Mr. SMOOT. Mr. President, I think that clarifies the meaning of the amendment, and as far as I can I shall be glad to accept it.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The ASSISTANT SECRETARY. On page 13, line 12, after the word "case," it is proposed to strike out the words "including, if necessary, a physical examination," and on line 14, after the word "for," it is proposed to insert the words:

If necessary, the protestant shall be given a physical examination by the board, or under its direction.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 14, line 16, after the words "with the," to strike out "Secretary of the Treasury" and insert "Treasurer of the United States," so as to make the paragraph read:

In case such inmate has not allotted three-fourths of his monthly compensation, regulations to be made by the director may provide that any unallotted portion of such three-fourths compensation may be deposited to his credit with the Treasurer of the United States to accumulate at such rate of interest as the Secretary of the Treasury may determine, but at a rate never less than 3½ per cent per annum, payable for no period, however, of less than six months, and when payable shall be paid, principal and interest, to such patient if living; otherwise, to any beneficiary or beneficiaries he may have designated, or, if there be no such beneficiaries, then to the executor or administrator of the estate of such deceased person: *Provided*, That this paragraph shall not be so construed as to prevent payment by the bureau from the amounts due to the decedent's estate of his funeral expenses, expenses of last illness, board, rent, lodging, or other household expenses for which decedent is liable, provided a claim therefor is presented by the creditors or by the person or persons who actually paid the same before settlement by the veterans' bureau.

The amendment was agreed to.

The next amendment was, on page 15, line 17, after the word "any," to strike out "honorably discharged commissioned officer or enlisted man or any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female)," and insert "member of the military or naval forces of the United States separated therefrom under honorable conditions," so as to read:

In addition to the care, treatment, and appliances now authorized by law, said bureau also shall provide without charge therefor hospital, dental, medical, surgical, and convalescent care and treatment and prosthetic appliances for any member of the military or naval forces of the United States separated therefrom under honorable conditions disabled by reason of any wound or injury received or disease contracted, or by reason of any aggravation of a preexisting injury or disease.

And so forth.

Mr. ROBINSON. Mr. President, I will ask the Senator from Utah, in charge of the bill, to explain the purpose and effect of this amendment.

Mr. SMOOT. I will say to the Senator that this is simply an amendment to give a proper classification for naval officers not honorably discharged. That question has arisen on the floor here several times, and in the discharge of naval officers they simply say that they are discharged. The amendment is simply to clarify the situation and meet that condition.

Mr. ROBINSON. I will say to the Senator from Utah that the House provision also seems to entitle certain other persons to the benefits of this provision.

Mr. SMOOT. The Senate amendment does not interfere with that. Not only that, but a commissioned officer can resign; but the way the House provision had it, it did not cover either one of those classes, so the director called our particular attention to that and asked that we put in these words, so that the provision would cover every class.

Mr. ROBINSON. Then if I understand the Senator from Utah correctly, if the Senate amendment is agreed to, members of the Army Nurse Corps and of the Navy Nurse Corps can receive the benefits of the act?

Mr. SMOOT. Absolutely; and the Senate amendment is a broadening of the language; and I do not think the House intended that it should be restricted, as I have said.

Mr. WALSH of Massachusetts. Mr. President, I think the Senator from Arkansas and also the Senate should be informed that this section is the most important, and will involve the greatest expense of any section in this bill.

Mr. SMOOT. Yes.

Mr. WALSH of Massachusetts. It is a complete departure from the policy pursued heretofore. Up to this time only those who were found to have a disability rated at 10 per cent were entitled to hospitalization attendance. The House bill provides that all persons suffering from any disease or any disability that is traceable to the service can hereafter receive medical attention and dental care and treatment of various kinds of a medicinal character, so that under this provision we are for the first time admitting for treatment all that class of disabled soldiers who have been rated to be disabled at a rate less than 10 per cent.

Mr. ROBINSON. I think that ought to be done. At the same time, if I understand the Senator from Utah and the Senator from Massachusetts correctly, the Senate amendment will not deny the benefits of the act to any person who is now receiving them.

Mr. WALSH of Massachusetts. Not at all. It is enlarging and broadening those who can receive them.

Mr. ROBINSON. Nor to any person who might have been comprehended under the language of the House bill?

Mr. WALSH of Massachusetts. Exactly. In fact, there is another extension. Those suffering from injury or disease that has been aggravated, who had a preexisting disease before entering the service and whose service aggravated the disease, are now entitled to the benefits of hospitalization, medical, and dental care.

Mr. ROBINSON. That would include practically everyone in the military and naval service during the war?

Mr. WALSH of Massachusetts. Yes; but the Senator will bear in mind that the law in regard to compensation has not been changed. They still must show a disability amounting to 10 per cent in order to get compensation; but this changes the law in regard to hospitalization, giving everybody, no matter what his disability is, a right to the treatment described in this section.

Mr. SMOOT. I will call the Senator's attention to the fact that there is on the calendar to-day a bill for doing the same thing in regard to compensation that section 13 of this bill does in regard to hospitalization.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 15, line 24, after the word "disease," to insert "specifically noted at examination for entrance into or employment in the active military or naval service," and on page 16, line 1, after the words "in the," to insert "active military or naval," so as to read:

In addition to the care, treatment, and appliances now authorized by law, said bureau also shall provide without charge therefor hospital, dental, medical, surgical, and convalescent care and treatment and prosthetic appliances for any member of the military or naval forces of the United States separated therefrom under honorable conditions, disabled by reason of any wound or injury received or disease contracted, or by reason of any aggravation of a preexisting injury or disease, specifically noted at examination for entrance into or employment in the active military or naval service, while in the active military or naval service of the United States on or after April 6, 1917.

The amendment was agreed to.

The next amendment was, on page 16, line 2, after the numerals "1917," to strike out the word "and" and insert a colon and the following proviso:

Provided, That the wound or injury received or disease contracted, or aggravation of a preexisting injury or disease, for which such hospital, dental, medical, surgical, and convalescent care and treatment and prosthetic appliances shall be furnished, was incurred.

The amendment was agreed to.

The next amendment was, on page 16, line 10, to strike out the word "discharge" and insert in lieu thereof the word "separation," so as to make the clause read:

Provided further, That application for such care and treatment and appliances provided for in this section shall be made within one year from date of separation from service or from the date this act goes into effect, whichever is the later.

The amendment was agreed to.

The next amendment was, on page 16, line 12, after the word "later," to insert a colon and the following additional proviso:

Provided further, That no applicant who waived any right to exemption on account of an injury or disease upon admission into the military or naval forces of the United States shall be entitled to the benefits of this section in the case of an aggravation of such injury or disease incurred in line of duty.

Mr. REED. Mr. President, I thought this clause had been stricken out in the committee.

Mr. SMOOT. This limits it to the case of aggravation in line of duty, and this was agreed to by the committee. I think the Senator from Massachusetts [Mr. WALSH] offered the amendment, and it was agreed to in the committee, or was it the director who asked for this amendment?

Mr. WALSH of Massachusetts. This was the director's amendment, not mine.

Mr. SMOOT. I knew it was one or the other.

Mr. REED. I do not want to delay the bill for a moment, for I am as anxious for its passage as any man can be. The committee worked very hard to try to get a good bill. But I can not give my assent to that proviso, and while we discussed it in the committee, I had thought it was either out or passed over; yet, if the Senator from Utah recollects it otherwise, I will yield to his recollection. But I can not, for my part, justify the denial to a man of compensation for the aggravation of some ailment or defect which he had when he went into the war, simply because he was game enough to waive his exemption and to go to the front with the disability. The equitable thing to do is to allow him compensation, not for the original defect, but for an aggravation of that original defect. Whatever the aggravation may be, he should be compensated for it. I hope the Senator will permit that to be cut out. Otherwise, I will have to make some remarks on it, and submit it to the Senate. If I had known it was in the bill, I certainly would have brought it sharply to the attention of the committee.

Mr. SMOOT. Mr. President, I really think it ought to remain in the bill. I know there were soldiers who did special work, never went to the battle line, who had defects which prevented them from entering the combat forces, but who were perfectly able to do special work which the Government ordered them to do.

Mr. REED. Would the Senator be willing to have added to it a clause reading somewhat as follows:

This provision, however, shall not apply to any soldier engaged in active combat duty.

We all agreed on that.

Mr. SMOOT. That is in another amendment, in another place in the bill; but I am perfectly willing that those words should be attached to this amendment.

Mr. REED. I then move to amend the amendment at the end of section 13 by adding the following:

The provision last aforesaid shall not apply to such officers, enlisted men, or other members of the military or naval forces assigned to combat service.

Mr. SMOOT. I am perfectly willing that that should be accepted.

Mr. REED. I said "assigned to combat service." Let it read, "included in the combat forces."

Mr. SMOOT. The expression "combat service" is even broader than the language last suggested by the Senator.

Mr. REED. I will accept the Senator's judgment on that, because I am not familiar with the technical terms. May we have the amendment read, Mr. President?

The VICE PRESIDENT. The Secretary will read the amendment proposed by the Senator from Missouri to the amendment of the committee.

The READING CLERK. On page 16, line 17, after the word "duty" in the committee amendment, the Senator from Missouri proposes to insert the following:

The provision last aforesaid shall not apply to officers, enlisted men, or other members of the military or naval forces assigned to combat service.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, in section 14, page 16, line 21, after the word "expenditures," to insert the words "classified by regional offices and suboffices"; and on line 24, after the word "employees," to insert the words "and the nature and terms of all contracts made under the authority of this act, and the names and principal places of business of the parties thereto," so as to read:

SEC. 14. The director shall file with the Clerk of the House and the Secretary of the Senate on the first day of the next regular session after this act takes effect an itemized account of all expenditures, classified by regional offices and suboffices, made under this act, including names, classifications, and salaries of all staff officers, experts, assistants, and employees, and the nature and terms of all contracts made under the authority of this act, and the names and principal place of business of the parties thereto. Thereafter on the first Monday in December of each year the director shall make a report to Congress of his doings under this act for the preceding fiscal year.

The amendment was agreed to.

The next amendment was, on page 17, after line 4, to add to section 14 the following:

Any person who shall knowingly make or cause to be made, or conspire, combine, aid or assist in, agree to, arrange for, or in any wise procure the making or presentation of a false or fraudulent affidavit, declaration, certificate, statement, voucher, or paper or writing purporting to be such, concerning any claim or the approval of any claim for compensation or the payment of any money, for himself or for any other person, under article 3 of the war risk insurance act, or any acts amendatory of or supplemental to such article 3, shall forfeit all rights, claims, and benefits under such article 3, and in addition to any and all other penalties imposed by law shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not more than $1,000 or imprisonment for not more than one year, or by both such fine and imprisonment, for each such offense.

The amendment was agreed to.

The next amendment was, on page 18, line 21, to strike out the word "President" and insert in lieu thereof the word "director."

The amendment was agreed to.

The next amendment was, on page 19, line 9, after the words "shall be," to strike out the words "considered to be in" and to insert in lieu thereof the words "deemed to have the same status as an inducted man not yet accepted and enrolled for"; and on line 15, after the word "forces," to strike out the words "and if otherwise eligible shall be entitled to the compensation and insurance benefits under the war risk insurance act" and to insert in lieu thereof the words "shall be entitled to the same benefits under articles 3 and 4 of the war risk insurance act as an inducted man not yet accepted and enrolled for active service," so as to make the subsection read:

(a) Any person who between the 6th day of April, 1917, and the 11th day of November, 1918, applied for enlistment or enrollment in the military or naval forces, and who was accepted provisionally and directed or ordered to a camp, post, station, or other place for final acceptance into such service, shall be deemed to have the same status as an inducted man not yet accepted and enrolled for active service during the period while such person was complying with such order or direction, and during such compliance, and until his final acceptance or rejection for enlistment or enrollment into the military or naval forces shall be entitled to the same benefits under articles 3 and 4 of the war risk insurance act as an inducted man not yet accepted and enrolled for active service.

The amendment was agreed to.

The next amendment was, on page 21, line 12, after the word "*Provided*," to strike out down to and including the word "service," on line 22, as follows:

Provided, That every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, heretofore discharged or resigned, and every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, and hereafter discharged or resigned under conditions entitling him to compensation, shall be held and taken to have been in sound condition when examined, accepted, and enrolled for service.

And to insert in lieu thereof the following:

That for the purposes of this section every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department who was discharged or who resigned prior to the date of approval of this amendatory act, and every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, who hereafter is discharged or resigns, shall be held and taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, disorders, or infirmities, made of record in any manner by proper authorities of the United States at the time of, or prior to inception of active service, to the extent to which any such defect, disorder, or infirmity was so made of record, but this exception shall not apply to such officers, enlisted men, or other members assigned to combat service. This section shall be deemed to be in effect as of April 6, 1917.

The amendment was agreed to.

The next amendment was, on page 22, after line 14, to insert the following:

SEC. 19. Subdivision (5) of section 302 of the war risk insurance act is hereby amended to read as follows:

"(5) If the disabled person is so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, but not exceeding $50 per month, as the director may deem reasonable."

The amendment was agreed to.

The next amendment was, on page 22, to change the number of the section from "19" to "20."

The amendment was agreed to.

The next amendment was, on page 23, line 5, after the word "began," to insert the words "but not earlier than the date of discharge or resignation," so as to make the section read:

SEC. 20. Section 305 of the war risk insurance act is hereby amended to read as follows:

"SEC. 305. Upon its own motion or upon application the bureau may at any time review an award, and, in accordance with the facts found upon such review, may end, diminish, or increase the compensation previously awarded, or, if compensation is increased, or, if compensation has been refused, reduced, or discontinued, may award compensation in proportion to the degree of disability sustained as of the date such degree of disability began, but not earlier than the date of discharge or resignation."

The amendment was agreed to.

The next amendment was, on page 23, line 7, to change the number of the section from "20" to "21."

The amendment was agreed to.

The next amendment was, on page 23, line 16, to insert, before the word "act," the word "amendatory."

The amendment was agreed to.

The next amendment was, on page 23, line 22, to change the number of the section from "21" to "22."

The amendment was agreed to.

The next amendment was, on page 24, line 16, after the word "representatives," to insert the words "upon waiver by the beneficiary of all claims for compensation against the United States under this act or any amendments thereto," so as to make the paragraph read:

In all cases of assignment of causes of action under this section, whether the assignment be heretofore or hereafter made, where it shall appear to the director to be to the best interests of the beneficiary so to do, the director, acting for and in the name of the United States, may assign the cause of action back to the beneficiary or to his personal representatives, upon waiver by the beneficiary of all claims for compensation against the United States under this act, or any amendments thereto.

The amendment was agreed to.

The next amendment was, on page 24, line 19, to change the number of the section from "22" to "23."

The amendment was agreed to.

The next amendment was, on page 25, line 4, to change the number of the section from "23" to "24."

The amendment was agreed to.

The next amendment was, on page 26, line 9, to change the number of the section from "24" to "25."

The amendment was agreed to.

The next amendment was, on page 26, after line 11, and on page 27, lines 1 to 5, inclusive, to strike out the following:

SEC. 406. Whenever a claim under United States Government life insurance (converted insurance) is to be paid because of the total permanent disability of the insured, or because of the death of the insured as the result of disease or injury traceable to the extra hazard of the military or naval service, as such hazard may be determined by the director, payment shall be made out of the military and naval insurance appropriation. The United States Government life insurance fund shall be reimbursed out of the military and naval insurance appropriation for any payments made out of such fund prior to the passage of this act, on account of claims because of the total permanent disability of the insured or on account of the death of the insured as the result of disease or injury traceable to the hazard of the military or naval service; and the United States Government life insurance fund shall be reimbursed out of the military and naval insurance appropriation for any premiums from the payment of which the insured has been heretofore relieved because of total permanent disability.

And to insert in lieu thereof the following:

SEC. 406. Whenever benefits under United States Government life insurance (converted insurance) become or have become payable because of total permanent disability of the insured or because of the death of the insured as a result of disease or injury traceable to the extra hazard of the military or naval service as such hazard may be determined by the director, the liability shall be borne by the United States, and the director is hereby authorized and directed to transfer from the military and naval appropriation fund to the United States Government life insurance fund a sum which, together with the reserve of the policy at the time of maturity by total permanent disability or death, will equal the then value of such benefits. When a person receiving total permanent disability benefits under a United States Government life policy (converted policy) recovers from such disability and is then entitled to continue a reduced amount of insurance, the director is hereby authorized and directed to transfer to the military and naval appropriation all of the loss reserve to the credit of such policy claim except a sum sufficient to set up the then required reserve on the reduced amount of insurance that may be continued, which sum shall be retained in the United States Government life insurance fund for the purpose of such reserve.

Mr. POMERENE. Mr. President, we are going along pretty rapidly with this bill, which was presented this morning, and all the Senators have been very much interested in it and fully realize the necessity for this legislation. But in the hurried reading of the bill thus far I have not been able to quite understand what jurisdiction the director of this bureau will have over that part of the United States Public Health Service which may be serving these soldiers, and I think either the Senator from Utah [Mr. SMOOT] or the Senator from Massachusetts [Mr. WALSH] ought to explain this a little more fully, so that we can have a better understanding of the bill in that behalf.

Mr. SMOOT. Mr. President, that part of the Public Health Service which will be transferred to the veterans' bureau will be under the direct charge of the director of the veterans' bureau. The parts which will be transferred will include the members of the Public Health Service who are now employed in the Vocational Education Board, and also numerous persons who are working in the War Risk, but still are employees of the Public Health Service. They are paid from the War Risk Bureau appropriation, and detailed from the Public Health Service to the War Risk Bureau. All of those details and only those details will be transferred to the new veterans' bureau.

Mr. POMERENE. One of the thoughts uppermost in my mind is this. Primarily, of course, the force of the Public Health Service will be under the jurisdiction of the health officers, but this situation may arise: It may be necessary to detail some of these surgeons or physicians to the director of the veterans' bureau. At the same time, it is possible that a situation might arise where it would be impossible or impracticable to do that, and there might be a question of a conflicting jurisdiction. I hope that is well cared for.

Mr. SMOOT. I will say to the Senator that the bill only provides for those who are already detailed up to the present time, so there would be no conflict whatever.

The PRESIDING OFFICER (Mr. SHORTRIDGE in the chair). The hour of 2 o'clock having arrived, it is the duty of the Chair to lay before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. NORRIS. Mr. President, I ask unanimous consent that the unfinished business may be temporarily laid aside for the further consideration of the veterans' bureau bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Ohio has the floor.

Mr. POMERENE. I think we all feel the very great necessity of having unification of these different branches of the service that have heretofore been taking care of or trying to take care of disabled soldiers. Before our committee that is investigating the subject we had this remarkable situation presented. One veteran with both legs off could not get his artificial limbs because there is a quarrel on between two of these different bureaus as to which one should furnish them.

Mr. SMOOT. The bill is to take care of just such cases. The Senator recites one, but there have been hundreds of them.

Mr. POMERENE. I think that is true. I am amazed that such a condition of affairs should be permitted.

Mr. REED. Mr. President, I should like to refer back——

The PRESIDING OFFICER. Is the Senator addressing himself to the proposed amendment?

Mr. REED. I am asking, if we are through with that amendment, to refer back.

Mr. SMOOT. Let the pending amendment be acted on first.

Mr. REED. I thought it had been acted upon.

Mr. SMOOT. No.

The PRESIDING OFFICER. The question is on agreeing to the amendment. If there be no objection, the amendment is agreed to.

Mr. REED. Referring back to section 18, on page 21, line 11, I move to strike out in lines 11 and 12 the following words: "Or aggravation has been caused by his own willful misconduct," and to insert in lieu thereof the words "was intentionally contracted or aggravated."

Mr. SMOOT. I have no objection to the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 21, lines 11 and 12, strike out the words "or aggravation has been caused by his own willful misconduct," and insert in lieu thereof the words "was intentionally contracted or aggravated," so as to make the sentence read:

But no compensation shall be paid if the injury, disease was intentionally contracted or aggravated.

The PRESIDING OFFICER. If there be no objection, the amendment suggested is agreed to.

Mr. WALSH of Massachusetts. May I inquire if the words "by his own willful misconduct" go out?

The PRESIDING OFFICER. The Chair directs the attention of the Senator from Massachusetts to the language as suggested in order that it may be clearly understood.

The READING CLERK. In lines 11 and 12 strike out the words "or aggravation has been caused by his own willful misconduct" and insert the words "was intentionally contracted or aggravated."

Mr. REED. Then it would read as follows:

But no compensation shall be paid if the injury or disease was intentionally contracted or aggravated.

Mr. POMERENE. By his own willful misconduct?

Mr. REED. No; we do not need that in there. I think it is all right. If not, we can reconsider it.

The PRESIDING OFFICER. The Chair suggests that the word "or" should be inserted between the words "injury" and "disease," in line 11.

Mr. SMOOT. Yes. I move that amendment.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On line 11 strike out the comma and insert the word "or," so that it will read:

But no compensation shall be paid if the injury or disease was intentionally contracted or aggravated.

The PRESIDING OFFICER. If there be no objection, the amendment as now stated is agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 28, line 24, to change the number of the section from "25" to "26."

The amendment was agreed to.

The next amendment was, on page 28, line 19, after the word "proper" and the period, to insert:

This section shall be deemed to be in effect as of October 6, 1917.

The amendment was agreed to.

The next amendment was, on page 28, line 21, to change the number of the section from "26" to "27."

The amendment was agreed to.

The next amendment was, on page 29, line 19, to strike out "three and one-half" and insert "five," and in the same line, after the word "annum," to insert the words "compounded annually;" so as to make the sentence read:

As a condition, however, to the acceptance of an application for the reinstatement of lapsed or canceled yearly renewable term insurance or United States Government life insurance (converted insurance), the applicant shall be required to pay all the back monthly premiums which would have become payable if such insurance had not lapsed, together with interest at the rate of 5 per cent per annum compounded annually on each premium from the date said premium is due by the terms of the policy.

The amendment was agreed to.

The next amendment was, on page 30, in line 9, after the word "insurance," to insert the words "less the premiums and interest thereon at 5 per cent per annum compounded annually," so as to make the sentence read:

The veterans' bureau is hereby authorized and directed to pay to the beneficiaries of said soldier under said policy the amount of said insurance less the premiums and interest thereon at 5 per cent per annum compounded annually in installments as provided by law.

The amendment was agreed to.

The next amendment was, on page 30, in line 16, after the words "whereby the," to insert the words "payment of"; and, in line 19, after the word "insurance" and the parenthesis, to insert the words "on the due date thereof," so as to make the sentence read:

The veterans' bureau is authorized to make provision in accordance with the regulations whereby the payment of premiums on yearly renewable term insurance and United States Government life insurance (converted insurance) on the due date thereof may be waived, and the insurance may be deemed not to lapse in the cases of the following persons, etc.

The amendment was agreed to.

The next amendment was, on page 31, line 3, after the word "insurance," to insert the words "on the due date thereof," so as to make the sentence read:

Provided, That such relief from payment of premiums on renewable term insurance on the due date thereof shall be for full calendar months, etc.

The amendment was agreed to.

The next amendment was, on page 31, line 8, after the word "disabled," to insert a colon and the following proviso:

Provided further, That all premiums, the payment of which when due is waived as above provided, shall bear interest at the rate of 5 per cent per annum compounded annually from the due date of each premium, and if not paid by the insured shall be deducted from the insurance when the same matures either because of permanent total disability or death.

The amendment was agreed to.

The next amendment was, on page 31, line 15, to change the number of the section from "28" to "29."

The amendment was agreed to.

The next amendment was, on page 31, line 19, to strike out the words "Secretary of the Treasury" and insert the words "director of the veterans' bureau"; and in line 24 to strike out the words "Secretary of the Treasury" and insert in lieu thereof the words "Treasury of the United States," so as to make the sentence read:

Under such rules and regulations as the director of the veterans' bureau and the Postmaster General may prescribe, the Postmaster General is hereby authorized to receive the premiums on yearly renewable term insurance and United States Government life insurance (converted insurance) and to act for and to turn over to the Treasury of the United States the money so received, etc.

The amendment was agreed to.

The next amendment was, on page 32, line 7, to change the number of the section from "29" to "30."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the reading of the bill. The bill is still in Committee of the Whole and open to amendment.

Mr. SMOOT. Mr. President, from the Committee on Finance I offer the following amendment:

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. Add a new section, section 31, to read as follows:

SEC. 31. A new section is hereby added to article 4 of the war risk insurance act, to be known as section 412, and to read as follows:

"SEC. 412. That no person admitted into the military or naval forces of the United States after the passage of this amendatory act shall be entitled to the compensation or any other benefits or privileges provided under the provisions of articles 3 or 4 of the war risk insurance act, as amended."

Mr. CALDER. Mr. President, as I understand the amendment, a man who enlisted in the military service of the United States last week would come under the terms thereof.

Mr. SMOOT. No. The committee thought perhaps it would be proper to fix it as of date November 11, 1918, the date of the armistice; but under the ruling of the bureau all of the soldiers who have entered the Army and Navy from that date down to date have been receiving allowances——

Mr. WATSON of Georgia. Mr. President, this is a very important matter, and although I am near the Senator from Utah I can not hear what he says. I would very much like to hear it. This is a new section that it is proposed to add to a bill which is being rushed through here at lightning speed.

Mr. SMOOT. The Senator from New York asked the Senator from Utah the question if a man had entered the Army or the Navy last week whether this amendment proposed would affect him. I say no; it would not. It will affect no man until he enlists in the Army or the Navy after the passage of this act.

It was suggested in the first place that the date should be retroactive, making it November 11, 1918, the date of the armistice, because after that time they entered the Army or the Navy just the same as if there had been no war. But under the practice of the bureau and under the ruling of the comptroller a man entering the Army or the Navy up to date has been allowed the compensation provided for in article 3 and article 4 of that act.

Mr. WATSON of Georgia. What are those articles?

Mr. SMOOT. They are found in the compensation provision of the insurance act.

Mr. WATSON of Georgia. In case of disability?

Mr. SMOOT. In every case of enlistment.

Mr. WATSON of Georgia. Why should he not get it?

Mr. SMOOT. That would involve the establishment of a policy which no other country in the world has ever pursued. If the question asked by the Senator from Georgia were answered in the affirmative, hereafter any man who enlists in the Army or the Navy would have the compensation provided by existing law, but, Mr. President, that law was passed in order to cover the hazards and the risks of war and not for the benefit of men who entered the Army or the Navy in peace times.

Mr. WATSON of Georgia. I understood that if a soldier, sailor, or marine were injured in the course of duty, he was to receive the benefits of the law.

Mr. SMOOT. The compensation provided is not dependent on whether or not he is injured, but the soldier or sailor may claim it if he has dependents to care for. He may claim $15 a month if he has a wife; $25 a month if he has a wife and child; $32.50 a month if he has a wife and two children; and he may claim $5 for each additional child. The man who enlisted in the Army on yesterday, under existing law as it is interpreted, and under the practice of the department, may now claim that compensation. The Senator from Georgia does not want that to continue, does he?

Mr. WATSON of Georgia. Does not want what to continue?

Mr. SMOOT. The Senator does not want such compensation to continue to be paid to every soldier and sailor in time of peace, whether he be injured or not, if he has a dependent, does he?

Mr. WATSON of Georgia. In conjunction with the explanation given by the Senator from Utah, it is very hard to understand what the amendment does except, and that is what I was trying to get at.

Mr. SMOOT. This amendment means what I have stated. I will say to the Senator from Georgia that after the passage of this proposed act any man who enlists in the Army or the Navy as a regular soldier or sailor will not be allowed the compensation which to-day, under the law, amounts to $15 a month if he has a dependent wife or a dependent mother or child. The different rates of compensation are enumerated in the law, but I have not a copy of it at hand. I can, however, state to the Senator approximately what it is. If the soldier has a wife and one child, he is allowed $25 a month; if he has a wife and three children, he is allowed $37.50 a month. If this proposed legislation be passed, hereafter a man enlisting in the Army or the Navy will not be allowed that compensation.

Mr. WALSH of Massachusetts. Will the Senator from Utah answer an inquiry?

Mr. SMOOT. Certainly.

Mr. WALSH of Massachusetts. I appreciate the importance of terminating our hospitalization and compensation liabilities, and this bill should fix a time when our liabilities for injuries and diseases contracted by soldiers and sailors in war are ended. I am, however, very much troubled by the amendment offered by the Senator from Utah in the name of the committee, which he kindly showed to me before offering it. I am particularly troubled about the insurance feature of it. As I understand, the amendment proposes to end all the insurance provisions for the future?

Mr. SMOOT. It proposes to end the privilege of insurance.

Mr. WALSH of Massachusetts. I want to ask whether it is the policy of the War Department or of those interested in the future administration of the Army and Navy to do away hereafter with all opportunities for Government insurance to soldiers and sailors in the military service of the country?

Mr. SMOOT. It is for Congress to decide our future policy as to insurance; but there is no question as to compensation.

Mr. REED. To what amendment does the Senator from Massachusetts refer?

Mr. WALSH of Massachusetts. I will say to the Senator from Missouri that a new amendment has been offered by the Senator from Utah [Mr. SMOOT] which seeks to terminate and put an end to the liability upon the Government for hospitalization, for compensation, and for insurance benefits for all those who may hereafter enlist in the Army or Navy.

Mr. REED. I think that matter ought to be limited.

Mr. WALSH of Massachusetts. I can understand and appreciate that there should be an end put to the Government's liability to provide medical care and treatment and an end put to the Government's liability to provide compensation in cases of injury or disease growing out of the service in the future in peace times; but I am troubled about whether or not we ought now, without further reflection and without consultation with the Secretaries of War and Navy, end all opportunity for soldiers and sailors enlisting in the future to take out Government insurance at the very low rates now provided for Government insurance. I think the provision in the amendment relative to Government insurance ought to be stricken from it.

Mr. REED. Mr. President, I desire to make a suggestion. I agree with the proposition that there is no harm to come from allowing the soldiers of the Regular Army who are now serving in peace times to take out insurance, because we understand that Government insurance will in the future be self-sustaining. It therefore would be a good thing to have the soldiers insure themselves and it would probably help to induce the better class of men to come into the Army; but, that exception having been made to the amendment, I beg to suggest that it ought to be made retroactive and ought to apply to all who have entered the service since November 11, 1918.

Mr. SMOOT. I agree with the Senator from Missouri upon that proposition, but this is what has happened: Those now in the service have been paid up to date; the Government has paid the money; the men have had their compensation. We can not now take that away from them.

Mr. REED. No; we can not. I think the things which have been closed up should be regarded as closed up; but how about other claims that will be pressed upon us which have not been closed up and which may rise in the future under the terms of the bill?

Mr. SMOOT. If we fixed the date at November 11, 1918, the question might arise whether the Government would not have a claim against the soldiers who have already been paid their compensation.

Mr. REED. I think we may say, as to all unadjusted claims against the Government, there should be no further payment made to soldiers on claims arising since November 11, 1918.

Mr. SMOOT. Then we shall have to repeal the law, because the law says that they shall receive compensation until peace is declared by proclamation of the President.

Mr. REED. And it is not yet declared.

Mr. SMOOT. That is true. I desire further payments discontinued under this proposed amendment.

Mr. REED. I am not going to object to the Senator's amendment.

Mr. WALSH of Massachusetts. The amendment only fixes the date for the ending of our liabilities.

Mr. SMOOT. That is what it proposes to do.

Mr. REED. My view is that it was our purpose to take care of all the soldiers of the World War until they had returned home and had been discharged from war service; but as to any man who enlisted since the war, who entered the Army on a peace footing, he ought to be in a different class.

Mr. WALSH of Massachusetts. Mr. President, the provisions of this bill give compensation and hospitalization to men who may resign or be discharged later than the present date provided they had entered the service at the time when this bill becomes a law.

Mr. REED. That brings up a question concerning which I will take but a moment. We will have a large number of men—I presume probably 200,000 or more—who have enlisted in the Army since November 11, 1918. They enlisted in a time of peace; war had not been terminated technically, and consequently they have been allowed to receive all of the benefits which Congress undertook to confer upon the men who served during the war. If we go back to November 11, 1918, and draw the line there, we will have drawn it at the proper place; but if we now say that those who hereafter come into the Army shall not have these benefits, we will have a class of men who enlisted in the Army in time of peace, during a period of almost three years, who will be entitled for many years to come to claim these benefits, while serving beside those men will be a man who enlists——

Mr. SMOOT. Next week.

Mr. REED. Next week, for instance, also in time of peace, who will not be entitled to these benefits. Immediately the cry will be raised that they all ought to be treated alike; and our experience is that we never go backward; we always go forward; we never take away the thing that has been given, but we give it to the other man. I think it is dangerous to draw this line at present, and that this provision ought to be so prepared that all these benefits, except the benefit of insurance, which I am willing shall be continued in time of peace, shall be cut off as of November 11, 1918. The amendment of the Senator from Utah does not accomplish that.

Mr. SMOOT. No; I will admit that. I telephoned to the Director of the War Risk Insurance Bureau after the committee adjourned to-day, having been instructed to prepare

an amendment along this line, and asked him whether November 11, 1918, would be the proper date or, under the practice of the department and in view of what has taken place, whether it would be better to make the limitation apply from and after the passage of the act. The director replied that under the existing conditions he thought that it would be best to make it apply from and after the date of the passage of the act. I recognize that there is much force in what the Senator from Missouri has said, and the suggestion he makes would meet my hearty approval if it could be worked out.

Mr. REED. I am very sure I could work it out if I were familiar with all of the facts and knew just what has been done. I can not draw a provision with reference to circumstances and facts and acts that have occurred and rulings that have been made that I have not before me.

Mr. UNDERWOOD. Mr. President, will the Senator from Missouri yield?

Mr. REED. I yield.

Mr. UNDERWOOD. It is perfectly safe to put a provision of this kind in the bill, because the entire paragraph will go to conference, and if there is any mistake made it can be corrected there.

Mr. REED. With that kind of assurance——

Mr. SMOOT. I will have a paragraph written in a moment which I will read to the Senator, and then I am quite sure that the matter will be in conference, and that is what I want to have brought about. I think it is understood that we strike out, in the amendment that I sent to the desk, "or 4."

Mr. POMERENE. That takes out the insurance?

Mr. SMOOT. The insurance; yes.

Mr. POMERENE. Now, Mr. President, I ask that the amendment as amended be read.

Mr. SMOOT. Yes; just as soon as I read this. Then, following the words "as amended," add this:

Nor shall any person admitted into the naval or military forces of the United States after November 11, 1918, be entitled to the compensation or other benefits or privileges of article 3 if his application for such compensation or other benefits or privileges has not been finally approved by the director.

In other words, that will allow all of the soldiers that have entered the Army after November 11, 1918, and have already received the compensation and privileges under the act, to hold them, but those that have not made the application after that date as soon as this act is passed will not have that privilege. Then the whole question is in conference, and we can work out the matter in conference so that we will take care of all that are entitled to be taken care of.

The VICE PRESIDENT. The Secretary will state the amendment.

The READING CLERK. The amendment, as modified, will read as follows:

SEC. 31. A new section is hereby added to article 4 of the war risk insurance act, to be known as section 412, and to read as follows:

"SEC. 412. That no person admitted into the military or naval forces of the United States after the passage of this amendatory act shall be entitled to the compensation or any other benefits or privileges provided under the provisions of article 3 of the war risk insurance act, as amended, nor shall any person admitted into the military or naval forces of the United States after November 11, 1918, be entitled to the compensation or other benefits or privileges of article 3 if his application for such compensation or other benefits or privileges has not been finally approved by the director."

Mr. WALSH of Massachusetts. Mr. President, I think the amendment might well be accepted now; but it strikes me as being of such an important character that it might well be considered very seriously before adopting it in conference.

Mr. SMOOT. I assure the Senator that that will be done.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified.

The amendment, as modified, was agreed to.

Mr. WALSH of Massachusetts. Mr. President, is the bill now open to amendments from the floor?

The VICE PRESIDENT. It is.

Mr. WALSH of Massachusetts. I feel it my duty at this point to offer an amendment to this bill, which in my opinion is very meritorious and has features enlarging and liberalizing the benefits that our Government is bestowing upon its incapacitated veterans. While we have succeeded in eliminating in this bill a great many of the abuses and difficulties that have grown up under the administration of the laws which we enacted for hospitalization and for compensating our injured and disabled soldiers, it seems patent to me that we have not touched upon one of the most serious of all abuses. I refer to the abuse from which emerges the very great and extensive delay and the sharp and altogether unjustifiable annoyance in requiring the disabled soldier to prove that the disease from which he is suffering was contracted in line of service.

As you all know, the present law requires a man first of all to demonstrate the fact that he is suffering from a disease or injury that comes under the general compensation laws; and, secondly, that his disease or injury was contracted in line of duty, while he was in the service of his country. What has been the result? The result has been that when a disabled veteran has applied for compensation and proved that he was suffering from tuberculosis or a neuropsychiatric disease, and his application has been sent to Washington with proof that he has the disease, the reply coming back to him has been: "The burden is upon you to prove that that disease was contracted while in the service of your country." This has led to demand for affidavits, to appeals to Senators and to Congressmen, to long, exasperating delays. In my opinion, that provision of the law which places the burden upon the disabled veteran of connecting his disease with his service has been responsible for more complaints, dissatisfaction, and disappointment about the operation of this law than any other single provision in it.

Consequently, I propose to offer an amendment to section 18 which will shift the burden of proof in the case of two classes of disease only—tubercular and neuropsychiatric. I propose that when it is proved by an incapacitated soldier that he has either of these two types of disease he shall immediately be entitled to compensation unless the Government proves—the burden thus being shifted to the Government—that he has contracted the disease since the time of his discharge and it is not traceable to service in line of duty.

I can understand the grounds for an objection to such a suggestion. It can be alleged that it is a departure from the policy we pursued in rehabilitating our Civil War veterans, wherein there has always been a requirement of proof that the disability was contracted in the service, and where affidavits of a satisfactory character have had to be furnished to demonstrate that fact. Such a provision might be justified if the time said disease was first diagnosed was long after the end of the war and service.

But there is another point of view which I believe more tenable: A tremendous number of our ex-service men are undeniably afflicted with tuberculosis. A very great number of them are afflicted with nervous and mental diseases. The question becomes, where did they acquire these diseases? Surely the young manhood that you and I knew and grew up with were not so generally and promiscuously afflicted with tuberculosis or nervous or mental diseases.

Mr. ROBINSON. If they had been they could not have gotten into the service.

Mr. WALSH of Massachusetts. Precisely. It is very apparent to me that this wave of tuberculosis and of nervous and mental diseases that has taken such a deadly hold and grip of late upon our ex-service men must have been contracted in the service. I feel, therefore, that we ought not continue this requirement of endless affidavits, necessarily involving long delay, in demonstrating the fact that their illness is of service origin. The delays resulting from this affidavit requirement have often resulted in men dying before they ever got their compensation, or got this evidence into the proper public channels to effect a settlement.

Mr. POMERENE. Mr. President——

Mr. WALSH of Massachusetts. I yield.

Mr. POMERENE. If I may follow up the suggestion made by the Senator from Arkansas a little bit further, if they did have these diseases before they entered the service and entered the service nevertheless, they ought not to be deprived of the benefit of the fact that they have served their country, and therefore are entitled to this relief.

Mr. ROBINSON. I agree with the Senator from Ohio. If the Government took into the service, after the examinations that were made of every man who entered the service, whether drafted or a volunteer, men suffering from these diseases, it is estopped, or ought to be, from asserting that these men were afflicted with these diseases prior to the performance of their military service.

Mr. WALSH of Massachusetts. Mr. President, in answer to the Senator from Arkansas, let me say that the Government is prevented now from charging or intimating that men were afflicted with disease before they entered the service. Under the law there is a presumption that they were sound when they entered the service; but of the period between their discharge and the application for compensation or the contraction of the disease, the Government now says: "We presume you have acquired this disease after you left the service. Therefore prove to us that you got that disease in line of duty while you were in the service."

Mr. ROBINSON. It would be almost a physical impossibility for any person afflicted with tuberculosis to fix the time when the process became active. We all know that a large percentage of the people of the country at some time in their lives have had tuberculosis; and to insist now that a man who has performed military duty, and who has tuberculosis, shall establish the time when he acquired the disease is to deny him relief.

Mr. REED. Mr. President, if the Senator will pardon me, I think that an even harder case than that is the case of a man suffering from nervous breakdown. It seems to be very often occurring—so often that it appears to me, at least, that we may not have reached the climax yet—that men who left the service perhaps not being in perfect health, and yet unable to point to any particular trouble, have, a year after leaving the service, suddenly collapsed. Their nervous system has suddenly collapsed, and case after case of that sort is in the hospitals to-day.

Mr. ROBINSON. Mr. President, if the Senator will permit me, I agree with the Senator from Missouri; and I have in mind now a case that came to my attention within the last 48 hours. It is that of a soldier from the State of Arkansas, and was brought to my attention by Mr. Hartsell Reagan, a prominent lawyer in that State, who interested himself in it because of his acquaintance with and friendship for the soldier.

The soldier's name was Everette. He experienced shell shock. After that he was rated at 100 per cent disability. Subsequently, some agent represented that he was suffering at the rate of 10 per cent disability, and he was accordingly discharged and denied all compensation. The evidence of two physicians, one of whom I personally know, named Darnell, among the leading physicians of the State of Arkansas, who gave the soldier within the last few days an examination extending over a period of two days, is to the effect that the soldier is now suffering from a complete disability. His condition is pitiable. He can not get relief, because his disability is rated as only 10 per cent, when as a matter of fact his disability, as shown by the testimony of these physicians, is total, and because of the difficulty of proving that his disability was incurred in the line of duty.

I brought the case yesterday to the attention of Mr. Forbes, the Director of the Bureau of War Risk Insurance, and I am hoping and believing that something will be immediately done in this particular instance; but it does illustrate the force of the argument made by the Senator from Massachusetts and of the argument made by the Senator from Missouri. Here is a case where a soldier who experienced a total disability by reason of an injury in the service is now denied any relief whatever.

Mr. WALSH of Massachusetts. Mr. President, the only serious objection which can be suggested to this proposal is that under this provision there will be men who will attempt to impose upon the Government, and cheat and defraud the Government. Let us see if that is possible.

First of all, before any man can get compensation at all, he must prove what? He must prove to a Government official, a Government physician, that he has tuberculosis or that he has a mental or nervous disease, otherwise he has no standing at all. First he must prove to a Government official that he has the disease he alleges. Therefore, there can not be any rank deception or any fraud committed upon the Government, for at any rate the soldier applying for compensation has the disease. If any fraud occurs at all it could only occur out of the fact that the man had not acquired the disease in service. But, next, he has to prove under existing law, by affidavit from people at home, by affidavit of men who served at his side in the trenches, that he spit blood, that he had pneumonia, that he coughed nights, that he had sweats when in the camps or trenches or some like symptom that might tend to connect his disease with his service. I have on my desk now a communication received this morning from a foreigner—a man who has not a relative in America—who asked me to write to a woman in New York, whose address he gave me, with whom he boarded at one time after he came out of the service, to try to persuade the woman to give him an affidavit which he could file with the bureau here and by which he might connect his present trouble with his service, as she could furnish evidence of the physical disability which he now complains of and which he had when he came out of the service. The change I now ask is that we shift the burden from the disabled man of proving that the disease was an outcome of his service, to the Government, which must prove that it was not the result of service.

Mr. McKELLAR. Will the Senator read his amendment?

Mr. WALSH of Massachusetts. I was about to read the amendment. But before I read it I want to demonstrate just one further fact: The only period of time that is in question at all is the period of time between the soldier's discharge and his filing an application for compensation by reason of his disability. Either his own willful misconduct or the nature of the service that he rendered to his country is responsible for his incapacitation, there being the presumption in his favor that he was sound physically when he entered the military service.

What my amendment seeks to do is to release the young incapacitated veteran or nurse from the responsibility of proving by affidavits, if he has either of these two diseases, that it was contracted in the military service. My amendment would raise a presumption at once that as he has one of the aforesaid diseases he must have contracted it in line of service.

I want to repeat—and I think all Senators here will bear me out—that the fundamental complaint against the administration of these laws has not been against the individuals administering them, has not been the fact that there have been three different bureaus in operation, though there has been great overlapping, though there has been very much unnecessary red tape, and though there has been waste of time, energy, and money as a consequence of that, but the individual complaints of the veterans whom you and I have heard from, the men who have been most disappointed, the wave of protest, I might say, against these bureaus and the Government have come from these men who have these diseases, know they have them, have had it demonstrated by doctors that they have them, and then have the Government say to them, "Prove it, prove it, prove that you have the disease as a result of your service." These disabled men have had to go about looking for affidavits and looking for evidence, and that has meant long delay, much trouble and inconvenience, and has caused a lot of our trouble and complaint. When a poor fellow only two years out of the service of his country is dying of tuberculosis, who was physically sound and well when he went in, and a doctor says, "You have tuberculosis," and sends him to a hospital, it is pretty hard to say to him, "The Government does not assume we are responsible for this. We assume you contracted it through your own willful misconduct or since you left the service. Now prove, if you can, that your service in the Army caused this disability."

Mr. POMERENE. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Ohio?

Mr. WALSH of Massachusetts. I yield to the Senator from Ohio.

Mr. POMERENE. If such a case as the Senator referred to were submitted to a physician for investigation, he would at once inquire as to whether or not this man had been exposed, and the presumption of fact would be that he was subjected to some exposure which resulted in this disease, and that was likely when he was rendering service to his country; and for that reason, if for no other, the Government ought not to insist upon the rule which they have heretofore invoked.

Mr. WALSH of Massachusetts. Mr. President, in addition, the physician of the Government who examines the man and determines that he has either of these diseases has a right, from his investigation and inquiry, to get some evidence, if there is any, that the diseases were caused by willful misconduct. I think the Senator from Utah [Mr. SMOOT], who has been extremely patient and cooperative toward the amendments which have been proposed by me in the subcommittee of which we were both members, will perhaps agree that the amendment I have proposed ought to go into the bill, and be considered in conference.

Mr. SMOOT. I have no objection, if the Senator will offer the amendment.

Mr. WALSH of Massachusetts. I move the following amendment to section 18 at the end thereof:

Provided further, That for the purpose of this section such officer, enlisted man, or other member claiming disability resulting from pulmonary tuberculosis or any neuropsychiatric disease and found to be suffering from said disease, shall be held and taken to have contracted such disease in line of duty, unless it can be proved by further evidence that the disease has been contracted by his own willful misconduct.

Mr. SMOOT. The Senator from Massachusetts has stated the case just as plainly as anybody could possibly do so, and as far as I am concerned, I have no objection to that amendment.

Mr. WALSH of Massachusetts. I appreciate the Senator's attitude.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to establish a veterans' bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act."

Mr. SMOOT. I move that the Senate request a conference with the House on the bill and amendments, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. SMOOT, Mr. CALDER, and Mr. WALSH of Massachusetts the conferees on the part of the Senate.

Mr. PITTMAN. Mr. President, I would like to ask the Senator from Utah [Mr. SMOOT] whether this amendment offered by the Senator from Massachusetts was brought up in the House?

Mr. SMOOT. I do not believe it was. I read the RECORD very carefully, and I do not remember seeing it in the House proceedings.

Mr. PITTMAN. The Senator anticipates no objection to it in the conference?

Mr. SMOOT. I have never said a word to any Member of the House about it, so I could not possibly state.

Mr. PITTMAN. I am only interested because I consider it vital that this should be kept in the bill, and I hope the Senator from Utah will insist on this amendment.

Mr. SMOOT. It is rather unexpected to have a suggestion of that kind made. But I will say to the Senator that I have no reason to believe that the House will object to it.

Mr. PITTMAN. I only call it up for the purpose of reminding Senators that there are a great many matters which are accepted and which go to conference, and which die there. I think the conferees, particularly the House conferees, should know that this matter is considered seriously by the Senate, and that possibly there will be a long delay in the adoption of the conference report if this amendment is not agreed to.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. EDGE. Mr. President, in order that the RECORD may be correct, I desire to make a very short statement in connection with the remarks I made yesterday in discussing the Norris agricultural bill. I notice in the RECORD this morning, among the remarks made by the Senator from Nebraska [Mr. NORRIS] after I had left the Chamber, the following statement:

> The only remedy thus far proposed was that suggested by the Senator from New Jersey [Mr. EDGE], who said the way to do it is to take Government money and buy stock in private corporations and let them do the business. He may be right. I think he is wrong.

In order to have the RECORD correct and that I may not be misunderstood on account of that later statement I want to draw attention to the fact that in the course of my remarks yesterday I suggested two other alternatives in addition to the one which the Senator from Nebraska mentioned. The other two were, I think, equally important and should be given further consideration. I said yesterday:

> I believe the War Finance Corporation perhaps should be given additional powers if they find them necessary in order to meet the market demands and fill the orders they may be able to obtain abroad.

That is quite a different proposition, and, while it would still continue a Government agency, it would continue one already established and would eliminate the buying and selling features provided under the Norris bill, which, according to my viewpoint, I consider the most objectionable.

A third suggestion for consideration was also recorded in my discussion, as follows:

> Perhaps the Government could go so far, under proper restrictions, as to guarantee the solidity of foreign securities after due and careful investigation.

I merely draw attention to it because I think within those three suggestions perhaps something taken, you might say, from all of them could be devised to meet the situation. But it is in the War Finance Corporation, representing the agriculturists on this side and a possible market on the other, that we will find the solution of the problem in which the Senator from Nebraska is so much interested.

CONDITIONS IN IRELAND.

Mr. WALSH of Montana. Mr. President, on June 7 last, some six weeks ago, the Committee on Naval Affairs was directed by formal resolution of the Senate to conduct a thorough investigation of the purported remarks of an officer of the Navy at a dinner in the city of London and to report to the Senate with recommendations. The committee has not yet found time to discharge the duty thus imposed upon it, though it doubtless will in due course give the subject its consideration. Pending action by the committee I venture to submit some observations touching matters more or less relevant to the inquiry it will pursue.

When Admiral Sims was sharply admonished by the Secretary of the Navy by cable that his "jackass" speech, referred to, was an offensive impropriety, he declared, according to the press reports, that he had said nothing at the banquet which he had not theretofore expressed in addresses delivered in America, in his book on the war, and in contributions to public journals. That this statement is not true is evident from the most casual reading of his remarks made in the inspiring presence of the English-speaking Union in London and the pertinent passages of his book entitled "The Victory at Sea." In the latter he traduced by open misrepresentation and half truths the liberty-loving people of Ireland; in the former he villified his own countrymen. There is nothing said in his book in derogation of any American.

The gravamen of the offense of his London speech was the charge that Americans who sympathized with the cause of Irish independence, represented by the Sinn Fein movement, are responsible for prolonging the war and are answerable for the deaths of British and American soldiers, and that the United States Senate, which twice formally expressed the sympathy of America with the aspirations of the Irish people for a government of their own choice was moved by dread of the votes of such sympathizers, characterized by him as "jackasses," and their votes as "jackass" votes. That those interested may ascertain for themselves how far from the truth is the statement that the London speech and the comments in the admiral's book on the Irish revolutionary movement are essentially identical, I append a copy of both, with the leave of the Senate, to my remarks. [See appendix.]

With that phase of the controversy I am not particularly interested. Despite the aspersions of Admiral Sims, the fact remains that thousands of men of Irish birth or immediate Irish ancestry served in the World War under the starry banner of the Union, practically every one of whom would rejoice in the achievement of Irish independence, and that of the unnaturalized foreigners called to serve in our armies the percentage of Irish who waived exemption on account of alienage, as shown by the records of the Provost Marshal's office, was higher than in the case of any other nationality—30.4 per cent as against 22.5 per cent in the case of those born in England. Doubtless, multitudes of these young men who responded simply because their adopted country called them, but still filled with the zeal that followed the belief that the war was being waged that liberty should be the heritage of all, and that the principle of self-determination would be applied alike to Ireland and to Poland, served under Admiral Sims.

Neither am I particularly concerned about the slander of the United States Senate involved in the remarks of that gentleman. Whether, speaking metaphorically, the slap on the wrist administered by Secretary Denby, followed as it was, according to the press, by an altogether pleasant visit with the President, was retribution quite proportionate to his offense, considering it was the second time he had to be officially reprimanded, I leave to others to discuss. The Senator from Illinois [Mr. MCCORMICK] may in due season have something to say on that subject. I remark in passing, however, that it is not without significance, sinister or otherwise, depending upon one's viewpoint, that the English-speaking Union, before which the address in question was delivered, is, as its name suggests, a propagandist organization the purpose of which is, like the Rhodes scholarships, to undo the work of the Revolution and restore our country as, or transmute it into, part of the British Empire.

Of the organization referred to, the London correspondent of the New York World, which can not be accused of any pronounced anti-British or pro-Irish proclivities, says:

> It is "founded to interest traveling Americans in the interest of British political objects, chief among them at the moment being to rouse American feeling against Ireland. The union has extensive premises where Americans are welcome. If Americans so desire, invitations are secured for them to private houses; they may attend the Anglo-American Dance Club, where they are brought into contact with English persons of more or less fashion; in fact, they are generally taken in hand.
>
> "The same methods are employed as is done on a lesser scale by the Reunion of British Missions to the United States, consisting of different official and propagandist missions."

The association which was his host on the occasion mentioned had abundant reason to anticipate his friendly interest in, if not his willingness to promote its purposes, remembering his

Guildhall speech made in 1910, for which he was rebuked by President Taft, when he said:

> If the time ever comes when the British Empire is seriously menaced by an external enemy, it is my opinion that you may count upon every man, every dollar, every drop of blood of your kindred across the sea.

Waiving the question as to how near the people of America of to-day are to being the kindred of the people of England, none but a jackass, if in view of the use of the term by Admiral Sims its employment in this connection be parliamentary, would assert that, right or wrong, the United States will come to the aid of Great Britain in a war threatening the continued existence of the Empire, even one precipitated by herself. We allied ourselves with her in the late war not from any affectionate regard springing from consanguinity, but because we recognized in her enemy a common peril to the liberties of the world, a menace to our peace as well as hers, evidenced by overt acts of war against us on the high seas.

I propose on this occasion to address myself to what Admiral Sims has deliberately set down in his book, a repetition, as he asserts, of contributions to the public press; all calculated, yea, intended, to prejudice the public mind against a people to whom we owe much in their struggle for an independent existence, continued from the days when we strove in common with them for freedom from British rule. I do so because there can be no doubt that his strictures upon those identified with the present revolutionary movement in Ireland have made a deep impression upon the public mind. It is quite reasonable that Americans should consider what he says on that subject as the observations of a disinterested and impartial narrator, having had exceptional opportunities to know whereof he writes. I am led to the belief that he has been successful in poisoning the minds of multitudes of our people from several circumstances.

Ever since their own brave and successful struggle for independence the people of the United States have cherished a warm sympathy with every people who, apparently entitled to a separate national life by reason of racial or geographical considerations, by the circumstance of previous national existence obliterated by conquest, or other like condition, were endeavoring to free themselves of a hated dominion and set up a government of their own.

The Greeks had more than our sympathy; they had encouragement from us; so the people of Central and South America, of Hungary, of Poland and Bohemia, of Cuba, and the Philippines. Even internal struggles with a view to the overthrow of monarchical rule and the substitution of republican government almost invariably aroused a sympathetic response from our people. We rejoiced when France adopted the system to which we were wedded and were painfully disappointed when Norway did not. We have watched with unalloyed friendliness the effort of the people of Russia and of China to put it into operation, hoping that however unfitted they might be for self-government, the experiment would be measurably successful.

In contrast with this record, the national movement in Ireland seems to suffer from a widespread neglect, if not a positively hostile sentiment, and the birth of a new republic in Europe finds the American public on the whole strangely apathetic. This is the more remarkable that the United Colonies and Ireland carried on simultaneously and in accord, with like grievances, the struggle against the British Crown, which resulted in the achievement by the latter of virtual self-government in 1782 and the complete independence of the latter in 1783. Eighteen years later Ireland lost her new-found liberty, and the struggle to regain it, ever since carried on and now at its climax, claims our attention because of the effort of an American admiral publicly and repeatedly to discredit it.

Another particular in which our attitude toward Ireland is peculiar. The people of America, with a readiness that has no parallel, have responded to appeals to their charity and generosity in behalf of those in want even in the uttermost parts of the earth, whether the destitution they were asked to relieve arose from some catastrophe of nature, from pestilence or war, from foreign invasion, or domestic convulsion. Scarcely a day has passed since the armistice was signed that some gigantic movement was not on foot to relieve distress in and to save from starvation the sorely tried people of the war-torn areas of Europe and Asia. The wailing cry for food of the famine-stricken children of China did not go unheeded. Similarly a call went up from Ireland that its people faced starvation. The President of the United States issued a proclamation reciting their deplorable situation and commending the appeal made on their behalf.

Despite the semiofficial denial on the part of the British Government that any occasion existed for such an appeal, the proof from entirely impartial sources was not only to the contrary, but justified the belief that that Government was pursuing a systematic policy of ruining industry, destroying factories, razing creameries, burning towns and cities, in order, through terrorism, to reduce its rebellious subjects to submission to its rule. A committee of American Quakers sent to Ireland to investigate conditions reported that the need for aid on a large scale was immediate and urgent. Sir Horace Plunkett, known favorably in the United States and distinguished for a somewhat marked spirit of conciliation in respect to the controversies which have disturbed Ireland, gave the movement for relief his hearty support, urged haste, and declared the need great.

A galaxy of brilliant Irish women, through a cable to the wife of the President, attempted to awake their sisters in America to the necessitous conditions of which they were observers. Among the signers were Alice Stopford Green, widow of the celebrated English historian; Violet Russell and Susan L. Mitchell, both authors of distinction; Ellen Smith Gordon, daughter of Senator Fletcher of Florida; and Lady Gregory, the distinguished playwright. This touching appeal read:

> We whose hearts are made heavy by the present suffering of thousands upon thousands of women in Ireland appeal through you to the 30,000,000 women of America for sympathy with the women of Ireland. In a national crisis heavy trouble falls on the women and children, the aged and infirm. By day and by night their homes and every beloved possession are burned, and thousands of their farms and shops are utterly destroyed. They live only by the generosity of their neighbors who are almost as destitute as themselves. Their babies in hundreds die before birth or in infancy. The women of Ireland plead in this message to their sisters in America that they lend emergency relief to enable the women and children of Ireland to survive the present ordeal.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. WALSH of Montana. Certainly.

Mr. NORRIS. My attention was diverted. I wish the Senator would repeat from what document he has just quoted.

Mr. WALSH of Montana. This is a cablegram addressed by the ladies who signed it to the wife of the President of the United States, appealing to her and the women of America for aid.

It is impossible to believe that any of these ladies was moved by a purpose to forward the revolutionary cause or was inflamed by an overwrought sentiment originating in political or religious convictions against the British Government. But the great body of the American people remained deaf to the appeal. It was met measurably, but it was met, except in rare and most praiseworthy cases, by people of Irish ancestry. A program of balls, bazaars, and similar methods of collecting money for charitable purposes in behalf of the Chinese, extending over nearly a week, was carried out in the city of Washington last winter. Such activity as was displayed to alleviate want in Ireland was confined almost, if not quite, exclusively to organizations, the members of which were either wholly or chiefly of Irish birth or descent.

Even the story of the horrible brutality that has characterized the execution of the policy of reprisals in Ireland has awakened no outcry, if it has not been met with cold indifference. The eloquent and elaborate portrayal some days ago by the junior Senator from Nebraska of the destruction wrought and the misery inflicted in the pursuit of that policy was made to empty seats. When, during the German occupation of Belgium, a soldier of the invading army was shot from ambush and the town was burned or a bevy of citizens in reprisal and as a warning were gathered up indiscriminately and executed, the world rocked with the indignation which such savagery naturally aroused. Similar horrors and others of essentially like character being perpetrated daily in Ireland pass unheeded.

At a recent meeting of the American Academy of Political Science, held in the city of Philadelphia, Jane Addams, who has had occasion to know of the conditions that prevail there and whose sympathy with its heroic people in their struggle for liberty none can doubt, remarked jocularly that no one among the many publicists present had been brave enough to say anything for Ireland, and added that she hardly dared to herself.

All this is in strange contrast to past history, which affords abundant evidence of the sensitiveness of the American people to the cry of want in Ireland and the good will that has been so frequently exhibited in connection with the unequal struggle for self-government which has proceeded in that country almost without interruption since we, too, were involved with them in it.

I attribute this change in no small part to the charge repeatedly made by Admiral Sims that the Irish were "disloyal" during the war; that the revolutionary party, known as the Sinn Fein, were pro-German and were actively aiding the enemies of our country; that such aid prolonged the war by reason of which they are responsible for the deaths of American

soldiers; and that they treated contumeliously the marines and other Americans doing duty in Ireland because of the part they were taking in averting a German victory. I quote from his book, page 83, as follows:

During the nearly two years which the American naval forces spent in Europe only one element in the population showed them any hostility or even unfriendliness. At the moment when these lines are being written a delegation claiming to represent the "Irish Republic" is touring the United States asking Americans to extend their sympathy and contribute money toward the realization of their project. I have great admiration for the mass of the Irish people, and from the best elements of these people the American sailors received only kindness. I have therefore hesitated about telling just how some members of the Sinn Fein Party treated our men. But it seems that now, when this same brotherhood is attempting to stir up hatred in this country against our allies in the war, there is a certain pertinence in informing Americans just what kind of treatment their brave sailors met with at the hands of the Sinn Fein in Ireland.

Note that but for the appearance in this country of representatives of the revolutionary movement, appealing for the moral and financial support of those of our citizens as might be or be induced to become favorably disposed, the admiral would have preserved silence concerning the matters he is about to narrate, presumably because they constituted no part of the history of the campaign of which he was writing, either because the occurrences were too trivial to note or for some other equally valid reason. He tells, accordingly, with complete frankness, that what he has set down is written to render abortive, so far as it can work that end, the effort to gain the independence of Ireland.

When before did an American in high station ever set about the task of thwarting the attempt of a country held in subjection for centuries, or for any period, by another, valiantly struggling against tremendous odds to reestablish itself as an independent nation with a republican form of government? The men whose mission he thus sought to balk were here in exactly the same capacity and for exactly the same purpose as that in which and that for which Franklin went to France at the outbreak of the Revolution. It is impossible to distinguish in either particular the men at whom he sneers from the Hungarian patriot, Kossuth, whose valiant leadership of his people in their revolt against the Austrian Government awakened such applause in the United States that, pursuant to a concurrent resolution of Congress, he was brought to this country in an American man of war, where he was received with every manifestation of the admiration in which he was held and of approbation of the cause he represented. He was received by the President, by the Senate, and by the House. On the evening of January 7, 1852, at a banquet tendered him, presided over by the President of the Senate, assisted by the Speaker of the House, Mr. Webster said:

Public opinion, in my estimation at least, is making great progress. It will penetrate all recesses; it will come more or less to animate all minds; and, in respect to that country for which our sympathies to-night have been so strongly invoked, I can not but say that I think the people of Hungary are an enlightened, industrious, sober, well-inclined community, and I wish only to add that I do not now enter into any discussion of the form of government that may be proper for Hungary. Of course, all of you, like myself, would be glad to see her when she becomes independent embrace that system of government which is most acceptable to ourselves. We shall rejoice to see our American model upon the lower Danube and on the mountains of Hungary. But this is not the first step. It is not that which will be our first prayer for Hungary. That first prayer shall be that Hungary may become independent of all foreign powers; that her destinies may be intrusted to her own hands and to her own discretion. I do not profess to understand the social relations and connections of races and of 20 other things that may affect the public institutions of Hungary. All I say is that Hungary can regulate these matters for herself infinitely better than they can be regulated for her by Austria; and therefore I limit my aspirations for Hungary for the present to that single and simple point—Hungarian independence, Hungarian self-government, Hungarian control of Hungarian destinies.

So spoke the foremost American orator and one of the first among American statesmen. What was he to Hungary or Hungary to him? Not a thing, except that for the occasion Hungary typified the spirit of liberty.

There were no special ties linking the people of the United States to those of Hungary, nothing to arouse the sentiment of our people in their behalf, save that they were going through the fire out of which we had emerged an independent Republic, the memory of the sacrifices of which time had not yet dimmed nor the subtle influence of intimate association with our oppressors dulled.

Let us inquire what are the crimes of which the people of Ireland are guilty; what are the crimes of which that "same brotherhood," the Sinn Fein, are guilty, by which they have forfeited the right to a hearing on the merits of their cause, by reason of which the sympathy of our people in their effort to give their country a place among the nations of the earth should be withheld? This inquiry will be pursued directly. Before passing, I ask attention to the insidious attempt in the language quoted to instill into the minds of his readers the same deep-seated prejudice the author himself entertains toward the Irish cause. "Now," he says, "this same brotherhood" is in this country to "stir up hatred against our allies in the war." Our allies, mind you. France was our ally, Belgium was our ally, Italy was our ally, Rumania was our ally. The plural noun suited his purpose better, though the plain truth required the use of the singular. But the emissaries came here to stir up hatred. Did Franklin go to France to promote concord between that country and Great Britain, to extol the virtues of the English people and commend the conduct of colonial affairs by the Government of their King? No; he proclaimed—in the language of the Declaration—of that same king, after reciting acts of usurpation and oppression perpetrated through his ministers, "a prince whose character is thus marked by every act which may define a tyrant is unfit to be the ruler of a free people."

When Bolivar was overturning the power of Spain in South America it is scarcely to be conceived that his representatives who sought an expression of good will from this country were highly complimentary in their references to the power against which they were contending. Obviously the Irish deputation referred to had a sad tale to tell of oppressions endured by their country, a story which, unfortunately, history only too well supports. It was their business here to excite the primitive passions that even religion permits—yea, exhorts—mankind to indulge over a tale of infamy, injustice, or oppression.

Of course, the gentlemen whose purpose Admiral Sims set about to neutralize were planning to kindle the indignation of the American people at a course of conduct on the part of Great Britain toward Ireland which, at least so far as the past centuries is concerned, is regarded by enlightened Englishmen only with shame, and which, in its later developments, is denounced by the moderator of the Presbyterian Church in England as having made "British rule a byword and a scoff in every country in Europe and across the Atlantic."

I continue to quote from Admiral Sims's book as follows:

The people of Queenstown and Cork, as already described, received our men with genuine Irish cordiality. Yet in a few weeks evidence of hostility in certain quarters became apparent. The fact is that the part of Ireland in which the Americans were stationed was a headquarters of the Sinn Fein. The members of this organization were not only openly disloyal; they were openly pro-German. They were not even neutral; they were working day and night for a German victory, for in their misguided minds a German victory signified an Irish republic. It was no secret that the Sinn Feiners were sending information to Germany and constantly laying plots to interfere with the British and American Navies. At first it might be supposed that the large number of sailors—and some officers—of Irish extraction on the American destroyers would tend to make things easier for our men. Quite the contrary proved to be the case. The Sinn Feiners apparently believed that these so-called Irish Americans would sympathize with their cause. In their wildest moments they even hoped that our naval forces might champion it. But these splendid sailors were Americans before they were anything else; their chief ambition was the defeat of the Hun, and they could not understand how any man anywhere could have any other aim in life. They were disgusted at the large numbers of able-bodied men whom they saw on the streets, and did not hesitate to ask some of them why they were not fighting on the western front (pp. 83, 84).

The sentence last read carries plainly the implication that there was in Ireland a disproportionate number of young men who did not enlist; that a higher percentage of effectives could be seen on the streets of Dublin or Cork than of London, Liverpool, or New York; that Ireland did not contribute of her manhood to the World War as she ought, because of the pro-German sympathies of her people. I shall show presently that she gave more lavishly of her youth to the allied cause than did either England or America, the imputation of Admiral Sims to the contrary notwithstanding. "The members of this organization—the Sinn Fein—were openly disloyal," we are told. Disloyal to what? Disloyal to the Government of which they were subjects, the Government of the United Kingdom of Great Britain and Ireland. The marvel is that not alone the Sinn Fein but the entire populace, save a pampered minority, was not disloyal during the war as it notoriously is at the present time. It will remain the wonder of the ages that when the integrity of the British Empire was threatened, Irish soldiers to the number of 240,000, 5.3 per cent of the total population of the island, enlisted in her armies.

What cause had the people of Ireland to be otherwise than disloyal? Is the history of British rule in Ireland such as to lead an American to expect a whole-hearted support from that quarter of Great Britain as against any enemy, even Germany? For seven centuries the sting of conquest, the memory of massacres, the bitter disappointment of bloody and unsuccessful revolt, the persecutions, the servitude of body and mind, had rankled until hatred of England, deep and unrelenting, became a heritage, a universal trait. Was this the fruit of imaginary wrongs? Such a suggestion once drew from Sydney Smith, one

of the great literary lights of the early part of the nineteenth century, an Anglican clergyman, the following:

Before you refer the turbulence of the Irish, to incurable defects in their character, tell me if you have treated them as friends and as equals. Have you protected their commerce? Have you respected their religion? Have you been as anxious for their freedom as your own? Nothing of all this. What then? Why, you have confiscated the territorial surface of the country twice over: you have massacred and exported her inhabitants; you have deprived four-fifths of them of every civil privilege; you have made her commerce and manufactures slavishly subordinate to your own. And yet, you say, the hatred which the Irish bear you is the result of an original turbulence of character, and of a primitive, obdurate wildness, utterly incapable of civilization. * * * When I hear any man talk of an unalterable law, the only effect it produces upon me is to convince me that he is an unalterable fool.

The suggestion is offered, however, that the times of which the distinguished essayist writes are ancient, that the rulers have mended their ways, and that a more mild and beneficent policy has been observed in our day. Without stopping to compare the character of the raids now common in Ireland with those of like nature carried out at intervals in the seventeenth century, or attempting to assert that the cruelty of Cromwell, who sent thousands of prisoners taken in Ireland as slaves to the West Indies, is paralleled by that of Macready, I submit the comment of H. G. Wells, in his Outline of History, just off the press, and to which reference will again be made, that "the story of the relation of Ireland to Britain for the last half century is one that reflects the utmost discredit upon the governing class of the British Empire."

But if the general course of British rule in Ireland had been such as naturally to alienate that part of the far-flung Empire, events which immediately preceded the occurrences narrated by Admiral Sims were calculated to add to settled hatred, maddening exasperation.

Prior to the year 1800 Ireland had a parliament of its own, being, in theory, united to Great Britain only because they had a King in common. Its parliament had, however, by a series of acts of the British Parliament, chief among which was one known as Poynings's Law, become practically impotent, it being unable to legislate except as permission was extended by the Parliament of Great Britain. It is to be borne in mind that the native population—at least that part of it which professed the ancient religion—was disfranchised, and that no Catholic was eligible to membership in the parliament of Ireland, though at least three-fourths of the population were of that faith.

According to Wells:

The eighteenth century was a century of accumulating grievance. English commercial jealousy put heavy restraints upon Irish trade, and the development of the wool industry was destroyed in the south and west. The Catholic religion and the Irish language were outcast and persecuted things in the darkness. It was from this Ireland of the darkness that the recalcitrant Ireland of the twentieth century arose.

The governing class consisted of the descendants of English and Scotch emigrants, who were sent by or who came at the invitation of the conquerors to uphold their rule. Throughout the eighteenth century the struggle to maintain or to restore the independence of the Irish Parliament went on, culminating in complete success in 1782 under the masterful leadership of Grattan, the straits to which Great Britain was put in consequence of the American Revolution contributing materially to that end, as the prospect of a revolution in Ireland was a factor in the abandonment of the attempt to subjugate the revolted Colonies. For a brief period thereafter Ireland enjoyed much the same measure of liberty as that which has assured the allegiance of the distant dominions of the British Empire, but in the year 1800 the Irish Parliament, by its own act, the celebrated Act of Union, ceased to exist. This law, forced, cajoled, and purchased by the English ministry, no historian has ever attempted to justify, either in respect to the authority of the legislative body by which it was enacted or in respect to the means by which it was accomplished. It was confessedly secured by open and shameless bribery. Green's History of England, in the hands of every high-school student in this country, written by an Englishman, asserts that the perfidious Irish representatives were "bought with a million in money and with a liberal distribution of pensions and peerages," and he adds that "base and shameless as were such means, Pitt, the prime minister, may fairly plead that they were the only means by which the bill for the union could have been passed."

Forthwith the agitation for its repeal began, reaching a dramatic climax 114 years after, coincident with the breaking out of the Great War, the forces for repeal or for Home Rule, as the movement came to be known in more modern times, being successively led by O'Connell, Butt, Parnell, and Redmond.

Gladstone gave the movement his support, and went out of power in 1885 on the failure of his first home rule bill. But he came back and secured the passage by the Commons of the second home rule bill in 1893, which, however, was rejected by the House of Lords, whose opposition to this and other measures demanded by the liberal thought of the times was so inveterate as to give birth to the movement to reform the English constitution by depriving the House of Lords of its power to veto the measures approved by the Commons. Eighteen years this phase of the controversy went on, the necessary act receiving the royal approval in 1911. Under it a bill twice passed by the Commons became a law, notwithstanding the objections of the Lords. Throughout 1912, 1913, and half of 1914 the necessary home rule bills were before Parliament, were twice passed, and received the royal assent after the breaking out of the war, being opposed at all stages by the Protestants of Ulster, comprising less than one-fourth of the population, led by Sir Edward Carson. Of the origin of their hostility to the rest of the island, Wells has the following paragraph:

The English rule in Ireland had been from the first an intermittent civil war, due to the clash of languages and the different laws of land tenure and inheritance of the two peoples. It was further embittered at the Reformation by this religious incompatibility. The rebellions, massacres, and subjugations of the unhappy island during the reigns of Elizabeth and James I we can not tell of here, but under James came a new discord with the confiscation of large areas of Ulster and their settlement with Presbyterian Scotch colonists. They formed a Protestant community in necessary permanent conflict with the Catholic remainder of Ireland. (Outline of History, Vol. II, pp. 490–491.)

Defeated in Parliament after a struggle, maintained, as stated, for more than a century, the Commons having four times passed home rule bills, the Ulster recalcitrants prepared to resist by force of arms the institution of self-government in Ireland. This part of the story may well be told in the language of Wells, who perhaps holds first place in the literary world of Great Britain to-day. In his Outline, before referred to, he says:

From the introduction of the third home rule bill onward the opposition to it had assumed a violent and extravagant form. Sir Edward Carson, a Dublin lawyer who had become a member of the English bar, and who had held a legal position in the ministry of Mr. Gladstone (before the home rule split) and in the subsequent imperialist government, was the organizer and leader of this resistance to a reconciliation of the two peoples. In spite of his Dublin origin, he set up to be a leader of the Ulster Protestants; and he brought to the conflict that contempt for law which is all too common a characteristic of the successful barrister, and those gifts of persistent, unqualified, and uncompromising hostility which distinguish a certain type of Irishman. He was the most "un-English" of men, dark, romantic, and violent; and from the opening of the struggle he talked with gusto of armed resistance to this freer reunion of the English and Irish which the third home rule bill contemplated. The excitement intensified throughout 1913. A body of volunteers was organized in Ulster, arms were smuggled into the country, and Sir Edward Carson and a rising lawyer named F. E. Smith, trapped up in semi-military style, toured Ulster, inspecting these volunteers and inflaming local passion. The arms of these prospective rebels were obtained from Germany, and various utterances of Sir Edward Carson's associates hinted at support from "a great Protestant monarch." The first bloodshed occurred at Londonderry in August, 1913. Contrasted with Ulster, the rest of Ireland was at that time a land of order and decency, relying upon its great leader Redmond and the good faith of the three British peoples.

A fund of a million pounds was raised, chiefly in England, to support the Ulster rebellion, an Ulster provisional government was formed, prominent English people mingled in the fray and careered about Ulster in automobiles, assisting in the gun running, and there is evidence that a number of British officers and generals were prepared for a pronunciamento upon South American lines rather than obedience to the law. The natural result of all this upper-class disorderliness was to alarm the main part of Ireland, never a ready friend to England. That Ireland also began in its turn to organize "national volunteers" and to smuggle arms. The military authorities showed themselves much keener in the suppression of the Nationalist than of the Ulster gun importation, and in July, 1914, an attempt to run guns at Howth, near Dublin, led to fighting and bloodshed in the Dublin streets. The British Isles were on the verge of civil war. * * *

In August, 1914, the storm of the Great War burst upon the world. In September Sir Edward Carson was denouncing the placing of the home rule bill upon the statute book. On the same day Mr. John Redmond was calling upon the Irish people to take their equal part in the burden and effort of the war. For a time Ireland played her part in the war side by side with England faithfully and well, until, in 1915, the liberal government was replaced by a coalition, in which this Sir Edward Carson, with the bloodshed at Londonderry and Howth upon his head, figured as attorney general (with a salary of £7,000 and fees), to be replaced presently by his associate in the Ulster sedition, Sir F. E. Smith.

Grosser insult was never offered to a friendly people. The work of reconciliation, begun by Gladstone in 1886 and brought so near to completion in 1914, was completely and finally wrecked.

In the spring of 1916 Dublin revolted unsuccessfully against this new government. The ringleaders of this insurrection, many of them mere boys, were shot with a deliberate and clumsy sternness that, in view of the treatment of the Ulster rebel leaders, impressed all Ireland as atrociously unjust. A traitor, Sir Roger Casement, who had been knighted for previous services to the Empire, was tried and executed, no doubt deservedly, but his prosecutor was Sir F. E. Smith, of the Ulster insurrection, a shocking conjunction. The Dublin revolt had had little support in Ireland generally, but thereafter the movement for an independent republic grew rapidly to great proportions. Against this strong emotional drive there struggled the more moderate ideas of such Irish statesmen as Sir Horace Plunkett, who wished to see Ireland become a dominion, a "crowned republic"—that is, within the Empire—on an equal footing with Canada and Australia.

When in December, 1919, Mr. Lloyd-George introduced his home rule bill into the Imperial Parliament there were no Irish members, except Sir Edward Carson and his followers, to receive it. The rest of Ireland

was away. It refused to begin again that old, dreary round of hope and disappointment. Let the British and their pet Ulstermen do as they would, said the Irish. (Wells, 496 et seq.)

The upshot of the thing was that the enforcement of the home rule bill was contemporaneously with its enactment suspended for the period of the war, though the Irish responded with most remarkable readiness to the call for enlistments, in which Redmond enthusiastically joined. In the first year of the war Ireland, desolated as she was by misgovernment, her man power depleted by emigration that robbed her of the youthful, the vigorous, and enterprising, leaving a disproportionate number of old men, sent by voluntary enlistment as many men in proportion to population as did the United States by conscription during the whole term of our participation in the war. And this, notwithstanding some exasperating trifles which forced from Lloyd-George the statement that—

At the most crucial period of recruiting at the beginning of the war some stupidities, which at times looked almost like malignance, were perpetrated in Ireland and were beyond belief. It is very difficult to recover a lost opportunity of that kind, where national susceptibilities have been offended and original enthusiasm killed.

An Irishman, neither a Sinn Feiner nor a Catholic, whose name would carry weight in this forum were I permitted to use it, belonging to that small body of moderates represented by Sir Horace Plunkett, said that the British Government—

refused to take the Irish as allies and tried instead to take them as vassals.

And he adds:

There is no question that something like enthusiasm for the allied cause did exist in Ireland in 1914, and that the policy of England, both by blundering arrogance and by criminal neglect, was the cause of turning this enthusiasm first into indifference and then into more or less positive hostility.

Meanwhile, the Germans were getting all manner of encouragement from the state of affairs prevailing in Ulster, amounting to open rebellion. Indeed, it is abundantly established that the Kaiser was convinced that England would not dare take up arms against him because of the impending Carson embroglio, the importance of which, like the significance of the German reservists in this country, was magnified out of all relation to its importance by spies and other secret agents of the Imperial Government.

The importance of this factor in precipitating the war is attested by Ambassador Gerard, by Dr. E. J. Dillon, a critical writer highly regarded in this country, who had exceptional opportunities to know, and by Baron Beyens, the Belgian Minister at Berlin. Then came the organization of the coalition ministry in the spring of 1915, with Sir Edward Carson as attorney general, an uncompromising opponent of the Irish nationalist cause, as secretary for the colonies, signifying the utter collapse of the home-rule movement.

Being thus obliged to surrender all hope of attaining their ends through constitutional means, the ancient hatred of England being rekindled, the Irish attached themselves to the revolutionary party that now wages war for the independence of the island. The Easter, 1916, rising and the horrible executions followed.

It was under these conditions that, in 1917, the American forces joined those of Great Britain in Irish waters. Is it astonishing that some Irish saw in the extremity to which their hereditary foe was reduced an opportunity to achieve the independence for which they and their ancestors had struggled for 700 years? Is it surprising that in view of the maddening experience, only briefly related, they should have lent some encouragement to the enemy of their enemy? Are they to be blamed, if obsessed by the sense of their own wrongs, they were unable to see in the success of Germany the overthrow of the liberties of the world?

It took our own people nearly three years to realize that the war was anything more than the recurrent struggle through which Europe has so frequently passed, in which the contest for commercial supremacy loomed large, if it was not the dominant factor. It has never been charged in any responsible quarter that the Irish were willing or ready to exchange the rule of Great Britain for that of Germany or that they would not have resisted Teutonic domination with the same determination and pertinacity as they have shown in respect to Great Britain. On the other hand, the Ulster recalcitrants, when preparing to resist the inauguration of the system of government decreed by the Parliment of Great Britain, while the war was impending openly proclaimed that they preferred German rule to home rule.

Under these circumstances Admiral Sims might have appropriately said that the British Government by its course toward Ireland through the centuries and on the breaking out of the war and while it was being waged with the fury of hell, was responsible for prolonging it and for the death of American soldiers and sailors because of such prolongation. He might have passed in silence the futile efforts of a handful of Irish enthusiasts and a negligible few of their condjutors in this country while he remained deaf and blind to the larger considerations here canvassed, affairs worthy the attention of one who assumes the rôle of historian. He might have ignored some negligible instances of acerbity in view of what had transpired, considering the whole-hearted hospitality with which he confesses the people of Ireland in general received the men in the service of our Government. But at least he might have refrained from slanderously accusing by plain implication the Irish people with being slackers in the war.

On the morning after his "jackass" speech the Manchester Guardian said editorially:

The most striking point in Ireland's relation to the war was not the insane efforts of a few wild extremists to help Germans, but the number and excellent quality of Irish soldiers who abounded in Irish, Australian, Canadian, English, and even in Scottish regiments, and that an even more remarkable degree of participation by Irishmen in the overthrow of Germany was only prevented by the folly of the few anti-Irish politicians at the war office and elsewhere who choked off the recruiting movements started by John Redmond.

In that speech Admiral Sims stated that he does not understand the Irish question. That seems quite true. I continue to read from Sims's book:

The behavior of the American sailors was good; but the mere fact that they did not openly manifest a hatred of Great Britain and a love of Germany infuriated the Sinn Feiners. And the eternal woman question also played its part. Our men had much more money than the native Irish boys and could entertain the girls more lavishly at the movies and ice cream stands. The men of our fleet and the Irish girls became excellent friends; the association, from our point of view, was a very wholesome one, for the moral character of the Irish girls of Queenstown and Cork—as, indeed, of Irish girls everywhere—is very high, and their companionship added greatly to the well-being and contentment of our sailors, not a few of whom found wives among these young women. But when the Sinn Fein element saw their sweethearts deserting them for the American boys their hitherto suppressed anger took the form of overt acts.

Occasionally an American sailor would be brought from Cork to Queenstown in a condition that demanded pressing medical attention. When he regained consciousness he would relate how he had suddenly been set upon by half a dozen roughs and beaten into a state of insensibility. Several of our men were severely injured in this way. At other times small groups were stoned by Sinn Fein sympathizers, and there were many hostile demonstrations in moving picture houses and theaters. Even more frequently attacks were made, not upon the American sailors, but upon the Irish girls who accompanied them. These chivalrous pro-German agitators would rush up and attempt to tear the girls away from our young men; they would pull down their hair, slap them, and even kick them. Naturally American sailors were hardly the type to tolerate behavior of this kind, and some bloody battles took place. This hostility was increased by one very regrettable occurrence in Queenstown. An American sailor was promenading the main thoroughfare with an Irish girl when an infuriated Sinn Feiner rushed up, began to abuse his former sweetheart in vile language, and attempted to lay hands on her. The American struck this hooligan a terrific blow; he fell backward and struck his head on the curb. The fall fractured the assailant's skull and in a few hours he was dead. We handed our man over to the civil authorities for trial, and a jury, composed entirely of Irishmen, acquitted him. The action of this jury in itself indicated that there was no sympathy among the decent Irish element, which constituted the great majority, with this sort of tactics, but naturally it did not improve relations between our men and the Sinn Fein. (Pp. 84–85.)

What does all this mean, except that there recurred in Cork the primitive cause of quarrel among men, namely, the favor of women for which they contended. Are we to understand that those young men, belonging to what Admiral Sims characterizes as the decent majority, saw coldly and indifferently their sweethearts walk off with the young Americans, but that it was only the disappointed Sinn Feiners who showed fight? How does he know that those who beat the American sailor into insensibility were Sinn Feiners and not the ordinary toughs found about every great city, innocent of political convictions of any kind, or if they were Sinn Feiners, that they were actuated by their sympathy with the German cause rather than by resentment at being worsted in a contest for the favor of some girl or maddened at advances to her?

It is quite likely that they were Sinn Feiners, because despite the intimation of Admiral Sims that they constituted a small minority, Cork was, at the time of the occurrences he narrates, almost solidly Sinn Fein. In the parliamentary election of 1918, at approximately the time of which he writes, Cork city cast 20,801 votes for the Sinn Fein candidate, as against 7,480 for the Nationalist nominee and 2,519 for the Unionist, while in the remainder of the county, including the suburbs of the city, Sinn Fein candidates were returned without opposition.

So in the case of the Irishman killed by the American. Suppose he was a Sinn Feiner. It was the result of a row over a girl, not a political dispute. He was acquitted by a jury which, considering the general adherence of the populace of Cork to the Sinn Fein policy, must have been largely Sinn Fein.

In the excerpt last read at least two untruths merit notice. One has been referred to, namely, that the majority of the people of Cork were not Sinn Feiners. Those not affiliated with the

Sinn Fein movement were, the reader is left, if not encouraged to assume, the decent people of the town. The Sinn Feiners were the hooligan element.

Now, the testimony of investigators is overwhelming that the Sinn Fein movement drew to it the most intellectual, the most idealistic, the most cultured, the purest characters in the land. One may think of them as Utopian, as visionaries, as impracticable, never as base.

De Valera, president of the Irish republic, was a professor of mathematics before he became the head of the revolutionary cause. Arthur Griffith, his colleague in the pending London conferences, the founder of Sinn Fein, is an accomplished and brainy journalist. Owen MacNeill, likewise a university professor, the projector, with Douglas Hyde, a man of literary culture, of the Gaelic League, an organization which has powerfully promoted the national spirit, is known throughout Europe for his scholarship. Robert C. Barton, another coadjutor of De Valera in the pending peace movement, a man of high moral character, a member of the revolutionary parliament, is an Oxford graduate with an enviable war record. He is one of the very considerable Protestant contingent associated with the movement, which is in no sense religious or sectarian.

The world has had occasion to know something of the character of Terence MacSwiney, lord mayor of Cork, and the readers of the Metropolitan have, in the June number of that magazine, by William Hard, who speaks as an intimate, been given to know of Michael O'Callaghan, lord mayor of Limerick, as noble and refined a character as any country can afford or any history portray, murdered by the Crown forces in his own house, before the very eyes and despite the piteous pleadings of his talented and devoted wife. These men do not inspire and they do not lead either rowdies or bullies.

In an unpublished review of the conditions in his country the gentleman, resident in Dublin, to whom reference has heretofore been made, says:

> I have no little admiration for a great deal of the spirit which has created the modern Sinn Fein Party. There is no question that it has served more than one useful purpose. * * * It has undoubtedly, in spite of many excesses and follies which have been enacted in its name and under its banner, given to these same young men a feeling of discipline and sobriety which has had most excellent and far-reaching effects upon the country. There is no doubt that it has done much to diminish drunkenness, to hold in check those who would perpetrate outrages, and, above all, to exalt the idea of patriotism and unity in the minds of many who had never thought of these things before. Its strength in this direction has lain in the fact that, in spite of all efforts to exhibit them in a contrary light, its leaders have been honest and sincere—if one-sided—enthusiasts.

The Sims book continues:

> The importance of another incident which took place at the cathedral has been much exaggerated. It is true that a priest in his Sunday sermon denounced the American sailors as vandals and betrayers of Irish womanhood, but it is also true that the Roman Catholics of that section were themselves the most enraged at this absurd proceeding. A number of Roman Catholic officers who were present left the church in a body, the Catholic bishop of the diocese called upon Admiral Bayly and apologized for the insult, and he also punished the offending priest by assigning him to new duties at a considerable distance from the American ships.

How does the author of this comment know that the priest in question was a Sinn Feiner, or, if he was, that he was any more of a Sinn Feiner than the bishop who reproved him; or, if he was a Sinn Feiner, that his political views prompted his homily rather than zeal, even though superfluous, inconsiderate, and intemperate zeal for those whose spiritual welfare he was charged to guard? He does not know. This incident was introduced to inflame the dying embers of religious bigotry among his countrymen that they might turn a deaf ear to the cause of liberty as it should be portrayed to them by the representatives of the Irish republic.

The part of the Sims book under review concludes with the following paragraph:

> But the Sinn Feiners interfered with us in much more serious ways than this. They were doing everything in their power to help Germany. With their assistance German agents and German spies were landed in Ireland. At one time the situation became so dangerous that I had to take experienced officers, whose services could ill be spared from our destroyers, and assign them to our outlying air stations in Ireland. This, of course, proportionately weakened our fleet and did its part in prolonging the war. (P. 87.)

In view of the spirit disclosed by the writer, as indicated in the extracts quoted, some specification with respect to the charges here contained may be demanded.

The Sinn Fein leaders have repeatedly challenged both Admiral Sims and the British Government to produce credible evidence that a single German agent landed in Ireland during the war, save Roger Casement, whom they repudiated; that their movement ever had the assistance of one dollar of German money, or that any pro-German plots were ever contrived or participated in by the Sinn Fein party.

It is not to be understood that the contention is made that Ireland was enthusiastic for the war. She was not. As heretofore stated, the wonder is, considering the state of feeling that prevailed with reference to England, that there was any voluntary response whatever to the cry of the British Empire for succor.

Let the American citizen consider what this country would have done had our Revolutionary War been a failure, or, being partially successful, a faithless American Congress should shortly have corruptly surrendered our liberties by an act reuniting us to Great Britain; that such misgovernment had ensued as has characterized British rule in Ireland for over a hundred years; that we had protested, we had remonstrated, we had petitioned, we had supplicated, we had, to right the wrong, accomplished the reformation of the British constitution, and thus nullified the obstinate opposition of the House of Lords; that having thereupon twice obtained the passage through the Commons of the corrective act the Tories, "loyalists," as they preferred to call themselves, of unsavory memory, pampered through the intervening years by the Imperial Government, having acrimoniously obstructed by every means available to them the popular demand for self-government, should arm themselves with the encouragement of and looking for support to Germany, with intent, by the sword, to resist the institution of the new system; that yielding to their threats the law secured through such travail should be suspended, to be followed by the installation of a new ministry notoriously unfriendly to our cause, the leader of the Tories in this country being accorded one of the higher places in the new government—under such conditions, I ask, what enthusiasm would have been displayed on the breaking out of the war in 1914 in America in support of the cause of the Entente Allies as against Germany?

With what alacrity, with what eagerness would American boys have enlisted? Even this parallel does not meet the situation, because whereas at the breaking out of the Revolutionary War there was in the Colonies no little affection for the "mother country," subjugation and the atrocities which accompanied it, persecution bitter and unrelenting, had engendered even at that time a deep-seated hatred of England among the Irish people.

There is another weakness in the parallel. Whatever were the virtues or the vices of the Tories, whose opposition to the cause of independence made them infamous, they were our own people. They were of the same stock as the patriots. Both classes had common ancestors in this country and abroad. They were associated not only by consanguinity, but by religion. The Ulsterites, who occupy in Ireland a position analogous to that of the Tories in this country, are aliens both in race and religion. They differentiate themselves when they come to this country by calling themselves Scotch-Irish. They are, in fact, an English garrison in Ireland, their ancestors, as herctofore stated, having been planted there to insure the stability of the conquest of the country. But, omitting these considerations, I ask what more likely than that, under the circumstances supposed, the spirit of revolt would have been rampant in America; that the opportunity would have been seized to throw off the hated yoke; that a new revolution would have been precipitated, in the confidence that means would be found to avert subjection to Germany should she ever attempt to enthrall us? Admiral Sims desires his countrymen to condemn the Irish for doing what Americans would be sure to have done under similar circumstances.

I am prompted in this connection to say a word respecting a line of argument offered not infrequently by apologists in this country for the resistance that has been offered to the national aspirations of the people of Ireland. It is gravely advanced that her case is quite like that of the seceding Southern States, and that if the principle of self-determination appealed to in her behalf is applicable, Ulster should be permitted, in like manner, to set up an independent government or to remain as now, governed from London. It is difficult to conceive that such a claim should be asserted by anyone even slightly familiar with history or by anyone who has given any serious thought to the legitimate scope of the doctrine referred to.

If, upon the principle of self-determination, a Southern State had the right to secede, so also any county within a State dissatisfied with the government to which it is subject by reason of being an integral part of that State, has a right to secede, and so a township has a right to secede from the rest of the county, and an individual might secede and decline to be bound by the laws which govern his neighbors in the township. Such a result is, of course, absurd. The principle of self-determination has its limitations. Among other things if two or more entities, in a governmental sense, voluntarily merge in an indissoluble union, none may withdraw at will and claim any justification for its course on the principle of self-determination. Moreover, the principle is intended, in view of the conditions

giving rise to the use of the language in which it was expressed, to imply the right of a people, once more or less a nation, becoming subject to the rule of another, by conquest or pursuant to some treaty or in consequence of some international arrangement in which they were not consulted, to elect whether they shall remain identified with the nation of which they have thus become a part or whether they shall assert or reassert an independent existence or make some other alliance more in conformity to their desires. There is implied some essential difference in race, language, or religion or all of these, some distinction having a geographical or ethnical basis.

It has been decided by the Supreme Court of the United States, as well as by the arbitrament of a bloody Civil War, that South Carolina, in 1789, entered into an indissoluble Union with the other Original States, and that she was not at liberty to withdraw from that Union. Ireland never voluntarily coalesced with Great Britain. The only pretense that she ever did so is founded on the corrupt Act of Union of 1800, passed by a Parliament in the selection of the members of which three-fourths of the population had no voice, an act of *folo de se*, beyond its delegated powers, accomplished by the ministry of Great Britain only through open and notorious bribery. South Carolina never did have an independent existence in an international sense. The Revolutionary War was fought by the united Colonies, the Declaration of Independence was proclaimed by them all, peace was negotiated in behalf of all, the treaty that ended the war was signed on behalf of all. No foreign power ever dealt with any individual State as an independent entity.

Moreover, the seceding States were not, in any sense, geographically distinct from the remainder of the Union in the sense that the two sections were separated by some natural barrier. Mason and Dixon's line was an arbitrary and an artificial affair. In language and in literature, in political institutions, the States were one.

Ireland, on the contrary, had, during the early centuries of the Christian era, developed a civilization of her own. From her centers of learning, where a literature of no mean order had its birth, teachers went forth, through whose labors the neighboring peoples as well as those of many parts of central Europe were christianized. For more than 300 years the invading Northmen, victors in all the adjacent islands and mainland, were repelled. Eventually the island was conquered by the English, a race having a different origin, the natives being Celts and the invaders Anglo-Saxon. They spoke a different language and were governed by laws essentially different. These differences were augmented when the English, in the main, gave their adherence to the doctrines of the Protestant sects, while the Irish remained steadfastly Roman Catholic.

There is scarcely a condition that can be conceived of as necessary to bring into operation the principle of self-determination that is not ideally met in the case of Ireland. And there is scarcely an essential condition that is met in the case of Ulster or any of the three other provinces of Ireland, for that matter. Ulster is not separated geographically from them, and she is intimately united by the ties of trade and lines of communication. She never did have an independent existence. She has no distinctive language or literature. Even in the particular of religious affiliation, supposed to bring her into marked contrast with the remainder of the island, a circumstance of no particular consequence standing alone, there is little to be said, since she is Protestant by a bare majority, those thus classed numbering but 900,000 as against 700,000 Roman Catholics.

Coming to Ireland as they did, intruders occupying conquered territory, possessing themselves of confiscated lands, it would be the antithesis of the principle of self-determination to permit them to set up a government separate and apart from that of the people with which they thus associated themselves, contrary to the desires of only a little less than half of the people of the Province, who have in various ways, and particularly through recent elections, signified their adherence to the policy of a united Ireland.

Similar conditions prevail in almost every nation in Europe to which the principle has been applied or is believed to have application. In every one of them there is a minority that is dissatisfied with the government to which they have become subject through recent events. Czechoslovakia has a minority of German origin which would prefer to remain subjects of the dual monarchy. The population of Poland is largely German, an element that would be glad to have had the country remain a part of Germany. The institution of the plebiscite implies a dissident minority owing its origin, as a rule, to racial differences. Such was the case in Schleswig-Holstein and in Upper Silesia. The principle of self-determination contemplates the rule of the majority, "the vital principle of republics," as said by Thomas Jefferson, "from which is no appeal but to force the vital principle and immediate parent of despotism."

Admiral Sims says he does not understand the Irish question. It is a very simple one. Apply the principle of acquiescence in the will of the majority and it would be solved. The Irish question, in its essence, is whether Ireland shall have such a government as four-fifths of her people want or as the other one-fifth, with their friends and supporters in Great Britain, want. Of course, any scheme of government ought to guarantee the civil and religious liberties of minorities. So much Ulster may justly demand and no more, though despite the provocation they have given, no one but the irreconcilables thereof believes that either would be imperiled by a government in which Ireland would be represented. Apparently they are resolved not to acquiesce not alone in the will of the majority of Ireland but of the majority of Great Britain, expressed in the regular and constitutional way. They made all preparations in 1914 to resist by force of arms the home rule act, and mutterings are heard now, according to the press, as to what will be done in Ulster should the present conferences for the composition of differences that have made Ireland a shambles for more than a year past eventuate in an agreement on a plan of government for all Ireland.

The fury of their attitude will be less surprising if it is remembered that their forbears were responsible for the infamous Irish penal code of the eighteenth century, of which Lecky, the eminent English historian, says:

> It was intended to degrade and to impoverish, to destroy in its victims the spring and buoyancy of enterprise, to dig a deep chasm between Catholics and Protestants. These ends it fully attained. It formed a social condition; it regulated the disposition of property; it exercised a most enduring and pernicious influence upon the character of the people, and some of the worst features of the latter may be distinctly traced to its influence. It may be possible to find in the statute books both of Protestant and Catholic countries laws corresponding to most parts of the Irish penal code, and in some respects surpassing its most atrocious provisions, but it is not the less true that that code, taken as a whole, has a character entirely distinctive. It was directed, not against the few, but against the many. It was not the persecution of a sect, but the degradation of a nation. It was the instrument employed by a conquering race supported by a neighboring power to crush to the dust the people among whom they were planted. And, indeed, when we remember that the greater part of it was in force for nearly a century; that the victims of its cruelties formed at least three-fourths of the nation; that its degrading and dividing influence extended to every field of social, political, professional, intellectual, and even domestic life; and that it was enacted without the provocation of any rebellion, in defiance of a treaty which distinctly guaranteed the Irish Catholics from any further oppression on account of their religion, it may be justly regarded as one of the blackest pages in the history of persecution.

Edmund Burke wrote of it that—

> It was a complete system, full of coherence and consistency, well digested and well composed in all its parts. It was a machine of wise and elaborate contrivance, and as well fitted for the oppression, impoverishment, and degradation of a people and the debasement in them of human nature itself as ever proceeded from the perverted ingenuity of man.

If the Ulsterites fear recrimination, they have no just basis upon which they may appeal to enlightened America for comfort. But the experience of their religious bretheren in the rest of Ireland, who live in perfect amity with their Catholic neighbors, sustaining relations of mutual respect, with every disposition to forget old enmities, establishes the groundlessness of such fears. In fact, as stated, many of the leaders of the present movement for independence, as has been the case for more than a century, have been Protestants.

To return to Admiral Sims. He makes an international incident of some street fights in Cork between American sailors and marines on the one side and belligerent denizens on the other, an affair of so serious a nature as that in his opinion the people of the United States ought to withhold from Ireland the support they would generously accord to any people struggling for liberty. Yet he passes over in complete silence identically the same kind of encounters between our men under him and others in the ports of England. The New York World of October 8, 1919, carried the following dispatch:

> [Special cable dispatch to the World.]
>
> LONDON, *October 7, 1919.*
>
> A dispatch to the Daily News from Plymouth to-day says that there already have been several lively encounters there between British and American sailors, and that a whole series took place late last evening. There were several fights in Frankfort Street and George Street, where American sailors fought with civilians and British tars. The police cleared one street only to have to repeat the process in another, but gradually the opposing sailors were turned in opposite directions, American provost guards lending a hand. Sunday night there was a similar row in Exeter Street.

The admiral does more than pass this incident in silence. He asserts, as quoted above, that "during the nearly two years which the American naval forces spent in Europe only one element in the population showed them any hostility, or even unfriendliness," and he then proceeds to narrate the story of the brawl in Cork.

Mr. REED. Mr. President——

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Montana yield to the Senator from Missouri?

Mr. WALSH of Montana. I yield.

Mr. REED. Returning soldiers from France and from Russia have brought back story after story of fights between English soldiers and American soldiers and English soldiers and French soldiers, some of them being very fierce battles; but such rows often occur when young men of spirit are thrown in contact. If incidents of that character were to be cited against any nation, it could easily be proved by that kind of evidence that the nations were full of bitterness against each other. I have not any doubt there have been hundreds of such conflicts; I have heard of great numbers of them myself.

Mr. WALSH of Montana. I thank the Senator.

In view of the dispatch referred to, it may respectfully be asked if the statement quoted from the book is not just a plain prevarication? And if it is, what credence can be placed in the tale told by Admiral Sims as an uncolored recital of facts? Is it not quite likely that the whole story is related as it was told to him in his haunts about the London clubs and the Admiralty office? Though one might be led by the book to believe that the occurrences to which he gives such political significance transpired under his own observation, or at least while he was in the immediate vicinity in direct command of the men involved, the fact is that he was in Cork for a very brief period only, while he officiated for Admiral Bayly, of the British fleet, during which, as it is understood, no disturbance whatever of the nature he makes historical occurred.

The gentleman whose mission to this country Admiral Sims sought in the manner that has been reviewed to render abortive is now engaged in conferences with the British premier in an effort to bring peace on the enduring basis of justice to Ireland, the acknowledged and undisputed representative of that "same brotherhood" to which Sims sneeringly refers, now embracing from three-fourths to four-fifths of the Irish people, "Chieftain," to use the language of Lloyd-George, "of the vast majority of the Irish race." The leader of an open rebellion in Ireland, engaged in undisguised warfare against the British forces therein with a purpose to drive them or force their withdrawal from the island, he is in London under safe conduct to negotiate terms of peace and to arrange for the future government of Ireland.

It is doubtful whether modern times affords a parallel to this extraordinary conference. What nearly a century and a quarter of agitation and effort along peaceful and constitutional lines failed to secure seems about to be accorded as a result of revolutionary methods and most regrettable bloodletting, extending over little more than two years. It has been a period of trial to the people of Ireland through which they have passed with a fortitude that ought to awaken, if it has not awakened, the sympathy of the lovers of liberty everywhere.

It may be thought that this is not an opportune time to discuss the subject I have been moved to canvass, but to my mind, it is not only opportune, but important that the people of the United States should now reappraise the views expressed by Admiral Sims touching the Irish revoluntionary movement and those concerned in it.

> There are more things in heaven and earth
> Than are dreamt of in our philosophy.

No one can perhaps tell why it should, but no one will doubt that a world-wide desire to see success attend the pending negotiations will contribute to that end. Aside from the natural hope for the termination of the reign of terror that has prevailed in Ireland for the past year with its attendant misery and distress, the American people have abundant cause to pray for a happy outcome of the conference now engaging world-wide attention, signifying as it would the removal of the only element of danger to the pacific relations of our Nation and the British Empire. However trivial any matter of difference or controversy between them may be, it becomes serious because of the inflammable element of our population of Irish birth or immediate Irish descent, numbering not less than 15,000,000 to 20,000,000 people, affected almost to a man with a distrust of, if not an active hostility to, England because of the age-old bitter feud now, it is hoped, in the way of honorable composition.

Those who hope for that consummation with a sympathetic interest in the aspirations of the vast majority of the people of Ireland are better friends of America and of the cause of peace between the two great English-speaking nations than is Admiral Sims, if he is to be judged by his "jackass" speech, or than are those who applauded the sentiments therein expressed.

APPENDIX.

[Abstract of Sims's speech submitted by him to the Secretary of the Navy.]

I do not want to touch on the Irish question, for I know nothing about it, and have not run across anybody in England who does. But there are some people in our country who technically are Americans, some of them naturalized and some native born; but some of them are not really Americans at all. Some of these people are now trying to destroy the good relations between our two countries. They are Americans when they want money but Sinn Feiners when on the platform. They are enemies of ours and yours. They are like the zebra—either white horses with black stripes or black horses with white stripes. We know that they are not horses * * * and some people think they are asses; but each one of these asses had a vote and it is one of the inconveniences of a republican form of government that American-born citizens thought it necessary to cater to these votes. This necessarily created a wrong impression on this side as to the sentiments of the great body of Americans, but the people of Great Britain know how much confidence to place in resolutions which are forced by these jackass votes.

Eleven years ago I made a prophecy which came true. I will venture another now. I believe I shall live to see the day when the English-speaking peoples of the world will come together in bonds of comradeship; and if they do, they will be able to run this round globe. Personally, I believe I shall live to see an inter-English-speaking policy, and when we have that we shall have all that is needed to secure peace and prosperity in the world. (Extract from Admiral Sims's speech in London.)

[Extract from Sims's book, "The Victory at Sea."]

During the nearly two years which the American naval forces spent in Europe only one element in the population showed them any hostility or even unfriendliness. At the moment when these lines are being written a delegation claiming to represent the "Irish republic" is touring the United States, asking Americans to extend their sympathy and contribute money toward the realization of their project. I have great admiration for the mass of the Irish people, and from the best elements of these people the American sailors received only kindness. I have, therefore, hesitated about telling just how some members of the Sinn Fein Party treated our men. But it seems that now when this same brotherhood is attempting to stir up hatred in this country against our allies in the war there is a certain pertinence in informing Americans just what kind of treatment their brave sailors met with at the hands of the Sinn Fein in Ireland.

The people of Queenstown and Cork, as already described, received our men with genuine Irish cordiality. Yet in a few weeks evidence of hostility in certain quarters became apparent. The fact is that the part of Ireland in which the Americans were stationed was a headquarters of the Sinn Fein. The members of this organization were not openly disloyal; they were openly pro-German. They were not even neutral; they were working day and night for a German victory, for in their misguided minds a German victory signified an Irish republic. It was no secret that the Sinn Feiners were sending information to Germany and constantly laying plots to interfere with the British and American navies. At first it might be supposed that the large number of sailors—and some officers—of Irish extraction on the American destroyers would tend to make things easier for our men. Quite the contrary proved to be the case. The Sinn Feiners apparently believed that these so-called Irish-Americans would sympathize with their cause; in their wildest moments they even hoped that our naval forces might champion it. But these splendid sailors were Americans before they were anything else; their chief ambition was the defeat of the Hun, and they could not understand how any man anywhere could have any other aim in life. They were disgusted at the large number of able-bodied men whom they saw on the streets, and did not hesitate to ask some of them why they were not fighting on the western front.

The behavior of the American sailors was good, but the mere fact that they did not openly manifest a hatred of Great Britain and a love of Germany infuriated the Sinn Feiners. And the eternal woman question also played its part. Our men had much more money than the native Irish boys and could entertain the girls more lavishly at the movies and ice-cream stands. The men of our fleet and the Irish girls became excellent friends. The association, from our point of view, was a very wholesome one, for the moral character of the Irish girls at Queenstown and Cork—as, indeed, of Irish girls everywhere—is very high, and their companionship added greatly to the well-being and contentment of our sailors, not a few of whom found wives among these young women. But when the Sinn Fein element saw their sweethearts deserting them for the American boys their hitherto suppressed anger took the form of overt acts.

Occasionally an American sailor would be brought from Cork to Queenstown in a condition that demanded pressing medical attention. When he regained consciousness he would relate how he had suddenly been set upon by half a dozen roughs and beaten into a state of insensibility. Several of our men were severely injured in this way. At other times small groups were stoned by Sinn Fein sympathizers and there were many hostile demonstrations in moving-picture houses and theaters. Even more frequently attacks were made not upon the American sailors but upon the Irish girls who accompanied them. These chivalrous pro-German agitators would rush up and attempt to carry the girls away from our young men; they would pull down their hair, slap them, and even kick them. Naturally, American sailors were hardly the type to tolerate behavior of this kind, and some bloody battles took place. This hostility was increased by one very regrettable occurrence in Queenstown. An American sailor was promenading the main thoroughfare with an Irish girl when an infuriated Sinn Feiner rushed up, began to abuse his former sweetheart in vile language, and attempted to lay hands on her. The American struck this hooligan a terrific blow; he fell backward and struck his head on the curb. The fall fractured the assailant's skull, and in a few hours he was dead. We handed our man over to the civil authorities for trial, and a jury, composed entirely of Irishmen, acquitted him. The action of this jury in itself indicated that there was no sympathy among the decent Irish element, which constituted the great majority, with this sort of tactics, but naturally it did not improve relations between our men and the Sinn Fein. The importance of another incident which took place at the cathedral has been much exaggerated. It is true that a priest in his Sunday sermon denounced the American sailors as vandals and betrayers of Irish womanhood, but it is also true that the Roman Catholics of that section were themselves the most enraged at this absurd proceeding. A number of Roman Catholic officers who were present left the church in a body; the Catholic bishop of the diocese called upon Admiral Bayly and apologized for the insult, and he also pun-

lished the offending priest by assigning him to new duties at a considerable distance from the American ships.

But even more serious trouble was brewing, for our officers discovered that the American sailors were making elaborate plans to protect themselves. Had this discovery not been made in time something like an international incident might have resulted. Much to our regret, therefore, it was found necessary to issue an order that no naval men, British or American, under the rank of commander should be permitted to go to Cork. Ultimately we had nearly 8,000 American men at this station; Queenstown itself is a small place of 6,000 or 7,000, so it is apparent that it did not possess the facilities for giving such a large number of men those relaxations which were necessary to their efficiency. We established a club in Queenstown, provided moving pictures and other entertainments, and did the best we could to keep our sailors contented. The citizens of Cork also keenly regretted our action. The great majority had formed a real fondness for the boys, and they regarded it is a great humiliation that the rowdy element had made it necessary to keep our men out of their city. Many letters were printed in the Cork newspapers apologizing to the Americans and calling upon the people to take action that would justify us in rescinding our order. The loss to Cork tradesmen was great; our men received not far from $200,000 to $300,000 a month in pay; they were free spenders and their presence in the neighborhood for nearly two years would have meant a fortune to many of the local merchants. Yet we were obliged to refuse to accede to the numerous requests that the American sailors be permitted to visit this city.

A committee of distinguished citizens of Cork, led by the lord mayor, came to Admiralty House to plead for the rescinding of this order. Admiral Bayly cross-examined them very sharply. It appeared that the men who had committed these offenses against American sailors had never been punished.

Unless written guaranties were furnished that there would be no hostile demonstrations against British or Americans Admiral Bayly refused to withdraw the ban, and I fully concurred in this decision. Unfortunately, the committee could give no such guaranty. We knew very well that the first appearance of the Americans in Cork would be the signal for a renewal of hostilities, and the temper of our sailors was such that the most deplorable consequences might have resulted. We even discovered that the blacksmiths on the U. S. S. *Melville* were surreptitiously manufacturing weapons which our men could conceal on their persons and with which they proposed to sally forth and do battle with the Sinn Fein. So for the whole period of our stay in Queenstown our sailors were compelled to keep away from the dangerous city. But the situation was not without its humorous aspects. Thus, the pretty girls of Cork, finding that the Americans could not come to them, decided to come to the Americans; every afternoon a trainload would arrive at the Queenstown station, where our sailors would greet them, give them a splendid time, and then, in the evening, escort them to the station and send a happy crowd on their way home.

But the Sinn Feiners interfered with us in much more serious ways than this. They were doing everything in their power to help Germany. With their assistance German agents and German spies were landed in Ireland. At one time the situation became so dangerous that I had to take experienced officers whose services could ill be spared from our destroyers and assign them to our outlying air stations in Ireland. This, of course, proportionately weakened our fleet and did its part in prolonging the war. (Extracts from Admiral Sims's book, The Victory at Sea, pp. 83–87.)

AMENDMENT OF NATIONAL PROHIBITION ACT.

Mr. STERLING. I desire to submit to the Senate the proposed unanimous-consent agreement which I send to the desk.

Mr. BROUSSARD. I suggest the absence of a quorum.

Mr. McCORMICK. May I suggest to the Senator from Louisiana that no right would be lost by him if he would permit the request for unanimous consent to be read, for he could then raise the point of no quorum.

Mr. STERLING. That is as I understand the procedure, Mr. President.

Mr. LODGE. There will have to be a quorum called in any event.

Mr. McCORMICK. There will have to be a quorum called before any agreement can be entered into.

Mr. BROUSSARD. I withdraw the suggestion.

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). The proposed unanimous-consent agreement will be stated.

The ASSISTANT SECRETARY. The Senator from South Dakota asks unanimous consent that at not later than 4 o'clock p. m. on the calendar day of July 25, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 7294) supplemental to the national prohibition act through the regular parliamentary stages to its final disposition; and that after the hour of 3 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than five minutes upon the bill, or more than once or longer than five minutes upon any amendment offered thereto.

The PRESIDING OFFICER. The rule of the Senate provides that the roll shall be called when a unanimous-consent agreement of the character stated is proposed. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ball	Curtis	Glass	Kenyon
Brandegee	Dial	Harris	Keyes
Broussard	Edge	Harrison	King
Cameron	Ernst	Heflin	Ladd
Capper	Fletcher	Hitchcock	La Follette
Caraway	Gerry	Kendrick	Lodge
McCormick	Ransdell	Sterling	Warren
McKellar	Reed	Sutherland	Watson, Ga.
McNary	Robinson	Swanson	Watson, Ind.
Moses	Sheppard	Townsend	Williams
Nelson	Shortridge	Trammell	Willis
Norris	Simmons	Underwood	
Overman	Smoot	Walsh, Mass.	
Pomerene	Stanley	Walsh, Mont.	

Mr. SUTHERLAND. I desire to announce that the junior Senator from New York [Mr. CALDER] is absent from the Senate on business of the Senate.

Mr. CURTIS. I have been requested by the Senator from Indiana [Mr. NEW] to announce that he is absent on official business. I will let this announcement stand for the balance of the afternoon.

The PRESIDING OFFICER. Fifty-three Senators having responded to their names, a quorum is present.

Mr. UNDERWOOD. Mr. President, I desire to ask the ruling of the Chair, under this unanimous-consent agreement, as to whether all supplemental motions besides amendments would be in order, such as a motion to recommit?

The PRESIDING OFFICER. It has been ruled by the Chair that a proposition to recommit is not a final disposition of a bill.

Mr. UNDERWOOD. Then I think the Senator should amend his motion so that the Senate would not be cut off from any motions that it may be desired to make in reference to the bill.

Mr. STERLING. Mr. President, I think I have submitted this proposition in the usual form.

Mr. UNDERWOOD. The Senator is asking unanimous consent. I can say to him that he will not get it unless he puts his motion in proper form.

Mr. STERLING. I am asking unanimous consent, and I am asking it in the usual form, providing for a vote at a certain time, and providing for a limitation upon speeches that may be made upon the bill or on any amendments that may be offered thereto.

Mr. UNDERWOOD. I will say to the Senator that it is not my purpose to object to his vote. So far as I know, there is no disposition on this side not to bring to a vote the bill about which the Senator is talking, but this side has a right to protect its rights. The Senator is asking for unanimous consent, and I can assure him that he will not get it unless he is willing to accord to the viewpoint of this side, and not his own.

Mr. LODGE. Mr. President, if I may say a word, I will say to the Senator from South Dakota that it is common, especially in the House of Representatives, to reserve the right to make a motion to recommit. If any Senator desires to do so, of course he has the power to object.

Mr. UNDERWOOD. I will say that it is not my purpose to make a motion to recommit——

Mr. LODGE. Neither is it mine.

Mr. UNDERWOOD. But it may be desired to be made, and it is my business to try to protect the rights of my own side of the Chamber, which I intend to do. I will say to the Senator that we will end the question right here if he is not willing to yield on that point.

Mr. STERLING. I will say to the Senator from Alabama that this is the first time I ever heard the proposition which he now advances made on any request for a unanimous-consent agreement, and it struck me as being peculiar.

Mr. NORRIS. Mr. President, I hope Senators will not take up the time by debating this matter. If the Senator from South Dakota does not want to make the concession and some Senator wants to object, let us have it settled one way or the other.

Mr. WALSH of Montana. Mr. President, if the Senator from South Dakota will yield, I dislike to have the Senator from Alabama speak about "this side" as he has done. I dare say when the vote is taken it will be found that this side is quite as favorable to the bill as the other side. The Senator is scarcely prepared to speak for this side; but I was going to say to the Senator from South Dakota that, of course, if any Senator wants to make a motion to recommit the right ought to be preserved, and I suggest to him that he change his request for unanimous consent so as to permit a motion to recommit or the offer of any amendments.

Mr. UNDERWOOD. If the Senator will allow me for just a moment, I will say that what I said in reference to this side of the Chamber, of course, did not reflect the vote on this matter. The reason why I made the suggestion—it did not come from me—was that a Member on this side asked me whether he would have the right to make a motion to recommit. It is not my desire to move to recommit, but I was asked whether he would have the right to move to recommit if this unanimous-consent agreement were made, so that I proceeded to ask the Chair. I think, in the aggregate—I am not referring to the

vote—as representing this side in a parliamentary way, it is part of my business to see that not only collectively but individually the rights of the Members on this side are protected, and that is all I intended to say.

Mr. STERLING. Mr. President, to end the matter, I consent that the Secretary may incorporate that provision in the agreement.

The ASSISTANT SECRETARY. It is proposed to add, at the end of the agreement, the following:

Provided, That nothing in this agreement shall prevent the entertainment of a motion to recommit the bill.

Mr. BROUSSARD. Mr. President, I have been consulting a number of the Senators who expected to speak on this bill. Inasmuch as there is a measure here that is the unfinished business, I think possibly this proposal does not allow enough time for all the Senators who want to be heard to make their speeches, and I object to an agreement to vote on that particular day.

The PRESIDING OFFICER. Objection is made.

Mr. NORRIS. I call for the regular order.

Mr. STERLING. Mr. President, before the matter proceeds further, I understand the Senator from Louisiana [Mr. BROUSSARD] to object to the agreement in its present form. I therefore propose a modification so as to make it Tuesday at 4 o'clock instead of Monday. I think that ought to accommodate the Senator. The Senator from Louisiana has spoken upon the bill, and I think that will give reasonable opportunity for anyone who wants to speak upon the bill.

Mr. LODGE. I hope the Senator from Louisiana will permit that agreement to be made.

Mr. McKELLAR. That will give everybody ample time.

Mr. REED. Mr. President, it will not give anybody time. I can show that in about one minute.

We have under discussion and we have set for a vote to-morrow unless we recess to-night the child-welfare and maternity bill. It is to be voted on at 4 o'clock to-morrow unless we recess to-night. If we recess to-night, it will be voted on upon the next day. The Senator from Nebraska [Mr. NORRIS] has before the Senate a bill to appropriate, first and last, a billion dollars of money for agricultural benefit, and that bill will require discussion. How much time would be left, then, this being Wednesday and to-morrow Thursday, and there being probably an adjournment over Saturday, to discuss any other measure that might come up? Clearly the two bills I have mentioned will take all of the time unless, indeed, the debate ceases unexpectedly on what I will term, for want of knowing its title, the Norris bill.

Mr. LODGE. The maternity bill, when reached under the agreement, can take only one day.

Mr. REED. That is true. When reached, it can take only one day. Then comes the Norris bill. Now, how many days are there? We shall probably adjourn over Saturday.

Mr. LODGE. Of course, if we should make an agreement on the Volstead bill, that would take precedence of the Norris bill, which would maintain its place as the unfinished business.

Mr. REED. It might take precedence of it and it might not, because the Norris bill can be discussed and probably will be discussed.

Mr. LODGE. No agreement that can be gotten up will prevent Senators from talking about anything they want to talk about.

Mr. REED. But if you put the matter over for a reasonable length of time, six or seven days, then an opportunity will be afforded for discussion.

Mr. WILLIS. This gives six days. This is Wednesday, and it is proposed to vote next Tuesday, which gives six days.

Mr. KENYON. Mr. President, I wish to make this suggestion, too: It seems to me we run into a good deal of difficulty. The maternity bill is to be voted on under the unanimous-consent agreement on the tenth legislative day after the 30th of June. If we adjourn to-night that will be to-morrow. If we recess to-night and then should recess to-morrow night over until Monday, we would have two unanimous-consent agreements running into each other. The Senator from Missouri [Mr. REED] is anxious that we shall recess to-night so that he may make his position clear on the maternity bill, there being some doubt about just how he stands on it, and that will take a large part of to-morrow, I assume. We want to accommodate the Senator from Missouri by taking a recess to-day. But if there is to be this unanimous-consent agreement entered into there should be an understanding that to-morrow night we would adjourn until Friday, so that we shall not have the two unanimous-consent agreements bumping into each other.

Mr. LODGE. I think that is a very proper agreement to make. I hope we shall take a recess to-night and dispose of the maternity bill on Friday.

Mr. KENYON. There will be an adjournment, then, to-morrow night?

Mr. NORRIS. Mr. President, I want to submit a parliamentary inquiry to the Chair. If this unanimous-consent agreement is entered into, the time is fixed to vote, and debate limited to one hour, when a vote is reached, if the present unfinished business is still the unfinished business of the Senate and undisposed of, being laid aside for that vote, will that unfinished business, at the conclusion of the voting on the prohibition bill, under that unanimous-consent agreement, come automatically before the Senate again?

The PRESIDING OFFICER. In the opinion of the Chair, it would.

Mr. LODGE. I think there can be no doubt about it.

Mr. NORRIS. I am not going to object to any of these unanimous-consent agreements, but I do not want to enter into any agreement that would have the effect of preventing the agricultural export bill from coming before the Senate again at the conclusion of the voting.

Mr. LODGE. I do not think there will be any doubt of that. It could only be displaced by a direct vote.

Mr. NORRIS. I myself do not think there is any doubt on that proposition——

Mr. STERLING. That was my understanding in submitting the agreement.

Mr. NORRIS. But I did not want by my silence to give apparent consent to anything of the kind.

Mr. KENYON. Mr. President, with the assurance of the leader upon the Republican side that we will adjourn to-morrow night until Friday, I will have no objection to the proposed unanimous-consent agreement.

Mr. LODGE. I can only say that I certainly will make that motion, and unless I am overruled by the Senate we will adjourn to-morrow.

Mr. NORRIS. I wonder if it would not expedite this matter, since these bills are mixed up together, if we could not at once, all in one unanimous-consent agreement, agree on a time for the disposition not only of the bill the Senator from South Dakota [Mr. STERLING] has in charge but the unfinished business, and then this question of one displacing the other, or taking up the time in debate, would not occur. I therefore ask that the unanimous-consent agreement be amended, if the Senator has fixed on Wednesday——

Mr. STERLING. Tuesday at 4 o'clock.

Mr. NORRIS. It may be that that will be objected to.

Mr. LODGE. The bill in charge of the Senator from Nebraska has the right of way; it is the unfinished business. I think that is a very important bill; there is going to be a great deal of discussion upon it, and I do not believe the Senate is ready yet to give unanimous consent as to a time for a vote on that measure.

Mr. NORRIS. I am not anxious to get it, I will say to the Senator. I do not want to cut anybody out who wants to debate it; but every few minutes we are bumping up against another bill, and there is an attempt to fix the time for a vote, and to have an hour taken out for debate, with a limitation of 10 minutes on speeches. If we are going to keep on doing that with every bill on the calendar, the bill which I have in charge will be the unfinished business for the balance of the year, and we will be fixing a time to vote on other bills but none on that measure.

Mr. STERLING. There is this to be said, Mr. President, about the prohibition bill: It has already been discussed on three several days, and pretty thoroughly discussed. I do not know of any bill that has had more earnest and thorough discussion during the morning hour than this bill. So I do not believe that there will be any great amount of further discussion, in view of what has transpired already, although there may be.

Mr. UNDERWOOD. Mr. President, let the unanimous-consent agreement as suggested be reported.

The PRESIDING OFFICER. The Secretary will read the proposed unanimous-consent agreement submitted by the Senator from South Dakota.

The ASSISTANT SECRETARY. The Senator from South Dakota [Mr. STERLING] asks unanimous consent that at not later than 4 o'clock p. m. on the calendar day of Tuesday, July 26, 1921, the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the bill (H. R. 7294) supplemental to the national prohibition act, through the regular parliamentary stages to its final disposition; and that after the hour of 3 o'clock p. m. on said calendar day no Senator shall speak more than once or longer than five minutes upon the bill, or more than once or longer than five minutes upon any amendment offered thereto: *Provided*, That nothing in this agreement shall prevent the entertainment of a motion to recommit the bill.

The PRESIDING OFFICER. Is there objection to the proposal of the Senator from South Dakota?

Mr. BROUSSARD. Mr. President, after thinking this matter over, I have decided to object.

The PRESIDING OFFICER. Objection is made.

Mr. NORRIS. Mr. President, it is now so late, I was wondering whether the Senator from Arkansas [Mr. CARAWAY] desires to proceed this evening on the agricultural export bill.

Mr. CARAWAY. I do not.

Mr. STERLING. Mr. President, may I submit this question now to the Senator from Louisiana? Will he consent to a vote on Wednesday instead of on Tuesday?

Mr. BROUSSARD. Mr. President, I will say that I have nothing more to do about this bill than any other Senator. I am of the opinion that we ought to get through with the unfinished business, and then take up the bill in its regular order.

Mr. STERLING. I had hoped, Mr. President, and I think I had a right to expect, after the discussion already had on this bill, that to such a liberal consent agreement as I have tendered there would be no objection. I think I have done everything that is reasonable, and I believe that what I have proposed is according to the sense of the Senate, too, in the matter.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. LODGE. Mr. President, I had intended to speak myself this afternoon, if I could get the floor, in regard to the unfinished business, the Norris bill. It is now so late that I would rather not speak at this moment. I shall try to get an opportunity tomorrow to speak on that bill. I therefore move——

Mr. STANLEY. Will the Senator from Massachusetts yield to me for a moment?

Mr. LODGE. I yield to the Senator from Kentucky.

ADJUSTED COMPENSATION FOR VETERANS OF WORLD WAR.

Mr. STANLEY. I ask unanimous consent to have referred to the Committee on Finance and printed in the RECORD a letter from the executive board of Kentucky War Mothers, signed by Mrs. John Graham Johns, of Winchester, Ky.

There being no objection, the letter was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

WINCHESTER, KY., *July 14, 1921.*

Senator A. OWSLEY STANLEY,
Washington, D. C.

MY DEAR SENATOR: The Kentucky Chapter of American War Mothers, through its executive board, earnestly request that you, as our representative, support a bonus bill for our soldier boys of the World War. They left home and business to fight for democracy and world peace; and now a bill should be passed embodying the greatest good to the greatest number.

If we can feed and clothe starving Europe we should come to the rescue of our own boys—thousands of whom are sick, hungry, and out of work. We ask that you leave nothing undone for the passage of a worth-while bonus bill. We are,

Very truly, yours,

EXECUTIVE BOARD KENTUCKY WAR MOTHERS,
By Mrs. JOHN GRAHAM JOHNS,
War Mother of Clarke County.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS.

Mr. LODGE. I move that the Senate take a recess until tomorrow at 12 o'clock.

The motion was agreed to; and (at 5 o'clock p. m.) the Senate took a recess until to-morrow, Thursday, July 21, 1921, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 20, 1921.

COMMISSIONER OF IMMIGRATION FOR PORTO RICO.

Roberto H. Todd, of Porto Rico, commissioner of immigration at the port of San Juan, Porto Rico.

POSTMASTERS.

CALIFORNIA.

George W. Turner to be postmaster at Fresno, Calif., in place of E. E. Hughes, resigned.

FLORIDA.

William L. Bryan to be postmaster at Jasper, Fla., in place of W. C. Caldwell, resigned.

ILLINOIS.

James W. Alexander to be postmaster at Patoka, Ill., in place of P. B. Simcox, resigned.

MAINE.

William E. Bragdon to be postmaster at Franklin, Me., in place of H. P. Blaisdell, resigned. Office became third class January 1, 1921.

Burton A. Hutchinson to be postmaster at Buckfield, Me., in place of A. L. Newton, resigned.

MICHIGAN.

Charles C. Malosh to be postmaster at Lake, Mich., in place of C. C. Malosh. Office became third class April 1, 1921.

Allison I. Miller to be postmaster at Fremont, Mich., in place of Henry McCarty. Incumbent's commission expired January 18, 1920.

NEW YORK.

Charles A. Beeman to be postmaster at Depew, N. Y., in place of R. J. Hutchinson. Incumbent's commission expired March 28, 1920.

Harry B. Lyon to be postmaster at Dunkirk, N. Y., in place of S. J. Karin, deceased.

OHIO.

Harry E. Kearns to be postmaster at Amelia, Ohio, in place of G. B. Huntington, resigned. Office became third class April 1, 1921.

PENNSYLVANIA.

Ira R. Burns to be postmaster at Bellwood, Pa., in place of C. W. Sausser, resigned.

George D. Kinkead to be postmaster at Ebensburg, Pa., in place of D. A. McGough. Incumbent's commission expired June 1, 1920.

James G. Cook to be postmaster at New Alexandria, Pa., in place of J. H. Shields, resigned.

James M. Williams to be postmaster at State College, Pa., in place of R. M. Foster, resigned.

SOUTH DAKOTA.

Fred Engelbrecht to be postmaster at Elkton, S. Dak., in place of Otto Engelbrecht, resigned.

UTAH.

Jay C. Jensen to be postmaster at Heber, Utah, in place of Daniel McMillan, resigned.

WEST VIRGINIA.

Samuel L. Clark to be postmaster at Cass, W. Va., in place of Z. M. Ayers, resigned.

WISCONSIN.

Walter C. Crocker to be postmaster at Spooner, Wis., in place of J. H. Sullivan, deceased.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 20, 1921.

DEPARTMENT OF THE INTERIOR.

REGISTER OF THE LAND OFFICE.

Jules Haumont to be register of the land office, Broken Bow, Nebr.

RECEIVER OF PUBLIC MONEYS.

Henry Clay Provinse to be receiver of public moneys at Billings, Mont.

James H. H. Hewett to be receiver of public moneys, Alliance, Nebr.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, *July 20, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God our Heavenly Father, we thank Thee that our unworthiness has not forfeited Thy love but that our hearts respond to it in gratitude and confidence. We wait in Thy presence and listen for the voice divine. Give unto all of us the heart of a little child that is strong to obey, quick to serve, and ready in kindliness toward all. In the midst of things seen let us realize the things unseen and eternal and give these preeminence, and may we always feel that this world is the real dwelling place of God. At the close of the day may we take to our homes cheer and peace, light and love, that their altars may be made more beautiful in the light that shineth more and more unto the perfect day. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

SWEARING IN OF A MEMBER.

Mr. FORDNEY. Mr. Speaker, Mr. J. M. C. SMITH has been duly elected a Member of Congress and has filed his certificate of election with the Clerk. He is present and would like to be sworn in.

Mr. J. M. C. SMITH appeared at the bar of the House and took the oath of office.

PERMISSION TO EXTEND REMARKS.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a letter received from the American Legion in reference to the adjusted compensation bill.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to extend his remarks in the RECORD by the insertion of a letter regarding the bonus bill.

Mr. RANKIN. Adjusted compensation bill.

The SPEAKER. Is not that the bonus bill?

Mr. RANKIN. No, sir; it is properly designated as the adjusted compensation bill.

The SPEAKER. Concerning the adjusted compensation bill. Is there objection? [After a pause.] The Chair hears none.

The letter referred to is as follows:

THE AMERICAN LEGION NATIONAL LEGISLATIVE COMMITTEE,
Washington, D. C., July 8, 1921.

ADJUSTED COMPENSATION BILL (H. R. 1 AND S. 506.)

Hon JOHN E. RANKIN.

DEAR SIR: The American Legion calls upon Congress to now pass the adjusted compensation measure for the benefit of those who were in the service of the United States during the World War

The American Legion and adjusted compensation.—The Legion has not, and does not now, come to Congress in the spirit of a selfish lobbyist for its own interest, but rather to aid Congress in the solution of its problem of how best to meet the just demands of the service men consistently with the country's welfare. At the Legion's first convention, November, 1919, the following resolution was unanimously passed:

"*Be it resolved*, That while the American Legion was not founded for the purpose of promoting legislation in its selfish interest, yet it recognizes that our Government has an obligation to all service men and women to relieve the financial disadvantages incidental to their military service—an obligation second only to that of caring for the disabled and the widows and orphans of those who sacrificed their lives, and one already acknowledged by our allies—but the American Legion feels that it can not ask for legislation in its selfish interest, and leaves with confidence to Congress the discharge of this obligation."

Prior and subsequent to the above action there had been introduced in Congress some 75 bills bearing upon the question of soldier beneficial legislation, all of which were referred to the Committee on Ways and Means, and the Legion was advised that this committee desired the judgment of the Legion on what form of legislation would best meet the needs of the service men. In order to concretely answer this inquiry a Legion committee on soldier beneficial legislation drafted what became known as the four-fold optional plan of adjusted compensation, providing adjusted pay at $1.50 for each day of service, if taken in cash, or about 30 per cent additional if taken in vocational training, home or farm aid, or as participation in land-settlement projects. This bill so drafted was introduced in the House by Chairman Fordney and later became the foundation of H. R. 14157, passed by the House in May, 1920, and was reported favorably in February, 1921, by a majority of the Senate Finance Committee. Upon reintroduction into the Sixty-seventh Congress as H. R. 1 and S. 506 this measure received the approval of the Senate Finance Committee Subcommittee (Rept. 133) June 20, 1921.

JUSTIFICATION OF ADJUSTED COMPENSATION.

Adjusted compensation is due the service man, not as a bonus or gratuity for military service rendered, but as an approximate adjustment of the economic losses he sustained by reason of his service. Congress drafted the soldier and ordered him to service at $1.25 a day. Wages during the war period doubled and trebled. Savings accounts increased on an average between $300 and $400. The soldier returned to find himself economically handicapped by reason of not having received the high pay which his brother who remained at home received, and further economically handicapped by being under the necessity of reattaching himself to industrial life when others had taken his job and advanced in the industrial scale. Our Government drafted the soldier, but did not draft labor. Granting the soldier a basic adjusted pay at the rate of $1.50 a day is, therefore, not a bonus for military service, but only an approximate adjustment of the economic loss suffered by the service man because of his days in service.

ACTION OF OUR ALLIES AND THE STATES.

Our allies have recognized their obligations to adjust the compensation of their service men. For example, France with twice the net war debt of the United States, has paid her men $233.58; Great Britain, with a war debt more than that of France, has paid adjusted compensation ranging from $140 for privates to $7,290 for major generals; and Canada has paid privates $600, major generals $4,578.

Thirteen of our own States have enacted adjusted compensation measures. Whenever the question has been put to a vote of the people by referendum, it has uniformly been approved, and this despite the fact that our soldiers were in the service of the United States, and not the separate States.

SMOKE SCREENS.

Opponents of adjusted compensation have raised certain smoke screens which should be dispelled:

a. INCREASE OF TAXES.

It is argued that though the claim be just, the Nation can not afford to pay it. This argument is a confession of national bankruptcy. All other war debts are being paid. Had the war gone on one and a half more months, the expense would have equaled that of the adjusted compensation bill. Surely the Nation would have met that expense. Moreover, is it just that the Nation should allow the service men to bear alone this particular war debt, while all other war debts are spread over the entire Nation? But the argument is cogently answered by the report of the subcommittee of the Senate Finance Committee, No. 133, that "if the debts due this country from our war associates should be funded into long-time, interest-bearing bonds, the interest thereon will far more than take care of the obligations created by the bill, without any increase whatever in our taxes." Surely, if our late allies can afford to adjust the compensation of their soldiers, it is not too much to require them to pay their debts to this country, the interest on which "will more than take care" of the adjusted compensation of our own soldiers.

b. CARE OF THE DISABLED.

Opponents argue that no bill granting adjusted compensation should be passed until the disabled are cared for. In reply, it is unnecessary to say that the American Legion's first concern has been and now is for the disabled, and the prime energy of the Legion has always been directed to those measures of legislative and administrative reform designed to see that this obligation is met. But the Nation's obligations to the disabled and the nondisabled are not successive but contemporaneous obligations. It will be a generation, and more, before the last disabled soldier is cared for. Needed legislation for the disabled is in sight. Congress should now meet the Nation's obligation to the nondisabled.

c. LACK OF PATRIOTISM.

Opponents argue that it is unpatriotic for the service man to accept pay for military duty performed. The answer lies in this: The adjusted compensation measure does not provide a gratuity for military risks taken, but an adjustment of compensation for economic disadvantages suffered. The soldier should bear the military risk, but why should he bear the economic loss as well? Adjusted compensation will be given only upon application. Those who do not need it or who deem its acceptance unpatriotic need not apply.

d. THE LEGION UNANIMOUS.

Some propagandists against the bill have stated that it "represents the desires and determination of a highly organized and active minority." Congress will act upon established fact, not inspired rumor. The American Legion at its last national convention, September, 1920, approved H. R. 14157 without a dissenting vote. Undoubtedly here and there members of the Legion and service men will be found who, lacking information on the broad national scope of this measure, express a contrary opinion, but whenever the question has come to a vote in any department of the Legion, at national executive committee meetings or at national conventions, the vote is practically unanimous. The Legion and the service men are as unanimous upon this question as it is possible for a healthy organization to be upon any question. On June 14, 1921, the national executive committee unanimously passed the following resolution:

"*Resolved*, That whereas the accomplishment of the American Legion legislative program in behalf of our disabled comrades, so dear to the heart of our beloved departed commander, due to his unceasing efforts is now in sight; and

"Whereas, in the words of our late commander, 'There still remains another class of disabled, the financially disabled, who have patiently waited until their physically disabled buddies should be cared for'; and

"Whereas whenever in any State of the Union the question of adjusted compensation for the service man has been submitted it has met the approval of the people: Now, therefore, be it

"*Resolved by the national executive committee of the American Legion*, That we now urge upon Congress the immediate passage of the American Legion fivefold optional plan of adjusted compensation."

The adjusted compensation measure with its provisions for home and farm aid, its insurance and vocational training benefits, and its land-settlement features constitutes a piece of constructive legislation of nation-wide interest. To view it merely as a measure giving a cash gratuity to soldiers is not only unfair but erroneous. The number of service men who will avail themselves of the home aid, land settlement, and insurance options will be surprisingly large. The American Legion has pledged itself to make known to its members and the service men generally the advantages to them of these more productive options. By failing to pass this measure Congress will leave unsatisfied a just demand of the Nation's soldiers. By passing the bill Congress will not only have effected payment by the Government of its just obligations to the veterans of the World War, but will have done so in a manner to benefit the Nation at large by the establishment of hundreds of thousands of veterans as home owners and as settlers upon the land. The American Legion urges Congress to pass this measure without delay.

Respectfully, yours,

GILBERT BETTMAN,
Chairman National Legislative Committee.

Indorsed:
JOHN G. EMERY,
National Commander.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. RICKETTS, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States for his approval the following bills and joint resolution:

H. R. 6573. An act to further reclassify postmasters and employees of the Postal Service and readjust their salaries and compensation on an equitable basis, and for other purposes;

H. J. Res. 31. Joint resolution authorizing and directing the accounting officers of the Treasury to allow credit to the disbursing clerk of the Bureau of War Risk Insurance in certain cases; and

H. R. 5756. An act to amend an act entitled "An act to declare the purpose of the people of the United States as to the future political status of the people of the Philippine Islands, and to provide a more autonomous government for these islands," approved August 29, 1916; and to amend an act en-

titled "An act to establish a standard of value and to provide for a coinage system in the Philippine Islands," approved March 2, 1903.

THE TARIFF.

The SPEAKER. Under the rule the House resolves itself into the Committee of the Whole House on the state of the Union for the further consideration of the tariff bill, and the gentleman from Kansas [Mr. CAMPBELL] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage industries of the United States, and for other purposes.

Mr. FULLER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. FULLER. To prefer a unanimous-consent request. I request unanimous consent to proceed for two minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for two minutes. Is there objection?

Mr. GREEN of Iowa. Reserving the right to object, Mr. Chairman, will not my friend take another time? If we start in on that, how will we ever get through with our bill?

Mr. FULLER. This will only take two minutes.

Mr. GREEN of Iowa. It has nothing to do with the bill, has it?

Mr. FULLER. Yes. There are a few things I would like to say about this bill, and I do not know of any better opportunity. What I wish to say concerns an amendment which I think should be made to the bill.

Mr. GARNER. Mr. Chairman, unless we can hear the conversation going on on the other side, I shall be compelled to object.

Mr. FORDNEY. The gentleman from Illinois asks unanimous consent to address the House for two minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none.

Mr. FULLER. Mr. Chairman, what I wish to say in the very brief time allowed me, and I thank the committee for allowing me only two minutes at this time, concerns a matter of considerable importance to a large number of people in my district. I wish to suggest an amendment which I think ought to be made to this bill before it passes the House, and as under the special rule I am deprived of the privilege of offering the amendment myself I am going to appeal to the Committee on Ways and Means to offer the amendment and permit the Members to vote on it. It concerns the matter of a tariff duty on sewing machines and sewing-machine parts. Never before, for at least 50 years, was a Republican tariff bill reported or passed that did not provide a protective tariff for this industry. The manufacture of sewing machines is a great industry in my district. It is the principal industry in the town in which I live. Like other domestic industries it was promised, and entitled to believe, that it would receive adequate protection when a Republican Congress revised the tariff. The pledge in the party platform, as I understand it, was for a protective duty equivalent to the difference in the cost of production in this and foreign countries. Under the Dingley law the tariff on sewing machines and sewing-machine parts was 45 per cent; under the Payne-Aldrich bill it was 30 per cent. It remained for the Democratic measure, the Underwood bill, to place them for the first time on the free list. The war coming on immediately and consequently preventing importations operated as a sufficient protection, but now when the world again becomes sane and settles down to business more than ever will this country need protection, because of the much cheaper cost of labor in other countries as compared with this country.

Mr. BACHARACH. Will the gentleman yield?

Mr. FULLER. I would be glad to if I had the time, but I have only a moment remaining.

Mr. BACHARACH. I would like the gentleman to inform the House how many sewing machines were imported.

Mr. FULLER. I can not yield now. I have only a moment remaining. Of course, Germany during the war did not send any sewing machines into this country, and probably not many since the war closed. But that is not the question. The good Lord only knows how many they may send when they get to work in earnest. Consider that wages paid by this industry in the United States are fully five times greater than the wages paid in Germany. They can make these machines there and ship them into this country for less than the labor cost alone to the factories here. The men and women who work in these factories are the ones who will be most benefited by a protective tariff and most injured by free trade. Sixty-two and one-half per cent of the total cost to manufacture sewing machines is paid for labor. One of the first and greatest and most important results of a protective tariff is the benefit to the toilers. Without protection the American standard of living and the American scale of wages can not be maintained.

I am a protectionist. I believe in protecting by adequate duties every American industry that employs only American labor and pays the American scale of wages. Now, placing sewing machines on the free list certainly brings in no revenue, and this is supposed to be a revenue bill. Who, then, is benefited by placing sewing machines on the free list? First, of course, the foreign manufacturer. But there are two kinds of protection. A great corporation or combination, of practically unlimited resources, like the Singer Sewing Machine Co., for instance, with its factories abroad, where they employ the cheaper foreign labor, may be better protected by free trade than by a protective tariff, because they get the benefit of cheaper production, while the independent factories, employing only American labor in America, have no such advantage. So that free trade in sewing machines will benefit the Singer Co., which has great factories in Canada, Great Britain, Russia, and Germany, but it will be at the expense not only of the independent companies having no foreign factories, but also at the ruinous expense of the American laboring man forced by a so-called Republican tariff law to compete on equal terms with the cheapest labor of Germany and Russia. Gentlemen of the House let us be just and let us be true to Republican platform pledges, and grant adequate protection to every American industry that employs only American labor and pays the American wage, against unfair and unequal competition with foreign companies or American companies employing abroad foreign labor at wages far below the American standard. I approve and heartily indorse the protective provisions of this bill. I am more than pleased that it will give adequate protection to the farmers of the country on their products. In many other instances, however, I do not believe that it gives as full protection as it should to many other industries. I do not like its half-and-half free-trade provisions. But my time has expired, and under leave given I extend my remarks by incorporating here a letter from the National Sewing Machine Co., of Belvidere, Ill., and a statement by the Sewing Machine Manufacturers' Association, which to me seem conclusive that the independent manufacturers of sewing machines are entitled to a reasonable protective tariff duty on their product.

The matter referred to is as follows:

BELVIDERE, ILL., *July 12, 1921.*

Hon. CHARLES E. FULLER, M. C.,
Washington, D. C.

DEAR SIR: We are under many obligations to you for your telegram of yesterday apprising us of the fact that the new tariff bill places sewing machines on the free list. We had heard rumors to that effect before, but nothing absolutely definite, and naturally it was both a surprise and a disappointment to us, for if ever there was a time when the sewing-machine industry of the United States needed protection it is now, when, owing to the very adverse exchange conditions that have existed for over a year and a half, our export trade has been cut off almost wholly, and over 20 per cent of our sewing-machine business was from foreign countries.

The loss of such a large percentage of our business is, of course, a very serious blow, and particularly at a time when the domestic demand is so slight, but even though the exchanges of the different countries improved very materially in the course of time, we would still have very little hope of securing foreign trade in any volume, owing to the fact that German manufacturers will have the ascendancy from now on, due to the very low prices which they are enabled to quote because of the very low cost of production. The difference between their costs and ours is infinitely greater now than they ever were in the prewar period, and in that period their labor schedule was so much less than ours that they could always undersell us.

Now, to accentuate our trouble, if we are not allowed a tariff on sewing machines there is no doubt but what this country would be flooded with machines of German manufacture. As based on their present costs, we can not hope to meet their sale prices. The difference in the wage schedule is too great.

We American manufacturers, therefore, must have protection, and it ought to be in the form of a tariff of from 35 to 50 per cent. The latter would not be too much.

What seems odd and inconsistent to us is that in the revenue bill known as H. R. 7456, introduced by Mr. FORDNEY, such articles as musical instruments, bicycles, watches, clocks, phonographs, guns, etc., are protected and the poor and lowly sewing machine, which suffers the keenest competition of all, is placed on the free list. We can not understand why this should be.

We observe, too, that according to the bill, sewing-machine needles and sewing cotton—both being absolutely essential to a sewing machine—have a liberal duty placed upon them. Now, why should these

items be protected and not the sewing machine itself? The needle industry is not near so important here as the sewing-machine industry, inasmuch as the latter employs many thousand hands, who would naturally lose employment by the introduction of German machines.

Last February, in connection with the sewing machine tariff, we filed with the Committee on Ways and Means of the House of Representatives, through the Chamber of Commerce of the United States, a brief in which we answered questions that had been put by the tariff commission, and in this brief we covered the facts as thoroughly as we could. You will find a copy of it inclosed herewith, which will no doubt be a benefit to you in studying the matter.

You, of course, realize that it would be a very serious thing for us if sewing machines are placed on the free list, and that it would be especially serious for our community and we are going to ask you, therefore, to do everything you can to have them placed on a dutiable list and at as high a rate as possible. In the brief we asked for 30 per cent, but since that time Government reports on the wage situation in Germany indicate a much lower schedule than we had knowledge of at the time the brief was written. We refer to the pamphlet entitled "Wages of the United States and Foreign Countries," which was issued by the Government just recently.

Would it, in your opinion, work to our advantage if we sent a copy of this brief to each one of our Illinois Representatives and Senators? We shall be glad to hear from you on this point at your earliest convenience. With our cordial regards, we beg to remain,

Very truly, yours,

NATIONAL SEWING MACHINE CO.,
DAVID PATTON, *President.*

—

SEWING MACHINE MANUFACTURERS' ASSOCIATION,
Belvidere, Ill.

Answering your questionnaire in connection with sewing machines and attachments.

1. Product: Our association manufactures the following types of sewing machines for family use only: Vibrating shuttle, rotary, single thread chain stitch, portable electric and hand machines, the latter being supplied almost wholly to the export trade. A proportion of 60 per cent high-grade machines against 40 per cent medium-grade machines.

2. Material: Gray iron castings, steel, and cabinetwork, the latter being of oak and walnut, but principally oak. At the present time there is no difficulty being experienced in obtaining adequate supplies of the above-named materials.

3. Equipment: Snop machinery and equipment is entirely of American manufacture. We have had no advantage over foreign competitors on these items as practically the same types of macinery are, necessarily, used by them.

4. Methods of production: Cast-iron parts are made on molding machines and machined by the use of special jigs and fixtures. Steel parts made to standard gauge on automatic and hand-screw machines—foreign manufacturers operate in the same manner. All labor-saving equipment possible is used in our plants, as well as in the plants located in foreign countries.

5. Organization: Efficient conduct of the business necessitates heavy investment, an expert organization, and a wide market, the latter requiring heavy capital in proportion to the volume of business transacted. A large volume of sales with a small profit per unit of production is the history of the industry. Products are sold through jobbers, mail-order houses, dealers, and direct to the consumer, the latter in a comparatively small way.

6. History of the industry: With one exception, the company members of this association have been established for over 30 years. The development of the industry in the United States has been largely due to tariff protection prior to 1913, when sewing machines were placed on the free list. There have been no new manufacturing organizations (with one exception, above noted) established during the last 30 years, emphasizing the fact that new capital is not attracted to this industry on account of slender profits as outlined in paragraph 5. Shortly after sewing machines were placed on the free list in 1913 German manufacturers instituted a campaign for business in this country and were rapidly gaining a foothold owing to their ability to undersell us, due to lower cost of production, when the European war broke out, bringing an end to their campaign. A member company, the Davis Sewing Machine Co., Dayton, Ohio, reports that in the spring of 1914 one of their customers, located at Cincinnati, Ohio, showed them a German machine on which his laid-down cost in Cincinnati was less than their bottom price on a corresponding type of machine f. o. b. Dayton, Ohio.

7. Domestic production: The combined net sales of association (except the King Sewing Machine Co., Buffalo, N. Y.) during the past 10 years were as follows:

1910	$8,642,211,32
1911	8,725,481.78
1912	7,758,408.09
1913	7,964,923.51
1914	6,502,671.64
1915	6,389,457.67
1916	7,611,718.70
1917	10,302,111.32
1918	11,474,965.37
1919	13,349,616.37
Total	88,721,565.77

8. Domestic exports: Four of the members of the association have exported sewing machines for over 30 years, the average exportations equaling about 15 per cent of the entire output. Exportations are made generally to all parts of the world excepting Europe, where, with the exception hereinafter noted, we have been unable to compete because that territory was controlled by German and English manufacturers, particularly the former, with whom we are unable to compete on account of higher costs of manufacture. During the war period and shortly thereafter American manufacturers were enabled to sell a limited number of sewing machines in European allied and neutral countries, due to the fact that German source of supply was cut off. This temporary advantage is now gone, and Germany has already again obtained control of these markets, as is evidenced by foreign files of association members, which are available for your inspection. It is pointed out that an additional handicap is being imposed at the present time on account of adverse exchange conditions all over the world, which, for the time being, make it impossible for American manufacturers to transact foreign business in any part of the world. Generally speaking, members of the association have found it necessary to sell sewing machines at cost in foreign markets in order to gain any business whatever in competition with Germany and England. In Canada we have to contend with a duty of 30 per cent, which has been imposed by the Canadian Government to protect home manufacturers. The great English house of Vickers is also a formidable competitor in this and other fields. American-made sewing machines are preferred in certain foreign countries by reason of being superior in appearance and design to foreign-made machines, and in such fields are certain discriminating merchants who are willing to and do pay a little more for them, otherwise the foreign business of the association would be even less than it actually is.

9. Foreign manufacturers: Prior to the war there were approximately two and one-half times as many manufacturers of sewing machines in Germany as there are in the United States, the latter numbering eight, and it is estimated by good authorities that the German output is approximately 150 per cent greater than ours. Great Britain is also a competitor, having three prominent sewing-machine manufacturers, the house of Vickers, before mentioned, and Jones and Singer. France recently established two sewing-machine factories, and Sweden has had one for some years. In Russia and Prussia are located large plants of the Singer Co., an American institution.

10. The imports: Shortly before the outbreak of the war German-made family sewing machines made their appearance in this country purchased at prices, freight included, which we could not meet for machines of a similar quality. Had not the war served to effectually stop the exportation of German-made sewing machines to this country, it is a foregone conclusion that our home industry would have been seriously impaired. There is no demand in this country for any form of sewing machine or attachment thereto which is not made in this country. With one exception—the White Sewing Machine Co., which operates a plant in Guelph, Canada—no member of the association manufactures elsewhere than in the United States. It is pointed out that the Singer Manufacturing Co., an American corporation, operating plants in Scotland, Prussia, and Russia, where costs of manufacture are much less than in this country, may find it practicable and desirable to ship machines to the United States for domestic use in case there is no duty, as at the present time.

11. Following are average sale prices received during the past 10 years by members of the association for high, medium-grade, and hand machines:

Year.	High grade.	Medium grade.	Hand machines.
1912	$22.24	$14.08	$6.66
1913	22.29	14.24	6.65
1914	22.41	13.86	6.65
1915	22.91	13.90	7.08
1916	23.23	14.16	7.43
1917	24.77	15.30	8.50
1918	31.43	19.57	10.96
1919	35.91	24.15	13.45
1920	45.41	31.81	18.51

Attention is called to the fact that increases in costs of material greatly exceeded labor increases, thus accounting for what might otherwise be deemed a disparity in the advances in prices on sewing machines, as compared with labor advances. For instance, pig iron advanced from an average price of $17 in 1917 to an average price of $42.50 in 1920, approximately 150 per cent; steel advanced from an average price of $2.50 per hundredweight in 1914 to an average price of $7 in 1920, approximately 180 per cent; quartered oak advanced from an average price of $43 in 1914 to an average price of $230 in 1920, approximately 435 per cent.

12. Basic patents on family sewing machines expired many years ago. Generally speaking, all member companies own sewing machine patents on minor improvements, none of which is considered consequential by the industry.

13. Wage averages for certain periods as submitted by various companies are as follows:

Free Sewing Machine Co., Rockford, Ill.

Class of labor.	Prewar.	Present.
	Cents.	*Cents.*
Toolmakers	31	63
Machinists	27	64
Polishers	28	75
Bench workers	29	70
Molders	27	72
Laborers	22	47

Standard Sewing Machine Co., Cleveland, Ohio.

Average wage:	Cents.
1905	19
1910	21
1915	29
1918	38
1920	55

White Sewing Machine Co., Cleveland, Ohio.

Class of labor.	1917	Present.
	Cents.	*Cents.*
Toolmakers	49	84
Machinists	43	75
Polishers	47	87
Bench workers	42	82
Laborers	33	60
Molders	None.	None.

Davis Sewing Machine Co., Dayton, Ohio.

JULY, 1913.	Per day.
Toolmakers	$4.00
Screw makers	3.25
Bicycle assemblers	3.00
Sewing machine assemblers	2.75
Automatic machine men	3.50–3.75
Molders	3.50

MAY, 1920.	Per day.
Toolmakers	$9.00
Screw makers	7.20
Bicycle assemblers	6.70
Sewing machine assemblers	6.50
Automatic machine men	7.50
Molders	7.50

New Home Sewing Machine Co., Orange, Mass.

Present scale of wages fully 100 per cent higher than prewar schedule.

National Sewing Machine Co., Belvidere, Ill.

	Per hour.
May, 1912, total shop average	$0.236
May, 1913, total shop average	.251
May, 1914, total shop average	.266
May, 1915, total shop average	.269
May, 1916, total shop average	.269
May, 1917, total shop average	.293
May, 1918, total shop average	.334
May, 1919, total shop average	.396
May, 1920, total shop average	.516

Increase, 118 per cent.

14. COST OF OPERATION.

The percentage of the total cost of an average sewing machine at the present time is: Labor, 62½ per cent; material, 37½ per cent. In the latter is included the three basic items—lumber, iron, and steel—as well as all others. From the best authority available, we are of the opinion that the German wage scale is approximately 50 per cent of the American scale. Using as a basis the figures of $12 for labor on a complete sewing machine, the German manufacturers would have an advantage in labor cost alone of $6 per machine, which, incidentally, is far greater than net profit per machine experienced by any association member. It is assumed that foreign manufacturers obtain their raw materials on as favorable a basis or on a more favorable basis than do American manufacturers.

15. Tariff consideration: Prior to the war tariff on sewing machines was 30 per cent, and during that period practically no German family sewing machines were sold in this country, partially, no doubt, because Germany at that time had a very large export trade in markets where tariff was no obstacle or where they were on an equal basis with other manufacturers. The prewar tariff of 30 per cent is not, in our opinion, prohibitive of German exportation to this country. Had family sewing machines been on the free list prior to the war it would have been well within Germany's power to seriously cripple, if not ruin, the industry in this country. If any article of American manufacture requires and merits the advantage of a protective tariff, it is certainly the family sewing machine, where 62½ per cent of the cost is labor. We are of the firm conviction that a minimum tariff of 30 per cent on family sewing machines is needed to properly protect the industry in the United States.

Remarks: The Singer Manufacturing Co. is recognized as an American concern, but it should be borne in mind that they have factories in Great Britain, Canada, Germany, and Russia. The Singer Co. controls approximately 95 per cent of the power sewing-machine business, as well as a very substantial family sewing-machine business. There are certain types of power machines which, perhaps, they can manufacture as cheaply in the United States as in their foreign factories, the same being well covered by patents, but in the case of family sewing machines they are well equipped to manufacture abroad machines suitable for the United States at a lower price than the same can be made in this country, and it has been reported that they do actually ship family sewing machines into the United States from abroad. We suggest that there be two classifications both for export and import information relating to sewing machines, and recommend that family sewing machines be distinguished from factory or power machines, in order that those interested may at all times be reliably informed as to the export and import of both types.

The members of this association are not particularly interested in the export or import of power machines. They are vitally concerned in the movement of family or household machines, which are of more ancient origin, and basic patents have expired. Family sewing-machine industry must have tariff protection in order to survive German and other foreign competition.

Respectfully submitted.

SEWING MACHINE MANUFACTURERS' ASSOCIATION,
———— ————, *Secretary.*

Association members: Davis Sewing Machine Co., Dayton, Ohio; New Home Sewing Machine Co., Orange, Mass.; White Sewing Machine Co., Cleveland, Ohio; Standard Sewing Machine Co., Cleveland, Ohio; Free Sewing Machine Co., Rockford, Ill.; National Sewing Machine Co., Belvidere, Ill.

DATA ON GERMAN SEWING MACHINE PRICES AND COSTS OF AMERICAN SEWING MACHINE MANUFACTURERS FOR THE CONSIDERATION OF THE WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRESENTATIVES.

(Presented by Sewing Machine Manufacturers' Association of the United States.)

The prices named are currently quoted by two prominent German sewing machine manufacturers—Seidel & Naumann (Dresden) and G. Winselmann (Altenburg). These quotations were recently received by prominent American sewing machine dealers, and in addition the association has on file letters and similar quotations from four other German manufacturers. All prices are f. o. b. Hamburg and are subject to a discount of 2 and 4 per cent. The American costs do not include any executive or selling expense whatever, but cover only material and labor.

Name of manufacturer.	Type of machine.	Price f. o. b. Hamburg.	American manufacturers' cost.
G. Winselmann, Altenburg	"P" iron base, hand	$5.89	$8.02
Do	"P" wood base and cover, hand.	7.62	13.31
Seidel & Naumann, Dresden	"B" iron base, hand	9.22	9.68
Do	"B" wood base and cover, hand.	10.82	15.33
Do	"R" wood base and cover, rotary, hand.	14.20	20.33
Do	"V" drop head, vibrating, treadle.	21.60	25.64
Do	"R" drop head, rotary, treadle.	25.60	30.35

The above authentic information is offered by the Sewing Machine Manufacturers' Association in addition to brief submitted February 21, as further proof of the urgent need of tariff on sewing machines for the purpose of protecting the sewing machine industry of the United States.

Respectfully submitted.

SEWING MACHINE MANUFACTURERS' ASSOCIATION.
Per ———— ————, *Secretary.*

Mr. YOUNG. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. YOUNG. To offer some committee amendments. Page 181, paragraph 1502, line 24, after the word "leaves," strike out the word "of" and insert the word "and" in lieu thereof.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. YOUNG: Page 181, paragraph 1502, line 24, after the word "leaves," strike out the word "of" and insert the word "and" in lieu thereof.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. YOUNG].

The question was taken, and the amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 182, paragraph 1504, line 9, at the end of the line, strike out the word "and" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from North Dakota offers another amendment, which the Clerk will report.

The Clerk read as follows:

Page 184, paragraph 1508, line 19, after the word "scientific," strike out the word "and" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from North Dakota offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Page 182, line 14, after the word "kind," strike out the word "and" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 187, line 4, after the word "refuse" strike out the word "and" after the word "sand" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GARRETT of Tennessee. Will the gentleman from North Dakota yield?

Mr. YOUNG. Yes.

Mr. GARRETT of Tennessee. Is the gentleman quite sure that that amendment ought to be made? It seems to me the word "and" is all right there.

Mr. YOUNG. That is the amendment which the committee thought ought to be made. As amended it would read this way:

PAR. 1515. Asbestos, unmanufactured, asbestos crudes, fibers, stucco, and sand, or refuse containing not more than 15 per cent of foreign matter.

It is entirely separate and distinct if we use the word "or."

Mr. GARRETT of Tennessee. Does that mean refuse of asbestos?

Mr. YOUNG. Yes.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from North Dakota.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 188, line 21, after the word "scientific," strike out the word "and" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from North Dakota offers another amendment which the Clerk will report.

The Clerk read as follows:

Page 190, line 9, strike out the word "cyanamide" and insert the word "cyanamid," in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken and the amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 191, line 24, strike out the comma after the word "cocoa."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another amendment, which I send to the Clerk's desk.

Mr. GARNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARNER. Does the gentleman offer these as committee amendments?

Mr. YOUNG. Yes; these are all committee amendments.

Mr. GARNER. I think he ought to say, then, "I offer the following committee amendment," so that the RECORD will so show.

Mr. BANKHEAD. I would like to ask the gentleman if the amendments that he is offering now were acted on formally at a full meeting of the committee.

Mr. YOUNG. Yes; all of them.

Mr. GARNER. May I say to the gentleman from Alabama——

Mr. GREEN of Iowa. If the gentleman from Alabama will permit, I think the gentleman from North Dakota is perhaps incorrect in that statement. Of course, we have adopted a large number of these amendments in the full committee, but I do not think that these particular amendments were. I think they were ratified as part of the clerical amendments by the Republican majority and covered by the resolution which was passed by the committee.

Mr. BANKHEAD. In reference to this particular amendment the gentleman has offered, was that amendment acted upon by the committee at its meeting?

Mr. GREEN of Iowa. Not that I know of. It was approved of in the manner required by the rule.

Mr. BANKHEAD. Then, Mr. Chairman, I make a point of order that this amendment that is offered is not offered in accordance with the resolution of the Committee on Ways and Means, in that the majority of the committee had not met and acted upon that amendment.

Mr. GREEN of Iowa. I misunderstood the gentleman from Alabama. A majority of the committee did approve this. I thought the gentleman was asking whether the whole committee, including the minority, approved the amendment.

Mr. BANKHEAD. On that statement of facts I withdraw the point of order.

Mr. GARNER. Mr. Chairman, I rise in opposition to the amendment of the gentleman from North Dakota.

The CHAIRMAN. The gentleman from Texas is recognized in opposition to the amendment.

Mr. GARNER. Mr. Chairman, I simply want to say for the benefit of the gentleman from Alabama [Mr. BANKHEAD], as well as other Members of the House and members of the committee, that these amendments that are being offered have not been approved by the whole committee. The membership of the committee, outside of the Member who offers them, know absolutely nothing about them and know absolutely nothing about what effect they will have. The change of the word "or" to the word "and," or vice versa, or the substitution of a semicolon for a comma may have some effect, but they do not know what effect it will have.

These amendments were considered en bloc in the committee, and no one could go into any detail to ascertain what effect the changes would have on the schedules or on the paragraphs. So the minority of the committee took the position that they did not care to obstruct the proceedings of the committee, but that they would register their protest against these various amendments upon the general ground that without knowledge as to the effect of these amendments they could not consistently vote upon them. However, they register no protest against the ratification of these various amendments, because, as I say, they know nothing about them.

Mr. GREEN of Iowa. I will say to the gentleman that this is one of the amendments on the list of which I gave the gentleman from Texas a copy several days ago.

Mr. GARNER. I understand that. The gentleman gave me a copy of a list of amendments where he wanted to add an "s" here and there, or abstract or insert a comma and substitute a semicolon, and one thing and another of that kind. The majority of them were insignificant amendments. But a large portion of these amendments have been sent to the Committee on Ways and Means by the Tariff Commission or by some experts, or supposed experts, in the Treasury Department, and I do not know whether the members of the Tariff Commission looked after these provisions themselves or not. But the gentlemen know, as I know, that it is possible sometimes by a change of punctuation—the insertion of a semicolon or a comma, or the removal of a semicolon or a comma or a period—to modify the rates in this bill and by such an amendment vitally change the character or operation of a provision in the bill. I do not know that the committee has looked over these amendments. It may be that an employee, a trusted employee, perhaps, has suggested these amendments; and it is easily possible, Mr. Chairman, that the amendments have been made at the suggestion of certain interests of this country where, if the committee had knowledge of them, or the Tariff Commission had knowledge of them, or the Treasury Department had full knowledge of what is being suggested, they would not agree to it. So I wash my hands of it, and I think the minority wash their hands of it, as to these technical amendments that are offered now as committee amendments. We know nothing about them, and therefore we assume no responsibility for them.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. GARNER. Yes.

Mr. LONGWORTH. The gentleman from Texas has just made a statement of a fact that I desired to bring out myself—that these routine, technical amendments were all suggested by the Tariff Commission. As I understand it, the best experts on each particular schedule went over each schedule carefully, item by item, and submitted their various recommendations as to these amendments to the Tariff Commission, and every one of them has the indorsement of the entire Tariff Commission. The possibility is that mistakes may be made there, just as they are made in the House, but the chances are that all of these amendments are proper amendments.

Mr. GARNER. Mr. Chairman, I am glad to have the gentleman from Ohio confirm what I said, that the membership of the Committee on Ways and Means, including both the Republicans and Democrats, know nothing about these amendments or what effect they will have, but that they are trusting the Tariff Commission and the Treasury Department experts who suggested them.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. GARNER. Yes.

Mr. LONGWORTH. So far as concerns those that we are now considering, I will say to the gentleman that I have gone over them carefully and that I have given them my indorsement.

Mr. BANKHEAD. That makes them all the more dangerous. [Laughter.]

Mr. GARNER. That is what I say. The gentleman from Ohio has knowledge of his amendments, but the gentleman from Iowa [Mr. GREEN] does not know anything about the amendments that he offers. The trouble is that the gentleman from Iowa presumes to know everything, and the result

is that he knows very little about anything so far as this bill is concerned. [Laughter.] He will tell you that he knows all about these amendments and that he has gone over all of them, but as a matter of fact it is all in his imagination that he knows anything about them. [Laughter.]

Mr. GREEN of Iowa. Mr. Chairman, I am glad to receive so fine a compliment from the gentleman from Texas, and——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARNER. Mr. Chairman, I ask unanimous consent to proceed for two minutes more in order to modify my statement respecting the gentleman from Iowa. [Laughter.]

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for two minutes more. Is there objection?

There was no objection.

Mr. MANN. Do I understand the gentleman from Texas to ask unanimous consent to proceed outside the usual limit allowed? The gentleman has objected to every other Member of the House doing that. [Laughter.]

Mr. GARNER. Well, if the gentleman from Illinois will object, the gentleman from Texas will take his seat.

Mr. MANN. I will not object.

Mr. GARNER. If the gentleman from Texas wanted to get any time, really, the gentleman from Texas and his colleagues on this side would compel the gentleman from Illinois and his colleagues over there to bring in another rule to secure a vote on this bill by 3 o'clock to-morrow. Otherwise you could not do it if you stayed in session from now until that time. The minority is tolerant of the majority and is giving them every opportunity they can to perfect this bill. We had hoped to offer some meritorious amendments to this bill, but we see now that that is not going to be allowed on this bill, because by the time you pass upon the committee amendments that will be offered the hour of 3 o'clock will have arrived to-morrow.

But, Mr. Chairman, before I take my seat I want to say that I did not mean what I said facetiously, that the gentleman from Iowa [Mr. GREEN] knew nothing about this bill. What I did mean to say is that the gentleman from Iowa undertakes to master every detail of every schedule and every paragraph and every item and amendment in it, so that really when it comes to the practical test he knows less about the real merits of any particular schedule than any gentleman on the floor of the House. [Laughter.]

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. GARNER. Yes.

Mr. BUTLER. Does the gentleman think he has improved his statement any? [Laughter.]

Mr. BANKHEAD. Mr. Chairman, I am glad the gentleman from Texas has taken the sting out of his remarks. [Laughter.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. LONGWORTH. Mr. Chairman, in order to save the gentleman from Texas embarrassment, I ask unanimous consent that he may proceed for three minutes more.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the gentleman from Texas may proceed for three minutes more.

Mr. BYRNES of South Carolina. Mr. Chairman, I hope he will not. If the gentleman from Texas again modifies his remarks, he will make them worse. [Laughter.]

Mr. LONGWORTH. The gentleman from Texas is embarrassed and wishes to proceed. Therefore, to relieve him from embarrassment I ask unanimous consent that he may proceed for three minutes.

Mr. GREEN of Iowa. Mr. Chairman, I am more than delighted with the compliment paid me by the gentleman from Texas [Mr. GARNER], who says that I have studied every paragraph of this bill and that I have examined every amendment. I have done so. But I do not precisely agree with the last statement of the gentleman from Texas, and I hope I am not like the gentleman from Texas, who admits that he can not tell the effect of substituting a semicolon for a comma, and that after having these amendments for three or four days with an opportunity to study them he can not tell anything about what they mean. I have heard a good many charges against the ignorance and incompetence of gentlemen upon the other side, but I have heard none that equaled the one which the gentleman from Texas has made against his own side to-day, that, after having these amendments for three days, gentlemen on that side can not tell what they mean or what will be the effect of a comma or what will be the effect of the change of a figure. [Laughter.]

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from North Dakota [Mr. YOUNG].

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: Page 195, line 4, before the word "Artillery," strike out the word "and" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: Page 199, line 3, after the word "sewing," strike out the word "and" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: Page 203, line 18, before the words "stone ware," strike out the word "and" and insert the word "or" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: Page 199, line 11, after the word "shell," insert the following: "And broken coconut meat or copra."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from North Dakota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: Page 232, section 316, strike out lines 6 to 25, inclusive, and all of page 233, and lines 1 to 5, inclusive, of page 234, and insert in lieu thereof the following:

"SEC. 316. That where imported materials on which duties have been paid are used in the manufacture of articles manufactured or produced in the United States, there shall be allowed on the exportation of such articles a drawback equal in amount to the duties paid on the materials used, less 1 per cent of such duties: *Provided*, That when the articles exported are made in part from domestic materials the imported materials, or the parts of the articles made from such materials, shall so appear in the completed articles that the quantity or measure thereof may be ascertained: *And provided further*, That the drawback on any article allowed under existing law shall be continued at the rate herein provided. That the imported materials used in the manufacture or production of articles entitled to drawback of customs duties when exported shall, in all cases where drawback of duties paid on such materials is claimed, be identified, the quantity of such materials used and the amount of duties paid thereon shall be ascertained, the facts of the manufacture or production of such articles in the United States and their exportation therefrom shall be determined, and the drawback due thereon shall be paid to the manufacturer, producer, or exporter, to the agent of either or to the person to whom such manufacturer, producer, exporter, or agent shall in writing order such drawback paid, under such regulations as the Secretary of the Treasury shall prescribe.

"That on the exportation of medicinal or toilet preparations (including perfumery) hereafter manufactured or produced in the United States in part from domestic alcohol on which an internal-revenue tax has been paid, there shall be allowed a drawback equal in amount to the tax found to have been paid on the alcohol so used: *Provided*, That no other than domestic tax-paid alcohol shall have been used in the manufacture or production of such preparations. Such drawback shall be determined and paid under such rules and regulations, and upon the filing of such notices, bonds, bills of lading, and other evidence of payment of tax and exportation, as the Secretary of the Treasury shall prescribe."

Mr. GARNER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Texas rise?

Mr. GARNER. I want to discuss this amendment, if it is in order.

The CHAIRMAN. The gentleman from North Dakota has the floor.

Mr. COLLIER. Will the gentleman from North Dakota yield?

Mr. YOUNG. Yes; I yield to the gentleman from Mississippi.

Mr. COLLIER. Is this a committee amendment, or is this the amendment that the gentleman stated at the beginning of the discussion——

Mr. YOUNG. It is a committee amendment agreed upon in full committee.

Mr. COLLIER. This is the one agreed upon?

Mr. YOUNG. Yes; last evening.

Mr. COLLIER. This is the one, as I understand it, that is taken almost bodily from the old Payne Act?

Mr. YOUNG. Yes.

Mr. CHINDBLOM. Does the gentleman propose to tell us how this differs from the provision now in the bill?

Mr. YOUNG. Yes; I will attempt to state that briefly. The drawback provision contained in the bill when it was reported would permit drawbacks without identifying the articles exported. The members of the committee are of the belief that we should use the Payne law provision, which is substantially the same as the Underwood law provision, which requires the identity of the article exported to be established before a drawback can be had.

Mr. MANN. Will the gentleman yield for a question?

Mr. YOUNG. Yes.

Mr. MANN. Take a specific case. If Canadian wheat which has paid a duty be used in the manufacture of flour for export, mixed with American wheat, is it possible to identify that so as to get a drawback? Or is the purpose of this amendment to prevent drawbacks?

Mr. YOUNG. I will not say what the purpose is, but the effect of it would be that if American wheat of an inferior quality were added to Canadian wheat and ground into flour, it would not be possible to identify it, and therefore no drawback could be obtained, and that would also be true in the case of sugar.

Mr. MANN. Is it possible in any event to identify an article which is mixed with another article and commingled so that it can not be separated?

Mr. YOUNG. No; it can not be done.

Mr. MANN. Then this drawback provision means nothing in the way of drawbacks?

Mr. YOUNG. Upon the contrary it means very much. The provision of the bill, as reported, would practically nullify the duty on wheat. If this amendment is agreed to, the duty on wheat will be effective.

Mr. FORDNEY. If the gentleman will permit me, under the law as it has always been since the passage of the Dingley law, under the Dingley law and the Payne law the exporter must to the satisfaction of the Secretary of the Treasury identify the article of export as being an imported article, or he will not get the drawback.

Mr. MANN. I understand that, but that is a different provision from this. It is easy enough for the Treasury Department to identify the fact that imported wheat has been used in the manufacture of flour. That is a different thing; but this proposition, as it seems to me, is a requirement that after the manufacture you must be able to identify the substance separately from the other, and, of course, that is impossible.

Mr. FORDNEY. No; the Payne law did not intend to do that, and did not do that, but it must be established to the satisfaction of the Government.

Mr. MANN. I know the Payne law did not do it——

Mr. FORDNEY. That is what we are offering now.

Mr. MANN. I am inclined to think that this is not the Payne law.

Mr. YOUNG. It is the Payne law, word for word, so far as the element of identity is concerned.

Mr. FORDNEY. We are striking out the drawback as the committee reported it to the House, and substituting the Payne law.

Mr. MANN. I have no criticism to make of the gentleman's position, but it looked to me as though it was an effort to prevent the use of Canadian wheat mixed with American wheat.

Mr. GARNER. Mr. Chairman, I want to say to the gentleman from Illinois [Mr. MANN] that this only illustrates what I said a while ago, that these amendments are being offered when no one knows what they contain or what the effect will be. I take it for granted that the gentleman from North Dakota is speaking the truth as far as he knows—that it is a copy of the Payne drawback provision; but whether he made the copy or not I do not know. Evidently some clerk made it and told him that it was a copy, but I doubt very much whether the gentleman from North Dakota ever verified it to see whether it was a copy or not. It illustrates how the bill is made up and has been made up during the last 70 days by the committee—without information—by taking the word of somebody else that this was so-and-so and this is what we want to do, and the result is they adopted it. I want to congratulate the committee, however, on changing some things in this bill back to the Payne provisions. If this bill could be changed back to the Payne provisions entirely it would be a much better bill, so far as the effect on the country is concerned, in my opinion. This bill, when it goes into effect, if it ever does—and of course it will not; it never will become a law in its present condition, because the average rates in this bill will be 50 per cent higher than the Payne rates. The provision in this bill gives an advantage to the drawback people. The gentleman from Michigan discovered it, or it was discovered by some of his enterprising friends who are interested in the drawback, and called his attention to it. In the controversy as to those who wanted this and those who wanted that, the best thing Mr. FORDNEY could do was to say, "Well, boys, here is the Payne Act, and that will be all right. We have worked under that quite a while." If you will go right along now and adopt the Payne provisions and strike out the American valuation, adopt the Payne law, it would be better than this bill.

Mr. FORDNEY. I will say to the gentleman that the Underwood tariff law did not stand the test in the courts and was declared unconstitutional. We are making this constitutional.

Mr. GARNER. The gentleman from Michigan does not know whether it is constitutional or not.

Mr. FORDNEY. Oh, yes; we will see to that. Now, the gentleman from Texas agreed last evening to this very amendment, and now he does not know what it is.

Mr. GARNER. I did not say that I did not know what it was. I said I did not know whether it was the Payne provision. The fact is some one comes to the gentleman from Michigan and says, "Here, this cuts down the rates," and the gentleman from Michigan says, "Well, brother, I did not notice that." When a proposition is made to him he says, "Brother, this ought to be done," and I notice that he said to the gentleman from Illinois, "Brother, this is the Payne law."

Mr. MANN. And that was the strongest part of his argument. [Laughter.]

The CHAIRMAN. The time of the gentleman from Texas has expired, and the question is on agreeing to the amendment offered by the gentleman from North Dakota.

The question was taken, and the amendment was agreed to.

Mr. BACHARACH. Mr. Chairman, I offer the following committee amendment which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 25, line 15, strike out the figures "12½" and insert in lieu thereof the figures "11."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. BACHARACH. Mr. Chairman, I offer a further committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 36, lines 14 and 15, strike out the following: "Seven-eighths of 1 inch or over in thickness."

Mr. GARNER. Mr. Chairman, I merely want to call attention to the fact that in this bill and all tariff bills the classification has just as much to do with the rates in the bill as the rates themselves. This changes the classification. I would like to ask the gentleman from New Jersey what effect this will have on this particular class. Evidently there was some purpose to put it seven-eighths of an inch and now to strike out seven-eighths of an inch—I am not sufficiently informed or sufficiently familiar with the commercial conditions of the country and the imports of the goods in that classification to estimate the result.

Mr. GREEN of Iowa. If the gentleman has not succeeded in getting any light within the last two or three days, there is no use to try to enlighten him.

Mr. GARNER. Now, the gentleman from Iowa imagines that he knows all about it.

Mr. BACHARACH. This is a quarry tile, and in many cases it is less than seven-eighths of an inch.

Mr. GARRETT of Tennessee. Was not there a committee amendment to this adopted yesterday?

Mr. BACHARACH. I think not, I haven't heard of it.

Mr. GREEN of Iowa. I think there was.

Mr. BACHARACH. No; the gentleman from Iowa is mistaken.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. BACHARACH. Yes.

Mr. GARNER. The gentleman says that he thinks the gentleman from Iowa [Mr. GREEN] is in error?

Mr. BACHARACH. It is not often that he makes a mistake, but I think he may have made an error this time.

Mr. GARNER. The gentleman will have to leave that to the gentleman from Iowa.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey.

The amendment was agreed to.

Mr. BACHARACH. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Page 38, line 11, strike out the figure "6" and insert in lieu thereof the figure "4," and in line 14 strike out "12" and insert "10," and in line 15 strike out "6" and insert "4."

Mr. BACHARACH. Mr. Chairman, I will say for the information of the committee that this reduces the rate on mica.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 26, between lines 10 and 11, insert a new paragraph to read as follows:

"Bromine and all bromine compounds not specially provided for, 10 cents a pound."

Mr. FORDNEY. Mr. Chairman, I do not care to discuss this unless someone desires an explanation.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. GARNER. It seems to me that since the gentleman is putting a new paragraph into the bill, he ought to explain what it is to the committee.

Mr. FORDNEY. Mr. Chairman, it is changing from an ad valorem of 25 per cent as provided for in the bill to a specific of 10 cents per pound.

Mr. GARNER. What is the ad valorem?

Mr. FORDNEY. The value of bromine and bromide varies greatly. Many countries, especially Germany, have brought in those chemicals and sold them in this country for 10 and 12 cents a pound, when their real market value should be—yielding a profit to the manufacturer—40 or 45 cents per pound. They sell below the cost of production in order to prevent its manufacture in this country. The ad valorem under such circumstances will give no measure of protection at all.

Mr. GARNER. I understand then that the gentleman's object in offering the amendment changing from an ad valorem to a specific is to give greater protection to the industry.

Mr. FORDNEY. When the price is abnormally low; yes. The gentleman is correct for once.

Mr. LONGWORTH. Mr. Chairman, will the gentleman from Michigan yield?

Mr. FORDNEY. Yes.

Mr. LONGWORTH. Mr. Chairman, in further explanation, bromine was not mentioned in the original draft of the bill. Consequently it comes under the basket clause, carrying 25 per cent. As the gentleman from Michigan [Mr. FORDNEY] says, it has varied greatly in price, but we are pretty well satisfied now that a fairly stable basis has been reached. As a matter of fact, a duty of 10 cents a pound, as provided for in the amendment, is not so high as 25 per cent ad valorem, as provided for in the bill.

Mr. GARNER. When the gentleman from Ohio speaks of "we," he means those who are getting the benefit of this tax?

Mr. LONGWORTH. I am speaking of the committee who drafted the bill.

Mr. GARNER. The gentleman thinks normalcy has been reached with reference to the price of this article, and he prefers a specific to an ad valorem duty?

Mr. LONGWORTH. Always, if possible.

Mr. GARNER. While the gentleman from Michigan explains that because he anticipates there will be further reductions, therefore that the ad valorem will not give sufficient protection. I imagine the gentleman from Ohio has the same idea?

Mr. LONGWORTH. Not at all. I am speaking of the reduction of normal price. I agree entirely with what the gentleman says as to the possibility of Germany undercutting at an actual loss to herself in order to destroy American industry.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Page 32, line 24, after the semicolon insert: "Bromides 10 cents per pound"; and after the word "bicarbonate," in the same line, strike out the word "bromide."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Page 33, line 11, after the comma following the word "bromide," strike out "25 per centum ad valorem" and insert in lieu thereof "10 cents per pound."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 100, line 2, strike out "$1.50 per ton" and insert "15 per cent ad valorem" in lieu thereof.

Mr. FORDNEY. Mr. Chairman, does the gentleman want any information on that?

Mr. GARNER. No; I do not suppose it is necessary. It would not do the gentleman's side of the House any good to give an explanation anyway, because they are voting for these things without any explanation, and I do not know that the gentleman could give very much. One can hardly blame gentlemen on the Republican side for their vote, but I suggest that here is one place where the gentleman changes from an ad valorem to a specific, and now he wants to change from a specific to an ad valorem. I am just wondering how he arrived at that rate.

Mr. FORDNEY. Mr. Chairman, in the duty of 25 cents a bushel which is provided for in this bill on imported wheat, when the flour is exported, there is a drawback given. Many times, or in almost all cases, when flour is exported the by-products are marketed in this country—bran and middlings. Bran and middlings should pay a duty when marketed in this country, produced from imported wheat manufactured into flour and into by-products. The bill provided for $1.50 per ton duty on by-products—bran and middlings—which are selling at the present time for $32 per ton.

The normal price for bran and middlings when wheat sells at 80 cents to $1 a bushel is $15 per ton, therefore $1.50 per ton on a $30 article is but 5 per cent ad valorem, and entirely out of proportion with any other rates of duty on wheat or on the flour. This is intended to make a correction, because the price of bran and middlings fluctuates and runs between $20 and $45 a ton.

Mr. GARNER. The object of this amendment, as I understand, is to increase the rate of this particular article?

Mr. FORDNEY. If bran and middlings are sold at an abnormally low price, yes, my beloved brother.

Mr. GARNER. That is what I understand——

Mr. FORDNEY. The gentleman understood it before he asked the question, but he is correct.

Mr. GARNER. I know it. I understand that by the adoption of this amendment it will increase this particular rate about 200 per cent over what it is in the bill?

Mr. FORDNEY. It catches the foreigner by the neck and shakes the money out of his trousers when he attempts to escape the just payment of import duties. I ask for a vote.

Mr. GARNER. I understand it will make it $4.80 a ton under present conditions instead of $1.50?

Mr. FORDNEY. About that, that would be about correct.

The question was taken, and the Chair announced that the ayes appeared to have it.

On a division (demanded by Mr. GARNER) there were—ayes 70, noes 38.

So the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer one more amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 88, strike out all of lines 13 to 19, inclusive, and insert in lieu thereof the following:

"PAR. 401. Cedar commercially known as Spanish cedar, lignumvitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, Japanese white oak and Japanese maple in the log, 10 per cent ad valorem; in the form of sawed boards, planks, deals, and all other forms, not further manufactured than sawed, 15 per cent ad valorem; veneers of wood and wood unmanufactured, not specially provided for, 20 per cent ad valorem."

Mr. GARRETT of Tennessee rose.

Mr. FORDNEY. Does the gentleman want any explanation? The bill provides for 15 per cent ad valorem on logs of this character, cabinet woods, none of which grow in the United States, and the same rate of duty is provided for on lumber manufactured from logs. We have thought it was inadvisable to have the same rate of duty on the log that we have on the lumber, and therefore have reduced the duty 5 per cent on the logs, which make it 10 per cent on logs and 15 per cent on lumber and 20 per cent on veneers, and 15 and 20 is provided

on lumber and veneers in the bill as originally written. This lowers the duty on logs from 15 to 10 per cent.

Mr. GARRETT of Tennessee. That would seem to be a pretty good amendment.

The question was taken, and the amendment was agreed to.

Mr. BACHARACH. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 99, line 18, after the word "pound" strike out the period, insert a semicolon and the following: "All the foregoing not specially provided for,"; and on page 202, between lines 17 and 18——

The CHAIRMAN. There are two amendments in the paper which the gentleman from New Jersey sent to the Clerk's desk. The question will be on the first amendment offered.

Mr. JOHNSON of Washington. I would like to make an inquiry. The first amendment is an amendment to the rice paragraph?

Mr. BACHARACH. It is to perfect that paragraph. The next amendment is one which changes the rate. This is a mere perfecting amendment.

Mr. JOHNSON of Washington. On page 99 was it?

Mr. BACHARACH. That is right; yes, sir; paragraph 728.

Mr. JOHNSON of Washington. I ask unanimous consent to have the amendment read again.

The CHAIRMAN. Without objection the Clerk will again report the amendment.

The amendment was again reported.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from New Jersey.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. BACHARACH. Certainly.

Mr. GARRETT of Tennessee. May I ask the gentleman the necessity for the insertion of that language? What is the necessity for inserting it?

Mr. BACHARACH. The drafting clerks prepared the amendment as it has been sent to the Clerk's desk and I presume they thought it was to perfect the language.

Mr. JOHNSON of Washington. What does it mean?

Mr. GARRETT of Tennessee. What effect does it have?

Mr. JOHNSON of Washington. What does it mean?

Mr. BACHARACH. I am trying to say.

Mr. GARNER. It means a reduction of 1 cent a pound?

Mr. BACHARACH. I will say for the benefit of the gentleman from Texas this is merely a perfecting amendment, to perfect the language.

Mr. GREENE of Vermont. What does it mean? The rates are stated in figures after each one, and no rate is attached to that. It is stated it is a perfecting amendment.

Mr. BACHARACH. Under another amendment a certain kind of rice will be placed on the free list.

Mr. GARNER. I ask to have the amendment again reported so that we may know what it is.

Mr. JOHNSON of Washington. Reserving the right—let us have it reported. It seems as one hits the other.

The CHAIRMAN. Without objection, the Clerk will report the two amendments sent to the desk by the gentleman from New Jersey [Mr. BACHARACH].

The Clerk read as follows:

Page 99, line 18, after the word "pound," strike out the period, insert a semicolon, and the following: "all the foregoing not specially provided for."

Page 202, between lines 17 and 18, insert a new paragraph to read as follows:

"Rice cleaned for use in the manufacture of canned goods."

Mr. GARNER. How much would that rate be, on page 202?

Mr. BACHARACH. That puts it on the free list.

Mr. GREENE of Vermont. Will the gentleman explain what is the meaning of the language he has added? What will happen as a result?

Mr. BACHARACH. Paddy rice is a rice which is not used ordinarily except by canned-food manufacturers and is not raised in this country and is not competitive and goes on the free list, and so we have changed this language accordingly.

Mr. GREENE of Vermont. What I am trying to suggest to the gentleman is that by the insertion of the semicolon there you detach that classification of rice from other classes of rice that have rates attached to them, but you do not say what will be done with this classification at all.

Mr. HAWLEY. This is the usual language put in the paragraph when the same subject matter is treated elsewhere. This says "all the foregoing not specially provided for" takes the rate provided in the rice paragraph, and calls attention to the fact that there is somewhere in the bill another paragraph dealing with some of the commodities.

Mr. GREENE of Vermont. You mean it is not carried specifically in this language in the bill. That is the adjudicated meaning. We do not understand that means anything at all as detached unless it has an adjudicated meaning. It is an imperfect sentence set off from the rest of the paragraph by the semicolon.

Mr. CURRY. I will explain to the committee exactly what these two amendments mean. Their meaning is that the rice used in canned goods and in the manufacture of soups in certain towns in the United States, for sale throughout the United States and throughout the world, will be admitted free of duty. On this rice 1 cent a pound has heretofore been levied, and the cent a pound was carried in the emergency tariff bill. To satisfy certain manufacturers who wish to import broken rice from Manchuria and the Orient free and eliminate a certain amount of American-grown rice, these two amendments are inserted by the committee.

Mr. JOHNSON of Washington. I would like to know why there is any more necessity for free rice that is used in a canned soup kettle than in the family soup?

Mr. CURRY. There ought to be a tariff on all rice. In my home city of Sacramento there are 1,500,000 sacks of rice that we can not sell in competition with oriental rice. We are asking a reduction in freight rates to Honolulu and other places, so that we can sell some of that rice in competition with oriental rice. Now, a Republican tariff bill is reported, with an amendment, to place on the free list at least 2,000,000 pounds of rice.

Mr. JOHNSON of Washington. It is a little joker, is it not?

Mr. WALSH. Should not the language be "unless otherwise specially provided for"?

Mr. BACHARACH. I presume this language is perfecting language. It is the language prepared by the Clerk.

Mr. WALSH. The gentleman stated what the intention of the language was.

Mr. BACHARACH. That is right.

Mr. WALSH. It seems to me the phraseology employed does not cover the intention of the committee. It looks to me as though the language ought to be "unless otherwise specially provided for."

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. BACHARACH] has expired.

Mr. BACHARACH. Mr. Chairman, I ask unanimous consent for five additional minutes.

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent for five minutes more. Is there objection? [After a pause.] The Chair hears none.

Mr. GREEN of Iowa. Mr. Chairman, while these words are not used as they would be, perhaps, in ordinary language, the drafting clerks have used the form that is followed in the tariff laws. There would not be any trouble about it if that form was followed.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. JOHNSON of Washington. No matter what the construction is as to whether the words in the first amendment mean anything or not, the point is that we are proposing to put a tariff on certain kinds of rice, and then in the companion amendment, on a page far removed, we are exempting another kind on the ground that it is used in canned soup. What is rice for the canned soup ought to be good enough for the family soup kettle.

Mr. BACHARACH. I will say to the gentleman that this rice that is coming in under this amendment is never like that which is raised in this country.

Mr. LAZARO. The gentleman will recall that when the emergency tariff passed the House this provision of placing canned rice on the protected list at 1 cent a pound was inserted in the Senate and not on the House side. Does the gentleman recall that?

Mr. BACHARACH. That is absolutely correct.

Mr. LAZARO. Well, the House committee had hearings on the rice schedule when the farmers' emergency tariff bill was being considered, and the House did not make this reduction to 1 cent. It was done in the Senate. The gentleman will recall that.

Mr. BACHARACH. Yes. The statements of the gentleman are absolutely correct. But the fact is that we are now exporting 180,000,000 pounds of rice per year, and I can not see why a thing that is not competitive should have a duty. Our exports are rapidly increasing.

Mr. LAZARO. Why at the eleventh hour are we doing that when there was a long hearing on it?

Mr. BACHARACH. I do not think there was any particular hearing on it.

Mr. LAZARO. Oh, yes; there was.

Mr. COOPER of Wisconsin. Mr. Chairman, the amendment just offered by the gentleman from New Jersey is to me without meaning. I do not understand how it can mean anything, as those words are an utterly incomplete statement of anything. Will the gentleman please repeat them?

Mr. BACHARACH. I can not repeat them.

Mr. JOHNSON of Washington. They are, "All of the foregoing not especially provided for."

Mr. COOPER of Wisconsin. If I understand what is intended, the words "being otherwise" should be inserted, so that the amendment will read, "All of the foregoing not being otherwise provided for."

Mr. BACHARACH. That is the usual language, I will say to the gentleman.

Mr. COOPER of Wisconsin. It is immaterial whether it is the usual language. The bills which we vote for should have a clearly defined, easily understood meaning. On a subject like this we want the law to be so drawn that in order to understand it it will not be necessary to send for an expert who is informed as to its technical construction. We want it so drawn that every person who reads the law fixing the tariff on rice will understand just what that tariff is. It ought not to require the services of some Washington tariff expert in order to be able to understand language fixing a tariff on rice or on any other simple, ordinary product. Now, does the amendment mean this, "The foregoing not being otherwise provided for"?

Mr. GREENE of Vermont. I will say to the gentleman that if it goes on the free list it does not take a rate. The words do not need to have a subject or a predicate.

Mr. COOPER of Wisconsin. That is one of the ways in which jokers are put into bills. I do not know that there is a joker here, but this amendment would put on the statute books language which on its face is without meaning.

Mr. WALSH. The gentleman wants a law so plain that he who runs may read—just as simple as the income tax law. [Laughter.]

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. MANN. Mr. Chairman, I do not think the proposition is subject to the criticism that has been made. The provisions in the bill put certain kinds of rice named on the dutiable list at certain rates. That is perfectly plain. "Paddy or rough rice, 1 cent per pound," and so forth. Now it is proposed to insert at the end of that paragraph the provision, "all of the foregoing not specially provided for." That is a limitation on the dutiable list—"paddy or rough rice, 1 cent per pound." The rate shall be 1 cent per pound on all paddy or rough rice unless it is otherwise provided for; "all of the foregoing not specially provided for." That seems to me perfectly clear. Now there comes, as the gentleman says, a provision that is in this amendment to put certain rice which would be covered by the description in the bill in this paragraph—to put certain rice with a more technical description upon the free list. That exempts that rice from the provisions of this paragraph.

Mr. GREENE of Vermont. Then it can not be said, strictly speaking, to be any part of the foregoing, because it is exempted from the foregoing part more particularly described, which it takes out of that class.

Mr. MANN. I know; but the general description would cover the particular description unless it was excepted. Then there would be a conflict between two parts of the bill, and that would require a construction that nobody could tell about in advance.

Mr. GREENE of Vermont. What I had in mind was that that which is otherwise provided for could not be in the foregoing.

Mr. MANN. In all tariff bills there is constantly a provision put in the bill in general language and then the provision, "not otherwise specially provided for."

Mr. WALSH. The amendment does not include the word "otherwise."

Mr. MANN. No; but it does not make any difference—"not specially provided for."

Mr. LONGWORTH. That is the provision that has been included in all the bills—"u. s. p. f."

Mr. MANN. Yes; "u. s. p. f." Everybody knows that those letters are constantly used in all tariff revisions.

Mr. COOPER of Wisconsin. Does that mean that if you strike out the period and insert a comma and follow it with the words the gentleman has used, "the foregoing not being otherwise provided for"?

Mr. MANN. No. These things are provided for, but they want to say that a certain kind of rice called "paddy rice" shall have a duty of 1 cent a pound. Hence they say the duty shall not apply unless specially provided for. "All of the foregoing not specially provided for" is subject to a dutiable rate; but if it is specially provided, then these general rates do not apply. The gentleman from Vermont says that the purpose of that is to put certain parts of the things covered by the general terms on the free list.

Mr. COOPER of Wisconsin. I do not understand the interpretation put upon this amendment by the gentleman from Illinois, nor the explanation made by the gentleman from Vermont [Mr. GREENE], nor do I care how long that kind of language has been in a tariff law. There ought not to be a necessity for having such an elaborate technical interpretation of a simple business law—a law fixing a tariff on rice.

Mr. BACHARACH. Mr. Chairman, I ask for a vote.

Mr. BANKHEAD. Mr. Chairman, I offer a substitute for the amendment of the gentleman from New Jersey.

The CHAIRMAN. The gentleman from Alabama offers a substitute for the amendment of the gentleman from New Jersey. The Clerk will report it.

The Clerk read as follows:

Substitute offered by Mr. BANKHEAD for the amendment offered by Mr. BACHARACH——

Mr. BANKHEAD. Mr. Chairman, I mean to offer this language instead of the language of the amendment.

The Clerk read as follows:

Substitute offered by Mr. BANKHEAD for the amendment of Mr. BACHARACH:

"Insert in lieu of the language proposed to be inserted by the amendment of Mr. BACHARACH the words 'where not otherwise herein specially provided for.'"

Mr. BANKHEAD. Mr. Chairman, it seems to me that that language, if adopted, would clear up any confusion or doubt as to the correct interpretation of the language of the proposed amendment. In other words, the duty upon these articles in section 728 is fixed in this paragraph. Now it is proposed to insert another paragraph, putting certain characters of rice upon the free list, and the language which I am offering here refers to that exception placed in the free list, so that it will read that this duty shall apply as contained in paragraph 728 where not otherwise herein specially provided for.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. CHINDBLOM. Does not the gentleman think that if he changes the amendment in that way the provision will apply only to the last item, broken rice or rice meal?

Mr. GREEN of Iowa. Yes.

Mr. CHINDBLOM. That is the danger. I think the amendment of the gentleman from New Jersey is correct. It should cover all of the product where not otherwise provided for.

Mr. BACHARACH. I will say, for the information of the gentleman from Alabama, that the language used in the amendment I have sent up is the same language that has been used in all tariff laws, and we are trying now to arrange it so that we shall have just one form, and we have followed this form in this particular amendment, and there does not seem to be any reason for the amendment of the gentleman from Alabama.

Mr. BANKHEAD. Whatever may have been the precedents or forms heretofore provided, it is evident from the objections raised on the gentleman's own side that this language is confusing and certainly susceptible of doubtful interpretation.

Mr. BACHARACH. It may be confusing to the gentleman, but it has passed the test of the courts.

Mr. GREEN of Iowa. Mr. Chairman, I move that debate on this amendment be closed.

Mr. BANKHEAD. Mr. Chairman, I believe I have the floor.

The CHAIRMAN. The Chair recognized the gentleman from Alabama on his substitute, and he is in order.

Mr. JOHNSON of Washington. Will the gentleman yield?

Mr. BANKHEAD. I yield to the gentleman from Alabama.

Mr. JOHNSON of Washington. I want to know if anybody knows what particular kind of rice is going to be put on the free list on the ground that it is only good enough to go into canned soup? Where is the joker in this language?

Mr. BANKHEAD. That is an argument on the merits. I am only talking about perfecting the language of the bill.

Mr. CURRY. The adoption of either amendment would mean that 2,000,000 pounds of rice would be placed on the free list.

The CHAIRMAN. The question is on agreeing to the substitute offered by the gentleman from Alabama [Mr. BANKHEAD] to the amendment offered by the gentleman from New Jersey [Mr. BACHARACH].

Mr. WINGO. I believe debate is not exhausted on that yet.

The CHAIRMAN. No. The gentleman is recognized in opposition to the amendment.

Mr. WINGO. As I understand this proposition, it relates to the rice schedule, does it not?

The CHAIRMAN. That is the matter now under consideration.

Mr. WINGO. I should like to ask the gentleman of the committee who has charge of this why the discrimination in the rice schedule? My attention has been called to certain discriminations in that schedule, and I wish the gentleman would advise me why the discrimination. I have been told that you put a higher rate on the Hebrew rice than on the gentile rice. Is that true?

Mr. BACHARACH. I do not know whether we do or not.

Mr. WINGO. I have been advised of that, and I notice something in the bill which seems to bear out that statement, and also that there is a discrimination in favor of female rice over male rice. Is that playing to the woman suffrage vote?

Mr. BACHARACH. The gentleman from Arkansas has always been in favor of woman suffrage, so I know he is not going to take time now to make a woman-suffrage speech. I think the gentleman should confine himself to the amendment.

Mr. WINGO. I am. I am trying to find out why you discriminate by putting a higher duty on circumcised rice than you do on uncircumcised rice, and why there is a higher duty on female rice than on male rice? I appreciate the dilemma in which the gentleman from New Jersey is placed. He is a very strong factor in the Republican organization in this House. I remember quite well the look of ecstatic bewilderment that spread over the gentleman's face last fall when he realized the undeserved and unexpected victory that his party had achieved; but I have noticed with considerable regret that that ecstatic expression has faded from the gentleman's countenance, and that it has been replaced by a look of disgusted consternation as the incompetence of his party in handling these questions has dawned on the gentleman.

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order that the gentleman is not discussing his amendment.

Mr. WINGO. This rice schedule, like other acts, demonstrates that the honey is rapidly dripping out of the Republican honeymoon, and the sounds which emanate from the Republican side indicate that the period of billing and cooing is over and that the broomstick and rolling pin have replaced the bridal bouquet. The outburst of your friend, Champagne Colonel Harvey, was the first discordant note——

Mr. JOHNSON of Washington. I make the point of order that the gentleman is not talking to his amendment.

Mr. WINGO. Ah, the gentleman is peeved because Laddie Boy ate his cake. [Laughter.]

Mr. JOHNSON of Washington. I make the point of order that the gentleman is not talking to his amendment.

The CHAIRMAN. The gentleman from Arkansas will proceed in order.

Mr. WINGO. I am in order discussing confusion and lack of orderly conduct by Republicans. All that is left of the Republican wedding festivities is the smiling, childlike, cherubic face of Jigadier Brindle Doc. Sawyer—— [Laughter.]

Mr. JOHNSON of Washington. I make the point of order that the gentleman is not speaking to his amendment.

Mr. WINGO. Wait, I pray thee; do not break the picture I was painting——

Mr. JOHNSON of Washington. I make the point of order that the gentleman is not speaking to his amendment.

Mr. WINGO. What, not in order to picture, amidst the confusion and disorder of you Republicans, the serene poise of Jigadier Brindle Doc. Sawyer, the pride of the old home town, who stands unmoved, with a golf ball in one hand and a pink pill in the other, ready and willing to prescribe either or both as the uncertain distemper of his patient may require? [Laughter and applause.]

Mr. JOHNSON of Washington. Mr. Chairman, I make the point of order that the gentleman is not discussing the amendment.

The CHAIRMAN. The gentleman from Arkansas will proceed in order.

Mr. WINGO. Mr. Chairman, you know that is a difficult task. If there is any order in the rice schedule, it got in by accident, and not by design of the Republican organization. I know good and well that the gentlemen who framed the schedule do not know any more about rice than they do about the metal schedule or the manganese schedule or the tungsten, about which they displayed such alarming ignorance on yesterday. The truth of the business is that the rice schedule is like other schedules—they asked them all to come in, and one subcommittee had one and another another, and another another, and no committee knew the relative effect that one schedule had on another. That is the reason why you dare not let the Republicans vote their sentiments under the 5-minute rule, because you are afraid they would jump the hurdle and make confusion worse confounded. You gave them free music last Congress and now you feed them with rice and free dividivi, but that will not satisfy the country. [Applause on the Democratic side.]

Mr. BACHARACH. Mr. Chairman, I move that all debate on this amendment and all amendments thereto now close.

The CHAIRMAN. The gentleman from New Jersey moves that all debate on this amendment and all amendments thereto now close.

The motion was agreed to.

The CHAIRMAN. The first question is on the substitute offered by the gentleman from Alabama to the amendment offered by the gentleman from New Jersey, which substitute the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. BANKHEAD to the amendment offered by Mr. BACHARACH: In lieu of the language of the Bacharach amendment insert the following: "where not otherwise herein specially provided for."

The CHAIRMAN. The question now is on agreeing to the substitute.

The question was taken; and on a division (demanded by Mr. BANKHEAD) there were 56 ayes and 71 noes.

So the substitute was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from New Jersey.

The question was taken; and on a division (demanded by Mr. CURRY) there were 82 ayes and 29 noes.

So the amendment was adopted.

Mr. WALSH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WALSH. Does that vote just taken put rice on the free list?

The CHAIRMAN. It does not.

Mr. BACHARACH. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Page 202, between lines 17 and 18, insert a new paragraph, to read as follows:

"Rice, cleaned, for use in the manufacture of canned food."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. CURRY) there were 82 ayes and 16 noes.

So the amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer the following committee amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Page 148, line 17, insert a comma after the word "paper."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Page 149, lines 17 and 18, strike out "whether produced in the pulp or otherwise except," and insert in lieu thereof "except designs, fancy effects, patterns, and characters produced on paper machines without attachments or produced."

The amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Page 150, line 10, strike out the figure "2" and insert "3" in lieu thereof; strike out "15" and insert "13" in lieu thereof.

Mr. CRISP. Mr. Chairman, I would like to be recognized. Mr. Chairman, I ask unanimous consent that in my remarks I may speak upon another schedule than the one under consideration.

The CHAIRMAN [Mr. MANN]. The gentleman from Georgia asks unanimous consent to proceed out of order. Is there objection?

There was no objection.

Mr. CRISP. Sickness has prevented me from taking part in the discussion on the pending tariff bill, but there is one provision in it that is so objectionable and indefensible that, although not yet strong, I can not refrain from calling attention to it, and earnestly asking my Republican colleagues to eliminate the item from this bill, to wit, the duty on potash, an essential ingredient of fertilizer extensively used by the farmers throughout my section and by truck farmers throughout the United States.

This bill, for the first time in the history of our country, places a tariff duty on fertilizer. In the Morrill bill, the McKinley bill, the Wilson bill, the Dingley bill, the Payne-Aldrich bill, and the Underwood bill, potash and all fertilizers were on the free list; so it has universally been the policy of the Republican Party, as well as the Democratic Party, to give the farmers of the country free fertilizers.

The bill before the House provides that for the next five years a duty shall be levied on potash, the highest rate being $50 per ton. This tax illustrates very strongly the difference between the Democratic and Republican Parties when it comes to using the taxing powers of the Government. The Democratic Party is opposed to taxing the masses of the people for the benefit of a certain class of individuals, while the Republicans believe in making the great body of the people pay tribute to a favored few.

Now, what is the history of the mushroom potash industry of the United States inaugurated during the World War? Prior to the war potash shipped from Alsace-Lorraine and Germany was sold at our seaboard at $75 per ton of pure potash. With the commencement of the war commerce was driven from the seas, Germany being blockaded by the Allies, and it was impossible for potash to be imported to the United States in any substantial quantities. Potash being essential to the manufacture of munitions and the agricultural interests of the country, certain individuals, seeing that if they could produce potash they would have a monopoly and could charge exorbitant prices, organized companies and began the manufacture of potash from the salt brines in Nebraska, Utah, and California. From the time the companies were organized until after the armistice, a period of over three years, they had a complete monopoly in the markets of the United States on potash, and they sold their products at the exorbitant price of from four to eight hundred dollars per ton.

It is a disputed question as to how many firms or individuals in the United States are engaged in the production of potash. The evidence before the Ways and Means Committee is conflicting, but the number given ranges from 40 to 126 at the peak of production, but a fair conclusion to reach from the testimony is that not over 40 firms engaged primarily in the manufacture of potash, and to-day most of them have ceased operation. There are a number of other plants, cement companies, sugar refineries, and molasses plants, which, as a small by-product, manufacture some potash, though that is not their prime product.

It is also problematical as to the amount of capital invested in this industry. Col. Myron M. Parker, attorney for the United States Potash Producers' Association, testified before the committee that there were from thirty to fifty millions of dollars invested for the production of potash, but the table he inserted shows that a great part of this capital is in Portland cement companies, sugar refineries, molasses plants, and other manufacturing industries, and that potash is only a by-product. So it is plain that the capital invested in these industries was not invested for the purpose of manufacturing potash. The testimony shows that 65 per cent of the domestic potash produced was from the brine lakes of Nebraska. According to the testimony of Mr. W. E. Sharp, president of the Western Potash Works, of Antioch, Nebr., from eleven to fifteen million dollars was invested in Nebraska. Mr. Wilbur Laroe, jr., attorney for the United States Potash Producers' Association, on February 11, 1921, placed a statement in the record which purports to show the amount of capital invested for the production of potash. Said statement shows that in Nebraska, for the manufacture of potash from the Nebraska lakes, $7,846,000 was invested; that for the manufacture from alunite silicates and kelp $4,070,000 was invested; from companies manufacturing potash from wood ashes $227,500 was invested—all of which totals $25,033,282. A perusal of the statement shows that the other capital claimed to be invested for the manufacture of potash is really invested in blast furnaces, molasses distilleries, cement mills, and sugar mills, and not for the production of potash. Accepting the figures of the beneficiaries of this tariff, it appears that only $25,033,282 was invested for the manufacture of potash.

During the year 1916 there were produced in the United States 10,000 short tons of potash; in the year 1917, 32,000; in 1918, 54,000; in 1919, 30,845. During the years 1916, 1917, and 1918, while we were at war, 96,000 tons of potash were produced in the United States, the producers had a perfect monopoly, and their products were sold at an average price of $500 per ton. Thus it will be seen that the producers received during these three years $48,000,000 on an invested capital of $25,000,000. The testimony is unsatisfactory as to the cost of producing potash in the United States. Mr. G. E. Condra, director of the Nebraska Conservation and Soil Survey, in a bulletin issued in 1918, stated that the cost of producing potash in Nebraska was $120 per ton.

In the statement presented to the committee by Mr. Laroe, counsel for the potash producers, the cost was placed at $2.04 per unit, or $204 per ton, for producing potash in 1920. Giving the producers the benefit of the larger cost of production—$204 per ton—as the potash producers sold their potash at an average of $500 per ton they made a net profit of $296 per ton on the 96,000 tons, or a total profit of a little in excess of $28,000,000. Therefore they have received back the entire capital invested, with a reasonable profit, and now own their plants as additional net profit. It will be seen that in this calculation I have not included the profit made on the 30,845 tons made in 1919 after the armistice, nor the profit on the 48,684 tons manufactured in 1920 sold for $250 per ton, which added vastly to the net profit of these manufacturers.

Mr. SEARS. Mr. Chairman, will the gentleman yield?

Mr. CRISP. No; I can not. My time is so limited.

In Alsace-Lorraine and Germany there are vast beds of potash, and the total cost of obtaining it is the labor of raising it from the mines and placing it aboard cars and ships, while in the United States potash is extracted from brines and kelp by manufacturing processes, all of which requires buildings, machinery, fuel, and other enormous overhead charges. Potash can be transported from overseas by water to our Atlantic seaboard at from $3 to $5 per ton. The Nebraska potash contains only 20 per cent of pure potash in a ton of salts. The freight from Nebraska to the market where the potash is consumed is about $20 per ton, gross weight. As only 20 per cent of the dead weight is potash, to get a pure ton of potash 5 tons of this salt must be hauled, so the freight rate on a ton of pure potash would be five times the $20, or $100 a ton. If it costs $204 a ton to manufacture potash in Nebraska and $100 a ton freight to get it to its market, it takes an optimist, indeed, to believe it ever possible for the domestic producers of potash to compete with the Alsatian product. My friend from New Jersey, Mr. HUTCHINSON, has just advised me he is buying French potash delivered in Philadelphia at 85 cents a unit, or $85 a ton. No thoughtful man can for a moment believe it possible unless the domestic producers are given an unconscionable subsidy to foster their hothouse industry. A distinguished statesman once said it would be possible to raise lemons in Maine provided you gave them a sufficient subsidy to cover the cost of production and kept out lemons from the other parts of the world. On this theory alone, in my judgment, is it possible to produce potash in the United States to fairly compete with the imported potash.

When they had a monopoly of the American market the domestic producers of potash were war profiteers, for they charged excessive prices for their product.

Under these conditions it is unjustifiable to require millions of farmers to pay tribute to these few individuals who have already made large profits out of their war-time hothouse industry.

The attorneys for these potash producers now say they will be satisfied with a tariff of 50 cents a unit, amounting to $50 per ton, but during the last Congress they came before the Committee on Ways and Means urging that potash be imported only under a license, saying that was the only way to protect them, and urging that the farmers be required to pay $250 per ton for potash. As a member of the committee, I opposed to the extent of my ability the enactment of such a law, and I am glad to say we were successful in our fight and the Committee on Ways and Means refused to recommend its passage. One of our distinguished Republican colleagues, the gentleman from New Jersey [Mr. HUTCHINSON], a farmer and manufacturer of fertilizers, appeared before the committee and opposed the license law. In the course of his testimony—page 138 of part 3, Potassium Salts—Mr. HUTCHINSON used these words:

> I am convinced that the desire for protection is more in the interest of stock selling rather than in the fostering of the potash manufacture. For instance, a concern came to my home city and sold thousands of dollars worth of stock with the promise that the potash would cost little or nothing and would be all profit, the cost of manufacture being paid by the sale of the by-products. They have a large plant there, over two or three years old, and have never turned a wheel. We have another large New Jersey concern that has issued a prospectus offering millions of dollars worth of stock for sale. The proposition may be all right from their standpoint, but I don't think the farmers should be asked to produce food to feed the world and pay for this kind of speculation.

The normal consumption of potash in the United States is about 250,000 tons. Counsel for the advocates of this duty assert that the domestic producers can only produce 50,000 tons, leaving 200,000 tons to be imported. A tax of 50 cents a unit on 200,000 tons would raise $10,000,000 in revenue to be paid by the farmers; but this is not all they would pay, as they would likewise make a donation to the domestic producers of potash of 50 cents a unit on 50,000 tons, amounting to two and a half millions of dollars. There is one thing about Mr. Laroe

to be commended—his frankness. He offers as an excuse for levying this duty that 75 per cent of it will be paid by the cotton producers of the South Atlantic States. I hope this committee will rise above sectionalism and will not pass this unjust tax making the people of my section bear 75 per cent of it, which amounts to $9,375,000 per year. Georgia last year used over 990,000 tons of fertilizer, and, if this bill is enacted into law, assuming that a low-grade fertilizer is used with only two units of potash to the ton, the people of Georgia alone will contribute as a subsidy to these domestic producers of potash practically $1,000,000 annually. If this bill is enacted into law, the farmers of the United States will be required to contribute $12,500,000 to permit stock speculators and a few potash manufacturers to continue to function. Surely, gentlemen of the House of Representatives, you will not permit this injustice to be done to the farmers of our land.

If this tax is not imposed, the farmers will get cheaper potash than ever before. Under the treaty of Versailles the Alsace-Lorraine potash fields were given to France, while Germany stills owns vast beds of potash. There will be keen competition between the German and Alsatian potash producers for the American market, and, if commerce is not restricted by this unjust tax, the farmers will get the benefit of this competition.

Agriculture throughout the United States languishes, the farmers are in despair, they are leaving the farms, and, according to the last census, for the first time in history, a majority of the people of the United States live in the towns and cities. If we place new burdens on agriculture, many more will leave, production will be reduced, and the people in the cities will pay higher prices for their food and raiment. The Census Office has just issued a statement showing that the indebtedness on American farms has doubled within the last decade. The total indebtedness on the farms in 1910 was equivalent to a mortgage of $1,715 per farm, while in 1920 it amounted to $3,361 per farm.

There is a cry throughout the land for a reduction of the high cost of living, but, if this bill is enacted into law, instead of the cost of living being reduced it will be increased. My colleagues who reside in the cities, I appeal to you to oppose this tax on potash, for it means much to your constituents. You are dependent on the farmers for your food, and, in our cities, among the principal articles of food are fruits, cabbage, onions, potatoes, tomatoes, and other vegetables. Potash is essential to the successful raising of these products, making them hard and firm enough to bear transportation to the great urban centers of the country. Unless potash is used they are soft, insipid, and will not stand transportation nor remain firm and fresh for any length of time. During the war, when potash was high, the farmers could not use it and these vegetables decayed rapidly, a dearth of them resulted, and potatoes and these other vegetables rose to prohibitive prices. When potash is used they will keep, and the price remains within reach.

In the hearings before the committee, Mr. Geraty, a large truck farmer, stated that, in the year 1919 when no potash was available except at prohibitive prices and the farmers could not use it, in New York alone the loss on peaches ran from sixty to one hundred thousand dollars a day; that the peaches arriving there from Georgia were condemned by the health board as not fit to use because they did not have potash to harden them.

The orange and grapefruit growers of Florida and California are extensive users of potash, using a high-grade fertilizer containing from 8 to 10 units of potash to the ton. This bill will add from $8 to $10 a ton to the cost of their fertilizer, which will be reflected in the price of fruit to the consumers of the land.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. TREADWAY. Mr. Chairman, does the gentleman desire any more time?

Mr. CRISP. I would like to have five minutes more.

Mr. TREADWAY. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CRISP. The cotton farmers of the South and the wheat and cattle farmers of the West are to-day facing bankruptcy because they can not sell their crops. Practically two-thirds of the cotton raised is normally consumed in Europe, as are our surplus corn, wheat, and meat products. To-day Europe is not buying. No individual can live to himself alone, and neither can a nation. Human nature is the same the world over, and one will not purchase from another unless trade favors are reciprocated. This is equally true of nations. The rates in the pending bill, based on American valuation, in some cases are over 1,000 per cent; and I fear the bill, if enacted into law as written, will practically bar imports, will produce little revenue to the Government, will give a monopoly to American manufacturers, and will destroy the market abroad for our surplus products.

In my judgment what the American farmer most needs to-day is an export market in Europe for his surplus goods. This bill, instead of providing a foreign market, will restrict it and make it more difficult to sell abroad. The farmer cries to you for bread; you are giving him a stone.

To-day America is the great creditor nation of the world, the European Governments owing our Government $10,000,000,000, and the citizens of Europe owing the citizens of the United States an additional $5,000,000,000. There are only two ways in which this colossal debt may be paid—either by shipping us gold or by shipping us goods. We have two-thirds of the gold of the world, and there is not enough gold in the rest of the world to pay one-fourth of the sum due us; therefore if we bar goods there is no way for us to collect the money due us. France, one of our allies, controls the Alsation potash mines, and I appeal to you, my colleagues, to at least allow potash to come in from France to help pay her indebtedness to us and permit American farmers to buy it as cheap as possible, which has always been the policy of our great Government

In the Committee on Ways and Means I made a motion to strike potash from the dutiable list and restore it to the free list, but my Republican colleagues defeated my motion. We are considering the bill under a drastic special rule which precludes any individual member from offering an amendment. But for this rule I myself would offer an amendment eliminating from the bill the provisions taxing potash. As I am precluded from doing so, I appeal to my Republican colleagues of the Ways and Means Committee to do it. Our colleague of Illinois [Mr. McKENZIE], a stanch Republican, yesterday, in making a speech, said in reference to protection:

> I am one of those who believe that when applied to the handicrafts of man or to the cultivated products of the soil it is just. But when you undertake to say that the great natural products that were placed in the earth or on its surface by the Creator, products such as oil and lumber and potash and coal, should be subjects upon which there should be levied a protective tariff, I say it is a subversion of the doctrine of protection.

It is apparent, therefore, it will be a new Republican doctrine to tax potash, and I appeal to you, gentlemen of the committee, not to introduce this innovation. I pray that the Republican Party is not, like Ephraim, so wedded to their idols that they will perpetrate this injustice upon the American farmer.

You have adopted amendments removing oil and asphalt from the dutiable list and making them free of duty. I beg you, gentlemen of the committee, to recant before it is too late and restore potash to the free list before this bill is passed. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent to proceed out of order for five minutes in direct reply to the gentleman from Georgia.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed out of order for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. LONGWORTH. Mr. Chairman, I always have the highest respect for the opinion of the gentleman from Georgia, than whom there is no more able or conscientious legislator in this House. [Applause.] Personally, I for a long time hesitated as to whether it was wise to have any duty on potash whatever. Now, the gentleman from Georgia makes a slight error in saying that potash is on the dutiable list. As a matter of fact, it is on the free list in paragraph 1634 of the bill, but it is provided that for five years there shall be a duty, gradually descending, on chloride of potash, which is the potash used for cheap fertilizers. I read the provision:

> That for a period of five years beginning on the day following the passage of this act there shall be levied, collected, and paid, on the actual potash (potassium oxide) content of all the foregoing, a duty of 2½ cents per pound for the first two years; 2 cents per pound for the third year; 1½ cents per pound for the fourth year; and 1 cent per pound for the fifth year: *Provided further*, That thereafter the said potash content shall be free of duty.

Mr. CRISP. Will the gentleman permit an interruption?

Mr. LONGWORTH. I yield.

Mr. CRISP. I think the membership is not familiar with potash, and I would just like to say that this 2½ cents a pound on crude potash would amount to $50 a ton on the potash.

Mr. LONGWORTH. Fifty dollars a ton on crude potash. Now, the fact is that potash is used only in seven States, I believe, at all extensively for fertilizing purposes. Those States are the State of the gentleman from Georgia and neighboring States. In fact, potash is not being generally used by farmers throughout the country for the cultivation of their crops. I would be anxious to see as large a supply of potash developed as was at all possible, and at prices much cheaper than it is,

but the fact is we have always been dependent upon Germany for our potash. Practically none has ever been produced in this country until recently. We had a number of very important diplomatic controversies and negotiations with Germany on the question of potash before the war. That was one of those materials which we were content to rely upon Germany to furnish us in our production. I believe that this country ought to produce, if it is at all possible climatically, every pound of potash, every article that is used as a basic necessity of life, and not have to rely on any foreign nation for anything. [Applause on the Republican side.] Now, what we are trying to do by this provision is to see whether it is possible in this country to develop the potash industry. There are three methods by which potash can be made commercially in this country—one is from kelp, the Pacific coast kelp; another is from the brine that is found in various lakes in Nebraska, Utah, and California; another is the possibility that exists in New Jersey of extracting potash from what they call the green sands there, and the industry is being undertaken there to make potash out of the green sands, but from the information which the committee possesses this seems to be a very remote possibility. As to the question of the production of potash from kelp, a great advantage would be that there is an unlimited supply, practically, but though the Government has used all sorts of methods in trying to develop that industry it seems impossible, and we are practically forced to the necessity of getting it from these various lakes. Our information is that Searls Lake, Calif., has a potential supply for years to come to meet the entire needs of the country. The Nebraska lakes give promise of a very large supply. These are the two phases of the industry that we are attempting to develop. It may be possible—I doubt it myself; I hope I am wrong—it may be possible that under this provision which we have here further development may show that potash can be produced commercially in California, in Utah, and in Nebraska.

Mr. LAYTON. Will the gentleman yield for a question?

Mr. LONGWORTH. If it can not be done in five years, I am in favor of leaving potash on the free list for the benefit of the farmers; but first let us try and see whether we can develop this industry. That is all we have tried to do.

The CHAIRMAN. The time of the gentleman has expired.

Mr. TREADWAY. Mr. Chairman, I ask for a vote on my amendment.

The CHAIRMAN. There is an amendment pending.

Mr. STEVENSON. Mr. Chairman, I ask unanimous consent, inasmuch as this matter has come up, a matter in which my people are more interested than any other schedule, to proceed for five minutes.

Mr. TREADWAY. The matter has not been brought up. Consent was given to a member of the committee to speak out of order for 10 minutes, and 5 minutes was given out of order in reply. I dislike very much to interfere with any form of general debate, but we have committee amendments pending and it seems to me that we ought to dispose of them.

Mr. CHINDBLOM. Mr. Chairman, there are items——

The CHAIRMAN. Is there objection?

Mr. TREADWAY. I feel obliged to object at this time, Mr. Chairman.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Massachusetts.

The question was taken, and the amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer a further committee amendment.

The CHAIRMAN. May the Chair inquire of the gentleman from Massachusetts if all the amendments which he offers are committee amendments?

Mr. TREADWAY. Yes, sir.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. TREADWAY: Page 153, paragraph 1306, line 7, insert a comma after the word "piece."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer a further committee amendment.

The CHAIRMAN. The gentleman from Massachusetts offers a further committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TREADWAY: Page 154, line 7, strike out the word "volorem" and insert the word "valorem" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer a further committee amendment.

The CHAIRMAN. The gentleman from Massachusetts offers a further committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TREADWAY: Page 154, line 6, after the comma following the word "paper," insert "not printed, lithographed, dyed, or colored," and strike out the words "paper hangings."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer a further committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 155, line 8, strike out the word "an" and insert the word "one" in lieu thereof.

The CHAIRMAN. The question is on agreeing to the committee amendment.

The question was taken, and the amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer a further committee amendment.

The CHAIRMAN. The gentleman from Massachusetts offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Page 156, line 7, after the semicolon insert: "test or container boards of a bursting strength above 60 pounds per square inch by the Mullen or Webb test, 15 per cent ad valorem."

Mr. TREADWAY. Mr. Chairman, I think a little explanation is necessary on this amendment. Box board is one of the lowest grades of paper manufacture, and it takes a duty of 10 per cent. There is a higher class of box board, a much higher grade of manufacture, which is being made in large quantities in other countries and imported into this country. I am offering an amendment giving a duty of 15 per cent instead of 10 per cent for the ordinary box board. The description as contained in the amendment is that submitted by the Bureau of Standards.

Mr. McDUFFIE. Does that material include material of which they make cigar boxes?

Mr. TREADWAY. That is wood and this is paper. As far as I know there are no ordinary cigar boxes made out of paper.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment by Mr. HAWLEY: Page 100, line 7, strike out the words "beet pulp."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment to page 102, paragraph 746.

The CHAIRMAN. The gentleman from Oregon offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 102, lines 15 and 16, strike out the words "20 per cent ad valorem" and insert in lieu lieu thereof "3¾ cents per pound."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman kindly explain the amendment a minute?

Mr. HAWLEY. The present duty is on the ad valorem basis. It was thought advisable, in view of the nature of the industry, to change it from an ad valorem to a specific basis. In fact, it has been the policy in all the agricultural schedules to make the duties specific wherever possible, and this will simply increase the ad valorem.

Mr. GARRETT of Tennessee. This does not apply to anything except preserved and prepared pineapples? How much is the duty?

Mr. HAWLEY. Three and three-fourths cents a pound.

Mr. GARRETT of Tennessee. Can the gentleman give the committee any idea as to how much it would increase this over the 20 per cent ad valorem?

Mr. HAWLEY. I think it will make it about 25 per cent.

Mr. SEARS. May I ask that the amendment be read?

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again reported.

Mr. SEARS. Mr. Chairman, I rise in opposition to the amendment. Yesterday I submitted an amendment to the Committee on Ways and Means, but it was to the first part of paragraph 746, and not to the latter part. I contended then, and I contend now, that three-fourths of 1 per cent each is not an equitable nor a fair tariff on pineapples, and will hardly be practicable to put into effect. I think the committee should have considered the amendment which I offered, making it on pineapples per pound, as they made it on oranges, limes, peaches, and all fruits.

Mr. HAWLEY. I think the gentleman's amendment is still pending before the committee, but it has no application to the matter now pending before the House.

Mr. SEARS. Will it be offered later?

Mr. HAWLEY. I do not know what the committee will do. Mr. Chairman, I ask for a vote.

Mr. SEARS. I must confess this committee amendment just having been offered I have not had a chance to consider the effect of same. I do not know what effect the same will have. I see no difference in changing the other part of the paragraph, because the ad valorem duty on preserved pineapples is in accordance with the duties in the bill on other similar articles. What effect this will have I do not know, but I would like the committee to offer some amendment in line with the amendment that I offered yesterday.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment on page 220, line 8.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 220, line 8, strike out the word "exportation" and insert in lieu thereof the words "manufacture or production," and also the word "from" and insert in lieu thereof the words "manufactured or produced in."

Mr. HAWLEY. Mr. Chairman, this amendment simply affects the export from foreign countries of commodities made under a bounty, so that whether they are made for use in that country nominally and then exported, or made for purposes of export, the conditions will apply to them the same in both cases.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. COLLIER. Mr. Chairman, I would like to have that amendment read again.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The amendment was again read.

Mr. HAWLEY. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The amendment is to strike out the word "from."

Mr. HAWLEY. Yes; to strike out the word "from," in line 8.

The CHAIRMAN. Without objection, the amendment will be so modified.

There was no objection.

The CHAIRMAN. The Clerk will report the modified amendment.

The Clerk read as follows:

Strike out the word "exportation" and insert in lieu thereof the words "manufacture or production," and also strike out the word "from" and insert in lieu thereof the words "manufactured or produced in."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. WALSH. Is there any provision similar to this in the current law?

Mr. HAWLEY. This provision printed in the act, I think, is practically the current law. But there have been, for instance, jams and jellies manufactured in Australia and other parts of the Southern Hemisphere where a bounty has been given on the manufacture, as if for consumption in that country, and then afterwards the products were exported. Now, if there is a bounty given for goods manufactured for export, then the terms of this paragraph apply. These amendments were drafted by the Customs Division of the Treasury Department, so that when the goods are manufactured for export or manufactured for home consumption and then exported, the regulations in this paragraph shall apply.

Mr. WALSH. It does not apply to any dependency or colony or political subdivision of the United States?

Mr. HAWLEY. Not at all. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer an amendment to page 98, line 10. I think the Clerk has the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 98, line 10, strike out the word "other."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer another amendment to page 99, line 4.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 99, line 4, after the word "grits," strike out the comma.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment to page 100, line 3.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 100, line 3, strike out the word "and" and in lieu thereof insert the word "or."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 100, line 10, strike out the word "and" and insert in lieu thereof the word "or."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment to page 100, line 12.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 100, line 12, after the word "grains," strike out the word "and" and insert in lieu thereof the word "or."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment on page 101, line 20.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 101, line 20, insert the word "or" before the words "in brine."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer the following amendment to page 101, line 3.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 103, line 3, before the word "mixtures," strike out the word "or" and insert in lieu thereof the word "and."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Oregon offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 103, line 21, after the word "bulbs," strike out the comma and insert in lieu thereof the word "and."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. I offer another amendment.

The CHAIRMAN. The gentleman from Oregon offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 103, line 22, strike out the words "which are."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. I offer another amendment.

The CHAIRMAN. The gentleman from Oregon offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 104, line 6, strike out the word "or" and insert in lieu thereof the word "and"; and in line 7 strike out the word "and" and insert in lieu thereof the word "or"; and in line 9 strike out the word "and" where it last appears in the line and in lieu thereof insert the word "or."

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. WALSH. I should like to ask the gentleman from Oregon for some explanation of this reshuffling of the words "and" and "or." I do not see that it makes any material difference in the phraseology, but you take out "and" and put in "or," and while it does not change the meaning apparently, I should like to know what is the idea.

Mr. HAWLEY. The legal experts of the Tariff Commission, following the decisions of the customs court and of the other courts in cases where appeals have been taken, have submitted these verbal amendments to conform to the decisions of the courts and to use throughout the bill the words "or" and "and" in the same sense wherever they appear. All these amendments were sent in by the experts of the Tariff Commission, who stated that they were necessary in order to use the words in the same sense always, and possibly prevent litigation, and to clarify the sense in some instances.

Mr. WALSH. That is the view of these experts?

Mr. HAWLEY. Yes.

Mr. BANKHEAD. What issue was involved in the decision of the Supreme Court to which the gentleman refers?

Mr. HAWLEY. It was the customs court.

Mr. BANKHEAD. Was the question involved whether or not the use of the word "and" or the use of the word "or" involved the validity of the tax?

Mr. HAWLEY. It affected the classification of the articles in many instances, and the amount of the duty they should pay.

Mr. BANKHEAD. In other words, it verifies the statement of the gentleman from Texas that these apparently minor amendments are, as a matter of fact, of vital importance, increasing the duties.

Mr. HAWLEY. They may lower the duties as well as increase them.

Mr. CONNALLY of Texas. Mr. Chairman, I want to call attention to paragraph 732, which was amended a moment ago. The gentleman struck out the word "and" in line 10, but left the word "or" in line 9. Ought not that to be stricken out and the word "and" inserted in lieu thereof?

Mr. HAWLEY. They are different commodities.

Mr. CONNALLY of Texas. I know they are different commodities, but you levy a tariff on screenings, scalpings, chaff or scourings of wheat, flaxseed, or other grains.

Mr. HAWLEY. Yes.

Mr. CONNALLY of Texas. If you are going to carry out the theory which you adopt in these other amendments, you ought to change that word "or" and make it "and."

Mr. HAWLEY. No. Screenings, scalpings, chaff or scourings are all similar commodities in that they are the result of the milling of grain, but "wheat and other grains" are different sources from which these come.

Mr. CONNALLY of Texas. You are levying a duty on all of them, and it ought to be "and."

Mr. HAWLEY. The Tariff Commission went over this very carefully, we understand, and in order to make it clear that the words were used in the same sense in the same relation everywhere throughout the bill they have suggested these amendments.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. I offer another amendment.

The CHAIRMAN. The gentleman from Oregon offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 107, lines 6 and 7, strike out the word "otherwise" and insert in lieu thereof the word "specially."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. I offer another amendment.

The CHAIRMAN. The gentleman from Oregon offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. HAWLEY: Page 107, line 21, strike out the word "chickory" and insert in lieu thereof the word "chicory."

Mr. HAWLEY. Mr. Chairman, this amendment is simply to correct the misspelling of a word.

Mr. COLLIER. I should like to ask the gentleman from Oregon for information—I do not care especially about it—why it was that they put acorns on the free list in the Payne bill and the Dingley Act and put a tax of a cent and a half a pound on them in this bill?

Mr. HAWLEY. They are represented to be a coffee substitute.

Mr. COLLIER. A substitute for coffee? Did the committee think that when this bill went into operation we would have to use acorns for coffee? [Laughter.]

Mr. HAWLEY. We put a duty on chicory, and this is a competing article.

Mr. COLLIER. I expect that we will have to use acorns and chicory and other substitutes when the bill goes into effect.

Mr. SABATH. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. SABATH. Is there a duty on coffee?

Mr. HAWLEY. No.

Mr. SABATH. Then why is it necessary to put a duty on acorns and chicory?

Mr. HAWLEY. Chicory and acorns are produced in this country and are imported from abroad, and are used as competitive articles in coffee substitutes.

Mr. SABATH. Can the gentleman inform me where chicory is being manufactured in this country?

Mr. HAWLEY. A considerable quantity is grown in Michigan.

Mr. SABATH. So are sugar beets grown in Michigan, but they do not manufacture chicory there. Chicory is all imported.

Mr. HAWLEY. I would like to know where the gentleman got his information that no chicory is produced in Michigan.

Mr. SABATH. It is not being manufactured.

Mr. HAWLEY. It is being raised and prepared there, so the men dealing in it tell us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Page 108, line 5, before the word "prepared," insert the word "otherwise."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Page 108, in line 11, strike out the word "cardamon," and insert in lieu thereof the word "cardamom."

Mr. HAWLEY. That is to correct a misspelled word.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I offer a further committee amendment.

The Clerk read as follows:

Page 109, line 6, strike out the word "pimentos" and insert in lieu thereof the word "pimientos."

Mr. HAWLEY. That is to correct a misspelled word.

Mr. SEARS. Mr. Chairman, for information, I noticed on page 103, paragraph 749, that on all preserved fruits there is a tariff of 20 per cent ad valorem. Why did the subcommittee change paragraph 746 making it 13½ on preserved pineapples?

Mr. HAWLEY. It makes the ad valorem a little larger, but it was necessary to meet the trade requirements. This is the basket clause to provide for all articles not otherwise specially provided for.

Mr. SEARS. Will the amendment that I offered yesterday be considered by the subcommittee?

Mr. HAWLEY. It will be brought up.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I send to the Clerk's desk a number of technical amendments, and ask that they be reported in order.

The CHAIRMAN. Are these committee amendments?

Mr. LONGWORTH. They are.

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Page 2, line 13, after the word "acid" and before the word "containing," insert a comma.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 3, line 14, put the words "or methanol" in parentheses.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 4, line 18, strike out the comma after the word "sulphides" and insert a comma after the word "compounds."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment

The Clerk read as follows:

Page 5, line 18, strike out the word "or" and insert in lieu thereof the word "and."

Mr. McDUFFIE. Mr. Chairman, I have no desire to delay this procedure whatsoever, but if I can have the attention of the gentleman from Iowa [Mr. GREEN], will he be good enough to tell us when we may expect some action on the item referring to blackstrap molasses?

Mr. GREEN of Iowa. Mr. Chairman, I expect to call it up some time this afternoon, when we get through with these formal amendments.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I have another formal amendment which I desire to offer at this time, which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 5, line 19, after the numerals "1908," insert the words "entitled an act to amend an act to prevent the importation of impure and unwholesome tea, approved March 2, 1897"; and in line 20, after the numerals "1920," insert the words "entitled an act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1921."

Mr. LONGWORTH. Mr. Chairman, this more definitely describes the act.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Page 6, line 10, insert a comma after the word "preparations."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Page 6, line 17, insert a comma after the word "elements."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Page 7, line 12, insert a comma after the word "acid."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GARNER. Mr. Chairman, if I understand it, these amendments are being offered as committee amendments?

The CHAIRMAN. The gentleman from Ohio stated that they are all committee amendments in response to an inquiry made heretofore.

Mr. LONGWORTH. Mr. Chairman, I might add that these were approved by the whole committee, and the gentleman himself was present.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARRETT of Tennessee. Will the gentleman permit a question about that amendment adopted a moment ago placing a comma after the word "preparations," in line 10? In the copy of the bill which I have that reads:

Chemical compounds, salts, and preparations of bismuth, 25 per cent ad valorem.

Mr. LONGWORTH. As there is a comma after the word "compounds" and also after the word "salts," it is necessary to put one after the word "preparations" in order to make the whole apply equally to bismuth.

Mr. GARRETT of Tennessee. They are compounds of bismuth?

Mr. LONGWORTH. Exactly.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Page 10, line 24, at the end of the line, strike out the period and insert in lieu thereof a comma; and in the same paragraph, page 12, line 19, strike out the "s" in the word "paragraphs"; and in the same paragraph, page 12, line 21, strike out the "s" in the word "paragraphs."

Mr. WALSH. Mr. Chairman, is that the way to amend a word from the plural to the singular by the striking out of a letter?

The CHAIRMAN. If the Chair were called upon to pass an opinion on that, he thinks that probably that would be the effect of it.

Mr. WALSH. It has never been done in that way before. Perhaps this is some more of the work of the experts in the Tariff Commission.

Mr. LONGWORTH. It is.

Mr. WALSH. We ought not to allow them to tell us how to offer amendments on the floor of the House.

Mr. GARNER. You would not have many amendments offered then, because they are the only ones who know anything about it.

Mr. GARRETT of Tennessee. The gentleman from Massachusetts might ask that the paragraph be read as it will read if this amendment be adopted.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Page 23, line 2, insert a comma after the word "cellulose."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Page 23, line 15, after the word "value" insert the words "not specially provided for."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 24, line 10, after the word "leaves" strike out the word "or" and insert in lieu thereof the word "and."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 24, line 21, strike out the word "and."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 25, line 11, strike out the word "or" and insert in lieu thereof the word "and."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 26, line 3, strike out the comma after the words "casein glue" and insert in lieu thereof a semicolon.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 26, line 8, strike out the comma after the word "powders."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 27, line 1, strike out the word "and" between the words "natural and synthetic" and insert in lieu thereof the word "or."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 28, line 12, insert after the word "oils" and before the bracket the words "or both."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 28, line 17, strike out the letter "s" in the word "cloves."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 29, line 18, after the word "natural" strike out the word "and" and insert in lieu thereof the word "or."

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 33, line 10, insert a comma after the word "borax"; line 13, insert a comma after the word "chlorate"; line 14, strike out the comma after the word "chloride"; and line 15, strike out the comma after the word "pounds" and insert in lieu thereof a semicolon.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 34, line 24, insert the word "chemical" before the word "compound" and after the word "salts" insert a comma.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 35, line 1, insert a comma after the word "oxalate."

Mr. CONNALLY of Texas. Mr. Chairman, would it be in order to adopt a motion to authorize the majority of the Ways and Means Committee to make all these corrections. It would save a lot of time.

The CHAIRMAN. A motion to that effect would not be in order, the Chair thinks. Does the gentleman ask unanimous consent?

Mr. BLANTON. Mr. Chairman, I ask unanimous consent that we adopt these amendments en bloc. They are passing without anybody voting yea or nay, and we might just as well vote them en bloc.

Mr. WALSH. You can not have a yea or nay vote.

Mr. BLANTON. Well, an aye or no vote then.

The CHAIRMAN. The Chair thinks before a request of that sort could be put to the committee the committee necessarily would have to be given authority to offer all amendments before any were voted upon.

Mr. BLANTON. I will withdraw it, then.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Page 36, line 7, add the letter "e" to the word "sulphid."

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. I think that should be page 35, I think the Clerk read it wrong.

Mr. WALSH. It is offered to page 36 whereas it should be offered to page 35.

The CHAIRMAN. Without objection the vote on the amendment will be rescinded and the amendment as modified will be reported by the Clerk.

The Clerk read as follows:

Page 35, line 7, add the letter "e" to the word "sulphid."

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, on page 34, line 9, I offer the following committee amendment: Strike out the words "except tapioca flour and sago flour," and insert the words "not specially provided for."

Mr. OLDFIELD. Will the gentleman kindly explain the purpose of that?

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 34, line 9, after the word "starches" strike out "except tapioca flour and sago flour" and insert in lieu thereof, "not specially provided for."

Mr. LONGWORTH. The effect is precisely the same, except it is a scientific way of stating that tapioca and sago flour remain on the free list.

Mr. OLDFIELD. They will remain on the free list?

Mr. LONGWORTH. Yes; they are specially provided for on the free list.

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, on page 33, line 2, I offer the following committee amendment: After the word "paid" insert the words "in addition thereto."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 33, line 2, after the word "paid," insert "in addition thereto."

Mr. LONGWORTH. Mr. Chairman, in order to save further waste of time, I ask for a vote.

The CHAIRMAN (Mr. CAMPBELL of Kansas). The question is on agreeing to the amendment submitted by the gentleman from Ohio [Mr. LONGWORTH].

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer a further committee amendment. Page 33, line 3, strike out the words "an additional" and insert in lieu thereof the word "a."

The CHAIRMAN. The gentleman from Ohio offers a further committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 33, line 3, after the word "foregoing," strike out the words "an additional" and insert in lieu thereof the word "a."

Mr. OLDFIELD. Let the paragraph be read as it will read as amended.

The Clerk read as follows:

Provided, That for a period of five years, beginning on the day following the passage of this act, there shall be levied, collected, and paid in addition thereto on all the foregoing a duty of 15 per cent ad valorem.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Ohio offers a further committee amendment, which the Clerk will report.

Mr. LONGWORTH. Page 32, line 16, strike out the words "ground dry" and insert in lieu thereof "in any form of dry powder."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 32, line 16, after the word "lead," strike out the words "ground dry" and insert in lieu thereof "in any form of dry powder."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following committee amendment:

Page 28, line 9, strike out the figures "25" and insert the figures "20."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 28, line 9, strike out the figures "25" and insert in lieu thereof the figures "20."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. WALSH. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. WALSH. I have not a copy of the bill before me; but what particular item is it that the gentleman is making this ferocious change in?

Mr. LONGWORTH. I was about to explain. Paragraph 703 puts a duty of 25 per cent on hydrogenated or hardened oils, and they compete directly with the oils provided for in this paragraph. I thought the duty should be the same. In the other paragraph it was 20 per cent, and I preferred myself to reduce the duty rather than to raise it to correspond with the other paragraph.

Mr. OLDFIELD. I appreciate that.

Mr. LONGWORTH. I thought the gentleman would.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer another unexpected amendment, a committee amendment unexpected by gentlemen on that side, and which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment by Mr. LONGWORTH: Page 30, line 17, after the word "phosphorus," strike out the figures "15" and insert in lieu thereof "7."

Mr. WATSON. Mr. Chairman, I rise in opposition to the amendment. I was not aware of this committee amendment. I thought the gentleman from Ohio presented his amendments en bloc, and I had no idea of the reduction on phosphorus.

There are only two phosphorus companies in the United States, one in Pennsylvania, near Philadelphia, owned by American capital, and another owned by English capital, located near Niagara Falls. Of course the reduction of a duty on phosphorus is to the advantage of the Diamond Match Co., and it desires

cheap phosphorus, but it would not reduce or add to the price of Diamond matches to the public. A few days ago we had a question under discussion concerning duty on oil, and a letter came from the Executive, stating in his wisdom that it was not wise to place a duty upon oil. While I can not bring a letter from the President of the United States, I can read a letter from one of the brigadier generals of the United States Army, in which he states that it is most essential that we should have a duty on phosphorus in order to preserve that industry in time of war. Do we, gentlemen of the committee, wish to destroy this great industry?

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield at that point merely for a suggestion?

Mr. WATSON. Yes.

Mr. LONGWORTH. I was not aware that the gentleman was opposed to this amendment. I assumed that he had been present in the committee meeting when the amendment was offered. I did not know that he opposed it.

In view, Mr. Chairman, of what the gentleman from Pennsylvania has said, I will ask leave to withdraw the amendment temporarily in order that we may take it up in committee.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to withdraw his amendment. Is there objection?

Mr. OLDFIELD. I object.

Mr. WATSON. Mr. Chairman, permit me to read the letter. It is signed by Amos A. Fries, brigadier general, United States Army, Chief Chemical Warfare Service, and reads as follows:

WASHINGTON, D. C., *February 11, 1921.*

1. A review of the field of manufacturers of phosphorus in the United States shows that there is but one American-owned company within continental limits. This plant is now closed.

2. A review of the demands for phosphorus in the commercial trade shows the average annual consumption in peace time in the United States to be about 1,000 tons.

3. The annual demand within the Army in time of peace is very small.

4. The estimated requirement for the United States Army in a war such as the last war is 560 tons per month.

5. Phosphorus, along with magnesium, nitrate, platinum, etc., is considered a most essential commodity for the successful prosecution of war, and our country should make some provisions to protect the American industry and make the country independent of foreign markets.

AMOS A. FRIES,
Brigadier General, United States Army,
Chief Chemical Warfare Service.

Mr. Chairman, I will not speak further, but what I have said and from the letter of the brigadier general it seems to me we should not reduce the rate on phosphorus, but retain it in order that that industry may continue, not only in times of peace, but in times of war. [Applause.]

Mr. GARNER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GARNER. Did the gentleman from Ohio [Mr. LONGWORTH] state that this amendment had been authorized by the committee?

Mr. LONGWORTH. I did.

Mr. GARNER. By the full committee?

Mr. LONGWORTH. It appears that the gentleman from Pennsylvania [Mr. WATSON] did not happen to be there at the moment, but all the rest of the committee were there.

Mr. GARNER. It was not reported by the full committee, but by the majority?

Mr. LONGWORTH. By the majority.

Mr. GARNER. Do I understand that the gentleman from Pennsylvania says he knows nothing about the amendment?

The question comes up, and the Chair must determine whether or not under that resolution a majority of the committee is authorized to offer this amendment.

Mr. WATSON. Mr. Chairman, will the gentleman yield?

Mr. GARNER. Yes.

Mr. WATSON. The amendment is all in due form. The Democrats were there, but the amendments were offered en bloc.

Mr. GARNER. No; the gentleman from Pennsylvania is mistaken. This amendment was not offered in the committee proper; that is, when the Democrats were present, but the gentleman from Ohio [Mr. LONGWORTH] says he offers the amendment by virtue of the authority of the majority of the committee, composed of the Republican members. Now, the gentleman from Pennsylvania said he was not present and knows nothing about it.

I think the query comes, whether a majority of the committee, as the resolution requires, authorized this amendment. If the gentleman from Pennsylvania was not there, and other gentlemen on the Republican membership of the committee were not there, it is possible that the majority did not authorize this amendment.

Mr. WATSON. The majority did. If I had been present I would have asked the members to discuss it.

Mr. LONGWORTH. I ask, Mr. Chairman, that it be withdrawn in order that it may be discussed in committee. I had no idea that the gentleman from Pennsylvania had any objection to it.

Mr. GARRETT of Tennessee. Would it not answer the same purpose by having the committee polled?

Mr. OLDFIELD. I make the suggestion to the gentleman from Ohio [Mr. LONGWORTH] that when he takes this proposition up with the gentleman from Pennsylvania and other members of the committee, will he not see if he can not put phosphorous on the free list instead of at 7 cents a pound? If it is controlled by a monopoly they will charge monopoly prices anyway, and why should we place a duty on it for the benefit of a monopoly?

Mr. LONGWORTH. I hope the gentleman from Arkansas will come to the committee meeting.

Mr. OLDFIELD. I will be there; but will the gentleman support that amendment in the committee?

Mr. LONGWORTH. The gentleman will listen to the gentleman's argument and then decide.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio to withdraw his amendment?

Mr. NEWTON of Minnesota. Mr. Chairman, I reserve the right to object.

Mr. OLDFIELD. Mr. Chairman, I believe I have the floor.

Mr. WINGO. Mr. Chairman, I understand from the drift of the argument made by the gentleman from Pennsylvania [Mr. WATSON] that this is a component part of rat poison. Is that true? Would my Republican colleagues be willing to put rat poison on the free list?

Mr. OLDFIELD. I am serious on this proposition, and I hope the gentleman from Ohio [Mr. LONGWORTH], whom I have always found to be eminently fair, will consider this question and, in justice to all the people of the country, put this article on the free list.

Mr. LONGWORTH. The matter was brought up in the committee, and a majority of the committee being present, I was instructed by the unanimous vote to submit this particular amendment.

Mr. OLDFIELD. Mr. Chairman, may I ask the gentleman a question right there?

Mr. LONGWORTH. Yes.

Mr. OLDFIELD. Did the gentleman's colleagues understand, and did the gentleman himself understand what the gentleman from Pennsylvania says now, that a monopoly controls this article?

Mr. LONGWORTH. I did not. It would seem that we had placed the duty too high at 15 cents, and we proposed to reduce this to 7 cents.

Mr. OLDFIELD. I think, perhaps, all the other members of the committee, with the exception of the gentleman from Michigan [Mr. FORDNEY], would be favorable to putting this article on the free list, since it is controlled by a monopoly.

Mr. LONGWORTH. I will say to the gentleman that that will be given consideration.

Mr. WINGO. Mr. Chairman, is it in order to offer an amendment?

The CHAIRMAN. Yes.

Mr. WINGO. I move to strike out the figure "7" and insert the figure "1."

The CHAIRMAN. The gentleman from Arkansas offers an amendment, which the Clerk will report.

Mr. LONGWORTH. I ask unanimous consent to withdraw the amendment which I offered.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to withdraw his amendment.

Mr. WINGO. To facilitate action I will object to that request, Mr. Chairman.

The CHAIRMAN. Objection is heard. The Clerk will report the amendment of the gentleman from Arkansas.

The Clerk read as follows:

Amendment offered by Mr. WINGO to the amendment offered by Mr. LONGWORTH: Strike out the figure "7" and insert in lieu thereof the figure "1."

The CHAIRMAN. The question is on agreeing to the amendment to the amendment offered by the gentleman from Ohio.

The question being taken, on a division (demanded by Mr. WINGO) there were—ayes 36, noes 74.

Accordingly the amendment to the amendment was rejected.

Mr. WATSON. Mr. Chairman, I move to strike out the figure "7" and insert the figure "10."

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the amendment offered by Mr. WATSON: Strike out "7" and insert in lieu thereof "10."

The question was taken; and on a division (demanded by Mr. OLDFIELD) there were—ayes 53, noes 38.

Mr. GARRETT of Tennessee. Mr. Chairman, this increases the amount in the committee amendment. I ask for tellers.

The CHAIRMAN. The gentleman from Tennessee demands tellers.

Tellers were ordered, and the Chairman appointed Mr. WATSON and Mr. GARNER.

Mr. COOPER of Wisconsin. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOPER of Wisconsin. The motion of the gentleman from Pennsylvania [Mr. WATSON], as I understand, is to increase the committee amendment.

The CHAIRMAN. To increase it from 7 to 10.

Mr. COOPER of Wisconsin. And 7 is the figure proposed in the committee amendment offered by the gentleman from Ohio [Mr. LONGWORTH]?

The CHAIRMAN. That is correct.

Mr. LONGWORTH. I will state to the gentleman from Wisconsin that I have no objection to the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. WATSON] to the amendment of the gentleman from Ohio [Mr. LONGWORTH].

The committee again divided; and the tellers reported—ayes 71, noes 61.

Accordingly the amendment to the amendment was agreed to.

Mr. GARRETT of Tennessee. Mr. Chairman, the question now is on the committee amendment as amended?

The CHAIRMAN. As amended.

Mr. GARRETT of Tennessee. Mr. Chairman, I move to strike out the last word. The episode which has just occurred is one of the most remarkable in the course of the remarkable consideration of this remarkable bill. The gentleman from Ohio [Mr. LONGWORTH] arose and offered an amendment, stating that it was a committee amendment to reduce the duty from 15 to 7 cents per pound. It was stated that it was a committee amendment coming within the terms of the resolution, so that under the ruling made by the Chair yesterday it was in order as such. One member of the majority of the committee arose and challenged the statement, or at least said he knew nothing about it being a committee amendment, and that he was not present when it was adopted. He thereupon offered an amendment to the "committee" amendment. We have a division in the House upon it. We have a vote by tellers, and not a single majority member of the committee stands by the "committee" amendment. [Applause.] What is to be the fate of other "committee" amendments that are to be proposed? What are we to understand? Where has the majority leadership gone? It is strange indeed, Mr. Chairman. What is the majority of the committee? No other gentleman challenged this amendment except the gentleman from Pennsylvania, and the gentleman from Pennsylvania prevailed. It seems very much like the gentleman from Pennsylvania has come to be the majority of the Committee on Ways and Means. [Applause.] I can understand it, however, because the gentleman made an argument that I suppose is very convincing to the Republican side; because the only argument he made was that his amendment was to benefit a monopoly. [Applause.]

The CHAIRMAN. The pro forma amendment is withdrawn. The question is on the amendment of the gentleman from Ohio [Mr. LONGWORTH] as amended by the amendment of the gentleman from Pennsylvania.

The amendment as amended was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Ohio offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment by Mr. LONGWORTH: Page 32, line 21, after the word "perchlorate" strike out the figure "2" and insert in lieu thereof the figure "1."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, can the gentleman state whether the gentleman from Pennsylvania [Mr. WATSON] was present when this reduction was made?

Mr. LONGWORTH. I do not observe the gentleman from Pennsylvania on the floor.

Mr. COLLIER. You are taking advantage of his absence to put this through. [Laughter.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer another committee amendment, on page 31, line 1, to strike out the words "including barytes earth" and insert the word "ore."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Ohio.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 31, line 1, strike out the words "including barytes earth" and insert the word "ore."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following committee amendment:

The Clerk read as follows:

Page 29, lines 24 and 25, and lines 1 and 2 on page 30, strike out the entire proviso and insert in lieu thereof the following:

"*Provided*, That only materials not marketable as perfumery extracts or toilet preparations and not containing more than 10 per cent of alcohol shall be classified for duty under this paragraph: *Provided further*, That all the foregoing materials containing more than 10 per cent of alcohol shall be classified for duty under paragraph 57 as toilet preparations."

Mr. LONGWORTH. Mr. Chairman, these are all perfumes and articles of luxury. We are informed that they are brought in occasionally with a very small quantity of alcohol in order to escape the high rates of duty in paragraph 57. This amendment is intended to define the amount of alcohol, as anything above 10 per cent going into the higher rates of duty and lower than 10 into the lower rates.

Mr. WALSH. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. WALSH. Was Wayne B. Wheeler consulted about this proposition to import articles or extracts containing 10 per cent of alcohol?

Mr. LONGWORTH. I am not a member of the Judiciary Committee, as the gentleman is, presided over by the author of the prohibition bill.

Mr. WALSH. Mr. Wheeler comes from the gentleman's State, and we have a constitutional amendment, or at least Mr. Wheeler says we have, that prevents the importation of articles and liquids with more than one-half of 1 per cent of alcoholic content. I would like to know whether the representatives of the Anti-Saloon League appeared before the Ways and Means Committee when this particular schedule was under consideration. Does this change in the proviso indicate a change on the part of my colleague, Mr. VOLSTEAD, or Mr. Wheeler, his beloved friend? How can an article come in here with more than one-half of 1 per cent alcohol?

Mr. LONGWORTH. These articles are not potable.

Mr. WALSH. They may be used for beverage purposes. [Laughter.]

Mr. LONGWORTH. I do not think the gentleman can import beverages under this provision.

The CHAIRMAN. The question is on the amendment.

The question was taken, and on a division (demanded by Mr. FORDNEY) there were 67 ayes and 31 noes.

So the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that, on page 32, line 21, the word "cents" may be changed to "cent," in conformity to the amendment just adopted.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that the word "cents," on page 32, line 21, be changed to "cent." Is there objection?

There was no objection.

Mr. LONGWORTH. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 193, line 17, strike out all of line 17 and insert in lieu thereof "treated solely for proper packing and for the prevention of decay or deterioration pending manufacture."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 26, line 18, after the word "of," strike out the figures "2½" and insert in lieu thereof the figure "7."

Mr. LONGWORTH. Mr. Chairman, this is substantially an increase of duty on citrate of lime. This is of particular interest to the State of California, where the lemon industry is a large and important industry. I will reserve any statement that I care to make in order that some gentleman from California may give reasons why the duty should be substantially increased.

Mr. SWING. Mr. Chairman and gentlemen, citrate of lime is an intermediate substance product between the fresh lemon and citric acid, the finished product. Imported citrate of lime comes almost entirely from Sicily. In the last few years there has been developed in California as a by-product from the fresh lemons the manufacture of citrate of lime. Citrate of lime is then converted into citric acid. Citrate of lime contains by weight 64 per cent of citric acid. There is a slight loss in the conversion process from citrate of lime to citric acid. This change proposed by this amendment is to bring the tariff on citrate of lime in accordance with that already fixed on citric acid, so that the two will be proportionate and in accordance with the scientific ratio. The committee amendment does this and makes the tariff on citrate of lime conform with that on citric acid. It is to this extent a perfecting amendment and should be adopted to correctly carry into execution the intention of the committee.

Mr. COLLIER. Mr. Chairman, I just want to say that citrate of lime was on the free list in the Payne Act and that the Underwood Act put a tax of 1 cent a pound upon it. We received in revenues an amount ranging from $40,000 to $50,000 until the war practically cut off the importations, but I believe that increasing the Underwood Act by 700 per cent, as it does in this bill, along with a good many other increases which the committee amendments are developing, will more than amply bear out the statement made by several Members of the minority, including myself, that when this bill is finally presented for a vote to-morrow the rates will be even more than 50 per cent above those of the Payne Act.

Mr. SWING. Mr. Chairman, will the gentleman yield?

Mr. COLLIER. Yes.

Mr. SWING. Does the gentleman not know that when the Payne tariff act was adopted, and also when the Underwood tariff act was adopted, no citrate of lime was manufactured in this country, and that the industry has come into existence in this country since the adoption of both those tariff laws?

Mr. COLLIER. I understand that the industry has greatly developed in the past few years.

Mr. LONGWORTH. Mr. Chairman, I rise merely to remind the gentleman from Mississippi and other Members on the Democratic side that had the ambitions of their most recent leader been realized, and had he attained the Presidency and had a Democratic Congress to back him, this duty would have been infinitely higher, because he had firmly pledged himself while in California to see to it that the duty on lemons produced in California should be placed so high as not only to equal the difference in the cost of production here and abroad but to pay the freight rates from California to New York.

Mr. STEVENSON. Perhaps that is the reason that he was not elected.

Mr. LONGWORTH. If that had been done the duty on lemons would have been much higher, and the duty on citrate of lime and citric acid infinitely greater under a Democratic régime.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARRETT of Tennessee. In view of the results in California, I take it that they were not particularly interested in it.

Mr. LONGWORTH. But think what the result would have been in California if the governor of Ohio had not pledged himself to a duty on lemons. He might have received no votes whatever.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. FORDNEY: Page 107, line 22, strike out the numeral "2" and insert in lieu thereof the numeral "3," and in line 24 strike out the numeral "2" and insert in lieu thereof the numeral "3."

Mr. FORDNEY. Mr. Chairman, let me say for the information of the House that this relates to the duty on chicory.

Mr. OLDFIELD. And also on acorns?

Mr. FORDNEY. All coffee substitutes. It affects coffee substitutes, but especially chicory. In former laws there was a margin of 2 cents between the raw material and the finished product. In this bill we have provided only one-half of 1 cent between them, and we find that that is not at all scientific or correct. Therefore, the committee has authorized me to offer this additional rate from 2 to 3 cents on the finished product.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Page 188, line 14, after the word "bones" strike out the words "burned or."

Mr. YOUNG. Mr. Chairman, in paragraph 66 there is a duty carried on bone black of 20 per cent ad valorem. Bones burned is another way of expressing the same thing. The latter is under the free list. If it were to remain there, there would be a conflict and confusion. The amendment is to strike it out of the free list.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. Yes.

Mr. COLLIER. What does this make the tax on bone black?

Mr. YOUNG. Twenty per cent ad valorem.

Mr. COLLIER. What is the number of it? I have not turned to the section.

Mr. YOUNG. It is paragraph 66. It calls for a duty on bone black of 20 per cent ad valorem. The provision that we are striking out is in the free list. We strike out the words "burned or," because bones burned represents the same product as bone black. If these words were to remain in the bill as it is, it would be a conflict.

Mr. COLLIER. This is to keep down the conflict?

Mr. YOUNG. That is the idea.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from North Dakota.

The amendment was agreed to.

Mr. WATSON. Mr. Chairman, I offer the following committee amendment, which I send to the desk.

The Clerk read as follows:

Page 168, line 13, after the word "valorem" strike out the period and insert in lieu thereof a semicolon and the following: "Hair felt, made wholly or in chief value of animal hair, not specially provided for, 25 per cent ad valorem; manufactures of hair felt, including gun wads, 35 per cent ad valorem."

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. WATSON. Yes.

Mr. COLLIER. I would like to have the gentleman tell me about hair press cloth in the same section. Is that camel's hair press cloth that is used by the cottonseed oil producers?

Mr. WATSON. No; the commodity I have inserted in the bill is used for insulation and upholstering.

Mr. COLLIER. I do not know that I understand the gentleman.

Mr. WATSON. Hair press cloth is an entirely different commodity.

Mr. COLLIER. What is the difference between the Payne Act and this bill? The Payne Act had a duty of 8 cents a pound and 20 per cent ad valorem——

Mr. WATSON. You allude to another commodity.

Mr. OLDFIELD. Will the gentleman yield for a question?

Mr. WATSON. I will.

Mr. OLDFIELD. What is this used for? Upholstering, the gentleman says?

Mr. WATSON. It is used for upholstering and for insulation.

Mr. OLDFIELD. The gentleman is making that 25 per cent ad valorem?

Mr. WATSON. Yes; in the amendment.

Mr. OLDFIELD. Why is it that you have upholstery material at 25 per cent ad valorem and the other press cloth at 35 per cent ad valorem? That is in paragraph 1425, which you are amending.

Mr. WATSON. I know——

Mr. OLDFIELD. I was wondering why you had upholstering material at 25 per cent and the other press cloth at 35 per cent ad valorem.

Mr. WATSON. Gun wads are at 35 per cent ad valorem because of the labor.

Mr. OLDFIELD. As I heard the gentleman's amendment, it provides for haircloth, gun wads, and so forth, 25 per cent ad valorem. I was wondering why you put those articles at 25 per cent, and the articles above there in the paragraph, haircloth, known as hair seating, and hair press cloth, at 35 per cent ad valorem. I was wondering why you made that less than the other press cloth.

Mr. WATSON. I do not think it is less. It is a different material entirely.

Mr. OLDFIELD. The gentleman might put it in a different section if it is a different proposition.

Mr. GARRETT of Tennessee. May we have the amendment again reported?

The CHAIRMAN. Without objection, the amendment will be again reported.

There was no objection.

The amendment was again reported.

Mr. GARRETT of Tennessee. I would like to ask the gentleman what effect this has upon paragraph 1422, at the top of page 168?

Mr. TILSON. The gentleman will have to have an amendment if he makes this amendment by making gun wads of hair felt dutiable at this rate different from that contained in 1422. He will have to put in a n. s. p. f. clause or else he will have a conflict.

Mr. GARRETT of Tennessee. Is the gentleman from Connecticut familiar with this amendment?

Mr. TILSON. I think I know something about it; not the amendment of the gentleman from Pennsylvania.

Mr. GARRETT of Tennessee. I want to say this is a committee amendment because the gentleman from Pennsylvania is the one who has offered it. I do not know if the gentleman from Connecticut was in here a while ago when the gentleman from Pennsylvania overthrew the whole Committee on Ways and Means.

Mr. TILSON. I was here when that feat was performed.

Mr. WATSON. This is a committee amendment because the distinguished gentleman from Texas was on my right and he did not object to it. As I understand, the wads are made from hair from the Angora goat. In calling attention to gun wads at the top of the page, they are supposed to be made out of paper and therefore we have a lower ad valorem duty, but gun wads mentioned in my amendment are made from haircloth and require a higher ad valorem.

Mr. GARRETT of Tennessee. Where are they manufactured?

Mr. WATSON. In America?

Mr. GARRETT of Tennessee. Yes.

Mr. WATSON. I can not tell the gentleman where they are manufactured in America, but I suppose in Lansdale, Montgomery County, Pa. [Laughter on the Democratic side.]

Mr. COLLIER. Mr. Chairman, I just want to state in answer to the question of the gentleman from Iowa [Mr. GREEN] when he said we did not know anything about this bill being higher than the Payne rate, that since you have raised the tax 700 per cent on citric acid you have also raised it 20 per cent on burnt bones, 100 per cent on acorns, and 150 per cent, if this goes through, on gun wads made in the State of Pennsylvania, as the gentleman stated just now. I simply wanted to call attention to some of these increases because I believe the House is going to find when we finally vote upon this bill that many increases will be brought in by the committee amendments, and the bill as originally reported will not carry anything like the same rate of duty it will bear at 3 o'clock to-morrow when we vote on this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the Chair announced that the noes appeared to have it.

On a division (demanded by Mr. WATSON) there were—ayes 56, noes 38.

So the amendment was agreed to.

Mr. CONNALLY of Texas. Will the gentleman from Pennsylvania yield?

The CHAIRMAN. There is nothing now before the House.

Mr. TILSON. Mr. Chairman, I ask unanimous consent to offer an amendment, in line 1, page 168, in view of the amendment which has just been adopted, to put in the words "not specially provided for."

The CHAIRMAN. Is there objection?

Mr. OLDFIELD. I object.

The CHAIRMAN. Objection is heard.

Mr. TILSON. Mr. Chairman, I offer a committee amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 85, lines 1 and 2, strike out the words "including calamine."

Mr. TILSON. Calamine is a zinc-bearing ore, and therefore it need not be specifically mentioned.

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. TILSON. I will.

Mr. CONNALLY of Texas. Is any of this in the Lansdale part of Pennsylvania?

Mr. TILSON. I believe most of it is in Missouri.

Mr. CONNALLY of Texas. You have completed the Lansdale, Pa., schedule?

Mr. TILSON. I think we have taken care of Montgomery County now.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. TILSON].

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 159, line 17, strike out the word "either"; line 8, strike out the word "if"; line 12, strike out the word "if."

Mr. TILSON. Those are all amendments of phraseology and do not pertain to the original meaning of the paragraph.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut.

Mr. CONNALLY of Texas. Mr. Chairman, I ask to be recognized.

Mr. Chairman and gentlemen of the committee, before proceeding any further with this bill may I inquire if the committee has concluded the consideration of the schedule of duties on articles from the district of the gentleman from Pennsylvania [Mr. WATSON]? I would like for him to tell me whether or not there are any other industries in his district which have not been properly protected in this measure.

Mr. BUTLER. There are no others in my colleague's district that are not properly protected.

Mr. CONNALLY of Texas. The gentleman from Pennsylvania says that there is none other that is not properly protected.

Mr. BUTLER. And I will vouch for the good care which my colleague gives to his constituents. There is none better anywhere.

Mr. CONNALLY of Texas. I want to say, gentlemen of the committee, that I assumed that that was true from what has already transpired. We were presented this morning with the promising spectacle of the powerful Ways and Means Committee, that has been sleeping with this bill for many months, coming before the House and submitting a committee amendment to reduce the tariff on phosphorus from 15 cents a pound to 7 cents a pound. But suddenly the deliberations of this body and the minds of the Republican members of the committee were rudely disturbed by the gentleman from Pennsylvania [Mr. WATSON] rushing wildly from his office to the floor of the House, and in a voice of despair exclaiming, "You are about to overlook an industry in my district. The only phosphorus factory in the United States is in my district. My God! Do not reduce the tax from 15 to 7 cents; make it at least 10"—with the attitude and the gesture of a gentleman who is willing to bargain and to barter. [Laughter.] "If you must reduce the tax at all, if you must reduce it from 15 cents, for my sake do not make it 7; make it 10." Pursuant to his appeal, he offers an amendment to substitute 10 cents for 7 cents. And what do we find the Republican majority of the Ways and Means Committee doing? Although only a moment before they advocated 7 cents, when they find the gentleman from Pennsylvania [Mr. WATSON] wants 10 cents instead of 7, and that the phosphorus monopoly is located in his district, they bow to the will of the gentleman from Pennsylvania because he is a member of the Ways and Means Committee and sit in their seats and repudiate their own action when they had decided on 7, and when a vote is had the Republican side of the House rises, like it is receiving the benediction, and votes for 10 cents instead of 7. [Laughter.]

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. CONNALLY of Texas. Gladly.

Mr. GARRETT of Tennessee. Not only did the majority members of the committee sit in their seats at the proper time, but when the vote was taken by tellers every one of them who was present passed through the tellers in support of the amendment of the gentleman from Pennsylvania and against their own amendment.

Mr. CONNALLY of Texas. I thank the gentleman for making that suggestion. They absolutely repudiated their own action and voted with the gentleman from Pennsylvania for 10 cents instead of 7. It but illustrates the robbery that is in this bill. The gentleman from Pennsylvania [Mr. WATSON] did not think he had gotten "his'n," and when he rushed in, he being a member of the Ways and Means Committee, they gave him what he demanded. And so every member of the Ways and Means Committee in this bill has gotten what his particular district and constituents have demanded, because the boys back home have got to be taken care of. Those not members of that committee have not all been so fortunate. And that is the iniquity of this protection measure which is now pending before this House. [Applause on the Democratic side.]

Mr. KINCHELOE. I notice that in this bill there is a tariff on divi-divi. I wonder whose district that benefits.

Mr. GARRETT of Tennessee. And did the gentleman from Texas mean to include the gentleman from Oklahoma [Mr. CHANDLER]?

Mr. CONNALLY of Texas. He is a new Member. He does not live north of the Ohio and east of the Mississippi. Being a member of the committee, he secured the placing of a duty on oil in the bill originally, but the gentleman from Oklahoma will not get any duty on oil. The Republicans voted with Democrats to take it out. They thought they had tied the gentleman by placing it in the bill even though it is later taken out. He has not passed through the third degree yet. He is relatively a new Member. He can not get anything here now. If he behaves, they may reward him. They are going to try him out. They are going to see if he will stand hitched on this bill, and if he stands hitched and swallows all the other schedules, next year they may put a little duty on some little chemical or rock out in Oklahoma and take care of him, but will not put it in this bill, of course. [Applause on the Democratic side.]

Mr. BLACK. Does the gentleman think if he votes for the Longworth dye schedule that it will qualify him?

Mr. CONNALLY of Texas. That is one of the essential qualifications. If the gentleman from Oklahoma——

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CONNALLY of Texas (continuing). Will swallow all of these protection blue-mass pills, as big as your fist, and gallons of protection castor oil, and steel and iron schedules, the gentleman from Oklahoma may get something next year, or some other time, if after his vote for this bill he ever gets back to Congress to get it. [Applause on the Democratic side.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut [Mr. TILSON].

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers another committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 159, line 24, insert the word "other" before the word "toilet," and in line 26 strike out the comma after the word "pencils."

Mr. TILSON. Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers another committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 160, line 4, strike out the words "or other," at the beginning of the line, and insert in lieu thereof the word "and" and strike out the words "woven or made."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 160, line 20, after the comma following the word "unfinished," insert the words "not specially provided for."

Mr. TILSON. Mr. Chairman, that is to prevent a possible conflict in another part of the bill.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 161, lines 10, 16, 18, and 19—after the word "cork," in line 10, insert a comma; after the word "cork," in line 16, strike out the comma and insert a semicolon; after the word "cork," in line 18, insert a comma; in line 19, after the words "forms" and "tile," strike out the commas and insert in lieu thereof a semicolon; after the word "paper" insert a comma.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers another committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 161, line 22, before the word "billiard," insert the word "and."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers another amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 162, line 8: Strike out the word "and" where it first appears in the line and insert in lieu thereof a comma, and after the word "corundum" insert the words "and artificial abrasive." Strike out the word "and" where it last appears and insert in lieu thereof a comma; in line 9, after the word "corundum," strike out the comma and insert the words "and artificial abrasive"; in line 11 strike out the word "or" and insert in lieu thereof a comma; and after the word "corundum" insert the words "or artificial abrasive."

Mr. TILSON. That is a clarifying amendment.

Mr. GARNER. Yes; it is a clarifying amendment, but it is extending the application of the schedule. It enlarges the schedule. The gentleman ought to add that.

Mr. TILSON. Mr. Chairman, I call for a vote.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers another committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 167, lines 15, 16, and 17, transfer the phrase "silver or black fox skins, dressed or undressed, and manufactures thereof, not specially provided for, 40 per cent ad valorem" to line 12, so that it will follow the semicolon and precede the word "articles."

Mr. TILSON. Mr. Chairman, it is just a transposition of phrases.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers another committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 170, line 15, strike out the word "or" and insert in lieu thereof the word "and."

Mr. TILSON. Mr. Chairman, that is in conformity with the recommendation of the Tariff Commission.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 172, line 4, after the comma and before the word "enameled," insert the following: "Player-piano-action leather."

Mr. TILSON. Mr. Chairman, this is adding player-piano-action leather to the paragraphs already containing pianoforte-action leather. It makes it conform to the action leather of player pianos as well as floor pianos.

Mr. GARNER. In other words, you overlooked that in making up the bill and later on discovered it, and now you are taking care of it here. [Laughter.]

Mr. TILSON. We supposed that "player-piano-action leather" was included, but in order to remove doubt about it and make it perfectly certain we now wish to add this language.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. FAIRCHILD. Mr. Chairman, may we have that amendment reported again?

The CHAIRMAN. Without objection, the amendment will be again reported.

The amendment was again read.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 174, line 13, strike out the comma after the word "for" and insert in lieu thereof a semicolon.

Mr. GARNER. Mr. Chairman, let me ask the gentleman from Connecticut, What is the effect of that amendment?

Mr. TILSON. It is just a correction of the punctuation; that is all.

Mr. GARNER. Why do you want to strike out the comma and insert a semicolon after the word "for"?

Mr. TILSON. Because this includes two separate classes of articles, both coming in at the same rate, to be sure, but a semicolon will separate the two, making two classes of articles, both bearing the same rate.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 175, line 14, insert a comma after the word "cores."

Mr. TILSON. Mr. Chairman, this is simply for better punctuation.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Another committee amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Connecticut offers an amendment which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 176, line 11, strike out the word "fusions" and insert the word "fusains."

Mr. TILSON. Mr. Chairman, this amendment simply corrects a typographical error, the misspelling of a word.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment which the Clerk will report.

The Clerk read as follows:

Committee amendment by Mr. TILSON: Page 178, line 15, transpose the apostrophe and the "s" in the word "hatter's."

Mr. TILSON. Mr. Chairman, the Tariff Commission think the plural possessive is correct here rather than the singular possessive, therefore the amendment is to transpose the apostrophe and the letter "s," to make the word plural possessive instead of singular possessive.

Mr. LONDON. Mr. Chairman——

The CHAIRMAN. The gentleman from New York rises in opposition to the amendment.

Mr. LONDON. Mr. Chairman, the discussion is getting to be tedious. Too many amendments are being offered to correct grammatical errors. This bill imposes a tax on nearly everything that is used by the workers. It taxes every article of food, every article that goes into the building of homes, every article of clothing. It is vicious all through. I do not like to see an indecent thing wrapped up in a decent garment. I hate to see Cain dressed up to look like Abel. The bill violates every rule of fair dealing. Why should it not violate the rules of grammar. I am in favor of bad grammar in a bad bill. [Laughter.]

Mr. BLANTON. Will the gentleman from New York yield? The gentleman forgets that they permit stale bread to come in here free for these poor people of New York.

Mr. LONDON. That is the only thing that they will let them have, if they can get it.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut [Mr. TILSON].

The amendment was agreed to.

Mr. BANKHEAD. Mr. Chairman, I desire to submit a request for unanimous consent. I ask unanimous consent that the Clerk be authorized to correct all typographical errors in the bill.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that the Clerk be authorized to correct all typographical errors in the bill. Is there objection?

Mr. MANN. It depends on what would be called a typographical error. I do not know whether the inserting of a comma could be called the correction of a typographical error or not.

Mr. GREEN of Iowa. Mr. Chairman, I presume the gentleman refers to the fact that we have two copies of the bill, and that in the second print there are a few words misspelled that are correctly printed in the first print.

Mr. BANKHEAD. No; we are taking up a great deal of time here in the formal offering of committee amendments merely for the purpose of correcting typographical errors that are apparent on the face of the bill, errors of spelling and errors of punctuation. It seems to me in view of the fact that there are some real, substantive amendments that are to be proposed and that ought to be proposed at an early hour, we might save a great deal of time if the Clerk were authorized to correct typographical errors.

Mr. GREEN of Iowa. We are through with that class of amendment.

Mr. FORDNEY. We will present a real amendment in a few minutes, in which the gentleman from Alabama will be very much interested.

Mr. MANN. I have no objection to permitting the Clerk to correct real typographical errors, and I think ordinarily mispunctuation would be called a typographical error, but in a tariff bill the punctuation is very important, and the changing of a comma might make an entire difference in the sense and purpose of a bill.

Mr. BANKHEAD. I understand that, and I will say to the gentleman that my request did not include punctuation, because I appreciate the importance of punctuation in a bill of this sort, but my request related to bad grammar and typographical errors.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama that the Clerk be allowed to correct typographical errors in the bill?

Mr. GREENE of Vermont. I object.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 159, insert a new paragraph between lines 2 and 3, as follows:
"Boots, shoes, or other footwear, the uppers of which are composed wholly or in chief value of wool, cotton, ramie, animal hair, fiber, silk or substitutes therefor, whether or not the soles are composed of leather, wood, or other material, 25 per cent ad valorem."

Mr. TILSON. This amendment includes slippers of various kinds, the tops of which are made of silk, wool, cotton, fiber, and other materials, except leather; it includes all slippers, whether they have soles of the same material or of leather.

Mr. GARRETT of Tennessee. May I ask where they are now in the bill?

Mr. TILSON. They are not in the bill at all. It is one of those cases where two subcommittees, working on different portions of the bill, one considering one schedule and another another, neither of them took jurisdiction of these articles. One of the briefs filed on the subject referred specifically to schedule K, and the hearings are printed under schedule K, consequently the subcommittee of which I was chairman did not consider the subject. Neither did the subcommittee on the wool schedule consider it, and therefore it was left out.

Mr. GARRETT of Tennessee. I assume that it would be covered by the basket clause in the bill.

Mr. TILSON. Yes. But that would bring them in under the component of chief value rule. Some would come in under silk, which would impose a heavy duty. If wool is the component of chief value they would be taxed as wool, and so on. It is believed to be in the interest of clearness and good business to have all gathered together under one paragraph to be known as the slipper paragraph.

Mr. GARRETT of Tennessee. What is the rate in the basket clause?

Mr. TILSON. It would range anywhere from 10 per cent upward. The gentleman knows what it would be on wool. On long-staple cotton it would be 15 per cent, under the action of the Committee of the Whole taken yesterday.

Mr. GARNER. They would come in under the basket clause, under various schedules?

Mr. TILSON. They would; and it is believed that it would be better to have them in one paragraph.

Mr. BARKLEY. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. BARKLEY. The amendment provides for 25 per cent tariff on shoes with felt or other commodities—does that include shoes made partly of leather and partly of cloth?

Mr. TILSON. Yes.

Mr. BARKLEY. What is the technical interpretation of uppers? Does it include all above the sole or not?

Mr. TILSON. I understand that it applies to that part of the shoe above the sole.

Mr. BARKLEY. Is the gentleman sure about that?

Mr. TILSON. It would include what goes over the foot, but not the sole or the inner sole.

Mr. BARKLEY. Might not the leather come up a certain distance above the sole and then have a cloth top?

Mr. TILSON. I understand that it requires the entire top to constitute the upper.

Mr. FIELDS. There are many shoes worn by laborers where the upper is made partly of cloth and partly of leather.

Mr. TILSON. If it has a cloth top, it would come in under this paragraph.

Mr. FIELDS. Cloth and rubber.

Mr. TILSON. That would depend on what was the component of chief value. If the component of chief value was cotton, it would come in under this paragraph.

Mr. FIELDS. The amendment proposed by the gentleman is a flat duty of 25 per cent.

Mr. TILSON. Yes; on shoes and slippers of this kind.

Mr. BLANTON. Does it include all shoes with leather tops?

Mr. TILSON. No; shoes with leather tops are in another schedule.

Mr. BLANTON. How much does the gentleman propose in the next paragraph to put on leather tops—boots and shoes?

Mr. TILSON. A very small duty—10 per cent.

Mr. FIELDS. The gentleman has put a heavier rate on cheap shoes than he has on the higher grades of shoes.

Mr. TILSON. Oh, no; a larger rate on those of high value.

Mr. SNYDER. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. SNYDER. Some gentlemen may not understand in regard to this felt slipper. This is an industry that has grown up in the country since the war. We had manufacturers of felt shoes previous to that, but the words "felt shoes" are a misnomer. There used to be a felt shoe which took the place of a leather shoe, but that has all been eliminated. Now, occasionally leather is used in the sole, but not altogether by any means. There is employed in the country over 2,500 people in this industry, and there is not a manufacturing industry in this country that is so wholly in competition with Germany as the felt-shoe industry, and 25 per cent will not begin to protect that industry.

Mr. FIELDS. Mr. Chairman, in the farming sections and in the industrial sections, as well, there are many shoes worn by farmers and laborers that are not made of leather, except the soles. They are made of a composition of rubber and cloth combined. Would that shoe be taxed 25 per cent under this amendment?

Mr. SNYDER. This would not come into competition with that kind of shoe at all.

Mr. BLANTON. Mr. Chairman, I move to strike out "25" and insert in lieu thereof "three-tenths of 1."

The CHAIRMAN. The gentleman from Texas offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON to the amendment offered by Mr. TILSON: Strike out "25" and insert in lieu thereof "three-tenths of 1."

Mr. BLANTON. Mr. Chairman, it is very evident that the leaders of our colleagues on the Republican side of the aisle seem determined to put a compensatory duty on boots and shoes and leather goods. That is a matter that we can not stop, it seems. Therefore I have prepared what ought to be to the country a reasonable compensatory duty. It is the same per cent as the amount of taxation that the district provides upon intangibles—three-tenths of 1 per cent—while the amendment offered by the gentleman from Connecticut [Mr. TILSON] is 243 times the amount of this small duty I would provide. Notwithstanding the fact that last July, August, September, and October, just four months during the fiscal year ending June 30, 1921, there came into the United States absolutely free of duty over 80,000,000 pounds of cowhides and over 10,000,000 pounds of calf hides, shoes have been higher this last year than ever known before except in recent war time. They now ask you $10 for an ordinary pair of low-quarter shoes. As I said the other day, the shoe manufacturers make 12 pairs of shoes out of 1 cowhide for which they have not paid over $2, and lots of hides are sold at that price in the United States, and the cheap foreign hides have come into the United States duty free. Yet the gentleman from Connecticut [Mr. TILSON], with shoes out of all reason so far as price is concerned, admits here on the floor that in just a few minutes he is going to try to mesmerize the House again or use a sandbag and knock them down with another 10 per cent duty on leather made shoes.

Mr. TILSON. Did not the gentleman vote for a duty on hides?

Mr. BLANTON. Yes; because I am in favor of upholding American standards and ideals on the farms and ranches of the country.

Mr. TILSON. And so am I.

Mr. BLANTON. But when the cheap South American hides are coming into this country, 90,000,000 pounds in four months, raised there by peon and coolie labor, I am in favor of protecting the honest American farmer and producer in this country, but I am not in favor of protecting him to the tune of $1 in one pocket and robbing him of $2 from his other pocket, which the gentleman from Connecticut is seeking to do by his compensatory amendments.

Mr. FREE. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. FREE. Is the gentleman in favor of protecting any farmer except those who live in Texas?

Mr. BLANTON. Yes; I am in favor of protecting every farmer and producer in the United States, and you can not propose any reasonable amendment here that will equalize the cost of production of any farm article in this country as against the cost of it in a foreign country for which I will not vote. I would vote for every one of them, but I am not going to vote for a compensatory duty on manufactured leather goods when they are sold now for a price out of all reason, when the poor people of the country are now robbed every time they buy a pair of brogan shoes, and the Republican Party will have to suffer the consequences of such action.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Connecticut.

The question was taken; and on a division (demanded by Mr. LONDON) there were—ayes 70, noes 52.

So the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 196, beginning with line 13, strike out all of paragraph 1600, beginning with line 13 down to and including line 18, and insert in lieu thereof on page 172, line 3, before the word "chamois," the following:

"Leather: All leather not specially provided for; harness, saddles, and saddlery in sets or parts (except metal parts), finished or unfinished; leather cut into shoe uppers, vamps, soles, or other forms suitable for conversion into manufactured articles; leather shoe laces, finished or unfinished; all the foregoing, 10 per cent ad valorem."

And in line 5, page 172, strike out the numerals "15" and insert in lieu thereof the numerals "20."

Mr. TILSON. Mr. Chairman, this is an amendment offered for the purpose of placing on leather and leather products a compensatory duty for that placed by the Committee of the Whole on hides and skins a few days ago.

Mr. PADGETT. Mr. Chairman, will the gentleman yield for a question?

Mr. TILSON. Yes; for a brief question.

Mr. PADGETT. The other day the chairman of the committee, Mr. FORDNEY, stated that he doubted very much the necessity of a compensatory duty on leather and said that it should not be above 5 per cent. Can the gentleman explain why he is putting it at 10 per cent?

Mr. TILSON. I will explain. I did not mean to explain at this point, but I will do so. Five per cent would not be a sufficient compensatory duty except upon the very light hides. Upon the heavy cattle hides a duty of 10 per cent is not compensatory.

Upon the higher grades of leather, where the value is great and the weight is comparatively small, the compensatory duty would not have to be so large, and in some instances 5 per cent might cover it. In the case of cattle hides, which make heavy leather, 5 per cent and even 10 per cent does not cover it.

Mr. PADGETT. Why was it that the chairman of the committee, the gentleman from Michigan [Mr. FORDNEY], said that he doubted the necessity of putting on any compensatory duty at all?

Mr. TILSON. Oh, the gentleman from Michigan is accustomed to wearing the finest shoes, made of very fine, light leather, so that perhaps he was thinking of this kind of leather, and perhaps the information that the chairman had at that time was in regard to this kind of leather.

Mr. PADGETT. The gentleman from Michigan is considered to entertain the very highest views for the very highest type of duties that can be secured, and yet he said he doubted the necessity of any duty on this at all, and the gentleman knows that he is extreme in his views for a high tariff.

Mr. TILSON. The gentleman from Michigan at that time was arguing for a duty on hides, and he was making the strongest

argument that he could make. He would be justified, I think, in taking an extreme case in the argument and presenting it forcefully, as he always does.

Mr. KINCHELOE. Will the gentleman yield?

Mr. TILSON. I will.

Mr. KINCHELOE. As I understand, this compensatory duty on leather is by reason of the former action of the committee putting a tariff on hides?

Mr. TILSON. That is correct.

Mr. KINCHELOE. In other words, if the Committee of the Whole in its judgment would not have seen fit to put a tariff on hides, this amendment would not have been offered by the committee.

Mr. TILSON. The gentleman is entirely correct. The Committee on Ways and Means recommended a consistent, logical bill—free shoes based upon free leather and both based upon free hides.

Mr. KINCHELOE. I congratulate myself on my vote. Now, I desire to ask the gentleman another question. Can the gentleman give the committee any estimate as to how much revenue it will produce to the Government by reason of this compensatory duty on leather?

Mr. TILSON. I must say that in the great rush of business we have had since the vote on hides was taken I have had no opportunity to get an estimate of what the imports will be or how much revenue this item will bring in.

Mr. KINCHELOE. But the gentleman does know, as a matter of knowledge, it will be very little revenue; it is for the protection of the manufacturer of shoes, and it will produce little or no revenue.

Mr. TILSON. Not shoes in this amendment, but the tanners and other people engaged in the manufacture of leather from hides.

Mr. KINCHELOE. But the gentleman does know from his experience that there will be very little revenue produced?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. I ask that the gentleman have five minutes additional.

Mr. FORDNEY. Mr. Chairman, this is one of the important items and many gentlemen wish to discuss the matter, and I ask unanimous consent that we have 30 minutes' debate on this amendment, and at the end of the 30 minutes' debate on this amendment and all amendments thereto debate be closed.

Mr. BARKLEY. Mr. Chairman, reserving the right to object, does the gentleman think 15 minutes on a side is enough to discuss an amendment as important as this?

Mr. FORDNEY. I think we can understand it in that length of time.

Mr. BARKLEY. Ask for an hour.

The CHAIRMAN. Is there objection?

Mr. MANN. I object.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that the time of the gentleman from Connecticut be extended for five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MANN. May I ask the gentleman from Connecticut in reference to this matter? The gentleman's amendment proposes to put a tariff upon leather. I did not notice that there was any provision in it to put a tariff on improved skins. The amendment adopted in committee the other day which struck out the paragraph from the free list in reference to hides, and hides only, followed in the amendment to insert a duty on hides and skins. I doubt if any Member of the House except the man who offered the amendment knew it was in the amendment.

Mr. LONGWORTH. I would like to make this inquiry.

Mr. MANN. In a moment. For years there has been a large importation of furs and other skins into the United States which were sold at the great sale in St. Louis. Buyers came from all over the world to attend that sale. Does not the gentleman know that that is driving a very important industry from this country, to put a tariff on these skins?

Mr. TILSON. I believe that the action of the Committee of the Whole was absolutely indefensible, of course, to put any duty on skins, whatever may be said in regard to hides. To put a duty on skins is in my judgment absolutely indefensible from any point of view.

Mr. MANN. Well, we find ourselves in a very peculiar situation. I have no desire to criticize anybody, much less members of the Committee on Ways and Means. They are supposed to be technically informed on these subjects, and I am not.

Mr. TILSON. The gentleman will understand that the Ways and Means Committee was not responsible for the action of the Committee of the Whole.

Mr. MANN. Oh, no; but they did not call the attention of the committee or the House to the fact, and I assume they scanned the amendment; maybe they did not. I do not know.

Mr. TILSON. There is a conflict now in the bill. I do not know what will become of the two provisions, one of which puts skins on the dutiable list at one place in the bill, while the other specifically places them on the free list.

Mr. MANN. Oh, no; otherwise provided for on the free list. This is to pay a duty of 15 per cent.

Mr. CHANDLER of Oklahoma. On page 194 of the bill, paragraph 1573, it provides for furs and fur skins, undressed. That takes care of the great sales at St. Louis.

Mr. MANN. But this amendment puts a duty upon all skins, raw, dried, or otherwise.

Mr. TILSON. As I have stated, there is a conflict as the matter now stands.

Mr. LONGWORTH. I want to call attention to the fact that paragraph 1652, that has not been changed, reads as follows:

Skins of all kinds, raw, and hides not specifically provided for.

Mr. MANN. Not specifically provided for, but these are specifically provided for, and it puts a duty on skins.

Mr. LONGWORTH. It does not say specially provided for in regard to fur skins, to which the gentleman from Oklahoma referred.

Mr. WALSH. Will the gentleman yield?

Mr. TILSON. I yield.

Mr. WALSH. Is there another amendment up the gentleman's sleeve providing for a duty on boots and shoes? Does the gentleman believe in that?

Mr. TILSON. I do.

Mr. BANKHEAD. Will the gentleman yield for a question?

Mr. PARKER of New Jersey. Will the gentleman yield?

Mr. TILSON. I yield first to the gentleman from New Jersey [Mr. PARKER].

Mr. PARKER of New Jersey. What I wanted to ask was, whether the gentleman does not know that in the tanning trade "hides" refers to large items, and when you say "hides and skins," that "skins" refers to skins of calves and goats and small animals of that sort, but does not refer to furs, which are not called "fur skins" at all?

Mr. MANN. The gentleman is technically incorrect. They are called "skins."

Mr. BANKHEAD. May I ask the gentleman if the Republicans of the Ways and Means Committee are unanimous on this amendment?

Mr. TILSON. I do not remember the vote of the committee, even if it were proper for me to state it.

Mr. LAYTON. Mr. Chairman and gentlemen of the committee, it has possibly been wise and necessary to make a tariff bill in the manner in which this bill has been made. But I think there is hardly a Member on the floor of this House who does not recognize the fact that he can not under the procedure employed here represent his constituents intelligently. [Applause on the Democratic side.]

I have an industry in my State called the glazed-kid industry. My State has the honor of being the center of that industry. It employs between 8,000 and 10,000 people in the city of Wilmington. It has nearly $75,000,000 invested in the business, and it turns out in the course of the year $150,000,000 of products. I have not been able, however, to have a chance, at any time, to make a statement in respect to the glazed-kid industry. I hope the chairman will correct me if I make a mistake. I do not want to stand here and make a statement unless that statement is true. But I was deluged this morning and was deluged yesterday by these glazed-kid manufacturers, not only in Delaware but outside, asking that the tax of 15 per cent be taken off of the raw goatskins, of which, I am informed, 99 per cent of all the raw material engaged in the manufacture of glazed kid is imported. Now, is that correct, Mr. Chairman?

Mr. FORDNEY. I think the gentleman is correct about it. I do not know.

Mr. LAYTON. If that is correct, gentlemen, I want to say that there are many thousands engaged in the glazed-kid industry throughout the whole country. It is a big industry. It furnishes shoes for children and for women and for men. It is one that is necessary to our domestic happiness, and I do say that, unless it is certain that by putting a tax of 15 per cent upon goatskins that Texas is immediately going to furnish enough goatskins to make up this 99 per cent of importations, the imposition of a 15 per cent tax on this raw material is not good judgment. [Applause.]

Mr. FORDNEY. Mr. Chairman, the situation is this: By the House the Ways and Means Committee was directed, in a way, to bring in an amendment here putting a duty on hides and skins. In the Payne law and in the Dingley law the duty was

upon hides of cattle, and went no further. The skins of goats and sheep, and such like, were free. But the committee understands that they were directed to bring in a compensatory duty here on those things. We felt that way, and the matter was discussed in the committee. The committee is divided upon the question as to what the instructions were, but we find ourselves in a peculiar predicament here to-day. Having been instructed by the House, perhaps all skins which were mentioned in this amendment should be provided for as per those instructions of the House. Some gentlemen of the committee wanted to bring in an amendment proposing a compensatory duty upon leather goods made from cowhides. Calfskin is not considered in the law as cowhides.

Mr. BARKLEY. I understand that cowhides raw are now selling for about 8 cents a pound. What is the tanned product, leather, now selling for? Does the gentleman know?

Mr. FORDNEY. I think, sir, at about 25 or 30 cents a pound. Harness leather, which, in fact, is higher in value than shoe leather, is selling from 25 to 28 cents a pound wholesale.

Mr. BARKLEY. If rawhide is worth only 8 cents and finished leather is worth 25, on what basis do you fix the compensatory duty?

Mr. FORDNEY. The question is not that. The question is whether there should be a duty on skins or leather, or skins prepared in a manner beyond raw skins. That is what is up here, and not the amount of duty.

Mr. BARKLEY. The amendment, though, carries 10 per cent.

Mr. FORDNEY. And what I think would be a compensatory duty other gentlemen might differ with me about. I do not want to discuss that question now. The question is whether we should have a duty upon hides and skins. We have, as I have said, the duty on hides applied only to hides of cattle, which are heavy hides.

Mr. LAYTON. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. LAYTON. I want to go along with the gentleman. I esteem him highly. I think he is one of the ablest if not the ablest Member of this House on tariff questions. I am a Republican. I am in favor of protection. But I would like to ask as a favor, if it can be done, of the Chairman and the Committee on Ways and Means, to reopen the question as to whether or not there shall be free goatskins imported for the benefit of an industry that imports 99 per cent of all of its raw material.

Mr. FORDNEY. I agree with the gentleman. He is very fair, and he is correct about the matter. I may be in error, but my opinion is that we can get out of this dilemma if an amendment is offered to this amendment excluding all other than cattle hides. That will answer the gentleman's purpose.

Mr. LAYTON. Will the gentleman introduce that amendment?

Mr. FORDNEY. The gentleman can introduce it. But I really feel bound by the committee to support this amendment. It is my duty to stand by the action of the majority of the committee. I have done it in every instance. But I believe that an amendment of that kind should be offered to correct the matter and make it as it ought to be.

Mr. TILSON. The gentleman realizes that it could not be offered here. It would not be in order on the bill, and, in fact, it would make matters worse.

Mr. LAYTON. I am only asking for information. It seems to me I am not the only man in this House who wants information. Tell me how I can get in and get that question before the House of Representatives.

Mr. FORDNEY. The gentleman from Connecticut says this is not the place to offer such an amendment as the gentleman from Delaware suggested.

Mr. LAYTON. Can the gentleman tell me how I can do it?

Mr. FORDNEY. It can be done somewhere else.

Mr. LONGWORTH rose.

The CHAIRMAN. The gentleman from Ohio is recognized.

Mr. GARRETT of Tennessee rose.

The CHAIRMAN. Will the gentleman from Ohio yield while the Chair recognizes the gentleman from Tennessee [Mr. GARRETT]?

Mr. LONGWORTH. Yes.

The CHAIRMAN. The gentleman from Tennessee is recognized.

Mr. GARRETT of Tennessee. Mr. Chairman, I do not understand that the matter which the gentleman from Michigan [Mr. FORDNEY] has just been discussing is a matter that is now before the Committee of the Whole. That which is before the Committee of the Whole at this time is a Ways and Means Committee amendment to lay a compensatory duty upon leather, and it will be followed by other amendments from the same committee providing compensatory duties upon certain classes of shoes and upon saddles and harness, and other manufactures of leather goods, made necessary, in the opinion of the Ways and Means Committee, by the duty of 15 per cent ad valorem which was placed upon hides by a vote of the Committee of the Whole a few days ago.

Mr. Chairman, of course we have arrived now at that point at which we all knew—unless some of us were exceedingly unsophisticated—we would arrive when that amendment putting a duty upon hides was adopted by the House. I am not going to vote for the present amendment offered by the committee, and yet let me say, Mr. Chairman, as I stated the other day in discussing the hides duty, I want to approach these propositions with intellectual integrity; I do desire to, and I want to say to you in the utmost frankness that if I had voted for a duty on hides I do not see how I could avoid voting for a compensatory duty on the manufactured products. [Applause.]

But I voted against a duty on hides and am not responsible for the unfortunate situation created by its adoption. It was because of the fact that I knew, or thought I knew, that this duty on hides would be of absolutely no benefit to the producer of hides in the country but would merely serve as an excuse for the laying of this compensatory duty upon everything made of leather that the farmer and the hide producer of the country will have to wear and have to put upon his stock that I was opposed to that duty. [Applause.]

The same thing is going to be true with respect to those other propositions given highest preference by the special rule. The same principle is going to run through every one of those propositions. If oil had remained upon the dutiable list, there would have been a compensatory duty laid upon all the by-products of oil.

I come from a cotton country; cotton is the principal money crop in the district that I have the honor to represent; and although that is true, I think you acted foolishly when you put a duty upon raw cotton, because that duty is to be followed by a compensatory duty upon cotton manufactures, and if adopted will increase the price of everything made of cotton that the cotton producer buys, while it will not increase the price of his raw cotton a cent a bale. Some one asked why this amendment came in. Why, it is no secret that immediately following the adoption of that hide amendment the boot and shoe manufacturers from over the country came immediately to Washington; a conference was held under the very Dome of this Capitol by a group of these gentlemen in connection with some Representatives in Congress to determine what the compensatory duty ought to be. You can not have these duties upon raw materials and at the same time, without driving the manufacturers out of existence, put the manufactured product upon the free list.

Some gentlemen say that upon some of these manufactured articles the duties already provided in the bill are sufficiently high to compensate. I do not know how that is. If that is the case, then what ought to be done is to lower those duties and let hides remain on the free list. Shoes are now on the free list and that is continued in the bill as originally reported, but the duty on hides gives the excuse—not unfounded—for putting them upon the dutiable list, and thus increase the price to every wearer of shoes in the United States.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent to proceed for five minutes more.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. GARRETT of Tennessee. I hold in my hand a telegram from Hon. CLAUDE KITCHIN [applause], the titular minority leader on the floor of this House, and I ask unanimous consent that it may be read from the desk in my time.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent that the telegram referred to may be read in his time. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read it.

The Clerk read as follows:

SCOTLAND NECK, N. C., *July 19, 1921.*

Hon. FINIS GARRETT,
Acting Democratic leader, House of Representatives,
Washington, D. C.

The Democrats in the House are to be congratulated on the splendid fight they are making against the Fordney tariff bill. They are making a fine impression on the country, especially nerving Democrats everywhere for an enthusiastic and united

front in 1922 and 1924 and giving them fresh hope of coming victory. Make the strongest appeal possible to every Democrat in the House not to mar the excellent record made thus far by voting for Republican protection on hides, cotton, oil, asphalt, or any other product. The purpose of such tariff is not revenue, but protection favoritism to some special interest. Let no Democrat yield to the tempting argument of protection to his home industry. Every item in the bill is protection to some Member's home industry, but let him remember that if protection to the home industry of a Republican is wrong it is equally wrong to the home industry of a Democrat. If it is right to vote favoritism to a special interest in the district or State of a Democrat it is equally right to vote favoritism to a special interest in the district or State of a Republican. Legislative favoritism to a special interest anywhere is vicious and undemocratic. The bill, from beginning to the end, and all protection amendments are protection and favoritism to special interests at the expense of the people. In conformity with and in vindication of the principles and policies of the Democratic Party, professed and practiced for nearly 100 years, the only safe and sound course for a Democrat is to vote against the entire bill and every item of protection and favoritism in it or in any amendment at every opportunity. Every intelligent man knows that the tariff bill enacted in this Congress will, in succeeding campaigns until repealed, be one of the main issues between the parties. No Democrat in Congress should be willing to handicap by a single vote his party in future campaigns, but should be willing and ready to make sacrifice and to take political risk, even in his district, for the sake of his party. To displease special interests in one's district and elsewhere is one of the penalties which every Democrat who enters Congress risks. His party is one of and for the people and not one of and for the special interests. I certainly hope our Democratic colleagues will stand as one man and be firm and brave enough not to yield to the tempting demands of any special interest in his district or elsewhere. If so our record will be as clean and unmarred as our principles, and Democratic victory in 1924 will follow as surely as day follows night.

CLAUDE KITCHIN.

[Applause on the Democratic side.]

Mr. LONGWORTH. Mr. Chairman, I have listened with interest to the reading of the telegram from the great Democratic leader whose absence we all deplore. I am very confident that the vote even of the gentlemen from Texas will be cast for free hides to-morrow—perhaps.

Now, gentlemen, let us be exactly sure what we did the other day. I agree entirely with the gentleman from Illinois [Mr. MANN] in his statement that there were very few men in the House who in voting on the amendment of the gentleman from Oklahoma [Mr. CHANDLER] realized the extent to which they were going. I do not believe that there was one out of ten who believed that they were voting anything more than a duty of 15 per cent on cattle hides. I did not hear in a speech on either side, except only an intimation in the address of the gentleman from Oregon [Mr. HAWLEY], that anything was included but cattle hides. I am not making any excuses. I suppose everybody should have known the precise wording of the amendment; but the rule under which this preferential motion was made in order provided for a vote on paragraph 1582 relating to hides, and which applies only—I will read it—for—

Hides of cattle, raw or uncured, or dried, salted, or pickled.

Now, the amendment which was voted on added to hides of cattle, hides and skins of all kinds, so that we have done something that no Congress, Republican or Democrat, has ever done before in the history of this country.

Mr. GARRETT of Tennessee. Excuse ignorance. [Laughter.]

Mr. LONGWORTH. We have put a duty on skins of all kinds where no possible competition exists in this country, which is in no respect a protective duty from any point of view.

Mr. BARKLEY. Will the gentleman yield?

Mr. LONGWORTH. Pardon me. I will in a moment. More than that, in order to illustrate what I believe was the lack of understanding of the House, we leave upon the free list skins of all kinds, raw, in paragraph 1652 of the bill, and that has not been touched by amendment. And in addition to skins of all kinds, raw, that paragraph also includes—

And hides not specially provided for.

But the phrase—

not specially provided for—

relates only to hides, not to skins. So we have skins of all kinds in one paragraph with a duty of 15 per cent and in another paragraph free. Which paragraph is going to govern?

Mr. MANN. There is a provision in the bill that in case there is any conflict as to duties the higher rate of duty must prevail.

Mr. LONGWORTH. That had escaped my notice.

Mr. MANN. Apparently no members of the committee have discovered it.

Mr. LONGWORTH. I think if the gentleman will examine it, it does not apply generally to the duties throughout the bill.

Mr. MANN. It is a general provision, that in case there is any conflict the highest rates of duty shall prevail, and hides are included.

Mr. LONGWORTH. Then that makes it all the more necessary to amend this proposition.

Mr. McPHERSON. Will the gentleman yield?

Mr. LONGWORTH. I can not yield. I have only a minute.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LONGWORTH. I ask for two minutes more.

The CHAIRMAN (Mr. MADDEN). The gentleman from Ohio asks that his time be extended two minutes. Is there objection?

There was no objection.

Mr. McPHERSON. Now will the gentleman yield?

Mr. LONGWORTH. I yield to the gentleman.

Mr. McPHERSON. I would like to ask the gentleman how the committee arrived at the rate of 10 per cent ad valorem on shoes manufactured of leather, and how the committee determined that that duty was necessary as a compensatory duty.

Mr. LONGWORTH. I will answer the gentleman. I understand that the amount of hides going into leather is about 70 per cent. In my judgment 10 per cent is barely enough to compensate for the actual hide in the leather and make no allowance at all for the labor employed. I think that is an absolutely correct statement of a fact, that 10 per cent is the very minimum, even so far as leather made of cattle hides is concerned, but when you add to this provision all leather made from skins of all sorts, 10 per cent is probably very much too low. Yet in the present temper of the House I would despair of offering an amendment for more than that. But I submit, gentlemen, that this amendment is absolutely necessary if you do not wish to put the leather business of this country in a state of absolute prostration—not only the leather made from cattle hides but the leather made from every form of skins, upon which now a duty of 15 per cent is imposed.

Mr. RHODES. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RHODES: Amend the committee amendment by striking out "10" and inserting in lieu thereof "15."

Mr. RHODES. Mr. Chairman and gentlemen of the House, during my term of service in this body I have perhaps occupied less time than the average Member, and possibly have rendered better service to the country for having done so. I have offered this amendment for the purpose of being recognized, in order that I may be heard in support of the principle of protection, with which I am in full accord. Not only am I a Republican, but I am a protectionist. I am a JOE FORDNEY type of protectionist. [Applause.] I am a protectionist through and through. I am not a protectionist in spots. In support of this view of the matter, which I have clearly set forth in reply to a telegram that I received this morning from a leather concern in Philadelphia. I ask that the telegram and my reply to the same be read in my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PHILADELPHIA, PA., *July 19, 1921.*

Hon. MARION E. RHODES,
Washington, D. C.:

The goat and kid leather industry views with concern the proposed duty of 15 per cent on raw goat and kid skins. Ninety-nine and one-half per cent of our raw skins are imported, and a duty will not benefit any American industry, but will add 10 per cent to the cost of our leather and increase the price of shoes to the American public. A duty on goat and kid skins has never before been levied, and our industry has been built up on the basis of free skins and a duty on kid leather to compensate for lower foreign labor costs.

C. WILSON MCNEELY,
Chairman Goat and Cabrette Leather Division Tanners' Council.

WASHINGTON, D. C., *July 20, 1921.*

Mr. C. WILSON MCNEELY,
Chairman Goat and Cabrette Leather
Division of the Tanners' Council, Philadelphia, Pa.

DEAR SIR: Your telegram of the 19th is received and contents fully noted.

I am pleased to advise that I do not agree with you on the question of free hides and free skins. On the contrary, I am just as strongly for the duty as you are against it. I do not believe a word of this talk by shoe manufacturers and leather-goods dealers in opposing a protective tariff on hides. You want free hides, but want protection on the finished product. Such a position is not only inconsistent and un-Republican but un-American. After the shoe manufacturers and leather goods dealers of the country robbed the people during the late

war by doubling, trebling, and quadrupling prices it now comes in very bad grace for the same gang of commercial robbers to oppose a protective tariff on hides in the alleged interest of the American consumer. I know where your interests are. You want free hides and protection on the finished product. The more letters and telegrams you send out the better it will be for the American people who want protection for American industries, because we are getting onto your game.

However, I am more consistent than you are, and while I shall vote for a duty on hides, I will also vote for a duty on leather goods. I am a protectionist through and through, and not in spots. If that is any consolation to you, you are welcome to it, but I do not wish to give aid and comfort to your scheme for free hides.

Very truly, yours,

M. E. RHODES.

Mr. RHODES. A few days ago I voted for a duty on hides, oil, wool, cotton, lead, zinc, cobalt, barytes, and for a duty on each and every other product dutiable in the pending bill, and I shall continue to vote for it when the bill comes before the House for final passage. As stated on the floor of the House in a speech that I made last Thursday on the question of a tariff on lead and other mineral products, among other things, I said: "My only objection to the Fordney tariff bill is that in some cases the rates are not high enough." I voted for a protective tariff on corn, wheat, and on all other products of the farm when we passed the emergency tariff law a few weeks ago.

In fact, gentlemen, I am not only a Fordney protectionist but I am a William McKinley protectionist. Thirty years ago the great McKinley said:

A protective tariff levels up. Free trade levels down. Free trade cheapens labor. A protective tariff not only protects the products of the farm, the factory, and the mine, but it protects the wages of labor as well. We can never have free trade in this country until the other nations of the earth bring their conditions of living, education, and labor upon equal terms with ours. We refuse to accept the scale of wages and mode of living now prevailing among the nations of Europe and the oriental world. We refuse to be pulled down upon the low level they unfortunately occupy. A protective tariff will cheapen products by elevating men and getting from them their best skill, their best genius, their best effort, and their best invention.

Gentlemen, the doctrine of a protective tariff is not only a Republican doctrine but it is an American doctrine. It is coeval with the history of this Republic, and by it I shall stand. Every commodity produced in this country should be protected against the cheap labor of foreign countries. I believe a vast majority of the people of my district, of my State, and of this Nation are for protection, and if I live until to-morrow, when a final vote is reached on this bill, I shall cheerfully support it.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the amendment.

The CHAIRMAN. The gentleman from Wisconsin is recognized for five minutes.

Mr. STAFFORD. Mr. Chairman, some of the older Members who were here during the consideration of the Payne Tariff Act will recall that one of the great fights that President Taft waged in connection with that bill centered on the question of free hides. The Payne tariff bill as it passed the House carried no duty on hides, but a 15 per cent duty was added in the Senate, and as a compromise in conference and urged and actively supported by President Taft, no duty in the permanent law was carried on hides, 5 per cent was carried on sole leather, 10 per cent and higher duties up to 20 per cent on higher grades of leather. In the proposed committee amendment the 10 per cent duty is not at all compensatory with a duty of 15 per cent on hides and skins, and, further, it is objectionable because the flat duty extends to all kinds of leather, regardless of the grade and quality. Every tariff act of recent years has carried graduated duties based on the kind of leather affected.

The independent leather manufacturers, those who have no connection with the Packer Trust that controls many of the leather tanneries in this country, only want to have an opportunity to compete in the free markets on an even basis with the leather tannery trust. They want free hides and are willing to take their chances in competition in the markets of the world, if they can get raw materials on the same conditions as the packer-controlled tanneries.

But it is unfair to them when you levy a 15 per cent duty on hides which is practically a preferential duty in favor of the tanneries controlled by the packers' trust. It puts them on an unfair basis of paying 15 per cent more in the market on hides than the price at which the packer tanneries obtain them. The packer in buying the "creeter," as the farmers say of cattle on the hoof, bases his price on the value of the beef and but slightly on the value of the hides. It is virtually conceded that the duty on hides is of no direct benefit to the farmer when he sells his cattle whole. But the packer tanner gets his hides virtually on a free-hide basis, while the independent tanner must pay the duty on all hides imported and also a higher price to the packer by reason of the higher market price caused by the duty.

Sixty-five per cent only of the hides manufactured into leather come from cattle raised in this country. As to skins 95 per cent are imported. Look at the predicament in which you have been placed by putting 15 per cent on hides and skins. For the first time in the history of the country a duty is placed on skins. Are we advancing or going backward? Do you want to place the manufacturers of leather on a basis where they can not compete, where they can not sell their exportable surplus in competition with the large tanners of Germany?

We have heard much in this debate about protecting the manufacturers against the importations from Germany, and yet by placing a duty on hides you are virtually placing our own tanners at the mercy of the leather manufacturers not only of Germany but of England and of every country which admits hides and skins free of duty.

In all the industries there is no greater, livelier competition than that in the leather industry. There is no such competition in the steel industry, yet you are levying high rates of duty on steel and not giving a compensatory duty on leather.

Independent leather manufacturers only ask that they have the free raw material because they do not wish to be at the mercy of the packers' trust-controlled tanneries. They want free raw materials so that they can compete not only in the American market but in the markets of the world. I think the best way to solve the problem is to strike out the duty on hides, so as to allow the American manufacturer to be on an even plane with the packer-controlled leather manufacturers and have an even chance in the markets of the world. [Applause.]

Mr. WHITE of Maine. Will the gentleman yield?

Mr. STAFFORD. I will yield to the gentleman.

Mr. WHITE of Maine. Is not the same true of the boot and shoe manufacturers, if you give them free raw material they will take their chances?

Mr. STAFFORD. They do not ask for a duty on boots and shoes, but will take their place on the same plane with the manufacturers of the world. If they are to sell their products in South Africa, in England, in France, they must get the raw materials at the lowest price possible, as low as their competitors in the foreign markets. So I say that it is necessary that the House should reverse its ill-considered action of placing a duty on hides and leave it as it was in the Payne tariff act. No one can say that Sereno E. Payne was not a Republican and protectionist when he advocated the policy of free hides. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri to the committee amendment.

The question was taken, and the amendment to the amendment was lost.

The CHAIRMAN. The question now is on the committee amendment.

The question was taken, and on a division (demanded by Mr. TILSON), there were 52 ayes and 92 noes.

So the committee amendment was lost.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Page 196, lines 19 and 20, strike out paragraph 1601 and insert in lieu thereof on page 159, between lines 2 and 3, a new paragraph as follows:

Boots and shoes not especially provided for and composed wholly or the chief value of leather, 10 per cent ad valorem.

Mr. TILSON. That is a compensatory duty on boots and shoes.

Mr. KETCHAM. Mr. Chairman and members of the committee, I sincerely hope that this amendment will not prevail. I have taken some pains to look up the figures to ascertain in the first place what this amendment would mean in the way of a revenue producer. Based upon the importations of shoes of last year, as reported by the Tariff Commission, it would be an utter failure. These importations totaled $789,934, and came from the following countries: France, $110,676; Germany, $3,067; England, $249,878; Canada, $326,024; Spain, $42; China, $59; Hongkong, $19,625; and all other countries, $80,563. At the rate of 10 per cent, as proposed in the amendment, the revenue received on these importations would be $78,993.

The strong argument made for this amendment is that it is needed as a compensatory duty on account of the duty of 15 per cent placed on hides. My observation and experience leads me to believe that this compensatory duty has been paid many times over during the past three or four years in the increased price of shoes. [Laughter and applause.]

It strikes me that the farmer is clearly entitled to the duty on hides as compensatory for the extraordinarily high prices he has paid for shoes recently. I call the attention of the committee to one other fact that to my mind is the outstanding reason why this amendment should fail. We manufacture ap-

proximately 300,000,000 pairs of shoes in the United States annually, while our importations were but 191,435 pairs in 1920. From this it will be seen that our importations are relatively so small in comparison with our domestic production that a decimal of four figures is required to express it in percentage.

The consumers of America are the people to whom we need to look, especially when we are called within the next few minutes to cast our votes for or against this amendment.

Mr. BARKLEY. Mr. Chairman, has the gentleman the figures of our exports?

Mr. KETCHAM. I have. Our exports for last year were $67,144,542, as against imports of $789,934. These are the figures of the Tariff Commission for the calendar year 1920.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. KREIDER. Mr. Chairman, I did not intend to say a word on this subject, because, as you know, I am interested in the shoe-manufacturing business; but charges have been made against the industry, and there seems to be such a misconception regarding the industry that I thought I would use a few minutes of your time, and if I can approach anyone with an open mind I believe I can remove some of the prejudice that seems to exist. All I want you to do is to think with me for a moment.

The gentleman who preceded me, the gentleman from Michigan [Mr. KETCHAM], has in one breath condemned the shoe industry of the United States as profiteers, and so forth, and in the next he has paid them the highest tribute it is possible to pay, when he said that "no importation of shoes ever comes to the United States." What does that mean? That means that over 1,400 shoe manufacturers in the United States have been in open competition with each other, and the result is that they have made such a superior product and sold their shoes at such a low price that no other country has been able to sell their shoes in competition with them. Is not that the fact? I want you to understand that that is the fact.

Mr. SNYDER. Mr. Chairman, I want to say to the gentleman, if he will permit me, that a man standing on this floor attempting to defend this business is attempting to defend a business that is about as popular as a skunk at a Maypole party. [Laughter.]

Mr. KREIDER. I know that the men in the shoe industry have been abused, maligned, misrepresented to such an extent that most of the Members are thoroughly prejudiced, and with their minds in that frame it is certainly the most unpopular thing imaginable to stand here and make these statements, but my statement is true, and I would be a coward to fear or fail to make it.

Mr. MORGAN. Mr. Chairman, will the gentleman yield?

Mr. KREIDER. Not now. I want to say that the shoe and leather industry in this country produces goods valued at over $2,000,000,000, employs hundreds and hundreds of thousands of men, pays hundreds of millions of dollars in wages, and furnishes the American people with the cheapest and best shoes on earth, and it comes with poor grace that anyone should condemn them here, and especially when he does not know what he is talking about.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MORGAN. I ask unanimous consent that his time be extended for five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. KREIDER. Mr. Chairman, I want to say that the shoe industry of America is the one industry that has held the American market because of the superiority and cheapness of its product. I do not care personally whether you give the leather and shoe industry this compensatory duty of 10 per cent which they have asked and which the committee recommended or put hides and skins on the free list.

So far as the vote just had is concerned, in respect to a duty on leather, I want to say that by placing a duty on hides and skins and refusing a compensatory duty on its products you have placed in the hands of the packers the best instrument they have ever had to drive the independent tanners out of business and create a monopoly such as we have never known. Then you will have but one party or interest to sell your hides to and but one party to buy leather from. Competitive selling of hides by the farmer and butcher and competitive buying of leather by the manufacturer will be a thing of the past; a matter of history. If the independent leather manufacturers are forced out of business, and they are being rapidly forced out now, you have yourselves to blame for it. Sixty per cent of all of the sole leather tanned to-day in the United States is tanned by the packers, either in factories owned by them or under contract, and if you put the independent tanner in the position where he must continue to tan for the packer or sell his tannery, you have created the greatest monopoly that ever existed in the United States. I yield to the gentleman.

Mr. MORGAN. Since the Underwood law has been in effect we have had free hides.

Mr. KREIDER. Yes; we have had them since the Payne Act.

Mr. MORGAN. I want to ask the gentleman what he has to say concerning the published report of the Federal Trade Commission, which report shows that the firms engaged in tanning and in the manufacture of leather and in the shoe industry made under free hides in 1919, 29.8 per cent profit above a normal and reasonable profit, and, further, that the earnings of 89 tanneries of shoe leather, whose production in 1918 was about 60 per cent of the total production, were 13 per cent on the investment of 1918? The report states that it was 28.8 per cent in 1919, and of these tanners, 22 companies tanning kid leather, had a profit in 1918, with a production of 70 per cent, amounting to 26.8 per cent on the investment of 1918, and 81 per cent on the investment of 1919.

Mr. KREIDER. Their profits were large during these years because of the advance in material they had on hand, but during the last year or two, when prices declined, they lost heavily—in many cases more than they had made. Let me cite the case of the largest independent tanning concern in the United States, which had a surplus of over $11,000,000 prior to the war. At the present time, notwithstanding that they had made the abnormal profits to which reference is made and run their profits and surplus up to over $26,000,000, yet suffered a loss not only of the extra profits but of the $11,000,000 surplus which they had prior to the war. That concern is $11,000,000 poorer to-day than it was before the war started, and if I had time I could name concerns galore, both in the leather and shoe trade, whose experience is the same.

If you want to benefit the farmer and the workingman, if you want a competitive market to sell hides and skins, and if the shoe and leather industry is to have a competitive market in which to buy the products of hides and skins and continue to retain the American market against foreign competition, then either vote a compensatory duty on leather and its products or place hides and skins on the free list.

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. PARKER of New Jersey. Mr. Chairman, I move to amend by inserting "12 per cent" instead of "10 per cent."

The CHAIRMAN. The gentleman from New Jersey offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PARKER of New Jersey: Strike out in the committee amendment offered by Mr. TILSON the figures "10" and insert in lieu thereof the figures "12."

Mr. PARKER of New Jersey. Mr. Chairman, I ask the attention of the committee. I have never asked the attention of this House unless I am speaking about what I know. The idea of a tariff is to protect manufactures. Boots and shoes are a manufacture. It is absurd to say that they have made great profits during the war. So have other people on lands, rents, and all that. They may not do it any more. We want to prevent the establishment of boot and shoe factories abroad, run with American machinery, with American lasts, and by American capital. That was begun in 1913 in Finland, Scotland, and England, and is likely to come now. Do not deceive yourselves. There are other instances. I hold in my hand a box of matches made by the Vulcan Co. in Sweden, and the great match company of the United States is the sole agent of the sales of that company and is supposed to own its stock and to be making matches abroad by foreign labor and making the profits and not employing American labor in America in making an American product. They do the same thing——

Mr. JOHNSON of Mississippi. Will the gentleman yield?

Mr. PARKER of New Jersey. I have only five minutes. I can not. I wish I could. We had the same thing before the war in making china, and Americans have gone into the manufacture of china abroad. Great firms in New York made it in Paris and put on what valuation they pleased. The same course was followed in laces made in Switzerland. The great department stores made laces and edgings and all that sort of thing there and sent them here at a mere cost valuation and sold them here. American labor did not go into the making nor get the wages. We have had the same thing done in other articles. I know that the leather manufactures of my town, once the greatest in the whole country, have gone down. We make

no more harness; it comes from England. We make no more saddlery; it comes from England. We do make some boots and shoes. We do make some patent leather, but I do not want, by putting the manufactured articles on the free list, to induce even American capital to build their factories abroad and bring back their products.

Mr. KETCHAM. Will the gentleman yield?

Mr. PARKER of New Jersey. I yield to the gentleman.

Mr. KETCHAM. Is the gentleman aware that our total importations last year from England were only 34,000 pairs of shoes?

Mr. PARKER of New Jersey. I am perfectly aware of it. England has been tied up with labor troubles, and she has been tied up by the war. No experience since 1914 tells us what we want to know. We are making a tariff to protect American industry. When exchange and labor conditions and the poverty abroad will enable manufactures to be cheapened abroad as they never were before, it will turn out of business any American industry that does not receive a proper protection by this bill.

Mr. JOHNSON of Mississippi. Will the gentleman now yield?

Mr. PARKER of New Jersey. I will yield.

Mr. JOHNSON of Mississippi. Will the distinguished gentleman please explain to the committee how it is with flint hides selling at 8 cents a pound, dried and salted at 4 cents, that shoes which were selling in 1916 for $7.50 are to-day selling for $13.50?

Mr. PARKER of New Jersey. I think a great deal of it is in the profits made by the retailer.

Mr. COPLEY. All of it?

Mr. PARKER of New Jersey. I do not know. Labor is three times as high; materials of other sorts are high. People have been absolute spendthrifts in the Government and out of it, and ready to take anything at any price, and you can not argue from what has taken place of late years. We are in the midst of a crisis, and we are going to have foreign imports from Germany, France, Belgium, and Switzerland such as we have never known before, and we are committing suicide if we do not protect our own manufacturers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PARKER of New Jersey. I would like a minute or two more. I would like to answer some questions.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FROTHINGHAM. Mr. Chairman, this is the first time I have spoken on the tariff——

Mr. FORDNEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Massachusetts has been recognized. The gentleman from Michigan can make his motion at the conclusion of the gentleman's remarks.

Mr. PARKER of New Jersey. Mr. Chairman, I desire leave to withdraw the amendment I made. I stand by the committee amendment. [Applause.]

The CHAIRMAN. The gentleman from New Jersey asks unanimous consent to withdraw his amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. FROTHINGHAM. Mr. Chairman, I come from a district which is engaged in the manufacture of boots and shoes, and I can not sit here and hear the strictures which have been poured out on that industry without a reply. It has been said here to-day, and it is perfectly logical, that gentlemen on the Republican side, most of them, as I remember it, who spoke in favor of a duty on hides, admitted when the question was put to them that they were in favor of a compensatory duty on the leather products and on boots and shoes, and I should like to say that the statement made here to-day seems to be perfectly logical. If you are not going to have a duty on hides that is one thing; but if you are going to have a duty, then I think you gentlemen ought to live up to the promises made by your leaders and make the thing equal throughout. Now, I was not for a duty on hides, and I was perfectly willing to vote for the bill brought in by the Ways and Means Committee, which was exactly alike, in that respect, the Underwood tariff bill, placing a duty on none of those things; but if you are going to have a duty, how can anyone get up here and say you ought not to have a duty on the manufactured product?

Now, when the duty was taken off, as it was under the Underwood bill, the importations of boots and shoes into this country increased from some 200,000 to nearly half a million. And in the case of leather products, they increased from nine million and odd dollars to $15,000,000. I say be just. If you are a protectionist, be a protectionist; if you are not a protectionist, that is a different matter.

I am not engaged in the boot and shoe industry. I am not engaged in the leather industry. I have not any personal interest in this matter. But I want to show you the importance of the industry to this country. You know as well as I know, and as everybody knows, that shoe machinery goes from this country to England, to Japan, to China, and to all these countries, and that their cheap labor can manufacture shoes and send them back here and sell them much cheaper than we can sell them for.

Now, there are 13 boot and shoe establishments in Maryland, 11 in Texas, 9 in Washington, 8 in Connecticut, 7 in Kentucky, 336 in New York, 128 in Pennsylvania, 62 in Wisconsin, 50 in Ohio, 55 in Missouri, 52 in New Hampshire, 51 in Illinois, 39 in Maine, 35 in New Jersey, 16 in Minnesota, 15 in Michigan, 14 in California, 2 in Nebraska, 2 each in North Carolina, Oklahoma, Oregon, Tennessee, Vermont, and West Virginia; 1 each in Alabama, Rhode Island, and Utah; 6 in Iowa, 5 each in Indiana and Virginia, 4 in Louisiana, 3 each in Georgia and Kansas, 488 in Massachusetts. They produce goods valued at over $1,000,000,000 yearly. There are thousands of people engaged in the industry. Are you going to put them out of business? That is the question for this House to decide. [Applause.]

Mr. FORDNEY. Mr. Chairman, I ask that all debate on this amendment and amendments thereto be now closed.

The CHAIRMAN. The gentleman asks unanimous consent that debate on this amendment and all amendments thereto——

Mr. FORDNEY. I withhold it for a moment.

Mr. SNYDER. I want to make a half-minute statement to the chairman of the committee.

Mr. RAYBURN. I object. I want five minutes myself.

Mr. SNYDER. All I want to say is that the gentleman will recall at the very commencement of the debate the committee practically gave assurance to the House that there would be a compensatory duty provided a duty was put on hides. It may not amount to anything, but I want to say to you that unless that is carried out by the House it may have a serious effect on hides when you come to them.

Mr. FORDNEY. Mr. Chairman, I move that all debate on this amendment and amendments thereto close in five minutes, and I will divide half of that time.

The CHAIRMAN. The gentleman from Michigan moves that debate——

Mr. GARRETT of Tennessee. Mr. Chairman, the gentleman from Texas [Mr. RAYBURN] wants five minutes.

Mr. FORDNEY. I will give a portion of that time to him, and I want a minute or two myself.

Mr. GARRETT of Tennessee. I think the gentleman should give the gentleman from Texas five minutes.

Mr. FORDNEY. Make it seven minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that all debate on this amendment and amendments thereto close in seven minutes.

The motion was agreed to.

The CHAIRMAN. The gentleman from Texas [Mr. RAYBURN] is recognized.

Mr. RAYBURN. Mr. Chairman, the two great parties are again brought into conflict on the tariff question. The mode of the levy of duties at the customhouse on imports is now and has been for many years a question of vital difference between the Democratic and the Republican Parties. This measure brought in at this time makes the issue keener than it has ever been before. The intention of the two parties in placing a tariff tax on imports differs as widely as two views could be separated. The Democratic Party's historic position is and has been that the only reason for the levy and collection of a tariff tax at all is to raise revenue to help pay the expenses of government, and if any benefit should come to any individual or any industry that that benefit is only incidental. The Republican Party's theory is and has been that the reason for the levy of the duty is not to raise revenue but to protect American manufacturers and industries against competition from the outside, and that what revenue is raised is only an incident and not the reason for the tax. A Democratic tariff would help support the Government and encourage trade and commerce. A Republican tariff would raise little, if any, money for the Government and would stifle trade and commerce.

The Republicans believe that a tariff tax is a bounty to be passed to some favorite. The Democrats believe the tariff is a tax, a burden, and that not one dollar should be levied except to meet the legitimate expenses of the Government, and that this tax should be collected on such articles as will bring the most revenue to the Treasury and levied principally on luxuries and nonessentials and prove least burdensome on the masses.

If there was ever a time in the history of American agriculture and industry when an exchange of the commodities of which we have a surplus for the surplus of others was necessary, that time is now. With agriculture prostrate and warehouses from one end of the land to the other bursting with unsold farm products, with the whole world wanting our goods and with no money to buy, we must trade and exchange with them our surplus for theirs. What the American farmer and manufacturer needs above everything else is a market, and by this bill you close that market to him. Instead of encouraging buying and selling you erect, by this measure, insurmountable barriers against such. It is the most natural thing in the world that if we erect tariff walls around this country to keep out the products of others they will retaliate and make it so we can not sell our surplus to them.

Since the passage of the last protective tariff measure we have ceased to be a debtor Nation and have become the great creditor Nation of the earth. I ask you gentlemen, How do you expect to collect even the interest on these large sums, to say nothing of the principal, if we do not trade freely with them?

Mr. Chairman, this, to my mind, is a serious occasion. In my opinion, by the passage of this bill you are throwing away the chance of this country to stay in the forefront as the greatest commercial country in the world, as you would not do if you failed to do this foolish and uncalled-for thing. But I am glad to be here. It is my deliberate opinion that I am witnessing, as we are all witnessing, the last act of this form of loot.

I can not escape the conviction that many men, even in the Republican Party, honestly believe that this is not the time, if it will ever come, for committing this outrage. But those temporarily in leadership of the party in power do not feel strong enough to resist the lash of their masters, who are the unconscionable beneficiaries of this, little less than a steal. A steal from every laborer and consumer and producer in the land and a plunder of everybody. Will this measure please the beneficiaries of this plunder ultimately? When the markets of the country are destroyed, as I believe they will be by this bill, and the ones you hope to benefit have their warehouses bursting with unsold goods, and realize that you have destroyed their hope of a market, will they not turn upon you and smite you for your folly?

I voted against the so-called emergency tariff bill. I said then that it would give no relief. Farm products were placed on the protected list. Have farm products increased in value? Ask the wheat and cotton growers if their products have not declined. I said then it was a deception, a delusion, and a snare. It has proved so. It was hoped by that unworthy act to deceive the producers of the country by leading them to think this Republican Congress was trying to help them in their dire distress. It was hoped by many by the passage of that act that the farmers of the country would be led into the protection camp, and that it would pave the way for this iniquitous measure. They will not be long deceived.

You propose to put a tax on cotton by this law. Yet not a man here will say that it will do the producer of ordinary cotton any good, because no appreciable amount is shipped in. Yet some of you say if it does cotton no good it will do no harm. I tell you what harm it will do the producer of cotton. You will put a high protective tariff on cotton goods, and thereby allow the manufacturer to increase his price to the consumer, make cotton goods more expensive, and thereby decrease consumption of cotton goods, and thus do great hurt to the cotton producer. What the cotton farmer needs is a market, not tax duties that will destroy what little market he has, as this bill will do.

It has been seriously proposed here to put a tariff tax on crude oil, out of which gasoline, axle grease, and all other forms of oil, that are used by everybody, are made. Ask the people if they are not paying enough for gasoline now. Ask the farmers if they do not think they are now paying too much for all the grease and oils that they use. They will give you one answer.

You have just voted to place a tariff tax on hides. It has been seriously and well contended in many instances that raw materials should bear a tax when the finished products of that material is taxed. This bill carries free shoes, but when you, by the amendment adopted, put hides on the taxed list, it follows that the manufacturer of shoes will want a compensatory duty on shoes which will give him an excuse to put the price of shoes higher. Even though no compensatory duty is put on shoes, the shoe manufacturer says that the material out of which he makes shoes has raised in price, and therefore he raises the price to the buyer of shoes. Are we not now paying enough for shoes? Too much, every reasonable man will say.

Mr. Chairman, the gentleman from Pennsylvania [Mr. KREIDER] says it is a matter of little concern to him what we do with this amendment which puts a tariff on shoes, and I think that every other man in the United States who has been making and selling shoes for the last five or six years ought to be satisfied with the prices he has charged. The other day when the amendment to put a tariff on hides was up many gentlemen on both sides of the House were supporting it, and those of us who were opposing it said that if a duty was placed upon hides an amendment would come in here to place a compensatory duty upon shoes and all the products made out of hides. Yet many Members here contended, both on the Democratic and on the Republican side of the House, that even though a tariff duty of 15 per cent were placed upon hides, the United States having such a great monopoly of the shoe and leather business, no such thing should even be seriously proposed, yet we have now the proposal to put a tariff tax on shoes and leather goods.

This amendment will not carry here; but if the tax of 15 per cent on hides stays in this bill in the House and stays in in the Senate, there will be, before this bill is finally enacted into law, a duty on everything that is made out of hides. What we ought to do upon the roll call to-morrow is to do what we should have done last week when we voted on hides, and that is to put hides upon the free list. [Applause.]

I have not been responsible for one line that is in this bill now or will be in it when it is finally passed. Gentlemen say we can vote for a tax on raw material, but when the compensatory duty is proposed on the finished product we will not vote for that. They say, "I am only responsible for my own vote." I am not only responsible for my own vote; I am responsible for the effect that that vote is going to have. If I vote to put a duty upon the raw material and the effect of that vote is to place a compensatory duty upon the finished product, I am also responsible for the duty upon that finished product. [Applause.]

You may go from first to last of this bill and the same is true. Always the consumer has to pay. Some Members on the Republican side have been bold enough to say that this bill will not increase the cost of living. If it will not increase the price of things, then why do those who manufacture those articles want it? It will certainly be of no benefit to them if it does not increase the price.

The discussion has taken a wide range. Many ludicrous arguments have been made. Gentlemen supporting this bill have given many and varying reasons for their support.

I was interested in the remarks of the gentleman from Ohio, Mr. LONGWORTH, the other day. He said "that it may be that this bill in the form in which it shall be finally enacted will not endure indefinitely." God forbid that it should. I can tell the gentleman how long it will remain, if he is curious to know. It will endure until an outraged people have time to see its unholy workings and can get to the ballot box to turn out of office the people who plundered them by passing it. No iniquity like this has ever endured indefinitely and it never will. He further says that it has been framed in abnormal times and while there was chaos in the commerce of the world. I agree that these are abnormal times and that there is chaos in the world. I had hoped that his committee and this Congress would recognize that situation and not pass this loosely drawn, unscientific monstrosity at this time. Let us hope when the time comes for the revision of this law, it will be done in the light of events and not framed in darkness as this bill was.

The gentleman from Iowa [Mr. GREEN] in a speech supporting this bill, after lauding the virtues of protection as a panacea for everything, changes his entire argument and says that this is the best protective tariff ever passed for the farmer because it places more of the articles that he uses on the free list than any Republican tariff measure ever passed. More Republican consistency. But the gentleman has some farmers in his district, therefore, he teaches it round or flat as suits his audience best.

Mr. Chairman, the Republicans last fall promised the people everything that they thought would get their votes. Every voter was dissatisfied, was crying out for a change and believed that good times would come when the Republican Party came into power. The farmer was told that his products would rise in price. The laborer was told all that he had to buy would be cheaper. The manufacturer was told that business would be good and the markets of the world would be opened to him and everybody was told that taxes would be decreased.

Have any of these much hoped for things come to pass? Not one. Even the cotton farmers of the South were told, if Mr. Harding was elected that cotton would immediately go to 30 or even 40 cents per pound, and some of them believed it. The cotton farmer is to-day in more distress than he has been for a

quarter of a century and not one act has been seriously proposed by this administration to give him relief. He needs a world market for his surplus. Are you attempting to give that to him? No; you are by this act taking from him what market he has. If this Congress does not make it its first duty to pass measures for the relief of the agricultural classes, it will justly be the most execrated body ever assembled beneath the Capitol Dome.

High war taxes are still on the books, which the Republicans promised to repeal or revise. You have been in power five months and you have not more than started hearings on these matters.

The highest and most burdensome railroad rates that ever existed are in operation. Have the Republicans performed any act that would tend to give opportunity to lower them?

When the wages of the railway workers are reduced $400,000,000 the shippers and the people in general have a right to expect that they will get a benefit from it in the form of reduced passenger and freight rates, but by such measures as this, by putting a high protective tariff on many things the railroads have to buy and thereby increasing the cost of operation, you give the railroads an excuse to resist reduction in rates. Gentlemen, freight and passenger rates are too high. They must come down or the commerce of this country will remain stifled and industry will perish. The tax on transportation is unjust and must be repealed.

We were promised peace as soon as Mr. Harding could call the Congress together, but after five months we still have a technical war status, and American troops are still in Germany. You passed a so-called peace resolution. What good has it done? Those in authority do not know how to execute it. The passage of the so-called peace resolution for a separate peace with Germany was an act of cowardice, a backdown, almost a surrender, and an insult to the American soldier who fought for a purpose.

Mr. Chairman, this administration is failing. It will fail. It can not make good the campaign promises made last fall that it would give relief to all who were discontented, who were sore, who were burdened. It can not make the country accept the disloyal, whose vote it got because the Democrats had been in power when Germany was whipped and humbled.

For eight years you have criticized, you have sneered, you have stood in the middle of the road trying to impede progress. You became a party of obstruction, not construction. You have hungered for power and office. Now you have both. What will you do? Will you carry on the great matters of progress or will you halt and fail? Under your leadership I pity you. I am distressed for the country.

This tariff bill is the first of the administration program, it is said. What will it do but increase the cost of living, destroy markets, and cause chaos in trade and commerce?

I have not voted to put anything into this bill that would give an excuse to the people who have grown rich in this land to take from other people what they should not have. In writing this bill that will further grind under the heel of taxation, with relentless tread, an already overburdened people; in the passage of this bill, which I claim to be a monstrosity; in the perpetration of this infamy I want to say to you—and I speak for the vast majority over here when I say it—that we will have no part. [Applause on the Democratic side.]

Mr. FORDNEY. Mr. Chairman, the law describes what are cattle hides and what are calfskins. Hides above 25 pounds in weight are cattle hides; under that they are calfskins. In the Dingley tariff law there was a duty of 15 per cent on cattle hides, and there was a duty of 25 per cent on shoes and a corresponding duty on other leather goods. The Payne tariff law put hides upon the free list and imposed a duty of 10 per cent on shoes made from cowhides and a duty of 15 per cent on shoes made of leather from other skins.

Now, if you put a duty on hides and put leather on the free list, I wish to say to every man in the sound of my voice, those of you who voted to put hides on the free list, you are inconsistent if you do not vote to put leather on the dutiable list. Do not forget that there are millions of dollars of American capital invested in this country in manufactures of leather and leather goods, and thousands of American citizens are there employed. And all I have to say, gentlemen, is that to put leather on the free list and the raw materials on the protected list is inconsistent—at least, the action of Republicans who vote that way is inconsistent. [Applause.]

Mr. MANN. Mr. Chairman, will the gentleman yield for a question?

Mr. FORDNEY. Yes.

Mr. MANN. The committee having determined to put leather on the free list, is there anything inconsistent about putting boots and shoes on the free list?

Mr. FORDNEY. The gentlemen who voted to put leather on the free list and hides on the free list are equally inconsistent.

Mr. MANN. That is already disposed of.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 196, lines 19 and 20: Strike out paragraph 1601, in lines 19 and 20, and insert in lieu thereof, on page 159, between lines 2 and 3, a new paragraph as follows:

"Boots and shoes, not specially provided for, composed wholly or in chief value of leather, 10 per cent ad valorem."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that he was in doubt.

Mr. TILSON. Mr. Chairman, I ask for a division.

The CHAIRMAN. The gentleman from Connecticut asks for a division.

The Committee divided; and there were—ayes 62, noes 99.

So the amendment was rejected.

Mr. TILSON. Mr. Chairman, I offer another committee amendment. I think this one will probably suit the temper of the House better than the former one.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TILSON: Page 173, line 24, after the semicolon insert "automobile and bicycle tires, composed wholly or in chief value of rubber, 10 per cent ad valorem."

Mr. TILSON. Mr. Chairman, at present under the bill they are 20 per cent. This reduces it 10 per cent.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORDNEY: Page 202, line 19, strike out all the line, "Par. 1648. Salicin."

Mr. FORDNEY. Mr. Chairman, the reason I offer that is that in the sugar schedule that item is included in the dutiable list, and it was an error in printing not to put it on the free list.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Michigan offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. FORDNEY: Page 38, paragraph 207, line 6, after "$3 per ton," insert "of 2,000 pounds"; and after "$5 per ton" insert "of 2,000 pounds." On page 38, line 9, after "$4 per ton," insert "of 2,000 pounds."

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. FORDNEY. I yield to the gentleman from Tennessee.

Mr. GARRETT of Tennessee. Is that a change from the present practice? Is the present practice the long ton?

Mr. FORDNEY. This is a provision that was intended to be written into the original bill, for 2,000 pounds, or the net ton. Imports are generally computed on the basis of the gross ton of 2,240 pounds. This was not intended to read that way.

Mr. GARRETT of Tennessee. Then this raises the duty so much?

Mr. FORDNEY. It makes a higher rate of duty when paid on 2,000 pounds than the same sum would be if paid on 2,240 pounds.

Mr. COLLIER. Will the gentleman yield for a question?

Mr. FORDNEY. I yield to the gentleman from Mississippi.

Mr. COLLIER. I wish the chairman of the Committee on Ways and Means would tell the House how it comes that a duty is placed on bauxite, in view of the report of the Tariff Commission that one concern in this country, the Aluminum Co. of America, owns not alone the greater part of the bauxite in America but has very extensive holdings in Guiana.

Mr. FORDNEY. The information of the committee is directly to the contrary, that the Aluminum Co. of America do not own the bauxite in this country.

Mr. COLLIER. I get my information from the summary furnished by the clerk of the committee.

Mr. CHINDBLOM. Will the gentleman from Michigan yield?

Mr. FORDNEY. I yield to the gentleman from Illinois.

Mr. CHINDBLOM. In the remainder of paragraph 207, where the word "ton" occurs, is it the gross or long ton?

Mr. FORDNEY. The Treasury Department might construe it that way, but we did not want them to construe it that way on fluorspar, and we have offered this amendment in order to be sure that they will not. As to other items imported by the ton it is quite likely that it would be considered on the basis of 2,240 pounds.

Mr. STEVENSON. I call the gentleman's attention to page 239, where the following provision appears:

TON.—Unless otherwise provided by law, the word "ton" shall be interpreted as meaning 20 hundredweight, each hundredweight being 112 pounds avoirdupois.

Now, why make a different scale for this particular article?

Mr. FORDNEY. Because we thought it wise. I might give 39 reasons. I have just given you one.

Mr. STEVENSON. And that one is that you think it wise. That is about as much reason as you have given for most of the things in this bill.

Mr. COLLIER. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Mississippi rises in opposition to the amendment.

Mr. COLLIER. I hold in my hand the Summary of Tariff Information, compiled by the clerk of the Ways and Means Committee for the year 1920, the present committee; and in support of the question I asked the chairman of the committee just now, I offer in evidence the Summary of Information presented to us by the committee, of which he is chairman, which states this:

The bauxite used in making aluminum in this country is mined in Arkansas, and about nine-tenths by one American company and its subsidiaries.

I want to say furthermore——

Mr. FORDNEY. That refers to developed bauxite; but the committee's information is that there is an unlimited supply of undeveloped bauxite in almost every State in the Union.

Mr. COLLIER. That is true.

Mr. FORDNEY. That is the difference between the gentleman's question and my answer.

Mr. COLLIER. And while I am on my feet I want to state further that the duty received on imports of bauxite does not go into the Treasury, because practically all the imports are brought in by the Aluminum Co. of America, both aluminum and bauxite, and then they are exported to their Canadian subsidiary companies, and they get the rebate. The tax on bauxite, in view of these conditions, is absolutely indefensible, and bauxite ought to be on the free list.

Mr. Chairman, under leave to extend my remarks in the RECORD I wish to insert extracts taken from Tariff Information Surveys, prepared by the United States Tariff Commission and printed for use of the Committee on Ways and Means of the House of Representatives.

Domestic production: In 1918 Arkansas yielded 93 per cent of the domestic production. All of the bauxite mined for the making of metallic aluminum in this country came from these fields. The bulk of this production was derived from Bauxite, Saline County, where are located the chief mines of the American Bauxite Co., the mining subsidiary of the Aluminum Co. of America. Three grades of ore are mined (1) for the manufacture of aluminum, (2) a product lower in iron (less than 2 per cent ferric oxide), for the making of alum and aluminum sulphate, and (3) a pure grade for the manufacture of alundum. The remainder of the domestic production comes from the Georgia-Alabama-Tennessee field, which has its center near the point where these three States corner. On account of its low iron content the bauxite from this field is largely used in making chemicals. Flat lying lenticular deposits in no way connected with the above field are found in central Georgia, in the counties of Wilkinson, Sumter, Macon, and elsewhere. No important production has yet been derived from this comparatively new field.

The American Bauxite Co. mined 243,300 tons of bauxite in 1915 out of a total of 297,041 tons throughout the United States, and 339,576 out of a total of 425,100 tons mined in the United States in 1916. The Republic Mining & Manufacturing Co. of America, another subsidiary of the Aluminum Co. of America, mined 33,844 tons in 1915 and 51,980 tons in 1916. The output of the former company was largely used in the making of ingot metal, whereas the latter supplies chemical and abrasive manufactures. The output of the combined interests of the Aluminum Co. of America represented, therefore, 93.3 per cent and 92 per cent of the entire domestic production for the respective years.

On page 20 of this same Tariff Information Survey it recites that the Aluminum Co. of America owns about 90 per cent of the known bauxite deposits in this country.

This survey recites on page 33 that fully one-half of the world's output of aluminum is produced in this country.

In the Summary of Tariff Information, prepared for the use of the Ways and Means Committee, on page 164 it recites that—

In addition to its large holdings of bauxite deposits in Arkansas, the Aluminum Co. of America owns extensive deposits in Guiana.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. FORDNEY) there were—ayes 95, nays 53.

So the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Page 238, line 13, strike out "seven" and insert "eight" in lieu thereof; in line 14, strike out "six" and insert "five" in lieu thereof; in line 15 strike out "six" and insert "five" in lieu thereof; in line 16, strike out "seven" and insert "eight" in lieu thereof.

Mr. FORDNEY. Mr. Chairman, for the information of the House, let me say that in repealing certain acts there has been an error made. There is a recent act which fixes the day's work for examiners at eight hours, and this language was taken from a previous act through mistake. These corrections are necessary or we go back to a 9-hour day instead of 8 hours for examiners in the customhouse. All the amendments that follow relate to the same thing.

Mr. MILLER. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. MILLER. This will retain the 8-hour day for examiners?

Mr. FORDNEY. Yes.

Mr. STEVENSON. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. STEVENSON. I want to get at what will happen if we have the 8-hour day as applied to New York time? Is it daylight saving time?

Mr. FORDNEY. I live in God's country up in Michigan and know nothing about New York.

Mr. MANN. Speaking of time, how long does the gentleman intend to keep us here to-night?

Mr. FORDNEY. I have but very few amendments more to offer. I have none except those relating to this act. I hope that we may conclude in 30 minutes at the outside.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

On page 346, line 4, insert the word "and" after the comma between "three" and "four" and strike out "and five."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Page 255, line 6, after the word "merchandise," insert "or baggage," and in line 8, same page, insert "or baggage."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Page 254, line 24, before the word "unlading," strike out the word "the" and insert in lieu thereof the word "such." After the word "unlading" strike out the words "of such cargo."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Page 253, lines 23 and 24, after the word "merchandise," insert a comma and the following: "passengers or baggage."

Mr. GRIFFIN. Will the gentleman yield?

Mr. FORDNEY. Yes.

Mr. GRIFFIN. Will the gentleman explain the purport of his amendment?

Mr. FORDNEY. These amendments all relate to the service rendered by these men and all relate to that act. These amendments are all necessary to correct the error that has been made.

Mr. GRIFFIN. As I read this it would seem to exclude passengers.

Mr. FORDNEY. No; these amendments make it apply to passengers' baggage the same as other baggage.

Mr. GRIFFIN. I would like to direct the gentleman's attention to the purport of his amendment. The effect of it would seem to be to prevent passengers from landing on Sunday.

Mr. FORDNEY. No; the law provides that certain work can not be done on Sunday.

Mr. GARNER. Mr. Chairman, I ask unanimous consent that the amendment be again reported.

The CHAIRMAN. Is there objection?

There was no objection.

The Clerk again read the amendment.

Mr. GARNER. Mr. Chairman, the gentleman from Michigan has just said that does not refer to passengers.

Mr. FORDNEY. Mr. Chairman, the clerk of the committee thinks that there may have been an error in the amendment, and I ask unanimous consent to withdraw it for the present.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw his amendment. Is there objection?

There was no objection.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. FORDNEY: Page 341, lines 5 and 6, strike out "2741, 2742."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

Mr. GARNER. Mr. Chairman, I took occasion to call attention of the committee to the facts of these various provisions in the debate a week ago Saturday. I do not know myself what these provisions are. I do not know what the various articles referred to are. I called one especially to the attention of the gentleman from Michigan and asked him what it meant, and he said that he did not know, and I call his attention to it again.

Mr. FORDNEY. Oh, Mr. Chairman, I think the gentleman must have been dreaming.

Mr. GARNER. On page 346 you repeal certain provisions, and the act of May 27, 1921, is referred to, chapter 14, Title III. There is no such thing as chapter 14 in the act of May 27, 1921. Why was chapter 14, Title III, put in there?

Mr. FORDNEY. It may have been a misprint.

Mr. GARNER. It may all be misprint so far as I know.

The CHAIRMAN. The attention of the Chair is called to the fact that this amendment should be in lines 6 and 7, on page 341.

Mr. FORDNEY. Very well.

Mr. GARNER. Mr. Chairman, may I have the attention of the gentleman from Michigan? I presume he desires to perfect this bill as near as his knowledge will permit him to do so.

Mr. FORDNEY. If the gentleman thinks that I do not know how to do that, will he be kind enough to assist me?

Mr. GARNER. I will, if the gentleman will give me the opportunity.

Mr. FORDNEY. I have helped out the gentleman on Angora goats and now I think he ought to help me.

Mr. GARNER. I am very glad to help the gentleman out on his entire bill.

Mr. FORDNEY. Mr. Chairman, then I ask unanimous consent that this last amendment be also postponed until to-morrow, and then I may be able to enlighten the gentleman from Texas.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to withdraw the last amendment. Is there objection?

There was no objection.

Mr. FORDNEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr. FORDNEY: Page 37, line 15, strike out the words "four-tenths" and insert in lieu thereof the words "fifty-five one-hundredths."

Mr. GARNER. It is proposed to strike out four-tenths and insert fifty-five one-hundredths?

Mr. FORDNEY. It is a slight raise.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 202, line 16, strike out the period after the word "pulp," insert a semicolon, and add the following: "Paper stock, crude, of every description, including all grasses, fibers, rags, waste, including jute, hemp, and flax waste, shavings, clippings, old paper, rope ends, waste rope, waste bagging, and all other waste not specially provided for, including old gunny cloth and old gunny bags, used chiefly for paper making, no longer suitable for bags."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. COPLEY. Mr. Chairman, I offer the following committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. COPLEY: Page 38, line 6, after the semicolon, insert the following: "Silica, crude, not specially provided for, $4 a ton; silica, suitable for use as a pigment, not specially provided for, $7.50 per ton."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. GARNER. I understand the gentleman from Illinois says it is a committee amendment. Of course it is adding a very important article to the tax list, taking it out of the basket clause, or wherever it is now located, and placing a duty of $4 a ton on the crude and $7.50 on the manufactured article if imported. I presume it is a unanimous report of the Republicans on the committee——

Mr. COPLEY. It is.

Mr. GARNER. If it is, probably the Committee of the Whole House on the state of the Union could have but little chance to defeat it.

Mr. COPLEY. And it was so ordered under the rule.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. GARNER. Let us have a division.

The committee again divided; and there were—ayes 80, noes 49.

So the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 20, line 2, after the word "plates" strike out the comma and the words "sheets, wire," and insert in lieu thereof the following: "Not less than one-eighth of 1 inch in thickness."

Mr. TILSON. Mr. Chairman, this amendment has reference to platinum, which is on the free list, because platinum is not produced here. The manufactures of platinum, being luxuries, bear a substantial duty. The amendment transfers to the dutiable list fine platinum wire and plates under a certain thickness.

Instead of making a speech on this amendment, as I now have the right to do, in view of all that has been said here during the last few days on the subject of a tariff on hides, oil, cotton, and other things, I should like to submit at this point under the rule some general remarks on protective tariff principles.

Mr. Chairman, a few years ago it was frequently said by supposed economists that the theory of free trade is sound but that it does not work out well in practice. Former President Hadley, of Yale, although not an accredited protectionist, said that the theory of protection is sound but that the proper working out of it is impracticable. I agree with Dr. Hadley to the extent that the theory is sound, and from my own recent personal experience am willing to concede that the proper working out of the theory in practice is extremely difficult, but it is neither impossible nor impracticable.

If the principle upon which protection is bottomed is economically sound, and I believe it is, then its application must be general, so far as economic conditions bring individual instances within the sphere of its application. Of course, there is always a twilight zone, a neutral territory, or no man's land, as it were, where the most consistent protectionists fail to agree, not as to the principle of protection but as to whether the economic conditions and circumstances surrounding the particular case are such as to bring it within the scope of the proper application of the principle. Witness the debates upon the proposition to place protective duties upon such articles as hides, lumber, petroleum, and cotton. In each of these cases it is earnestly contended by otherwise consistent protectionists that the economic conditions controlling the industry take it out of the category of articles to which the principle of protection should be applied, and the controversy turns upon this point.

I find myself in accord with those who believe that protection should apply equally in principle—however unequally in degree, which must be determined by the conditions in each case—to all industries, whether of farm, mine, or factory, in any part of the country. The principle is not at all affected by the nature of the product, whether it is a highly finished product or a so-called raw material, for as a matter of fact there is, in the last analysis, no such thing as a raw material as applied to any article of commerce. What is one man's raw material is another man's finished product. An article can only be considered a raw material in the sense that it does not deserve protection if no labor has been expended upon

its production, and I am unable to imagine the existence of such an article in commerce.

In order to bring an industry within the proper sphere of the protective principle, however, it must be an actual existing domestic industry, capable of practically indefinite expansion and development under reasonably favorable conditions. The supply of material upon which the industry depends must not be so limited as to present the problem of early exhaustion. It must be so located as not to be unduly handicapped by uneconomical conditions. Bananas and other tropical fruits can be grown in hothouses, but "hothouse" industries have no place in a protective-tariff system. The industry must be subject to foreign competition of such a character as to give an advantage to the foreign competitor after the domestic producer has reduced his production cost to the lowest practical level consistent with fair wages and working conditions for labor. Any industry fulfilling these conditions falls within the protection principle and is entitled to consideration in the application of the protective system.

There have been and are numerous illusions pro and con as to what a protective tariff has done, can do, or will or will not do. Some of its ardent advocates seem to think that if the price of an article is too low to yield the producer a profit, whatever be the cause, the price can be raised invariably by imposing an import duty upon the article; and they have been misled to some extent into this error by the unreasoning opponents of the system who insist that the imposition of such a duty does in fact raise the price to the consumer by an amount equal to the duty. Both are wrong. Unless there be imports, of course, no duty is paid, and if paid, the duty may or may not be added to the price, according to circumstances. It is unsafe for either friend or foe of protection to assume that it will or will not be so added. It depends upon conditions.

Does the foreigner pay the tax? This can be answered only by a paradox—yes and no. He pays the tax when he must do so, "even as you and I." Does he pass it along to the consumer? Again, yes and no. He does so if he can, "even as you and I." Whether he can or not depends upon the circumstances. The conditions may be such that he will gladly pay the tax and absorb it in order to sell his commodity in the protected market.

The position of the protectionist is that in cases where protection can be properly applied, whether the duty is added to the price or not or whether the foreigner pays the tax or the consumer pays it, the protection thus afforded serves a useful purpose. If the supply of the commodity be abundant and the demand limited, the market will not absorb it readily and the price goes down or remains low, so that the foreigner in order to dispose of his goods at all is ready to absorb the amount of the duty. If the supply be limited and the demand be great, the converse is true, but it is only where the total domestic supply is so limited as to be well below the known domestic demand that it can be said with any degree of certainty that the foreigner does not pay the tax. In such cases, if the commodity is one falling properly within the protection principle, the tendency should be to gradually increase domestic production toward the lower limit of the domestic demand and to eventually lower prices.

It is claimed and has been demonstrated in many instances that owing to the impetus given to production in any industry by reason of being protected, new and improved methods of quantity production have been worked out and applied with the result that the cost of production has been reduced and the price of commodities correspondingly lowered to consumers. It is also claimed and can not be successfully denied that when both labor and capital are actively employed under the stimulus of protection, all business, unless it be that of the importer of foreign competitive goods, is uniformly good and the country is what is popularly called prosperous, "good times" prevail. Such a condition would seem to justify protective duties, even where the consumer pays the added duty.

It may be safely conceded by the protectionist that in general the imposition of import duties raises the price to the consumer temporarily, at any rate. Internal-revenue taxes do the same thing and permanently. Just like the foreigner, the domestic producer pays his tax and passes it along to the consumer, "even as you and I," if it is possible for him to do so, and usually it is possible. The opponents of protection rage and tear their hair because a small duty is imposed upon imported foreign goods thereby possibly increasing the price to the consumer. The same opponents will retain perfect composure while an incredibly high tax is being placed upon a producer of the very necessities of life, which the producer passes along in increased cost of his product for those who consume his product to pay.

Ten years ago, when the amount of Federal taxation imposed was comparatively negligible, there might have been some reason for complaint against a tax imposed at the customhouse that raised the price of necessary commodities to the consumer. Now, however, when every domestic producer is taxed well nigh to the limit and when it is inevitable that these taxes be added to the cost of production and to the price of the commodity to the consumer, it is time to forego undue anxiety lest goods produced abroad also be taxed and thereby possibly increased in price to the consumer. To object to a reasonable duty on imported goods, whether for revenue or protection, while piling up taxes upon goods produced in our own country is like the proverbial "straining at a gnat and swallowing a camel."

It is well recognized by economists that one of the chief causes of the abnormally high cost of living is the very high tax rate now imposed upon productive industry. It is not fair and it is not sound economically that our domestic products be thus burdened while competing articles from foreign countries are admitted to the richest market in the world free.

I can not subscribe unqualifiedly to the doctrine that no country can be prosperous unless all countries are equally prosperous, although I most sincerely wish that all were prosperous.

If I were an internationalist, I should not be a protectionist. If I believed it to be as much my duty as a Member of the American Congress to legislate on behalf of the people of foreign lands as it is on behalf of the men and women of the United States, then I should not be a protectionist. I feel a deep and sincere pity for the wretched and poverty stricken in every land. I would that we might help them. I hope that at the earliest possible moment their unfortunate condition may be improved and that this improvement may continue until they may have reached a happy and prosperous state. I decline, however, to be an advocate or supporter of any policy of legislation or taxation the result of which would be to retard or injure the people of my own country for the benefit of any other people in the whole world.

The more I study the effects of a protective tariff the more thoroughly I am convinced that workingmen and workingwomen are more deeply concerned in this matter than anyone else. It is common knowledge that the American wageworker is the best paid in the world and that the conditions under which he works and lives are the best in the world. No one rises to dispute this statement. It can not be successfully denied. If the product of foreign labor displaces his product, how is it possible for such wages and such conditions to be continued?

A letter recently received from one of my esteemed constituents explains very clearly the effect upon him of the present low tariff law. For 20 years he had been employed at fair wages in the shops of the New Haven Clock Co. On account of foreign competition, this company has been compelled to reduce its working force to almost a skeleton organization. The reduction process finally reached my correspondent about four months ago, and he has been "walking the streets" ever since, until, as he expresses it so forcefully, he is now "within three months of the poorhouse."

Having nothing else to do, my friend has had time to examine some of the clocks now being offered for sale in this country, and finds that in the city of New Haven, within the sight of an old-established and modernly equipped clock factory, German clocks are being offered for sale to the now idle employees of the local clock company. This one instance is typical of thousands. Having seen in the newspapers something in reference to my activities in connection with this bill, he was thoughtful enough to undertake writing me a letter of encouragement. He is one of many who have taken occasion to commend my efforts to legislate for American and not for foreign workers. I shall continue to use my best energies in this direction, believing that what is best for the men and women who toil with their hands is in the long run best for all; but whether this be so or not, the toilers are entitled to first consideration.

Mr. Chairman, I ask for a vote on the amendment.

The question was taken, and the amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 114, line 12, strike out the word "herein" and insert after the word "provided" in the preceding paragraph.

Mr. GREEN of Iowa. Mr. Chairman, this amendment, if we follow the printed bill, would not mean what it is intended, but the language in which this change is made has been set apart in the paragraph by itself. The preceding paragraph, therefore, would refer to duties on advanced yarns, which begins in line 22 of the preceding page and continues over to where the words "ad valorem" occur in line 10 on page 114. I ask for a vote.

Mr. GARNER. Mr. Chairman, I desire to call the attention of the gentleman from Michigan to the fact that we have been working here since 11 o'clock this morning until now, 10 minutes past 5, and I would suggest to the gentleman the advisability of perfecting the bill to-morrow.

Mr. FORDNEY. Immediately after the passage of this amendment I am ready to ask that the committee arise.

Mr. GARRETT of Tennessee. Will the gentleman from Iowa yield?

Mr. GREEN of Iowa. I will.

Mr. GARRETT of Tennessee. Do I understand this is an amendment to an amendment that has already been adopted?

Mr. GREEN of Iowa. Well, a previous amendment simply set these words apart as a paragraph and did not change any words at all. This is an amendment to the language, and it is made necessary because the words were set apart as a paragraph. It is simply to correct the effect of setting them apart in a paragraph.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill, H. R. 7456, the tariff bill, had come to no resolution thereon.

BRIDGE ACROSS ROANOKE RIVER, N. C.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill which I send to the Clerk's desk.

The SPEAKER. The gentleman from Kentucky asks unanimous consent for the present consideration of the bill, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 7208) to extend the time for the construction of a bridge across the Roanoke River in Halifax County, N. C.

Be it enacted, etc., That the times for commencing and completing the construction of a bridge authorized by act of Congress approved March 1, 1919, to be built by the county of Halifax, N. C., across Roanoke River between Hills Ferry and the ferry near the town of Halifax, in said county and State, are hereby extended one and three years, respectively, from the date of approval hereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. WALSH. Mr. Speaker, reserving the right to object, what is the reason they have not started operations down there?

Mr. BARKLEY. The reason is because this is a bridge that is to be built by a county down in the district of the gentleman from North Carolina [Mr. KITCHIN], and on account of financial difficulties they have not been able to start it. But the material is on the banks now, and they are ready to begin as soon as this bill passes.

Mr. WALSH. They will be ready to begin within a year?

Mr. BARKLEY. Yes. I will say also that I would not ask for the bill to be considered at this time, except that the gentleman from North Carolina [Mr. KITCHIN], in whose district this is, is not here, and therefore is unable to look after it. I desire to have it get through now.

The SPEAKER. Is there objection to the consideration of the bill? [After a pause.] The Chair hears none. The Clerk will report the bill.

The bill was again reported.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. BARKLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

Mr. BLANTON. Mr. Speaker, I make the point of order that we have no quorum present.

The SPEAKER. The gentleman from Texas makes the point of order there is no quorum present.

Mr. BLANTON. I withdraw it, Mr. Speaker.

REFERENCE OF BILLS—ADDITIONAL JUDGES.

Mr. ANDREWS. Mr. Speaker, I ask for rereference of the bill H. R. 138 and the bill H. R. 139 from the Committee on the District of Columbia to the Committee on the Judiciary. These bills relate to the courts of the District of Columbia, and the Committee on the Judiciary is now considering that subject. I have conferred with the chairman of both committees and they are agreeable to this rereference.

The SPEAKER. Is there objection?

Mr. BLANTON. Reserving the right to object, what is the nature of those bills?

Mr. ANDREWS. Additional judges.

Mr. BLANTON. Mr. Speaker, I object.

ADJOURNMENT.

Mr. FORDNEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p. m.) the House adjourned until Thursday, July 21, 1921, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

195. Under clause 2 of Rule XXIV, a letter from the Secretary of the Navy transmitting a tentative draft of an amendment to the act of August 29, 1916, regarding the Supply Corps officers of the United States Navy was taken from the Speaker's table and referred to the Committee on Naval Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. SNYDER, from the Committee on Indian Affairs, to which was referred the bill (H. R. 7848) authorizing the appropriations and expenditures for the administration of Indian affairs, and for other purposes, reported the same without amendment, accompanied by a report (No. 275), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 7274) granting a pension to Peter F. Fleming, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WOODRUFF: A bill (H. R. 7863) to appropriate additional sums to aid the States in the construction of rural post roads, and for other purposes; to the Committee on Roads.

By Mr. BUTLER: A bill (H. R. 7864) providing for sundry matters affecting the Naval Establishment; to the Committee on Naval Affairs.

By Mr. HUDDLESTON: A bill (H. R. 7865) to further regulate interstate commerce for the prevention of unfair prices; to the Committee on Interstate and Foreign Commerce.

By Mr. MUDD: A bill (H. R. 7866) to allow certain officers to receive credit on their current pay rolls for amounts checked against them; to the Committee on Naval Affairs.

By Mr. MILLS: A bill (H. R. 7867) to amend the revenue act of 1918; to the Committee on Ways and Means.

By Mr. VOLSTEAD: A bill (H. R. 7868) to prevent fraud respecting securities offered for sale, and to provide a summary proceeding therefor, and for other purposes; to the Committee on the Judiciary.

By Mr. CABLE: A bill (H. R. 7869) to amend an act entitled "An act to amend and modify the war risk insurance act," approved December 24, 1919; to the Committee on Interstate and Foreign Commerce.

By Mr. JEFFERIS of Nebraska: A joint resolution (H. J. Res. 177) authorizing the Secretary of War to loan to the Thirty-fourth Division Association for their reunion at Omaha, Nebr., cots, mattresses, blankets, and galvanized-iron buckets, located at Fort Omaha, Nebr.; to the Committee on Military Affairs.

By Mr. CLARKE of New York: A resolution (H. Res. 156) authorizing the payment of compensation out of the contingent fund of the House to two additional employees of the House; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DUPRÉ: A bill (H. R. 7870) for the relief of I. C. Johnson, jr.; to the Committee on Naval Affairs.

By Mr. FROTHINGHAM: A bill (H. R. 7871) for the relief of the owner of the schooner *Itasca* and her master and crew; to the Committee on Claims.

By Mr. KIESS: A bill (H. R. 7872) for the relief of the heirs of George H. Hitchcock; to the Committee on Military Affairs.

Also, a bill (H. R. 7873) for the relief of Anna Myers Brownell; to the Committee on Claims.

By Mr. MORGAN: A bill (H. R. 7874) granting an increase of pension to Margaret R. Smallwood; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7875) granting an increase of pension to Hattie B. Search; to the Committee on Invalid Pensions.

By Mr. A. P. NELSON: A bill (H. R. 7876) granting a pension to Martha E. Gunderson; to the Committee on Pensions.

By Mr. WHITE of Kansas: A bill (H. R. 7877) granting a pension to Ellen Belle Coffland; to the Committee on Invalid Pensions.

By Mr. HILL: A resolution (H. Res. 154) appointing Curtis Grimes as successor to person named in House resolution adopted January 15, 1900; to the Committee on Accounts.

By Mr. ELLIOTT: A resolution (H. Res. 155) appointing George C. Keegan as successor to person named in House resolution adopted January 15, 1900; to the Committee on Accounts.

By Mr. HUTCHINSON: A resolution (H. Res. 157) appointing John A. Hillmyer as successor to the person named in House resolution adopted January 15, 1900; to the Committee on Accounts.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2076. By the SPEAKER (by request): Petition of Miss Alice St. Clair, of Sioux City, Iowa, urging a tariff duty on motion-picture films imported into this country; to the Committee on Ways and Means.

2077. Also (by request): Petition of Mrs. Anna Guth, president of the Betty Ross Council, of Elyria, Ohio, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

2078. Also (by request): Petition of Stephen Miller and 299 others of the eleventh congressional district of Missouri; James G. Maloney and 144 others of the eighth district of Kansas; 1,230 residents of the cities of Cincinnati, Norwood, and Glendale, all in the first and second districts of Ohio; and Blanche Herman and 25 others, citizens of the United States, urging recognition of the Irish republic; to the Committee on Foreign Affairs.

2079. By Mr. DYER: Petition of Carondelet Baptist Church, of St. Louis, Mo., indorsing House joint resolution 159; to the Committee on the Judiciary.

2080. By Mr. ELSTON: Resolution of Elm Lodge, No. 234, Knights of Pythias, of East Oakland, Calif., relative to a national educational policy; to the Committee on Education.

2081. By Mr. FOCHT: Evidence in support of House bill 7665, for the relief of Priscilla Boyer; to the Committee on Invalid Pensions.

2082. By Mr. FROTHINGHAM: Petition of various residents of Wellesley Hills, Mass., for relief of Armenians in the Near East; to the Committee on Foreign Affairs.

2083. By Mr. KIESS: Resolution from Methodist Episcopal Church, of Osceola, Pa., favoring amendment to Volstead Prohibition Act; to the Committee on the Judiciary.

2084. By Mr. KISSEL: Petition of the Southern Traffic League, of Charlotte, N. C., opposing the passage of either Senate bill 1807 or House bill 7106; to the Committee on Interstate and Foreign Commerce.

2085. By Mr. LAYTON: Petition of the Garden Club of Wilmington, Del., approving the passage of Senate bill 4485 and House bill 2166; to the Committee on the Library.

2086. Also, petition of William Beadenkopf Co., of Wilmington, Del.; C. Wilson McNeely, chairman goat and cabrette leather division of the Tanners' Council of Philadelphia, Pa.; Amalgamated Leather Co. (Inc.), of New York, N. Y.; Newcastle Leather Manufacturing Co. and J. E. Rhoades & Sons, of Wilmington, Del., opposing a duty on hides and skins in the Fordney tariff bill; to the Committee on Ways and Means.

2087. By Mr. LINTHICUM: Petition of Samuel M. Dell & Co., of Baltimore, Md., protesting against tariff on brushes; also, petition of the Torsch-Summers Co., of Baltimore, Md., protesting against tariff on turnips; to the Committee on Ways and Means.

2088. Also, petition of Deicher-Parsons Co., of Baltimore, Md., protesting against new schedule of walnuts; also, petition of the Deford Co., of Baltimore, Md., protesting against duty on hides and skins; to the Committee on Ways and Means.

2089. By Mr. A. P. NELSON: Petition of Superior Civic and Commerce Association, of Superior, Wis., relating to the Federal Trade Commission; to the Committee on Banking and Currency.

2090. Also, petition of the Legislature of the State of Wisconsin, relating to memorializing Congress to enact into law the Voigt bill; to the Committee on Agriculture.

2091. Also, petition of the Legislature of the State of Wisconsin, urging Congress to pass the farmers' export financing corporation bill; to the Committee on Banking and Currency.

2092. Also, petition of Ladysmith League of Women Voters, urging a conference on disarmament; to the Committee on Foreign Affairs.

2093. By Mr. RAKER: Petition of National Pepsin Gum Co., of San Francisco, Calif., protesting against the placing of a duty on tin; to the Committee on Ways and Means.

2094. Also, petition of California State Aerie, Fraternal Order of Eagles, urging the enactment of legislation for the relief of the disabled veterans of the World War; to the Committee on Interstate and Foreign Commerce.

SENATE.

THURSDAY, *July 21, 1921.*

(Legislative day of Wednesday, July 20, 1921.)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Gerry	McKellar	Shortridge
Ball	Glass	McKinley	Simmons
Borah	Gooding	McNary	Smoot
Brandegee	Harris	Moses	Stanfield
Broussard	Harrison	Nelson	Sterling
Bursum	Heflin	New	Sutherland
Cameron	Johnson	Nicholson	Townsend
Capper	Kellogg	Norbeck	Trammell
Caraway	Kendrick	Norris	Underwood
Culberson	Kenyon	Overman	Walsh, Mass.
Curtis	Keyes	Pittman	Walsh, Mont.
Dial	Ladd	Ransdell	Warren
Ernst	La Follette	Reed	Watson, Ga.
Fernald	Lodge	Robinson	Willis
Fletcher	McCormick	Sheppard	

Mr. CURTIS. I wish to announce that the junior Senator from Nevada [Mr. ODDIE], the senior Senator from Washington [Mr. JONES], the junior Senator from Washington [Mr. POINDEXTER], and the junior Senator from Oklahoma [Mr. HARRELD] are absent on official business of the Senate.

I also wish to announce that the Senator from Pennsylvania [Mr. PENROSE], the Senator from North Dakota [Mr. MCCUMBER], the Senator from Indiana [Mr. WATSON], and the Senator from New York [Mr. CALDER] are engaged in a hearing before the Committee on Finance.

Mr. SUTHERLAND. I wish to announce that the senior Senator from Ohio [Mr. POMERENE] is absent on business of the Senate.

The VICE PRESIDENT. Fifty-nine Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS.

Mr. WILLIS presented a memorial of J. W. Watt and sundry other citizens of Mansfield and Shelby, both in the State of Ohio, remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a petition of sundry citizens of Van Wert, Ohio, praying for the enactment of legislation to create a department of education, which was referred to the Committee on Education and Labor.

He also presented a letter, in the nature of a petition, from Thompson, Hine & Flory, attorneys, representing sundry printing companies, of Cleveland, Ohio, praying that an appropriation be made to continue the monthly report on labor conditions and the cost of living issued by the Bureau of Labor Statistics, which was referred to the Committee on Appropriations.

Mr. CAPPER presented a memorial of sundry citizens of Colby, Kans., remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

He also presented a memorial of sundry citizens of Marion County, Kans., remonstrating against the enactment of the so-called Ralston-Nolan bill or any sales or single tax bill, etc., which was referred to the Committee on Finance.

Mr. LADD presented the petition of Mrs. Robert H. Green and sundry other members of the Church Guild, of Grand Forks.

N. Dak., praying that the United States afford protection and relief for the suffering people of the Near East, particularly of Armenia, which was referred to the Committee on Foreign Relations.

He also presented three petitions of sundry citizens of Oakdale, Killdeer, Dunn Center, Werner, and Manning, all in the State of North Dakota, praying that the United States recognize the republic of Ireland, which were referred to the Committee on Foreign Relations.

BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

A bill (S. 2288) authorizing the payment to the administrator of the late Ephraim Perkins, captain, of the value of his three-quarters of brigantine *Eliza* and cargo, illegally captured by the French, as ascertained by the Court of Claims; to the Committee on Claims.

By Mr. CALDER:

A bill (S. 2289) to amend subdivision (e) of section 9 of an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended; to the Committee on the Judiciary.

A bill (S. 2290) to amend section 3 of an act entitled "An act to regulate radio communication," approved August 13, 1912; to the Committee on Commerce.

By Mr. HARRIS:

A joint resolution (S. J. Res. 86) proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. LADD (by request):

A joint resolution (S. J. Res. 87) to reimburse Susan Sanders for expenses and services rendered in behalf of the Eastern, Emigrant, and Western Cherokees by blood; to the Committee on Claims.

EXPORTATION OF FARM PRODUCTS.

Mr. McCORMICK submitted an amendment intended to be proposed by him to the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENTS TO MATERNITY AND INFANCY BILL.

Mr. KING submitted two amendments intended to be proposed by him to the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States, which were ordered to lie on the table and to be printed.

LOTS IN HOT SPRINGS, ARK.

Mr. ROBINSON presented a statement by the trustees and chairman, board of stewards of the Third Street Methodist Episcopal Church South, of Hot Springs, Ark., to accompany the bill (S. 2215) authorizing the Secretary of the Interior to sell and convey certain lots in Hot Springs, Ark., to the Third Street Methodist Episcopal Church South, which was referred to the Committee on Public Lands and Surveys.

EXPORTATION OF FARM PRODUCTS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. LODGE. Mr. President, I desire to speak very briefly in regard to the bill now pending before the Senate. It may create some surprise that I speak upon the bill actually before the Senate, but such is my purpose.

This bill provides for the purchase of farm products in the United States, in order to sell the same in foreign countries, and for other purposes.

I will say frankly at the outset that it seems to me a dangerous bill and one that deserves the most careful consideration of the Senate. It creates a corporation to be known as the farmers' export financing corporation. It puts the United States into active business. I think at this time the more we take the United States out of business and the less we put it in the better. Anything more lamentable than the two attempts of the United States to carry on business by running the railroads and creating shipping I think it would be difficult to find.

I am in favor of and have voted for measures looking to governmental supervision of certain great industries, but there is a wide gulf fixed between Government supervision and the actual management of business by the Government. The pending bill puts the Government into the business of buying and selling agricultural products on a very large scale.

In the course of the debate, the War Finance Corporation has been used as if it were a precedent for this bill and its foundation. It is true the bill has certain formal clauses which were taken from the War Finance Corporation act, but the pending bill and the War Finance Corporation act are as different as night and day. The War Finance Corporation was created in the first place for war purposes. I thought it a very dangerous experiment even then, but many things have to be done and many things are done in time of war which war justifies, which ought not to be done at any other time.

The War Finance Corporation act provided for the financing of certain industries for the purpose of aiding in the war. It has been very well managed, but never for a minute was it in business for itself in the sense of dealing in any product of any kind. Moreover, the War Finance Corporation operated under a law which was drawn with the utmost care and under very decided limitations. As I proceed, I shall endeavor to show the broad distinction between the War Finance Corporation and the corporation created by the provisions of this bill.

If anything of this character is to be done in order to promote farm exports and aid agriculture in all its many forms, it could be done, as it seems to me, and ought to be done, if done at all, under the provisions of the War Finance Corporation act. It seems to me that there is no need of two corporations, but that an addition to the powers of the War Finance Corporation as it is now operating could be drafted in such a way as to cover all that ought properly to be done in regard to the export of farm products and with a view to assisting our agriculture.

I realize, Mr. President, as fully as anybody how much the great agricultural interests of the country, both North and South, and in all forms have suffered from the operation of economic forces which no legislation can ever control, although it may soften their effect. This bill, as I have said, creates the farmers' export finance corporation. Under amendments reported by the committee its personnel is to consist of the Secretary of Agriculture and two additional persons. The vast powers which are given in the bill are all bestowed upon three men, with no definition as to the character or type of men who shall be selected.

The proposed corporation involves, as its name implies, large financial operations. I have been informed that the Secretary of Agriculture has stated to the committee that he was not a financier, that he had given but little attention to questions of finance, and that he said but very little, if anything, about that matter at the hearings held by the committee. Who the other two members of the corporation shall be is not specified. In the case of the War Finance Corporation, on the other hand, the Secretary of the Treasury was placed at its head, and, of course, he is the responsible financial officer of the Government.

I come now to section 9 of the bill which gives the power to the proposed agricultural corporation to buy and sell agricultural products; that is, it puts the United States into the active business of buying and selling all of the many products of agriculture. The United States itself is to engage in this vast and complicated business and is totally unfit for such a task. The proposed corporation will have the right not only to sell to individuals but also to sell to any "Government or subdivision of Government" outside of the United States. They may enter upon business relations with every nation and every people in the world without any recourse, apparently, to the advice of the great department which is charged with the conduct of our foreign relations. It is a very perilous thing to have three gentlemen, with no particular knowledge of our foreign relations, suddenly given an unlimited power to deal with Governments and subdivisions of Governments outside the United States. Nobody ought to deal with other Governments except the Executive, acting through the State Department. So strongly has that view always been held that it will be found, I think, about 1795—but, at any rate, at the close of the eighteenth century—there was passed an act, which is known as the Logan Act, which has been on the statute books ever since, which provides serious penalties for anyone not officially accredited opening negotiations of any sort, either directly or indirectly, with a foreign Government. Of course, the gentlemen who are to manage the farmers' export financing corporation will be official; they will have such credit from our Government as goes with this act; but I am very much opposed to giving anyone the right to deal with foreign Governments except the Executive, who has that power in any event, acting through persons who are selected for that duty.

Mr. DIAL. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from South Carolina?

Mr. LODGE. I yield.

Mr. DIAL. I should like to ask the Senator from Massachusetts whether, in his opinion, it would strengthen this bill if the powers proposed to be conferred by it were lodged in the hands of the War Finance Corporation, now operating under existing law? Would that aid the bill at all?

Mr. LODGE. Yes. I think all the proper purposes of this proposed act could be entirely fulfilled and that all we ought to do in that direction could be done by giving some additional powers to the War Finance Corporation.

Mr. KELLOGG. Mr. President, will the Senator yield?

Mr. LODGE. Certainly.

Mr. KELLOGG. If I may be allowed to make a suggestion, I desire to say that I am informed that the War Finance Corporation, which has a capital of $500,000,000, has now available over $400,000,000 immediately to engage in aiding the export business, and that it has to a certain extent an organization now engaged in that work. For instance, it has arranged for storage or warehouse facilities in nearly every country in the world and it is ready, if it is given the power so far as financing is concerned, to do almost anything that may be done under the pending bill.

Mr. LODGE. That is my own judgment, Mr. President.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

Mr. LODGE. Certainly.

Mr. NORRIS. In connection with the suggestion of the Senator from Minnesota, which the Senator from Massachusetts seems to approve——

Mr. LODGE. I do.

Mr. NORRIS. That the War Finance Corporation could do anything that is authorized to be done under this bill——

Mr. LODGE. Oh, no; I did not say that.

Mr. NORRIS. I thought the Senator did not mean that.

Mr. LODGE. Oh, no; I meant the War Finance Corporation could do anything so far as authorized under the law of its creation.

Mr. NORRIS. The Senator is not in favor of giving the War Finance Corporation the powers that the pending bill proposes to give to the farmers' export financing corporation?

Mr. LODGE. I certainly am not.

Mr. KELLOGG. Mr. President, I think the Senator from Nebraska misunderstood me. I did not mean that the War Finance Corporation could do everything that could be done under this bill, but in so far as financing operations are concerned, exclusive of purchasing and selling, it could do so, or its powers could be enlarged so that it could engage in such activities.

Mr. LODGE. The War Finance Corporation could use the powers that it has, which could be extended to agricultural products.

On page 5, lines 15 and 16, the bill reads:

Every such advance—

That is, advances for the purpose of assisting in financing the exportation of agricultural products—

shall be secured by adequate security of such character as shall be prescribed by the board of directors of a value at the time of such advance—as estimated and determined by the board of directors—equal to at least 100 per cent of the amount advanced by the corporation.

That leaves it entirely to the judgment of the board as to what constitutes an adequate security. They may be able to judge well as to the value of credits and securities in this country, but certainly three men, taken at haphazard, can hardly be expected to understand the very intricate and difficult subject of foreign credits.

Mr. BORAH. Mr. President, the Senator says "at haphazard." These men will be selected by the President?

Mr. LODGE. Yes. I had reference to the lack of any definition in the bill.

Mr. BORAH. And they will be confirmed by the Senate?

Mr. LODGE. They will.

Mr. BORAH. No haphazard men could get through here.

Mr. LODGE. Possibly not; the Senator's experience and mine show that to be impossible.

Mr. WATSON of Georgia. Some very "haphazard" men who have not only been getting in but have been reappointed, if I may make the suggestion to the Senators.

Mr. LODGE. I am afraid the Senator from Georgia does not altogether appreciate the irony with which the Senator from Idaho was speaking. I myself never use irony, but I understood the implication of the remarks of the Senator from Idaho.

Mr. NORRIS. Mr. President, may I interrupt the Senator again?

Mr. LODGE. Certainly.

Mr. NORRIS. Speaking of "haphazard appointments," the War Finance Corporation, which those who oppose the pending bill now seem to love so much, with the exception of its head—and the head of the agricultural corporation is provided for in the bill in a similar manner—would be subject to the same criticism, would it not?

Mr. LODGE. The Senator has reference to the other four members?

Mr. NORRIS. Yes.

Mr. LODGE. Certainly; but at the head of the War Finance Corporation there is the officer of the Government who is charged with all the financial operations of the country, whose business it is to be a financier, and who is surrounded by experts in his department. The Secretary of Agriculture is not chosen for that purpose; he has nothing whatever to do with its financial matters, and there is no reason to suppose he has any special knowledge concerning them. He is not at the head of a department which knows anything about finance. It knows much about various things—seeds, plants, and so forth—but I do not think the Secretary of Agriculture is selected because of any knowledge he may have of the subject of finance.

Mr. NORRIS. No; I do not claim that; but he is selected because he has agricultural knowledge, and it is an agricultural corporation that is proposed to be created.

Mr. LODGE. I understand that.

Mr. NORRIS. Why may not the President select as the assistants of the head of the proposed corporation those who have financial knowledge and thus make the board complete?

Mr. LODGE. That might be done; but it is made the duty of the proposed agricultural corporation under this bill to make advances, to lend money to people who need it, and its principal business is financial.

Mr. McCORMICK. The Senator probably means people who "want it," not necessarily who need it.

Mr. LODGE. Well, to those who want it or need it.

The proposed corporation is given the power "to buy agricultural products either in their natural state or prepared or manufactured from any person in the United States," and then to sell such products; in other words, they are going to carry on an enormous business in agricultural products. They need not sell any of them; they can hold them.

Mr. BRANDEGEE. And commodities made from agricultural products.

Mr. LODGE. I do not know how far that will extend. I take only the language of the bill; I shall come to the industrial side of it in a moment; but the proposed agricultural corporation is to have the enormous power of holding all the property which they may acquire. At what price are they going to take it? At what price are they going to sell it? Evidently there is conferred upon them the power of price fixing, which is the most dangerous power that can be conferred, in my judgment.

Mr. WATSON of Georgia. Mr. President, if my friend the Senator from Massachusetts will allow me, he has referred heretofore to agricultural products; but if he will read the bill, as he no doubt has done—I merely mean to call his attention to the matter, of course, and do so with great respect—he will see it is not confined to agricultural products at all.

Mr. LODGE. That makes it much worse. I was taking the language of a particular section; I know the corporation can go further.

Mr. WATSON of Georgia. Let me refer to the first line on page 5, if the Senator will allow me.

Mr. LODGE. I read it—"either in their natural state or prepared or manufactured."

Mr. WATSON of Georgia. That would include hides, Mr. President, and shoes.

Mr. LODGE. Why, under that clause they could buy and sell cotton textiles——

Mr. WATSON of Georgia. Harness, shoes, saddles, mercerized fabrics, and so on.

Mr. LODGE. Anything made from the products of the farm—leather, woolens, and everything else. But the point I desired to emphasize is the danger that is involved in putting the United States into business of any kind. The United States, as I have already said, is sure to run a business badly. It has wrecked the railroads, and look at the Shipping Board!

Mr. WATSON of Georgia. Mr. President, that is the connection in which I referred to the haphazard way in which we appoint and reappoint here. We have just found a deficit of $4,000,000,000 in the Shipping Board. We are asked to fur-

nish $300,000,000 more to fill another hole, and, of course, that will be followed by filling another hole; and the former chairman of the Shipping Board is a reappointee on that board.

Mr. LODGE. Mr. President, I am not criticizing the make-up of any of the boards. I know that we put over $3,000,000,000 into the Shipping Board. I know that last year they lost at the rate of more than a million dollars a day as a deficit, and I believe it is owing to the fundamental fact that the Government of the United States is utterly unfit to carry on a business, especially if it tries to carry it on with a board. It might do better with one man, though I do not think the railroads indicate that it would.

Mr. President, I did not mean to take much time. I turn now to section 10. The limitation of that section, of course, occurs in the War Finance Corporation act. It has been stricken out. It seemed to me a valuable limitation. I happened to be on the committee, with other Senators who are doing me the honor to listen to me, that reported the War Finance Corporation act. There was a great deal of work put into that act, and every security and safeguard that the committee could think of was applied to it, and one of them was as to the amount of advances permitted to any one person. The limitation which was in this bill already, when I suppose it was perhaps copied from the War Finance Corporation act, has been stricken out. There is no limitation. They can lend any amount they please to lend to one person.

Now, we come to section 10. The corporation is empowered and authorized to issue and have outstanding at any one time bonds in an amount aggregating not more than ten times its paid-in capital. That is, this board of three men have the right to issue a thousand million dollars in bonds. They have the right to issue bonds carrying the lowest exemption. I may be mistaken, but I think it follows exactly the exemption of the first or 3½ per cent loan. That is, they issue a bond on the most favorable conditions, and the interest and the maturity are left to them, subject to the approval of the Secretary of the Treasury.

That is an enormous sum of money. If those bonds were thrown on the market now, with the guaranty of the United States, with the exemptions proposed in the bill, and at a rate of interest of 5 per cent, we will say, or 5½, which has been proposed for the rural credits, I think, it would almost destroy the Liberty loans of the United States. It is a most extraordinary power to give. I have had it said to me: "Why, those bonds could not be placed." Under this language this corporation can issue a bond which can be easily placed, and placed to the great detriment of the entire credit of the United States. It is a huge sum—a thousand millions in addition to their capital. In all, it amounts to eleven hundred millions.

Mr. President, further on there was a section in this bill, section 14, which was taken, as some others were taken, from the Finance Corporation act—clauses which vanished when it passed to the question of agriculture. Section 14, as the bill was originally introduced, read:

> The United States shall not be liable for the payment of any bond or other obligation, or the interest thereon, issued or incurred by the corporation, nor shall it incur any liability in respect of any act or omission of the corporation.

That has been stricken out, and in its place has been put this clause:

> The United States shall be liable for the payment of all bonds and other obligations, together with interest thereon, issued by the corporation.

And there is no protection against any act or omission on the part of the corporation.

Mr. WATSON of Georgia. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield?

Mr. LODGE. Certainly.

Mr. WATSON of Georgia. If the Senator will allow me in that connection, it is pertinent and important to say that while the United States Government is responsible for all these debts, it has no say, none whatever, as to the security on which the corporation shall lend this money.

Mr. LODGE. None. That alone, in itself, seems to me a power that ought not to be given.

Very recently, within a few days, the Senate recommitted the bonus bill. It was recommitted by the votes of many Senators who were anxious to see that adjusted compensation paid to the soldiers, but who were convinced that it would be dangerous to the finances of the United States—so dangerous that it ought to be deferred. Now we are asked to take a billion dollars and put it into the bonds which could be issued under this bill, that would be absolutely destructive to the credit of the United States.

Mr. GLASS. Mr. President, may I inquire of the Senator if he knows whether this bill was sent down to the Secretary of the Treasury to ascertain what in his judgment would be its effect upon the credit of the Nation?

Mr. LODGE. In reply to the Senator from Virginia I will say that I have no knowledge as to whether it was ever submitted to the Secretary of the Treasury at all. I was told that the committee did not call the Secretary of the Treasury to hear him in regard to the bill.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

Mr. LODGE. Yes; certainly.

Mr. NORRIS. The committee did call the Secretary of the Treasury. At the time that they invited him to appear, however, he had another appointment, and he was not able to appear, and as a matter of fact did not; but he was invited to appear. I am not criticizing him because he did not appear, because he was appearing before some other committee at the same time.

Mr. LODGE. It appears, then, that he was asked, and that he was appearing before another committee and could not come that day; but he was not asked again. I did not mean to take up that point; but I think on a bill of this financial magnitude the opinion of the Secretary of the Treasury ought to be taken.

Mr. WATSON of Georgia. Mr. President, in that connection I call the Senator's attention to section 17, which no doubt he intends to comment upon when he reaches it. The others are mere details; but under that section the Interstate Commerce Commission could and probably would give to this national corporation preferential rights that would absolutely drive off the market every competitor in America.

Mr. LODGE. Yes; I was going to touch on that.

Now come the penal clauses, and then section 17, where the Senator from Georgia has anticipated me in what I was about to say; but there is exactly that danger. I was astounded to see that provision.

Mr. President, I have only touched on some of the leading points, those that seem to me most dangerous.

Mr. REED. Mr. President, does the Senator intend to discuss the effect that such a corporation with such capital might have on general market conditions in the United States?

Mr. LODGE. I do not expect to do it with any thoroughness. I was about to allude to it. I will say to the Senator from Missouri that it is not my intention to speak at any great length. I only wanted to bring out my objections. Moreover, I do not wish to interfere with the Senator from Missouri.

Mr. REED. I was calling the Senator's attention to that matter in the hope that he would speak of it.

Mr. LODGE. Oh, I understand; the Senator was very kind about it.

Mr. President, I heard the very vivid and eloquent descriptions of the Senator from North Carolina [Mr. SIMMONS] and the Senator from Nebraska [Mr. NORRIS] of the condition of the farmers who could not get money, and the country banks that were on the verge of failure, and I have no doubt that there is great hardship in all those directions. The Senator from North Carolina spoke about this having been brought on by the inability of the planters, of whom he was particularly speaking, to sell their crops at any price even reasonably approaching the cost of the crops. Now, we give them this money. At what rate are we to give it to them? Suppose we take the thousand millions and distribute it in advances to worthy and suffering planters and farmers and cattle growers and sheep raisers, and so forth. I know they have suffered. I do not underrate it at all. At what rate are we to give it to them? And if we give them the money and take their products, at what price are we to take them? If we take them far above the market price, then this corporation will simply go on holding them all. They will be unable to sell them, here or anywhere else. Of course, this corporation could practically arrest all dealings and fix a price, which would paralyze everybody's business. Just as the Senator from Georgia [Mr. WATSON] has pointed out, if they have this power in regard to freights, they can shut every competitor out of the transport. But after the farmers and banks get this money and these advances, suppose there comes another bad year; what is to be done then? Must there be another thousand millions? This is not business. It is a huge gift from the Treasury which is proposed.

I know very well that the idea of this bill is that we are to create markets. Mr. President, no amount of money that this Congress can appropriate will create a market. Markets are not created in that way. What will give us a market abroad is the return of the purchasing power of the nations which formerly bought of us and whose purchasing power has been

spent and wasted on four years of battle. You can not create a market by merely buying up at artificial prices the agricultural products of this country. The market must be created by the natural and imperative laws of supply and demand.

Mr. President, I know that seems to be, and will be considered by many people, a harsh doctrine, and to indicate that I do not realize the suffering. Mr. President, this suffering from the present operation of economic laws following the war is not confined to the plantations of the South or to the farms of the West. The great industrial States of this country are just as severely affected. Take, for instance, an industry that is almost wholly western—mining. Look at the condition of the mines to-day. All, I rather think, have reduced time, even if they are able to work at all.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. LODGE. I yield.

Mr. KING. I would like to state to the Senator that in many of the Western States mines have been closed down; indeed, in some States practically all mining operations have ceased, and large quantities of copper, and some lead and pyrites and other metals, are stored and stacked away; there is absolutely no market for them. It seems to me that if we are to care for the people in this way, if the Government is to become a fairy godmother and take care of the farmers and their products, it must extend its benefactions to the mining men, and if it extends its parental authority there, what shall we say of the man who has brain and brawn and muscle, and who wants work and can not get it? Why should we not coin that product which he has in such rich abundance, so that he may live?

Mr. LODGE. Mr. President, I was about to touch on the point which the Senator from Utah stated very well. For instance, I think all copper mines in this country, so far as I know, are closed down. They are not making any money, certainly. They are carrying all the crude copper that they can carry. That is a very great industry; it is one of our great exports. But they have not come here asking that the Government should give them a thousand million. They have not come here yet asking for Government aid.

Take the great, purely industrial regions. I come from one of the largest industrial States, and the condition there does not differ from the condition anywhere else. Some of the mills are closed; others are running at three-quarters time; others at half time; many at quarter time, and every dollar of the loss, of course, comes out of the people who have not the opportunity to work. It has been taken from them. They are beginning to draw on their savings, and they are suffering, too, and all the manufacturing region is suffering.

Mr. REED. Mr. President, I wish the Senator would not forget in his summary that the lead mines in Missouri are nearly all closed down, and in Oklahoma many people have been bankrupted by the fall of prices. If we are going to take care of folks, I want, at least, the lead miners of Missouri taken care of. I am not much interested in the others.

Mr. LODGE. I spoke generally of the mining industry. The Senator from Missouri has described one special case, and I suppose that the lead mines are suffering just as much as the other mines. But I was dwelling a little on the manufacturing industries of this country, because I am most familiar with them and I know what the suffering is. The people are out of work, manufacturers are all losing money, they are all obliged to cut down, and are unable to run on. They simply can not go on. But none of them have asked yet for Government help. They, too, find it difficult to renew their credit. Some of them are failing, and I think, as a matter of justice, that we should extend aid to the manufacturing industries if we are going to aid the farmers. I think agriculture is, of course, a great basic industry. I concede all that, and if anything can be done in the legitimate way of Government aid, which will be by removing artificial obstacles or facilitating credits, guarded and safeguarded as they are in the Finance Corporation act, I think in those directions Government aid may be of value. But the Government aid at best can not arrest the progress of the great economic forces. We are passing through a very hard period, brought about by a destruction of capital property during the war such as the world has never even dreamed of.

We are fortunate here in not having a bankrupt Government. We are still solvent and sound, and there can be no greater help to the world than to keep the Government of the United States and the business of the United States solvent and sound. But it can not be done if we plunge our hands into the Treasury and take out vast sums to give to any class of people, no matter how deserving.

I should like to see a thousand million spread among the manufacturers of the North, but I know it would result in no permanent benefit. The whole of history, every law of political economy, teaches that. The salvation of this country is going to come, as it always has come, from the energy, the thrift, and the hard work of the American people. I know that is an unflattering philosophy. I know how strong the desire in the human heart is to get something for nothing; but in the long run nobody ever gets something without paying for it in some way, and we have to do it by thrift and work and energy. What is it that has carried this country to the point where it now is through peace and war? It has been the energy and determination of the American people. The bravery of our soldiers and sailors enabled us in the last war to turn the scale and win the victory, but behind the soldiers and the sailors was another great force, and that was the energy with which the American people threw themselves into that conflict, all alike—rich and poor, men and women. They all did it, and we made the decisive stroke which resulted in the winning of the war. That is what will save us now—the thrift, the energy, and the hard work of the American people—and there is no use in trying to deceive them and say they can be rescued by taking the money out of the United States Treasury and giving it to them.

From whom are you going to take it? You are going to take this money by taxation out of the people in one form or another. You say that the farmers and the agriculturists are ruined, that they are not making any money, so you must get it from the other half of the people, and they are just as badly off, exactly. With legislation of this sort you are traveling on the road to national insolvency, toward the Russian printing press; and look at Russia to-day, where they have seized all the property and spent it, and now has come the day after, and they are waking up to the impossibility of that system.

It is impossible to arrest the progress of the great forces in this way. We can help, perhaps, and I desire to help. The War Finance Corporation is doing good work now. If we can extend it so as to help the foreign trade, to help the farmers to carry their products, very well; I shall be glad to see it done. But I can not vote, Mr. President, to pass a law which shall make the United States Government responsible for a thousand million dollars in addition to what it is now carrying, when I believe firmly that it is the pursuit of a vision, that there is no reality in it. Governments can help sometimes; they can do infinite damage with bad legislation. They can sometimes do a certain amount of good with wise legislation, but they can not arrest the operation of the natural laws of this universe.

Mr. HEFLIN. Mr. President, I shall occupy but a moment of the Senate's time this morning in reply to the Senator from Massachusetts in regard to the suggestion of taking the money of the American people and letting foreign countries have it in the way of producing a market for our farmers. If this bill is passed, as I hope it will be, these foreign countries will be enabled to buy some of these products which the American people now have and are unable to sell.

For instance, if through this export corporation we should send $5,000,000 worth of produce to Belgium, Belgium would take that raw material and manufacture it and sell it to her customers and use the money to pay us for the produce purchased under this bill. Belgium can not supply her customers until she gets the raw material that we have. If we withhold that raw material she can not sell goods to people who would buy from her. We are not permitted to dispose of the produce that the farmer has ready for disposition. So, when the Government comes to his rescue at a time like this, an extraordinary time, in an emergency situation it is doing a very just and righteous thing. Of course, no one would advocate the Government going into a matter of this kind in normal times; but when an extraordinary condition like this is presented, and private capital in the country is manipulated so as to increase the distress of the people and prey upon their misfortunes, the Government, as a last resort, comes to the rescue, and it says to the great agricultural class of its people, "We will not permit the fruits of your investment and toil to be devoured by those who would fatten upon your misfortune. We will come to your rescue, because of this extraordinary situation, and we will help you to get this farm produce over yonder, and when we do that we will not only save from destruction the agricultural industry here but we will aid starving people abroad, and in helping them help ourselves."

I submit that in a case like this such action by the Congress of the United States is justified.

In this transaction the Government is not giving the farmers money. The Government will not lose a dollar. The Govern-

ment simply comes in and says to these people who have farm produce to sell, "Would you like to dispose of that?" "Yes; here it is. I have been waiting for somebody to come and buy." "We know where we can sell it for you," says the farm export corporation. "We have made the arrangements to sell it and we will pay you the money now if you want it. We realize the distress you are in. We realize that loans are being called and your interest rates are high, and in order to help you in the aftermath of the greatest war that ever cursed the world we do this thing. We would not do this in ordinary times, but because of the distressing and embarrassing condition that is upon the farmers of the country we invoke legislation of this kind."

I regret, Mr. President, that whenever a measure comes up here which seeks to give relief to the individual man in the country who makes up the mass of the people, there is always some learned and able argument leveled against it, against the measures that seek to extend the hand of help to the man who is down. I submit to the Senate that the individual citizen, the man who makes up the mass of the American people, is the man who is entitled to aid and to rescue at a dreadful time like this.

Wall Street, lying in the eastern section of the country, like a vampire that seizes upon the agricultural industry and sucking its life blood is getting all the money that it wants. The Federal reserve system permits it to get all the money that it wants, and that system is directly under the control of the Government. Now, then, when Congress, by some enactment, asks permission to set aside some of the common funds of the Government to go to the rescue of millions of farmers in the South and West, Senators, why can we not at a distressing time like this give that relief to them?

There is great distress in the country. That is difficult for some people to understand. It seems difficult for some Senators here to understand, Senators who do not get in touch very much, I fear, with the common mass of the common people. I fear that some of them are so far removed from the people that they really do not know how distressed millions of our people are.

You appropriate money for a great many things that could be saved to the Government, it seems to me, and here we have a proposition which will not cost the Government one cent and the purpose of the whole movement is to aid the American farmer in the hour of distress. The farmer had nothing to do with bringing about the conditions that now weigh so heavily upon him. They were thrust upon him by a shortsighted policy of the Government and by conditions world-wide that he could not control, so he is in no way responsible. The Government, the great Government of the United States, is seeking through some of us to go to his rescue and to help him upon his feet again, and by helping him help others who need his produce and without whom his produce is a drug upon the market place.

I submit, before I take my seat, that when the Government takes this step it is doing a valuable and righteous thing. It ought, it seems to me, under the peculiar circumstances to do all in its power to throw its arms around the great agricultural industry of the country and put it on its feet again. Now, Senators, the measure will be helpful to the farming interests of the country. It will be helpful to the grain growers of the West. It will be helpful to the cattlemen of the West. It will be helpful to the cotton growers of the South. It will be helpful to forty-odd millions of people in the United States. I think it ought to be voted on and passed by the Senate and sent over to the House; let the House pass it, as I believe it will, and send it to the President for his approval. Let us put into operation every agency that looks to granting aid to the people who are now in distress.

Mr. KING rose.

The PRESIDING OFFICER (Mr. WALSH of Massachusetts in the chair). Does the Senator from Utah desire to interrupt the Senator from Alabama?

Mr. KING. No, Mr. President; I thought the Senator had about concluded.

Mr. HEFLIN. I shall be very glad to yield to the Senator if he desires.

Mr. KING. No; I thought the Senator from Alabama had concluded his remarks.

Mr. HEFLIN. I have no doubt the distinguished Senator from Utah wishes to address the Senate in opposition to the bill. I am not sure about that; but I believe he is anxious to do so. He looks to me like he is ready to assault the pending measure. He always makes a good speech on whatever question he discusses in this body.

Now, Senators, before I sit down I wish to say that we hear talk about renewing the loans of farmers. I wish to invite the attention of Senators to what I fear that means. Some of them borrowed money on wheat when it was $2 a bushel. If such a man comes up now to renew his loan, how much will he get on it? If he had borrowed $600 on wheat at $2 a bushel, he is better off without renewing than he is to renew at a figure fixed by a gambling exchange. The farmer who borrowed money on cotton when cotton was thirty-odd cents a pound, borrowed, say, 20 cents a pound. The New York Cotton Exchange, by an organized gambler's raid, with all the money that it needed for speculative purposes, then beat the price of cotton down to where the average price is about 8 cents a pound. What does the cotton farmer get when he comes up? He borrowed $100 on a bale. They want to renew his loan now at $40 a bale. Mr. President, it is necessary to watch some of the smiling Greeks when they come bearing gifts.

Now, if that situation goes on what will the farmer do? Here is what happens: "Mr. Farmer and Mr. Grain Grower, how much land have you?" "I have 360 acres." "Well, I want a mortgage on that. You can not get as much now as you did on your agricultural product before. We are going to renew your paper, but you will have to give us additional security." "Why, you ought not to require that," says the wheat farmer. "Flour is selling at a price that would justify me in getting $2 a bushel for wheat. Cotton goods are selling at a price that would justify me," says the cotton farmer, "in demanding 40 cents a pound for cotton. Why should you accept the gambling exchange's figure upon this proposition and make me give you a mortgage on my land in addition to that which you already hold on my produce? You are making me give you a mortgage on my house and lot in addition to that."

Senators, that is what is going to happen. I hope to see the time come in this body, and come speedily, when we will have some consideration and some sympathy for this great army of farmers in America who are being herded now like cattle and their property taken from them. I wish to see the Government say to the gambling markets, "We are going to stand by this man and see that he is not robbed. We are going to stay with him through this crisis and see that he gets on his feet again." I am reminded of the old days when they gathered up corn in Egypt. They first gathered up the corn, then they brought in the money that the people had, then the land. They next took the cattle, and then they took the jewelry, and the job was complete.

Let us hope and pray that this character of aid will not be extended to the farmers of the United States.

I do not want to see the mortgages foreclosed. If that is done an army of farmers, stripped of every foot of land, stripped of a house to live in, stripped of the implements with which to work, will be seen in our country. I want Senators to think of that when they are putting out their fine-spun theories about the constitutionality of this proposition and whether it is sound and safe banking business or good business for the Government to enter into.

My sympathy goes out to these people. I am getting letters from them. I have had letters from farmers in the Northwest and in the West, and I have had them from all over the South as well, indorsing my efforts and those of others here who are seeking to aid honest, industrious farmers in their distress.

I will refer to one of those letters now. A gentleman in the Northwest wrote me a letter the other day saying that he had read my speech in which I mentioned two bankers in the South who killed themselves because they were not permitted to carry their loans. He said, "I have read your speech in the CONGRESSIONAL RECORD. I can name you hundreds of instances in this section like those mentioned in your speech." He said, "I want to mention one that I know about right in this community. One of the best farmers in this section, who owned 360 acres of the best land in this part of the country, and he had personal property and was a man well to do, a fine man, of high standing, wanted to extend a loan of $20,000. They had a mortgage on his land.

"He went to that bank that held the mortgage and tried to arrange the proposition, and the bank told him that the Federal reserve bank had called him, and under orders from that bank they would have to close him out. That situation so dazed the man that he went back home and brooded over it two or three days. This farmer had 360 acres of the finest land in that part of the country, worth, probably, ninety or one hundred thousand dollars, and considerable personal property, and yet he could not raise that $20,000 or get his loan extended, and they were going to foreclose the mortgage. He worried and brooded over it until his mind went wrong. He murdered his wife and four children and then killed himself."

That is an awful and a grewsome picture, but it tells a tale of distress and misery prevalent in certain sections of the

country. I can name a number of instances in the South where men have killed themselves because of the financial stress and strain that was upon them, where sympathy and patience and kindly help would have saved them. I beg Senators to-day when they stand on this floor and discuss this important question to bear in mind the fact that out yonder in the States that make up this great Union there is dire distress knocking at the farmer's door and the wolves of want are howling around the cabins of the poor. There is distress, Senators, deep distress, in the country. I want Senators to bear in mind this situation when they are standing up here undertaking to block legislation that will extend the helping hand of the Government down to lift these people up out of the mud and mire into which they have been driven by a mistaken governmental policy and a misuse of governmental instrumentalities and the evil effects of a great World War.

Mr. KING. Mr. President, the woeful conditions depicted by and the eloquent appeals of the Senator from Alabama, not only to-day but upon other occasions, have made such an impression upon my mind that I have come to believe that the Federal Government is so much better able to take care of the people than they are to take care of themselves that I suggest to the Senator that we transfer all we have, our possessions, our natural, political, and civil rights, as well as our lives, to the Federal Government and allow it through its bureaus and bureaucrats and Federal functionaries and Federal officials and Federal commissions and Federal agencies and instrumentalities to take us into its all-embracing arms and direct our lives, control our thoughts, and guide our faltering and feeble steps. This would seem to be the proper function of government according to the Senator from Alabama, and his various addresses would indicate that the people are so flaccid and anæmic as to be incapable of working out their own salvation.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kentucky?

Mr. KING. I yield.

Mr. STANLEY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state his parliamentary inquiry.

Mr. STANLEY. Is the Senator drawing a picture of things as he would have them exist or of things that are?

Mr. KING. It is a picture of conditions that the Senator from Alabama indicates exist and that he would have exist.

Mr. HEFLIN. Mr. President, will the Senator from Utah yield?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Alabama?

Mr. KING. I yield.

Mr. HEFLIN. The Senator from Utah voted to take 4,000,000 American boys to send to the firing line in France, there to give their lives for the people of the United States and for the Government of the United States. Now, when private capital is profiteering upon the misfortune of the people and is waiting for them to become more unfortunate because of that situation, is the Senator not willing to let the Government use $100,000,000 in a safe investment in order to help to lift up the people whom our boys fought over yonder to save? Does the Senator think more of $100,000,000 of the Government's money than he does of the 4,000,000 American boys?

Mr. KING. Mr. President, I was about to state that the Senator from Alabama had made such a persuasive argument that I was on the eve of suggesting that we have the Federal Government take over everything, supply money to the people, conduct their business, control their activities, and assume a complete guardianship over their lives.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Virginia?

Mr. KING. I yield.

Mr. GLASS. When the Senator from Utah answers the question of the Senator from Alabama will he not please tell us also where the Federal Government is going to get the hundred million dollars?

Mr. KING. Oh, well, the Senator from Alabama will turn loose the printing presses; that is what he suggested some time ago in a very able and illuminating speech submitted for our consideration.

Mr. HEFLIN. Will the Senator permit me just there?

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Alabama?

Mr. KING. I yield.

Mr. HEFLIN. I now desire to suggest that rather than have this slaughterhouse condition continue in the South and the West it would be better for the Government to issue $1,000,000,000 of Treasury notes, with $300,000,000,000 of wealth back of them, than it would to permit the currency to be deflated and credits curtailed to the ruin of the business of America.

Mr. KING. Mr. President, of course, the Senator from Alabama is a student of economics and banking and public matters, and therefore he knows that never in the history of the Republic has there been so much banking credit as at present. Of course, as a student of public affairs and economics, the Senator also knows that never before has there been so much money in circulation in our country as at the present time or at least during the past year.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield further?

Mr. KING. First let me complete the thought I was about to express. The Senator from Alabama and I followed the views of Mr. Bryan a number of years ago when there was so much talk about the quantitative theory of money; we insisted that there was a close relation between a large volume of money and prosperity. Under that view there should be greater prosperity in the United States now than ever before because of the unprecedented amount of money in circulation. Let me say that in the interest of consistency we must still adhere to that view, a view which we advocated with so much courage and zeal—I will not say mistaken zeal—in campaigns which have been waged in this country in the past.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Utah yield?

Mr. KING. I yield.

Mr. HEFLIN. The Senator from Utah refers, of course, to the campaign of 1896?

Mr. KING. Yes; and I refer also to campaigns of a later date.

Mr. HEFLIN. I am reminded——

Mr. KING. If the Senator wishes to ask a question, I will yield, but I arose only to submit a few words.

Mr. HEFLIN. I am reminded of what a man in the South at that time said. He said, "Those fellows up there where there is plenty of money, who draw their salaries each month, do not know how to sympathize with the fellows down here who can not get a dollar."

However, here is what I want to say to the Senator from Utah. The Senator has said that never before has there been so much money in circulation. Mr. President, it is a fact that there never has been a time when money was so hard to borrow as now. I want to tell the Senator from Utah what occurred at Eufaula, Ala., in my State. Ex-Representative Dent, who at one time represented the capital district of the State in Congress, told me day before yesterday that a man went to a bank with a thousand-dollar Liberty bond and could not borrow $100 on it. So my good friend from Utah certainly is not acquainted with conditions in the country. There have been instances, one after another, where men who sought to borrow money on Liberty bonds have been turned down. They could not borrow it. Where my good friend from Utah gets all his information about money being easy and money being in circulation, I do not know. I grant that there is more money in existence to-day in the United States than ever before, but it is being cornered and held and manipulated so that it does not perform its legitimate functions. It has been perverted from the ends of its institution, and, instead of aiding the people, it is being used in such a way that it has become an instrument of torture. That is the situation. I am talking about facts as they actually exist.

Mr. KING. I am glad to have the Senator from Alabama repeat the same speech which he has made several times upon the floor. I have no doubt he will again repeat it; but it has been so persuasive——

Mr. HEFLIN. I do not know about that, but I will say to my good friend from Utah that I expect now to hear him make the same speech that he has made two dozen times.

Mr. KING. Of course, the Senator from Alabama does not speak within the realms of accuracy, because I have not addressed myself to this subject at all. This is the first announcement of my conversion to this cause so ably represented by my friend from Alabama.

Mr. HEFLIN. I refer to other occasions.

Mr. KING. The Senator has become so used to talking about this lugubrious situation that he forgets what transpires. Of course, the Senator's statements are mere verbal inexactitudes, that is all; but I was about to say that I have been so persuaded by the admirable, eloquent, appealing, pathetic, and tragic argument of the Senator from Alabama that I am about

to join his school of political thought; in fact, I am going to go a little further than he and urge that the Government take all of us over, provide all with money, start the printing presses, and flood the land with promises to pay. The Government is omnipotent. It can touch the people with its divine hand, and heal their infirmities, and cure their ills, political and economic. In olden times persons sought the king's touch to cure them of scrofula and other disorders. Let us only be able to touch the magic robe of governmental authority, and we will be relieved of all our woes. The Senator from Alabama and his school—and I think I will have to join it—believe that the king's touch—that is, the touch of the Federal Government—will cure all economic ills.

What is the good of having private property and homes and the institutions of Christian civilization? What is the good of private initiative? What is the good of thrift and energy and courage and other splendid virtues that have made the American people the greatest in the world and our Government the finest that the genius of man and the mercies of God has ever produced for the blessing of mankind? It is all an illusion, a dream. Let the Federal Government take over everything; let the Federal Government take care of us. If we are sick, the Federal Government will cure us; if we have mental disorders, the Federal Government will minister to us; if we have nothing in our pockets, if we can not put money in our purses, as Shakespeare bade us to do, the Federal Government will do it all—it will fill our lives with joy and our purses with fiat paper money. The millennial era will come if we will only rely upon the Government instead of ourselves and our own energy and latent powers.

So, Mr. President, I suggest that the Federal Government not only give money to the farmers but give it to the men in the West whose mines are closed down; give it to the sheep men whose wool has not been sold for two years; give it to all who have met with adversity and misfortune. There are millions of men out of employment, men of courage, men who would like an opportunity to work. Let us coin, or, rather, make, paper money from their bone and their brawn and their brains and give them money. Why not? Let them knock at the counter of the Government and receive in return for their notes, based upon brain and brawn and desire for work, the money which they require to meet the imperative necessities of life. Of course, the money so issued may have no value; it may be as worthless as were the French assignats issued during the French Revolution or the currency issued by the bolsheviks of Russia.

If it possesses value, then it must be backed by the taxing power of the State, and millions more must be wrung from the people by oppressive and destructive taxation.

Mr. President, I appreciate the serious industrial and financial condition existing not only in the United States but in all the world. I would be most happy to see universal peace and prosperity and the clouds of economic depression vanished from the sky. But statutes and decrees will not meet the situation.

The school of political thought to which the Senator belongs seems to regard the individual as the child of the State instead of the State as the agent of the individual. Under this view it becomes the creator and the dispenser of bounties and benefactions, and the multitudes are permitted to exist as visible objects of its generosity.

The theory is not new. In ancient times people looked to the State for guidance and direction. It determined their pursuits, fixed their status, prescribed their wage by rescript or autocratic proclamation, and determined the value of the products of their toil. It not only controlled their political, but, if I may express it, their material lives; and it also directed their intellectual and their spiritual activities. It prescribed what they should read and proscribed what it forbade them to learn. It controlled conscience, imposed religious rites and forms and ceremonies, and with lavish hand at times bestowed gifts upon the people; but more frequently with iron rule it placed the yoke of servitude upon them. The struggle has been through the ages to emancipate humanity from tyranny and paternalism and deadly bureaucracies, to give to the individual the scepter of authority and power, and to make him the arbiter of his own destiny.

This Republic was consecrated to this more than human—indeed, this divine task—and under the principles of Jefferson announced in the Declaration of Independence, and developed in the institutional life of our Republic, there has been produced a mighty race who have met the problems of modern life with their complications and perplexities, and raised to a standard never before attained, 100,000,000 patriotic and progressive people. A benevolent paternalism may survive for the moment, but it perishes; destroyed either because of the devitalization which it produces or because ambitious and often patriotic individuals prefer either a stronger form of government or one in which the individual is the source of power which is exercised in the establishment of an enlightened representative government.

The ideas, Mr. President, that Jackson and Jefferson and the founders of the Republic, and particularly of the Democratic Party, taught are all wrong. Jefferson was wrong and Jackson was wrong, irretrievably wrong, when they insisted that the General Government was one of delegated powers; that its authority was not plenary but limited; that it could coin such gold and silver as might be presented at the mint; and tax the people only for the maintenance of the Government. They had seen the evils of paper issues by States and the Continental Congress, and they contended for a safe and sound fiscal system. Of course, they were wrong when they proclaimed a limitation upon the functions and powers of the Federal Government, and when they announced their theory of the powers and duties of governments, and proclaimed their view upon political economy. They were wrong in putting links into the jaws of Government, in crowning the individual, in emphasizing the necessity of character and thrift and energy and those sterling qualities that have manifested themselves to such a preeminent degree in the Anglo-Saxon race. Let us abandon their archaic and provincial views and creeds; let us preach the doctrine of impotency, of individual devitalization, of State decadence, and absolutism. Let us confess that we are a sort of protoplasmic mass, responsive only to Federal stimuli; that there is no individuality; that the Government must protect us and feed us and clothe us and put money into our purses and provide us with work and control all business. If we produce, the Government must take our products, find us markets, secure purchasers, and fix prices; indeed, we must go back to the days of the past, when governments were supreme, when the destroyers of Rome robbed the people of their independence and made them spineless and nerveless, fit only for slavery under despotic masters.

So I am going to join the school of my friend, and when the proper time comes in the consideration of this bill I am going to offer an amendment providing that the Government shall loan money to the workingmen; that it shall take care of the lead producers and the copper producers and everybody who is in want, for, of course, that is the function of the Government; and having accepted that school of philosophy and established the proposition that the Government is an eleemosynary institution and the fountain of our existence, let us look to it to fructify the arid wastes of life and abolish all the economic and social ills to which flesh is heir.

So I say to my friend that I hope to offer such an amendment, and I shall expect him to speak for it, of course. He is the champion of the people, the great tribune of the downtrodden. He is—I was going to say the modern Don Quixote, but of course I will not do so—he is a brave, chivalrous man, and will smite the dragon that is destroying the lives and the business and the prosperity and the independence of the American people. May I be permitted to be an humble follower in the ranks of the great party which the distinguished Senator from Alabama is about to organize?

Mr. HEFLIN. Mr. President, in reply to my good friend from Utah [Mr. KING], who is so far removed from the cry of distress that we hear amongst the masses, I want to remind him that the Government of the United States, this great, free, constitutional Government of America, stepped down off of its high pedestal of noninterference with private business and during the war insured the lives of its soldiers. Every one of them who wished a policy got it. The life insurance companies of America had the Government set up in competition with them, by the aid, I think, of the Senator from Utah. Not only that, Mr. President, but this great Government insured cargoes of goods. Common merchandise placed in the bottoms of American ships, flying the American flag, going into the various ports of the earth, had back of it insurance policies written by the Government of the United States. That was an emergency situation. That condition was brought about because of the war, and this condition that I speak of to-day is in part the fruit of horrible, hateful war.

We went to the rescue of the man who had the merchandise to sell during the war, and we took the risk, and backed that risk with the American Navy, with the lives of the American marines, to protect that cargo to the place of its destination. It was all right for the Government to enter into private business then. When we insured the lives of soldiers and stepped across the path of the private insurance companies of America that was all right then. Now, in the aftermath of that war, when we see all around us the distressed agricultural army of

America that produced the food upon which our soldiers lived and the Allies lived, and that enabled us to win the war, the Senator gets up and makes light of arguments that are being made to save these people from financial disaster and their families from starvation. I am sure that he does not understand the meaning and purpose of this bill.

He intimates that I want to take the Government and turn it over to people in distress. He talks about these people as though they were a lot of loafers, who because of their inactivity, their indolence, and their lack of thrift and enterprise that we are seeking to go to their rescue. That is not my position. I am seeking to go to the rescue of the bone and sinew of this Nation. I am seeking to go to the rescue of men who are engaged in an industry which is at the very bottom of life itself. Destroy your farmer, and you destroy human life. But for him we could not live. He produces the bread and the meat that we eat. It is this great productive class, this great agricultural army, in whose name I plead to-day, that I ask for legislation that will not cost the Government a dollar, but which will greatly benefit the agricultural interests of our country.

I want to remind the Senator that on one occasion a long time ago, when man thought more of money than he did of his fellow man, when money lenders were feeding upon the substance of the poor, and men, as some do now, worshipped the god of gold, the great Father of us all said: "I will make a man more precious than gold." I commend this scripture to my friend from Utah. I am for using some of the Government's gold in the efforts to save from disaster and ruin the loyal and industrious farmers of the Government. I am not talking about taking the Government's money and throwing it out to a bunch of bolshevists who hate my Government and would tear down its flag.

I am not speaking in the interest of anarchists, who would overthrow the Government that I love. I am pleading for those who fought to sustain it in the hour of its peril, produced food to feed its Army, and sent their boys to save its life on the battle fields of France.

Mr. WATSON of Georgia. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Georgia?

Mr. HEFLIN. I do.

Mr. WATSON of Georgia. Has the Senator from Alabama carefully read this bill?

Mr. HEFLIN. Yes, sir. I helped to report it out of the committee. I think the report was unanimous. I know they say that manufacturers can come in under it. If the millman who grinds wheat into flour, if the cottonseed-oil man who makes cottonseed meal out of cotton seed and the oil out of the seed, want to sell that manufactured product to these people, why, let them do it.

If you confined it to raw cotton seed we could not export cottonseed oil and cottonseed meal and we could not export flour, because these would be in the manufactured state. I would not confine them strictly to the raw material as we understand that term. So, Mr. President, we thought this all out. We believed that this agency would do good. I am still of the opinion that it will do good, and I am supporting it.

I want to say to my friend from Utah one other thing. Here is the situation that is presented: The farmer had the price of his produce beaten down and down by an army of bear gamblers on the grain and cotton exchanges. Now, keep that in mind. Wheat is $1 a bushel under what it was when this crash came. Cotton is 30 cents a pound under what it was when the crash came. Now, let us see. Look on the farmer out there in the South and out here in the West, and what do you observe?

"Mr. Farmer of the West, is your produce going up or down in value?"

"Oh, away down; below the cost of production."

"Mr. Farmer of the South, is your produce going up or down?"

"Away down; under the cost of production."

"How about money that used to meet you in the market place?"

"That has gone up."

"Where is the fellow who has the money?"

"There he is; in Wall Street, hugging it to his bosom."

"What is happening to it?"

"The interest rate on that is going up. The value of the farm produce, he is beating that down."

Would the Senator from Utah want to occupy the position of permitting that situation to exist, where the Government will permit one man to enhance the value of his money which is given in exchange for the produce of another while the produce, which represents the farmer's property, is being driven down in price?

I put that proposition to my friend from Utah.

Senators, you have got to answer these propositions. You have got to answer them somewhere else besides here, too, because the American people have their eyes on this Congress, and they have a right to have their eyes on it. What is the Congress? We are the servants of the people. We are the Congress of the people. They have a right to look upon Congress and scrutinize it very carefully, and I hope they will do it every day. They are entitled to see what we are doing. We are here to legislate in the interest of the American people.

I do not want Wall Street to dictate the policies of the American Congress. I am an ardent Democrat. I believe that my party holds the right solution for all the problems that affect the people, but I am going to vote with my friends from the West on this proposition. Together we reported the bill. Democrats and Republicans should stand together on this measure. We should wipe out party lines, Mr. President, when it comes to a matter of going to the rescue of millions of American people in distress. I repeat, values falling all around them and interest rates climbing up. Money? You can not borrow it on Liberty bonds in order to hold produce until it brings a price that will cover the cost of production, but you can get all you want for Wall Street to beat down the price of farm products.

In view of the distressing conditions that now afflict our farmers, let us pass this bill and aid him in obtaining a market for his produce.

Mr. WATSON of Georgia. Mr. President, it had not been my intention at all to say a word about this bill or any other bill to-day. I did have in preparation an address which I expected to deliver to the Senate on somewhat a similar line, intended for the general relief of the country.

It is no mere formal use of words, Mr. President, when I assure the Senator from Alabama [Mr. HEFLIN] that I hold him in the highest respect and in the warmest affection; but in the ardency of his desire to do something to relieve the farming class he is very much like a doctor might be who becomes excited and prescribes a remedy which would aggravate the disease instead of curing it.

For a long, long time I have devoted much thought to the question of finance and to almost every question of political economy. I may be rusty in a great many branches of them; it has been a long time since I refreshed my memory by reference to books; but, like learning A B C's, or learning how to play a fiddle, we never entirely forget; and, while the details may escape me, I think I can in the main track the line and hew to it with some accuracy.

A few years ago, as I reminded my friend the Senator from Nebraska [Mr. NORRIS], there was a surplus crop of coffee in Brazil. In that country, as I remember it, the Government has a monopoly of that business, as the Government of France used to have a monopoly of salt, and as various other Governments have had and still have monopolies on certain articles. The Government of Brazil, knowing that there was an overproduction of coffee, deliberately removed from the market one-half of the production, leaving to be sold in this and other countries the normal amount, thereby obtaining the usual price, and the part which had been removed from the market was gradually sifted back onto the market as the market required it. Thus the natural law of supply and demand prevailed, and the coffee planters of Brazil escaped the ruin which now faces the cotton planters of the South and the wheat planters of the West.

We can not afford to rush heedlessly to the support of every bill that is offered here in the name of the relief of the farmer. We can not be blind to the fact that quack remedies prevail in legislatures as they do in the practice of medicine. We must examine upon its own merits every bill that is offered to us, and if we find that the bill is a dangerous one, unconstitutional, abortive, necessarily bound to be a failure, then, if we have that conviction, we must be as honest in expressing it as the honest Senator from Alabama [Mr. HEFLIN] has been in expressing an opinion to the contrary.

Now, what are the demerits and the dangers of this bill? In the first place, it seeks to set up another governmental bureau, another department, when, as every Senator is well aware, we have at least as many bureaus and departments now as this Government ought to have. We are daily scandalized by the accusations made against these various boards and bureaus and departments. We were at work yesterday in trying to consolidate several different bureaus and boards into one, because

there had been complaint from one end of the country to the other about the mismanagement of those bureaus and boards.

We are now staggered by the statements made by Chairman Lasker, of the Shipping Board, that not only did the former board squander four thousand million dollars, which were wrung from the people, in the purchase of so-called Liberty bonds, but that he will have to come to Congress and ask for $300,000,000 more; and we are also aware of the fact that, while in the main a new board has been appointed, the chairman of the old board has been retained, without reprimand, without rebuke, without punishment, and we do not know what kind of men have been associated with him in the new board.

Mr. CARAWAY. The old chairman was from the Senator's State.

Mr. WATSON of Georgia. The Senator from Arkansas reminds me that Admiral Benson was from my State. I welcome the interruption. He left the State some forty-odd years ago, and he did not leave the State a bit poorer when he left it. We have managed to progress without him, and we did not like it very much when he was charged up to the State of Georgia, in which he had not had his washing done for the last 40 or 50 years.

Now, Mr. President, what are some of the main dangers of this bill? It is called a bill "To provide for the purchase of farm products." That is the title. Should not the contents of the bill conform to the title? They do not do so. We have a great deal to do with the Anti-Saloon League, and there is not a saloon in the United States. It is a misnomer. It is an anachronism. In section 9 of this bill it is provided—

That the corporation shall be empowered and authorized to buy agricultural products either in their natural state or prepared or manufactured from any person within the United States.

If that does not mean everything from your shoes to your hat, tell me what it exempts?

If that does not include almost everything that you put in your house, outside of wooden and metallic furniture, tell me what it is. Under that clause you can go to W. L. Douglas and buy up every shoe he manufactures for a whole year. You can go to a tannery and contract for every hide that is tanned for use during the whole year. You can go to a dry-goods store and buy it out, from the mercerized goods to the ginghams and the balbriggans. Under that clause you can buy almost anything that the seller will offer at prices which are attractive to this corporation buyer, and there is absolutely no veto upon the trade.

The Senator from Alabama, who speaks with so much feeling on the subject, a feeling with which I have so much sympathy, has in his mind the raw wheat and the raw cotton. The bill is different. Under this bill you can go to a bakery and buy every loaf of bread and every poundcake that is in that bakery, and you need not buy a single bushel of wheat.

Therefore the bill does not conform to its title, and surely the Senator from Nebraska [Mr. NORRIS], who is as honest a gentleman as lives, never intended to bring a bill in here which said one thing in its title and said another thing in its provisions.

This bill authorizes this tremendously powerful corporation to act as agent for any person producing or dealing in such products. This tremendously powerful corporation backed by the United States Government, with the guaranty of the Government for its debts, can act as agent for any speculative gambler on Wall Street. I call the attention of my friend from Alabama to that fact.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER (Mr. GLASS in the chair). Does the Senator from Georgia yield to the Senator from Arkansas?

Mr. WATSON of Georgia. I yield.

Mr. CARAWAY. Before the Senator gets away from his statement that the title to the bill is misleading, let me call his attention to the fact that it says—

To provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Will the Senator tell us where the discrepancy is between that and section 9, which provides, "that the corporation shall be empowered and authorized to buy agricultural products," and nothing else? Is there any distinction in the Senator's mind between farm products and agricultural products?

Mr. WATSON of Georgia. There may be considerable differences between what are usually understood as farm products and what are usually understood as agricultural products.

Mr. CARAWAY. Will the Senator tell us what the difference is between a farm product and an agricultural product?

Mr. WATSON of Georgia. Let us see. In one section, like Kansas, or in Missouri, for instance, the production of mules may be the principal industry of a farm, and, I believe, in some parts of those States it is; but you can not class them with wheat and bales of cotton.

Mr. CARAWAY. Neither could you call a mule an agricultural product, could you?

Mr. WATSON of Georgia. You might, if you called him a farm product. He is produced on the farm. If you do not produce him on the farm, where do you produce him?

Mr. CARAWAY. You usually produce him on the range, in Missouri.

Mr. WATSON of Georgia. What is a range but a farm on a large scale?

Mr. CARAWAY. No; it is outdoors, where it has not been cleared.

Mr. WATSON of Georgia. So is a farm outdoors. I have never seen a farm inside the house.

Mr. CARAWAY. Is a woodland a farm?

Mr. WATSON of Georgia. No; it is not a farm; but you can not raise mules in the woods.

Mr. CARAWAY. You never raised a mule; that is certain.

Mr. WATSON of Georgia. I have raised mules and I have raised horses, but I did not raise them in the woods.

Mr. CARAWAY. In Georgia is a mule considered a farm product?

Mr. WATSON of Georgia. We do not raise mules in Georgia for sale, except in rare cases, where we raise them on our meadows.

Mr. CARAWAY. Is he a farm product in Georgia?

Mr. WATSON of Georgia. When he is raised on a farm, is he not a farm product, like a calf, or a pig, or a lamb?

Mr. CARAWAY. I am asking the Senator seriously if he classes a mule as a farm product?

Mr. WATSON of Georgia. I am asking the Senator just as seriously what he classes him under, if he does not class him as a farm product?

Mr. CARAWAY. He is an animal.

Mr. WATSON of Georgia. What sort of a product is he?

Mr. CARAWAY. He is an animal, and certainly if he is included in the words "farm products" in the title of the bill, providing for the purchase of farm products, if he is a farm product, then there is not any distinction between the title to the bill and what is included in section 9. That is all I asked the Senator from Georgia to tell us. It is charged by the Senator from Georgia that the bill is not on its face quite square, as in its title it says "to provide for the purchase of farm products," and in section 9 provides for the purchase of agricultural products. I would like to know the difference between those terms.

Mr. WATSON of Georgia. Taking the words of the bill, What is a mule "in his manufactured state"?

Mr. CARAWAY. I do not know what he is. I never saw it. But that does not answer the question.

Mr. WATSON of Georgia. Under the bill the corporation is "empowered and authorized to buy agricultural products, either in their natural state or prepared or manufactured." How do you go about manufacturing a mule?

Mr. CARAWAY. If he was a white mule, I rather think in Georgia they would put him in a still.

Mr. WATSON of Georgia. I never saw a white mule. I could answer that a little more personally, but it would not be courteous to the Senator from Arkansas.

As I said, this great corporation can become a vast brokerage with which no other broker could compete, and therefore this brokerage would be a governmental monopoly. If there is any one thing we do not want in this country, it is a monopoly of any kind; and, if there is any one thing we are trying to get rid of, it is monopoly.

Again:

3. To make advances for the purpose of assisting in financing the exportation of agricultural products upon such terms and subject to such rules and regulations as may be prescribed by the board of directors of the corporation.

How many 1-horse farmers, raising from three to six bales of cotton, want to turn those bales of cotton over to a big nonresident corporation to export into foreign countries and take their chances? He needs the money right then. He needs it as soon as he can get the cotton to market. If the buyer is on the platform, the cotton is weighed and sold right there, or he borrows money from his local banker on it right there. Not one farmer in a million would want to send his three or six bales of cotton to Germany or Poland or Siberia or anywhere else to await the pleasure of this corporation.

Then comes a queer provision—

But in no case shall any of the moneys so advanced be sent without the United States.

It would take an army of spies to enforce that provision. When you put money into the pocket of a purchaser, of an agent, or of an exporter, how on earth can you follow the money in the pocketbook of that man, and say where he shall spend it? What right have you to do that? It is either his or it is not. If it is not his, it ought not to be in his purse; it ought to be in yours. If it is his, he has a right to spend it when and how and where he pleases.

Again, every such advance shall be secured by adequate security, and the board shall be judge of it. One man of the board may say it is adequate, and another one may say it is not. A majority, of course, will decide, but the security that is adequate one day may be inadequate the next day. The securities may fluctuate on the market. Unless you put it down into something that is fixed and stable, it will fluctuate, and every business man knows it. We would not have market reports every day in the papers if values did not fluctuate. You can hardly put your money into anything that does not fluctuate. Even Government bonds do it.

The rate of interest is left indefinite.

Section 12 says that these securities, these bonds, shall be exempt from taxation. There is a growing feeling all over the country that the great principle of uniform and equal taxation is slipping away from us. There are some few men who pay the taxes, the men who can not hide their horses and mules and land, the men who can not hide their visible property; but the men who have the notes, the checks, the shares of stock, the bonds, the mortgages, the trust deeds, have only to hire a lock box in some bank or trust company, and the tax receiver does not put his hands on them. They escape taxation. It is proposed that this enormously powerful corporation shall be another tax-exempt proposition.

It is too plain a proposition to need more than the bare statement that, our expenses of Government being fixed, even being on the increase, we add to the taxes of those who pay the taxes when we increase the number of those who do not pay taxes.

Again:

SECTION 13. That the United States shall be liable for the payment of all bonds and other obligations, together with interest thereon, issued by the corporation.

Is not the farmer a part of the United States Government? The very class which you propose to relieve is made indorser and security for the very bonds which this enormous corporation will issue. How will the farmer like that? Suppose the corporation gets into a colossal wreckage like our Shipping Board, upon whom will the losses fall? They will fall upon the common taxpayer who can not hide his horse, who can not hide his mules, who can not hide his wagon, who can not hide his cow, who can not hide his household furniture, who can not hide his farm. They will fall on him, and they will fall like the palace fell upon the strong man who pulled it down upon himself in order to destroy his enemies.

Section 17 is objectionable. It authorizes the Interstate Commerce Commission to give special preferential rates to this one corporation. The other day we had the coal bill here, presented by the Senator from New Jersey [Mr. FRELINGHUYSEN], who very eloquently advocated its passage. One of the objectionable features in that bill was that in a part of the year the Interstate Commerce Commission might grant reduced rates. In this bill the Interstate Commerce Commission is virtually directed to give reduced freight rates and to give special privilege to this speculative corporation which may be acting for the gamblers of Wall Street or New Orleans.

Who is it that dares say what will be the natural consequences of such an act? Who is it that does not remember how the Standard Oil Co. built itself up on preferential freight rates and killed its competitors? No corporation or individual, no town or city, no community or State which enjoys a freight rate not enjoyed by its competitors will have to go out of business, and every Senator in this Chamber knows it. We have had too many illustrations of it. The bill gives it to this enormous corporation, which is not controlled by anybody except by the haphazard and perhaps unconsidered confirmation of two men by the United States Senate.

I had noticed, but was not intending to comment upon section 18 as it now stands in the bill, the corporation may arrange with the United States Shipping Board for reduced freight rates for the transportation of such products by water and that the Shipping Board shall carry such products in ships operated by such board at cost whenever it can do so in any of its vessels not otherwise engaged.

Talk about special privilege! We have the tin-plate queen, with her tariff-made fortune, now controlling the destinies of Greece and financing the war in Asia Minor. We have tariff-protected barons all over this Union, and Senators say here on the floor of the United States Senate that their lobby is here to control legislation. What we do know is that they control the prices of the necessaries of life and tax everybody, from the common workman up to the great man in the White House, every man from the hut to the palace, and yet here we deliberately create another such monopoly upon the mistaken idea that it will not do what all other monopolies have done.

I will say by way of closing that the farmers of the country know perfectly well that they have not a friend in this Chamber who will fight for them more quickly and more stubbornly than I will, but the measure as proposed must be one that meets my judgment. They know perfectly well that I will tell them frankly and tell them boldly when a bill proposed here is one which, in the long run, I think will do them more harm than good.

Mr. BORAH obtained the floor.

Mr. CARAWAY. Mr. President——

Mr. BORAH. Does the Senator desire to discuss the pending bill?

Mr. CARAWAY. I do.

Mr. BORAH. Very well. I was going to discuss another subject, but I do not wish to interfere with the discussion of this particular bill.

Mr. CARAWAY. Mr. President, I shall occupy the time of the Senate but a short time. I do not believe the bill now before the Senate will do all that its proponents claim for it. I am not so certain that it will do any of the things which those who stand for it hope. But if it is to be defeated, it should be defeated upon its provisions and not by the distortion of its enemies.

The Senator from Georgia [Mr. WATSON], I believe, will find that the farmers know more than they used to know when, as he boasts, they were willing to accept his statement that the measure was either good or bad.

To profess to believe the proposed corporation is one that may grow and grow until it consumes the country after the manner of the Standard Oil Co. is idle. The Senator from Georgia knows, if he has read the bill, that this corporation will not be a speculative corporation at all, as he designated it. It will not be a profit-making corporation; it will not pay a cent of dividends to anyone. It will not be organized for that purpose. It will simply be an agent of the Government. It would be just as proper and quite as accurate to say that the Treasury was a great corporation organized for profit, and that it might consume the country. There is not a dollar's worth of private profit that can come out of the proposed corporation to the benefit of any man connected with it. Therefore, when the Senator talks about it being a speculative corporation and in the interests of Wall Street, I am sure the Senator is being facetious. Certainly he can not afford to make seriously such a statement.

The proposed bill provides that the work proposed shall be carried on through a commission—a commission consisting of the Secretary of Agriculture and two others. It is not any argument to say that some existing commissions or boards have not discharged their duties wisely. It would be just as proper to say that we shall abolish governments because governments have made mistakes as to say that because one board has not functioned wisely no other board ever will. That is not more wisdom to show that the Shipping Board has not done all that its friends hoped of it, and thus use that as an argument against this measure, than it would be for those who oppose organized governments to say that because in certain aspects governments have failed we should therefore have no governments at all.

Certainly there is no good argument against the principle of this bill to say that it is not responsive to its title, as the Senator from Georgia undertook to show because in one place it used the words "agricultural products" and in another the words "farm products." The Senator from Georgia would not undertake to define the difference, because there is not any. I have always held it true that if there were a real objection to a measure those opposed to it do not have to indulge in subterfuge, that they did not have to bring forward false analogies in order to establish their good faith in their opposition to it. I can conceive that Senators may be opposed to the formation of agencies which impose governmental interference in private business. I share those prejudices, but these are extraordinary times and conditions. I was particularly impressed by a statement made by the Senator from Missouri [Mr. REED], who the other day asserted that farmers were not any worse off financially than other people were. The Senator from Massachusetts [Mr. LODGE] repeated that statement to-day and, continuing, said the mill people, the manufacturing people, the industrial people of New England, were as badly off as were the agricultural people of the South and West. I do not doubt that both

Senators believe what they said; I am not questioning that; but Senators know we are a peculiar people. We are affected or influenced by local conditions, for instance.

I live a good long way south of here and two or three times I have made the mistake on leaving home, because it was warm there, of believing that it was warm everywhere and came here wearing a Palm Beach suit, and upon arriving found it cold enough for a snowstorm here. I had failed to realize that there were a thousand miles of distance between the two sections. I have also seen gentlemen from New England, with all their wisdom, come down to my section of the country wearing fur overcoats when they needed Palm Beach suits and palm-leaf fans. They could not realize that there were two sections of this country, so much are all of us swayed by local conditions. Thus also, legislatively speaking, we fail to see all sections of our country.

I do know, however—and I am willing to submit the figures, and not merely what I personally know and realize—that agriculture, and I am now speaking of agriculture as it is conducted in the South and West, is infinitely worse off than is any other industry in this country at the present time.

Mr. REED. Mr. President, will the Senator from Arkansas permit an interruption?

Mr. CARAWAY. Certainly.

Mr. REED. I think the Senator from Arkansas is in error in regard to what I said. I certainly did not intend to say that agriculture was not suffering.

Mr. CARAWAY. No; the Senator from Missouri did not say that; but he said that agriculture was not more seriously crippled than were other industries.

Mr. REED. I think the Senator is in error about that. If I said that, I did not intend to say it. I think agriculture is, generally speaking, in a worse condition just now than are any other industries.

Mr. CARAWAY. As I understood the Senator from Missouri—and if I am wrong I wish to be set right—he said that agriculture was crippled but not seriously so; that the farmers were not "broke"; that the farmers were not any worse off than were other people. That is what I understood the Senator to say.

I have in my hand here a recent tabulation from a bulletin of the Census Bureau which shows that the mortgage indebtedness of the farmers in this country—and that includes them all—has increased 132 per cent in the last 10 years. The mortgages have not only increased in numbers, but they have increased in amounts. The mortgage indebtedness of the farmers of the State of the Senator from Missouri has increased 145 per cent in 10 years. In the State of Arkansas, which I have the honor in part to represent, farm mortgages have increased 148 per cent. I venture to assert that there is no other industry in the country that will show a like increase of mortgage indebtedness in that length of time. That, too, notwithstanding the fact that the farmer is the most conservative man on earth; he never mortgages his farm so long as he has any other asset on which he can raise money. The fact that practically every farm in America to-day is mortgaged is conclusive proof that every farmer in America is bankrupt to-day, because his farm is the last of his assets that he puts in pawn.

If I may be permitted to refer to the people of my particular section, for I know their conditions there—ours is a cotton-growing section. I know men who in 1919 were worth anywhere from $100,000 to $500,000 who are in bankruptcy to-day. Those are not merely isolated cases. There is not a solvent institution in any cotton-growing State in the South to-day. There is not a bank whose doors could not be closed if it were compelled to realize on the securities, based on agricultural products, which it now holds. There is not a planter in my section, with one or two exceptions, of whom I know who could pay his debts to-day, or who could even pay his taxes without borrowing.

There is absolute ruin, an absolute dearth of credit; and there is not any more prospect of their recovering this year or next year or the year after than there is of the Senator from Georgia finally getting right on what constitutes "agricultural products" and what constitutes "farm products"; both are absolutely impossible.

I realize that this is special legislation; but every Senator who has opposed it except one—and he was not present at the time—voted for special favors for the railroads. I am not falling out with them about that; but more money was given to the railroads than this bill even contemplates loaning to the farmers. Furthermore, to the railroads there was an absolute gift, but under this bill not a 5-cent piece is to be given to anybody. No farmer will get a penny under this bill for which he will not have to give full value. There is to be no gift; to call it such is a misnomer; it is an absolute slander to say that this bill undertakes to give to the farmer anything. It does nothing except to furnish him an agency through which he may sell his surplus products. That is its purpose, and everybody understands it.

We must all live by agriculture. There is not a Senator in this Chamber that does not depend upon agriculture for his daily bread and the clothes that he wears. Since the farmer's product is used by everybody, by every man, woman, and child, then anything that enables the farmer to produce benefits every man, woman, and child; and, therefore, this bill is not class legislation. To say that legislation that enables the farmer to produce is class legislation is to state that which is not a fact, and everyone knows it. However, if it were, this Government has been committed to that policy ever since it was organized. We have given away millions and millions of acres of land in the public domain—for what purpose? In order to induce men to go on the land, to clear the land, to become farmers, to become producers, so that the whole country might benefit. I repeat we have been committed to that policy always, and nobody has ever complained until it was proposed to help the farmer get from under the hand of the speculator who is crushing out his very life at this time.

As I have said before, I am not so enthusiastic about this bill as some Senators are. I am not so certain that it is going to benefit anybody. I do not know what securities the countries may have to which we expect to export agricultural products. I do not know whether or not they can secure the advances that are expected in order to sell them our farm products. If they can not, they will not get the products; that is all.

If it were not a serious matter, it would be rather a joke to hear the Senator from Georgia stand here and proclaim, as I heard him proclaim the other day—and he said he was a constitutional lawyer and had argued the Constitution from justice of the peace courts up to the supreme court of his State—that the provision of the bill which I am about to read would be a nullity. That provision reads:

> Every such advance shall be secured by adequate security of such character as shall be prescribed by the board of directors of a value at the time of such advances—as estimated and determined by the board of directors—equal to at least 100 per cent of the amount advanced by the corporation.

The Senator from Georgia said that would be a nullity, because nobody would know what the securities might be worth; that they may be worth more to-day than they will be worth to-morrow. I will remind the Senator that same condition confronts every man who does business. Every banker who loans a dollar is confronted with that condition; everybody who deals with another when credit is extended must know that the securities may depreciate in value.

Mr. WATSON of Georgia. Mr. President——

Mr. CARAWAY. I yield.

Mr. WATSON of Georgia. I am sure the Senator from Arkansas wants to be fair.

Mr. CARAWAY. Yes.

Mr. WATSON of Georgia. I am certain about it, or I would not say so. I did not make the statement that the provision was a nullity. I said it was unwise to give the unlimited right to name the security.

Since the Senator has mentioned constitutional law, which I did not bring in at all in that particular connection——

Mr. CARAWAY. If the Senator will pardon me, the statement I had in mind in making that reference was that of agency, which I was just about reaching.

Mr. WATSON of Georgia. I did not make any constitutional point as to that provision.

Mr. CARAWAY. Yes. To go back a little, as to the provision in the bill reading as follows:

> (3) To make advances for the purpose of assisting in financing the exportation of agricultural products upon such terms and subject to such rules and regulations as may be prescribed by the board of directors of the corporation, to any person producing such products within the United States, or to any person, government, or subdivision of government without the United States purchasing such products, but in no case shall any of the moneys so advanced be expended without the United States—

The Senator said that we had no power to do that; that after we turned the money over to the other person it was his money, and he could do what he pleased with it.

Mr. WATSON of Georgia. I said that as a matter of individual liberty. I did not mention constitutional law at all. But since the Senator has mentioned constitutional law I will ask him whether he does not think that the provision beginning with line 21 and reading "The corporation shall retain the

power to require additional security at any time" would not be an impairment of a contract after a contract was made?

Mr. CARAWAY. No, sir.

Mr. WATSON of Georgia. Does the Senator think anybody would ever make a contract with any such provision in it?

Mr. CARAWAY. If the Senator ever borrowed money from a bank, he submitted himself to just exactly that condition.

Mr. WATSON of Georgia. I have borrowed a great deal from banks, but I never had to submit to that condition.

Mr. CARAWAY. It is not at all uncommon in my section of the country for the banker to call the borrower in and say, "This man whose name is on your paper I thought was good, but I am losing confidence in him; you will have to get somebody else to sign your note." That has happened so frequently to me and other people I know that nobody ever thought of questioning it. The proposed agricultural corporation is going to make advances through agents of its own in order to sell farm products, and if in its attempt to sell it decides that, although it has accepted a contract, the security under the contract is not good, it can refuse to deliver, just as may be done by any merchant who ships goods.

A wholesale merchant may sell an order of goods to a merchant living in Washington; the wholesale merchant, we will say, lives in Baltimore. He may deliver the goods to the railroad to be delivered to the merchant here in Washington and decide that the credit was ill-extended, the security not sufficient, or for any other reason, and stop the goods in transit and take them back, notwithstanding the courts have said over and over and over again that delivery to the common carrier is a delivery to the purchaser, and yet you can stop them in transit. There is not any question about that.

Then, coming back to the provision of the bill of which the Senator complains—that we could not stipulate that the agent should expend the money within the United States—it is a very common thing indeed where an agency is employed to prescribe under what conditions the agent may exercise his delegated authority. Why, if a farmer goes to the Federal farm loan bank and borrows money now under a law that is on the statute books he is required to use that money for certain specific purposes, and if he does not do so it is a violation of his contract and the money can be withheld from him, or he can be compelled immediately to return it to the Government, because it was loaned to him upon condition that he use it for purchasing a home, for paying off a mortgage debt of a home already purchased, or for certain improvements, and if he uses it for any other purpose he voids his contract. If these people here who accept the credit of this corporation to buy farm products were to go to Canada or to go to Australia or to any other country and buy farm products, it would be a violation of their contract, and their right to act for the corporation would end, and they would be compelled to return the money. There is not anything strange, there is not anything uncommon, there is not anything at all unreasonable in that provision.

Now, I do not know—and I am going to hurry to get through, in order that I may yield the floor to the Senator from Missouri [Mr. REED]—whether a dollar's worth of farm products will be exported under this bill. When I voted to rehabilitate the War Finance Corporation I did not know that it would be able to do any good. I heard a great many very learned men say that it was purely a war agency and had no place in the Government in times of peace, that it would not be useful, and therefore they opposed its rehabilitation just as vigorously as the Senator from Georgia opposes this.

I do know, however, and everybody knows that the War Finance Corporation has been useful, immensely useful, but most useful to the manufacturer and the merchant. It has been of very little use, comparatively speaking, to the farmer. Now, here is a bill that comes into the Senate that is intended to be useful to the farmer, if useful to anybody, to perform for the farmer the same functions that the War Finance Corporation performed for the manufacturer; and now we hear these representatives from the industrial States say that it was all right to revive the War Finance Corporation, because they could use it; but as for the farmer, "Why, God bless him, he has always gotten on without us, and let him do without us still."

Mr. EDGE. Mr. President, will the Senator yield?

Mr. CARAWAY. Yes, sir; I yield.

Mr. EDGE. I think I heard the Senator remark just a moment ago that while the War Finance Corporation had been a benefit, it was chiefly a benefit to the manufacturer and to the industrial concern. Does not the Senator know that at least since the War Finance Corporation was rejuvenated the last time, according to the report of its activities—I think I am correct in the figures—from 70 to 80 per cent of the money advanced has been for agricultural products?

Mr. CARAWAY. No; I think the Senator is wrong about that. As to the tentative advancements—that is, agreements upon which advancements are expected to be made at some time in the future—that may be true; but hardly a dollar of War Finance Corporation money has yet gone to farmers. It has been used in some instances to export farm products, but it has been used in the interest of men who have acquired those farm products and not to take the farm products from the farmer himself. Now, I saw—and the Senator from New Jersey evidently referred to it—a statement that so many million dollars had been loaned to some people to export long-staple cotton from Mississippi.

Not a bale of that cotton was owned by a man living in Mississippi, as I understand, but it was financing a lot of cotton brokers in the city of Memphis, Tenn. I am not falling out with the War Finance Corporation for doing that. I think any means that enables people here to get rid of their surplus farm products, so that they may be protected in the future, is a wise provision, and I am not raising the question as to whether heretofore business has profited more by legislation than farming, and yet everybody knows that it is true.

You know the farmer is the last man in the world to avail himself of governmental agencies. He is an individualist to his finger tips. He has been accustomed all his life to carry on his activities without the cooperation of either men or governments. He sows, he cultivates, and he reaps as an individual. He is always subject to weather conditions, over which he has no control. He knows that. He has always been willing to pit his labor, his time, and his skill against conditions over which he has no control. All that has made him a man of courage. It has made him a man of individuality. It has made him a man who is willing to go out and take his equal chances with any other man, and this is all we undertake to give him in this bill.

I do not know, and I am repeating it over and over again; I am not holding out to the farmer the idea that this bill is going to do a great deal for him; but I do think it comes with poor grace—and I say it with all courtesy—from men who supported the legislation to make an absolute present to the railroads of this country of hundreds and hundreds of millions of dollars in order that they might tide over the industrial depression to say that this is class legislation. It comes with poor grace from men who supported the merchant marine, because ultimately and in its last analysis its principal service is to be to the exporters of this country and not to the people at large, men who have supported that and have voted away hundreds and hundreds of millions of dollars—yea, billions of dollars—to build up a merchant marine so that we may carry our commerce abroad now to say that this is class legislation and that their consciences will not permit them to support class legislation.

It comes with peculiarly bad grace—and I say that with all due courtesy—from men who voted for the so-called emergency tariff bill in order to give them a tariff on peanuts in Georgia to say now that the wheat grower in the West is not entitled to any kind of consideration, because the bill does not confer any special benefits upon the people of their own section.

Mr. WATSON of Georgia. Mr. President, I hope the Senator from Arkansas remembers that I did not vote for that bill.

Mr. CARAWAY. Did not the Senator vote for the emergency tariff bill?

Mr. WATSON of Georgia. He did not.

Mr. CARAWAY. Did not the Senator at one time announce that he was going to do so?

Mr. WATSON of Georgia. He did not.

Mr. CARAWAY. I retract all that, then.

Mr. WATSON of Georgia. I come from the second cotton-producing State in the Union, and I never will vote for any kind of protective tariff.

Mr. CARAWAY. Oh, well, everybody knew that there was no protection to cotton, but there was some protection to peanuts; and nearly everyone from Georgia in both Houses voted for that emergency tariff because it protected against the cheap oils of the Orient the great industry of peanut growing in Georgia.

Mr. WATSON of Georgia. There is one instance where the Senator is mistaken. I did not.

Mr. CARAWAY. And it will come with equally bad grace from Senators who are going to vote for protection upon lead in Missouri or copper in Arizona or cotton goods in Massachusetts, that yields a direct benefit to the people they represent, to say now, "We are not permitted under our oaths and under our consciences to vote for this because it is class legislation."

Oh, just let us be absolutely fair with ourselves. All legislation is more or less class legislation. Why, there are Sena-

tors here urging with a great deal of earnestness—and I am joining with them—the passage of a more stringent prohibition bill. It is not going to do the people any good who are not afflicted with the habit of drinking or who have no friends who are. It is for certain folks. All legislation is class legislation; but I want to say, and I repeat, many of the Senators who are opposing the creation of this so-called farm export corporation are going to vote, and have voted, many, many millions of dollars for road improvement, and I rather imagine the Senator from New Jersey did that.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. CARAWAY. Certainly.

Mr. EDGE. The Senator's object undoubtedly is—and I have no criticism whatever of it—to help the farmers. I am inclined to believe that they need and deserve help; but is not the Senator willing to consider the use of the present machinery of the Government, with perhaps additional powers, rather than setting up this entirely new governmental agency with the buying and selling privilege?

Mr. CARAWAY. Absolutely. I am not wedded to that provision of this bill. I want to say to the Senator from New Jersey and Senators from other sections of this country that if they imagine that the farmer is no worse off than the industrial East, they know absolutely nothing of his condition. I am willing to venture the assertion, and if I were inclined to wager I would be willing to bet every dollar that I have or ever expect to own, that 99 per cent of the cotton growers of this country will be bankrupt this year. I do not say that they will all go into bankruptcy court, because ordinarily farmers do not go there; but there will not be 1 per cent of the farmers in the cotton-growing States that could pay their debts. In my own section of the country—and it is one of the very richest in these United States, the great delta lying along the Mississippi River, known as the St. Francis Delta—I know by looking at the advertised sales that 50 per cent of the lands in that country are going to be sold for taxes this year, with the hope of being able to redeem them when the present crop is matured and gathered. I know that there is not a man in my home county who, if he were to take every asset he has to any bank in my country, could borrow $10,000 to save his immortal soul, because it is not there. It is a case of absolute prostration; and if you of the industrial East imagine that you can destroy the best market that you ever had, because we buy everything that we wear from your factories, we buy all the meat that we eat from the packing houses in your section of the country, we buy every piece of farm machinery from factories located north and east of us—if you think it is a good policy in order to say, "We will not contaminate our records by voting for class legislation," to destroy the buying power of 20,000,000 of people, why, God bless your souls, you can take the position of the Senator from Missouri and the Senator from Georgia, and say, "We will not support this because it is class legislation"; and you will find that more people than the agriculturists are depending for their prosperity upon the prosperity of the farmer, and that class is a great deal broader than just those people who earn their bread in the sweat of their brows.

Mr. DIAL. Mr. President, I should like to ask the Senator whether he does not think this bill impresses upon us the importance of Congress passing a just future contracts law or amending the present law?

Mr. CARAWAY. Of course, I have always been committed to the theory that you should not gamble in the products of the farm at all. I have voted for it every time I got a chance, and I am going to vote for it again before this extraordinary session adjourns, because I am sure we are going to get a chance to vote on it. All I want to see the farmer get is a fair deal. I want to see him have the same agency to market his products that the manufacturer has, and nothing else. I do not care whether you call it the War Finance Corporation or what you call it. I do not think there is any pride of authorship in the measure. I am sure the Senator from Nebraska would be perfectly willing to accept any amendment if it did not strike at the very life and vitals of the act. I helped to report out the bill. I have no pride about it at all. I would vote for it, as Shakespeare said about a rose, under any other name, I do not care what you call it. I should like to see it passed. Some folks imagine that every time you try to help the farmer you are passing class legislation, and every time you help a railroad or pass a tariff bill to build up the wealth of the manufacturing and exporting part of this country, you are doing a patriotic act. I want to help this farm class as well as the others.

Mr. McCUMBER. Mr. President——

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from North Dakota?

Mr. CARAWAY. I yield.

Mr. McCUMBER. The Senator has such clear and, I think, sensible views upon this subject that I wanted to ask him if he would give the Senate the benefit of his judgment upon another feature of the bill, the provision placing it in the power of a corporation to buy up the products of the country and to sell those products. I could give the Senator a little illustration. The bill is certainly beneficial, I believe, but if the Government would put a hundred million dollars in my hands to-day I could take care of the surplus crops of any commodity, could corner the market, and could double the price of that product within 30 days by simply taking care of that surplus and in effect holding the market. The bill contains provisions which, while they may not be abused, give authority to this corporation to buy and sell these farm products, and I would really like to hear the Senator's view upon that.

Mr. CARAWAY. I thoroughly agree with the Senator's intimation that it could be abused. I realize that the Secretary of Agriculture, in whom I have the very highest confidence, and the two men to be appointed as directors to help him direct this corporation—and, by the way, they will be appointed by the President of the party to which the Senator from North Dakota belongs—could abuse this privilege. They could buy altogether wheat and help the wheat farmer; they could buy stock and help the stock grower; or they could buy cotton and help the cotton farmer; they could buy rice and lift out of bankruptcy the rice growers of this country. But that same possibility lies in the War Finance Corporation, for which, I am sure, the Senator voted. The War Finance Corporation does not have to loan to any particular person. It can loan to whomsoever it sees fit. It could loan to the exporters of shoes exclusively, or the exporters of dry goods, the exporters of wheat, or of any other product. It has it within its power to do that. The Federal Reserve Board has the same authority. Every governmental agency that we set up has to be trusted. It could destroy one section. The President of these United States is asking now to be given power in the tariff bill to make preferential rates on certain commodities, and I have an idea that the Senators of the Republican Party are going to vote for such a provision, and I am sure it will be incorporated in this present bill. Yet we all know that the President could use that power to destroy, if he wanted to, or he could use that power to enrich certain sections of the country. I do not think he will do it. I realize that the power is within this bill.

Now, let me discuss just one other feature and I will be through.

Mr. EDGE. May I ask another question along that line before the Senator leaves it?

Mr. CARAWAY. Certainly.

Mr. EDGE. Does not the Senator see an advantage in the Government loaning money to move crops, loaning money through a governmental agency, like the War Finance Corporation, as compared to the Government actually buying the crops and being responsible for their distribution?

Mr. CARAWAY. I agree with the Senator. I dislike to see the Government go into the purchasing and selling of any product. But I do not want to discard a principle simply because I can not control the agency through which that principle may be used to benefit the country. I do not like the idea of the Government buying and selling at all. I do not think any more of it than does the Senator from New Jersey. I do not like the idea of the Government building ships. I did not like the idea of the Government operating railroads. I do not like to see the Government going into any kind of private business. It has always been more or less an experiment, and a costly experiment. But we have to do one of two things. We have to extend the aid this way or decline, and, as some one said here to-day, it will not do any good to the farmers of this country to say that we will create for them an agency and that we will find them buyers in Europe for their products, but will not finance their deals, because the farmer can not keep his products and carry out these long-term deals.

I heard the representative of the Polish Government testify. He said they would like to have cotton. I use that merely as an illustration. He said wheat and other farm products as well. But he said, "We have absolutely no prospect of paying under two or three and possibly four years."

Unless the Government is going to come in and by some process buy this product from the farmer who has to have the money he will not be able to take advantage of that market, because in most cases in my section of the country, and I think in most of the farming sections, a farmer can not ship his products now unless he can get a release from some one who has a mortgage on them.

There is hardly a farm product in New York that is not covered by a mortgage and there is hardly a State in this Union—

and I doubt if there is one—that does not make it a crime to ship out of the State property on which a mortgage rests. There is not a State, I presume, in the Union which does not give the mortgagee the right to take the property if the mortgagor undertakes to remove it. Therefore, unless you are willing to pay the farmer for his product you are going to benefit the speculator the Senator from Georgia talked about, instead of benefiting the man who actually grew the farm products.

I have been told that the bill has been slated for defeat. I shall not be surprised if that happens, but I do not believe any Senator will be able to get away with the argument that the farmer can always rely upon the party to tell him what is good and what is bad for him. I do not believe the farmer is going to come back to that doctor for his second prescription when he votes to destroy the only hope the farmer has to get something for his farm products, and not to have to deliver them all to the men who have mortgages on them.

I ask to have printed in the RECORD as a part of my remarks a bulletin issued by the Census Bureau, dealing with farm mortgages in the various States. It tells more eloquently than I the story of the struggle and failure of our farmers—the struggle this measure is designed to help.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

"29.8 PER CENT OF FARMS MORTGAGED—AVERAGE DEBT IN 1920 SHOWN IN BUREAU OF CENSUS REPORT TO BE $1,306.

"Mortgages on Arkansas farms increased from $8,941,332 to $38,539,428 between 1910 and 1920, a gain of 331 per cent, according to a recent bulletin from the Bureau of the Census, which shows also that the 1920 mortgages represent 29.8 per cent of the total value of the farms in the State. The average debt per farm is shown to be $1,306 and the average value per farm $4,384. The number of farms mortgaged is 20,504.

"FIGURES FOR UNITED STATES.

"For the United States the report says:

"'The number of farms operated by their owners for which the amount of mortgage debt was reported in 1920, according to the Fourteenth Census, was 1,193,787, as compared with 1,006,511 in 1910. The amount of debt reported was $4,012,711,213 in 1920, as against $1,726,172,851 in 1910. The increase in the amount of debt amounted to $2,268,538,362, or 132.5 per cent, while the value of the mortgaged farms increased 117.6 per cent during the decade and their number 18.6 per cent.

"'No attempt was made by the Census Bureau to secure information with regard to mortgage debt on farms operated by managers or tenants; and the amount of the morgage debt was tabulated only for those farms which consisted wholly of land owned by the operator, excluding farms whose operators hired additional land.

"'The States reporting the largest amount of farm mortgage debt in 1920 were as follows: Iowa, $489,816,739; Wisconsin, $354,574,391; Minnesota, $254,475,222; California, $224,063,903; Missouri, $216,463,380; and Illinois, $197,504,756.

"'The greatest relative increase in farm mortgage debt took place in the Mountain States, Montana showing a debt more than seven times as large in 1920 as in 1910. Notable relative increases were made also in Florida, Tennessee, Arkansas, and California. The largest absolute increase was in Iowa—from $204,242,722 in 1910 to $489,816,739 in 1920, an increase of $285,574,017, which is more than the total farm-mortgage debt of any other State except Wisconsin.

"'RATIO OF DEBT TO VALUE.

"'The value of the farms for which the amount of the mortgage debt was reported in 1920 was $13,722,729,610. The debt, amounting to $4,012,711,213, therefore represented 29.1 per cent of the value. The mortgage debt reported for 1910 represented 27.3 per cent of the value of the mortgaged farms.

"'INTEREST RATE.

"'The average rate of interest paid on farm mortgages in the United States in 1920 was 6.1 per cent. Among the several States the rate varied from 5.1 per cent in New Hampshire to 7.8 per cent in Arkansas. In six States the rate was less than 5½ per cent; in 21 States it was 5½ per cent or more but less than 6½ per cent; and in 21 States, for the most part in the West and South, it was 6½ per cent or more.

"'AVERAGE DEBT PER FARM.

"'The average amount of mortgage debt per farm for the United States in 1920 was $3,361, as compared with $1,715 in 1910.

"'The average debt per farm in Iowa in 1920 was $9,358; in Nevada, $8,499; in Nebraska, $7,042; in South Dakota, $6,412; in California, $6,001; in Arizona, $5,441; and in Illinois, $5,385.'"

Mr. REED obtained the floor.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	McCormick	Sheppard
Brandegee	Glass	McCumber	Shortridge
Broussard	Harris	McKellar	Simmons
Bursum	Harrison	McKinley	Smoot
Calder	Heflin	McNary	Sutherland
Capper	Johnson	Moses	Underwood
Caraway	Kellogg	Nelson	Walsh, Mass.
Curtis	Kenyon	New	Warren
Dial	Keyes	Norris	Watson, Ga.
Edge	King	Overman	Willis
Elkins	Ladd	Pittman	
Ernst	Lenroot	Pomerene	
Fernald	Lodge	Reed	

The VICE PRESIDENT. Forty-nine Senators have answered to their names. A quorum is present.

PRICES OF FARM PRODUCTS.

Mr. FLETCHER. Mr. President, I ask to have inserted in the RECORD a statement from the Chief of the Bureau of Markets, Department of Agriculture, dated July 6, 1921, with reference to the prices of farm products. I inquired as to those prices, having in mind the emergency tariff act approved May 28, 1921, and I wanted to know whether any effect had resulted. The statement shows that wheat declined from $1.72 on May 28 to $1.39 on June 25. All the products apparently have not been benefited by the emergency tariff act, which it was claimed would benefit the farmers. I think we shall have to devise some other plan to help agriculture. I ask that the statement may be inserted in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

	Week ending—				
	May 28.	June 4.	June 11.	June 18.	June 25.
Wheat—No. 2 red winter, Chicago, per bushel	$1.72	$1.70	$1.54	$1.46	$1.39
Wheat—No. 1 northern spring, Minneapolis, per bushel	1.71	1.60	.....	1.74	1.64
Corn—No. 3 yellow, Chicago, do	.62	.65	.63	.62	.62
Oats—No. 3, white, Chicago, do	.40	.41	.37	.37	.37
Rye—No. 2, Chicago, do	1.58	1.57	1.41	1.32	1.23
Barley—No. 2, Minneapolis, do	.61	.62	.61	.59	.58
Hay—No. 1 timothy, Chicago, per long ton	23.00	23.00	23.00	22.00	22.00
Hogs, average price, Chicago, per 100 pounds	8.14	7.85	8.04	7.97	8.43
Cattle, heavy beef, Chicago, per 100 pounds	8.13	8.30	8.06	8.00	7.93
Sheep, fat, Chicago, per 100 pounds	4.75	4.38	4.63	4.07	4.85
Lambs, fat, Chicago, do	10.13	10.50	11.00	10.75	11.83
Lard, pure, tierces, Chicago, per 100 pounds	11.75	11.63	11.63	12.13	12.25
Hides, packer, heavy native steer, Chicago, per pound	.13	.135	.135	.135	.135
Cotton—Middling spot, New Orleans, per pound	.117	.118	.114	.111	.104
Wool, three-eighths blood, fleece, Boston, per pound	.280	.280	.275	.275	.275
Butter, 92 score, New York, do	.288	.293	.319	.328	.341
Eggs, fresh firsts, New York, per dozen	.245	.262	.263	.262	.266
Peanuts, Virginia jumbo, New York, per pound	.121	.123	.123	.125	.124

PROTECTION OF MATERNITY AND INFANCY.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1039) for the public protection of maternity and infancy, and providing a method of cooperation between the Government of the United States and the several States.

Mr. REED resumed the speech begun by him Wednesday, June 29. After having spoken for more than an hour, he said:

Mr. President, I am entirely willing to stop at this time, but I have not concluded my remarks. I expect to resume to-morrow, with the courtesy and kindness of the Senate.

Mr. KENYON. Does the Senator expect to talk up to the time of voting to-morrow?

Mr. REED. I do not expect to deprive the Senator from Iowa of a chance to reply.

Mr. KENYON. I do not care about that, but I was wondering whether the Senator would finish before that time.

Mr. REED. I do not know how much time I shall want. I shall not take up nearly as much time as has been taken up in the printing of this pile of literature.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and (at 4 o'clock and 57 minutes p. m.) the Senate adjourned until to-morrow, Friday, July 22, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 21 (legislative day of July 20), 1921.

TREASURY DEPARTMENT.

ASSISTANT SOLICITOR.

Thomas Lack, of Pennsylvania, to be Assistant Solicitor of the Treasury. (An additional position created by the act approved Mar. 3, 1921.)

COLLECTORS OF CUSTOMS.

Judson LaMoure, jr., of Pembina, N. Dak., to be collector of customs for customs collection district No. 34, with headquarters at Pembina, N. Dak., in place of Alexander Morrison.

Charles C. Hinkle, of Savannah, Tenn., to be collector of customs for customs collection district No. 43, with headquarters at Memphis, Tenn., in place of George P. Woollen.

DEPARTMENT OF JUSTICE.

UNITED STATES ATTORNEY.

Peyton Gordon, of the District of Columbia, to be United States attorney, District of Columbia, vice John E. Laskey, resigned.

JUDGE OF MUNICIPAL COURT.

Mary O'Toole, of the District of Columbia, to be a judge of the municipal court of the District of Columbia, vice Michael M. Doyle, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 21 (legislative day of July 20), 1921.

POSTMASTERS.

MINNESOTA.

David L. Williams, Rochester.

TEXAS.

Robert L. Ginn, Brownsville.

HOUSE OF REPRESENTATIVES.

THURSDAY, *July 21, 1921.*

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Thou merciful One, who dwellest in the white light that no man can stand, let us feel that there is no barrier between us. May we know that God is with us, and we ask a blessing of divine approval. Be Thou the guest of each and the teacher of all. Among the worthy purposes that fill our breasts may the ambition to bear a good name be first—a name that can be spoken without a blush or apology above a whisper under all the circumstances and conditions of life. And oh, the joy at the last when we hand it back to God without reproach. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

CHAIRMAN OF THE COMMITTEE ON APPROPRIATIONS.

Mr. MONDELL. Mr. Speaker, in accordance with the action of the majority of the Committee on Committees, I present the following resolution.

The SPEAKER. The gentleman from Wyoming offers a resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 158.

Resolved, That MARTIN B. MADDEN, Member of Congress from Illinois, be, and he is hereby, elected chairman of the Committee on Appropriations of the House of Representatives.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

THE TARIFF.

The SPEAKER. Under the rule the House resolves itself into Committee of the Whole House on the state of the Union for the further consideration of the tariff bill. The gentleman from Kansas [Mr. CAMPBELL] will please take the chair.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill, with Mr. CAMPBELL of Kansas in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7456, the tariff bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

Mr. ALMON rose.

The CHAIRMAN. For what purpose does the gentleman from Alabama rise?

Mr. ALMON. To ask unanimous consent to address the committee for one minute out of order.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent to address the committee for one minute out of order. Is there objection?

There was no objection.

Mr. ALMON. Mr. Chairman, the people are staggering under the burdens of taxation. We should be engaged to-day in a revision of revenue laws, reducing certain taxes and repealing certain vexatious and annoying taxes which were provided for during the war. The people would be interested in that, but they are not interested in this tariff legislation but will be when it goes into effect and they begin to suffer from its operation. Instead of that the Republican Party, which is now in entire control of the executive and legislative branches of the Government, have before the Congress a tariff bill providing for the highest custom duties on imports of any tariff law that has ever heretofore been enacted. The Republicans, years ago, contended that tariff duties were necessary to protect our infant American industries, but now, since we have gotten to be the greatest and richest Nation in the world, they contend that labor and capital interested in manufacture should be protected by high import duties. It has been demonstrated time and again that the manufacturers who have had the greatest protection under former tariff laws, paid their employees the smallest amount of wages, so the contention that a protective tariff benefits labor is fallacious. Carpenters and blacksmiths get better wages than the employee in the woolen and steel mills. The carpenter and brick mason are not protected by a tariff. If American manufacturers can not compete with foreign manufacturers now, when will they ever be able to do so? If they can not now it is not because they are in their infancy.

The effect of this bill, as of former high protective Republican tariff laws, will make the rich richer and the poor poorer.

The Democratic Party has always stood for a tariff for revenue only.

The farmers are suffering worse than any other class of people by reason of the sudden falling off in the price of farm products. Farming will only be profitable when we have a market for the surplus products of the farm. We must export at least 40 per cent of the the cotton grown in the South. The chief reason for the low price of cotton now is a want of foreign markets, and this is caused by the inability of the foreign countries heretofore using our cotton to buy it. The only way that they can buy our products and repay the $10,000,000,000 loan we made to them during the war is to pay for them in gold, which they have not, or export to this country their surplus products. With this condition along comes this bill, backed up by the administration, proposing to put the rates on imports so high as to build a wall around the United States and keep out imports from other countries, in that way destroying our export trade. It will also destroy our splendid $3,000,000,000 merchant marine that was built up during the World War. Ships could not go over loaded with our exports and return empty; it would amount to bankruptcy in the shipping business. Ships must have a cargo both ways to be successful. The rates in this bill are not only protective but in many cases will be prohibitive. No one can tell what the rates will be for the reason that they are to be based upon American valuation. Under former tariff laws when our merchants bought goods abroad the duty imposed was controlled by the amount paid for the goods in the foreign market. Under the terms of this bill he would have to pay rates according to the American valuation of such goods, and he could not know what this would be at the time that purchase was made abroad. The effect of this is to

make the rates that much higher and destroy import business, and as I have explained, foreign countries can not buy from us if they can not sell to us.

The American farmers have not been benefited one iota by the Republican emergency tariff law passed at the beginning of this session of Congress. For illustration, under its operation the price of wheat has dropped from $2.20 to $1.10 per bushel. How long will the American people be fooled in this way?

The friends of this bill admit that it will raise $600,000,000 in revenue annually, and when passed on to the people will amount to five times that amount. It will encourage profiteering and increase the cost of living at a time when the people are properly demanding and expecting Congress to reduce taxes, the cost of living, and prevent profiteering as far as possible. Some one has said that high protective tariff did not increase prices. We all know better. If it did not, they would not be here demanding it and contributing millions of dollars to the Republican campaign committees.

Congress has appropriated more than $200,000,000 since 1916 to the States and counties to aid in the construction of roads. One of the principal road materials in many parts of the country is asphalt, 92 per cent of which is manufactured in this country and 8 per cent imported. This bill provides a tax of 15 per cent on all asphalt hereafter imported, the effect of which will be to increase the price of this essential material and create a great asphalt monopoly in America.

The building of roads and streets should be encouraged. It is unnecessary to enumerate the many advantages of good roads. A tax on asphalt, if allowed to remain in this bill, will greatly increase the cost of all streets and roads.

Potash, nitrogen, and phosphate are the essential ingredients of fertilizer. The price of fertilizer has been almost prohibitive. The price now is unreasonable in proportion to the price of farm products, due largely to the cost of nitrogen being dependent upon sodium nitrate from Chile. The farmer pays the Chilean Government $11.18 export duty on every ton of sodium nitrate he buys and also very high ocean freight rates, being four or five thousand miles from Chile to the American ports. The American farmer will get no relief in this respect until nitrogen is produced at the great Government nitrate plant at Muscle Shoals, Ala., which I hope will be done in the near future. We have a good supply of phosphate in this country. Prior to the war we secured all of our potash from Germany. The normal amount used was about 250,000 tons.

During the war and while we could not import potash from Germany an effort has been made by the Government and private capital to manufacture potash in the United States. I had hoped that it would be successful, but the result has been disappointing. In 1920 about 47,000 tons of potash was manufactured in the United States, but it is not satisfactory to the American farmer, and he will not use fertilizer containing American potash when he knows it or can do better. There has never been any effort heretofore to place a tariff on potash, but now at a time when the American farmer is suffering as he never did before and when the Republican Party pretends to be his friend places in this bill a tariff on potash, the effect of which will be to add from $2 to $4 per ton on the price of fertilizer, which he is forced to buy and use, this will not only apply to the farmers in the South but every State in the Union. The increased demand and use of fertilizer in practically every State has been unusual.

I wish we could produce potash in this country in quantity and quality so as to become a real competitor of Germany and France, but nature has made it impossible. This tariff on potash will not affect the manufacturers of potash in Germany and France, but will be added to the price of the fertilizer the farmer is forced to buy—you will hear from the farmers later. [Applause.]

Mr. HADLEY. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Washington offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. HADLEY: Page 190, line 9, strike out the period and insert in lieu thereof a colon and the following: "*Provided*, That when any country, dependency, or other subdivision of government imposes a duty on calcium acetate imported from the United States an equal duty shall be imposed upon such article coming into the United States from such country."

Mr. HADLEY. Mr. Chairman, this proviso is added to the item as it stands on the free list.

The situation is this: Calcium acetate, or as it is often referred to, acetate of lime, is on the free list under the present law. Prior to the present law it was carried in the basket clause. Various other products of the wood-chemical industry have been given a rate of duty under this bill. This particular item was not made dutiable, and upon further consideration the committee has looked into the matter and is of the opinion that it should be carried on the free list with this countervailing arrangement.

There is a largely increased production of acetate of lime, or calcium acetate, in Canada, and Canada maintains a duty of 17½ per cent. Their importations are very material, and they increased production in Canada from 1915 to 1918 about 50 per cent. This is an important item in the production of chemical products from hardwood, an industry in this country which ought to be protected under the theory of this bill. We simply place it in the free list with the countervailing arrangement.

Mr. GARNER. Mr. Chairman, will the gentleman yield for a question?

Mr. HADLEY. Yes; I will.

Mr. GARNER. If I understand it, this bill has three or four peculiar features to it that were never in a bill, as I recall, heretofore enacted, unless it was the Canadian reciprocity act. It first has the proposition of placing in the hands of the Tariff Commission the dyestuff industry, with authority to place an embargo upon certain dyes coming into this country; and then, if I understand it, it authorizes the President, in the lumber schedule, with respect to its operation on the imports of other countries, to regulate the rates to apply to them. It also authorizes the President, under title 3 in sections 301, 302, and 303, to raise and lower the duties on any article in this bill and take it from the free list and put it on the dutiable list, or take it from the dutiable list and put it on the free list. Now, you propose in this provision to create a new procedure, whereby you give to the President no discretion whatever to trade in the premises, but you automatically apply any rate that any foreign country may levy against this article going from America to foreign shores. You automatically levy that rate as against all countries. Is that correct?

Mr. HADLEY. The gentleman has referred to several constructive features of this bill. I am discussing simply this one, and I prefer to confine the debate to this item. It is a very important one. We have a wood-product chemical industry, and in the manufacture of hardwoods in this country it develops that a great many of the limbs and inferior parts of a tree are not susceptible of use in the form of lumber, but they are eminently valuable for distillation purposes, by which we produce a number of wood chemicals, such as wood alcohol, charcoal, acetate of lime or calcium acetate, and others. There are nearly 100 plants in the United States engaged in this business.

Mr. GARNER. Will the gentleman yield?

Mr. HADLEY. I would like to make one additional statement. This wood-chemical industry, as I say, has about 100 plants engaged in the business in this country. There are, I think, some eighty-odd firms. This is their finished product, although it is the raw material which enters into the production of acetone and acetic acid, important chemical products. It is an industry which is meeting with foreign competition. Now, it is proposed simply to provide that when a rate is maintained against the American commodity on entering a foreign country, we shall apply the corresponding rate against that commodity when it enters our ports of entry from such foreign country.

Mr. GARNER. The gentleman has not explained the situation yet. I did not catch the exact reading of the amendment. Suppose France, for instance, should levy a rate against this calcium acetate that came from the United States but England did not levy any rate against it. What would be the attitude of this Government in reference to English importations of that article under the gentleman's amendment?

Mr. HADLEY. Under this amendment competitive articles coming into this country from a country which maintains a rate of duty against us on such articles would be charged a corresponding rate of duty on coming into this country.

Mr. WALSH. Will the gentleman yield?

Mr. HADLEY. I yield to the gentleman from Massachusetts.

Mr. WALSH. Who is to ascertain the fact that this duty is to be levied?

Mr. HADLEY. This is the usual countervailing duty. It is not an unusual arrangement.

Mr. WALSH. It will be determined by the administrative officers?

Mr. HADLEY. It is a part of the administration under the act. It is a very common procedure. It is not new. It has been carried in various bills before.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WALSH. I ask unanimous consent that the gentleman's time be extended three minutes.

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent that the time of the gentleman from Washington be extended three minutes. Is there objection?

There was no objection.

Mr. WALSH. It does not involve the exercise of the authority conferred upon the President with a view to getting reciprocal treaties, or anything of that kind? It is nothing new?

Mr. HADLEY. It is an absolute arrangement that Congress determines here now, but leaves it to the administration to carry it into effect.

Mr. WALSH. It is nothing new?

Mr. HADLEY. Nothing new at all.

Mr. WALSH. The gentleman from Texas [Mr. GARNER] tried to make it appear that this was another new idea.

Mr. HADLEY. All Members of the House, I take it, are familiar with the countervailing rates which have obtained under previous bills. That is what this is.

Mr. LONDON. Will the gentleman yield?

Mr. HADLEY. I yield to the gentleman from New York.

Mr. LONDON. I think the gentleman has not answered the question of the gentleman from Texas [Mr. GARNER].

Mr. HADLEY. I answered it by a general statement, and anyone who heard the statement knows that the question asked by the gentleman from Texas was answered in my general statement as to the effect of the amendment. I did not answer specifically with reference to the various countries having various arrangements.

Mr. LONDON. I understand, but you have left it to the President to change the rate or to put things on the free list or to take them off the free list?

Mr. HADLEY. Oh, no. The gentleman is in error.

Mr. LONDON. Why make an exception in favor of this particular article?

Mr. HADLEY. Every article in this bill should be measured by the competitive conditions surrounding it, and under the competitive conditions surrounding this item it is the judgment of the committee that this countervailing arrangement should be made.

Mr. LONGWORTH. The gentleman from New York is in error when he says the President is given the right to put the article on the free list. The President is only given the right to reduce the rates 20 per cent. He has no right to put an article on the free list.

Mr. LONDON. He has no right to put it on the free list?

Mr. LONGWORTH. No.

Mr. LAYTON. Mr. Chairman, will the gentleman yield for a question?

Mr. HADLEY. Yes.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HADLEY. Mr. Chairman, I ask for a vote on the amendment.

Mr. LAYTON. Mr. Chairman, I ask that the time of the gentleman be extended one minute so that I may ask him a question.

The CHAIRMAN. The Chair will recognize the gentleman from Delaware in his own right in opposition to the amendment.

Mr. LAYTON. Mr. Chairman, in the matter of the countervailing duties under this bill, is it optional with the President, or is it obligatory under the act, that he shall enforce them?

Mr. HADLEY. Under the countervailing arrangement as to this item, it is obligatory that it be enforced as a countervailing arrangement. There would be no duty on the commodity unless it comes from a country where there is a rate fixed upon it.

Mr. LAYTON. Take, for instance, India. India places a rate of 15 per cent upon goatskins and she remits 10 units of that to her colonies and Great Britain. In the countervailing duties applicable to that particular subject, would the President have an option, or would it be obligatory upon him to enforce it?

Mr. HADLEY. I am making a statement now about acetate of lime, and not in respect to goatskins. I ask for a vote.

Mr. HARDY of Texas. Mr. Chairman, I ask that the gentleman's time be extended or else that I be recognized in my right. I move to strike out the last word.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. HARDY of Texas. Mr. Chairman, this countervailing duty is a new instrumentality and was first placed in the tariff laws, as I understand it, in order to fix an import duty upon oil. When we were practically the sole oil producing and exporting country, there was injected into our former tariff bills what was called a countervailing duty, which provided that where a foreign country imposed a duty on any commodity imported from the United States the same duty was automatically laid on that commodity when imported from that country into the United States, and the Members of Congress who passed that law did not know that it put a duty on the import of oil; but with that provision in our law, all that the oil producer here had to do to get a duty on oil from Mexico was to get Mexico to put a duty on oil from the United States, and the same thing applied in the case of countries that produced oil outside of the United States. Whatever duty any country put on our oil automatically our law put that duty on oil from that country. Now, we have got this countervailing duty system injected firmly into our tariff laws, and no man knows what the duty may or will be on the article that is given the benefit of the countervailing duty. For instance, Canada puts a duty upon lumber because she thinks, or her lumber manufacturers pretend to think, that we can make it cheaper than she does, and, therefore, she wants protection against us; this bill automatically places that same duty on Canadian lumber, while pretending to put it on the free list. Everybody here knows that lumber ought to be on the free list, and the fact that some other country has put a duty upon it does not affect the reason why it should be upon the free list, and we ought to be indifferent as to whether other countries put a duty on lumber. We ought to conserve our timber supply. But on any commodity our country can compete with foreign countries or it can not. If it can compete, then the levying of a duty by a foreign country does not diminish our ability to compete, and we ought not ever to levy a countervailing duty on the sole ground that some other country has levied a duty against our product. The countervailing duty is levied upon the theory that we can compete without a duty, but through spite or for some other reason we levy it against any country which levies a duty upon our products.

If we can manufacture a material without a duty, how is that ability to so manufacture it affected by the fact that some other country levies a duty against us? We are fast driving to the position that all nations will endeavor to so restrict international trade that international trade will vanish and every nation will become an isolated unit, trading with itself, and international commerce must perish and the welfare of the people at large be subjected to combinations within each separate nation, to the detriment of the whole and the benefit of the very few.

Some of us were led to the belief that an opportunity would be given this House to vote for actual free lumber, but we see now that the rule under which we are proceeding is shrewdly devised so that no such opportunity will be given, and our lumber kings are given a high duty on all Canadian lumber, notwithstanding the universal knowledge of the combinations by which the price of lumber in the United States has been raised something like 400 per cent in the last 20 years.

Mr. FORDNEY. Mr. Chairman I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Washington.

The amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I offer the following committee amendment which I send to the desk.

The Clerk read as follows:

Committee amendment offered by Mr GREEN of Iowa: Page 171, line 11, strike out the numerals "42" and insert in lieu thereof the numerals "45."

Mr. GREEN of Iowa. Mr. Chairman, this is an amendment to the lace schedule. Laces are a luxury. The duty which was put on laces originally was in proportion to the needs of the industry, about the lowest in the bill, although it is a very high duty. A number of lace industries started up during the war, and probably some of them will have to go out of business in any event, because we can not put on a high enough duty to enable them to continue. There is so much handwork upon laces that many kinds of them can be bought for one-third of the cost of production in this country. By reason of the duty being placed on long-staple cotton yesterday this duty of 42 per cent in the bill ought to be raised, I think, about 3 per cent to make up for that. All of the yarns that are used in the lace industry are made of long-staple cotton, and this duty was very low before in proportion to the needs of the industry. I think a good many of the lace manufacturers will have to go out of business even as it stands.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. CHINDBLOM. In the event that on the vote in the House the duty shall be taken off long-staple cotton, and it shall go back to the free list, will the committee then give us a separate vote upon this amendment?

Mr. GREEN of Iowa. I could not say positively. As far as I am concerned, I think the lace manufacturers need the duty in any event.

Mr. FORDNEY. We will cross that river when we get to it.

Mr. GREEN of Iowa. I am not as a rule in favor of high duties, and, of course, there is a limit beyond which we should not go; but laces are a luxury that will be imported in practically the same quantity, notwithstanding the high duty. If this duty is increased 3 per cent it will give the manufacturers a better chance and the Government will get more revenue.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. COLLIER. I have no particular objection to the raising of this duty, but I want to again direct the attention of the committee to the fact that every few minutes another committee amendment comes in increasing the duties in the bill as originally reported. I want to reassert the statement that when we vote on this bill this afternoon you are going to find the rates very materially higher than in the bill as originally presented, and as we charged in our speeches in general debate.

Mr. KING. Mr. Chairman, will the gentleman from Iowa yield?

Mr. GREEN of Iowa. Yes.

Mr. KING. I was very much surprised to hear the gentleman from Iowa state that a protective tariff would not be put on sufficiently high to protect the lace industry in this country. I want to ask the gentleman whether there was any evidence before the committee of American capital being invested in such industries in France or Italy which exported laces into the American market?

Mr. GREEN of Iowa. We had no such evidence before the committee. We did have evidence that laces could be brought in for about one-third of the cost of making them in this country.

Mr. KING. It will protect, as a matter of fact, American capital invested in France and Italy. I mean, the rates in the present bill.

Mr. WALSH. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. WALSH. These figures that are recommended by the committee are supposed to be the compensatory duty owing to putting cotton of 1⅛ inches in length on the dutiable list.

Mr. GREEN of Iowa. I would not base it entirely on that, although that is one reason. The lace industry was held down closer in respect to duties than almost any other industry, and some contend that they can not continue under the rate provided in the bill.

Mr. FORDNEY. Mr. Chairman, I do not agree with the gentleman from Iowa that this rate of duty will put such industries out of business. Forty-five per cent on American valuation is equivalent to 82½ per cent on the foreign valuation, and I believe they will be fully protected with 45 per cent on the American valuation.

Mr. GARNER. Mr. Chairman, what is pending before the committee?

The CHAIRMAN. The amendment of the gentleman from Iowa increasing the rate of duty on laces.

Mr. BLACK. Mr. Chairman, I rise in opposition to the amendment. I want to call to the attention of Members on our Democratic side of the House who voted for a tariff on cotton that the very thing is happening that we knew would happen, to wit, in order to make it sure that the tax was passed on to the consumer the Committee on Ways and Means would bring in some compensatory duties to further protect the manufacturer. Now, nothing in the world illustrates better the fallacy of the Republican doctrine or argument that the foreigner pays the tax than these compensatory duties.

What is the situation? They place an ad valorem duty of 15 per cent on cotton of more than 1⅛ inches in staple. That means that there will be collected from the manufacturer which imports it a duty to that amount. If the foreigner paid the tax, as our Republican friends have always contended, then when Uncle Sam attempted to reimburse the manufacturer by means of compensatory duties, the manufacturer, if he was honest, would say, "Oh, no, Uncle Sam, you don't owe me anything; you don't need to increase the duties on my product, because the foreigner pays this tax; you do not owe me any reimbursement whatever." But that does not happen. On the contrary, the manufacturer says, "Uncle Sam, you have taxed me 15 per cent ad valorem on all the cotton imported of a staple of more than 1⅛ inches in length, and therefore I want you to give me an additional duty of 3 per cent upon my laces and embroidery, although I already have a duty of 42 per cent on my goods, in order that I may add the duty which I pay on raw cotton to my prices and pass it on down to the consumer and be sure that he pays the tax." That would not be so bad if the manufacturer only passed that part of it which he pays on down to the consumer. But the manufacturer does not stop there; he buys a great deal of long-staple cotton in the United States. In fact, he buys most that he uses here in the United States, and therefore he will not only pass on down the increase of 3 per cent he is getting as compensatory duty on account of the foreign importation, but he will very likely pass 3 per cent more down in the way of profit to that which he pays for the American-produced cotton, and you can not prevent him from doing it, because you have given him an additional protection of 3 per cent, which will apply to his goods manufactured out of American cotton just as well as those made out of imported cotton. And do not think for a moment that he will fail to take advantage of this fruitful opportunity.

Nothing better illustrates the way these duties are passed on down to the consumer than a clause which I read some time ago in the sale contract of the American Sugar Refining Co. When we had up the emergency tariff law in the House some months ago the American Sugar Refining Co. and the Franklin Refining Co. sent out the following notice to the trade:

FEBRUARY 26, 1921.

Notice to the trade: Effective at once all refined sugar contracts of the American Refining Co. and the Franklin Sugar Refining Co. will carry an additional tariff clause reading as follows:

"The amount of any increase in duty per pound on Cuban raw sugar, 96 basis, shall be added to the price named herein, and shall apply from the effective date of such increase on any unshipped portion of this contract."

Now, if these two refining companies used only Cuban raws in making their refined sugars, it would be perfectly natural for them to add the duty to the finished product, because we have long since learned that the consumer pays the tax and not the foreigner. But they do not use Cuban raws alone. I am quite sure that at least one of these companies uses a large amount of Louisiana raws. But the duty is added to the contract price regardless of where the raws are produced. Does the Louisiana sugar grower get the benefit of the amount collected by the refiners on his raws? Maybe he does and maybe he does not. Sometimes he does and sometimes he does not. But always the consumer pays. I am therefore against the amendment of the gentleman from Iowa [Mr. GREEN].

Mr. WOOD of Indiana. Mr. Chairman, I think this is a splendid opportunity to call the attention of the committee to the very inconsistent position in which we placed ourselves on yesterday. A day or two ago I voted with the majority of this committee in favor of a tariff on hides, believing when I did so that the producers of hides in the United States were entitled to protection against the cheap hides, especially from South America. On yesterday we voted leather upon the free list.

Now, see the position we placed ourselves in. To my mind we have absolutely destroyed the purpose we had in voting a tariff upon hides. This will be the result: Hides will be tanned on the outside and come in duty free into this country. The American farmer and producer of hides in this country will not get the protection we sought to give him for the reason that he is thrown in direct competition with the free leather coming in from the outside. And it has made this much worse, for they can produce hides outside cheaper, and they likewise can produce leather cheaper on the outside than on the inside.

For the reason they get their labor cheaper and will get the raw material cheaper, this will absolutely destroy the purpose of our placing a tariff upon hides. And that is not the worst of it. We are going to drive capital out of this country. We are going to drive the tanner out of this country, where he can not compete successfully with the manufacturer of leather who gets his hides cheaper, who gets his labor cheaper on the outside, and whose product is admitted duty free into this country. This character of inconsistent legislation has heretofore resulted in driving many an industry out of this country into Canada, drove many industries clear over into the Orient, for the reason that their goods would be admitted free, where the raw material would have a tariff upon it if manufactured in this country.

Mr. FESS. Will the gentleman yield?

Mr. WOOD of Indiana. I will.

Mr. FESS. The American producer of leather could better afford to buy duty free leather from a foreign country employing foreign labor than to buy leather here at home.

Mr. WOOD of Indiana. Yes, infinitely better; and not only does it encourage the manufacturer of leather on the outside but it induces American capital to go outside to be invested in the manufacture of leather, and in consequence destroys the market for American hides.

Mr. FESS. That is the point; no price here.

Mr. WOOD of Indiana. There will be no price for the hide here because of the fact there will be no necessity for the hide

here; there will be no tanning of leather because leather will be produced on the outside and admitted duty free. So I hope that before this bill finally passes, if you want to secure to the American farmer the protection that is desired on hides, this glaring inconsistency will be corrected by placing a just compensatory tariff upon leather.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BARKLEY. Mr. Chairman——

Mr. GARNER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Kentucky rise?

Mr. BARKLEY. To move to strike out the last word. I wish to address the House on this amendment.

Mr. FORDNEY. Mr. Chairman——

The CHAIRMAN. The Chair had not recognized the gentleman. The Chair recognizes the gentleman from Michigan.

Mr. FORDNEY. Mr. Chairman, the gentleman from Texas [Mr. BLACK] spoke a few moments ago about long-staple cotton. I desire to say that the people of the United States produce 60 per cent of all the short-staple cotton produced in the world. There is no duty provided on short-staple cotton. We consume in the United States 40 per cent of our total production of short-staple cotton. The House has decided to place a duty on long-staple cotton. What for? For the benefit of the producers of long-staple cotton in the United States. There is a vast difference between the value of long and short staple cotton in the markets of the world. Why? Because it is not controlled in the United States. It is because we are obliged to purchase abroad long-staple cotton; therefore we are controlled by foreigners, and by placing a duty upon long-staple cotton and encouraging greater production in the United States it is my belief that we will create competition at home and lower the price of long-staple cotton.

Mr. PADGETT. Will the gentleman yield for a moment?

Mr. FORDNEY. Yes; I will yield.

Mr. PADGETT. If a duty is placed only on long-staple cotton, is it right or proper to place a duty on cotton goods manufactured out of short-staple cotton?

Mr. FORDNEY. There is no relation between the two, and no suggestion of that kind is being made.

Mr. PADGETT. But you have a compensatory duty——

Mr. FORDNEY. It applies to goods made from long-staple cotton, not short-staple cotton. If the gentleman will read the amendment he will find that all it provides for is a compensatory duty on goods produced from long-staple cotton.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. BYRNES of South Carolina. Is it not a fact, though, that the Treasury Department has found it impossible to administer the present compensatory law for the reason that no man can look at an article and tell whether it was 1⅛ or 1¼ inch staple?

Mr. FORDNEY. No; the gentleman is in error. It is difficult to determine the staple, but goods made from long-staple cotton contain only a small percentage of short-staple cotton when the goods are sold as long-staple cotton goods. This is my information.

Mr. BYRNES of South Carolina. The Chief of the Division of Customs of the Treasury, Mr. Ashworth, told me a few days ago it was impossible to find a man who could tell whether or not 1⅛-inch staple was in laces being imported, and that is the reason I asked the question.

Mr. FORDNEY. My beloved friend, Ashworth is a Democrat, and you know how hard it is for a Democrat to administer a protective tariff law.

Mr. BYRNES of South Carolina. I did not know he was a Democrat. I am glad to know you had the good sense to keep one Democrat in office.

Mr. FORDNEY. Oh, well, he is in for a short time, but look out, look out. [Laughter.] Mr. Chairman, I ask for a vote.

Mr. GARNER. Mr. Chairman, a number of gentlemen have been proceeding out of order for the last 10 or 15 minutes, and I am going to ask to proceed out of order for 10 minutes, with the permission of the committee.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for 10 minutes out of order. Is there objection? [After a pause.] The Chair hears none.

Mr. GARNER. Mr. Chairman and gentlemen of the committee, I want to once more apologize to the committee for having to be somewhat personal in what I have to say during these 10 minutes. My Democratic colleagues will bear me out and I am sure as far as they know my Republican colleagues will bear me out that during my 18 years' service here I have never undertaken, directly or indirectly, to chastise a single Democrat for what I thought was his want of fealty to his party. I do not believe that is the best method by which to conduct a party organization. I know with what glee we over here witness you gentlemen washing your party linen in the presence of this company. So I shall not do that to-day, and I hope the time will never come when I shall feel it my duty to refer to a single one of my colleagues—in company, at least, especially the kind of company we usually have here—in a manner not commendatory of his acts. [Applause.]

Moreover, Mr. Chairman, I never fight under cover with an adversary, it makes no difference whether it is a political adversary or otherwise. I never strike a blow in the back, whether it be political or otherwise. And every man here knows I do not carry a dagger under the muffled cloak of friendship. I play the game squarely. I play it on top of the table. [Applause.]

Now, I have taken the floor this morning for one purpose, and one purpose only, and that is to again state my position on the tariff, and after I have made my statement no gentleman in this House will again misunderstand my position touching the tariff question; and not misunderstanding it, no honest man will misrepresent it and no intelligent man will misinterpret it.

Mr. Chairman, I tried to say the other day that I believed there were three points, and three only, three positions, and three only, that could be taken by any gentleman in the United States touching the tariff question. I challenge you to go to any 10 men you find in this room or out of it and ask any one of them the question, "What is your position on the tariff?" and get but one of three answers, namely, "I am a free trader," or "I am a revenue-tariff man," or "I am a protective-tariff man." Do you know of any other answer? I pause to see whether you know of any other answer touching the tariff question.

I am not a free trader; I am not a protectionist. Therefore I must be a revenue-tariff man. I admire the gentleman from Michigan [Mr. FORDNEY]. I believe this entire body admires his candor and his frankness with reference to the tariff. He is a protectionist above and beyond all protectionists. He believes the American market ought to be only for the American producer. I likewise admire the candor of the gentleman from Arkansas [Mr. OLDFIELD], who will tell you frankly that he would not levy one copper of duty on any industry in the United States, because he is for free trade with all the nations of the earth.

I can understand his philosophy. I can understand the philosophy of the gentleman from Michigan. But when some Republican tells me that he is a protectionist and he wants to protect that which is in his district and put that which is in somebody else's district on the free list, I can not understand his philosophy. [Applause.] Or when a Democrat tells me that he is a revenue Democrat and then says, "I am going to levy 30 per cent on the clothes that you wear, but I am going to admit duty free the shoes you have on your feet; I am going to levy a revenue duty on what you wear on your head and your hands, but I am going to put on the free list what you wear on your feet," I can not understand his reasoning; and it ought not be misunderstood that when you go to the customhouse as a Democrat you do not go for protection; you go to get money to put into the Treasury. Why, suppose that a stranger should go to the customs collector in New York and say, "What is your occupation?" "Why, I am here to collect money." "What for?" "To put into the Treasury of the United States." And while he is talking to him he sees two men approach. One of them is an Englishman, bearing the English flag, and he says, "What have you?" "I have a bundle of goods here—shirts, overalls, and other clothing made out of cotton, and made in England, which I want to bring in." He says, "How much are they worth?" "They are worth $100." "Sir, I am here to collect money for the Treasury, and you will be compelled to pay me $30 in order to bring them in." While he is paying his bill an Egyptian walks up, also bearing the English flag. He asks him, "What have you got?" He says, "I have a bale of cotton that I brought from Egypt with me. I want it to come into the United States." He says, "What is it worth?" "One hundred dollars." "All right, walk in. We charge you nothing." Gentlemen, how can you explain the doctrine that two men walk to the customhouse, and you are collecting money for the Treasury only; you are not looking to protection; you are not looking to the regulation of business—and what man is there who says the Democratic platform authorized through the customhouse the regulation of business—and one man comes up with $100 worth of goods that the manufacturer has to buy, and when they get into this country you do not charge him a nickel, whereas when a man comes with clothing that must be had by every man, woman, and child in America, especially if he is poor, you say, "I am going to charge you 30 per cent ad valorem?"

They tell me I must not vote for a duty on cotton, that it is un-Democratic. Where is your authority? [Applause.] You gentlemen who say to me that I must not vote for a duty on hides or cotton or oil, I ask you where is your authority? [Applause.] Show me the Democratic platform or the adoption of a resolution in the Democratic caucus, and I will abide by it. But you ought not to say that I am not a Democrat because, forsooth, I do not take your views with reference to what I ought to do, when neither the Democratic platform nor the Democratic caucus have ever spoken upon the question.

I go down to Mobile, to my friend JOHN MCDUFFIE'S home, and I see two ships come in there. One of them comes from the Orient and flies the English flag; the other comes from Mexico and flies the English flag. One of them is loaded with peanut oil, and it comes up to the port in Mobile. The man says, "What have you there?" "I have a shipload of peanut oil. I want to land it in the United States." "What for?" "In order that the people may use it for food; it is a wholesome food." He says, "Sir, that is all right. I am here to collect the revenue under the present law." I am speaking of the Underwood bill now, which carries a duty of 6 cents per gallon on peanut oil. "It is peanut oil you have, and you can come into the United States, but you must give me 6 cents on each gallon you have, for we need the money to put in our Treasury."

Beside that vessel is docked a ship that comes from Tampico, Mexico. The revenue officer says, "What have you got?" The answer is, "I have got petroleum oil." "All right. What is it for?" "It is to be sold to railroads and manufacturers."

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. GARNER. Mr. Chairman, I ask unanimous consent to proceed for five minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that he may proceed for five minutes more. Is there objection?

There was no objection.

Mr. GARNER. I am very much obliged, gentlemen.

The peanut oil under the Underwood bill pays 6 cents a gallon. Did you put it there for protection? Am I a Republican if I vote to-day for half a cent a gallon on petroleum if you put 6 cents on peanut oil? You put it there. It is in the Underwood bill—6 cents a gallon on peanut oil. My God, if I put on petroleum oil one-twelfth of what you put on peanut oil, does it constitute me a Republican? [Applause.] I do not want a controversy. I never did want a controversy. But I would rather have my Democratic colleagues know my exact position than have the greatest honor that could be conferred upon me on the face of the earth. I want to ask you Democrats one question. My position is tax one, tax all; free one, free all; protect one, protect all. I ask you, If you collect a revenue duty on woolen goods, why do not you collect it on wool? [Applause.] Why do you not do it? You can not say that when the Democrats are in power it gives them an excuse. You never heard of a Republican wanting an excuse to put rates higher. He does not need any, God knows. I ought not to be charged while casting a righteous vote that I am giving an excuse to do something that is indefensible.

Mr. LAZARO. Mr. Chairman, will the gentleman yield?

Mr. GARNER. I would prefer to conclude first. I am doing this by the sufferance of the House, however, and I shall not decline to yield if the gentleman urgently desires me to yield.

By the way, if I may have just one minute to reply to the hide argument, you put a duty of 15 per cent on hides the other day. One hide makes you 10 pairs of shoes. A 30-pound hide is now selling for $1.20 and a 15 per cent duty is 18 cents. It costs you 1.8 cents additional on each pair of shoes. What do shoes cost you? Undoubtedly these shoes that you are wearing here would cost at least $3 a pair wholesale, $36 a dozen. You pay from $5 to $10, I presume. I ask if you are going to compensate him? I hear Democrats using that word "compensate." I do not see it in the Democratic platform that you lay duties for compensatory purposes. I never saw it in a Democratic platform. But suppose you do. You levy 1 per cent on $3 shoes and you give the manufacturers 3 cents on every pair where you charge him 1.8 cents on the hide. I ask you who are opposing here the additional duty because hides are put on the tax list? I ask you why you are afraid to put 1 per cent on shoes when you have got 40 per cent on hats in the Underwood bill? Why do you scare at 1 per cent on shoes when you yourselves placed 40 per cent on hats and 30 per cent on gloves made out of skins? [Applause.]

Mr. Chairman, I think I have made myself pretty well understood. I am opposed to a free list, but if I am driven between the theory of the gentleman from Michigan [Mr. FORDNEY] and the theory of the gentleman from Arkansas [Mr. OLDFIELD], if I am driven to choose between the two, with conditions as they exist in Europe and throughout the world, we being a creditor nation to the extent of $15,000,000,000, I tell you frankly I must go to free trade rather than to your kind of protection.

There is no doubt about it, gentlemen; and mark this prediction, because probably it will be the last I shall make in the way of a prediction concerning this tariff. Mark my prediction: In the next decade, unless our foreign debt is remitted—and it will never be remitted by my vote [applause]—and if our exports are to continue, as we hope they will, by leaps and bounds, until we become the greatest trade nation on the earth, I tell you, sir, there is no more question in my mind than that night will follow day that you must turn toward international free trade. I do not believe it is wise to do it now. I believe the middle course is the proper course, and in following that middle course I want to be consistent, I want to be just, I want to be fair, and I do not want to have to apologize to one man because I put this on the free list and to another man because I put something else on the tax list; so I will take you all and as your goods come to the customhouse I will levy a rate of from 1 to 50 per cent. I would put the highest duty on luxuries; I would put the next highest on comforts; and I would put the lowest on absolute necessities; and I think that in this method I would have a scheme of customhouse taxation that would appeal to every honest man. And whenever you undertake to say that it is un-Democratic, I want you to be as frank as I have been. I want you to tell me where you stand on the question. [Prolonged applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. FORDNEY. Mr. Chairman, I move that all debate on this amendment and amendments thereto close now.

Mr. GARRETT of Tennessee. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Tennessee rise?

Mr. GARRETT of Tennessee. I want to discuss this amendment.

The CHAIRMAN. The gentleman from Tennessee desires to discuss the amendment.

Mr. FORDNEY. Then I move that all debate on this amendment and all amendments thereto close in five minutes.

SEVERAL MEMBERS. Make it 10.

The CHAIRMAN. The gentleman from Michigan moves that debate on this amendment and all amendments thereto close in five minutes.

Mr. STEVENSON. I move to amend by making it 10 minutes.

Mr. FORDNEY. Oh, no.

The CHAIRMAN. The gentleman from South Carolina moves to amend the motion of the gentleman from Michigan by making it 10 minutes. The question is on the amendment of the gentleman from South Carolina.

The question being taken, the amendment was rejected.

The CHAIRMAN. The question recurs on the motion of the gentleman from Michigan to close debate in five minutes.

The motion was agreed to.

Mr. GARRETT of Tennessee. Mr. Chairman, I, of course, enter into no quarrel with the gentleman from Texas, nor do I suppose that anything I have said will be construed as a quarrel with the ranking member of the Committee on Ways and Means.

Mr. GARNER. It gives me real pleasure to reassure the gentleman by stating that he is quite correct.

Mr. GARRETT of Tennessee. Now, Mr. Chairman, I want to discuss this amendment for just a minute. I should like to ask the gentleman from Iowa [Mr. GREEN], if he is willing to give me the information and has it, how many of these so-called compensatory cotton amendments are to be offered?

Mr. GREEN of Iowa. My understanding is that one more is to be offered; no more by me. I will say that I did not offer this amendment so much as a compensatory duty as because the peculiar situation of this lace industry prevented any additional burdens being put upon it.

Mr. GARRETT of Tennessee. I understood the gentleman to say in reply to the gentleman from Massachusetts [Mr. WALSH] some time ago that it was to some extent at least compensatory.

Mr. Chairman, the particular thing to which I want to call the attention of the committee is this: The duty which was voted by the House was simply upon long-staple cotton. Now, when the gentleman from Michigan [Mr. FORDNEY] was making his opening speech the other day he said this:

> The emergency tariff bill carried a duty on long-staple cotton, and after a sufficient time to fully investigate, it is found by the committee that with a duty upon long-staple cotton it is practically impos-

sible to determine whether of not cotton goods when manufactured and entering our ports were made from long-staple or medium or short-staple cotton.

Sir, that is true. That is the information I have had from the Treasury Department all along. That is the information I had at the time the emergency tariff bill was being passed, which fixed a duty of 7 cents on long staple and then raised the duty 7 cents on the manufactured product. I was informed then that that was impossible of administration. What I want to bring to the attention of the committee now is that this particular compensatory duty, like the one next to be offered, is not predicated alone upon this duty of 10 per cent on long-staple cotton, of which we produce much less than 1,000,000 bales, but in its essence it lays a compensatory duty as if a duty based upon all raw cotton. It will increase the duty upon cotton goods made from all kinds of cotton, and it is impossible for you to get away from it. There is nothing said in this amendment about articles being made out of long-staple cotton. These laces are made not only out of long-staple but out of short-staple cotton, and the same thing will be true of your cotton cloth. I know the gentleman from Iowa [Mr. GREEN] does not agree with the gentleman from Michigan about the impossibility of administering that law. At least I understood him so the other day.

Mr. GREEN of Iowa. This is an amendment to the lace paragraph. Surely the gentleman does not mean to claim that these laces can be made of short-staple cotton. That is certainly an error.

Mr. GARRETT of Tennessee. Whatever it may be, this compensatory duty takes into consideration all cotton manufactures, no matter what staple they are made from.

The same thing ought to happen to this amendment and to the next amendment, and for the very same reason, that happened to the compensatory duty on leather and boots and shoes on yesterday. [Applause.]

Mr. GREEN of Iowa. I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. GREEN].

Mr. STAFFORD. May we have the amendment reported again?

The CHAIRMAN. Without objection the Clerk will again report the amendment offered by the gentleman from Iowa.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 171, line 11, strike out the numerals "42" and insert in lieu thereof the numerals "45."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken.

The CHAIRMAN. The noes made the most noise.

Mr. FORDNEY. Division, Mr. Chairman.

The committee divided, and there were—ayes 96, noes 89.

Mr. GARRETT of Tennessee. I ask for tellers, Mr. Chairman.

Tellers were ordered, and the Chairman appointed Mr. GREEN of Iowa and Mr. OLDFIELD.

The committee again divided, and the tellers reported—ayes 124, noes 118.

Accordingly the amendment of Mr. GREEN of Iowa was agreed to.

Mr. TREADWAY. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Massachusetts offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TREADWAY: Page 113, between lines 9 and 10, immediately preceding paragraph 901, insert a new paragraph as follows:

"Manufactures of cotton composed wholly or in chief value of cotton having a staple of 1⅛ inches or more in length shall be dutiable at the rates provided in this schedule on manufactures of cotton, and in addition thereto 7½ per cent ad valorem."

Mr. TREADWAY. Mr. Chairman, a day or two ago an amendment was adopted, offered by the gentleman from West Virginia [Mr. BOWERS], placing a duty of 15 per cent on cotton of 1⅛ inches staple. This amendment which I am offering is simply a corollary following that action on the part of the House, adding a compensatory duty on the articles manufactured from cotton of that staple. It simply will place our manufacturers using cotton of that staple on an equality with foreign manufacturers. That is all there is to the amendment.

Mr. WYANT. Will the gentleman yield?

Mr. TREADWAY. I decline to yield unless I can get more time. Manufacturers abroad using long-staple cotton will, as a result of this action on the part of the House in adopting the amendment making the duty on long-staple cotton, have the benefit of 15 per cent in their use of the raw material. Therefore it is right and proper that our manufacturers be placed on a parity with them. If this is not done, home industry will be decidedly handicapped and our workingmen will be deprived of that amount of employment. Seven and a half per cent represents the actual duty on the raw product. Take, for instance, a yard of goods valued at $1. The cotton of these goods will be about 50 per cent, or 50 cents, and the labor conversion will be an additional 50 cents. Add 15 per cent to the 50 per cent of the raw material and it brings the raw material up to 57½ cents, and the conversion, 50 cents, makes the goods worth $1.07½, or 7½ per cent additional, and that is the duty asked for in this amendment.

Mr. LINTHICUM. Will the gentleman yield?

Mr. TREADWAY. I can not; I have not the time. I would be very glad to if I had. There are two or three points that I must refer to before my time expires. Long-staple cotton is used for two purposes—the higher grade of goods and automobile tires, in neither of which are we worried about the people being able to pay the additional rates. That is very essential. The other feature I desire to impress on the House is that it is said that it is impossible to determine whether long-staple cotton of an inch and an eighth is used in a fabric. The Treasury Department says it is difficult but not impossible. I hold in my hand a telegram from the users of long-staple cotton which says that it is perfectly feasible for the Treasury to examine the contents of the cloth and to determine whether or not cotton an inch and an eighth in length or more is used. It is therefore perfectly apparent, it seems to me, that if the House abides by its position and allows a duty of 15 per cent on inch and one-eighth long-staple cotton it must carry with it the compensatory duty. We do not ask for anything that will affect the price of the ordinary run of low-priced goods. Ninety-three per cent of the cotton cloth used in this country is made from the ordinary staple cotton. Only 7 per cent of the goods is affected by this amendment. As I have just said, it is of the kind of goods that the users can very well pay such increased cost as this amendment will cause. It will not affect a cent the value of the goods of the ordinary consumer of cotton cloth.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. TREADWAY. I will yield to the gentleman.

Mr. CHINDBLOM. Does not the gentleman think that the increase——

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. GREEN of Iowa. Mr. Chairman, I ask that the gentleman have five minutes more.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from Massachusetts have five minutes more. Is there objection?

Mr. LINTHICUM. I object.

Mr. TREADWAY. Under permission given to extend my remarks, I append herewith a letter I am asked to place in the RECORD by the representatives of the large mills in New England. This letter shows how seriously the rates of this bill in the cotton schedule affect them:

BOSTON, MASS., *July 18, 1921.*

Hon. ALLEN T. TREADWAY,
House of Representatives, Washington, D. C.

MY DEAR MR. TREADWAY: I herewith inclose to you a letter which is the result of a long and serious conference among a large number of manufacturers representative not only of themselves but of a great many others.

I wish you would have this letter offered some time during the debate and made a matter of record, as well as to make such other use of it as may be proper and useful.

Very truly, yours,

WILLIAM M. BUTLER.

Officers representing the mills whose names are signed to the inclosed letter were present at the conference and authorized the signatures thereto.

BOSTON, MASS., *July 18, 1921.*

Hon. ALLEN T. TREADWAY,
House of Representatives, Washington, D. C.

MY DEAR MR. TREADWAY: Since the introduction of the new tariff bill the cotton schedule has had a careful study by quite a large number of different manufacturers, and as they begin to realize the effect of it as applied to many cloths that are made in New England mills they are becoming very much worried over the probable effects of it.

While the duties on some cloths of ordinary manufacture may not be objected to, the rates that have been applied to the finer grades and the more ornamental classes of cotton cloths are believed to be wholly inadequate to maintain the industry in this country. The additional cost of doing this class of work has not been recognized in the cotton schedule except in a few isolated cases.

We are informed that it is too late to have any changes made in the bill as reported to the House, but we want to be on record as having made a very vigorous protest against the bill as it now stands.

We wish there had been more time to study this bill. The principle upon which the bill is being written is very new, and it is very difficult to make applications of it in many cases, as the data does not exist, so that it has taken perhaps longer than it ought to understand something of its results, but the longer it is studied the more inconsistencies

are discovered, and we feel sure that unless it is modified in many respects New England will not be able to continue to manufacture many of the products it has been accustomed to make.

We trust that you will inform the committee of our position in the matter and have it become a matter of public record.

Very truly, yours,

HOOSAC COTTON MILLS.
NEW BEDFORD COTTON MILLS CORPORATION.
BUTLER MILL.
NASHAWENA MILLS.
PIERCE MANUFACTURING CO.
PIERCE BROS. (LTD.).
GRINNELL MANUFACTURING CORPORATION.
CABOT MANUFACTURING CO.
PAUL WHITIN MANUFACTURING CO.
GOSNOLD MILLS CO.
PAGE MANUFACTURING CO.
MANVILLE CO.

Mr. STEVENSON. Mr. Chairman, I have been a little amused at the statement of some gentlemen about the amount of this long-staple cotton 1⅛ inches in length, and how we ought to encourage it. The gentleman from Michigan stated that we needed to encourage it in order to reduce the price. The cotton raisers do not want that. Let me give you the facts Last year we made 1,008,000 bales, which is one-thirteenth of the whole crop. A million and eight thousand bales of it in the United States. How much have we imported this year? We have 1,008,000 of home supply and we have imported for the 11 months of the cotton year 84,000 bales, or less than 10 per cent. Now, you propose to put a compensatory duty on all goods in which there is used cotton of an inch and one-eighth and longer, and you propose to put compensatory duties on the whole business because a little less than 10 per cent of this is made of imported long-staple cotton. Is that according to the ideas of the gentleman from Massachusetts?

Mr. TREADWAY. That is not in accordance with the amendment I have offered.

Mr. STEVENSON. The gentleman has offered an amendment to put compensatory duties on all goods made of cotton an inch and an eighth in length. We make a million bales in this country and import only 84,000 bales, and therefore 90 per cent of the goods made from cotton in this country pays no duty at all. [Applause.] The gentleman makes another statement that it is only in the fine goods that long staple is used. The gentleman forgets that sewing thread is made from long-staple cotton and that all the poorer people have to use sewing thread. The wife, who sits around the fireside and patches the trousers of her husband will have to pay this duty. Only 84,000 bales of Egyptian cotton comes in, and 1,000,000 pays no tariff that goes into this product.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. STEVENSON. Yes.

Mr. CHINDBLOM. Why did some of the Members on the Democratic side vote for the tax on long-staple cotton if we are importing so little?

Mr. STEVENSON. The gentleman will have to ask them. I did not do it. I think probably because they did not know any better.

Mr. HERRICK. Will the gentleman yield?

Mr. STEVENSON. I will.

Mr. HERRICK. I would like to have the gentleman give the House the benefit of his knowledge and tell us why the Arizona farmers now have 500,000 bales of long-staple cotton which they they can not sell.

Mr. STEVENSON. I do not believe it. The highest they have ever made in Arizona and California is 70,000 bales a year, and it would take several years to make 500,000 bales. In fact, since the crops of Arizona and California were large enough to be set out separately in the Government reports up to 1920, they have only produced 166,000 bales of long-staple cotton, and it was selling a year ago for $1.50 a pound, and it is impossible to have 500,000 bales on hand, or the man who did not sell at $1.50 per pound does not need tariff protection, but a guardian. There is no truth in the 500,000 bales of Arizona long-staple claim.

No such figure as that is to be found in the cotton reports of this country. Somebody has made a mistake or has been dreaming about figures. You have already put a tax of $12,500,000 on the farmers of the South who make cotton in the matter of potash alone, and you are going to increase by this amendment the expenses of all of the cotton goods that they buy, because there will be enough long staple put into every yard of cloth made to raise the price to every farmer in the South. We object to having a little bagatelle of less than a hundred thousand bales of Egyptian cotton used to raise the cost of living to our people who make long-staple cotton, and who ask for no protection upon it, who can make it in competition with Egypt or anyone else. Egypt has had her crop cut down one-third this year by the English Government, because it was not a profitable crop. It seems to me that the amendment of the gentleman from Massachusetts [Mr. TREADWAY] certainly ought not to prevail, considering that you are going to give 90 per cent of protection to something that does not need it.

Now, I desire to discuss this potash question, which enters into the cost of cotton. We use annually 250,000 tons of potash—pure potash—and a tax of $50 a ton on that is $12,500,000 tax levied principally on the cotton farmers of the South for the benefit of potash producers of the West on whose product the freight rate alone is prohibitive. Confessedly this is to enable those people to develop their industry so that the Nation will have an independent supply. The attorney for these people says in his brief, page 17, that this will fall on the Southeastern States. Now, why tax the Southeast for the benefit of all? Let the Government give this industry a bounty, which will be borne by all the people if it must be nursed. Do not penalize the cotton farmer to build up national defense. I bought 12 per cent German kainite this year at $18 a ton. It has 12 units potash to the ton. Under this bill at 50 cents to the unit the price would have been $24 a ton, 33 per cent higher. I am informed that it can now be bought at $12 a ton, but the $6 tariff or 50 per cent increase in price will be a fixed charge and is indefensible.

Again, the excess of trona in the western product has destroyed thousands of dollars of crops in our country, and it is not yet refined so as to suit our crops. Finally, the freight from California to South Carolina is prohibitive.

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. LUCE rose.

The CHAIRMAN (Mr. WALSH). For what purpose does the gentleman from Massachusetts rise?

Mr. LUCE. Mr. Chairman, I move to strike out the last word. Just a little more than 100 years ago, in the year 1818, a man from the State of the gentleman who has just preceded me [Mr. STEVENSON], a Representative from South Carolina, who was to become famous, John C. Calhoun, visited the town of Waltham, in Massachusetts, where I now live, and viewed with satisfaction and commendation a little factory recently built on the banks of the River Charles, where had been installed the first power loom successfully used in this country. John C. Calhoun rejoiced that two years previously he had supported William Lowndes, also of South Carolina, in putting a protective tariff on the statute books, though it had been against the protest of every man from Massachusetts. Two years later, in 1820, the foremost citizen of my State, Harrison Gray Otis, then a Senator, by his vote—and to him may be given the credit, I think, because of the speech that he had made—broke a tie and defeated another high-protective tariff. In 1824 Henry Clay came out of the Southwest, as it was then, with his great speech on "The American system." He was followed by Daniel Webster, who spoke against the tariff, and every vote in Massachusetts but one was cast against that measure. Thus against our will you laid the foundation of our factories, you drove our commerce off the seas, you tied up our ships at the rotting wharves of Newburyport and Salem and Boston; you forced us to become a manufacturing community.

Lo, the changes that followed. John C. Calhoun became the most intense free trader, and Daniel Webster, because of what the grandfathers of you men from South Carolina and Kentucky had done—because the South and West had made New England an industrial community—found the importance of the tariff to his State to be such that he was warranted in becoming a protectionist. In 1846, in condemning the Walker tariff, Webster pointed out precisely the same thing I denounce now. He pointed out the absurdity, the folly, of putting a tariff on raw material and at the same time permitting the manufactured product to enter free.

Speaking of the tariff of 1824, he delivered himself of this notable sentence:

> For one, I resolved then, and have acted upon the resolution ever since, that, having compelled the Eastern States to go into these pursuits for a livelihood, the country was bound to fulfill the just expectations which it had inspired.

In that debate, in every debate on the tariff, may be found manifestations of a strange prejudice against the child of your grandfathers, a strange attempt from other parts of the country to stifle and throttle the enterprises that they created. I ask you to consider whether it is just to the region that you made a hive of industry, just to the hundreds of factories whose chimneys I can see from the highest hill in my town, just to the thousands of men who work in those factories for a wage—I ask whether it is just and fair and right by such legislation as you are enacting here now, by the duty on hides without a compensatory tariff on boots and shoes, by the duty on cotton with-

out a compensatory tariff on cotton goods, to drive across the seas the manufacture of these raw materials into the finished product?

In Bombay I watched a never-ending line of bullock carts carrying bales of cotton to great factories, and I said to myself the day is not far distant when the planters of our Southern States will demand protection against the wretched orientals who toil for a pittance. Shall you have that protection against those who slave under an Indian sun, and deny it to us against those who slave under a Bombay roof?

I have seen, too, that wonderful delta of the Nile, fertilized by the mud from the regions of the Equator, blossoming under English skill. Already you are asking that its cotton may not compete in our markets with the staple of Arizona and California, but is that to be under conditions letting the mills of Lancashire and Saxony sell the products of their looms cheaper in New York than like goods can be sold by the factories of Pennsylvania and Massachusetts? Is it better for us to have American cotton spun by English or German than by American spindles?

From beyond the sea comes that which enables our factories to prosper, and which makes you prosper, because we prosper. I beg of you to permit us to live under the system that you forced upon us. I beg of you to permit us to continue to manufacture in this country both what you produce and what other lands produce. I beg you of the South and West to let us continue in New England a manufacturing community that through your creation has become the leader of the world in skill, in industry, in utility. With your permission, if you will but continue the just expectations that you have inspired, if you will but let us work, we will do our share, as we have done it now for a hundred years, in making this land prosperous. [Applause on the Republican side.]

Mr. HARDY of Texas. Mr. Chairman, I rise in opposition to the pro forma amendment. Of course, I do not care to answer the historical disquisition of the gentleman from Massachusetts [Mr. LUCE]; it would take a long time to go into it, and I am not prepared to, nor do I care to do it now. But I do want to have something to say with reference to my beloved colleague from Texas [Mr. GARNER] in respect to the position which he has taken. The gentleman from Texas [Mr. GARNER] and myself start out with the same premise, the same declaration of principles. I agree with him that there are and can be but three schools on the tariff: Those who favor free trade—that is, no tariff; those who favor a tariff for revenue only; and those who favor a tariff for protection. I believe every tariff is levied for protection or for revenue. If my friend is for a duty for revenue only, then he and I will have no quarrel, because he and I will both ignore all question of benefit and we will levy the tariff in such a way as to get the most revenue with the least burden to the people; but, unfortunately, after we lay down our premises we part company. I know that if my only purpose in levying a tariff is to obtain a certain amount of revenue for the Government, I will necessarily seek to so arrange it that it will get the revenue and impose the least possible burden on the whole people.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HARDY of Texas. If the gentleman will give me 10 minutes; I have only 5 minutes. I want to say this, that the minute a gentleman commences to talk about the benefits to be conferred by a tariff he and I part company. If he is looking to the right side or to the left to discover a benefit to some man or class of men whom he would help——

Mr. CHINDBLOM. Will the gentleman yield?

Mr. HARDY of Texas. I told the gentleman I could not. The gentleman should not keep on interrupting me. Whenever a Democrat begins to be tempted by the benefits to be received by a tariff he is sure to have his vision clouded and forget the burden he is imposing while looking at the benefit he is bestowing on his friends, and he is no longer following the flag of a tariff for revenue only. [Applause on the Democratic side.] The gentleman says that he would so model his tariff as to grade from 1 to 50 per cent. That means he would arrange it for the purpose of protection.

Mr. GARNER. Will the gentleman yield?

Mr. HARDY of Texas. Yes.

Mr. GARNER. The gentleman can not find in any statement I have ever made where I spoke of the benefits to be derived from a tariff, nor can the gentleman show where I said that I would levy it for protection scaling from 1 to 50 per cent.

Mr. HARDY of Texas. I understood the gentleman to say he would scale his tax from 1 to 50 per cent ad valorem. It was my conclusion that the scaling would become the ready means of protection. I want to say that there is no man in this House who has a higher regard for the gentleman from Texas than I have. I simply base my conclusion also on the votes the gentleman casts. The gentleman did not, I think, use the word benefits, but, in substance, he has been advocating equal protection, and I want to say that the gentleman who is so ably and eloquently preaching the doctrine of equal protection, in doing so is preaching the doctrine of protection from the North to the South as a policy for the benefit of the men to be protected, and whenever you levy a duty on long-staple cotton for protection, whenever you levy a duty on hides for protection, you have no right to object to a compensatory duty for the manufacturer. We have no right to criticize the manufacturer for wanting a protective tariff if we want one on our products. Of course, I will not have time, but I want to say that the teaching and votes of the gentleman will not stand with the doctrine of a tariff for revenue only. That doctrine is that being forced to levy a tariff by the necessity of raising revenue, Democrats will so levy it as to impose the least burden upon the country while raising the greatest revenue for the Government. That is Democratic doctrine, and when you start out with a duty on hides you are going to follow with a compensatory duty, even though that is a heavy burden, and you must do it, because you can not put the manufacturer at a disadvantage of paying more for his raw material and then expect him to compete with those competitors who do not pay a duty on the raw material. You put 15 cents a pound on raw wool, and the manufacturer must have a compensatory duty to enable him to compete with the foreign importer in the sale of his goods, and so far no tariff has ever been laid on such articles without giving a compensatory duty. You just adopted a compensatory duty a moment ago on the manufacture of lace goods out of long-staple cotton, after putting a duty on such cotton, and the compensatory duty logically followed the cotton duty.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HARDY of Texas. Mr. Chairman, let me say, further, that neither can we favor every tariff that would produce revenue. The gentleman and I both voted for the farmers' free list, and I think we both voted gladly for free lumber in the Underwood bill and would gladly do so again if given the chance in this bill, and I think he and I would both vote gladly to put a good many articles on the free list, both because they are articles in everyday use by the man of small means, the man least able to bear the tax, and because we believe that the home manufacturer, if we put a tariff on them, would have a monopoly of the home market and the home consumer would pay higher prices while the Government would collect no revenue from the tax. This was our reason for passing the farmers' free list, and the results justified our action fully.

The gentleman in defending his vote for a tariff on hides, to be followed, if it remains in the bill, by a duty on shoes and harness and all leather, as we both know, declares that a duty on shoes is no worse than a duty on clothing. I call his attention to one great difference: The imports of shoes and leather goods into this country, with or without a duty, has been so small that the revenue obtainable would be insignificant, while our exports of leather goods is nearly 50 per cent of all the leather we make. Our shoe manufacturers, with shoes on the free list, now sell us all our shoes and sell shoes by the millions of pairs all over the world, so that a duty on shoes at least would simply enable the home manufacturer to raise his prices still higher to the consumer and yet bring in no revenue. Shoes are now on the free list. Let us keep them there.

If there are any other articles of clothing in the same situation as shoes and leather goods, they, too, ought to be on the free list, and if there are duties in this bill, as there are, so high as to exclude foreign competition in those goods, those duties ought to be lowered to the point where they would permit both imports and revenue—the greatest amount of revenue obtainable. Mr. Chairman, in 1909, after the passage of the Payne-Aldrich bill, there was quite a debate in Texas between W. J. Bryan and J. W. Bailey, and I was asked to discuss the issues between them. I did so in a speech at Cameron, Tex. What I said then seems to be pertinent and equally true now, save that in proposing compensatory duties now protectionists do not overdo the compensation as much as they did then. They do not now, for example, ask a 10 per cent duty on the finished shoe as a compensation for a 10 per cent duty on the hide in the shoe, but, in the main, the argument I made then meets the arguments advanced by my friend Mr. GARNER to-day. I therefore avail myself of the privilege of extending my remarks by including parts of that speech.

I voted with 14 other Texas Democrats for a duty on hides. I made a speech in favor of it. I think my speech as strong as any speech can be made for that duty. After I heard Mr. Bryan at Dallas I still believed I had been right, but after I read his speech in cold type I began to have doubts. I read four old speeches of Roger Q. Mills, the greatest tariff student and statesman and champion of the "for-

gotten man" Democracy has produced. I have studied no other question for three weeks, and I am convinced I was wrong. I prepared to give you a historical and platform review of the question of free raw material, but for lack of time I must reserve it. You do not care, anyhow, so much to know what the fathers taught or said as you do to know what is the interest of the people as distinguished from any class or special interest. Mr. Bailey says "the friends of protection in this day realize (and he should have added for many a long year have realized) that from its peculiar nature it would not be sustained by public sentiment unless its favors are extended to every class who can possibly participate in them, and they have adopted the plan of giving all protection at the selling end of the transaction. They are wise enough to understand that they can not advocate free trade in what the manufacturers must buy and protection on what they must sell without arraying against them every producer of raw material, and their maxim is 'Protection for everybody.'"

This, I think, is a true statement of the Republican and protection position to-day. In stating the maxim of protectionists Mr. Bailey has stated precisely the substance of the position of those Democrats like himself who are contending for as broad a "distribution of the effects of tariff" as possible. If Mr. Bailey represents Democracy and has correctly stated the present position of the friends of protection, the lion and the lamb now lie down together.

Mr. Bailey and Mr. WARREN and Mr. Burroughs, Republicans in the Senate, argue for a tax on raw material, first, because they say it has as much right to the benefits of the tariff as has the finished product. That is exactly true, but neither one has any such right.

You do not wrong the raw material man when you refuse to put a tariff on his product and thereby raise its price any more than you wrong the cotton producer by refusing to give him a bounty on his cotton. A bounty and a price-raising duty are the same thing to the producer. But if you put a price-raising duty on the raw material, which forms any considerable portion of the finished product, you must put at least a compensatory duty on the finished product. Mr. Bailey denies this, but that it is true is recognized by every candid man, whether he be protectionist or free trader.

No tariff bill was ever written imposing a tariff on such raw materials that did not impose a duty on the finished product large enough to enable the manufacturer to collect from the ultimate consumer enough to pay him back the duty which he paid on the raw material with interest and profits added, and no bill has ever been passed that did not add to this compensatory duty enough to give an additional protection to the finished product equal to that afforded on the raw material.

Notwithstanding Mr. Bailey to the contrary, I say when you put a tax on raw material you are bound to let the finished-product man collect that tax back from the consumer. Let me demonstrate this proposition. I use Mr. Mills's illustration: Two manufacturers in the open market in London buy wool, one an American, the other an Englishman. The Englishman buys 4 pounds of wool at 15 cents per pound, making 60 cents, and pays no tax. He takes it to his factory and puts 30 cents' worth of labor on it, and since it takes 4 pounds of raw wool to make 1 pound of cloth, he produces 1 pound of cloth at a total cost of 90 cents. The American buys the same amount of the same wool at 15 cents per pound. He brings it to the port of New York and under the present tariff of 11 cents per pound pays 44 cents duty, making the cost to him when he gets it to his factory $1.04. He then puts into it 30 cents in labor to produce 1 pound of cloth, at a total cost of $1.34, or 44 cents more than it cost the English manufacturer. Now, if you do not put a duty upon that cloth, but put it on the free list, as advised by Mr. Bailey, what happens? The Englishman sends his cloth into our markets free of duty, and necessarily drives our manufacturers out of business.

WOOLGROWERS.

What else happens? When the American cloth maker quits business where will the American woolgrower sell his wool? Do I need to answer? He must go to the foreign market, and after paying the freight sell it for 15 cents per pound in the open market instead of selling it for 26 cents per pound at home under protection, for you are aware that protection can do no good to the products that must find their markets abroad, and so we get back to the proposition that when you protect the raw material you must also protect the finished product to an extent, at least, equal to the duty on raw material, and that means that the manufacturer collects from the consumer the tax he pays on his raw material.

But that is only half the full truth. If you only wished to compensate the manufacturer in this wool example on that pound of cloth, you would give him a tariff of 44 cents only. The Englishman would then have to pay the same tax on his cloth that the American paid on his wool, and they would compete on equal terms for the American consumer's trade. But that is never done.

The manufacturer and the wool man always, under the very motive stated by Mr. Bailey, agree that each of them shall be protected and that they will get protection for both at the selling end, and so, after they give the wool man 11 cents per pound on his wool, they give the cloth man, first, 44 cents per pound on his cloth to compensate him, and then 60 per cent ad valorem for his own protection. The wool man not only always has and always will but he absolutely must join the manufacturer in demanding a duty on cloth, and no wool man will ever join Mr. Bailey in asking to take off either the compensatory or the added duty from the cloth.

BAILEY AND HIDES.

Even Mr. Bailey proposes a duty of 10 per cent on hides, with a duty of 10 per cent on leather and shoes, and in doing so proposes a more than compensatory duty to the manufacturer.

Let me show you.

Suppose the American shoe man buys and puts into his shoe 30 cents, at foreign price, of hides. He pays the hide tax, 10 per cent, or 3 cents, and he puts in with it 70 cents' worth of labor to make the shoe. The shoe has cost him $1.03. The Englishman bought the same hide at 30 cents, paid no tax and put in with it 70 cents labor. The shoe has cost him $1. Mr. Bailey's law would then levy a tariff of 10 per cent upon the total English cost of the shoe, so that when he collected his tribute from the consumer the American shoe man would collect from him, first, the 3-cent tax he paid on the hide and then 7 cents protection on his labor, which would give him just the same degree of protection given on the hide. But it would result in the consumer being out 10 cents, while the Government received only 3 cents. If you had taken that duty off of the hide and reduced the duty on the shoe to 3 per cent, you would have gotten the same revenue and the consumer have paid 7 cents less.

But if revenue and not protection is what you want, let us take Mr. Bailey's Democratic law—10 per cent duty on hides and 10 per cent on shoes—further: Now, suppose there were raised $2,100,000 net revenue on imported hides of which to make shoes, giving the hide percentage and the labor percentage of value in the finished shoe at 30 per cent hide and 70 per cent labor, under Mr. Bailey's law to raise $2,100,000 revenue on hides for shoes to be made and sold here, you would import $21,000,000 worth of hides, foreign price, and the shoe man would pay that $2,100,000 duty into the Treasury. He would then put in labor 70 per cent of the total foreign cost of the shoe. The total foreign cost of the shoes would be $21,000,000 hides, plus $49,000,000 labor; total, $70,000,000. On this sum Mr. Bailey's law would give 10 per cent, or $7,000,000, protection to the American shoe man to be paid by the home consumer. Thus the Treasury would receive $2,100,000 and the consumer bear $7,000,000 burden. If hides had been free, you could have raised the same revenue by a duty of exactly 3 per cent on the imported shoes. And so every duty on raw material actually costs the consumer two to five times what it would had it been levied on the finished product.

BRYAN'S CONTENTION.

Now, that is so plain that a wayfaring man, though a fool, if he is trying to lessen the burdens of the consumer, can see it, and it establishes Mr. Bryan's contention that the cheapest tax you can levy on the consumer is the tax on the product at its last stage before it reaches the consumer.

The question of free raw material, however, is wider than wool and cloth and hides and shoes and iron ore and steel. What's the matter with the American flag on the ocean? Nothing; only it's a free finished product with a taxed raw material, and it flies or floats no more. You can't build ships for the ocean—free ships—out of taxed iron and steel. Republicans and protection Democrats will not take the tax off of the raw materials of ships, but would float the flag by subsidies larger than all the tax we get from iron and steel and all their products. With free iron ore, God's gift and blessing, which we ought to be willing to receive; free iron and steel which we do make at less cost than anybody on earth, and free ships our keels will plow all seas, our vessels cast anchor in all ports, and our flag wave by the side of England's before all peoples.

I do not believe you can levy a tax on the raw material without levying it on the finished product. I do not believe you can levy a tax on both without making the people's burden heavier than it ought to be and making the people pay far more than the Government gets in revenue.

But there is one statement of Mr. Bailey's I do believe. He says, "It is plain that we have reached a point in our industrial development where our manufacturers must find a market for our surplus goods, and we are told that if Congress will take the tariff off raw materials American manufacturers can produce their goods at a cost which will enable them to successfully compete in the markets of the world against the manufacturers of other countries. * * * If the American manufacturer with free raw material can ship his products to foreign markets and, after paying ocean freights and insurance upon them, can sell them in competition with foreign rivals, he can certainly take the free raw material and, saving ocean freight and insurance, hold the American market against foreign goods which have been compelled to pay ocean freights and insurance." With every word of that statement I agree, but I would not correct one wrong by perpetrating another upon the people. I would not lay one cent of tariff for protection of any kind to anybody, but even for revenue I would not lay a 10 per cent tax to collect 3 per cent revenue. I have shown that with a tariff on his raw material our manufacturer can not sell as cheaply at home as the foreigner can if you let the foreigner's finished product come in free. Neither can he pay such tax and sell abroad as cheaply as the foreigner, unless you give him a drawback, and this is what all parties in all bills have done. When you tax his raw material and give that drawback you provide by law that his exports shall cost him less than his goods sold at home, and so force him to charge more for his goods at home than abroad in order to make the same profit.

RAW MATERIAL.

If we wish to buy our own manufactures as cheaply at home as they are sold abroad we must repeal our duties on raw material. That will eliminate the drawback clause of the tariff bill, and then let us make it a crime for any manufacturer of tariff-protected goods to sell for the foreign market cheaper than he does at home, and then, with the dwindling list of beneficiaries under the tariff and the masses of the people growing more opposed to tariff burdens, we will put the products of the manufacturer, one at a time, or all at one time, on the free list.

I want to impress upon you further that every raw material man on earth, when you put a duty on his product will agree with and join the manufacturer in giving him a compensatory duty and an added duty on the finished product, while if you take the duty off the raw material he helps you to lower and fight the duty on the finished product.

In the House, when the duty on hides was removed, although it affected only a small portion of the leather used in shoes, there was a reduction on leather and shoes more than equal to the amount of the duty on hides. When the schedule came up in the Senate Mr. Aldrich submitted the hide proposition first, and said he withheld the leather schedule until he should find what was done with hides. The Senate put a duty on hides, and Mr. Aldrich then brought in his leather schedule, on which there was more than a compensatory duty. The conference committee struck out the duty on hides, and accompanied that action by reducing the duty on leather and its products, so that, if the people wanted a lower duty on shoes, they got it by repealing the duty on hides.

NO INFANT INDUSTRIES.

Again I say we have no infant industries. Why should we or any of us need protection? The combinations, the fraud, and lies of those clamoring for protection to protect our laboring men against the pauper labor of Europe are too clear to fool the sensible laboring man longer. Those same protectionists own factories or interest in factories both here and in Europe. Here they want protection against the pauper labor of Germany and France; there they want protection against the skilled labor of America. The same selfish interests control the Governments both here and there and rob the masses in each country separately by forming trusts to raise the prices of their products and to oppress labor as far as they dare, while in its name they demand laws under which they pile up the millions of their blood-stained fortunes.

The great Steel Trust at Pittsburgh demands protection for American labor and imports its employees from so-called pauper Europe. They can't speak our language; they work seven days in the week, and don't know when Sunday comes. To protect this kind of American labor the trusts demand a tariff. Why, Mr. Carnegie himself testified on oath that his Pitsburgh mills can and do produce at a less actual cost than any mill on earth.

But I call you to witness did any wool Senator help lower the steel tariff? New England, the home of protection, is importing its labor by the millions until her population is no longer mainly American. She is grinding both foreign and American born workers while demanding in their name of us who are yet free, thank God, in the land of the farm and the plow, that we pay her a tribute from our toil greater than any ever gathered from subject nations of Asia. But did any wool Senator help to lower the tax on textiles? No; the wool men and the woolen-cloth men met in Chicago and fixed their joint schedule. I am tired of the cry of protection, whether it be for Pennsylvania, for New England, or for my nearest neighbor.

I am tired forevermore.

Henceforth my intention is to vote every time I get a chance to put every article of common use on the free list, whether it be raw material or finished product. I will vote to put the finished product there; I know that will bring the raw material. I will vote to put the raw material there; I know that will help to put the finished product on the free list, and I intend to vote for every reduction except on luxuries that is proposed on any article I can not get on the free list. All protected interests are banded together through life and unto death to rob the people. I shall cut them off fore and aft whenever and however I can.

Just one thing more from Mr. Bailey. He quotes Mr. Bryan as follows: "The third argument I desire to present in favor of free raw material is that the tax is generally lightest which is imposed on the products at the most advanced stage. If the tax increased the price of the product—and it can be of no benefit to a protected industry unless it does—that increase grows every time it passes through a new stage of manufacture. Each one who handles the product exacts a profit not only upon the original price but upon the tariff, and the tax grows like a snowball. The consumer therefore finds that, other things being equal, the tax is cheapest when levied upon the finished product only because it is levied but once."

Mr. Bailey replies: "The main fact which Mr. Bryan recites as justifying the doctrine of free raw material produces exactly the opposite conviction in my mind. He says that each one who handles the products exacts a profit not only upon the original price but upon the tariff. If this be true, then instead of being an objection to levying a tax upon the raw material it becomes an argument in favor of it because it establishes what all Democrats so much desire, the wider distribution of the effects of the tariff tax, which must inevitably reduce its benefits to some and its burdens to others."

Now, that seems to me absolutely amazing. If the manufacturer buys wool in London to import and pays into the Treasury 10 cents per pound duty, makes it into cloth, and sells it to the clothing manufacturer at a profit of 10 per cent, and the clothier sells it to the consumer at a profit of 10 per cent, both the clothmaker and the clothier actually making a profit on the tax; that, says Mr. Bailey, is the most Democratic tax of all, because more people have gotten some benefits from the tax. He absolutely forgets that after all these profits have been added to the tax the poor consumer bears the burden and pays for it all.

And you are the consumer, you are Roger Q. Mills's "forgotten man," you are W. J. Bryan's "common people," and this is J. W. Bailey's "logic," and he seems to say it seriously.

DEMOCRATIC DISSENSIONS.

In conclusion, I don't know why all this discussion has broken out at this time, but I do know that if every Democrat in Congress had stood by the demands of the Denver platform there would be no such discussion among us to-day. The discussion has brought out a new school of Democrats. They tell us to put tariff on as many articles as possible, but make it no higher on any than would invite and permit genuine competition between the home and foreign products, and thus no higher than the rate that would produce the very highest revenue from each article; but I know that the moment you get all these articles on the taxed list, incidentally or intentionally protected, you set up a hunger and thirst and greed in the producer of each of them and they combine and clamor for more incidental protection until you get more and more prohibitive protection and less and less accidental revenue, and so the tariff stands to-day by the avowed purpose of the Republicans for protection first and revenue last and least; and the greatest hindrance in the way of an income tax to-day is the fear that it will kill protection. I know all this. Other men, like Mr. Bailey, seem not to know it.

I have seen Louisiana, on account of sugar, lumber, and rice, turn protectionist to the core, and she would be Republican to-day but for the race problem, I firmly believe. I have seen California, in spite of her Chinese and Japanese problems, which would have made her Democratic, stand by the Republican Party on account of the high protection for her oranges, lemons, and lumber.

I saw two Democrats from Missouri last year lose their seats to two Republicans because Mr. CANNON went into their district and told their people that the Republicans would give them the duty they wanted on zinc if they would elect Republicans to Congress, and as a result the duty on zinc was doubled, and last month only 12 cars of zinc ore were shipped from Mexico into the United States, instead of 190 cars per month, as heretofore, with loss of revenue to the Government and increased price of zinc products to the people.

Hell never devised a means to breed corruption and to tempt the virtue and fidelity to principle of a people equal to protection. The Republicans would keep protection alive; therefore, they bring all the classes they can under its fold to give it strength and life. I would kill it, and therefore I would take all the classes I can without its pale to destroy its strength and give it death.

Mr. FORDNEY. Mr. Chairman, I move that debate on this amendment and all amendments thereto be now closed.

Mr. WINGO. Mr. Chairman, I offer an amendment——

The CHAIRMAN. The gentleman from Michigan moves that all debate on this amendment and all amendments thereto be now closed.

The question was taken, and the Chair announced that the ayes appeared to have it.

Mr. GARRETT of Tennessee. Mr. Chairman, a division. I want to say I have an amendment to the amendment to offer in good faith.

Mr. RAYBURN. Mr. Chairman, may I interrupt——

The question was taken; and there were—ayes 121, noes 72.

Mr. GARRETT of Tennessee. Mr. Chairman, I demand tellers.

Tellers were ordered.

The committee again divided; and the tellers [Mr. FORDNEY and Mr. GARRETT of Tennessee] announced that there were—ayes 118, noes 84.

The CHAIRMAN. The motion is adopted and debate is exhausted.

Mr. GARRETT of Tennessee. Mr. Chairman, I offer an amendment to the amendment, to strike out the words "or in chief value."

Mr. FORDNEY. Mr. Chairman, I did not understand that the gentleman from Tennessee had an amendment to this amendment, and I ask unanimous consent that he be permitted to offer that amendment and address the House for two minutes.

The CHAIRMAN. The gentleman from Tennessee offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment of Mr. GARRETT of Tennessee to the amendment offered by Mr. TREADWAY: Strike out the words "or in chief value."

The CHAIRMAN. The gentleman from Michigan asks unanimous consent that the gentleman from Tennessee may proceed to address the committee for two minutes. Is there objection?

Mr. WINGO. Mr. Chairman, reserving the right to object, I tried to get the Chair to recognize me to offer an amendment to the motion of the gentleman from Michigan.

Mr. MANN. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The regular order is demanded. Is there objection?

Mr. WINGO. Certainly I object if the gentleman from Chicago is so impatient.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee.

The question was taken, and the Chair announced that the noes appeared to have it.

On a division (demanded by Mr. GARRETT of Tennessee) there were—ayes 89, noes 81.

Mr. TREADWAY. Mr. Chairman, I demand tellers.

The CHAIRMAN. More than 20 have arisen, a sufficient number, and tellers are ordered.

Mr. STEPHENS. Mr. Chairman, I would like to know what the amendment to the amendment is, so that we can vote intelligently.

The CHAIRMAN. If there be no objection, the amendment will be again reported.

Mr. WINGO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The committee again divided; and the tellers [Mr. TREADWAY and Mr. GARNER] reported that there were—ayes 122, noes 85.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment as amended.

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. FORDNEY. Division, Mr. Chairman.

The committee divided; and there were—ayes 50, noes 122.

So the amendment as amended was rejected.

Mr. FORDNEY. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Michigan offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. FORDNEY: Page 346, line 4, insert the word "and" after the comma between "3" and "4" and strike out "and 5."

Mr. FORDNEY. I will say to the gentleman this committee amendment was one of the amendments offered last night to correct an error made in the time of the examiners in the office over in New York. This is necessary——

The CHAIRMAN. The Chair is informed that the RECORD shows that this amendment was agreed to on yesterday.

Mr. FORDNEY. Then I offer the next amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 346, line 4, insert the word "and" after the comma between "3" and "4" and strike out "and 5."

Mr. STEVENSON. That is the same thing, Mr. Chairman.

Mr. WINGO. Mr. Chairman, I make the point of order that we have voted on this amendment two times already.

The CHAIRMAN. The Chair is informed that that was also voted on.

Mr. FORDNEY. Page 346, line 1——

The CHAIRMAN. Does the gentleman withdraw his amendment?

Mr. FORDNEY. I do, and ask the Clerk to read the next one.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 346, lines 1 and 2, strike out "act of March 4, 1909, chapter 314."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. WINGO. Mr. Chairman, what is this?

Mr. FORDNEY. There was an error made in striking out some of the statutes by the bill presented. It overlooked a very recent act fixing an 8-hour day for the examiners in the customhouse in New York.

Mr. WINGO. Is this in addition to the amendment you had yesterday?

Mr. FORDNEY. It is one of them. Four or five were necessary in order to make that one correction.

Mr. WINGO. This act to which you refer is the act which fixes the 8-hour day?

Mr. FORDNEY. Yes.

Mr. WINGO. And you strike out all of the repealing provision of this act?

Mr. FORDNEY. Yes; and leave the law as it is, making an 8-hour day for these men.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Michigan [Mr. FORDNEY].

The amendment was agreed to.

Mr. FORDNEY. I have one more amendment, Mr. Chairman.

The CHAIRMAN. The gentleman from Michigan offers another amendment, which the Clerk will report.

The Clerk read as follows:

Page 341, line 5, strike out the numerals "2733," and in line 6 strike out the numerals "2737."

Mr. FORDNEY. It has the same purpose. There is no other change whatever.

Mr. WINGO. Has that reference to the same act?

Mr. FORDNEY. It has reference to the same act; yes, sir.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that, on page 28, line 23, the word "per." be changed to "par."

The CHAIRMAN. The gentleman asks unanimous consent to offer an amendment, which the Clerk will report.

The Clerk read as follows:

Page 28, line 23, strike out "per." and insert "par."

Mr. BANKHEAD. Reserving the right to object, is that a typographical error? The gentleman will recall I asked yesterday to get permission by unanimous consent to correct all typographical errors and misspelling, and things of that sort. I think you ought to renew it in order to save time.

Mr. LONGWORTH. I think we are almost through with that.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following amendment.

Page 15, line 9, change the word "possession" to "possessions."

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 15, line 9, strike out the word "possession" and insert in lieu thereof the word "possessions."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BLANTON. Mr. Chairman, I ask recognition in behalf of the amendment.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. Mr. Chairman, because a few of us from Texas, on behalf of the deserving producers of our State, have voted for a reasonable revenue-producing tariff on foreign-raised corn, cotton, wool, wheat, beans, potatoes, peanuts, rice, oils, cattle, sheep, hides, frozen meats, and other products raised by American farmers, the balance of our Texas colleagues have been throwing one political spasm after another. They are afraid that we have impaired our standing as Democrats. They have been so interested in somebody else's standing that they have sadly neglected their own. They have forgotten that in the Underwood tariff bill, a Democratic measure, they voted for a substantial import tariff on sugar, molasses, honey, figs, grapes, lemons, pineapples, tobacco, household and kitchen furniture, table and kitchen utensils, blacksmith's tools, grindstones, soaps, pens, ink, perfumery, steel and iron; every manufactured article of cotton goods used by a farmer and every article manufactured out of wool used by our producers, while they left on the free list practically all of the products raised on the American farms and ranches. In other words, they forced our American producers to sell all of their products on a free market competing with the cheap peon and coolie labor of the whole world, and then forced them to buy all of their necessities on a protected market. I deny that this is Democratic.

Such an arrangement may suit my colleague Mr. BLACK, but if his constituents in east Texas think as do mine in the seventeenth district they will rebel against his leadership.

Under the Democratic Underwood tariff measure this Government collected through the customhouses in 1920 import duties aggregating $322,000,000. Apparently my colleagues, headed by my friend Mr. BLACK, can not understand that when they collect $322,000,000 import duties in one year through the customhouses under their approved Democratic Underwood tariff measure they ipso facto protect incidentally the business interests handling those particular commodities in America. And they protected such businesss interests in 1920 to the tune of $322,000,000. If they could protect the Steel Trust and the New England manufacturers, why could not they protect the farmers?

I call on my colleague Mr. BLACK to tell me and his east Texas farmers what Democratic rule or Democratic platform is there that prevents Democrats from including products of the farms and ranches among the hundreds of articles upon which they must levy import duties to collect $322,000,000? There is no such rule or platform in Democracy.

I am a Democrat. I was born a Democrat. I have been a Democrat all my life—nearly 49 years. I am against monopolies. I am for the masses. I am therefore for the producers of this country who feed and clothe our 110,000,000 people. They constitute no monopoly. They have been robbed in every conceivable manner for over a hundred years. Gradually their boys have been driven from their farms because of starvation prices for their products—the result of a whole year's toil.

My friend Mr. BLACK and his followers in the Texas delegation approve of placing the farmers' wheat on the free list in the Underwood Act, and by reason thereof, during the fiscal year ending June 30, 1920, there were 4,744,712 bushels of wheat imported from foreign countries into the United States, absolutely free of duty, to compete with and reduce the price of wheat raised by our American farmers; and during the four months of July, August, September, and October, 1920, there were 12,040,541 bushels of foreign wheat imported, duty free, into the United States.

And my friend Mr. BLACK and his followers in the Texas delegation approve of placing the farmers' corn upon the free list in the Underwood Act, and by reason thereof, during the fiscal year ending June 30, 1920, there were 10,229,249 bushels of corn imported from foreign countries into the United States absolutely free of duty, to compete with and reduce the price of corn raised by our American farmers; and during the four months succeeding such fiscal year there were 5,317,376 bushels of corn imported from foreign countries, duty free, into the United States.

And my friend Mr. BLACK and his followers in the Texas delegation approve of placing the farmers' cotton upon the free list in the Underwood Act, and by reason thereof during the fiscal year ending June 30, 1920, there were 345,314,126 pounds of cotton imported from foreign countries absolutely free of duty into the United States; and during the four months succeeding such fiscal year there were 42,961,691 pounds of foreign cotton shipped into the United States absolutely free of duty.

And my friend Mr. BLACK and his followers in the Texas delegation approve of placing on the free list such American producers' products as wheat flour, wool, beef and veal, mutton and lamb, cattle, sheep, cowhides, calf hides, other hides, oil cake, and substitute vegetable oils, such as was done in the Underwood Act, and by reason thereof during the fiscal year ending June 30, 1920, there was shipped from foreign countries into the United States absolutely free of duty the following:

Wheat flour	barrels	157,896
Wool	pounds	427,578,038
Beef and veal	do	42,436,333
Mutton and lamb	do	16,358,299
Cattle	head	575,328
Sheep	do	199,549

Cowhides	pounds	439,461,092
Calf hides	do	68,359,825
Cabretta hides	do	101,848
Buffalo hides	do	14,682,279
Other hides	do	275,964,213
Oil cake	do	145,026,652
Vegetable oils:		
Chinese nut oil	gallons	10,613,688
Coconut oil	pounds	269,226,966
Cottonseed oil	do	24,164,821
Palm oil	do	50,103,387
Palm-kernel oil	do	53,508
Olive oil, for manufacturing	gallons	216,145
Soya-bean oil	pounds	195,773,594
Other oils	worth	$1,542,271

And during the four months succeeding said fiscal year, to wit, July, August, September, and October, 1920, there were imported into the United States from foreign countries absolutely free of duty under the provisions of the Underwood Act, approved by Mr. BLACK and his followers in the Texas delegation, the following products to freely compete with American farms and ranches, to wit:

Wheat flour	barrels	221,989
Wool	pounds	44,435,246
Beef and veal	do	19,456,961
Mutton and lamb	do	64,623,776
Cattle	head	142,139
Sheep	do	94,960
Cowhides	pounds	80,023,347
Calf hides	do	10,782,491
Cabretta hides	do	488
Buffalo hides	do	3,270,450
Other hides	do	53,013,186
Oil cake	do	128,615,571
Vegetable oils:		
Chinese nut oil	gallons	3,354,901
Coconut oil	pounds	62,402,486
Cottonseed oil	do	579,172
Palm oil	do	12,962,010
Palm-kernel oil	do	1,403,651
Olive oil, for manufacturing	gallons	9,896
Soya-bean oil	pounds	26,923,725
Other oils	worth	$378,053

My friend Mr. BLACK and his followers in the Texas delegation approve of the Underwood steel schedule, protecting all of the steel and iron products, to further enrich the big Steel Trust; they approve of the Underwood schedule placing high duties on cotton thread, cotton cloth, cotton handkerchiefs, cotton stockings, cotton shirts, cotton drawers, cotton pants, cotton vests, cotton union suits, cotton corset covers, cotton underwear, cotton clothing of all kinds, cotton sheets, cotton pillowcases, cotton towels, cotton napkins, and all manufactured articles of cotton; they approve of the Underwood schedule placing high duties upon all finished articles manufactured from wool; they approve of the Underwood schedule placing high duties upon toilet soaps and perfumery, so that only the rich might afford these common necessities; they approve of the Underwood schedule placing a high duty upon soda and potash and several hundred other articles in daily use in every household, which our farmers and laborers must buy; all this to Mr. BLACK is Democratic; but when it comes to selecting a few of the products raised by our sturdy producers on the farms and ranches as proper items upon which to raise import revenues then it is all un-Democratic and all wrong to our Democratic Mr. BLACK and his blind followers.

If it is Democratic under an Underwood Act to levy import duties upon products of the gigantic Steel Trust, affording this monster monopoly incidental protection, then why is it, Mr. BLACK, not likewise Democratic, later on, when our country must collect through the customhouses $500,000,000 in import duties, to levy reasonable import duties upon farm and ranch products, thus affording incidental protection to worthy and deserving producers?

No Congressman in this House will deny that it is necessary for our Government to collect through the customhouses $500,000,000 from import duties. I pause to give any an opportunity to deny it, and none deny it. Then if it is now necessary for our Government to collect annually through the customhouses $500,000,000 from import duties, how are you Democrats going to escape the responsibility of properly distributing the incidental protection that is created ipso facto from the levy of this amount of duties? Are you going to do as my friend Mr. BLACK does, blindly shut your eyes, take the bit in your mouth, and contend that because certain Democratic leaders gave most of this incidental protection of $322,000,000 annually to the Steel Trust, and to the big cotton manufacturers of New England, and none to the farmers and producers, we must forsooth now repeat this wrong and again discriminate against the farmer and ranchman?

Mr. BLACK and his followers in the Texas delegation have contended that we could not place a duty upon a farm product without granting a compensatory duty to the manufacturer. We have clearly demonstrated to them that they are wrong, for by a substantial majority we have passed amendments placing a duty of 15 per cent ad valorem upon hides, and a reasonable duty upon cotton; and likewise by a substantial majority we have defeated the amendments proposing a compensatory duty on boots, shoes, and cotton goods.

Our Democratic friends who are against the farmers' products can no longer contend that compensatory duties are necessary, or that they follow as a sequence. And if upon the final record vote to be taken on hides and cotton they should be placed back upon the free list, it will be the result of just such speeches as our colleagues from Texas—Mr. BLACK, Mr. HARDY, Mr. RAYBURN, and others—have made during the past few days, which will be used as an excuse by our Republican brothers, whose leaders have very little use and consideration for the man behind the plow. We forced them to do justice to the farmer and ranchman, and now you are trying to give them an excuse to place cotton and hides back on the free list. And if this is done the farmers and ranchmen in Texas are going to hold you responsible.

As I have said before, let me again repeat that it does not require an expert to realize just how much the above free competitive imports have discriminated against our farmers and stockmen, and their consequent losses thus occasioned, besides the great loss in revenue to the Government.

We have in the United States about 75,000,000 to 80,000,000 head of cattle and we annually raise here less than 30,000,000 head of calves, while South American countries, with only a little more than a third of our population, now have on hand from 80,000,000 to 85,000,000 head of cattle and annually raise approximately 35,000,000 head of calves.

Due to their tropical climate, cheap and luxuriant grass, cheap labor, ample water, and little feeding, our cost of production is about five times as great as theirs per pound.

The time has come when we must take products of American farms and ranches, and all competitive substitutes, off of the free list and let our American market afford a living wage and return to our producers, and when we must so arrange our tariff schedules on such products and substitutes as will equalize our cost of production with that of foreign countries.

The millions of city consumers who inhabit New York, Boston, Philadelphia, Pittsburgh, Baltimore, Washington, Cleveland, Detroit, Chicago, St. Louis, and our other large cities, while demanding and getting their $6, $8, $10, $15, $20, and $25 for six to eight hours' work each day, are constantly demanding that everything they eat and wear be furnished to them at the lowest minimum. They never give a serious thought to the subject of a living wage to the producer who feeds and clothes them. And I am afraid that it has been the clamoring of these millions of city consumers, whose votes are very much desired, which has caused some Democratic leaders to disregard the rights of our producers. Much too long have we Democrats permitted rest-needing politicians to entwine into our platforms and policies some city-vote-catching slogan to the detriment of our producers. With blinking eyes we Democrats have sat by and let our brother Republicans pass their measures to place a duty upon pearl buttons, chemical glass, surgical instruments, tungsten, magnesite, and the numerous other products their rich millionaire friends are interested in, thus placing unneeded millions into the pockets of a few wealthy millionaires, and we have let our worthy producers appeal to us in vain.

The proper solution of this question more vitally concerns the consuming millions in cities than anyone else. Suppose our producers were to get tired and quit. There would be starvation in cities. When the manufacturer can not make a profit he shuts down and prevents loss. But after the producer prepares and plants his ground in the spring and arranges for the season's growth of his flocks and herds there is no shutting down for him without losing his whole year's income. He must combat drought, floods, disease, grasshoppers, boll weevil, rust, depredations, plots of gamblers, and the score of other enemies that seem to combine for his destruction. Just now there is ample demand for our products abroad, but want of funds and credit prevents a sale. At an enormous expense we have built a large merchant marine, so essential in bringing the markets of the world to our producers, and we must not let it stand for naught or slip out of our hands. We must find a safe way to assist worthy purchasers to obtain necessary credit. We must see to it that our producers are not forced off of their farms and ranches.

The price our farmer receives for all of his products is the market price of same in the town or city near his farm where he is forced to sell. Will any sensible statesman contend that when hundreds of millions of pounds of farm products are permitted to be imported from foreign countries absolutely free and dumped into the markets of the United States, where when

sold at a profit they are sold at prices far less than the cost of production in this country, they do not affect and lower the price of every product of every farm in the United States?

Ask our farmers what they are getting for their cotton. You will find that they can not sell it for what they have paid out to have it picked and ginned. Ask them if they want us to permit this 345,314,126 pounds of foreign cotton to be imported into the United States absolutely free of duty to compete with their products. Ask our sheep and mohair men, whose wool has gone down from 72 to 15 cents per pound, if they want us to continue to permit 427,578,038 pounds of foreign wool to be imported into the United States each year absolutely free of duty, and for us to continue to permit 64,623,776 pounds of foreign mutton and lamb to be imported here in four months duty free, as was done in July, August, September, and October, 1920.

Time has proven that free raw material is not a fundamental of true Democracy. It has been a fatal policy and constitutes one of our gravest mistakes. It has almost bankrupted some of our southern producers who by law have been forced to purchase everything they have to buy in a protected market and then sell all of their raised products in a free one, where the whole world, dissimilar as it is, competes on an equal footing.

In Mexico, South America, Australia, Europe, Asia, and Africa there exists an entirely different state of conditions, a different standard of living, a different standard of working hours, a different standard of wages, a different standard of necessities, morals, intelligence, hopes, ambitions, and aspirations. Mexican peons are content to work for a miserable existence. Chinese and Japanese laborers are perfectly satisfied to work from 10 to 14 hours each day for less than 20 cents pay, to live on rice, to go almost naked, and to let the future take care of itself. Must our intelligent, ambitious, deserving men and women on the farms and ranches of the United States be longer placed on the same level by being forced to compete directly with the peons and slaves of the universe? I am one loyal Democrat who is not in favor of it.

I want to say that I back my colleague from Texas, JOHN GARNER, in every word that he said on this floor this morning. His policy then enunciated is one that is sound, and that policy is one that I am behind, and I am still a Democrat. [Applause.] It is all foolishness to talk about placing this $500,000,000 incidental protection on all finished manufactured products and in doing so remain a Democrat, and yet to say that because you have placed some of these $500,000,000 of duties on the products of the farm and ranch you cease to be a Democrat and are something else. [Applause.]

I did not want that kind of a contention to appear here in the RECORD without somebody rising and speaking against it. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on agreeing to the amendment offered by the gentleman from Ohio [Mr. LONGWORTH].

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following amendment on page 14, line 13, where the word "determination" is misspelled.

The CHAIRMAN. The gentleman from Ohio offers an amendment to correct the spelling of the word "determination." The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. LONGWORTH: Page 14, line 13, spell correctly the word "determination."

Mr. BLACK. Mr. Chairman, I rise to oppose the amendment.

Mr. LONGWORTH. Mr. Chairman, I shall be compelled under the circumstances to make the point of order that these last two speeches were not addressed to the amendment. I am not disposed to delay the gentleman if he desires to speak five minutes.

Mr. BLACK. That is all.

Mr. LONGWORTH. But otherwise I shall have to object.

The CHAIRMAN. The gentleman from Texas is recognized for five minutes.

Mr. BLACK. Mr. Chairman, just as I came into the Chamber a moment ago my good friend from Texas [Mr. BLANTON] was speaking on the effect of the incidental protection afforded to some of these different products included in amendments which he has supported. I noticed in one of the Texas newspapers which came to my desk a few days ago a dispatch under prominent headlines, "BLANTON denounces the Fordney tariff bill as pernicious and indefensible."

Mr. BLANTON. And I do yet.

Mr. BLACK. Let me finish. But the trouble with the gentleman's denunciation is that it does not seem to follow any definite line of policy.

Now, what is the situation? I can imagine the Clerk of the House calling the roll on the different items in this bill, and on the different items I hear my distinguished colleague answer both "absent" and "present." For example, I hear the Clerk call the roll on dyestuffs. The gentleman from Texas answers "No; an indefensible outrage upon the people!" I hear the Clerk call the roll on steel, and iron, and aluminum, and nickel, and other metal products, and my colleague from Texas answers, "No; just another effort to protect the trusts at the expense of the people." Then I hear the Clerk call the roll on hides, and my colleague from Texas answers, "Yes; now you are talking!" [Laughter.] "I am with you strong upon that schedule." Then I hear the Clerk of the House again calling the roll, and he calls out pottery, and glassware, and spectacles, and eyeglasses, and optical glasses, and my colleague answers, "No; I am for a tariff for revenue only, and these schedules violate that doctrine." Then I hear the Clerk call the roll on hats, and bonnets, and lace, and embroidery, gunwads, and spunk, and my colleague from Texas answers, "No; I am against 'em. The rates are entirely too high."

Then I hear the Clerk of the House call out "oil," and my colleague from Texas says, "Yes; a thousand times yes. This infant industry only produces about 400,000,000 barrels of oil a year, or 70 per cent of the world's production, and needs protection badly." [Laughter.] Why, gentlemen, the situation is simply this: This good ship *Fordney Bill* is about to sail for a protective-tariff harbor port. [Applause.] Her old, tattered sails are already fluttering in the wind. My good friend from Texas [Mr. BLANTON] is not willing to get on board the ship. He knows that she is a leaky old boat, but he has got some babies that he wants to put on board. So we have witnessed him enthusiastically taking those babies and putting them on the old boat, and to-day when the whistle blows for all hands to get on deck, the ship is about to depart, I see my good friend from Texas [Mr. BLANTON] rushing down the gangplank so that he can get safely back on shore; but he says, "I will leave my babies on board." [Laughter.] And then I see him going back home next summer to his constituents and saying, "I helped get a duty on hides and cotton and I spoke eloquently and persuasively for a duty on oil." But he will not forget that there are still some Democrats who hold to the good old-time doctrine of the party and have not been seduced by the protective propaganda of the Southern Tariff League, and so he will turn to these Democrats and say, "But I will tell you what I did do. Although I helped to get these babies on board, I did all I could to submarine that old ship after I got them on. [Laughter.] I fired the strongest torpedo at her that I possibly could when I voted against the bill on the final vote, and if the votes had all been like mine that old vessel would have gone down beneath the waves with my babies on board." [Laughter.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio [Mr. LONGWORTH].

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 27, lines 1 and 2, strike out paragraph 48, in lines 1 and 2, and insert:

"PAR. 48. Menthol, 25 per cent ad valorem. Camphor, crude, natural, 1 cent per pound. Camphor, refined or synthetic, 6 cents per pound."

Mr. OLDFIELD. Will the gentleman yield?

Mr. LONGWORTH. I yield to the gentleman from Arkansas.

Mr. OLDFIELD. Does the gentleman's amendment increase these duties or decrease them?

Mr. LONGWORTH. It very greatly decreases them. I will explain to the gentleman the reason in a word. These duties are the same as in the Payne law and essentially the same as in the Underwood law. The Payne law imposed a duty of 1 cent on crude and 6 cents on the refined, and the Underwood law let the crude come in free and imposed 5 cents on the refined. The reason we put on a 25 per cent duty was to encourage, if possible, the synthetic camphor industry in this country. The trouble about the present situation is that Japan has an absolute monopoly on crude camphor. It is a world monopoly, and Japan charges what it pleases and furnishes any amount it pleases.

Mr. OLDFIELD. Does the gentleman know what the price is now per pound?

Mr. LONGWORTH. It varies very greatly. I think it is 45 cents a pound now, so that a duty of 25 per cent would be about 10 or 11 cents a pound; but there does not seem to be

much prospect of developing the manufacture of synthetic camphor, and there was very great objection by the manufacturers of articles in which camphor is used as a raw material, and the committee after consideration thought this was the better rate.

The CHAIRMAN. The question is on agreeing to the amendment of the gentleman from Ohio.

The amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 181, line 7, after the word "rates," insert a comma and the words "but this provision shall not apply to articles on the free list."

Mr. LONGWORTH. Mr. Chairman, the gentleman from Illinois called attention to this provision the other day, which states that if perchance an article carries two rates of duty in different portions of the bill, the higher rate shall be construed as the rate to be collected. It does not provide as to cases where an article may be mentioned twice in the bill, once on the free list. Generally the courts have construed that where an article in a tariff bill is mentioned on the free list and also on the dutiable list the free-list provision governs. However, the decisions are not so uniform as to make it an absolutely settled case. In my judgment, where an article is specifically placed on the free list, if by any chance it is mentioned in the dutiable list, nevertheless it should remain free, and that is the object of this amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers an amendment, which the Clerk will report:

The Clerk read as follows:

Committee amendment by Mr. TILSON: Page 88, line 22, after the word "woods," insert a comma.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. BANKHEAD. Mr. Chairman, I rise to oppose the amendment. I do this for the purpose of calling the attention of the committee—and I should like to have the attention of the chairman of the Committee on Ways and Means on this proposition—to the fact that subsection (J) of the Underwood tariff bill provided that a discount of 5 per cent on all duties imposed in that act should be allowed on such goods, wares, and merchandise as should be imported in vessels submitting to American registration.

Mr. FORDNEY. The courts declared that that was unconstitutional.

Mr. BANKHEAD. The Underwood law provided further that nothing in that subsection should be construed as abrogating any treaties concluded between the United States and any foreign nation. The gentleman from Michigan states that the Supreme Court of the United States held that that section of the Underwood law was unconstitutional, because it was in conflict with some of our commercial treaties. I want to ask the chairman of the committee whether or not the committee in considering the general policy of the proposed bill gave any consideration whatever to this question of allowing a discount in the tariff duties on goods imported in American bottoms?

Mr. FORDNEY. No. I think that would be equally unconstitutional, in that I think it would interfere with our favored-nation clauses, because an article might come from one country in an American vessel and have a discount and come from another country in a foreign vessel and not be entitled to it. That would be a discrimination in favor of one country against another, which would be a violation of the favored-nation clause.

Mr. BANKHEAD. I want to call attention to this fact, because I had it up with the gentleman in private conversation. I do not think the section repealing laws in conflict with provisions of this bill repeals at all the terms of said section in the Underwood Act.

Mr. FORDNEY. If the gentleman is correct and will point out the error we will try to have it corrected in the Senate, but I do not think we can do it now.

The CHAIRMAN. The question is on the amendment.

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The Clerk read as follows:

Page 84, lines 12, 13, and 14: In line 12 strike out the comma and insert in lieu thereof a period. Strike out the balance of line 12, all of lines 13 and 14, down to and including the word "law."

Mr. TILSON. Mr. Chairman, this amendment strikes out an administrative provision of the lead paragraph. These provisions have been found obsolete and useless, and the Tariff Commission has recommended that they be eliminated.

Mr. BYRNES of South Carolina. Mr. Chairman, I rise in opposition to the amendment, but as I want to speak on another schedule I ask unanimous consent that I may proceed out of order.

The CHAIRMAN. The gentleman from South Carolina asks that he may proceed out of order.

Mr. STAFFORD. Do the gentleman's remarks pertain to the tariff?

Mr. BYRNES of South Carolina. Oh, yes; but on another schedule.

Mr. Chairman, several gentlemen have appealed to the chairman of the Ways and Means Committee and to Members on this side of the House to grant us an opportunity to vote upon the potash schedule. Up to this time they have not succeeded, and I now take it for granted that no such permission will be given. I doubt if gentlemen on the committee appreciate the effect of that schedule. Before the war potash was laid down in this country for $75 or $80 a ton. In 1920 the price of Alsatian potash in this country was $150 a ton. On July 18, 1921, it was selling for $90 a ton. You think you are going to protect the producers of domestic potash by levying a duty of $50 a ton, but you readily see that you will not do so because Alsatian potash can be laid down here for $140 a ton. Potash producers in this country tell us that it costs $204 a ton to produce it, and when they have produced it they have to ship it 2,000 miles across the continent in order to get a market, for most of the potash is used on the Atlantic seaboard. Therefore you will not enable them to compete. There is another angle to this question.

Unfortunately, the potash that was sold on the Atlantic seaboard in 1919 had so much borax in it that it destroyed the crops, and the American farmer became prejudiced against it. The producers have remedied this, but it will be a long time before the farmers will get over their prejudices. When it costs $204 to produce potash and they have to ship it across the continent, how can they compete with potash laid down here at $90 a ton and your tax of $50, making it $140 a ton? Manifestly they could not do it.

Now, you may argue that it will produce revenue. Last year we imported 220,000 tons, but we imported it because of the abnormal price of all farm products. Sixty per cent of the potash is used for tobacco and cotton and 40 per cent is used by the truck farmers. The truckers say they can not use potash in normal times if it costs more than $100 a ton. They say if they do not use potash they can not grow vegetables that they can ship. Grown without potash, vegetables quickly deteriorate and will not stand shipment. They can not ship their tomatoes, onions, and other vegetables essential to the welfare of the people. You desire to help the potash producers by forcing the farmers to purchase their product, but you can not do it. What you will do is to force the truckers out of business. That will result in decreasing the supply of potatoes and other vegetables, resulting in an increased price for these necessaries of life. I appeal to my good friend to let the House vote on this schedule. The Underwood bill had potash on the free list. Every other bill has. This is a burden to the city man as well as the country man.

Mr. LAYTON. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of South Carolina. Yes.

Mr. LAYTON. Mr. Chairman, while the potash question has been under discussion I have been wanting to get into the RECORD some information as to whether or not the alunite of the country has any prospect of being developed. Alunite is a sulphate of potash, but it is insoluble. Before the war began a delegation of Holland chemists were over here who were going to undertake the development of alunite, which is to be found in unlimited quantities——

The CHAIRMAN. The time of the gentleman from South Carolina has expired.

Mr. BYRNES of South Carolina. I think I have answered the gentleman's question. [Laughter.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment, which I send to the desk.

The Clerk read as follows:

Page 168, line 1, after the comma and before the numerals "10" insert the words "not specially provided for."

Mr. KING. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. KING. I see that the distinguished gentleman from Connecticut has a number of amendments in his hand. I would ask him whether or not he has an amendment there to reduce the tariff on blackstrap molasses.

Mr. TILSON. I am not in charge of that amendment.

Mr. KING. What position has the committee taken upon that?

Mr. TILSON. The committee has acted and will in due time make its report.

Mr. KING. Have they acted against the bringing in of an amendment or for the bringing in of an amendment?

Mr. GREEN of Iowa. Mr. Chairman, the committee acted in favor of bringing in an amendment changing the figure 1 cent to three-quarters of a cent.

Mr. KING. Will that be acted upon before we take the vote?

Mr. FORDNEY. As soon as the gentleman from Connecticut gets through with his amendments I shall offer that amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, is this amendment agreeable to the gentleman from Pennsylvania [Mr. WATSON]?

Mr. TILSON. Mr. Chairman, this amendment is made necessary by the action taken by the committee upon the insistence of the gentleman from Pennsylvania. There is conflict in the bill unless these words are inserted.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. I do not rise at this time to discuss the bill, but to express my gratification at the fact that the gentleman from Tennessee [Mr. GARRETT] promises us that while we have not been particularly enlightened as to the attitude of his side in respect to the bill up to this time, we may expect to be in the future by some remarks which he proposes to place in the RECORD. I hope that in his remarks the gentleman will call attention to the attitude of the gentleman from Tennessee and others upon the Democratic side that has tended to prevent the reading of the bill and the offering of amendments.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Yes.

Mr. GARRETT of Tennessee. I shall not do that, because it is not in accordance with the facts.

Mr. MONDELL. Of course, the gentleman's memory is conveniently short. I remember very well the occasion when the gentleman from Tennessee in his impetuosity would not allow a paragraph to be completely read in order that an amendment might be offered, but insisted on stopping the reading in the midst of the paragraph, when gentlemen on the Republican side were prepared to offer amendments to it, in order that he, the gentleman from Tennessee, might offer an extraneous amendment.

Mr. GARRETT of Tennessee. Will the gentleman yield further?

Mr. MONDELL. I yield further.

Mr. GARRETT of Tennessee. I shall point out the hours of the day at which the majority force adjournment in order to prevent a reading of the bill for amendment under the general rules of the House and various things along that line. It will be a very interesting statement, I assure the gentleman. [Applause on the Democratic side.]

Mr. MONDELL. The gentleman might add, if he were so disposed, which he may not be, that the minority were very happy on each and every occasion when the majority, late in the afternoon after a long day's work, did force an adjournment. [Laughter on the Republican side.] The policy of the gentleman works like the darky's coon trap; it is intended to catch them going and coming. The members of the minority were perfectly willing to adjourn, were in fact anxious to do so, and perfectly willing to appear to protest against it.

Mr. Chairman, as I have said, I do not intend to submit at this time any remarks on this bill. I arose to call attention to the fact that with the passage of the Fordney tariff bill the House will have completed its labors on the more important of the two great problems which we were called upon to settle at this special session, one of the tariff and one of taxation. While the Committee on Ways and Means has labored earnestly, worked diligently for long hours during the entire session and particularly during the days of the debate, it is the purpose of that committee to begin consideration immediately of a tax measure, and I am confident that it will be presented to the House at no distant date.

Mr. FORDNEY. Will the gentleman permit me to add at that point that the majority members of the committee asked the chairman to give notice through the press, and yesterday evening notice was given to the press, that hearings on a revision of the internal-revenue law will begin on Tuesday morning next at 10 o'clock; that is, for four days.

Mr. MONDELL. That is to be taken up on Tuesday.

Mr. OLDFIELD. Will the gentleman yield?

Mr. MONDELL. I regret I can not yield.

Mr. OLDFIELD. I wanted to ask a question which I think the gentleman from Michigan ought to tell us.

Mr. MONDELL. Very well.

Mr. OLDFIELD. The gentleman from Michigan said something about the majority members meeting in regard to hearings on the internal revenue on next Tuesday. Is it going to be the policy of the gentleman to keep the Democratic members of the Committee on Ways and Means from those hearings?

Mr. FORDNEY. Oh, no, sir; we are going to ask you to come right in and hear all that is said.

Mr. OLDFIELD. I wanted to get that in the RECORD. The gentleman did not say that a while ago.

Mr. MONDELL. I express the hope that the committee will not find it necessary to continue those hearings for any considerable length of time. I have such faith in the members of the committee, I have such confidence in the information they already possess as to the questions and problems before them, that I hope and trust that they will not consider it necessary to continue the hearings for any considerable length of time, in which event I am sure we will have a bill before us promptly. Now, Mr. Chairman, it seems to me, in view of the fact that we will conclude to-day the consideration of this measure, that it is a very proper time to put in the RECORD a statement of the bills which have been passed and measures which have been considered by this Congress.

The Sixty-seventh Congress was called in extraordinary session by the President on April 11, 1921, primarily for the purpose of considering questions of tariff and taxation.

With the passage of the Fordney tariff bill the House will have completed the consideration of the larger and more difficult of the two major problems presented for consideration this session.

We can not say just how soon the Committee on Ways and Means can prepare and present, and the House pass, a measure revising the tax laws, as I have said, but the Committee on Ways and Means, notwithstanding the strain and pressure they have been under in the preparation and passage of the tariff bill, will proceed at once to the consideration of tax problems. The questions involved, while tremendously important, are not as numerous as those met in the tariff measure, and we may, I believe, confidently expect that this great and important task will be disposed of at a comparatively early date.

Heretofore it has been almost the universal practice of the Congress to stand in recess, or at least to mark time, while a tariff bill was being prepared. Not so this Congress. Its committees set to work at once. They have worked diligently. The House has been in almost continuous session and it has passed more important legislation than has ever been enacted or considered in the same time under similar circumstances.

Forty-eight bills have passed both Houses and become laws. That is a bill every two days since the Congress has been in session. It does not include bills in conference or 21 important bills that have passed the House, not including private or pension bills. Among the bills that have become laws are such important measures as—

The emergency tariff on agricultural products.

The immigration restriction bill.

The bill providing for a budget system.

The peace resolution.

The naval appropriation bill, on which was saved $86,000,000 below the sum carried by the same bill in the closing days of the last Congress.

The Army appropriation bill, which reduced the Army to 150,000 men and reduced the appropriation $15,000,000 below what the bill carried when pocket vetoed by President Wilson because it was too low.

The bill making provision for an additional Treasury deposit of $25,000,000 for the Farm Loan Board.

The bill to facilitate the organization of corporations to promote export trade.

The bill providing for a much-needed consolidation of independent telephone companies.

The bill to provide machinery for the authorized landing of submarine cables.

And many others set out in the following list:

Bills that have passed both Houses and are now in conference or in a condition to go to conference are the so-called packers' bill and the bill extending the Federal road act so as to give the public-land States additional credits and allowances under Federal road appropriations, and to provide for the mainte-

nance of highways. Also the Sweet bill establishing a veterans' bureau and consolidating all of the agencies caring for ex-service men.

Among the 21 important bills that have passed the House are—

The Fordney tariff bill.

A bill providing for a revision of the laws, the first since 1878.

The Volstead antibeer bill.

A bill to prevent gambling in grain futures.

A bill relieving associations of producers of agricultural products from prosecution under the antitrust laws.

A bill allowing the widows of soldiers and sailors to have credit for their husband's military service on homestead entries.

And a number of other measures referred to by title in the following list, not including private bills or pension bills:

LIST OF HOUSE AND SENATE BILLS THAT HAVE BECOME LAWS; SPECIAL SESSION OF THE SIXTY-SEVENTH CONGRESS.

H. R. 2435.—Providing temporary duties on agricultural products, with antidumping provision.

H. R. 4075.—Limitation and restriction of immigration.

S. 1084.—Providing a budget system and an independent audit of Government accounts.

S. J. Res. 16.—Repealing resolution declaring state of war, and establishing a condition of peace.

H. R. 4803.—Naval appropriation bill, containing disarmament provision.

H. R. 5010.—Army appropriation bill reducing Army to 150,000 men.

S. 1837.—Authorizing Secretary of Treasury to make deposits, not to exceed twenty-five millions, for use of Federal land banks on request of Federal Farm Loan Board.

S. 86.—Amending Federal reserve act to facilitate organization of corporations in export trade.

H. R. 6567.—Authorizing consolidation of independent telephone companies.

S. 535.—To prevent unauthorized landing of submarine cables.

H. R. 6573.—Reclassifying and readjusting compensation of employees in Postal Service.

H. R. 6300.—Deficiency appropriation bill, first for 1921.

H. R. 3707.—Appropriation for expenses incident to first session Sixty-seventh Congress.

H. R. 5756.—Limiting indebtedness of government of Philippine Islands.

H. R. 4586.—Providing punishment for handling personal property on contract of sale with intent to defraud.

S. 594.—Relief to ex-service men for defeated rights of entry on North Platte irrigation project.

S. 1019.—Providing transportation for destitute discharged soldiers and sailors in Europe.

S. J. Res. 30.—Authorizing President to appoint member of Committee on Reorganization.

S. 1881.—Defining act creating Hawaiian homes commission.

H. R. 2499.—Providing for acquisition by United States of fishing rights in Pearl Harbor, Hawaii.

H. J. Res. 148.—Relief of Colorado flood sufferers.

H. R. 2428.—Granting lands to Converse County, Wyo., for park purposes.

H. J. Res. 52.—Authorizing Secretary of Interior to furnish water to entrymen in arrears on public lands.

H. R. 5223.—Exempting from cancellation certain desert-land entries in California.

H. R. 5622.—Appraisal and sale of Vashon Island Military Reservation.

H. R. 2422.—Relief of settlers and entrymen on Baca Float No. 3, Arizona.

H. R. 2466.—Making Fort Worth, Tex., port of entry.

H. R. 2421.—Granting lands to Phoenix, Ariz., for municipal purposes.

H. J. Res. 82.—Ratifying establishment of boundary line between the States of Pennsylvania and Delaware.

H. R. 2185.—Cancellation stamp, pageant of progress exposition, for use in Chicago post office.

H. R. 3018.—Authorizing dike across Mud Slough on Isthmus Inlet, Oreg.

And other bills relating to dams, bridges, and so forth.

In all 48 public laws have been placed on the statute books this session, up to July 15.

HOUSE BILLS THAT HAVE PASSED HOUSE AND SENATE AND ARE NOW IN CONFERENCE.

H. R. 6320.—Packers' bill, to regulate interstate and foreign commerce in live stock and dairy products, poultry, and eggs.

H. R. 6611.—Sweet bill, establishing veterans' bureau in Treasury, and consolidating Bureau of War Risk and other activities on behalf of ex-service men.

SENATE BILLS WHICH HAVE PASSED THE HOUSE BUT ARE NOT IN CONFERENCE.

S. 1072.—Amending act providing for Federal aid in construction of rural post roads.

LIST OF THE MORE IMPORTANT BILLS THAT HAVE PASSED THE HOUSE.

H. R. 7456.—Fordney tariff bill, providing revenue, regulating commerce with foreign countries, and encouraging industries of the United States.

H. R. 12.—Revision of the laws; first since 1878.

H. R. 7294.—Supplementing and defining national prohibition act.

H. R. 5676.—Regulation of boards of trade, and taxing contracts for the sale of grain for future delivery, and options on same.

H. R. 6754.—Regulations for promoting the welfare of American seamen in merchant marine on vessels on the Great Lakes.

H. J. Res. 153.—Permitting admission of certain aliens who sailed from foreign ports on or before June 8, 1921.

H. R. 4810.—Authorizing incorporation of companies to promote trade with China.

H. R. 4981.—Preventing manufacture of adulterated or misbranded foods and drugs.

H. R. 2373.—To authorize associations of producers of agricultural products.

H. R. 70.—Allowing credit to widows of soldiers and sailors in making homestead entries for their husbands' military service.

H. R. 7158.—Appropriation for completion of the acquisition of real estate for the Military Establishment.

H. J. Res. 31.—Directing Treasury to allow credit to disbursing clerk, Bureau of War Risk.

H. R. 6877.—Providing for agreement among seven Western States for the disposition and apportionment of waters of Colorado River.

H. R. 2376.—Competency of witnesses to testify in criminal actions.

H. R. 5585.—Permitting execution of pension papers in foreign countries.

H. J. Res. 7.—Authorizing Secretary of Navy to open radio stations for use of public.

H. R. 5013.—Authorizing Secretary of Navy to sanction certain titles on memorials.

H. R. 6673.—Granting franchise for gas and electricity for certain districts of Hawaii.

H. J. Res. 138.—Repealing portion of act providing for sale of Camp Eustis.

Mr. BARKLEY. Mr. Chairman, I desire to oppose the motion made by the gentleman from Wyoming.

Mr. TILSON. Mr. Chairman, I move that debate on this paragraph and all amendments thereto close in five minutes.

The motion was agreed to.

Mr. BARKLEY. Mr. Chairman, this bill is to be passed soon by the House, and my purpose in rising at this time is to congratulate the Members on both sides of the House for the profound consideration which they have been able to give to this bill during its consideration in the committee and the number of amendments they have been permitted to offer and have adopted. I have hurriedly glanced through the measure during its spasmodic consideration as intelligently as I could, and I have not the slightest doubt that if the rank and file of the membership of this House had had a voice in its consideration and had been permitted to offer amendments in good faith, and to improve the bill by striking out some of its iniquities, there would have been many changes made in this bill since introduced by the Committee on Ways and Means; but by the rule which you adopted here in the beginning in great hilarity you have hogtied yourselves, you have tongue-tied yourselves, you have bound and handcuffed yourselves until you can not move, and none of you have had any voice in framing this measure. Yesterday the gentleman from Delaware [Mr. LAYTON] excited my profound sympathy by his appeal, the almost helpless appeal, which he made to the chairman of the Committee on Ways and Means to permit him to offer an amendment. He prayed for the gracious privilege of simply rising and offering an amendment. But the Ways and Means Committee was adamant. He could not offer the amendment which his people wanted. He had handcuffed himself when he voted for the special rule.

Mr. LAYTON. Let me say I have gotten over it.

Mr. BARKLEY. I wonder what salve they administered to the gentleman. [Laughter on the Democratic side.] He complained yesterday that they were putting upon the dutiable list an article 99 per cent of which was used by the manufacturers in his district, and bewailed and appealed and almost supplicated the gentleman from Michigan to allow him to offer an amendment, and when he found he could not offer the amend-

ment to protect his own constituency he took his seat meekly and submitted to the steam roller. His humiliating situation only illustrated and emphasized the helpless condition of every other Member of this House during the whole consideration of this measure. Not one Member among the 435 Members of this House has been allowed to do so much as arise in his place and offer any sort of amendment to this bill, except a few favored members of the committee, who have themselves discovered over 300 mistakes in the bill since it was introduced three weeks ago.

You have placed in this bill a provision to the effect that those traveling abroad and returning to the United States may bring in here $250 worth of wearing apparel or furniture or any other article free of duty, and yet if a man is unable to go abroad and must stay at home and work, but desires to buy something that is made in some other country, he must pay a duty of from 10 to 1,300 per cent on the various articles in this bill. How many of you would favor such a proposal if you were allowed to amend it?

You have all abrogated your authority to the Ways and Means Committee. Nine men of this House have dictated what kind of a tariff measure we are to be permitted to vote on in a few hours. And assuming—erroneously, I think—that the Ways and Means Committee is all-powerful and all-wise, you have tied yourselves up by your own consent so that you can not register your own will nor the will of those who sent you here. Day before yesterday you adopted an amendment offered by a member of the Ways and Means Committee putting hides on the dutiable list. Everybody thought that applied only to hides of cattle, but yesterday the Ways and Means Committee awoke from its slumbers and discovered that a great blunder had been made, and not only hides of cattle but all sorts of skins of every description, character, and size had been placed upon the dutiable list, and now you must go through the performance in some way of extricating this wise Ways and Means Committee from the effect of the deed they permitted to be imposed upon the House while they were asleep.

Mr. GREEN of Iowa. That is already taken care of by an amendment.

Mr. BARKLEY. That is only another evidence of the utter folly of the House in abdicating and surrendering its constitutional power and responsibility in a matter of such grave importance and tied itself in such a way that even meritorious amendments could not be offered by Members of either side of the House.

When this bill gets into the Senate they will discuss it for months. They will deliberate upon it. Why have they more right to deliberate indefinitely on a measure of this importance than Members of the House to deliberate for a reasonable time? You new Members will have to go out next year and defend this bill upon every stump. I rejoice that I shall have no such burden resting upon me. You will have to defend your vote for it; and yet if you tell your constituents the truth you will tell them that while you swallowed it whole you were not permitted to offer a single amendment to it that might affect their districts and welfare; that you had to defend something of which you knew nothing, and that you do not even now understand its provisions and have not been able to read it and upon it you have not been able to engraft one slight amendment.

Mr. FORDNEY. On the other hand, my beloved friend, the bill will defend these men.

Mr. BARKLEY. If the bill is as helpless in defending them as they have been in understanding it or in changing it or in even considering it since it has been under consideration here, it will have a hard time making itself articulate in their defense. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

The question is on agreeing to the amendment offered by the gentleman from Connecticut [Mr. TILSON].

The question was taken, and the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 172, line 5, strike out the numerals "15" and insert "20."

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. SABATH. Will the gentleman explain that amendment?

Mr. TILSON. This is an amendment to increase the rate on glove leather from 15 to 20 per cent. Glove leather seems to catch it in this bill going and coming, especially since the amendment of the other day putting hides and skins on the dutiable list was adopted. The wool on the skins must pay a duty and the skins as well, so that this industry will find itself badly handicapped. Therefore, in the judgment of the committee, it needs this additional 5 per cent duty.

Mr. CHINDBLOM. If by a vote of the House the duty should be taken off hides and hides put on the free list, will we then have a separate vote on this?

Mr. TILSON. I think that even with hides on the free list, as they should be, in my judgment, nevertheless this increase should be granted to the glove leather.

Mr. PARKER of New Jersey. I would like to call the gentleman's attention to the fact that we passed an amendment that the highest rate of duty that shall apply shall not apply to articles on the free list, so that skins, being on the free list, remain on the free list.

Mr. TILSON. This may relieve the situation as to skins but not as to other matters.

Mr. COLLIER. Mr. Chairman, I did not catch the gentleman's amendment.

Mr. TILSON. The amendment is to raise the rate from 15 per cent ad valorem to 20 per cent ad valorem on glove leather.

Mr. COLLIER. A compensatory rate?

Mr. TILSON. It is not a compensatory duty.

Mr. COLLIER. It was one of the rates referred to that has been so continually raised during the discussion on this bill.

Mr. TILSON. It is a rate that, after careful examination, the committee has thought best to increase to this extent.

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chair announced that the ayes seemed to have it.

Mr. BARKLEY. Mr. Chairman, I ask for a division.

The committee divided, and there were—ayes 65, noes 44.

So the amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Connecticut offers a further amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 176, line 20, strike out "15 per cent ad valorem" and insert in lieu thereof the following: "6 cents per gross; leads not exceeding six one-thousandths of an inch in diameter and commonly known as refills, 10 cents per gross; colored, copy, or indelible leads, 60 cents per gross; and in addition thereto, with all the foregoing, 20 per cent ad valorem."

Mr. COLLIER. How much does this increase the rate?

Mr. TILSON. The rate carried in the bill is 15 per cent ad valorem. This amendment increases it by the slight specific duty of 6 cents per gross. The subcommittee having this paragraph in charge, Mr. Chairman, considered this matter with what they realized at the time was insufficient information and somewhat hesitatingly came to the conclusion carried in the bill, but could not do otherwise with the information at hand. Since that time we have been furnished with additional information concerning this industry, especially its development and growth since the war began. It is largely a southern industry. The raw material is graphite. In this bill we have placed a tax on graphite. We have also placed a duty on pencils and everything else that is made from this intermediate lead, and have left the pencil lead itself at a very low rate. We believe that this amendment equalizes the duty and makes it fair to the man who makes the pencil lead as it is to the graphite producer and the pencil manufacturer.

Mr. BEGG. Mr. Chairman, will the gentleman yield for a question?

Mr. TILSON. Yes.

Mr. BEGG. Does the gentleman's amendment take care of the colored lead that is not inclosed in wood?

Mr. TILSON. Yes. It takes care of that.

Mr COLLIER. Mr. Chairman, I rise in opposition to the amendment. All I have to say as to this particular amendment is that it is along the same line as a great many other increases that will make this bill so much higher than it was when it was originally presented; that this not only puts a specific tax here on the pencils that was not there before, but it increases the ad valorem 5 per cent. That is all.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The gentleman from Connecticut offers another committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 82, line 22, strike out the numeral "7" and insert in lieu thereof the numerals "35."

Mr. TILSON. Mr. Chairman, this amendment increases very materially the duty on quicksilver. After long deliberation the committee, with a sharp division in its ranks, adopted the paragraph as it appears in the bill. Since the bill was printed the committee has received a letter from the Secretary of War which is so strong that the committee does not feel justified in disregarding his statement as to the existing situation or his recommendation as to what should be done under the circumstances. I now ask unanimous consent to have read from the Clerk's desk such portions of this letter as are not marked "confidential." Of course, any Member of the House may read the entire letter. Mr. Chairman, I ask unanimous consent that the letter referred to be read from the Clerk's desk.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

(Confidential.)

WAR DEPARTMENT,
Washington, July 15, 1921.

Hon. JOHN Q. TILSON,
Ways and Means Committee,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN:

* * * * * * *

Quicksilver (mercury) is an essential component in the manufacture of munitions, being used, so far as the military service is concerned, in the manufacture of mercury fulminate for use as a detonator of high explosives, in the manufacture of certain drugs and chemicals, and in certain electrical equipment.

A study of the past record of the industry indicates that it is capable of meeting the normal demands of the country in peace, and in a war involving the maximum effort, however, the steady reduction in the number of producing mines indicates that it will be but a short time before the normal peace demands of the country will have to be made from outside sources of supply. The normal peace demand is approximately 24,000 flasks, and the productions in 1920 show but 13,070 flasks. This decreasing production is due to a decline in prices consequent upon a decreasing demand for the home product due to the prevailing high cost of labor and supplies, the present demand being now met from surplus stocks accumulated during the war and from imports.

The number of producing mines has steadily decreased from 51 in 1917 to 14 in 1920. This decline in productivity has been due to the conditions indicated above and also to the importations from Europe, particularly Spain and Italy, where, due to cheaper and cruder refining methods, the cost per flask is below the cost of production in the United States.

The result of the above is that while there are sufficient mines and refineries in the United States capable of producing sufficient quicksilver to meet our needs in peace and war, the inability to work them, due to lack of profit in production, actually results, as a matter of fact, in a reduction in the resources of the Nation in this commodity for war purposes, in that this shutting down of the mines results in a corresponding deterioration of plant equipment and mine installation, and the longer such unproductiveness continues the greater does the menace to our war production increase, due to the increased time necessary to bring the mines back to a condition of productivity.

The War Department is of the opinion that in order that the needs of the country in war may be met from the resources available in the United States, governmental protection of the quicksilver industry in time of peace is essential, and it is, therefore, recommended that such a tariff be placed upon imports as may be considered necessary by the Congress to enable this industry to be operated on a profitable basis in time of peace in order that it may be maintained in a condition to meet the needs of the country in time of war.

Sincerely, yours,

JOHN W. WEEKS,
Secretary of War.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Connecticut.

The amendment was agreed to.

Mr. TILSON. Mr. Chairman, I have one more amendment.

The CHAIRMAN. The gentleman from Connecticut offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. TILSON: Page 85, line 4, strike out "one-fourth" and insert in lieu thereof "one-half"; in line 6 strike out "one-half of"; in line 8 strike out "one" and insert in lieu thereof "one and one-half"; on page 86, line 1, after the word "paragraph," strike out the colon and insert in lieu thereof a period; and beginning with the word "*Provided*," strike out the balance of the paragraph, including the last two words in line 1 and all of lines 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. COLLIER rose.

Mr. SABATH. Mr. Chairman, I rise in opposition to the amendment.

Mr. TILSON. Mr. Chairman, I did not yield the floor.

The CHAIRMAN. The gentleman from Connecticut has the floor.

Mr. TILSON. In view of the very short time, I would like to see if we can agree to have 10 minutes' debate on this amendment. I ask unanimous consent that all debate——

Mr. COLLIER. Make it 12 minutes. I want two. Give the gentleman from Illinois [Mr. SABATH] five and the gentleman can take five.

Mr. TINCHER. I want a little time to be considered in this.

Mr. TILSON. Mr. Chairman, I will withdraw the request and take the floor in my own right.

The CHAIRMAN. The gentleman from Connecticut is recognized.

Mr. TILSON. Mr. Chairman, this is the zinc paragraph. This amendment strikes out the proviso in the paragraph and makes the rates now carried in the proviso the permanent rates. The bill as it stands carries certain permanent rates and then in the proviso provides that these permanent rates shall not be in effect until two years from the day following the passage of this act. In other words, we provide in the bill for certain rates to last two years, when the lower permanent rates go into effect. The amendment simply makes permanent the rates that under the bill as it stands would be in effect during the next two years.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. TILSON. Yes.

Mr. COLLIER. It not only makes them permanent, but increases them, does it not?

Mr. TILSON. It does not increase the rates now carried in the proviso.

Mr. COLLIER. How about the rates in the other part of the paragraph?

Mr. TILSON. It is intended only to make permanent the rates carried in the proviso for the next two years.

Mr. COLLIER. It is from 25 to 50 per cent more than the rates in this bill.

Mr. TILSON. I repeat that the rates carried in the proviso, which are to be in effect during the next two years, are by this amendment made the permanent rates.

Mr. COLLIER. Mr. Chairman, I just want to say that this amendment will increase the rates on all the zinc ore from 25 to 50 per cent over what is carried in the bill, and that is in line with the general policy.

Now, if I may be permitted, I would like to give the balance of my time to the gentleman from Illinois [Mr. SABATH].

The CHAIRMAN. The gentleman from Illinois [Mr. SABATH] is recognized for four minutes.

Mr. TILSON. Mr. Chairman, will the gentleman from Illinois yield for just one minute?

Mr. SABATH. Yes.

Mr. TILSON. Mr. Chairman, I move that all debate on this paragraph and all amendments thereto close in four minutes.

The CHAIRMAN. The gentleman from Connecticut moves that all debate on this paragraph and all amendments thereto close in four minutes. The question is on agreeing to that motion.

The motion was agreed to.

Mr. SABATH. Mr. Chairman and gentlemen of the committee, you have been so kind to me at all times that I do not feel I should impose on the time of the House at the present moment; but in consideration of your great friendliness to me I feel I should impart to you some information which came to me in a telegram just a few minutes ago. The message is signed by about 40 of the largest houses in Chicago, nearly every one of which I venture to say is Republican, and I believe you ought to know what they have to say of the bill for which you are about to vote. The telegram reads as follows:

CHICAGO, ILL., *July 21, 1921.*

Hon. ADOLPH J. SABATH,
House of Representatives, Washington, D. C.:

Under American valuation plan, which forms the basis of the Fordney tariff bill (H. R. 7456), merchants can not determine the cost of imported merchandise prior to its actual arrival and clearance through the customhouse. Goods can not be sold in advance of delivery without knowledge of costs. Purchases abroad would practically cease with consequent loss of revenue to Government. The rates provided in the bill when applied under the American valuation clause unwarrantably increase cost, which the consumer must bear. While we all believe in a fair measure of protection to American industries, this bill is designed solely in the interest of the domestic producer who fixes the amount of duties his competitor is obliged to pay. It gives him absolute control of the market, enabling him to advance prices without foreign competition. The American valuation plan is especially unreasonable and unwarranted when viewed in the light of our rapidly declining imports. The reduction in our purchasing abroad is seriously affecting our international trade. Shipment of our surplus products to foreign countries is rapidly declining. The American valuation, if enacted into law, will go far to destroy our foreign trade, for if we do not buy we can not sell. We believe that in the interest of the general industries of the country and the consuming public this bill should be defeated and urge you as our representative to vote against the measure.

Marshall Field & Co., Carson Pirie Scott & Co., John V. Farwell Co., Chas. A. Stevens & Bro., Mandel Bros., Pitkin & Brooks, Rothschild & Co., The Fair, Hart, Schaffner & Marx, Albert Pick & Co., Gage Bros. & Co., Montgomery Ward & Co., Butler Bros., Sears, Roebuck & Co., Merchants Loan & Trust Co.; by E. D. Bulhert, president Illinois Trust & Savings Bank; by John J. Mitchell, chairman Corn Exchange National

Bank; by Ernest A. Hamill, president National Bank of the Republic; by W. T. Fenton, first vice president Union Trust Co.; by F. H. Rawson, president W. A. Wieboldt & Co.; E. Iverson & Co., E. H. Knoop & Co., Loren Miller & Co., Laboratory Materials Co., Berghoff Importing Co., Illinois Watch Case Co., Boston Store, Lyon & Healy, Irvin Smith Co. (Inc.), Burley & Co., Jacobi Williams Jamieson Co., D. B. Fisk & Co., G. W. Sheldon & Co., Peters Van Schaack & Son, A. B. Fielder & Sons, Francis T. Simmons & Co., Tonk Bros. Co., Wm. Lewis & Son, Worms & Loeb, Morris Woolf Silk Co., A. L. Randall Co.

Mr. Chairman, no doubt a majority of the signers of this telegram are known to nearly every Member of this House. They are the most representative business men not only in Chicago but in the United States, and, as stated before, nearly all belong to your party. Therefore I feel you ought to know their views and sentiments, as well as of men in every walk of life from whom I have received hundreds of letters, telegrams, and petitions who protest against this, what they believe, iniquitous bill, which is bound to retard the progress and prosperity of our Nation. Not only that, but it will have a tendency to deprive the American manufacturer from exporting his surpluses and will still further increase unemployment. A majority of you must realize that the bill as drafted places additional burdens upon the consumer; it increases the taxes on the necessaries of life, and taxes many necessities which never heretofore have been taxed, and which we ourselves export in large quantities.

Mr. Chairman, it is contended that these taxes will be beneficial to the farmer, but in view of the fact that we export ten times as much wheat and other surpluses as we import I feel that such contention is erroneous. The only thing it will accomplish is an increase in price to the consumer, which will be to the interest of the speculator. It is also charged that the special interests are being taken care of in this bill in the way of a heavy tax being placed on the commodities which they produce, thereby stopping importations and preventing competition, thus giving these interests the power to increase their prices, which the consumer will be obliged to pay.

Mr. Chairman, I ask in all earnestness, would it not be better for the country if instead of passing this bill you would revise the present hastily passed revenue law and repeal many of the objectionable features which are not only annoying but which in a great measure handicaps the business men and manufacturers of our Nation? This you have promised to do, especially as to the excess-profits tax, as to the corporation tax, as to the tax on luxuries, the so-called amusement tax relating to moving pictures, as well as the tax on small incomes. I feel that unless you repeal these war revenue or tax laws, as you have made the country believe you will, you will be held responsible for failure to do so, and which will, no doubt, mean your defeat in the next election, for which you alone will be responsible. The country is clamoring for relief and is entitled to it, and I therefore earnestly hope you will pay heed to this advice. I make this plea because he that serves the Nation best serves the party best.

The CHAIRMAN. The question is on agreeing to the amendment, offered by the gentleman from Connecticut.

The question being taken, on a division (demanded by Mr. COLLIER) there were—ayes 95, noes 45.

Accordingly the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer the following committee amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 32, line 14, strike out the figures "10" and insert in lieu thereof the figures "33."

Mr. LONGWORTH. Mr. Chairman, it is with some regret that I offer this amendment, because it makes a very high duty on this product, but in view of the amendment increasing the duty on quicksilver it becomes absolutely necessary. Quicksilver forms 85 per cent of vermilion red paint.

Mr. COLLIER. Mr. Chairman, all I have to say along the line of the policy of this amendment is that it increases the rate something over 300 per cent above what is carried in the bill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio [Mr. LONGWORTH].

The question was taken, and on a division (demanded by Mr. LONGWORTH) there were—ayes 63, noes 43.

Accordingly the amendment was agreed to.

Mr. LONGWORTH. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The gentleman from Ohio offers a committee amendment which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. LONGWORTH: Page 3, line 14, after the word "wood," strike out the comma and insert in lieu a parenthesis; after the word "methanol," strike out the comma and insert in lieu a parenthesis. In line 15 strike out the words "and ethyl," and the colon after the word "gallon" and insert in lieu the following: "And ethyl, for nonbeverage purposes only, 15 cents per proof gallon." In line 15, beginning with the word "*Provided*," strike out the rest of the paragraph.

Mr. LONGWORTH. Mr. Chairman, the effect of this will be to reduce the rate of duty on ethyl alcohol not suitable for beverage purposes. The duty should be on the proof gallon, and this corrects the phraseology. Ethyl alcohol has heretofore come in, whether for beverage purposes or not, under the brandy paragraph. This removes that duty and leaves only the internal-revenue tax of $2.20, which always attaches to any nonpotable alcohol taken out of bond.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. FORDNEY. Mr. Chairman, I offer the following committee amendment. It is with deep regret that I offer it.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Cerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. FORDNEY: Page 91, line 25, after the comma, insert "three-fourths of."

Mr. FORDNEY. Mr. Chairman, this amendment reduces the duty on blackstrap molasses from 1 cent to three-fourths of a cent per gallon.

Mr. McDUFFIE. I am glad the gentleman has decided to have it reduced before the Democrats get into power, which will be no longer than the next election, if many provisions like this are adopted.

Mr. FORDNEY. Oh, I know, you would put it on the free list.

Mr. GREEN of Iowa. Mr. Chairman, I want to add a word of personal explanation, although I think the gentlemen on the other side understand it. I informed a number of gentlemen on the other side the other day, or yesterday, I think, that a different amendment from this would be offered. I understood that the committee had approved that amendment; but whether they did or not, they subsequently took different action. As far as I am concerned, I would like to see this duty lowered further.

Mr. McDUFFIE. Mr. Chairman, I offer a substitute for this amendment.

The CHAIRMAN. The gentleman from Alabama offers a substitute for the amendment offered by the gentleman from Michigan. The Clerk will report the substitute.

The Clerk read as follows:

Substitute offered by Mr. McDUFFIE for the committee amendment: Page 91, line 25, strike out the words and figures "1 cent per gallon" after the word "sugars," and insert in lieu thereof the words and figures "0.38 of 1 cent per gallon."

Mr. McDUFFIE. Mr. Chairman, and gentlemen of the House, I have not offered the substitute to the amendment offered by the chairman of the Ways and Means Committee for the purpose of delaying the passage of this bill or simply to get some of my remarks in the RECORD. I have offered it because I really believe that by placing a duty of three-fourths of 1 cent per gallon on blackstrap molasses this House would strike down a great and practically new industry in this country.

I am satisfied the distinguished gentleman from Michigan does not agree with me on this proposition, because a few days ago when I called his attention to the fact that we imported about 170,000,000 gallons of blackstrap during the last calendar year, he remarked that "it was just that many gallons more than we should have imported." In this, just as he is about all imports, he has seemingly one idea, and that is to build up a tariff wall so high that it will shut out all importation of goods to American markets. With all due deference to him I know he is wrong in his views as to the duty on blackstrap molasses.

Like the distinguished floor leader [Mr. MONDELL] the gentleman believes that this tariff bill "will have more general and united support and commendation both in the Congress and in the country than any tariff bill since the Civil War." The gentleman is indeed an optimist and this sanguine prophecy makes him one of the Pollyanna type. In so far as the House is concerned, with your large Republican majority, this bill unquestionably will pass, but it may be well for Congressmen to wait until they hear from their constituents before they take on the optimism of the distinguished gentleman from Wyoming [Mr. MONDELL].

I think there is already a little cloud on the horizon, not very large, it is true, but one that you Republicans might well watch. I predict that this cloud will grow to such proportions all over the country when the provisions of this bill are generally known—and especially when your American valuation provision is understood—that many, if not most, of the provisions of this bill will never meet the approval of the American

people, nor will they be written into the law of the land. There is already a protest of the feed men and western and southern cattle growers against this proposed tariff on blackstrap molasses, which is so extensively used in the preparation of feed for cattle. This excessively high rate of three-fourths of 1 cent per gallon means a duty of nearly 100 per cent and makes it practically impossible for sweet feed manufacturers to operate. It may be well before vaunting the popularity of this bill to see what other jokers it contains besides blackstrap molasses.

I repeat that I am glad the chairman of the Committee on Ways and Means has changed his mind and decided that this paragraph will be amended before the Democrats come into power, and again I would remind him that the Democrats will come into power at the next election if the House passes much legislation like this tariff bill.

Gentlemen of the committee, blackstrap molasses should be on the free list. The amendment offered by Mr. FORDNEY, which he says he offers "with great regret," proposes to reduce the rate prescribed by the bill of 1 cent per gallon to three-fourths of 1 cent per gallon. I have offered a substitute, which would make the rate thirty-eight one-hundredths of 1 cent per gallon. This is the rate fixed by your party in the emergency tariff bill. I suggested this rate of thirty-eight one-hundredths of 1 cent per gallon with the hope that it would meet with your approval and be a sort of compromise rate between those of us who believe that blackstrap should be on the free list and those of the Republican Party who believe that it should bear a duty of 1 cent per gallon, or even three-fourths of 1 cent per gallon. The lower we can fix the rate the better it will be for the country, in my judgment, and I would welcome an amendment to my substitute fixing a lower rate.

It is only in recent years that we have developed the manufacture of mixed sweet feeds, and to-day there is invested all over this Nation more than $200,000,000 in this business. Blackstrap molasses is a very low grade, in fact, the lowest grade of molasses produced. Until recent years it was simply waste. The sugar it contains makes it valuable as a fattening feed for animals. I am informed that it will fatten a cow in about 90 days, using 40 per cent molasses rations. It decreases the expense of producing meat; it increases the production of milk; it adds to the alfalfa industry and makes valuable use of the by-products from human-food factories, like flour mills, oatmeal plants, corn-products factories, meat-packing houses, which by-products are now bought in carload lots and shipped to the various feed manufacturing plants.

Most of the blackstrap molasses is imported from Cuba, Hawaii, and Porto Rico, and some from the United Kingdom. Our domestic supply can not meet the demand. I understand that for the last few years only about 8 per cent of the amount needed has been produced in the United States, and it is estimated that we can not produce more than 13 per cent of the amount needed in the sweet-feed manufacturing business. I might also add that this blackstrap molasses is used with calcium arsenate to poison the boll weevil, cotton's greatest enemy, and grasshoppers in Western and Northern States. In addition to this, it is also used in the manufacture of alcohol prepared in the production of smokeless powder.

Mr. ROSENBLOOM. Will the gentleman yield?

Mr. McDUFFIE. I yield to the gentleman from West Virginia.

Mr. ROSENBLOOM. Is it not a fact that the greatest quantity of blackstrap is used for making industrial alcohol?

Mr. McDUFFIE. Oh, no. I will say to the gentleman that in times of war great quantities were used for that purpose, but in peace times practically 90 per cent of it is used for direct feeding of dairy cattle and farm animals of all kinds. Only about 60 per cent was used during the war for the manufacture of alcohol.

It costs about 2 cents a gallon in Cuba, about 1½ cents per gallon is charged for transportation from plantation to the Cuban port, 1½ cents per gallon for ocean freight to New Orleans or Mobile, and about thirty-eight one-hundredths of 1 cent duty under the emergency tariff, making a total of $5\frac{44}{100}$ cents per gallon landed at Mobile or New Orleans. To this the importer must add something for the expense of equipping storage tanks, brokerage, and so forth. So you will see the American producer already has ample protection and more than is needed. If you put an additional burden on this business, gentlemen, you are going to destroy it. I appreciate the position of the gentleman from Louisiana on this proposition, yet you know it is not right for this Congress to destroy one industry of the country for the benefit of another. The people of Louisiana can not produce enough blackstrap to supply even a small percentage of the demand for it in this country. This duty you are proposing can not help their business.

Mr. KINCHELOE. Will the gentleman yield?

Mr. McDUFFIE. Certainly; I am glad to yield to my colleague from Kentucky.

Mr. KINCHELOE. Is it not also a fact that an additional demand for this product is caused by the fact that the residue from distilled grain is no longer available and blackstrap is necessary to take its place?

Mr. McDUFFIE. Yes. I thank the gentleman for his valuable suggestion. It is a fact that in this day and time even the refuse or residue from distilled grain is not available. On Tuesday, in response to a question I asked the chairman of the committee, he quoted figures at length, which I could not understand and which I can not now understand when I read his remarks in the RECORD. Mr. FORDNEY stated:

> We put a duty of 1 cent a gallon on blackstrap. There are thousands of tons produced in the United States. The purchaser from abroad imports it for 3 cents a gallon. Including a duty of 1 cent a gallon, that would be 80 cents a pound. There are 12 pounds of blackstrap in a gallon. The producers of ground alfalfa and other cattle feed mix that with 4 cents worth of the feed and then it is sold at over $28 a ton, and where they use 60 per cent of blackstrap they are making $16.80 a ton on the blackstrap, and they are here asking that it be reduceed so that their profits can be increased. I want it doubled up.

Surely the gentleman is incorrect in these figures. He doubtless intended to say 80 cents per 100 pounds. The cost at New Orleans and Mobile to-day f. o. b. is 3½ cents a gallon, or approximately $6 a ton. The freight and war tax to Chicago added makes a ton of blackstrap cost about $12.50. If 40 per cent of a ton of mixed feed is blackstrap, there is approximately $5 worth of blackstrap in a ton.

The price of alfalfa, I understand, is about $22 a ton laid down at Chicago. Sixty per cent of this would be about $13 worth of alfalfa in a ton of feed. I understand it costs about $6 to mix the feed. Adding together the $5 for the molasses, $6 for mixing, $13 for alfalfa, we have a ton of mixed feed at a cost of approximately $24 on the Chicago market. Of course, it varies at different interior points. The Bureau of Markets informs me that it is selling to-day around $28 per ton. You will see, gentlemen, that the gentleman from Michigan was wrong in his calculations. I have tried to get from the Department of Commerce, the Tariff Commission, and the Bureau of Markets such information as I could, and the figures I have just quoted are based on information I secured from the Bureau of Markets. I do not claim that they are absolutely correct, but approximately so. The former duty under the Underwood law, which was 15 per cent ad valorem, brought more than a half million dollars revenue into the Treasury. As a revenue measure I think it is amply high, and my substitute will unquestionably add to the revenue, if it is revenue you desire. I beg you, gentlemen, not to restrict the importation of this material, which is the very life of the sweet-feed manufacturing business. We want cheap feed, and can not have it if you further restrict importation of blackstrap.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. MANN. Mr. Chairman, I do not believe that the duty proposed in the bill, or by the amendment offered by a member of the committee, will add 1 acre of sugar-cane production in the United States, Hawaii, or Porto Rico. Blackstrap molasses in the main comes as a refuse from Cuba. It is a cattle food. I have heard so many Members of the House here interested in the production of cattle urge that we do something for the production of cattle. What is this proposition? To add to the cost. For what? It will not protect anybody; it will not add to the industry of the production of blackstrap molasses. What is the sense when we are trying to find other ways of encouraging cattle production to add to the expense of feeding cattle? [Applause.]

Mr. BYRNS of Tennessee. Mr. Chairman, I offer the following amendment as a substitute.

The CHAIRMAN. The Clerk will report the substitute offered by the gentleman from Tennessee.

The Clerk read as follows:

> Substitute for the amendment of Mr. MCDUFFIE: Strike out the increase of thirty-eight one-hundredths and insert in lieu thereof twenty-five one-hundredths.

Mr. BYRNS of Tennessee. Mr. Chairman, the amendment I have offered carries the rate that was carried in the Underwood bill. The amendment offered by the gentleman from Alabama [Mr. MCDUFFIE] carries the rate which is carried in the emergency tariff bill. The committee has reported a provision fixing the rate at 1 cent a gallon on all molasses testing not above 48 per cent of total sugars, and with the further provision that two hundred and seventy-five one-thousandths of a cent be added for each per cent over 48, and now offers an amendment reducing the rate from 1 cent per gallon to three-fourths of a cent per gallon. Eighty to 90 per cent of blackstrap molasses is used in this country for direct feeding to

stock and the preparation of sweet feed balanced rations for animals. There is a small amount, as the gentleman from Alabama said, used with calcium arsenate for poisoning the boll weevil and grasshoppers in the West and Northwest. There are now over $200,000,000 invested in feed-manufacturing plants in nearly every State in this Union. These mills were built because blackstrap molasses was available at a cheap price in practically unlimited quantities in all sugar-producing countries. I submit to you that if you propose to provide protection for industries in this bill then these mills costing over $200,000,000 are as much and more entitled to protection than are the producers of blackstrap molasses in this country, who produce only 5.3 of the entire amount used in this country. If you place a tariff of three-fourths of a cent on every gallon of molasses testing not over 48 per cent of total sugars, and two hundred and seventy-five one-thousandths of a cent additional for each per cent over 48, you are going to greatly cripple these manufacturing plants, if not run the risk of destroying them and the mixed-feed business in this country. Personally, I would like to see blackstrap molasses imported into this country free in order that these manufacturing plants may thrive and that mixed feeds may be furnished cheaper to the farmers and stock raisers. Its great value has come to be recognized, for it will fatten a steer in 60 or 90 days when with other feeds it would take six months or more to do so. But I realize the impossibility of putting blackstrap on the free list and I have therefore offered an amendment which will restore the Underwood tariff rate, which was practically one-fourth of 1 cent per gallon, and under which this business was built up to its present proportions.

If you do not adopt my amendment, then you are adding to the cost of the farmer and of the stock raiser for the mixed feed that he feeds to his mules, to his horses, to his cattle, his hogs, and his sheep.

Something was said by the gentleman from Michigan [Mr. FORDNEY] the other day with reference to the profit derived by these mixed-feed manufacturers. I deny that they are getting any very great profit.

These sweet mixed feeds are prepared by mixing alfalfa meal with blackstrap molasses, which is the final by-product of the juice from sugar cane, in the ratio of perhaps 60 to 40, or perhaps a less ratio. Mr. Charles D. Jones, a prominent manufacturer of Nashville, writes me that alfalfa meal is laid down in Nashville from Colorado for $28.50 per ton. Eighteen dollars of this amount represents the freight rate and the balance the cost of the alfalfa and its grinding and sacking. Blackstrap molasses is now selling for 3½ cents per gallon f. o. b. New Orleans, or $12.16 per ton in Chicago. I am told by the Department of Commerce that mixed feeds sell on the market for about $30 per ton. Thus you will see that, when the cost of the ingredients is taken into consideration, with the cost of labor and its manufacture, with reasonable return on investment, the gentleman from Michigan is entirely mistaken in his claim of great profit to the manufacturer. If you levy the tariff tax proposed in the committee amendment, then you will increase the cost of production over and beyond the cost of whole-grain feeds and thus entirely destroy this business which is so important to the farmer in the feeding of dairy cattle and other stock and the quick fattening of his cattle and hogs for the market.

As a matter of fact, if you want to raise revenue, then you ought to adopt the amendment which I have offered, which fixes the rate carried in the Underwood law, under which nearly $500,000 was paid into the Treasury last year. There will be little revenue under the tariff proposed by the committee, for there will be little if any imports. The business will not stand it. We imported from Cuba last year 179,000,000 gallons of blackstrap molasses, as compared with only 10,000,000 gallons made in this country, in the whole United States. Why should we impose a tax upon all the manufacturers of mixed feeds and all the stock feeders of this country for the sole benefit and profit of this comparatively small production? It costs 1½ cents per gallon to transport the Cuban molasses from the place where it is made to the Cuban port. Then it costs a cent and a half to transport it across the Gulf to New Orleans, which with the emergency tariff of thirty-eight one-hundredths of a cent makes a total cost of 3.38 cents per gallon to get the blackstrap molasses from Cuba to New Orleans without taking into consideration its cost at the Cuban mills.

To my mind, if these few producers who produced only 5.3 per cent of the amount used last year are entitled to any protection whatsoever, which I deny, then certainly a protection of 3.38 cents a gallon upon molasses is sufficient without raising the tariff rate. Why, it brings only 3½ cents per gallon f. o. b. at New Orleans now, and you propose by raising the tariff rate to afford these producers a protection exceeding in amount what it can now be bought for in New Orleans, including the present tariff rate. I repeat, if you put this tariff on blackstrap molasses as proposed by the committee you are going to injure and possibly destroy the mixed-feed business in this country to the very great detriment of the stock feeders, both large and small. [Applause.]

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. MARTIN. Mr. Chairman, the demand for this reduction in the duty on blackstrap molasses does not come from the consumer. It comes from two sources. It comes, first, from the man who imports blackstrap from Cuba—this is as black as your hat—and then bleaches it and places it on the market and sells it to the consumer of this country as Louisiana molasses or some other high-grade molasses. It comes in the next place from the mixed-feed man, who knows that this small amount of duty can not be passed on by him to the consumer, but who wishes to swell his profits. Just let me give you some figures as to what it cost the mixed-feed man to mix blackstrap molasses with his feed.

The average amount of blackstrap used in a ton of feed is 20 per cent, or 400 pounds to a ton. A gallon of blackstrap weighs 12 pounds, so that in 400 pounds there are 33⅓ gallons of molasses. A duty of 1 cent would therefore add 33⅓ cents to a ton of feed, and the duty of three-fourths of 1 cent, as proposed by Mr. FORDNEY in his amendment, would add 25 cents to a ton of feed, but let it be remembered that at this time there is a duty of 24 per cent ad valorem on blackstrap, and, placing the value of blackstrap at 3 cents a gallon, which is about its normal value, this would be equivalent to a specific duty of 0.72 cent a gallon.

On 400 pounds, or 33⅓ gallons of molasses, this would amount to 24 cents, or 9⅓ cents more per ton of feed, with a duty of 1 cent per gallon, and 1 cent more per ton with a duty of three-fourths of a cent per gallon, as proposed by Mr. FORDNEY. In other words, it would cost the feed mixer 1 cent more per ton of feed.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. Yes.

Mr. LONGWORTH. Is it a fact that a majority of blackstrap molasses goes into this feed, or does a large majority of it go into the making of alcohol?

Mr. MARTIN. The proportion is 60 per cent for alcohol and 40 per cent for food.

Mr. BYRNS of Tennessee. Are not the gentleman's statements based on experience during the war? I submit that in time of peace 90 per cent goes into food.

Mr. MARTIN. They are the latest statistics.

Mr. BYRNS of Tennessee. Then they are war statistics.

Mr. MARTIN. The war has been over for three years. Let us take the Payne rate, which carried a duty of 20 per cent ad valorem, and under that the additional cost on a ton of feed containing 400 pounds of blackstrap, over the rate carried in this bill, would be 13⅓ cents, and on a duty of three-quarters of a cent a gallon it would add 5 cents to the cost of a ton of feed.

These are absolutely accurate figures, and they can not be denied. Let us now take the Underwood rate of 15 per cent ad valorem, and we find that the difference would be 18⅓ cents on a ton of feed over the rate of 1 cent carried in the bill and 10 cents a ton on a rate of three-fourths of a cent just offered by Mr. FORDNEY.

Does anyone mean to tell me that the mixed-feed producers are going to add that to the cost price of the feed, or are they going to put that in their pocket as profit?

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. Yes.

Mr. KINCHELOE. Is it not a fact that the development of this feed industry is the sole cause of your blackstrap molasses having any market value at all?

Mr. MARTIN. No.

Mr. KINCHELOE. They used to throw it out on the ground.

Mr. MARTIN. No. Before the war we used to get 6 and 7 cents a gallon for it, and now we can get no more than 3 or 4 cents, and this price does not pay to market it. The average wholesale price for feed in this country is $28 per ton for mixed feed. In a ton of feed containing 20 per cent of blackstrap there are 400 pounds of blackstrap for which the mixer paid 3 cents per gallon f. o. b. New Orleans. As 1 gallon of blackstrap weighs 12 pounds, there is contained in a ton of feed 33⅓ gallons of blackstrap for which the mixer paid 3 cents a gallon, or a total to him of $1 for what he put into the mixed feed.

Mr. McDUFFIE. Mr. Chairman, will the gentleman yield?

Mr. MARTIN. I can not yield now. For the 400 pounds of blackstrap contained in 1 ton of mixed feed the mixer receives

at the rate of $28 per ton, or 13.8 cents per pound, or a total of $5.60 for the amount of blackstrap contained in a ton of feed, which makes him a profit of $4.60 which he makes on the blackstrap alone.

Of course, your freight must be deducted. But they tell us that they put more than 400 pounds of blackstrap in a ton of feed. Then the more blackstrap they put in the more profit they make. I will show you why. Now, let us take feed containing 60 per cent of blackstrap. In 1 ton of mixed feed containing 60 per cent of blackstrap and selling for $28 per ton there would be 1,200 pounds of blackstrap, equivalent to 100 gallons. This at 3 cents per gallon equals $3, the cost of the blackstrap to the feed mixer. The 1,200 pounds of blackstrap contained in a ton of feed which was sold by the mixer at $28 returns him $16.80, or a profit of $13.80 per ton.

The mixer of feeds who uses blackstrap has no cost to add for further preparation of the blackstrap, as it needs no grinding, but is incorporated into the other ingredients of the feed without further preparation. The only cost beyond the initial price of 3 cents per gallon is the freight on the blackstrap to his plant.

In Louisiana alone we make some 16,000,000 gallons of blackstrap, and unless we can market it for a price about 5 or 6 cents a gallon it does not pay us to pack and market it.

We certainly can not compete with Cuba when it is now being delivered f. o. b. New Orleans at 3½ cents per gallon.

The schedule submitted by the Ways and Means Committee is a just and scientific schedule. Under both the Underwood and Payne-Aldrich bills molasses under 40° carried an ad valorem duty, while molasses from 40° to 56° carried a specific duty, and above 56° still another specific duty. The result of this was that the Government was defrauded out of much revenue, because by adding a little water to high-grade molasses it was made to test under 40°, and was therefore admitted under the low ad valorem duty. The schedule in this bill will collect the duty on the total sugar contents. It starts at 48°, which will take in all molasses known as blackstrap, and for every degree above 48° it adds 0.275 of a cent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes, the gentleman from Illinois [Mr. KING] to have two minutes and I to have three minutes of that time.

The CHAIRMAN. The gentleman from Michigan moves that all debate on this amendment and all amendments thereto close in five minutes.

The question was taken, and the motion was agreed to.

Mr. KING. Mr. Chairman, I call attention to the provisions of paragraph 503, which places a duty as follows:

PAR. 503. Molasses and sirups testing not above 48 per cent total sugars, 1 cent per gallon; testing above 48 per cent total sugars, 0.275 of 1 cent additional for each per cent of total sugars and fractions of a per cent in proportion.

Blackstrap molasses is covered by this paragraph. This molasses is the uncrystallizable residue or final by-product from the juice of sugar cane, and the total sugars run from 45 to 62 per cent, and therefore if this bill passes as it now is you have an additional duty of 0.275 of 1 cent for each per cent over and above 48 per cent. I have a number of these factories in my district, one organized in my home city, which I am taking as an illustration, where men have put—and they are ordinary business men—$100,000 into one of these concerns for the purpose of making sweet cattle feed. Here is what they say:

GALESBURG, ILL., *July 12, 1921.*

Hon. E. J. KING, M. C.,
House Office Building, Washington, D. C.

DEAR SIR: I herewith confirm my wire to you of yesterday regarding the tariff on blackstrap molasses.

It will really be a calamity to we feed dealers if they make the tariff based on sugar content, as we will have to have a chemist at every mill to know what we are getting and this will be a big expense. If this molasses, which has had all possible sugar extracted from it that can be obtained, still averages 52 per cent sugar, if they run it on a 48 basis, as the original tariff, it will make a tariff of over 2 cents per gallon on a 52 per cent sugar content.

Thanking you for your kind consideration to this matter as suggested in our wire, which, we assure you, will be greatly appreciated, we remain,

Yours, truly,

GALESBURG MOLASSES FEED CO.,
By B. L. CHRISTY, *Secretary.*

I hope the amendment of the gentleman from Tennessee [Mr. BYRNS] will be adopted, and save these enterprises from ruin.

Mr. FORDNEY. Mr. Chairman and gentlemen, there was produced in the United States last year 100,200 tons of blackstrap. There was imported a total of 74,000 tons, 60 per cent of which, the gentleman from Louisiana states, was used in the manufacture of alcohol and 40 per cent in the manufacture of feed. Now, this cattle feed which has been talked about was incidental, as shown by this gentleman. The Federal Trade Commission handed me figures day before yesterday showing that out of every gallon of blackstrap imported at the present price of 3 cents per gallon there is a profit to the manufacturer of cattle feed of 12.8 cents per gallon. Feed is selling at $28 per ton, which yields a profit, as before stated, of 12.8 cents on an investment of 4 or 5 cents. This should satisfy the greed of any profiteer. [Laughter.]

The CHAIRMAN. The question is on the amendment to the substitute offered by the gentleman from Tennessee.

The question was taken, and the Chair announced the ayes appeared to have it.

Mr. FORDNEY. Mr. Chairman, I ask for a division.

The committee proceeded to divide.

Mr. FORDNEY. Mr. Chairman, to save time, let us concede the motion is carried, because we have several very important amendments.

The CHAIRMAN. The amendment of the gentleman from Tennessee to the substitute is agreed to, and the question recurs on the substitute as amended.

The question was taken, and the substitute as amended was agreed to.

The CHAIRMAN. The question now recurs on the amendment as amended by the substitute.

The question was taken, and the amendment as amended by the substitute was agreed to.

Mr. FORDNEY. I have an amendment at the desk which I desire to have read.

The Clerk read as follows:

Mr. FORDNEY makes a unanimous-consent request that the Clerk be authorized to number correctly the paragraphs of the bill and the references to the paragraphs and to make such typographical corrections as may be necessary.

The CHAIRMAN. Is there objection to the request for unanimous consent? [After a pause.] The Chair hears none, and it is so ordered.

Mr. FORDNEY. Mr. Chairman, I have another amendment at the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 145, line 14, strike out "or" where it occurs in the line and insert in lieu thereof the word "of."

The question was taken, and the amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer a committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. YOUNG: Page 212, line 10, after the comma following the word "institution," insert "including stained or painted window glass or stained or painted glass windows imported by houses of worship."

Mr. YOUNG. Mr. Chairman, this is substantially the same as the Underwood provision, which put these articles on the free list.

The question was taken, and the amendment was agreed to.

Mr. YOUNG. Mr. Chairman, I offer another committee amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Committee amendment offered by Mr. YOUNG: Page 188, line 14, after the word "ash," strike out the semicolon and the balance of the paragraph and insert in lieu thereof a period.

Mr. WALSH. What paragraph is this? What is the language that goes out of the bill?

Mr. YOUNG. The paragraph is 1527. It strikes out the words, "bones, burned or calcined, not ground and not otherwise manufactured."

Mr. STAFFORD. Will the gentleman yield? As I understood yesterday the committee struck out two words in this paragraph, and now the committee determines to strike all of them out. Is that the purpose?

Mr. YOUNG. Yes.

Mr. STAFFORD. Acting piecemeal.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from North Dakota [Mr. YOUNG].

The amendment was agreed to.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. BUTLER having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed, with amendments, the bill (H. R. 6611) to establish in the Treasury Department a veterans' bureau and to improve the facilities and service of such bureau and further to amend and modify the war risk insurance act, had requested a conference with the House of Representatives on the amendments

of the Senate and had appointed Mr. SMOOT, Mr. CALDER, and Mr. WALSH of Massachusetts as the conferees on the part of the Senate.

THE TARIFF.

The committee resumed its session.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. LONGWORTH] may address the House for seven minutes.

Mr. FREAR. Reserving the right to object, may I ask what the subject is?

Mr. LONGWORTH. In reference to what we will vote about to-day on the preferential amendments.

The CHAIRMAN. Is there objection?

Mr. FREAR. I object.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent to address the House for five minutes.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to address the House for five minutes. Is there objection?

Mr. BANKHEAD. Mr. Chairman, reserving the right to object, I want to submit a parliamentary inquiry. Has the reading of the bill been concluded?

Mr. FORDNEY. The bill has been read, brother.

Mr. BANKHEAD. Has the reading for amendment been concluded?

Mr. FORDNEY. You might read it in the nine minutes, but I hardly think so.

Mr. BANKHEAD. I want to find out the parliamentary status before I give consent to the gentleman to address the House. Is it the purpose of the gentleman to have any further provisions of the bill read?

Mr. FORDNEY. The regular order would be to read the bill now, but I ask unanimous consent to address the House for five minutes. I hope the gentleman will not object.

Mr. BANKHEAD. Very well.

Mr. FREAR. Mr. Chairman, I reserve the right to object, to ascertain whether or not the gentleman is going to discuss any of the propositions?

Mr. FORDNEY. Nothing particular, brother.

The CHAIRMAN. The gentleman from Michigan [Mr. FORDNEY] is recognized. [Loud applause on the Republican side, the Members rising.]

Mr. FORDNEY. Mr. Chairman and gentlemen of the committee, I wish personally to thank every Member, both on the Democratic and Republican side of the House, for the earnestness with which they have taken part on the floor of the House in the passage of this bill. The committee worked industriously for many weeks, beginning with the 6th day of January, and on every day, Sundays excepted—although I can not say that much for myself, because on many Sundays I have worked industriously on this bill to obtain information that might aid the committee in the preparation of a bill that in our judgment will assist in bringing prosperity to American capital and American labor. [Applause on the Republican side.] Each and every man, permit me to say, although we have had some rather heated discussions here, presented his views as he thought best, and without prejudice, and if, in our discussions, I have used a harsh expression, it was only because of my eagerness in the heat of debate. And I wish each and every man to forgive me for any harsh language I may have used in refuting some observation that may have been presented here.

I have nothing but the best of good will for every Member within the sound of my voice or beyond the sound of my voice. I have worked sincerely and industriously, and we now present here and in a few minutes the House will vote upon an important bill, containing 345 pages of most interesting matter to not only the people of the United States but of all the world.

There came to us from Canada, from Newfoundland, and from New Zealand and Australia gentlemen representing those Governments, who asked us to give preferential rates to certain imports from their own Provinces or countries. That would be impossible in tariff legislation, for under treaties with other Governments we are obligated to grant no country in the world a trade advantage over other nations except by commercial trade treaties. In this bill we have incorporated provisions, three in number, giving the President three options with which he may deal with other nations to secure favorable treatment of American commerce. One permits the reduction of duties in this bill to an extent of not to exceed 20 per cent below the rates herein provided. The other provision gives the President the right to make commercial trade treaties with foreign countries, subject to the approval of Congress. I believe that no tariff bill ever presented to this Congress has carried proposals inviting friendly trade negotiations that were more equitable and just than the trading provisions in this bill placed in the hands of the President of the United States. Other countries of the world to-day are engaged, and they have been for many months, in making commercial trade treaties to secure trade advantages. Canada, Newfoundland, New Zealand, Australia, and other countries now can come, when this bill becomes a law, and find our President ready and willing to negotiate with them and enter into agreements and treaties that in his judgment may be beneficial to the people who elected him to office. [Applause on the Republican side.]

Gentlemen, I believe we have a bill here that will restore prosperity to our people.

Mr. PADGETT. The gentleman explained but two of the provisions. Will he state the third?

Mr. FORDNEY. I did, I believe, state the third. One gives the President the right to reduce duties not to exceed 20 per cent; the second gives him the right to negotiate to secure suspension of discriminating duties; and the third gives him the right to make a trade agreement, subject to the approval of the Congress of the United States. That is the substance of the three.

Now, gentlemen, with the best of good feeling and with thanks to every Member present, I ask for a vote on the separate amendments provided for in the rule. [Applause on the Republican side, the Members rising.]

Mr. LONGWORTH. Mr. Chairman, if it is not yet 3 o'clock, I ask for the regular order.

The CHAIRMAN. There is one more minute.

Mr. LONGWORTH. I ask for the regular order.

The CHAIRMAN. The Clerk will read the bill.

The Clerk read as follows:

PAR. 2. Acetaldehyde, aldol or acetaldol, aldehyde ammonia, butyraldehyde, crotonaldehyde, paracetaldehyde, ethylene chlorohydrin, ethylene dichloride, ethylene glycol, ethylene oxide, glycol monoacetate, propylene chlorohydrin, propylene dichloride, and propylene glycol, 6 cents per pound and 30 per cent ad valorem.

Mr. GARRETT of Tennessee rose.

The CHAIRMAN. For what purpose does the gentleman from Tennessee rise?

Mr. GARRETT of Tennessee. I rise to ask unanimous consent that the former order of the House may be set aside and that the Clerk may continue to read the bill until it is completed under the five-minute rule. [Laughter.]

Mr. MONDELL. I thought the gentleman was anxious to pass the bill.

Mr. MANN. The gentleman knows that that is not in order. I thought that some Members of the House knew it, at least the gentleman from Tennessee.

The CHAIRMAN. It is not proper for the committee to change a rule made by the House. It is now 3 o'clock post meridian.

Under the rule the Committee of the Whole House on the state of the Union will now rise. The bill H. R. 7456, "A bill to provide revenue, to regulate commerce with foreign countries, to encourage industries of the United States, and for other purposes," which has been considered by the Committee of the Whole House on the state of the Union, will be reported back to the House with sundry amendments that have been agreed to and with certain amendments specified in the rule that have been disagreed to for further consideration in the House under the rule. [Applause.]

Thereupon the committee rose; and the Speaker having resumed the chair, Mr. CAMPBELL of Kansas, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 7456, "A bill to provide revenue, to regulate commerce with foreign countries, to encourage industries of the United States, and for other purposes," and that the bill was reported back to the House with sundry amendments that had been agreed to and with a certain amendment specified in the rule that had been disagreed to, for further consideration in the House under the rule.

The SPEAKER. The gentleman from Kansas, Chairman of the Committee of the Whole House on the state of the Union, reports that that committee has had under consideration the bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage industries of the United States, and for other purposes, and had directed him to report it back to the House with sundry amendments that have been agreed to and with a certain amendment specified in the rule that had been disagreed to, for further consideration in the House under the rule. The previous question is already ordered on the bill and amendments, and, following precedent, the vote will be taken on the special paragraphs in the order in which they appear in the bill. First, is a separate vote demanded on the amendment to paragraph 27, relating to dyestuffs?

Mr. FREAR. Mr. Speaker, I demand a separate vote on paragraph 27, relating to dyestuffs. The first proposition in the resolution is on hides.

The SPEAKER. The gentleman from Wisconsin demands a separate vote on paragraph 27, relating to dyestuffs. In the consideration of the Payne-Aldrich bill the amendments were taken up in the order in which they appeared in the bill, and the Chair will follow that precedent. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. FREAR: I move to amend by striking out all of paragraph 27 of the bill, including subdivisions (a) to (s), inclusive, and more particularly described as beginning at paragraph 27 (a), line 22, page 12, and striking out all thereafter down to and including all of line 19, page 22, of the bill.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the noes seemed to have it.

Mr. FREAR. Mr. Speaker, I ask for the yeas and nays.

The SPEAKER. The gentleman from Wisconsin asks for the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Those in favor of the amendment will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 209, nays 193, answered "present" 2, not voting 26, as follows:

YEAS—209.

Almon	Doughton	Knight	Robsion
Anderson	Dowell	Kopp	Rose
Andrews	Drane	Kraus	Rosenbloom
Ansorge	Drewry	Kunz	Rossdale
Anthony	Driver	Lampert	Rouse
Arentz	Elliott	Lanham	Ryan
Aswell	Evans	Lankford	Sabath
Bankhead	Fairfield	Larsen, Ga.	Sanders, Tex.
Barbour	Fields	Lawrence	Sandlin
Barkley	Fish	Lea, Calif.	Scott, Tenn.
Beck	Fisher	Lee, Ga.	Sears
Bell	Fitzgerald	Linthicum	Shreve
Benham	Flood	Little	Sinclair
Black	Foster	Logan	Sinnott
Blakeney	Frear	London	Sisson
Bland, Va.	Fuller	Lowrey	Smithwick
Blanton	Fulmer	Lyon	Speaks
Boies	Gahn	McClintic	Sproul
Bowling	Garner	McCormick	Stafford
Box	Garrett, Tenn.	McDuffie	Steagall
Brand	Garrett, Tex.	McKenzie	Stedman
Briggs	Gensman	McLaughlin, Nebr.	Stevenson
Brinson	Gernerd	McSwain	Stoll
Brown, Tenn.	Gilbert	Mansfield	Strong, Kans.
Browne, Wis.	Goldsborough	Michaelson	Strong, Pa.
Buchanan	Gorman	Montague	Summers, Wash.
Bulwinkle	Griffin	Moore, Ohio	Sumners, Tex.
Burdick	Hammer	Moore, Va.	Swank
Burke	Hardy, Tex.	Morgan	Sweet
Burroughs	Harrison	Nelson, A. P.	Tague
Burtness	Haugen	Nelson, J. M.	Ten Eyck
Byrnes, S. C.	Hayden	Nolan	Thomas
Byrns, Tenn.	Herrick	Norton	Tillman
Cable	Hickey	O'Brien	Tyson
Cantrill	Hoch	O'Connor	Underhill
Carew	Huddleston	Ogden	Vinson
Carter	Hukriede	Oldfield	Voigt
Chandler, N. Y.	Hull	Oliver	Ward, N. C.
Clague	Humphreys	Overstreet	Wason
Cockran	Jacoway	Padgett	Weaver
Collier	James, Va.	Park, Ga.	White, Kans.
Collins	Jeffers, Ala.	Parks, Ark.	White, Me.
Connally, Tex.	Johnson, Ky.	Parrish	Williamson
Connell	Johnson, Miss.	Pou	Wilson
Connolly, Pa.	Jones, Tex.	Quin	Wingo
Cooper, Wis.	Kennedy	Raker	Wise
Coughlin	Kincheloe	Ramseyer	Woodruff
Cramton	Kindred	Rankin	Woods, Va.
Crisp	King	Rayburn	Wright
Davis, Minn.	Kinkaid	Reavis	Young
Davis, Tenn.	Kleczka	Reece	
Deal	Kline, N. Y.	Ricketts	
Dominick	Kline, Pa.	Roach	

NAYS—193.

Ackerman	Clouse	Fenn	Himes
Appleby	Codd	Fess	Hogan
Atkeson	Cole	Focht	Houghton
Bacharach	Colton	Fordney	Husted
Beedy	Cooper, Ohio	Free	Hutchinson
Begg	Copley	Freeman	Ireland
Bird	Crowther	French	James, Mich.
Bixler	Curry	Frothingham	Jefferis, Nebr.
Bland, Ind.	Dale	Funk	Johnson, Wash.
Bond	Dallinger	Glynn	Jones, Pa.
Bowers	Darrow	Goodykoontz	Kahn
Brennan	Dempsey	Gould	Kearns
Britten	Denison	Graham, Ill.	Kelley, Mich.
Brooks, Ill.	Dickinson	Graham, Pa.	Kelly, Pa.
Brooks, Pa.	Dunbar	Green, Iowa	Kendall
Burton	Dunn	Greene, Mass.	Ketcham
Butler	Dupré	Greene, Vt.	Kiess
Campbell, Kans.	Dyer	Griest	Kirkpatrick
Cannon	Echols	Hadley	Kissel
Chalmers	Edmonds	Hardy, Colo.	Knutson
Chindblom	Ellis	Hawley	Kreider
Christopherson	Elston	Hays	Larson, Minn.
Clarke, N. Y.	Faust	Hersey	Layton
Classon	Favrot	Hill	Lazaro
Leatherwood	Moore, Ill.	Reed, N. Y.	Timberlake
Lee, N. Y.	Moores, Ind.	Reed, W. Va.	Tincher
Lehlbach	Morin	Rhodes	Tinkham
Lineberger	Mott	Riddick	Towner
Longworth	Mudd	Rodenberg	Treadway
Luce	Murphy	Rogers	Vare
Luhring	Newton, Minn.	Sanders, Ind.	Vestal
McArthur	Newton, Mo.	Sanders, N. Y.	Volk
McFadden	Olpp	Scott, Mich.	Volstead
McLaughlin, Mich.	Osborne	Shaw	Walsh
McLaughlin, Pa.	Paige	Shelton	Walters
McPherson	Parker, N. J.	Siegel	Ward, N. Y.
MacGregor	Parker, N. Y.	Slemp	Watson
Madden	Patterson, Mo.	Smith, Idaho	Webster
Magee	Patterson, N. J.	Smith, Mich.	Wheeler
Mann	Perkins	Snell	Williams
Mapes	Perlman	Snyder	Winslow
Martin	Peters	Steenerson	Wood, Ind.
Merritt	Peterson	Stephens	Woodyard
Michener	Porter	Swing	Wurzbach
Miller	Pringey	Taylor, N. J.	Wyant
Mills	Purnell	Taylor, Tenn.	Yates
Millspaugh	Radcliffe	Temple	
Mondell	Ransley	Thompson	
Montoya	Reber	Tilson	

ANSWERED "PRESENT"—2.

Chandler, Okla. Fairchild

NOT VOTING—26.

Campbell, Pa.	Johnson, S. Dak.	Rainey, Ill.	Taylor, Ark.
Clark, Fla.	Keller	Riordan	Taylor, Colo.
Cullen	Kitchin	Robertson	Upshaw
Gallivan	Langley	Rucker	Vaile
Hawes	Maloney	Schall	Zihlman
Hicks	Mead	Stiness	
Hudspeth	Rainey, Ala.	Sullivan	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. FAIRCHILD (for) with Mr. HICKS (against).

Until further notice:

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. MALONEY with Mr. RUCKER.

Mr. STINESS with Mr. HUDSPETH.

Mr. CHANDLER of Oklahoma with Mr. RAINEY of Alabama.

Mr. KELLER with Mr. TAYLOR of Arkansas.

Mr. ZIHLMAN with Mr. GALLIVAN.

Mr. SCHALL with Mr. UPSHAW.

Miss ROBERTSON with Mr. HAWES.

Mr. VAILE with Mr. TAYLOR of Colorado.

Mr. FAIRCHILD. Mr. Speaker, I voted "yea." I find that I am paired with my colleague from New York, Mr. HICKS. Therefore I wish to withdraw my vote and to answer "present."

Mr. UPSHAW. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening when his name was called?

Mr. UPSHAW. I think not. I think I came in just afterwards.

The SPEAKER. The gentleman does not come within the rule.

Mr. UPSHAW. I would have voted "yea" if I had been here.

The result of the vote was announced as above recorded.

The announcement of the vote was received with applause.

The SPEAKER. Is a separate vote demanded on paragraph 89, the oil paragraph?

Mr. BLANTON. I demand a separate vote on it, Mr. Speaker.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. TREADWAY: Page 35, strike out lines 9 and 10, and on page 200, line 10, after the word "petroleum" insert the words "crude, fuel or."

The SPEAKER. The question is on agreeing to the amendment.

Mr. BLANTON. Mr. Speaker, I ask for the yeas and nays on that oil amendment.

The SPEAKER. The gentleman from Texas demands the yeas and nays. As many as favor ordering the yeas and nays will rise and stand until counted. [After counting.] Twenty-one Members, not a sufficient number, and the yeas and nays are refused.

The amendment was agreed to.

The SPEAKER. Does anyone demand a separate vote on paragraph 207, asphalt? [After a pause.] No demand is made.

Mr. MANN. Mr. Speaker, what becomes of the amendment?

The SPEAKER. It stands as it was left by the committee. The Chair thinks if no one demands a separate vote, it will be voted upon with the other amendments en gross.

Mr. MANN. There is no authority for that in the rule. The en gross vote applies only to committee amendments. I have no objection.

Mr. FORDNEY. Mr. Speaker, the vote was so overwhelmingly against the duty on asphalt that I think it would be a waste of time to ask for the yeas and nays on that.

The SPEAKER. The Chair thinks he should put the question to a vote.

The question being taken, the amendment was agreed to.

The SPEAKER. Is a separate vote demanded on paragraph 1557, cotton?

Mr. STAFFORD. That is the amendment proposing a duty on long-staple cotton?

Mr. TREADWAY. That is the Bowers amendment. It was inserted at the beginning of the cotton schedule.

The SPEAKER. It was offered to paragraph 1557. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BOWERS: Page 192, paragraph 1557, line 15, after the comma insert the words "not specially provided for"; and on page 113, between lines 9 and 10, insert a new paragraph, as follows:

"Cotton, having a staple of 1⅛ inches or more in length, 15 per cent ad valorem."

The SPEAKER. The question is on agreeing to the amendment.

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. BLANTON. Division, Mr. Speaker.

Mr. FORDNEY. The yeas and nays, Mr. Speaker.

The yeas and nays were ordered.

The question was taken; and there were—yeas 198, nays 217, not voting 15, as follows:

YEAS—198.

Ackerman	Ellis	Kraus	Rhodes
Anderson	Elston	Langley	Riddick
Andrews	Evans	Lankford	Roach
Ansorge	Fairchild	Larsen, Ga.	Robertson
Anthony	Fairfield	Larson, Minn.	Robsion
Appleby	Faust	Lawrence	Rodenberg
Arentz	Favrot	Layton	Rose
Aswell	Focht	Lazaro	Ryan
Atkeson	Fordney	Lea, Calif.	Sanders, Ind.
Barbour	Frear	Leatherwood	Sandlin
Beedy	Free	Lee, Ga.	Scott, Tenn.
Begg	Fuller	Lineberger	Shaw
Benham	Funk	Little	Shelton
Bird	Garner	Luhring	Shreve
Blakeney	Gensman	McKenzie	Sinclair
Bland, Ind.	Gernerd	McLaughlin, Mich.	Sinnott
Blanton	Goodykoontz	McLaughlin, Nebr.	Slemp
Bowers	Graham, Ill.	McLaughlin, Pa.	Smith, Idaho
Brooks, Ill.	Graham, Pa.	McPherson	Smith, Mich.
Brown, Tenn.	Hadley	Magee	Smithwick
Buchanan	Haugen	Martin	Steenerson
Burtness	Hawley	Michener	Strong, Kans.
Butler	Hayden	Miller	Strong, Pa.
Campbell, Kans.	Hays	Millspaugh	Sweet
Chalmers	Herrick	Mondell	Swing
Chandler, N. Y.	Hersey	Montoya	Taylor, Tenn.
Chandler, Okla.	Hickey	Moore, Ill.	Thompson
Christopherson	Hill	Morgan	Timberlake
Clarke, N. Y.	Hoch	Mudd	Tincher
Classon	Hogan	Nelson, A. P.	Towner
Clouse	Hukriede	Newton, Mo.	Vare
Codd	Hull	Nolan	Vestal
Cole	Humphreys	Ogden	Walters
Colton	Ireland	Osborne	Watson
Connell	James, Mich.	Overstreet	Webster
Connolly, Pa.	Jefferis, Nebr.	Park, Ga.	Wheeler
Cooper, Ohio	Johnson, Wash.	Parker, N. J.	White, Kans.
Coughlin	Jones, Pa.	Parrish	Williams
Cramton	Kahn	Patterson, Mo.	Williamson
Crowther	Kelley, Mich.	Petersen	Wilson
Curry	Kelly, Pa.	Porter	Wood, Ind.
Denison	Kendall	Pringey	Woodruff
Dickinson	Ketcham	Purnell	Woodyard
Dowell	Kiess	Radcliffe	Wurzbach
Dunbar	King	Raker	Wyant
Dupré	Kinkaid	Ransley	Yates
Dyer	Kissel	Reavis	Young
Echols	Kline, N. Y.	Reece	Zihlman
Edmonds	Kline, Pa.	Reed, N. Y.	
Elliott	Knutson	Reed, W. Va.	

NAYS—217.

Almon	Browne, Wis.	Cooper, Wis.	Fields
Bacharach	Bulwinkle	Copley	Fish
Bankhead	Burdick	Crisp	Fisher
Barkley	Burke	Cullen	Fitzgerald
Beck	Burroughs	Dale	Flood
Bell	Burton	Dallinger	Foster
Bixler	Byrnes, S. C.	Darrow	Freeman
Black	Byrns, Tenn.	Davis, Minn.	French
Bland, Va.	Cable	Davis, Tenn.	Frothingham
Boies	Cannon	Deal	Fulmer
Bond	Cantrill	Dempsey	Gahn
Bowling	Carew	Dominick	Gallivan
Box	Carter	Doughton	Garrett, Tenn.
Brand	Chindblom	Drane	Garrett, Tex.
Brennan	Clague	Drewry	Gilbert
Briggs	Cockran	Driver	Glynn
Brinson	Collier	Dunn	Goldsborough
Britten	Collins	Fenn	Gorman
Brooks, Pa.	Connally, Tex.	Fess	Gould
Green, Iowa	London	Paige	Stevenson
Greene, Mass.	Longworth	Parker, N. Y.	Stoll
Greene, Vt.	Lowrey	Parks, Ark.	Sullivan
Griest	Luce	Patterson, N. J.	Summers, Wash.
Griffin	Lyon	Perkins	Summers, Tex.
Hammer	McArthur	Perlman	Swank
Hardy, Colo.	McClintic	Peters	Tague
Hardy, Tex.	McCormick	Pou	Taylor, N. J.
Harrison	McDuffie	Quin	Temple
Hawes	McFadden	Rainey, Ala.	Ten Eyck
Himes	McSwain	Rainey, Ill.	Thomas
Houghton	MacGregor	Ramseyer	Tillman
Huddleston	Madden	Rankin	Tilson
Husted	Mann	Rayburn	Tinkham
Hutchinson	Mansfield	Reber	Treadway
Jacoway	Mapes	Ricketts	Tyson
James, Va.	Mead	Riordan	Underhill
Jeffers, Ala.	Merritt	Rogers	Upshaw
Johnson, Ky.	Michaelson	Rosenbloom	Vinson
Johnson, Miss.	Mills	Rossdale	Voigt
Kearns	Montague	Rouse	Volk
Kennedy	Moore, Ohio	Sabath	Volstead
Kincheloe	Moore, Va.	Sanders, N. Y.	Walsh
Kindred	Moores, Ind.	Sanders, Tex.	Ward, N. Y.
Kirkpatrick	Morin	Scott, Mich.	Ward, N. C.
Kleczka	Mott	Sears	Wason
Knight	Murphy	Siegel	Weaver
Kopp	Nelson, J. M.	Sisson	White, Me.
Kreider	Newton, Minn.	Snell	Wingo
Kunz	Norton	Snyder	Winslow
Lampert	O'Brien	Speaks	Wise
Lanham	O'Connor	Sproul	Woods, Va.
Lee, N. Y.	Oldfield	Stafford	Wright
Lehlbach	Oliver	Steagall	
Linthicum	Olpp	Stedman	
Logan	Padgett	Stephens	

NOT VOTING—15.

Campbell, Pa.	Johnson, S. Dak.	Maloney	Taylor, Ark.
Clark, Fla.	Jones, Tex.	Rucker	Taylor, Colo.
Hicks	Keller	Schall	Vaile
Hudspeth	Kitchin	Stiness	

So the amendment was rejected.

The following additional pairs were announced:

General pairs:

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. MALONEY with Mr. RUCKER.

Mr. STINESS with Mr. HUDSPETH.

Mr. KELLER with Mr. TAYLOR of Arkansas.

Mr. VAILE with Mr. TAYLOR of Colorado.

Mr. HICKS with Mr. CAMPBELL of Pennsylvania.

Mr. SCHALL with Mr. CLARK of Florida.

The result of the vote was announced as above recorded.

The SPEAKER. Is a separate vote demanded on the amendment to paragraph 1582, with reference to hides?

Mr. HAWLEY. Mr. Speaker, I demand a separate vote, and I ask for the yeas and nays.

The SPEAKER. The Clerk will first report the amendment.

The Clerk read as follows:

Amendment offered by Mr. CHANDLER of Oklahoma: Page 195, lines 12 and 13, strike out paragraph 1582 and insert, on page 109, between lines 17 and 18, the following: "Par. 782. Hides and skins of all kinds, raw, green, dried, pickled, and prepared or preserved in any manner, 15 per cent ad valorem."

The SPEAKER. The gentleman from Oregon demands the yeas and nays.

The question was taken, and the yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 241, not voting 16, as follows:

YEAS—173.

Anderson	Clouse	Griest	Leatherwood
Andrews	Cole	Hadley	Lee, Ga.
Anthony	Colton	Hardy, Colo.	Lineberger
Arentz	Cooper, Ohio	Haugen	Little
Aswell	Cooper, Wis.	Hayden	Luhring
Atkeson	Cramton	Hays	McCormick
Barbour	Curry	Herrick	McKenzie
Beck	Davis, Minn.	Hickey	McLaughlin, Nebr.
Begg	Deal	Hoch	McPherson
Bell	Denison	Hukriede	Magee
Benham	Dickinson	Hull	Mansfield
Bird	Dowell	Humphreys	Martin
Blakeney	Dupré	Husted	Michener
Bland, Ind.	Echols	James, Mich.	Miller
Blanton	Elliott	Jefferis, Nebr.	Millspaugh
Boies	Ellis	Johnson, Wash.	Mondell
Bowers	Evans	Jones, Tex.	Montoya
Brooks, Ill.	Fairfield	Kelley, Mich.	Moore, Ill.
Brooks, Pa.	Faust	Kelly, Pa.	Moore, Ohio
Brown, Tenn.	Favrot	Kendall	Moore, Va.
Browne, Wis.	Fordney	Ketcham	Morgan
Buchanan	Foster	King	Murphy
Burtness	Frear	Kinkaid	Nelson, A. P.
Cable	French	Knutson	Nelson, J. M.
Campbell, Kans.	Fuller	Kopp	Newton, Mo.
Cannon	Funk	Lampert	Nolan
Chandler, Okla.	Garner	Lankford	Ogden
Christopherson	Gensman	Lawrence	Osborne
Clague	Goodykoontz	Lazaro	Padgett
Classon	Graham, Ill.	Lea, Calif.	Park, Ga.

Parrish	Robsion	Strong, Kans.	Wheeler
Patterson, Mo.	Rodenberg	Summers, Wash.	White, Kans.
Pringey	Sanders, Ind.	Sweet	Williams
Purnell	Sandlin	Swing	Williamson
Raker	Scott, Tenn.	Taylor, Tenn.	Wilson
Ramseyer	Shaw	Ten Eyck	Wood, Ind.
Reavis	Shelton	Thompson	Woodruff
Reece	Sinclair	Timberlake	Woodyard
Reed, N. Y.	Sinnott	Tincher	Wurzbach
Reed, W. Va.	Siemp	Towner	Wyant
Rhodes	Smith, Idaho	Vestal	Young
Ricketts	Smith, Mich.	Voigt	
Riddick	Smithwick	Volstead	
Roach	Steenerson	Webster	

NAYS—241.

Ackerman	Fairchild	Lanham	Robertson
Almon	Fenn	Larsen, Ga.	Rogers
Ansorge	Fess	Larson, Minn.	Rose
Appleby	Fields	Layton	Rosenbloom
Bacharach	Fish	Lee, N. Y.	Rossdale
Bankhead	Fisher	Lehlbach	Rouse
Barkley	Fitzgerald	Linthicum	Ryan
Beedy	Flood	Logan	Sabath
Bixler	Focht	London	Sanders, N. Y.
Black	Free	Longworth	Sanders, Tex.
Bland, Va.	Freeman	Lowrey	Scott, Mich.
Bond	Frothingham	Luce	Sears
Bowling	Fulmer	Lyon	Shreve
Box	Gahn	McArthur	Siegel
Brand	Gallivan	McClintic	Sisson
Brennan	Garrett, Tenn.	McDuffie	Snell
Briggs	Garrett, Tex.	McFadden	Snyder
Brinson	Gernerd	McLaughlin, Mich	Speaks
Britten	Gilbert	McLaughlin, Pa.	Sproul
Bulwinkle	Glynn	McSwain	Stafford
Burdick	Goldsborough	MacGregor	Steagall
Burke	Gorman	Madden	Stedman
Burroughs	Gould	Mann	Stephens
Burton	Graham, Pa.	Mapes	Stevenson
Butler	Green, Iowa	Mead	Stoll
Byrnes, S. C.	Greene, Mass.	Merritt	Strong, Pa.
Byrns, Tenn.	Greene, Vt.	Michaelson	Sullivan
Cantrill	Griffin	Mills	Sumners, Tex.
Carew	Hammer	Montague	Swank
Carter	Hardy, Tex.	Moores, Ind.	Tague
Chalmers	Harrison	Morin	Taylor, N. J.
Chandler, N. Y.	Hawes	Mott	Temple
Chindblom	Hawley	Mudd	Thomas
Clarke, N. Y.	Hersey	Newton, Minn.	Tillman
Cockran	Hill	Norton	Tilson
Codd	Himes	O'Brien	Tinkham
Collier	Hogan	O'Connor	Treadway
Collins	Houghton	Oldfield	Tyson
Connally, Tex.	Huddleston	Oliver	Underhill
Connell	Hutchinson	Olpp	Upshaw
Connolly, Pa.	Ireland	Overstreet	Vare
Copley	Jacoway	Paige	Vinson
Coughlin	James, Va.	Parker, N. J.	Volk
Crisp	Jeffers, Ala.	Parker, N. Y.	Walsh
Crowther	Johnson, Ky.	Parks, Ark.	Walters
Cullen	Johnson, Miss.	Patterson, N. J.	Ward, N. Y.
Dale	Jones, Pa.	Perkins	Ward, N. C.
Dallinger	Kearns	Perlman	Wason
Darrow	Kennedy	Peters	Watson
Davis, Tenn.	Kiess	Petersen	Weaver
Dempsey	Kincheloe	Porter	White, Me.
Dominick	Kindred	Pou	Wingo
Doughton	Kirkpatrick	Quin	Winslow
Drane	Kissel	Radcliffe	Wise
Drewry	Kleczka	Rainey, Ala.	Woods, Va.
Driver	Kline, N. Y.	Rainey, Ill.	Wright
Dunbar	Kline, Pa.	Rankin	Yates
Dunn	Knight	Ransley	Zihlman
Dyer	Kraus	Rayburn	
Edmonds	Kreider	Reber	
Elston	Kunz	Riordan	

NOT VOTING—16.

Campbell, Pa.	Johnson, S. Dak.	Langley	Stiness
Clark, Fla.	Kahn	Maloney	Taylor, Ark.
Hicks	Keller	Rucker	Taylor, Colo.
Hudspeth	Kitchin	Schall	Vaile

So the amendment was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. MALONEY with Mr. RUCKER.

Mr. STINESS with Mr. HUDSPETH.

Mr. KELLER with Mr. TAYLOR of Arkansas.

Mr. VAILE with Mr. TAYLOR of Colorado.

Mr. HICKS with Mr. CAMPBELL of Pennsylvania.

Mr. LANGLEY with Mr. CLARK of Florida.

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on agreeing to the other amendments en grosse.

Mr. LONDON. Mr. Speaker, I rise to a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. LONDON. On the theory that hides were to be on the dutiable list, a compensatory duty was given the various articles of manufactured leather, as I understand it. What I want to know is, can the House now rescind its action in giving compensatory duties to various articles of manufactured leather?

Mr. SNELL. There were none.

Mr. STAFFORD. None was carried.

Mr. LONDON. How about cotton?

Mr. STAFFORD. There was only one, a duty of 3 per cent on laces.

Mr. McARTHUR. Mr. Speaker, I demand the regular order.

The SPEAKER. The question is on agreeing to the other amendments en grosse.

Mr. GARNER. Mr. Speaker, let us have the yeas and nays on that.

The yeas and nays were ordered.

The question was taken; and there were—yeas 289, nays 126, not voting 15, as follows:

YEAS—289.

Ackerman	Fairfield	Larson, Minn.	Reed, W. Va.
Anderson	Faust	Lawrence	Rhodes
Ansorge	Favrot	Layton	Ricketts
Anthony	Fenn	Lazaro	Riddick
Appleby	Fess	Lea, Calif.	Roach
Arentz	Fish	Leatherwood	Robertson
Atkeson	Fitzgerald	Lee, N. Y.	Robsion
Bacharach	Focht	Lehlbach	Rodenberg
Barbour	Fordney	Lineberger	Rogers
Beedy	Foster	Little	Rose
Begg	Frear	Longworth	Rosenbloom
Benham	Free	Luce	Rossdale
Bird	Freeman	Luhring	Ryan
Bixler	French	McArthur	Sanders, Ind.
Blakeney	Frothingham	McCormick	Sanders, N. Y.
Bland, Ind.	Fuller	McFadden	Schall
Boies	Funk	McKenzie	Scott, Mich.
Bond	Gahn	McLaughlin, Mich	Scott, Tenn.
Bowers	Gensman	McLaughlin, Nebr	Shaw
Brennan	Gernerd	McLaughlin, Pa.	Shelton
Britten	Glynn	McPherson	Shreve
Brooks, Ill.	Goodykoontz	MacGregor	Siegel
Brooks, Pa.	Gorman	Madden	Sinnott
Browne, Wis.	Gould	Magee	Siemp
Burdick	Graham, Ill.	Mann	Smith, Idaho
Burke	Graham, Pa.	Mapes	Smith, Mich.
Burroughs	Green, Iowa	Martin	Snell
Burtness	Greene, Mass.	Merritt	Snyder
Burton	Greene, Vt.	Michaelson	Speaks
Butler	Griest	Michener	Sproul
Cable	Hadley	Miller	Stafford
Campbell, Kans.	Hardy, Colo.	Mills	Steenerson
Cannon	Haugen	Millspaugh	Stephens
Chalmers	Hawley	Mondell	Strong, Kans.
Chandler, N. Y.	Hays	Montoya	Strong, Pa.
Chandler, Okla.	Herrick	Moore, Ill.	Summers, Wash.
Chindblom	Hersey	Moore, Ohio	Sweet
Christopherson	Hickey	Moores, Ind.	Swing
Clague	Hill	Morgan	Taylor, N. J.
Clarke, N. Y.	Himes	Morin	Taylor, Tenn.
Classon	Hoch	Mott	Temple
Clouse	Hogan	Mudd	Thompson
Codd	Houghton	Murphy	Tilson
Cole	Hukriede	Nelson, A. P.	Timberlake
Colton	Hull	Nelson, J. M.	Tincher
Connell	Husted	Newton, Minn.	Tinkham
Connolly, Pa.	Hutchinson	Newton, Mo.	Towner
Cooper, Ohio	Ireland	Nolan	Treadway
Cooper, Wis.	Jefferis, Nebr.	Norton	Underhill
Copley	Johnson, Wash.	Ogden	Vare
Coughlin	Jones, Pa.	Olpp	Vestal
Cramton	Kahn	Osborne	Volk
Crowther	Kearns	Paige	Volstead
Curry	Kelley, Mich.	Parker, N. J.	Walsh
Dale	Kelly, Pa.	Parker, N. Y.	Walters
Dallinger	Kendall	Patterson, Mo.	Ward, N. Y.
Darrow	Kennedy	Patterson, N. J.	Wason
Davis, Minn.	Ketcham	Perkins	Watson
Dempsey	Kiess	Perlman	Webster
Denison	King	Peters	Wheeler
Dickinson	Kinkaid	Petersen	White, Kans.
Dowell	Kirkpatrick	Porter	White, Me.
Dunbar	Kissel	Pringey	Williams
Dunn	Kleczka	Purnell	Williamson
Dyer	Kline, N. Y.	Radcliffe	Winslow
Echols	Kline, Pa.	Raker	Wood, Ind.
Edmonds	Knight	Ramseyer	Woodruff
Elliott	Knutson	Ransley	Woodyard
Ellis	Kopp	Reavis	Wurzbach
Elston	Kraus	Reber	Wyant
Evans	Kreider	Reece	Yates
Fairchild	Lampert	Reed, N. Y.	Young
			Zihlman

NAYS—126.

Almon	Connally, Tex.	Hayden	Mead
Andrews	Crisp	Huddleston	Montague
Aswell	Cullen	Humphreys	O'Brien
Bankhead	Davis, Tenn.	Jacoway	O'Connor
Barkley	Deal	James, Mich.	Oldfield
Beck	Dominick	James, Va.	Oliver
Bell	Doughton	Jeffers, Ala.	Overstreet
Black	Drane	Johnson, Ky.	Padgett
Bland, Va.	Drewry	Johnson, Miss.	Park, Ga.
Blanton	Driver	Jones, Tex.	Parks, Ark.
Bowling	Dupré	Kincheloe	Parrish
Box	Fields	Kindred	Pou
Brand	Fisher	Kunz	Quin
Briggs	Flood	Lanham	Rainey, Ala.
Brinson	Fulmer	Lankford	Rainey, Ill.
Brown, Tenn.	Gallivan	Larsen, Ga.	Rankin
Buchanan	Garner	Lee, Ga.	Rayburn
Bulwinkle	Garrett, Tenn.	Linthicum	Riordan
Byrnes, S. C.	Garrett, Tex.	Logan	Rouse
Byrns, Tenn.	Gilbert	London	Sabath
Cantrill	Goldsborough	Lowrey	Sanders, Tex.
Carew	Griffin	Lyon	Sandlin
Carter	Hammer	McClintic	Sears
Cockran	Hardy, Tex.	McDuffie	Sinclair
Collier	Harrison	McSwain	Sisson
Collins	Hawes	Mansfield	Smithwick

Steagall	Swank	Upshaw	Wingo
Stedman	Tague	Vinson	Wise
Stevenson	Ten Eyck	Voigt	Woods, Va.
Stoll	Thomas	Ward, N. C.	Wright
Sullivan	Tillman	Weaver	
Sumners, Tex.	Tyson	Wilson	

NOT VOTING—15.

Campbell, Pa.	Johnson, S. Dak.	Maloney	Taylor, Ark.
Clark, Fla.	Keller	Moore, Va.	Taylor, Colo.
Hicks	Kitchin	Rucker	Vaile
Hudspeth	Langley	Stiness	

So the remaining amendments in gross were agreed to.

The Clerk announced the following additional pairs:

Until further notice:

Mr. JOHNSON of South Dakota with Mr. KITCHIN.

Mr. MALONEY with Mr. RUCKER.

Mr. STINESS with Mr. HUDSPETH.

Mr. KELLER with Mr. TAYLOR of Arkansas.

Mr. VAILE with Mr. MOORE of Virginia.

Mr. HICKS with Mr. CAMPBELL of Pennsylvania.

Mr. LANGLEY with Mr. CLARK of Florida.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read the third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. GARNER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. The gentleman from Texas offers a motion to recommit, which the Clerk will report.

The Clerk read as follows:

Mr. GARNER moves to recommit H. R. 7456 to the Committee on Ways and Means with instructions to report the same forthwith with the following amendments, to wit: Strike out section 402 (American valuation), beginning with line 1, on page 240, down to and including line 13, on page 241; strike out sections 301, 302, and 303 (reciprocal provisions), beginning with line 3, on page 213, down to and including line 2, on page 217.

Mr. FORDNEY. Mr. Speaker, I demand the yeas and nays.

Mr. GARNER. Mr. Speaker——

Mr. FORDNEY. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the motion to recommit.

Mr. GARNER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 127, nays 288, not voting 15, as follows:

YEAS—127.

Almon	Drewry	Lanham	Rouse
Anderson	Driver	Lankford	Sabath
Aswell	Dupré	Larsen, Ga.	Sanders, Tex.
Bankhead	Fields	Lea, Calif.	Sandlin
Barkley	Fisher	Lee, Ga.	Sears
Bell	Flood	Linthicum	Sinclair
Black	Fulmer	Logan	Sisson
Bland, Va.	Gahn	Lowrey	Smithwick
Blanton	Gallivan	Lyon	Steagall
Bowling	Garner	McClintic	Stedman
Box	Garrett, Tenn.	McDuffie	Stevenson
Brand	Garrett, Tex.	McSwain	Stoll
Briggs	Gilbert	Mansfield	Sullivan
Brinson	Goldsborough	Mead	Sumners, Tex.
Buchanan	Griffin	Montague	Swank
Bulwinkle	Hammer	Moore, Va.	Tague
Byrnes, S. C.	Hardy, Tex.	O'Brien	Ten Eyck
Byrns, Tenn.	Harrison	O'Connor	Thomas
Cantrill	Hawes	Oldfield	Tillman
Carew	Hayden	Oliver	Tyson
Carter	Huddleston	Overstreet	Underhill
Cockran	Humphreys	Padgett	Upshaw
Collier	Jacoway	Park, Ga.	Vinson
Collins	James, Va.	Parks, Ark.	Voigt
Connally, Tex.	Jeffers, Ala.	Parrish	Ward, N. C.
Crisp	Johnson, Ky.	Pou	Weaver
Cullen	Johnson, Miss.	Quin	Wilson
Davis, Tenn.	Jones, Tex.	Rainey, Ill.	Wingo
Deal	Kincheloe	Raker	Wise
Dominick	Kindred	Rankin	Woods, Va.
Doughton	Knight	Rayburn	Wright
Drane	Kunz	Riordan	

NAYS—288.

Ackerman	Bond	Chalmers	Cramton
Andrews	Bowers	Chandler, N. Y.	Crowther
Ansorge	Brennan	Chandler, Okla.	Curry
Anthony	Britten	Chindblom	Dale
Appleby	Brooks, Ill.	Christopherson	Dallinger
Arentz	Brooks, Pa.	Clague	Darrow
Atkeson	Brown, Tenn.	Clarke, N. Y.	Davis, Minn.
Bacharach	Browne, Wis.	Classon	Dempsey
Barbour	Burdick	Clouse	Denison
Beck	Burke	Codd	Dickinson
Beedy	Burroughs	Cole	Dowell
Begg	Burtness	Colton	Dunbar
Benham	Burton	Connell	Dunn
Bird	Butler	Connolly, Pa.	Dyer
Bixler	Cable	Cooper, Ohio	Echols
Blakeney	Campbell, Kans.	Cooper, Wis.	Edmonds
Bland, Ind.	Campbell, Pa.	Copley	Elliott
Boies	Cannon	Coughlin	Ellis
Elston	Kearns	Moore, Ill.	Shaw
Evans	Kelley, Mich.	Moore, Ohio	Shelton
Fairchild	Kelly, Pa.	Moores, Ind.	Shreve
Fairfield	Kendall	Morgan	Siegel
Faust	Kennedy	Morin	Sinnott
Favrot	Ketcham	Mott	Slemp
Fenn	Kiess	Mudd	Smith, Idaho
Fess	King	Murphy	Smith, Mich.
Fish	Kinkaid	Nelson, A. P.	Snell
Fitzgerald	Kirkpatrick	Nelson, J. M.	Snyder
Focht	Kissel	Newton, Minn.	Speaks
Fordney	Kleczka	Newton, Mo.	Sproul
Foster	Kline, N. Y.	Nolan	Stafford
Frear	Kline, Pa.	Norton	Steenerson
Free	Knutson	Ogden	Stephens
Freeman	Kopp	Olpp	Strong, Kans.
French	Kraus	Osborne	Strong, Pa.
Frothingham	Kreider	Paige	Summers, Wash.
Fuller	Lampert	Parker, N. J.	Sweet
Funk	Larson, Minn.	Parker, N. Y.	Swing
Gensman	Lawrence	Patterson, Mo.	Taylor, N. J.
Gernerd	Layton	Patterson, N. J.	Taylor, Tenn.
Glynn	Lazaro	Perkins	Temple
Goodykoontz	Leatherwood	Perlman	Thompson
Gorman	Lee, N. Y.	Peters	Tilson
Graham, Ill.	Lehlbach	Peterson	Timberlake
Graham, Pa.	Lineberger	Porter	Tincher
Green, Iowa	Little	Pringey	Tinkham
Greene, Mass.	London	Purnell	Towner
Greene, Vt.	Longworth	Radcliffe	Treadway
Griest	Luce	Ramseyer	Vare
Hadley	Luhring	Ransley	Vestal
Hardy, Colo.	McArthur	Reavis	Volk
Haugen	McCormick	Reber	Volstead
Hawley	McFadden	Reece	Walsh
Hays	McKenzie	Reed, N. Y.	Walters
Herrick	McLaughlin, Mich.	Reed, W. Va.	Ward, N. Y.
Hersey	McLaughlin, Nebr.	Rhodes	Wason
Hickey	McLaughlin, Pa.	Ricketts	Watson
Hill	McPherson	Riddick	Webster
Himes	MacGregor	Roach	Wheeler
Hoch	Madden	Robertson	White, Kans.
Hogan	Magee	Robsion	White, Me.
Houghton	Mann	Rodenberg	Williams
Hukriede	Mapes	Rogers	Williamson
Hull	Martin	Rose	Winslow
Husted	Merritt	Rosenbloom	Wood, Ind.
Hutchinson	Michaelson	Rossdale	Woodruff
Ireland	Michener	Ryan	Woodyard
James, Mich.	Miller	Sanders, Ind.	Wurzbach
Jefferis, Nebr.	Mills	Sanders, N. Y.	Wyant
Johnson, Wash.	Millspaugh	Schall	Yates
Jones, Pa.	Mondell	Scott, Mich.	Young
Kahn	Montoya	Scott, Tenn.	Zihlman

NOT VOTING—15.

Clark, Fla.	Johnson, S. Dak.	Maloney	Taylor, Ark.
Gould	Keller	Rainey, Ala.	Taylor, Colo.
Hicks	Kitchin	Rucker	Vaile
Hudspeth	Langley	Stiness	

So the motion to recommit was rejected.

The Clerk announced the following additional pairs:

On this vote:

Mr. KITCHIN (for) with Mr. JOHNSON of South Dakota (against).

Mr. TAYLOR of Arkansas (for) with Mr. GOULD (against).

Mr. KELLER (for) with Mr. HICKS (against).

Mr. RUCKER (for) with Mr. MALONEY (against).

Until further notice:

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. VAILE with Mr. TAYLOR of Colorado.

Mr. STINESS with Mr. HUDSPETH.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GARRETT of Tennessee. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 288, nays 127, answering "present" 1, not voting 15, as follows:

YEAS—288.

Ackerman	Burroughs	Curry	Fordney
Anderson	Burtness	Dale	Foster
Andrews	Burton	Dallinger	Frear
Ansorge	Butler	Darrow	Free
Anthony	Cable	Davis, Minn.	Freeman
Appleby	Campbell, Kans.	Dempsey	French
Arentz	Campbell, Pa.	Denison	Frothingham
Atkeson	Cannon	Dickinson	Fuller
Bacharach	Chalmers	Dowell	Funk
Barbour	Chandler, N. Y.	Dunbar	Gensman
Beedy	Chandler, Okla.	Dunn	Gernerd
Begg	Chindblom	Dupré	Glynn
Benham	Christopherson	Dyer	Goodykoontz
Bird	Clague	Echols	Gorman
Bixler	Clarke, N. Y.	Edmonds	Graham, Ill.
Blakeney	Classon	Elliott	Graham, Pa.
Bland, Ind.	Clouse	Ellis	Green, Iowa
Boies	Codd	Elston	Greene, Mass.
Bond	Cole	Evans	Greene, Vt.
Bowers	Colton	Fairchild	Griest
Brennan	Connell	Fairfield	Hadley
Britten	Connolly, Pa.	Faust	Hardy, Colo.
Brooks, Ill.	Cooper, Ohio	Favrot	Haugen
Brooks, Pa.	Cooper, Wis.	Fenn	Hawley
Brown, Tenn.	Copley	Fess	Hays
Browne, Wis.	Coughlin	Fish	Herrick
Burdick	Cramton	Fitzgerald	Hersey
Burke	Crowther	Focht	Hickey

Hill	Luce	Patterson, N. J.	Speaks
Himes	Luhring	Perkins	Sproul
Hoch	McArthur	Perlman	Stafford
Hogan	McCormick	Peters	Steenerson
Houghton	McFadden	Petersen	Stephens
Hukriede	McKenzie	Porter	Strong, Kans.
Hull	McLaughlin, Mich.	Pringey	Strong, Pa.
Husted	McLaughlin, Nebr.	Purnell	Summers, Wash.
Hutchinson	McLaughlin, Pa.	Radcliffe	Sweet
Ireland	McPherson	Raker	Swing
James, Mich.	MacGregor	Ramseyer	Taylor, N. J.
Jefferis, Nebr.	Madden	Ransley	Taylor, Tenn.
Johnson, Wash.	Magee	Reavis	Temple
Jones, Pa.	Mann	Reber	Thompson
Kahn	Mapes	Reece	Tilson
Kearns	Martin	Reed, N. Y.	Timberlake
Kelley, Mich.	Merritt	Reed, W. Va.	Tincher
Kelly, Pa.	Michaelson	Rhodes	Tinkham
Kendall	Michener	Ricketts	Towner
Kennedy	Miller	Riddick	Treadway
Ketcham	Mills	Roach	Underhill
Kiess	Millspaugh	Robertson	Vare
King	Mondell	Robsion	Vestal
Kinkaid	Montoya	Rodenberg	Volk
Kirkpatrick	Moore, Ill.	Rogers	Volstead
Kissel	Moore, Ohio	Rose	Walters
Kleczka	Moores, Ind.	Rosenbloom	Ward, N. Y.
Kline, N. Y.	Morgan	Rossdale	Wason
Kline, Pa.	Morin	Ryan	Watson
Knutson	Mott	Sanders, Ind.	Webster
Kopp	Mudd	Sanders, N. Y.	Wheeler
Kraus	Murphy	Schall	White, Kans.
Kreider	Nelson, A. P.	Scott, Mich.	White, Me.
Larson, Minn.	Newton, Minn.	Scott, Tenn.	Williams
Lawrence	Newton, Mo.	Shaw	Williamson
Layton	Nolan	Shelton	Winslow
Lazaro	Norton	Shreve	Wood, Ind.
Lea, Calif.	Ogden	Siegel	Woodruff
Leatherwood	Olpp	Sinnott	Woodyard
Lee, N. Y.	Osborne	Slemp	Wurzbach
Lehlbach	Paige	Smith, Idaho	Wyant
Lineberger	Parker, N. J.	Smith, Mich.	Yates
Little	Parker, N. Y.	Snell	Young
Longworth	Patterson, Mo.	Snyder	Zihlman

NAYS—127.

Almon	Drewry	Lanham	Riordan
Aswell	Driver	Lankford	Rouse
Bankhead	Fields	Larsen, Ga.	Sabath
Barkley	Fisher	Lee, Ga.	Sanders, Tex.
Beck	Flood	Linthicum	Sandlin
Bell	Fulmer	Logan	Sears
Black	Gahn	London	Sinclair
Bland, Va.	Gallivan	Lowrey	Sisson
Blanton	Garner	Lyon	Smithwick
Bowling	Garrett, Tenn.	McClintic	Steagall
Box	Garrett, Tex.	McDuffie	Stedman
Brand	Gilbert	McSwain	Stevenson
Briggs	Goldsborough	Mansfield	Stoll
Brinson	Griffin	Mead	Sullivan
Buchanan	Hammer	Montague	Sumners, Tex.
Bulwinkle	Hardy, Tex.	Moore, Va.	Swank
Byrnes, S. C.	Harrison	Nelson, J. M.	Tague
Byrns, Tenn.	Hawes	O'Brien	Ten Eyck
Cantrill	Hayden	O'Connor	Thomas
Carew	Huddleston	Oldfield	Tillman
Carter	Humphreys	Oliver	Tyson
Cockran	Jacoway	Overstreet	Upshaw
Collier	James, Va.	Padgett	Vinson
Collins	Jeffers, Ala.	Park, Ga.	Voigt
Connally, Tex.	Johnson, Ky.	Parks, Ark.	Ward, N. C.
Crisp	Johnson, Miss.	Parrish	Weaver
Cullen	Jones, Tex.	Pou	Wilson
Davis, Tenn.	Kincheloe	Quin	Wingo
Deal	Kindred	Rainey, Ala.	Wise
Dominick	Knight	Rainey, Ill.	Woods, Va.
Doughton	Kunz	Rankin	Wright
Drane	Lampert	Rayburn	

ANSWERED "PRESENT"—1.

Walsh

NOT VOTING—14.

Clark, Fla.	Johnson, S. Dak.	Maloney	Taylor, Colo.
Gould	Keller	Rucker	Vaile
Hicks	Kitchin	Stiness	
Hudspeth	Langley	Taylor, Ark.	

So the bill was passed.

Mr. WILLIAMSON. Mr. Speaker, I desire to vote.

The SPEAKER. Was the gentleman present and listening?

Mr. WILLIAMSON. I came in just a little while ago. They were calling my name when I was just entering the door there.

The SPEAKER. The theory is that the gentleman's name was not called at all. That is the theory. Therefore if the gentleman will say that he was present and listening when his name was called, he can vote; otherwise the Chair could not recognize him to vote.

Mr. WILLIAMSON. I was here the first time.

The SPEAKER. It is up to the gentleman to state where he was.

Mr. WILLIAMSON. Well, I was in the room; I was here. I was here when my name was first called.

The SPEAKER. How does the gentleman vote?

Mr. WILLIAMSON. I desire to vote "yea."

The Clerk announced the following additional pairs:

On the vote:

Mr. WALSH (for) with Mr. KITCHIN (against).

Mr. GOULD (for) with Mr. TAYLOR of Arkansas (against).

Mr. HICKS (for) with Mr. KELLER (against).

Mr. MALONEY (for) with Mr. RUCKER (against).

Mr. JOHNSON of South Dakota (for) with Mr. LEE of Georgia (against).

Until further notice:

Mr. LANGLEY with Mr. CLARK of Florida.

Mr. VAILE with Mr. TAYLOR of Colorado.

Mr. STINESS with Mr. HUDSPETH.

Mr. WALSH. Mr. Speaker, I am paired with the gentleman from North Carolina [Mr. KITCHIN]. I desire to withdraw my vote of "yea" and be recorded as "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. WALSH, and he answered "present."

The result of the vote was announced as above recorded.

On motion of Mr. FORDNEY, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. FROTHINGHAM. Mr. Speaker, my colleague from Massachusetts [Mr. MALONEY] is sick at the hospital and was therefore unable to be present to vote on the tariff bill. He regrets this very much and wished me to state on the floor that if present he would vote in favor of free hides, free oil, and free asphalt; for a duty on dyes, and in opposition to an embargo on dyes, and would be opposed to recommitting the bill, and would vote in favor of the bill as amended for final passage.

VETERANS' BUREAU.

Mr. SWEET. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 6611, which was passed by the Senate yesterday, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Iowa asks unanimous consent to take from the Speaker's table the bill H. R. 6611, disagree to the Senate amendments, and agree to the conference asked by the Senate on the bill, which the Clerk will report.

The Clerk read as follows:

A bill (H. R. 6611) to establish in the Treasury Department a veterans' bureau, and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act.

The SPEAKER. Is there objection?

There was no objection; and the Speaker appointed as conferees on the part of the House Mr. WINSLOW, Mr. PARKER of New York, Mr. SWEET, Mr. BARKLEY, and Mr. RAYBURN.

CONTESTED ELECTION CASE OF BOGY V. HAWES.

Mr. DALLINGER. Mr. Speaker, I am directed by the Committee on Elections No. 1, to submit a privileged report in the contested election case of Bernard P. Bogy *v.* Harry B. Hawes, from the eleventh congressional district of the State of Missouri.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

Mr. DALLINGER, from the Committee on Elections No. 1, submitted the following report on the contested election case of Bernard P. Bogy *v.* Harry B. Hawes, from the eleventh congressional district of the State of Missouri.

The SPEAKER. Referred to the House Calendar.

MINUTES OF A VOTE IN THE WAYS AND MEANS COMMITTEE.

Mr. CLOUSE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Tennessee asks unanimous consent for the immediate consideration of the resolution which the Clerk will report.

The Clerk read as follows:

Resolution authorizing and directing the Clerk of the House and the clerk of the Ways and Means Committee of the House of Representatives of the Sixty-sixth and Sixty-seventh Congresses of the United States to disclose by deposition certain minutes and proceedings of said committee, and the vote of former Congressman Cordell Hull, one of its members, on a certain bill referred to said committee.

Whereas a suit is now pending in the circuit court of Putnam County, Tenn., styled Cordell Hull *v.* Wynne F. Clouse et al., involving the question of the vote of former Congressman Cordell Hull upon a certain bill referred to the Ways and Means Committee: Be it therefore

Resolved, That the clerk of the Ways and Means Committee of the House of Representatives of the Sixty-sixth and Sixty-seventh Congresses of the United States and the Clerk of the House of Representatives be, and they are hereby, authorized and directed to give their depositions in the above-styled cause, upon demand of either party thereto, and disclose the record vote of former Congressman Cordell Hull, as a member of said committee in committee during the Sixty-sixth Congress, on the bill H. R. 14089, being, "A bill to provide compensation for veterans of the World War, to provide revenue therefor, and for other purposes"; be it further

Resolved, That to this end said clerks, or either of them, upon demand, exhibit to their depositions certified copies of the minutes and proceedings of said committee, or such portions thereof as relate to said bill and disclose the vote of said ex-Congressman Cordell Hull, in committee, thereon.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. POU. I object.

The SPEAKER. Objection is made.

LEAVE OF ABSENCE.

Mr. BECK, by unanimous consent, was granted leave of absence, indefinitely, on account of important business.

ANNOUNCEMENT.

Mr. FISH. Mr. Speaker, I ask unanimous consent to make an announcement.

The SPEAKER. The gentleman from New York asks unanimous consent to make an announcement. Is there objection?

There was no objection.

Mr. FISH. The members of the American Legion are invited to dine with the new national commander at 7.30 at the Raleigh Hotel to-night.

ADJOURNMENT OVER.

Mr. MONDELL. Mr. Speaker, I ask unanimous consent that when the House adjourns to-night it adjourn to meet on Monday next.

The SPEAKER. The gentleman from Wyoming asks unanimous consent that when the House adjourns to-night it adjourn to meet on Monday next. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. SCHALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the bonus bill.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the RECORD on the bonus bill. Is there objection?

Mr. WALSH. I object.

ADJOURNMENT.

Mr. MONDELL. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p. m.) the House adjourned until Monday, July 25, 1921, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

196. Under clause 2 of Rule XXIV, a letter from the Director of the Bureau of the Budget, transmitting request for appropriations for $125,000,000 for the period of July 31 to December 31, 1921, for the United States Shipping Board (H. Doc. No. 103), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars herein named, as follows:

Mr. HILL, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 163) authorizing the Secretary of War to loan to the Eighty-eighth Division Association for their reunion at Des Moines, Iowa, tents, cots, mattresses, blankets, and galvanized-iron buckets, reported the same with an amendment, accompanied by a report (No. 276), which said joint resolution and report were referred to the House Calendar.

Mr. GOODYKOONTZ, from the Committee on the Judiciary, to which was referred the joint resolution (H. J. Res. 172) granting consent of Congress to an agreement or compact entered into between the State of New York and the State of New Jersey for the creation of the port of New York district and the establishment of the port of New York authority for the comprehensive development of the port of New York, reported the same with amendments, accompanied by a report (No. 279), which said joint resolution and report were referred to the House Calendar.

Mr. BUTLER, from the Committee on Naval Affairs, to which was referred the bill (H. R. 7864) providing for sundry matters affecting the Naval Establishment, reported the same with an amendment, accompanied by a report (No. 280), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. DALLINGER, from the Committee on Elections No. 1, submitted a report (No. 281) on the contested-election case of Bogy v. Hawes, which said report was referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. RANSLEY, from the Committee on Military Affairs, to which was referred the bill (H. R. 4845) for the relief of J. W. La Bare, reported the same without amendment, accompanied by a report (No. 277), which said bill and report were referred to the Private Calendar.

He also, from the same committee, to which was referred the bill (H. R. 3425) for the relief of Benjamin R. Buffington, reported the same without amendment, accompanied by a report (No. 278), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. CLAGUE: A bill (H. R. 7878) to increase the cost of the public building at Fairmont, Minn.; to the Committee on Public Buildings and Grounds.

By Mr. McFADDEN: A bill (H. R. 7879) to standardize paper for agricultural production, to establish discount markets for such paper, to create two necessary fiscal and financial agents for the Government of the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. BECK: A bill (H. R. 7880) for the purchase of ground and the erection of a Federal building at Viroqua, Wis.; to the Committee on Public Buildings and Grounds.

By Mr. KALANIANAOLE: A bill (H. R. 7881) to authorize the governor of the Territory of Hawaii to ratify the agreements of certain persons made with the commissioner of public lands of the Territory of Hawaii and to issue land patents to those eligible under the terms of said agreements; to the Committee on the Territories.

By Mr. SIEGEL: A bill (H. R. 7882) for the apportionment of Representatives in Congress amongst the several States under the Fourteenth Census; to the Committee on the Census.

By Mr. UNDERHILL: A bill (H. R. 7883) to provide for the examination of persons brought before the juvenile court of the District of Columbia; to the Committee on the District of Columbia.

By Mr. MORIN: A bill (H. R. 7884) authorizing the Secretary of War to transfer to the city of Pittsburgh, Pa., all right and title now vested in the United States to the Pittsburgh storage and supply depot; to the Committee on Military Affairs.

By Mr. APPLEBY: A bill (H. R. 7885) to simplify the revenue act of 1918, to repeal the war-profits and excess-profits tax and certain other taxes, and for other purposes; to the Committee on Ways and Means.

By Mr. BROWNE of Wisconsin: A bill (H. R. 7886) for the better protection of the lives, limbs, and property of persons from the violence of mobs, and to reimburse the injured, their heirs, and the United States under certain conditions; to the Committee on the Judiciary.

Also, a bill (H. R. 7887) to amend section 11 of chapter 517 of the act entitled "An act to establish circuit courts of appeals and to define and regulate in certain cases the jurisdiction of the courts of the United States, and for other purposes," approved March 3, 1891, and to extend and enlarge the time for taking appeals and suing out writs of error in certain cases; to the Committee on the Judiciary.

By Mr. KINDRED: Joint resolution (H. J. Res. 178) authorizing the Secretary of War to cancel the contract for the removal of Coenties Reef, in the East River, N. Y.; to the Committee on Rivers and Harbors.

By Mr. BUTLER: Resolution (H. Res. 159) for the immediate consideration of House bills 7864, 7848, 7102, and 7103; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BIRD: A bill (H. R. 7888) granting a pension to Elvira F. Jarrett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7889) granting an increase of pension to Eliza Jane Bell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7890) granting a pension to Serena C. McKinney; to the Committee on Invalid Pensions.

By Mr. BROWNE of Wisconsin: A bill (H. R. 7891) granting a pension to Catherine Bolger Krause; to the Committee on Pensions.

By Mr. DRANE: A bill (H. R. 7892) to provide for a survey of Sarasota Bay, Fla., with a view to securing increased depth and width in the channel from the Gulf of Mexico to the city of Sarasota, Fla.; to the Committee on Rivers and Harbors.

By Mr. ECHOLS: A bill (H. R. 7893) for the relief of Capt. George G. Seibels, Supply Corps, United States Navy; to the Committee on Claims.

By Mr. FULLER: A bill (H. R. 7894) for the relief of Michael H. Lorden; to the Committee on War Claims.

By Mr. HAUGEN: A bill (H. R. 7895) granting a pension to Maggie A. Farrill; to the Committee on Invalid Pensions.

By Mr. HAYS: A bill (H. R. 7896) granting an increase of pension to Nancy L. King; to the Committee on Invalid Pensions.

By Mr. HOGAN: A bill (H. R. 7897) granting a pension to Daniel Crowley; to the Committee on Invalid Pensions.

By Mr. HUMPHREYS: A bill (H. R. 7898) authorizing the President to appoint Joseph Byron White a captain in the Quartermaster Corps, and for other purposes; to the Committee on Military Affairs.

By Mr. HUSTED: A bill (H. R. 7899) for the relief of the dependent parents of Fred Ward; to the Committee on Claims.

By Mr. KIRKPATRICK: A bill (H. R. 7900) granting an increase of pension to Edward F. Stewart; to the Committee on Pensions.

By Mr. LUHRING: A bill (H. R. 7901) granting a pension to Lutitia Stillwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7902) granting a pension to Martha J. Dukate; to the Committee on Invalid Pensions.

By Mr. MOORE of Ohio: A bill (H. R. 7903) to extend the benefits of the employers' liability act of September 7, 1916, to Richard B. Davis, a former employee in the Rural Mail Service at Marietta, Ohio; to the Committee on the Judiciary.

By Mr. REECE: A bill (H. R. 7904) granting a pension to Jesse C. Cawood; to the Committee on Pensions.

By Mr. WHEELER: A bill (H. R. 7905) for the relief of John Dilks; to the Committee on Military Affairs.

By Mr. WILLIAMS: A bill (H. R. 7906) granting a pension to Effie Fatheree; to the Committee on Invalid Pensions.

By Mr. YATES: A bill (H. R. 7907) granting a pension to Kate B. Shatzer; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2095. By the SPEAKER (by request): Petition of Clyde E. Filkins and 15 others, of the young men's class of the Memorial Church, Springfield, Mass., urging relief for the Armenians; to the Committee on Foreign Affairs.

2096. Also (by request): Petition of A. G. Shoup, secretary of the Ketchikan Commercial Club, of Ketchikan, Alaska, transmitting a copy of resolutions adopted by said club, together with data supporting the same, petitioning for a duty on all halibut or salmon, or the products thereof, arriving at an American port from or through any foreign country, which have been packed or prepared for shipment in other than American territory; to the Committee on Ways and Means.

2097. Also (by request): Petition of the National Society of the Sons of the American Revolution, indorsing the American Legion's plan of adjusted compensation; to the Committee on Ways and Means.

2098. Also (by request): Petition of the National Society of the Sons of the American Revolution, urging the passage of House bill 4391, declaring The Star-Spangled Banner as the national anthem; to the Committee on the Judiciary.

2099. Also (by request): Petition of the National Society of the Sons of the American Revolution, urging an appropriation to defray the expenses of having abstracts bearing upon the personal history and war services of each Revolutionary pensioner compiled, arranged, and printed by the Government in a form convenient for ready reference; to the Committee on Appropriations.

2100. Also (by request), resolution adopted by the National Society of the Sons of the American Revolution, urging the passage of House bill 140, for the purpose of erecting on the battle field of Monmouth a suitable memorial to perpetuate the heroism of Capt. Mollie Pitcher; to the Committee on Appropriations.

2101. Also (by request), petition of the National Society of the Sons of the American Revolution, favoring the establishment by Congress, by right of eminent domain or otherwise, of a small national park, of a size to effectually safeguard the Old North Church, Salem Street, Boston, Mass.; to the Committee on Appropriations.

2102. By Mr. APPLEBY: Resolutions adopted by the Board of Chosen Freeholders of Monmouth County, N. J., approving House bill 7369, entitled "A bill making illegal the pollution of the navigable waters of the United States by oil and other refuse matter, and providing a penalty therefor," and urging its speedy enactment by Congress; to the Committee on Rivers and Harbors.

2103. Also, resolution adopted by the Association of North Jersey Shore Municipalities, approving House bill 7369, entitled "A bill making illegal the pollution of the navigable waters of the United States by oil and other refuse matter, and providing a penalty therefor," and urging its speedy enactment by Congress; to the Committee on Rivers and Harbors.

2104. Also, resolution adopted by the Board of Chosen Freeholders of Middlesex County, N. J., urging the appropriation of a sum sufficient to carry out the improvements in Raritan Bay and Raritan River, N. J., recommended by the Corps of Engineers, War Department; to the Committee on Rivers and Harbors.

2105. By Mr. CLAGUE: Petition of the Ladies' Club, of Winnebago, Minn., urging relief for peoples of the Near East; to the Committee on Foreign Affairs.

2106. Also, petition of citizens of Fulda, Minn., favoring the recognition of the Irish republic; to the Committee on Foreign Affairs.

2107. By Mr. DYER: Petition of Charter Stove & Range Co., of St. Louis, Mo., urging reductions in appropriations and economy in expenditure as a relief from the burdensome and cumbrous taxes; to the Committee on Ways and Means.

2108. Also, resolution passed by the Missouri Grain Dealers' Association relative to giving grain, grain products, and hay freight rates first consideration in the inevitable revision of the transportation rates; to the Committee on Interstate and Foreign Commerce.

2109. By Mr. GALLIVAN: Petition of Dr. George Keenan, jr., and 29 other doctors, relative to the recognition of republic of Ireland; to the Committee on Foreign Affairs.

2110. By Mr. KINDRED: Petition of H. A. Metz & Co. (Inc.), of 122 Hudson Street, New York City, protesting against the high tariff duty on coal-tar products; to the Committee on Ways and Means.

2111. Also, petition of John J. Van Kuyk, of Corona, Long Island, N. Y., urging relief for the Armenians; to the Committee on Foreign Affairs.

2112. By Mr. KIRKPATRICK: Resolution of the First Reformed Church of Bethlehem, Pa., favoring disarmament; to the Committee on Foreign Affairs.

2113. By Mr. KISSEL: Petition of L. Bernardaud & Co., of New York City, N. Y., opposing the tariff duty on china; to the Committee on Ways and Means.

2114. By Mr. LAYTON: Petition of National Shoe Retailers' Association of the United States of America (Inc.), Philadelphia, Pa.; Delmarvia Leather Co., Standard Kid Manufacturing Co., Delaware Leather Co., J. Austin Ellison Martin Leather Co., and the Coxe & Lloyd Leather Co., of Wilmington, Del., opposing the proposed duty of 15 per cent on raw goatskins and kid skins; to the Committee on Ways and Means.

2115. By Mr. LINTHICUM: Petition of W. C. Van Sant & Co., of Baltimore, Md., protesting against paragraph 1432 of tariff bill; to the Committee on Ways and Means.

2116. By Mr. LUHRING: Resolution of the Memorial Methodist Episcopal Church, of Princeton, Ind., indorsing proposed constitutional amendment to prohibit sectarian appropriations; to the Committee on the Judiciary.

2117. By Mr. MONDELL: Petition of the Wyoming State Council, American Association for the Recognition of the Irish Republic, of Casper, Wyo., asking recognition of the Irish republic; to the Committee on Foreign Affairs.

2118. By Mr. RAKER: Petition of A. S. Dudley, of Sacramento, and Wylie M. Griffin, president California Associated Raisin Co., of San Francisco, Calif., urging a 3-cent per pound tariff on imported beans; also petition of C. Wilson McNeeley, chairman goat and cabrette leather division of the Tanners' Council, of Philadelphia, Pa., protesting against the proposed duty of 15 per cent on raw goat and kid skins; to the Committee on Ways and Means.

2119. Also, petition of the Western Pacific Local, No. 743, International Brotherhood of Boilermakers, Iron Ship Builders, and Helpers of America, of Sacramento, Calif., and Lodge No. 148, International Brotherhood of Boilermakers, Iron Ship Builders, and Helpers, of Vallejo, Calif., protesting against the passage of House joint resolution 171; to the Committee on Immigration and Naturalization.

2120. Also, petition of Berkeley Den, International Lions, of Berkeley, Calif., indorsing Senate bill 597, providing for the

establishment of foreign industrial zones; to the Committee on Interstate and Foreign Commerce.

2121. Also, petition of W. M. Marble, of San Francisco, Calif., indorsing Senate bill 1252 and House bill 7, known as the Towner-Sterling bill; to the Committee on Education.

2122. By Mr. REECE: Petition of G. T. Copenhaven, president of the Hamilton-Bacon-Hamilton Co. (Inc.), of Bristol, Va.-Tenn., opposing the proposed tariff duty on grass seed and clover as contained in the Fordney tariff bill (H. R. 7456); to the Committee on Ways and Means.

2123. By Mr. THOMPSON: Petition of numerous citizens of Van Wert, Ohio, in favor of the Towner-Sterling bill; to the Committee on Education.

2124. By Mr. YATES: Petition of Black Silk Stove Polish Works, of Sterling, Ill., opposing a 10 per cent duty on graphite; to the Committee on Ways and Means.

2125. Also, petition of American Flyer Manufacturing Co., of Chicago, Ill., urging tariff on toys; to the Committee on Ways and Means.

2126. Also, petition of Mr. J. G. Everest, of Chicago, Ill., opposing any duty to be placed on lumber; to the Committee on Ways and Means.

2127. Also, petition of Millers' National Federation, of Chicago, Ill., favoring the admission of foreign wheat, duty free, to be ground in bond or under a liberal drawback arrangement, provided the entire identical product shall be exported; to the Committee on Ways and Means.

2128. Also, petition of Mary E. Smith, of Evanston, Ill., protesting against the Fordney bill, increasing duties on imports; to the Committee on Ways and Means.

2129. Also, petition of goat and cabrette leather division of the Tanners' Council, of Philadelphia, Pa., protesting against duty of 15 per cent on raw goat and kid skins; to the Committee on Ways and Means.

2130. Also, petition of the A. D. Jackson Saddlery Co., of Benton, Ill., urging tariff of 35 per cent on harness and saddlery goods brought into the United States; to the Committee on Ways and Means.

2131. Also, petition of Mr. Charles W. La Porte, of Peoria, Ill., urging an increase in the force and salaries in the Patent Office; to the Committee on Patents.

2132. Also, petition of Central Commercial Co., of Chicago, Ill., urging passing of Harrison naval stores bill; to the Committee on Naval Affairs.

2133. Also, petition of R. J. Ogle, salesman for Patton-Pitcairn division of Pittsburgh Plate Glass Co., urging passage of House bill 5632, the bill supplemental to the national prohibition act; to the Committee on the Judiciary.

2134. Also, petition of the American Farm Bureau Federation, of Chicago, Ill., urging an increase of the loan limit of the Federal land banks; to the Committee on Banking and Currency.

SENATE.

FRIDAY, *July 22, 1921.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we would again renew our confidence in Thee, believing Thou art true to Thy word and will ever remember the trustful soul. We humbly beseech of Thee this morning that along the line of duty we may recognize the hand that is guiding and fulfill Thy good pleasure. Through Jesus Christ our Lord. Amen.

NAMING A PRESIDING OFFICER.

The Secretary, George A. Sanderson, read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., July 22, 1921.

TO THE SENATE:

Being temporarily absent from the Senate, I appoint Hon. CHARLES CURTIS, a Senator from the State of Kansas, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President Pro Tempore.

Mr. CURTIS thereupon took the chair as Presiding Officer.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Wednesday, July 20, 1921, when, on request of Mr. SMOOT and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Ashurst	Harris	McCumber	Sheppard
Ball	Harrison	McKellar	Shortridge
Brandegee	Heflin	McLean	Simmons
Broussard	Hitchcock	McNary	Smoot
Bursum	Johnson	Moses	Spencer
Calder	Jones, Wash.	Nelson	Sterling
Capper	Kellogg	New	Swanson
Caraway	Kendrick	Nicholson	Townsend
Culberson	Kenyon	Norbeck	Trammell
Curtis	Keyes	Norris	Underwood
Dial	King	Oddie	Walsh, Mass.
Ernst	Knox	Overman	Walsh, Mont.
Fernald	Ladd	Poindexter	Watson, Ga.
Fletcher	La Follette	Pomerene	Williams
Gerry	Lenroot	Reed	Willis
Glass	Lodge	Robinson	

The PRESIDING OFFICER. Sixty-three Senators having answered to their names, a quorum is present.

EXPORTATION OF FARM PRODUCTS.

Mr. NORRIS. Mr. President, I desire to submit a request for unanimous consent.

The PRESIDING OFFICER. The Senator from Nebraska submits a request for unanimous consent, which will be read.

The ASSISTANT SECRETARY. The Senator from Nebraska [Mr. NORRIS] asks unanimous consent that at not later than 5 o'clock p. m. on the calendar day of Tuesday, July 26, 1921, the Senate will proceed to vote, without further debate, upon any amendment that may be pending, any amendment that may be offered, and upon the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, through the regular parliamentary stages to its final disposition, and that after the hour of 12 o'clock noon on said calendar day no Senator shall speak more than once or longer than five minutes upon the bill or more than once or longer than five minutes upon any amendment offered thereto.

The PRESIDING OFFICER. Is there objection?

Mr. REED. Mr. President, I do not wish to have the morning hour or the day taken up in the discussion of a matter of this kind. If the Senator will present the request after the bill to be voted on to-day is disposed of, I shall be glad to give it consideration then. I do not want to discuss or settle this question when we have a bill of great importance to vote on at 4 o'clock. For those reasons I object.

Mr. NORRIS. In view of the statement of the Senator from Missouri, I give notice that when the voting is concluded on the special order of the day I shall resubmit the request.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Overhue, its enrolling clerk, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 6611) to establish in the Treasury Department a veterans' bureau and to improve the facilities and service of such bureau, and further to amend and modify the war risk insurance act; had agreed to the conference requested by the Senate; and that Mr. WINSLOW, Mr. PARKER of New Jersey, Mr. SWEET, Mr. BARKLEY, and Mr. RAYBURN were appointed managers of the conference on the part of the House.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7208. An act to extend the time for the construction of a bridge across the Roanoke River in Halifax County, N. C.; and

H. R. 7456. An act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes.

PROPOSED TARIFF ON COTTON.

Mr. ASHURST. Mr. President, I desire to give notice that immediately after the disposal of the maternity and infancy bill I shall submit some observations to the Senate respecting the cotton schedule of the tariff bill that has just come over from the House.

PETITIONS AND MEMORIALS.

Mr. POINDEXTER. Mr. President, I present and ask to have printed in the RECORD a telegram from a number of prominent officials and citizens of the State of Washington that Congress take immediate action to prevent the impending disaster in Armenia.

There being no objection, the telegram was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

OLYMPIA, WASH., *July 16, 1921.*

Senator MILES POINDEXTER,
Washington, D. C.:

The undersigned do earnestly beg that Congress take immediate action to prevent the present impending disaster in Armenia.

J. Grant Hinkle, secretary of state; C. L. Babcock, State treasurer; H. B. Fultz, secretary chamber of commerce; H. O. Fishback, insurance commissioner; C. H. Younger, State supervisor of industrial relations; C. V. Savidge, commissioner of public lands; Millard Lemon, president Security Bank; W. A. Salter, county treasurer; W. E. Steel, M. D., chairman Near East relief; W. C. Burrell.

Mr. MOSES. Mr. President, I ask unanimous consent to have read the telegram which I send to the desk.

There being no objection, the telegram was read and ordered to lie on the table, as follows:

CONCORD, N. H., *July 18, 1921.*

Hon. GEORGE H. MOSES,
United States Senate, Washington, D. C.:

As the delegate to American Medical Association meeting in Boston last month, I contributed to decisive majority vote against all congressional measures tending toward paternalistic legislation. Strongly urge you to subscribe to this resolution, unanimously adopted May 26:

"*Resolved*, That the Medical Society of New Hampshire is emphatically opposed to State medicine and to any scheme for health centers, group medicine, and diagnostic clinics, either wholly or partly controlled, operated, or subsidized by the State or National Government. We ask your voice and vote against the Sheppard-Towner bill.

D. E. SULLIVAN, M. D.,
Secretary of the Society.

Mr. KENYON. Mr. President, I present petitions numerously signed by over 2,000 farmers of the State of Iowa, praying for a reduction of freight rates. I ask that the body of one of the petitions may be printed in the RECORD and that they may be referred to the Committee on Interstate Commerce.

There being no objection, the petitions were referred to the Committee on Interstate Commerce, and one was ordered to be printed in the RECORD, without the names attached, as follows:

To the PRESIDENT AND CONGRESS, UNITED STATES OF AMERICA:

The Farmers' Union of the State of Iowa demand a reduction in freight rates, and declare that the present scale of freight rates is destructive of the agriculture of the State. The following facts indicate where reductions are possible and should be made:

The Railroad Labor Board has ordered a reduction in wages that will amount to approximately $400,000,000, and freights should be reduced by a like amount.

The total value of the railroads as fixed by the Interstate Commerce Commission is over $5,000,000,000 in excess of the market value of all the stocks and bonds of all the railroads, and the rates charged on this excess of valuations costs the country over $300,000,000 per year. This "watered" capitalization should be prohibited by law and the freight rates reduced accordingly.

The waste of competition is costing the country over $400,000,000 per year, and its elimination would reduce rates correspondingly.

Interlocking directorates of supply companies, mismanagement, and inefficiency are making an annual expense of over $600,000,000 per year. This loss should be prevented and rates reduced accordingly.

We, therefore, demand that freight rates be reduced sufficiently to put agriculture back to normal conditions of transportation.

Mr. SPENCER presented petitions of Michael Gleason and 29 others, Stephen Miller and 29 others, Michael Dolan and 29 others, G. A. Hellmann and 29 others, Mrs. Mary Crossen and 29 others, Patrick Hughes and 29 others, Mary A. Mooney and 29 others, Cornelius Corcoran and 29 others; Harry Washington and 29 others, P. H. Hackett and 29 others, John Saderstin and 29 others, Thomas J. Kenny and 29 others, Winfred A. Murnane and 30 others, Mary McIvor and 29 others, Timothy O'Keeffe and 29 others, S. B. Sweeney and 29 others, James A. Haffarnan and 29 others, Mary I. Rabbitt and 29 others, Patrick S. Moynihan and 29 others, and Matthew Fitz Gibbon and others, all of St. Louis, Mo., praying that the United States recognize the republic of Ireland, which were referred to the Committee on Foreign Relations.

Mr. LA FOLLETTE presented a resolution of the Common Council, of Milwaukee, Wis., favoring the calling of an international disarmament conference by the President of the United States, which was referred to the Committee on Foreign Relations.

He also presented seven memorials of sundry citizens of Watertown, Crandon, Gresham, Stoughton, Camp Douglas, Bethel, Weyeville, Oakdale, Richland, Yuba, Wonewoc, Hub City, Rockbridge, Bloom City, Tomah, Byron, and Shennington, all in the State of Wisconsin, remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. CAPPER presented a petition of sundry members of the Ethan Allen Council, of Garnett, Kans., favoring the recognition of the republic of Ireland, which was referred to the Committee on Foreign Relations.

He also presented a memorial of sundry citizens of Waterville, Kans., remonstrating against the enactment of legislation making stringent regulations for the observance of Sunday in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. McLEAN presented 94 petitions of sundry citizens of Hartford, Ansonia, Derby, New Britain, Kensington, Berlin, Rockwell, Springfield, New London, Glenbrook, Stamford, Fairfield, Bridgeport, Woodland, Windsor, and Shelton, all in the State of Connecticut, praying for the recognition of the republic of Ireland by the Government of the United States, which were referred to the Committee on Foreign Relations.

He also presented resolutions of Leo XIII Council, No. 1090, Knights of Columbus, of Terryville; sundry members of the American Association for the Recognition of the Irish Republic, of Waterbury; and Commodore Jack Barry Council, American Association for the Recognition of the Irish Republic, of New Britain, all in the State of Connecticut, favoring the recognition of the republic of Ireland by the Government of the United States, which were referred to the Committee on Foreign Relations.

He also presented letters in the nature of petitions and resolutions of sundry citizens of Bridgeport; the Methodist Church School of Westville; the congregation of the Plymouth Congregational Church, of Milford; the pastor and congregation of Park Street Congregational Church, of Bridgeport; Relief Lodge, No. 86, I. O. O. F., of New Haven; the pastor and congregation of the First Congregational Church, of Norwich; sundry members of the Boosters' Lunch Club, of Danbury; S. Turner Foster, pastor of the Benedict Memorial Presbyterian Church, of New Haven; sundry citizens of Hartford; the pastor and congregation of the First Congregational Church, of Danbury; the congregation of the Congregational Church of Somersville, all in the State of Connecticut, praying that the United States afford protection and relief to the suffering peoples of the Near East, which were referred to the Committee on Foreign Relations.

He also presented resolutions of the Ladies' Benevolent Society of the Congregational Church, of Woodstock; the congregation of the Congregational Church of Somersville; the pastor and congregation of the First Congregational Church, of Waterbury; the pastor and sundry members of the Olivet Congregational Church, of Bridgeport; the congregation of the Second Church of Christ Scientist, of Hartford; and sundry citizens of New Haven, all in the State of Connecticut, favoring the calling of an international disarmament conference by the United States, which were referred to the Committee on Foreign Relations.

He also presented resolutions of Division No. 1, Ancient Order of Hibernians; Division No. 2, Ancient Order of Hibernians; Division No. 3, Ancent Order of Hibernians; Fraternal Order of Eagles; Lodge No. 1204, Loyal Order of Moose; and Nathan Hale Council, American Association for the Recognition of the Irish Republic, all of Ansonia; also the State secretary of American Association for the Recognition of the Irish Republic, of Bridgeport; American Association for the Recognition of the Irish Republic, of Ansonia; and Division No. 9, Ladies' Auxiliary, Ancient Order of Hibernians, of Ansonia, all in the State of Connecticut, favoring the passage of the so-called La Follette and Norris resolutions relative to Ireland, which were referred to the Committee on Foreign Relations.

He also presented a resolution of the Columbus Republican Club of New England, Meriden (Conn.) branch, favoring the enactment of legislation making Columbus Day—October 12—a national holiday, which was referred to the Committee on the Judiciary.

He also presented a letter in the nature of a memorial from members of Orford Parish Chapter, Daughters of the American Revolution, of South Manchester, Conn., remonstrating against the enactment of Senate bill 274 for the erection and maintenance of a dam across the Yellowstone River, in the State of Montana, which was referred to the Committee on Commerce.

He also presented letters, telegrams, and resolutions of the League of Women Voters, of Haddam; Republican Woman's Association, of Rockville; Roger Sherman Chapter, Daughters of the American Revolution, of New Milford; League of Women Voters, of Norwalk; League of Women Voters, of New Milford; Connecticut League of Women Voters, of East Hampton; League of Women Voters, of South Norwalk; Women's Republican Town Committee, of Trumbull; Mary Stillman Chapter, Daughters of the American Revolution, of Bridgeport; and the Consumers' League of Connecticut (Inc.), of Hartford, all in the State of Connecticut, favoring the enactment of legislation for the public protection of maternity and infancy, which were ordered to lie on the table.

He also presented a resolution adopted at a meeting in Buenos Aires on July 6, 1920, of the Chamber of Commerce of the United States of America in the Argentine Republic, favoring the enactment of legislation to render immune from income and excess-profits taxes all American citizens and business firms resident and operating abroad, which was referred to the Committee on Finance.

He also presented a memorial of sundry hat manufacturing companies of Danbury, Conn., remonstrating against inclusion of the present dye and chemical clause in the permanent tariff bill, which was referred to the Committee on Finance.

He also presented a petition of the Manufacturers' Association of Bridgeport, Conn., praying that American valuation be adopted for levying ad valorem import duties, which was referred to the Committee on Finance.

He also presented a telegram in the nature of a petition from Mary B. Wilson, president Connecticut Woman's Christian Temperance Union, representing 5,000 members, praying for the enactment of legislation to further strengthen the prohibition enforcement act, which was ordered to lie on the table.

He also presented resolutions of the Brooklyn Grange, of Brooklyn; the Glastonbury Grange, of Glastonbury; Wallingford Grange, No. 33, of Wallingford; and Berlin Grange, No. 24, of Berlin, all in the State of Connecticut, opposing the enactment of a so-called daylight-saving law, which were referred to the Committee on Interstate Commerce.

Mr. WILLIS presented a petition of sundry citizens of Geneva and Madison, both in the State of Ohio, praying for the enactment of suitable tariff legislation which will adequately protect the poultry industry, which was referred to the Committee on Finance.

REPUBLIC OF HAITI AND THE DOMINICAN REPUBLIC.

Mr. McCORMICK, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the resolution (S. Res. 112) submitted by him on July 19, 1921, authorizing a special committee to inquire into the occupation and administration of the territories of the Republic of Haiti and the Dominican Republic, reported it with amendments.

BILLS INTRODUCED.

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH of Massachusetts:

A bill (S. 2291) for the relief of the owner of the schooner *Itasca* and her master and crew; to the Committee on Claims.

By Mr. STANLEY:

A bill (S. 2292) authorizing the appointment of John Dawson Buckner, formerly an officer of Infantry, United States Army, a captain on the retired list; to the Committee on Military Affairs.

By Mr. SHORTRIDGE:

A bill (S. 2293) to confer jurisdiction upon the Court of Claims to ascertain the cost to the Southern Pacific Co., a corporation, and the amounts expended by it from December 1, 1906, to November 30, 1907, in closing and controlling the break in the Colorado River and to render judgment therefor; and

A bill (S. 2294) to confer jurisdiction upon the Court of Claims to ascertain the cost to the Alaska Commercial Co., a corporation, and the amount expended by it from November 5, 1920, to April 18, 1921, in repairing and rebuilding the wharf belonging to said company at Dutch Harbor, Alaska, which wharf was damaged and partially destroyed on or about November 5, 1920, through collision therewith of the United States Navy steamship *Saturn*, and to render judgment therefor; to the Committee on Claims.

By Mr. CAMERON:

A bill (S. 2295) for the relief of James Allen, alias George Moran (with accompanying papers); to the Committee on Military Affairs.

By Mr. NEW:

A bill (S. 2296) granting an increase of pension to Mary C. Myers (with accompanying papers); and

A bill (S. 2297) granting an increase of pension to Ellen G. Frame (with accompanying papers); to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 2298) granting a pension to Carrie H. Chandler (with accompanying papers); to the Committee on Pensions.

EXPORTATION OF FARM PRODUCTS.

Mr. STERLING submitted an amendment in the nature of a substitute intended to be proposed by him to the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED.

The following bills were each read twice by title and referred as indicated below:

A bill (H. R. 7208) to extend the time for the construction of a bridge across the Roanoke River in Halifax County, N. C.; to the Committee on Commerce.

A bill (H. R. 7456) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes; to the Committee on Finance.

REAR ADMIRAL WILLIAM S. SIMS.

Mr. WALSH of Montana. Mr. President, in my remarks on yesterday I referred to the fact that a resolution which had been adopted by the Senate on June 7, directing the Committee on Naval Affairs to inquire into the speech of Admiral Sims delivered in the city of London, is still pending before that committee. In that connection, I have in my hand a copy of the British American, a paper published in the city of Chicago, which prints a letter received by that paper from Admiral Sims, which I ask to have read at the desk. It is brief.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Secretary will read as requested.

The Assistant Secretary read as follows:

[From the British-American, Chicago, July 16, 1921.]

REAR ADMIRAL SIMS TO THE BRITISH-AMERICAN.

NAVAL WAR COLLEGE,
Newport, R. I., July 12, 1921.

The EDITOR BRITISH-AMERICAN,
Pontiac Building, 542 South Dearborn Street, Chicago, Ill.

MY DEAR SIR: I want to thank you most cordially for the editorial in your issue of July 2. If it is true that the American people are aroused to the extent that this editorial would indicate, I shall never cease to be glad that I committed the indiscretions for which I have been officially reprimanded. If only the American people will keep this matter in mind, I think it will have the effect of very materially decreasing the activities of some of our dangerous hyphenated citizens.

Very sincerely, yours,

WM. S. SIMS,
Rear Admiral, United States Navy.

Mr. WALSH of Montana. Mr. President, I desire particularly to call attention to the reference in the letter of Admiral Sims to the hyphenated citizen, and in this connection I call attention to the fact that the letter is printed in a paper called the British-American.

I now send to the desk a copy of the editorial in the British-American referred to in the letter of Admiral Sims, and ask that it be printed in the RECORD, and that it, with the letter of Admiral Sims, be referred to the Committee on Naval Affairs.

There being no objection, the letter and editorial were referred to the Committee on Naval Affairs, and the editorial was ordered to be printed in the RECORD, as follows:

[Editorial of July 2, referred to by Admiral Sims.]

"THE ADMIRAL'S EYE OPENER.

"Admiral Sims is back at work as president of the Naval War College at Newport, and the 'Sims incident' is closed, so far as the admiral is concerned. It is not closed so far as the general public is concerned, and will not be, let us hope, for some considerable time. Sims has confessed to tactlessness in 'spilling the beans'; he is sorry the Government has been inconvenienced, and he takes Secretary Denby's 'public reprimand' with a good grace.

"But he exhibits more amusement than penitence. Millions of his fellow citizens have assured him that his famous banquet-table blunder was a blessing in disguise; that he has rendered his country a service as large and lasting as the great acts of some of our finest heroes and patriots.

"Some kind of shock or explosion was necessary to wake up the average American, who does not make a business of his politics, as does the boastful 100 per center with the Irish brogue. The latter, becoming hypnotized by Sinn Fein, had lost sight of Columbia's welfare in his enthusiasm for Erin's. He was assisted in this by a host of small politicians who would as soon boost a republic for Timbuctoo as for Hibernia, if there were ballots in that sort of a boom.

"Sims, with his blunt jackass speech, stabbed the conservative, safe, and sane American into vital and vivid thinking. Chicago papers reflected only a little of this awakening, because Chicago is largely a Sinn Fein stronghold, and the best of our journalists are influenced by the green-tinged atmosphere. But the important dailies of scores of cities in other States echoed the big thought and conviction that had come to Uncle Sam as a direct result of the Sims oratorical blunder.

"Intelligent Americans now realize that Sinn Fein propaganda is more than a nuisance—that it is a vicious menace to this Republic at a critical period of history. The point is not so much justice for Ireland as justice for America; not so much freedom's cause there as freedom's cause here.

"More than anything else in the world America needs the friendship of Britain; without it our future is black indeed. Can we afford to lose it for the sake of an Irish faction whose chief interest in these United States is selfish and sordid—who, when this country was in danger, backed the foe that planned to crush her?

"Seeing this truth, the rank and file of our people, who have no more interest in Ireland than in England, have made their united voice heard where a hearing counts.

"They have Admiral Sims to thank for opening their eyes."

Mr. ASHURST. Mr. President, the Senate has devoted a vast deal of attention to this man Sims, who claims to be an expert on jackasses, and Sims appears to be doing all the braying.

ADMINISTRATION OF FEDERAL RESERVE SYSTEM.

Mr. McLEAN. I submit the resolution which I send to the desk, and ask that it may be read.

The PRESIDING OFFICER. The Secretary will read the resolution.

The reading clerk read the resolution (S. Res. 115), as follows:

Resolved, That the Committee on Banking and Currency of the Senate, or any subcommittee thereof, is authorized and directed to investigate the administration of the Federal reserve system and of the Office of the Comptroller of the Currency and to report its findings to the Senate, with such recommendations as it deems proper. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to employ such stenographic and clerical assistance, to meet at such times and places and to sit during the session and recesses of the present Congress, to have such printing and binding done, to make such expenditures for traveling, and to make such other expenditures as it deems necessary. The committee, or any subcommittee thereof, is further authorized to send for persons and papers, to administer oaths and affirmations, and to take testimony. The President of the Senate is authorized, upon the request of the committee or any subcommittee thereof, to issue subpœnas for such purposes, and the Sergeant at Arms of the Senate is directed to serve such subpœnas. Any person who willfully refuses to obey any such subpœna and any witness guilty of contumacy shall be liable to penalties provided in section 102 of the Revised Statutes of the United States. All expenses of the committee, or any subcommittee thereof, incurred under this resolution shall be paid out of the contingent fund of the Senate on vouchers authorized by the committee signed by the chairman thereof.

The PRESIDING OFFICER. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. UNDERWOOD. Mr. President, I wish to ask the Senator from Connecticut what is the purpose of the resolution, whether or not it has been reported by his committee, and how far he intends, in an investigation of the character proposed, to go back into past history?

Mr. McLEAN. I will say to the Senator from Alabama that the resolution has not been considered by the Committee on Banking and Currency. I am merely now introducing it. Otherwise I should ask unanimous consent for its immediate consideration, as it simply provides for an investigation, which, I will say to the Senator from Alabama, is requested by the Federal Reserve Board.

Mr. UNDERWOOD. Then, the Senator from Connecticut introduces the resolution at the instance of the Federal Reserve Board, as they themselves desire the investigation?

Mr. McLEAN. As the Senator from Alabama knows, there has been considerable criticism of the Federal Reserve Board, and the members are very anxious to have a committee, either of the House or of the Senate, make a thorough investigation.

Mr. MOSES. Mr. President, may I ask the Senator from Connecticut if the investigation which is proposed by the resolution submitted by him is the investigation to which the Senator from Virginia [Mr. GLASS] referred the other day?

Mr. GLASS. I was unable to hear the Senator from New Hampshire.

Mr. MOSES. I wish to know if the investigation proposed by the resolution now submitted by the Senator from Connecticut is the investigation to which the Senator from Virginia referred in the course of a colloquy which took place here the other day?

Mr. GLASS. As I understand, the resolution is submitted in response to a request from the Federal Reserve Board for an investigation into certain accusations which have been made against the policies of that board.

Mr. MOSES. Then it covers the subject to which the Senator from Virginia the other day referred in the course of the colloquy which took place between him and the Senator from Alabama [Mr. HEFLIN] and myself?

Mr. GLASS. I so understand.

Mr. FLETCHER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Florida?

Mr. McLEAN. I yield.

Mr. FLETCHER. May I ask if a resolution providing for an investigation similar to the one proposed by the resolution now introduced by the Senator from Connecticut has not already been passed by the House of Representatives?

Mr. McLEAN. I do not think such resolution has been passed by the House, though a similar resolution has been introduced in that body.

Mr. FLETCHER. Then such a resolution has been introduced but not passed?

Mr. McLEAN. I do not understand that it has been passed.

Mr. FLETCHER. I know nothing about the matter other than what I have learned from the newspapers.

Mr. McLEAN. The Senator from Florida may be correct, but I do not understand that such a resolution has been adopted by the House of Representatives.

Mr. FLETCHER. The question that occurs to me is whether the resolution ought not to go to the Committee on Banking and Currency before action is taken upon it.

The PRESIDING OFFICER. The Chair will state that the resolution will have first to go to the Committee to Audit and Control the Contingent Expenses of the Senate, as it proposes to take money out of the contingent fund. The resolution must under the statute first go to that committee.

Mr. NORRIS. The resolution should first be referred to the Committee on Banking and Currency, should it not?

The PRESIDING OFFICER. The Chair thinks that the resolution should first go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. SIMMONS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from North Carolina?

Mr. UNDERWOOD. I yield.

Mr. SIMMONS. I simply desire to suggest to the Senator from Connecticut [Mr. McLEAN], who offers the resolution, the expediency and wisdom, as it seems to me, of having the resolution provide for a joint investigation by the House of Representatives and the Senate. I am sure a similar resolution has been introduced in the other House, and I think it would be rather unfortunate to have committees of both bodies making the same investigation. The matter is of such extreme importance that I think it would be better to have the investigation conducted by a joint committee. Certainly, in view of the statement made in the report of the Comptroller of the Currency for 1920, and the speech recently made by him in Georgia, as well as the speech delivered by him in this city, with reference to the action of the Federal Reserve Board, it is a subject that ought to be most thoroughly investigated. If the charges made be true, the country is entitled to know it; if they are not true, the country is also entitled to know it.

I will say to the Senator from Connecticut that I had myself prepared a similar resolution which I had expected to have ready to-day. I trust the Senator will adopt the suggestion which I make and will change his resolution so as to provide for an investigation by a joint committee of the House and Senate.

Mr. HARRISON. Mr. President, will the Senator from Connecticut yield to me?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Mississippi?

Mr. McLEAN. If the Senator from Mississippi will defer his remarks for a moment, I should like to say a word in reply to the suggestion which has just been made by the Senator from North Carolina [Mr. SIMMONS]. The suggestion was made that the committee to investigate this matter should be a joint committee, but, as we all know, the history of such committees is that investigations so made are not as satisfactory as are investigations which are made by a committee of one House or the other.

Frequently the meetings of such joint committees are not fully attended; and this is a matter that whoever undertakes it should be willing to give the time that is necessary to make a thorough investigation. On consultation it seemed to be more advisable to have the investigation conducted by a Senate committee. I think that would be the feeling of the House, although I am not definitely informed in regard to that. I will say to the Senator that if the resolution is referred to the committee and if it is thought advisable an amendment can be recommended by the committee to provide for the creation of a joint committee to investigate the subject instead of having the investigation conducted by a Senate committee.

Mr. HARRISON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Mississippi?

Mr. McLEAN. I yield.

Mr. HARRISON. Mr. President, I am in thorough sympathy with the suggestion made by the Senator from North Carolina [Mr. SIMMONS], for the reason that the chairman of the Banking and Currency Committee of the House gave out a statement two days ago, I think, saying that the Banking and Currency Committee of the House intended to carry on an investigation immediately touching the charges made by John Skelton Williams. It seems to me that it would be useless for the House to have an investigation and for the Senate to conduct a similar investigation at the same time. So, if the Senate is going to do anything along that line, it would seem to me that the investigation should be conducted by a joint committee.

However, what I rose more particularly to say was that recently the Senate and the House passed what was known as the Lenroot resolution, providing for an investigation into every phase of agricultural conditions. The charges that were made by Mr. Williams, touching agricultural credits, for instance, aroused the curiosity as well as the interest of the committee and of the country, and members of the commission under the Lenroot resolution, who are now holding hearings every day, have had numerous letters from people in various parts of the country asking that that commission take up the investigation of those charges and ascertain whether there was anything in them. So, on yesterday morning, I think it was, the commission, under the Lenroot resolution, had a meeting in executive session, and after an hour of consideration decided to call Mr. Williams before the commission immediately. The chairman of the commission got in touch with Mr. Williams, and I understand he will appear before that commission on Tuesday. We expect to go into the matter thoroughly, so far as the charges affect agricultural credits and within the scope of the resolution.

I merely wanted to advise the chairman of the Committee on Banking and Currency about that, so that he will know that one commission, representing both the House and the Senate, are going into the situation and will report.

Mr. SMOOT. I call for the regular order.

Mr. HITCHCOCK. Will the Senator permit me merely to make an inquiry?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Nebraska?

Mr. McLEAN. I yield.

Mr. HITCHCOCK. I should like to ask the Senator from Connecticut why he has included in the resolution an investigation of the comptroller's office?

Mr. McLEAN. That was done at the suggestion of the Federal Reserve Board.

Mr. HITCHCOCK. The Federal Reserve Board wants the comptroller's office investigated? There are no charges against that office, as I understand.

Mr. McLEAN. I am not aware that there is any objection to it. I think it will develop that it is a wise provision.

Mr. GLASS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Connecticut yield further?

Mr. SMOOT and Mr. KING called for the regular order.

The PRESIDING OFFICER. The regular order is demanded. The presentation of concurrent and other resolutions is in order.

Mr. McCORMICK subsequently said: Mr. President, I ask unanimous consent to report from the Committee to Audit and Control the Contingent Expenses of the Senate the resolution (S. Res. 115) directing an investigation of the administration of the Federal reserve system and of the office of the Comptroller of the Currency.

Mr. McLEAN. Mr. President, I ask unanimous consent for the consideration of the resolution.

Mr. HEFLIN. I shall object for the present, Mr. President.

Mr. McLEAN. Do I understand the Senator from Alabama to object?

Mr. HEFLIN. I understand that the Rules Committee of the House this morning met to consider a like resolution, and because the joint committee appointed by the Senate and the House to look into agricultural matters are going to investigate this subject, they decided that they would not do so. I see no necessity for the Senate going into this matter when the joint committee of the House and Senate are going to begin an investigation on next Tuesday, and for the present I should like to have the resolution lie over, and I should like to look into it.

The PRESIDING OFFICER. The resolution will be placed on the calendar.

AMENDMENT OF NATIONAL PROHIBITION ACT.

Mr. REED. Mr. President, is morning business closed?

The PRESIDING OFFICER. If there are no further concurrent or other resolutions, morning business is closed.

Mr. REED. Mr. President, is there any unfinished business that comes up automatically?

The PRESIDING OFFICER. There is not.

Mr. STERLING. Mr. President, will the Senator from Missouri yield to me?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from South Dakota?

Mr. REED. I do not want to yield the floor.

Mr. STERLING. Will the Senator yield for a motion?

Mr. REED. Yes.

Mr. STERLING. I move that the Senate proceed to the consideration of Calendar No. 216, being the bill H. R. 7294, supplemental to the national prohibition act.

The PRESIDING OFFICER. Is there objection?

Mr. WATSON of Georgia. I object.

Mr. STERLING. I put it in the form of a motion.

The PRESIDING OFFICER. The question is on the motion of the Senator from South Dakota. [Putting the question.] The Chair is in doubt.

SEVERAL SENATORS. What is the question?

The PRESIDING OFFICER. The question is on taking up a bill, the title of which the Secretary will state.

The ASSISTANT SECRETARY. A bill (H. R. 7294) supplemental to the national prohibition act.

Mr. REED. Mr. President, is it in order to make a motion to substitute?

The PRESIDING OFFICER. It is not.

Mr. REED. The maternity bill is up to-day.

Mr. JONES of Washington. I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence, I withhold my vote.

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from Wyoming [Mr. WARREN]. As he is absent, I withhold my vote.

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oklahoma [Mr. HARRELD] and will vote. I vote "yea."

Mr. TRAMMELL (when his name was called). I have a pair with the senior Senator from Rhode Island [Mr. COLT]. In his absence, being unable to obtain a transfer, I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN]. In his absence, I am obliged to withhold my vote. If at liberty to vote, I should vote "yea."

Mr. WILLIAMS (when his name was called). I first transfer my pair with the Senator from Pennsylvania [Mr. PENROSE], who is unavoidably absent from the Chamber, to the Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. DIAL. I am paired with the Senator from Colorado [Mr. PHIPPS] and withhold my vote.

Mr. McLEAN. I have a pair with the senior Senator from Montana [Mr. MYERS], who is absent. I therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. CARAWAY. I wish to inquire if the junior Senator from Illinois [Mr. McKINLEY] has voted?

The VICE PRESIDENT. He has not.

Mr. CARAWAY. I have a general pair with the junior Senator from Illinois, and am unable to get a transfer, and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. RANSDELL. I have a pair with the Senator from Maryland [Mr. WELLER] and therefore withhold my vote.

Mr. ROBINSON (after having voted in the affirmative). I inquire if the Senator from West Virginia [Mr. SUTHERLAND] has voted?

The VICE PRESIDENT. He has not.

Mr. ROBINSON. I have a general pair with that Senator, and unless I can get a transfer I shall have to withdraw my vote. I am informed that I am unable to procure a transfer, and I therefore withdraw my vote.

Mr. CURTIS. I have been requested to announce that the Senator from New Jersey [Mr. EDGE] is paired with the Senator from Oklahoma [Mr. OWEN], and that the Senator from Maine [Mr. HALE] is paired with the Senator from Tennessee [Mr. SHIELDS].

The result was announced—yeas 32, nays 24, as follows:

YEAS—32.

Ashurst	Capper	Elkins	Harrison
Borah	Culberson	Fletcher	Heflin
Bursum	Curtis	Harris	Jones, Wash.

Kellogg	McKellar	Norbeck	Spencer
Kenyon	McNary	Norris	Sterling
Ladd	Nelson	Poindexter	Swanson
Lenroot	New	Sheppard	Townsend
McCumber	Nicholson	Simmons	Willis

NAYS—24.

Ball	Hitchcock	Lodge	Smoot
Brandegee	Johnson	Moses	Stanley
Broussard	Keyes	Oddie	Underwood
Calder	King	Pomerene	Walsh, Mass.
Ernst	Knox	Reed	Watson, Ga.
Gerry	La Follette	Shortridge	Williams

NOT VOTING—39.

Cameron	Glass	Newberry	Smith
Caraway	Gooding	Overman	Stanfield
Colt	Hale	Owen	Sutherland
Cummins	Harreld	Page	Trammell
Dial	Jones, N. Mex.	Penrose	Wadsworth
Dillingham	Kendrick	Phipps	Walsh, Mont.
Edge	McCormick	Pittman	Warren
Fernald	McKinley	Ransdell	Watson, Ind.
France	McLean	Robinson	Weller
Frelinghuysen	Myers	Shields	

So the motion was agreed to; and the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 7294) supplemental to the national prohibition act.

Mr. REED obtained the floor.

Mr. UNDERWOOD. Mr. President, will the Senator yield to me for just two or three minutes?

Mr. REED. Yes; I yield. I do not desire to lose the floor, but I yield.

Mr. UNDERWOOD. I would not interrupt the Senator at this time, but what I wish to say is pertinent to the vote that has just been cast.

Mr. President, I have no objection to the consideration of the bill that has just been laid before the Senate. A large number of the Senators desire to act on it, and I think they should have their opportunity to do so. I do not desire to see any filibuster that will prevent its consideration. Therefore, I am not talking about that bill; but I think the habit of the Senate recently of taking up one bill and making a general order in reference to it, and then taking up another bill and considering it, and then bringing before the Senate another bill for consideration, and having the debate run on three or four bills at the same time, preventing Senators from offering amendments and having them considered at the critical time of legislation, is a very bad practice. I do not like to object to requests for the consideration of bills or for unanimous-consent agreements, because I prefer to occupy the attitude of being helpful toward giving the Senate an opportunity to transact its business; but the legislative situation of the Senate now illustrates the condition.

Everybody knows that the prohibition bill will not be voted upon before the order in reference to the maternity bill becomes effective this evening, and that we will be compelled to vote on it; yet the Senate, because there is an order fixing a time for a vote on the maternity bill, and the time limit is running against it, deliberately forces another bill in its way, and no opportunity is to be offered for real consideration of the maternity bill. I think it is an outrage on legislative procedure. I have no desire whatever to object to orders for the consideration of legislation, but when consent is given for a special order for the consideration of a bill and the order is made, if the procedure of the Senate is to permit a block being thrown in the way of legitimate consideration of the bill that is to be voted on, I shall in the future be liberal in my objections to unanimous-consent orders.

Mr. SMOOT. Mr. President——

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED. I would like to yield, and I will yield briefly; but the clock admonishes me that in 2 hours and 15 minutes general debate must close on Senate bill 1039.

Mr. SMOOT. All I want to observe is that I voted against taking up the prohibition bill, because I do not think the vote on the motion shows good faith on the part of those who voted to take up the bill, considering the unanimous-consent agreement in effect to-day.

I also desire to say that never again will I join in a unanimous-consent agreement similar to the one that was entered into in regard to the maternity bill.

Mr. STERLING. Mr. President, because I am interested and because it was on my motion that the bill was laid before the Senate just now, I simply want to say that I think the Senator from Utah has struck at the root of the matter. It is the unanimous-consent agreement we entered into on the maternity bill, rather than any fault in bringing the prohibition bill before the Senate, that gives rise to this situation. We have had the prohibition bill before the Senate on three several days, and nothing else was discussed during the time it was before the Senate on those days. In view of the pendency of the agricultural bill, which has been before the Senate as the unfinished business, the morning hour was the only time when I could bring the prohibition bill before the Senate for discussion. I have had occasion to say before that I was gratified because of the fact that the discussion had been devoted entirely to that bill. I hoped that we might have an hour this morning, but, of course, there is nothing to preclude a discussion of the maternity bill, the Senator from Missouri having gotten the floor.

Mr. REED. Mr. President, I make no complaint about what has transpired this morning, but I do say that unanimous-consent agreements in the future will have to contain a provision that the bill shall be made the regular business before the Senate at some given time, and kept before the Senate, if the agreement gains my consent.

PROTECTION OF MATERNITY AND INFANCY.

Mr. REED resumed his speech in opposition to the bill (S. 1039) for the public protection of maternity and infancy, providing a method of cooperation between the Government and the several States. After having spoken for some time,

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which will be stated.

The READING CLERK. A bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. NORRIS. I ask unanimous consent that the unfinished business be temporarily laid aside for the purpose of considering Senate bill 1039, the maternity bill.

The VICE PRESIDENT. Is there objection? The Chair hears none, and lays Senate bill 1039 before the Senate.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1039) for the public protection of maternity and infancy and providing a method of cooperation between the Government of the United States and the several States.

[Mr. REED addressed the Senate. See Appendix.]

Mr. KENYON and Mr. KING addressed the Chair.

The VICE PRESIDENT. The Senator from Iowa.

Mr. KENYON. I am very willing to enter into an agreement with the Senator from Utah, if he wishes to speak on the bill, to divide the remainder of the time. I would prefer that the Senator should speak first and let me close the discussion.

Mr. KING. It would be impossible in the limited time at the disposal of Senators to have an elaborate discussion of the measure.

Mr. KENYON. I realize that.

Mr. KING. I had intended to speak at considerable length dealing with the bill and with various aspects of it and had accumulated considerable data in relation to the measure. I do not wish to preclude the Senator from Iowa, however.

Mr. KENYON. I should be perfectly willing to agree with the Senator if he would allow me 20 minutes, that he take the remainder of the time.

Mr. KING. Of course, I shall assent to that. Indeed, I may not, in view of the limited time, occupy that much time, because it is impossible to enter upon a general discussion of the measure.

Mr. KENYON. I did not understand the Senator from Utah whether or not he assented to my proposition.

Mr. KING. I assent to that.

Mr. KENYON. So that the Senator will occupy the time until 20 minutes to 3.

[Mr. KING addressed the Senate. See Appendix.]

The PRESIDING OFFICER (Mr. STANFIELD in the chair). The Secretary will read the bill.

The Assistant Secretary proceeded to read the bill.

The first amendment of the Committee on Education and Labor was, on page 1, line 3, after the word "there," to strike out "is" and insert "are," so as to read:

> That there are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, etc.

The amendment was agreed to.

Mr. KING. Mr. President, may I inquire when amendments may be offered

The PRESIDING OFFICER. After the committee amendments are disposed of.

Mr. KENYON. Mr. President, I feel something of the same embarrassment that the Senator from Utah expressed in attempting to cover in a short space of time the various phases of this measure and some of the suggestions presented by the Senator from Missouri.

Mr. President, I am afraid that in the years to come if the able, distinguished, and large-hearted Senator from Missouri reflects about the speech he made here yesterday and to-day, he will be sorry. A master of invective and sarcasm, able to a degree seldom seen in this body, he has apparently enjoyed assailing women who have no opportunity to reply for themselves. I am sorry. I think he will be.

Mr. President, if the Senator's viewpoint of this bill is correct, it ought to be defeated. If it means what he by his genius has construed it to mean, it ought not to be supported. If it means what he has tried with his wonderful ability to place before the Senate as to its meaning, I would not vote for it. If, on the other hand, it does not do as the Senator from Missouri pictures; if it is merely an attempt not to enter homes, not to invade any private rights, not to direct people how to raise their families or how to act, not to separate mothers from their babies, but to keep mothers with their babies, then the Senator ought to join with us and help pass the bill and make it unanimous.

I do not think, upon reflection, the Senator from Missouri will be entirely satisfied with charging the supporters of this measure with being bolshevists, socialists, almost anarchists. I sometimes wonder what would become of the Constitution and the Government if it were not for the Senator from Missouri [Mr. REED] and the Senator from Utah [Mr. KING]. They have no more hatred for the institutions of bolshevism than some of the rest of us who do not say so much about it. It has become very popular now, if you do not like a measure, to speak of it as driving this country to Russianism, bolshevism. It used to be popular to apply the term "pro-Germanism" to that kind of a proposition; but now, if anybody differs with you, if anybody has a measure you do not believe in, call them bolshevists, and urge that the measure is driving us to bolshevism, and urge it with loud voice, as if you really believed it.

Who were the men who formulated this measure? As I have sat here and listened to the wonderful satire, humor, and shafts of irony, I have wondered about the men who fathered this measure. It is not my bill, though I am glad to stand here and champion it, for I believe in it. It is the bill of the Senator from Texas [Mr. SHEPPARD]. Is he a bolshevist? Is he trying to tear mothers away from babies and babies away from mothers? He has more babies to exhibit than either the Senator from Missouri or myself. He has stood for everything that is good in public and private life. He has not a diseased brain, evolving bolshevistic ideas.

How about the joint author of the bill in the House, Judge TOWNER, from my State? He is one of the ablest, most conservative, and careful men in public life, and one of the best men. He was a lecturer on constitutional law in the State University of Iowa, a man with a family. He is not a bolshevist. He has not one of these diseased brains that the Senator from Missouri is talking about.

These are the men who father this bill. They are not in favor of invading the homes, of telling people how to raise their babies, of tearing babies from the breasts of mothers that we heard so eloquently described here. They have a little humanity in them—so has the Senator from Missouri—and they believe that there is some province of government in trying to help save the mothers of the country who die in childbirth, and help save the babies; and whenever you do save the mother from dying in childbirth you do not take the baby from her, as is done if she dies, but you keep them together.

The Senator has erected a wonderful straw man here, and he has pounded it all around the Chamber until you could not recognize the poor old straw man; and he has erected a woman, an old-maid woman, and he has led that old-maid woman in a merry chase around this Chamber. The old maids and the spinsters have had wonderful days, yesterday and to-day. They have learned what a crime it is to be an old maid or to be a spinster, looking for a husband to support them, as he says, and people in the galleries laughed, and it was very wonderful and satisfying to the Senator from Missouri.

The Senator from Missouri said they have sought the ballot, now they are in the turmoil, and they are going to get it, or words to that effect; and they did get it. I hope the old maids are going to be charitable with the Senator from Missouri. I like him so much, admire him so much, that I hope the old-maid brigade in Missouri will not be a large one at election time. But I would not blame the old maids for having a little resentment, and the old maids are voting now. But what is the crime in being an old maid, anyhow? Some of them can not help it, as he suggests. Others pursue that life through choice. But by the time this bill is passed a lot of them might not be old maids, if we had more hours and days for the Senator from Missouri to discuss it. Here are some women, some of them old maids, some of them spinsters, in the Children's Bureau. I understand the difference is that an old maid never had a chance to get married and a spinster had. They are not all old maids. Some are maiden ladies, perhaps. One is the daughter of a prominent Senator in this body. They are women devoting their lives to trying to help the children of this country. I do not know why that is not rather a worthy kind of a motive.

The chief one to receive the shafts of the Senator's venom is Miss Lathrop—Julia Lathrop. He says when we want a doctor we will run around and see what Julia says about it. Julia will go and get the doctor. That sounds good to some of the gallery habitues. It wins the smiles of some childless society belles scattered here and there in the galleries. But it is not a very courageous thing to attack women who can not respond, to make fun of them when they are engaged in trying to do good work, and when the Senator knows Julia Lathrop—as I hope he may some time—and knows her life work, she will have no abler defender than he is.

It is easy to talk about shriveled-up spinsters. The term was so pleasant that the Senator used it at least 40 times in his speech—"shriveled-up spinsters" with spectacles on the ends of their noses, with big noses and big chins, looking over the rolls of maternity to see who is going to have a baby, and then rushing down and saying, "We will take charge of the baby." That is not a picture of Julia Lathrop. I say without any hesitation, and knowing the woman and knowing her work, that there is no woman in all the world who has done more for humanity than Julia Lathrop. Ten years a member of the State board of charities of Illinois, she is responsible for the first juvenile court law in this country. She did more than anyone else in the establishment of the juvenile court in Chicago and the Juvenile Protective Association. She was employed to assist in working out plans for the betterment of insane asylums in the State of Illinois.

She was called over by the Czechoslovakian Government to help in some plans in that country to work out the problems of children in Czechoslovakia. The story of her life is one long story of helping the poor and the unfortunate wherever she had the opportunity. It is perhaps true that she is not as young as she once was; her life has not been the easy one; she may not be as handsome as she once was; she does not figure in the society columns of the newspapers, but in every home in this country her name is honored, revered, and loved, and she is known to be the guardian of the children of this country, and when the great roll is written over yonder of accomplishments, of service to humanity, if there have been any mistakes in her life, the recording angel, looking over her feats of accomplishment, will blot them out with his tears of joy that such a woman has lived.

Julia Lathrop needs no defense to people who know her life work, and I could call on Senators from the great State of Illinois here, if we had the time, to justify that statement. She is the one to take this bureau and use it for socialism and bolshevism! Where do you get that idea?

Let me by one illustration show the ingenuity of the Senator from Missouri—and it is splendid. He calls attention to a lot of documents sent out. Many of them I do not defend. There is a lot of nonsense in many of them. There is a lot of nonsense, too, in the CONGRESSIONAL RECORD, which goes out to the people of the country. Because now and then there are foolish things in the CONGRESSIONAL RECORD, are Senators responsible for it? I have heard a statement on this floor about taking the printing presses and putting them to work making money to make prosperity for the country. Is the Senator from Missouri responsible for that, or am I? If you can find any more foolishness in the pamphlets issued by the Children's Bureau than you find in the CONGRESSIONAL RECORD, then it will be time to talk about it.

Mr. McCORMICK. Mr. President——

The VICE PRESIDENT. Does the Senator yield to the Senator from Illinois?

Mr. KENYON. I have only a little time.

Mr. McCORMICK. I beg the Senator to spare the blushes of his colleagues.

Mr. KENYON. Is the Senator blushing?

Mr. McCORMICK. He is.

Mr. KENYON. I did not know he was capable of doing that.

Here is the argument. Here is a book entitled "Standards of Child Welfare." But I want to use the other one first. Here is one called "Maternity Benefit Systems in Foreign Countries." This is the book that proves we are going to put the execution of this law into the hands of bolshevists and com-

munists. Julia Lathrop writes the letter of transmittal to the Secretary of the Department of Labor. "Maternity Benefit Systems in Foreign Countries" is gotten up by Dr. William J. Harris, Chief of the Document Division of the Library of Congress, and in the letter of transmittal written by Miss Lathrop she says:

The section on Russia is now of historical interest only.

In publishing a pamphlet showing the maternity systems of the world, would she not put in Russia? Dr. Harris does that, and refers in his article on Russia to the fact that the material was furnished by Dr. Alsor, whoever he is, and refers to a certain Russian lady who since that time has apparently become a bolshevist, Madam A. Kollontai, and her treatise, and because of the mention of this lady, and a statement by Dr. Harris as to her work, we have the amazing argument worked out that Julia Lathrop is a side partner of Lenin. That would do for a justice of the peace court, but not for the Senate.

Now, as to what this bureau is going to do, as to how they are going into the homes, as to how they are going to take mothers away from their babies and babies from their mothers, and how we are not going to have the good old-fashioned mother any more to raise the children. I wish to God we could have the good old-fashioned mother for every child. The Senator can not go any further than we can in tribute to the motherhood and the mothers of the country. Here is how it is worked out. They have a conference at Washington, a Children's Bureau conference. There never was a conference on the face of this earth composed of 50 or 60 people where there were not some "nuts."

The only place on earth where you can get together a body of men who have absolutely no imperfections is the Congress of the United States. You can take the Senate; nothing ever transpires here that can be criticized. But here this doctor, making this speech at this conference, Dr. ———, I will not use his name, uses the language to which the Senator refers:

That the first step in such a campaign for the improvement of obstetrical conditions must consist in compulsory registration of pregnancy.

And so he says that that is what these people are going to do. I denounce that statement just as much as the Senator from Missouri does. It is nonsense. But the book has other good addresses in it, and the fact that that one thing appears in it is no evidence that it was approved by Julia Lathrop.

Mr. REED. Why did she print it and send it out?

Mr. KENYON. Why do we send out the CONGRESSIONAL RECORD?

Mr. REED. Why is that book circulated if it is the fulmination of a nut?

Mr. KENYON. Why do you send out the CONGRESSIONAL RECORD? Why do you not blue pencil the CONGRESSIONAL RECORD and have a lot of things taken out of the CONGRESSIONAL RECORD? Why do we not do that with the proceedings of any conference?

Mr. REED. I do not want to interrupt the Senator——

Mr. KENYON. I have not time to permit an interruption.

Mr. REED. But let me remark that the man who makes a statement on the floor of the Senate and sends it out is responsible for it, and if Senators are publishing the CONGRESSIONAL RECORD and sending it out and it contains the fulminations of a nut, to use the Senator's expression, he could not complain if the Senate was held responsible for it.

Mr. KENYON. There are no nuts in the Senate.

Mr. REED. I do not know.

Mr. KENYON. Nobody can put me in the position of saying that.

Mr. REED. I do not know that the statement is absolutely correct, but I know that the Senator from Iowa and myself will not voluntarily include ourselves in that classification.

Mr. KENYON. We will not. The Senator from Missouri and I are like the old Quaker, always right, except sometimes I think he is wrong.

That is the kind of argument that has been presented by the Senator to substantiate his idea. This bill was indorsed by the Democratic national convention at San Francisco. Does not that carry weight with the Senator?

Mr. REED. This bill?

Mr. KENYON. The proposition contained in this bill; yes.

Mr. REED. Oh, that is different.

Mr. KENYON. They did not have this exact bill; but I would not quote the platform of the Democratic convention to the Senator.

Mr. REED. No; you can not shake your gory locks at me on that.

Mr. KENYON. No; the Senator is not guilty. But the convention declared in favor of the proposition in this bill. The Republican convention did not do so, but the Republican leader, the candidate for President, declared for it in his speeches and declared for it in his first message to the Congress.

Mr. President, what does it do? I wish I had time to refer to some of the testimony taken before the committee and the reasons for the bill. It does not take away any rights from the States. It does not impose any burden upon a State unless the State voluntarily takes it. The State does not have to go into it. The only thing that it is intended is instruction on these questions in maternity centers, by lectures, and matters of that kind. That is all it does. The bill has been misconstrued more than any bill I have ever known of.

Is it necessary? There are over 200,000 babies in this country dying every year in childbirth. There are around 20,000 mothers who die every year in childbirth. Is it bolshevism to try to save them?

Here is the testimony of a Senator's wife—Mrs. Keyes—before the committee. She lives up in New Hampshire. She stated:

I lived in New Hampshire, in the Connecticut Valley, and where they are not rich villagers, still they are not poor, and we have in ordinary times enough doctors; but in this instance I was sent for to go to a woman who had a baby, because apparently there was no one else to go, and there was no doctor. There were four little children in the family, all down with German measles, and the mother had also German measles, and there was not a particle of food in the house. There was not a towel or a sheet or a pillow case, and there was not a rag as big as a piece of paper with which we could wash the baby's eyes, and when it was over, which we managed as best we could, the mother was taken to a hospital 30 miles away for a serious surgical operation which would not have been necessary if she could have had a real nurse, and we immediately went to work to get a district nurse, and we got one there; but that aid was just a drop in the bucket. There were there little groups of women and they are through the various organizations and the D. A. R. trying to chip in and support a district nurse.

Then, Mr. President, the proof of the pudding is the eating thereof. What has happened where they have had these consultation centers? The city of New York to its credit is ahead of any State in the Union, and Dr. Baker, who is in charge of the work there and has been for 10 years of these consultation centers, testified before the committee that they had reduced the death rate of babies from 17,000 to 11,000 per year in 10 years. That would mean an actual saving through the great work of the city of New York of over 60,000 babies. Oh, you can laugh at it, you can sneer and talk about old maids and spinsters, but there is the fact.

I wish to read a little from Dr. Baker's testimony:

The United States as a whole is very backward in regard to this subject. It shows that the statement that it is seventeenth in the list is not only true but it is also a crime against civilization that the mothers of this country should be allowed to die in the manner that they have. It shows that the number of the mothers who died in childbirth during 18 months of the war almost exactly equals the number of soldiers that were lost and killed in battle. In other words, for every soldier killed a mother died in childbirth, and for every soldier killed six babies died at childbirth, and all because the social and economical conditions are so poor. It is deplorable for us to realize that, especially when you take into consideration the fact that the remedy is so easily obtained, and also the fact that this is because of a lack of understanding of the subject.

This is from the person carrying on the work of these centers in New York City. She said further:

There has been a steady decrease in the baby death rate with the result that in the last 10 years the death rate has been 11,000 as compared with 17,000 of 10 years ago.

Oh, Mr. President, the woman from the splendid home who can get into her automobile and go to the magnificent hospital and pay the nurses and pay the doctor's fees may not need this and this may not help her; but it will help the poor woman in the rural districts and in the places where poverty reigns.

Of the women that we have had under care during the prenatal period, the death rate among the mothers has been one-half of those not supervised, and the death rate of the babies during the first month of their existence is one-half of what it was.

That is not a dream; that is not a fiction; that is not the product of a diseased brain. That is a statement of fact.

We have 135,000 babies in New York every year, and the total population of New York is 6,000,000 people, which is larger than the population of the State of Massachusetts.

We asked her as to mothers coming voluntarily. That is all the bill provides. They can not put themselves into any home. It is entirely voluntary. In reply to that question she said:

We do not ask the mothers to come to us. They come to us of their own volition and they come in overwhelming numbers. We have 60,000 babies under our care each year, and they come to us voluntarily. They want to come. There is no compulsory condition imposed at all, but they are anxious to come and get this information

and to get our help. Now, if this help can be given to them in New York City there is no question whatsoever that that same reduction should obtain wherever the provisions of this bill are put into effect. We have not enough doctors and nurses to meet the demand, it is so great.

Asked if the people resent the work they do at all, Dr. Baker replied:

On the contrary, they welcome it and they ask for it, more than we can give them. Our greatest limitation is that we have not enough people to take care of those who want it. * * * It is absolutely free to all classes, and all classes may have it. There are no restrictions whatever so far as the work is concerned. Naturally we get a great many more people below a poverty line than we do of those above it.

She said they have 68 consultation centers with doctors and nurses in attendance in the city of New York.

I asked her the question whether or not they need the bill so far as that city is concerned, and Dr. Baker replied:

No; we do not, but we do think that a baby in South Carolina is worth as much as a baby is who lives in New York City.
There is no question about it that the position of the United States at the present time is extremely humiliating. There is not a person now who comes to visit this country who knows anything about the conditions who has not remarked about the present curious position of the United States in this behalf.

I have already stated, I believe, that the United States is seventeenth among the nations of the world as to maternal mortality and seventh or eighth as to infant mortality. My time has expired. I regret that, as there are many more things I would like to say.

The VICE PRESIDENT (at 3 o'clock and 5 minutes). The Senator's time has expired.

Mr. SMOOT. Mr. President, after 4 o'clock there will be no chance to speak upon the bill or any amendment to the same. Therefore, I am going to take a moment now to call attention, first, to an amendment which I am quite sure the Senator from Iowa, in charge of the bill, will approve.

On page 2, line 11, when the time comes I desire to offer an amendment to the bill to strike out the word "permanently." I think the word is used inadvertently there and means nothing. That amendment I shall offer. If there is any reason for stating why, I would take the time to do that now, but I do not believe there is, and I think the Senator from Iowa is perfectly willing to accept the amendment.

Mr. KENYON. I think there can be no objection to that.

Mr. SMOOT. I understand there is to be an amendment offered striking out the words "Children's Bureau, Department of Labor," and inserting in lieu thereof "the Public Health Service." I hope that amendment will not be agreed to. There are so many reasons why I am opposed to such an amendment that I could not go over them in the two or three minutes left at my disposal. If we are going to have any benefit from the bill whatsoever, the Children's Bureau, under the Department of Labor, ought to direct the work. As far as I am concerned, I would prefer a childless woman at the head of the bureau to a childless man, who would direct the affairs if it were under the Public Health Service.

Another thing: If the matter goes to the Children's Bureau, those employed by that bureau will have a direct interest in the children, if anyone will have. If it goes to the Public Health Service, seven-eighths of the time there will be spent by those who have it in charge looking and working for promotions in that service. They demand military and naval promotions in rank, with commutation of quarters, longevity pay, and retirement privileges. This is always uppermost in their thoughts.

Mr. REED. Does the Senator think the Public Health Service has broken down and has failed?

Mr. SMOOT. I think the Public Health Service is breaking down just as fast as it possibly can, and for reasons I have just stated.

Mr. REED. How long has it been breaking down?

Mr. SMOOT. I wish to say another thing, that if we ever secure what Congress anticipated when the Public Health Service was created we have got to make the service a civil organization.

Mr. KING. Mr. President, will my colleague yield?

Mr. SMOOT. Certainly.

Mr. KING. I understood that the committee recently investigating the Sweet bill, or at least some subcommittee of the Committee on Finance, purpose reporting a measure which would take away the military aspect of the Public Health Service and place it under the civil service or make it a civilian organization rather than a military body. May I inquire whether that can be done?

Mr. SMOOT. Nothing definite has been decided in regard to that matter. I know that it is quite generally spoken of, and in a favorable way, by the Senators with whom I have discussed the matter.

Mr. KING. I hope it will be done. I think it can be made a serviceable organization. We must have a Public Health Service because there are certain duties to be performed by the Federal Government, such as quarantine, sanitation, and so forth, but that organization placed in a civil capacity can do a vast amount of good.

Mr. SMOOT. I think so myself. I do not say that Congress is going to do that, but I do say that I am going to try to have Congress do it. Therefore, I trust when the amendment is offered to which I have referred, to transfer this bureau to the Public Health Service, that the Senate of the United States will think well before it votes for such a thing. It will be out of place——

The VICE PRESIDENT. The Senator's time has expired.

Mr. REED. Mr. President, I wish to spend five minutes talking on the bill and five minutes on the pending amendment.

Mr. KENYON. What is the pending amendment?

The VICE PRESIDENT. The pending amendment will be stated.

The ASSISTANT SECRETARY. On page 1 of the bill, line 5, the Committee on Education and Labor report to strike out the word "authorized" and insert the word "specified."

Mr. REED. Mr. President, I wish to say just one word in reply to my friend from Iowa. I made no attack upon the women who conduct the Children's Bureau. I distinctly said that I did not do so. I attacked the absurdity of putting in charge of a question of maternity and child rearing a band of women who have never had any experience and who have chosen to remain in a condition of single blessedness, for it seems to me they are the last people in the world to whom a question of that kind ought to be consigned. I did attack as twaddle some of this literature sent out, and the Senator admits it to be twaddle.

Mr. KENYON. Some of it is twaddle.

Mr. REED. Just a further word. The Senator from Iowa states that there is an institution in the city of New York that has done great good in looking after women who were too poor to employ doctors. Mr. President, of course, that is true. In nearly every enlightened community there is some institution that undertakes that work, but the man who was in charge of that—I think the Senator read his name—is a physician, and he testified that they did not need any Government help in New York; that they were doing this work themselves, but he added that the children of South Carolina, I believe it was, needed the same care they got in New York.

I will trust the people of South Carolina or any other State to take care of their affairs quite as well as the people of the city of New York. The statement argues the case out of court, because it demonstrates that in the proper and legitimate assistance of women in childbirth who appealed for it, State and local organizations can be organized and are organized to take care of that business.

I would not wish to be understood as attacking the work of Miss Lathrop, although I never heard of her until very recently, or of any of these other women who are trying to benefit humanity. But the monstrous absurdity is, I repeat, putting the charge of this particular kind of business in those who can not be qualified, taking it from physicians, trained nurses, and the mothers themselves.

The Senator stated that my logic was unfair when I read from this book that had been sent out. The book does contain the indorsement of Miss Lathrop. It is sent out for instruction. It contains these speeches. If they were the speeches of nuts and foolish people, why was it sent out for instruction? It is not like the CONGRESSIONAL RECORD, to which the Senator very adroitly referred. If a man makes a statement upon this floor that is in the opinion of anybody else foolish, he is responsible for it, but the rest of the body is not, because his words have to be printed. If, however, I am trying to educate the people, and I call together a number of men and women, and if among them there are crazy people—"nuts" the Senator calls them—am I warranted in sending out the fulmination of a "nut" with an introduction by myself practically commending the book or the fulmination or the speech to the people?

And that is not all, sir. You may read the articles prepared by all of these people, and there is scarcely one of them in this book that does not shadow forth the same doctrines that were more plainly expressed by the individual whom the Senator calls a "nut"—and I think he was; and there are a good many of them trying to take charge of public affairs.

Mr. President, just a word or two further. The Senator from Utah [Mr. KING] had started to read a list of the books that have been printed by the Public Health Service, and I called attention as he went along to one or two which have been printed by the Children's Bureau bearing the same titles as those which have been printed by the Public Health Service. Here [indicating] are only a part of the publications which the Children's Bureau have gotten out—I think about one-third of them—and I undertake to say that they parallel in every instance the matter prepared and sent out by the Public Health Service.

The senior Senator from Utah [Mr. SMOOT] objected to putting this matter in the hands of the existing board because, in substance, he says that that board is broken down and is worthless. That, Mr. President, is the history of all these activities. They break down; they become worthless; but if we are going to spend this money let us expend it under an existing organization whose personnel embraces some physicians.

Mr. KING. Mr. President, opportunity may not be given after considering all the amendments which have been reported by the committee and those which may be offered from the floor to call attention to other matters to which I should like the attention of the Senate. May I inquire of the Senator from Iowa, in view of the fact that this proposed legislation is experimental, if this foolish bill should pass, whether he would consent to limit its operations for three years? I have suggested, and I shall suggest by way of amendment at a later time, that we amend the bill, on page 2, after the word "each," in line 13, by adding the words "of the fiscal years of 1922, 1923, and 1924," so that it will read:

> The sum of $4,800,000 for each year of the fiscal years 1922, 1923, and 1924.

It seems to me that it would be unwise to commit Congress to a permanent appropriation for an indefinite period for this purpose; and I hope that the Senator from Iowa—I shall not have time to discuss it later, and I have not time to discuss it now—will accept the amendment which I shall offer at the appropriate time. It does seem to me that if this bill has any merit—and I prophesy that it will have none—at the end of three years it will have so demonstrated its merit as to command at the hands of Congress legislation for its perpetuity.

Mr. KENYON. Mr. President——

Mr. KING. I yield to the Senator from Iowa.

Mr. KENYON. The bill has been placed in a form so that the appropriation is authorized, but the matter will be entirely in the hands of the Appropriations Committee. If the proposed legislation is not a success, they can end it.

Mr. KING. Let me say to the Senator that the construction placed upon similar legislation, as I understand the action of Congress, always has been that a general statute which commits Congress to an appropriation is construed by the Appropriations Committee as requiring that it shall report the appropriation. May I inquire of the Senator from Wyoming [Mr. WARREN] if he would not construe this bill, should it become a law, as requiring the Committee on Appropriations to attach to the appropriation bill reported by the committee a provision carrying this appropriation?

Mr. WARREN. Mr. President, in answer to the Senator's inquiry, I will say that as the bill is now worded I should not consider the appropriation as a permanent appropriation or as extending beyond one year. My judgment, however, is that the committee in considering the matter would accept the estimates from the department as to the continuance of the appropriation, if it were recommended that any further appropriation should be made.

Mr. REED. But the item will come in regularly estimated for under this clause, will it not.

Mr. WARREN. I should hardly care to venture an opinion as to that proposition. The estimate need not necessarily come in.

Mr. REED. Would it not be included in the category of those appropriations which are regularly estimated for as continuing appropriations.

Mr. WARREN. It would probably be so considered by those who make up the estimates.

Mr. SMOOT. Let me call the Senator's attention to a few words in lines 13 and 14, on page 2. I hope the Senator will notice them, for we do not want any misunderstanding about the future appropriations. On page 2, beginning in line 12, the bill reads:

> The sum of $480,000 for each year, $10,000 of which shall be paid annually to each State.

I think so far as those appropriations are concerned the intention of the proposed law is that that sum is to be appropriated each year.

Mr. KENYON. It is "authorized to be appropriated."

Mr. SMOOT. Yes. But I will say, just as the Senator from Wyoming [Mr. WARREN] has said, that if the Appropriations Committee failed to report the appropriation and it was not made by Congress, the bureau could not proceed with the work any further than the end of the fiscal year for which the appropriations were made.

Mr. KING. I concede that, but it seems to me it is absurd to attach the language "authorized to be appropriated," if it is meaningless. The bill reads:

> That there is hereby authorized to be appropriated for the use of the States, subject to the provisions of this act, for the fiscal year ending June 30, 1922, an additional sum of $1,000,000, and annually thereafter a sum not to exceed $1,480,000.

It is absurd, it seems to me, to argue that that does not compel the Committee on Appropriations to insert in the general appropriation bill the amount which is specified in this measure.

Mr. WARREN. Mr. President, I do not wish to consume the Senator's time, but if I may, in my own time, I wish to say a few words: First, I gave my idea of this kind of legislation to some extent here when a similar bill first came before the Senate. I was opposed to it then and I am opposed to it now. This bill, however, is less objectionable than was the first bill on the same subject. I adhere to the idea, which I have already expressed, that there is nothing obligatory upon the Appropriations Committee to report this appropriation, though they may do so upon estimates which may come to them or upon their own volition.

As I understand, under the budget system which is now in operation, action on the part of the committee becomes more mandatory as to observance of official estimates, but it has less authority to insert what it may choose to insert unless the items come from the Executive head of the Government.

Mr. LODGE. Mr. President, will the Senator allow me to ask him a question?

Mr. WARREN. Certainly.

Mr. LODGE. It seems to me that the words in lines 18 and 19, "and annually thereafter a sum not to exceed $1,000,000," commit the Government by statutory enactment to that appropriation.

Mr. WARREN. But that is restricted by the word "authorized," which precedes it.

I am a member of the committee which reported this measure. I did not submit a minority report, because the objections to it can be stated in a few words.

In the first place, the Treasury of the United States is to-day a sick patient. We shall either have to put an end to these miscellaneous new fad appropriations, which, like the camel's nose under the tent, seem small and unimportant in the first view we take of them, but which crowd upon us with every succeeding year until they help to place us under a taxation burden that is wringing the withers of every taxpayer—individual, partnership, or corporation—or else we shall have to submit to an appreciable increase of the burden. Indeed, the shadow of increased taxation is before us now, and unless we can check these numerous new appropriations, some small, but most of them very extravagant, we are just as sure to have to tax burden our people further as we are sure that they are now suffering extreme exhaustion under the burden they are at present carrying.

In the second place, this matter, control of which is proposed to be taken by the Federal Government under this bill, is a matter for the States and ought not to be meddled with by the United States Government, in my opinion. It is a species of paternalism into which we are drifting that will exhaust our Treasury and will have bad effects rather than good effects upon the common welfare, even were it not a drain upon the Treasury.

The intention of those who propose the measure is that the bureau shall have this appropriation every year, and doubtless they will desire to increase it every year, as has been our uniform experience under similar circumstances. We might as well understand now that, if we place this additional work upon the National Government, the committee will every year be confronted with propaganda similar to that which has already surrounded us in the consideration of this measure, as well as in connection with many other measures which have swamped the Capitol and burdened the mails to the extent that every Senator receives daily many communications by telegraph and letter, which can not be considered as anything but propaganda, from men and women all over the country. Such men and women, when you write back to them and inquire why they have written or wired support of some measure and to give reasons for their support, reply that they do not know any-

thing about it except that somebody asked them to write or telegraph in support of that particular measure.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment of the Committee on Education and Labor was, on page 1, line 5, after the word "sums," to strike out "authorized" and insert "specified"; in line 7, after the word "with," to strike out "the States" and insert "them"; and in line 8, after the word "infancy," to strike out "in the several States; to provide instruction in the hygiene of maternity and infancy, and the sum authorized in section 5 for the use of the Children's Bureau, for the promotion of maternal and infant hygiene, for the administration of this act, and for the purpose of making such studies, investigations, and reports as will further the efficient administration of this act," and insert "as hereinafter provided," so as to make the section read:

That there are hereby authorized to be appropriated annually, out of any money in the Treasury not otherwise appropriated, the sums specified in section 2 of this act, to be paid to the several States for the purpose of cooperating with them in promoting the care of maternity and infancy as hereinafter provided.

The amendment was agreed to.

The next amendment was, in section 2, page 2, line 15, after the word "hereby," to insert "authorized to be," so as to read:

SEC. 2. That for the purpose of paying the expenses of said cooperative work in providing the services and facilities specified in this act, and the necessary printing and distribution of information in connection with the same, there is permanently authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $480,000 for each year, $10,000 of which shall be paid annually to each State, in the manner hereinafter provided: *Provided*, That there is hereby authorized to be appropriated for the use of the States, etc.

Mr. KING. Mr. President, I direct the attention of the chairman of the committee to the word "permanently" found on page 2, line 11.

Mr. KENYON. I have agreed, so far as it is within my power to agree, with the senior Senator from Utah [Mr. SMOOT] that he shall make a motion to strike out that word. To that motion I think there will be no objection.

Mr. SMOOT. I will ask unanimous consent that I may make that motion now, as I think there will be no objection to it. I therefore move that the word "permanently," on line 11, on page 2, be stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Utah.

The amendment was agreed to.

Mr. REED. Mr. President, if we can proceed in that way, in order to clear up the same matter, I ask unanimous consent to be allowed to move, in line 13, that the words "for each year" be stricken out.

The VICE PRESIDENT. Is there objection?

Mr. McCORMICK. I object.

The VICE PRESIDENT. Objection is made.

Mr. REED. Does the Senator object to my making the motion now, or does he object to those words being stricken out?

Mr. McCORMICK. If I withdraw the objection, inasmuch as I object to the motion, we shall have to interrupt the proceedings by having a vote.

Mr. REED. We are considering committee amendments now, but I have made the request in order that the amendment suggested may be considered while the committee amendments are being considered.

Mr. KENYON. Mr. President, I think we are going to get into a great deal of difficulty if we vary the ordinary procedure.

Mr. REED. Very well.

Mr. KENYON. There is no objection to the word "permanent" being stricken out; but I am going to object to taking up any other amendment out of order.

The VICE PRESIDENT. The regular order is the consideration of committee amendments under the unanimous-consent agreement. The Secretary will state the pending amendment.

The ASSISTANT SECRETARY. On page 2, line 15, after the word "hereby," it is proposed to insert the words "authorized to be."

The amendment was agreed to.

The next amendment was, on page 2, line 19, after the word "exceed," to strike out "$1,480,000" and insert in lieu thereof "$1,000,000," so as to read:

Provided, That there is hereby authorized to be appropriated for the use of the States, subject to the provisions of this act, for the fiscal year ending June 30, 1922, an additional sum of $1,000,000, and annually thereafter a sum not to exceed $1,000,000.

Mr. REED. Mr. President, I move to amend the committee amendment by striking out "$1,000,000" and inserting "$500,000."

The VICE PRESIDENT. The question is on the amendment of the Senator from Missouri to the committee amendment, which will be stated by the Secretary.

The ASSISTANT SECRETARY. It is proposed to strike out "$1,000,000," the sum proposed to be inserted by the committee, and in lieu thereof to insert "$500,000."

Mr. SHEPPARD. Mr. President, I need hardly say that I consider it very desirable and vital to the bill that this amendment be defeated. We have consented to pruning down the bill as far as we could consistently with the preservation of its vitality and significance; and I want to take this opportunity to emphasize the fact that these consultation centers are to be conducted under the supervision of qualified physicians and qualified public-health nurses. There is nothing whatever in the objection that unqualified persons, or persons without technical qualifications, who are merely seeking political positions, will engage in this work. The main object of the bill is to establish centers of information available to all, but compulsory on none. Whosoever will may come, but none is compelled to come. There is no compulsion on anybody, and no invasion of the home.

I feel that we have consented to amendments so far as we ought to consent to them, and I trust that this amendment will be defeated.

Let me add, Mr. President, that the mothers of America desire this measure. Witness the following telegram from Mrs. Fred K. Schoff, president of the National Congress of Mothers and chairman of the child welfare department of the National Council of Women:

DR. ANNA E. RUDE,
Director of Hygiene, United States Department of Labor, Washington, D. C.:

Previous important engagement prevents being at hearing. Representing 31 national organizations, including National Congress of Mothers and Parent Teachers' Association, on their behalf I urge passage of maternity and infancy bill.

MRS. FRED K. SCHOFF,
President National Congress of Mothers and Chairman Child Welfare Department, National Council of Women.

Mr. REED. Mr. President, this organization and the different State organizations can not be created within the next 12 months and spend more than a half million dollars. Even if a million dollars should be necessary hereafter, the organization is yet to be created, and it is a mere waste of money to expend a million dollars at this time.

Mr. SMOOT. Mr. President, do I understand the Senator's amendment to mean that we shall strike out the "$1,480,000" and insert "$500,000"?

Mr. REED. "Five hundred thousand dollars."

Mr. SMOOT. That will mean, then, that $480,000 of the amount will go to the States and only $20,000 will be left for other purposes. If the Senator wants to do what I think he intends to do, his amendment ought to apply to the $1,000,000 on line 18.

Mr. KING. Yes; on line 18.

Mr. SMOOT. Then, that would be $500,000 additional over what is appropriated to the States. If the amendment that the Senator has offered should be agreed to, of course, there would be only $20,000 left after paying the $480,000 to the States.

Mr. REED. That is all that ought to be left.

Mr. KENYON. Mr. President, I ask for the yeas and nays on the amendment of the Senator from Missouri.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM]. In his absence I withhold my vote. If at liberty to vote, I should vote "nay."

Mr. STERLING (when his name was called). I transfer my pair with the Senator from South Carolina [Mr. SMITH] to the Senator from Oklahoma [Mr. HARREL] and will vote. I vote "nay."

Mr. WALSH of Montana (when his name was called). I have a general pair with the Senator from New Jersey [Mr. FRELINGHUYSEN], which I transfer to the Senator from Texas [Mr. CULBERSON] and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. PENROSE]. I am reliably informed that if he were present he would vote for the pending bill and against all amendments proposed to it.

I therefore consider myself at liberty to vote upon this bill and the amendments. I ask that that statement shall answer for future requirements. In this particular case I vote against the pending amendment. I vote "nay."

The roll call was concluded.

Mr. LODGE (after having voted in the negative). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I do not see him in the Chamber. I therefore transfer that pair to the Senator from Vermont [Mr. PAGE] and will allow my vote to stand.

Mr. ROBINSON (after having voted in the negative). I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND]. I understand that he would vote as I have voted, and I will therefore permit my vote to stand.

Mr. DIAL. I have a pair with the Senator from Colorado [Mr. PHIPPS]. I am unable to get a transfer, and therefore withhold my vote.

Mr. TRAMMELL (after having voted in the negative). I have a general pair with the Senator from Rhode Island [Mr. COLT]. Understanding that if he were present he would vote as I have voted, I will let my vote stand.

Mr. GERRY. I desire to announce that the Senator from Oklahoma [Mr. OWEN] is paired with the Senator from New Jersey [Mr. EDGE]. If present, the Senator from Oklahoma would vote "nay."

Mr. HARRISON. I have a pair with the Senator from West Virginia [Mr. ELKINS]. I understand that if he were present he would vote as I intend to vote. I vote "nay."

Mr. PENROSE. I vote "nay."

Mr. CURTIS. I desire to announce that the Senator from Maine [Mr. HALE] is paired with the Senator from Tennessee [Mr. SHIELDS], and that if the Senator from Maine were present he would vote against this amendment.

I also announce that the Senator from New York [Mr. WADSWORTH] is paired with the Senator from Georgia [Mr. WATSON].

I also announce that the Senator from Maine [Mr. FERNALD] is paired with the Senator from New Mexico [Mr. JONES], and that if present the Senator from Maine would vote against the pending amendment.

The result was announced—yeas 6, nays 61, as follows:

YEAS—6.

Borah	King	Reed	Warren
Broussard	Moses		

NAYS—61.

Ashurst	Johnson	McNary	Simmons
Ball	Jones, Wash.	Nelson	Smoot
Brandegee	Kellogg	New	Spencer
Bursum	Kendrick	Nicholson	Stanfield
Calder	Kenyon	Norbeck	Stanley
Cameron	Keyes	Norris	Sterling
Capper	Knox	Oddie	Swanson
Caraway	Ladd	Overman	Townsend
Curtis	La Follette	Penrose	Trammell
Ernst	Lenroot	Pittman	Walsh, Mass.
Fletcher	Lodge	Poindexter	Walsh, Mont.
Gerry	McCormick	Pomerene	Williams
Harris	McCumber	Ransdell	Willis
Harrison	McKellar	Robinson	
Heflin	McKinley	Sheppard	
Hitchcock	McLean	Shortridge	

NOT VOTING—28.

Colt	Fernald	Jones, N. Mex.	Smith
Culberson	France	Myers	Sutherland
Cummins	Frelinghuysen	Newberry	Underwood
Dial	Glass	Owen	Wadsworth
Dillingham	Gooding	Page	Watson, Ga.
Edge	Hale	Phipps	Watson, Ind.
Elkins	Harreld	Shields	Weller

So Mr. REED's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. BORAH. Mr. President, I understand that we are proceeding now under the 10-minute rule.

The VICE PRESIDENT. The 5-minute rule.

Mr. BORAH. So much the better. Necessarily, Mr. President, within that time I would not undertake to discuss the merits or demerits of this measure, but I wish to say a word in explanation of the vote I shall cast.

Whatever the merits of the measure may be, I think it is one of those measures which under present economic conditions in this country and the condition of the Treasury can wait; and for that reason I am going to cast my vote against the measure. We can no longer be indifferent to the situation and we can not change things for the better if we continue to vote for measures not absolutely demanded.

We were advised in an interview yesterday by the chairman of the Finance Committee [Mr. PENROSE] that the taxpayers of this country need not look forward to any decrease in their taxes. Perhaps if that is true it was just as well to say it, but it seems too bad to be true. It is a situation, however, which confronts us, and I know of no way to relieve the situation except to adopt the rule of cutting all appropriations where there is not an absolute necessity for the appropriations. Whatever the merits of this bill may be, it is one of those things which in my judgment might well be deferred until we can see daylight with reference to the tax condition which now confronts the country. We must stop somewhere. If each Senator approaches the Treasury for what he may want, there will be no cessation of these appropriations. If each association or enterprise, thinking its cause particularly worthy, demands an appropriation, where can we find relief? We must make up our minds to give up things we want until we are able to have what we want and be content with those things which necessity alone requires.

We have been advised by the press in the last few days that we have made, by a stupendous effort, a saving of $112,000,000. At least we have secured a promise from the departments that they will cut their expenses to that extent. The saving of $112,000,000, while to be commended as a very laudable thing, will never in its effect reach the taxpayers at all. Within 24 hours after we were advised that we had saved $112,000,000 we were advised that there was to be a demand upon Congress for $300,000,000 to take up the deficit in the Shipping Board, a deficit representing either gross incompetency or that which is only a little worse, so far as the taxpayer is concerned, crookedness. If we continue, in other words, Mr. President, to increase three times as fast as Gen. Dawes cuts, instead of the taxpayer being benefited he is going to be greatly injured at the close of the year by our action.

A few days ago we voted to recommit what is known as the soldiers' adjusted compensation bill. The principal and controlling reason for that recommittal, as I was advised by the debates here and by the message of the President, was an economic one, want of money, the condition of the Treasury. Certainly, Mr. President, we ought to be consistent. It is really ludicrous to refuse the soldiers on the grounds of economy and then pass such measures as this. Without consistency and determination, we shall not relieve the people in the slightest, and unless we do relieve them such measures as these will be poor compensation for a depleted Treasury, an immense deficit, and an increase of their taxes.

However unpleasant, therefore, it may be, from time to time, I propose to adopt as my rule, as I have undertaken to do heretofore, to vote for the protection of the Treasury when I think there is not an absolute necessity to have the appropriation for the running of the Government.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). The question is on the committee amendment on page 2, line 19, where it is proposed to strike out "$1,480,000" and to insert in lieu thereof "$1,000,000."

The amendment was agreed to.

The reading of the bill was continued to line 8, on page 3.

Mr. KENYON. A parliamentary inquiry, Mr. President. I understood an agreement was reached, by unanimous consent, to read the bill for action on the committee amendments. I do not suppose anybody wants to have the bill read in its entirety.

The PRESIDING OFFICER. The Chair is informed that the agreement was that the formal reading of the bill should be dispensed with, and that the bill should be read for amendment, the committee amendments to be first considered. So that course is being pursued.

The reading of the bill was continued.

The next amendment was, on page 3, line 21, after the word "hereby," to strike out the word "authorized" and to insert in lieu thereof the word "directed."

The amendment was agreed to.

The next amendment was, in section 4, on page 4, line 20, to strike out the word "may" and to insert in lieu thereof the word "shall"; on page 5, line 3, after the word "which," to insert the words "has not made provision for acceptance of this act or which"; on line 4, to strike out the numerals "1921" and to insert in lieu thereof the numerals "1922"; and on line 6, to strike out the word "shall" and to insert in lieu thereof the word "may," so as to make the section read:

SEC. 4. That in order to secure the benefits of the appropriations authorized in section 2 of this act, any State shall, through the legislative authority thereof, accept the provisions of this act and designate or authorize the creation of a State agency with which the Children's Bureau shall have all necessary powers to cooperate as herein provided in the administration of the provisions of this act: *Provided*, That in any State having a child welfare or child hygiene division in its State agency of health, the said State agency of health shall administer the provisions of this act through such divisions. The Chil-

dren's Bureau shall recommend to the State agencies cooperating under this act the appointment of advisory committees, both State and local, to assist in carrying out the purposes of this act; the members of such advisory committees shall be selected by the State agencies, and at least half of such members shall be women, all of the members of which advisory committee shall serve without compensation. If in any State, the legislature of which has not made provision for acceptance of this act or which does not meet in 1922, the governor of that State, so far as he is authorized to do so, may, under the provisions of law, accept the provisions of this act and designate or create a State agency to act in cooperation with the Children's Bureau, the said Children's Bureau shall then recognize such State agency for the purposes of this act until the legislature of such State meets in due course and has been in session 60 days.

The amendment was agreed to.

The next amendment was, in section 5, on page 5, line 12, before the words "per centum," to strike out the numeral "5" and to insert in lieu thereof the numeral "3."

Mr. KING. Mr. President, I move to amend the committee amendment by striking out the numeral "3" and inserting in lieu thereof the numeral "2," so as to limit the appropriation.

The amendment to the amendment was rejected.

The amendment was agreed to.

The next amendment was, in section 5, on page 5, line 13, to strike out the word "amount" and insert in lieu thereof the words "additional appropriations," and on line 14, before the words "this act," to insert the words "section 2 of," so as to make the section read:

SEC. 5. That so much, not to exceed 3 per cent, of the additional appropriations authorized for any fiscal year under section 2 of this act, as the Children's Bureau may estimate to be necessary for administering the provisions of this act, shall be deducted for that purpose, to be available until expended. Within 60 days after the close of each fiscal year the said Children's Bureau shall determine what part, if any, of the sums theretofore deducted for administering the provisions of this act will not be needed for that purpose, and apportion such part, if any, for the fiscal year then current in the same manner and on the same basis, and certify it to the Secretary of the Treasury and to the several State agencies described in section 4, in the same way as other amounts authorized by this act to be apportioned among the several States for such current fiscal year.

The amendment was agreed to.

The reading of the bill was continued. The next amendment was, in section 8, on page 7, line 1, to strike out the word "the" and insert the word "and."

The amendment was agreed to.

The next amendment was, on page 7, line 4, after the word "methods," to strike out the comma and the word "if" and insert a colon and the following:

Provided, That no plans of the States under this act shall provide for any official, or agent, or representative entering any home over the objection of the parents, or either of them, or the person standing in loco parentis, nor shall any employees of the Children's Bureau by virtue of this act have any right to enter any home over the objection of the parents, or either of them, or the person standing in loco parentis. If

Mr. REED. Mr. President, I hope the Senator in charge of the bill will accept this amendment to the amendment. I move to insert the words "or laws," after the word "plans," in the first line of the proviso.

Mr. KENYON. So that it will read "that no plans or laws of the States"?

Mr. REED. "That no plans or laws of the States."

Mr. KENYON. I shall have no objection to that, I think.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. On page 7, line 4, after the word "plans" in the committee amendment, the Senator from Missouri proposes to insert the words "or laws," so that it will read:

That no plans or laws of the States, etc.

Mr. KENYON. That raises the question, Have we any right to say what the laws of the States shall be?

Mr. REED. We have a right to say whether we will give them the money or not.

Mr. KENYON. I agree with the Senator.

Mr. LENROOT. I call attention to the fact that this is in the nature of a proviso which provides for the adoption of certain plans of the States, and the words "or laws" would have no relevancy in this respect, because the laws are not to be adopted by the Federal Government, but certain plans, which make the payment of the money permissible.

Mr. REED. As I understand it, the committee thought it was necessary to put in a provision so that this money should not be expended or turned over to any State which had plans which would permit the invasion of the home. The word "plans" is not broad enough; it ought to cover the question of laws. I discussed that question earlier. Let the amendment to the amendment be acted upon.

The PRESIDING OFFICER. Did the Chair understand the Senator from Wisconsin to object?

Mr. LENROOT. Yes, Mr. President. The Senator from Missouri offered this amendment, as I understood.

Mr. REED. I did offer it.

Mr. LENROOT. If the Senator is through, I would like to say a word with reference to the amendment to the amendment.

We can not provide what laws a State may enact with reference to this or any other subject. All that Congress can do is to provide that the plans, which may or may not be embodied in the laws of the State, shall conform to the conditions that we make upon which an appropriation is made; and so the word "plans" fully covers the subject, in so far as Congress is empowered to deal with it at all, whether it be by law or by administrative action. Under this proviso the plans must not permit the entering of the homes under these circumstances; but for Congress to undertake to say to a State that it shall not pass a law would be transcending our power, it seems to me. I would suppose that the Senator from Missouri would be one of the first to oppose any action of Congress of that kind—undertaking to dictate to a State as to what kind of a law it should pass. I hope the amendment to the amendment will not be agreed to.

Mr. BORAH. If the Congress has nothing to say with reference to the kind of a law a State may pass, it can have nothing to say with reference to the kind of a plan which the State may adopt, because the plan may be incorporated in the law.

Mr. LENROOT. But the plan will not be adopted unless it is in conformity with this provision.

Mr. LODGE. If the Senator will permit me, it seems to me perfectly clear that if we are to give them money we can make our own conditions.

Mr. BORAH. If we can make a condition with reference to a plan, we can make it with reference to a law.

Mr. LODGE. Certainly, we can make it with reference to a law.

Mr. BORAH. It must necessarily grow out of a statute. They can not have a plan unless they have enacted some rule or scheme by which to create a plan. It is a law upon which it is based; and if we can withhold our appropriation until every plan suits us, we can withhold the appropriation until every law suits us.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Missouri to the committee amendment.

The amendment to the amendment was agreed to.

Mr. REED. I move to amend, in line 6, by inserting after the word "home" the words "or taking charge of any child," so that it would read:

That no plans or laws of the States under this act shall provide for any official, or agent, or representative entering any home or taking charge of any child over the objection of the parents—

And so forth.

Mr. KENYON. I have no objection to that amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. REED. Now, I offer the same amendment after the word "home" in line 9, so as to make it conform with the previous amendment.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. The Senator from Missouri proposes to amend by inserting, after the word "home," on line 9, the words "or take charge of any child."

The amendment to the amendment was agreed to.

Mr. SPENCER. I suggest to my colleague that in line 11 there ought to be added the words "or laws," to conform with the amendment which he has now provided in line 4.

Mr. REED. I think the suggestion is correct, and I will offer it at this time, if there is no objection.

The PRESIDING OFFICER. That is in the text; it is not a part of the committee amendment.

Mr. REED. Very well; I will offer it later.

The PRESIDING OFFICER. The question recurs on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The next amendment of the committee was in section 8, page 7, line 13, after the word "purposes" to strike out the period and the word "Due," and to insert a comma and the word "due," so as to make the sentence read:

If these plans shall be in conformity with the provisions of this act and reasonably appropriate and adequate to carry out its purposes, due notice of approval shall be sent to the State agency by the Chief of the Children's Bureau.

The amendment was agreed to.

The next amendment was, in section 9, page 7, line 16, to strike out the words "popular, nontechnical"; in line 17, after the word "States," to strike out the comma and the words "particularly to those to whom such facilities are not accessible"; in line 19 to strike out the words "subject of the"; and on the same line, after the word "infancy," to strike out the comma and the words "hygiene of" and to insert the word "and"; and in line 20 to strike out the words "and related subjects," so as to make the section read:

SEC. 9. That in order to provide instruction to the residents of the various States on the hygiene of infancy and maternity, the State agency described in section 4 is authorized to arrange with any educational institution for the provision of extension courses by qualified lecturers: *Provided*, That not more than 25 per cent of the sums granted by the United States to a State under this act may be used for this purpose.

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendments are completed.

Mr. KENYON. Mr. President, I offer an amendment as a substitute for section 14. I prepared the amendment after consulting with a number of Senators, especially the leader on this side.

The PRESIDING OFFICER. The Secretary will state the amendment.

The ASSISTANT SECRETARY. The Senator from Iowa proposes to amend on page 9, line 6, by striking out everything after the words "Section 14" and inserting the following:

That the Children's Bureau shall perform the duties assigned to it by this act under the supervision and direction of the Secretary of Labor, and he shall include in his annual report to Congress a full account of the administration of this act and expenditures of the moneys herein authorized.

The amendment was agreed to.

Mr. REED. I would like to have the amendment just adopted stated again. There was some language in it I could not understand from the hurried reading.

The PRESIDING OFFICER. The Secretary will report it again.

The ASSISTANT SECRETARY. Amend, on page 9, line 6, by striking out everything after the words "Section 14", and inserting in lieu thereof the following:

That the Children's Bureau shall perform the duties assigned to it by this act under the supervision and direction of the Secretary of Labor, and he shall include in his annual report to Congress a full account of the administration of this act and expenditures of the moneys herein authorized.

Mr. REED. Does not that entirely change the authority as now written in the bill?

Mr. KENYON. No; it prevents the Chief of the Children's Bureau from certifying the amounts to the Secretary of the Treasury. This was a suggestion of the Senator from Massachusetts [Mr. LODGE].

Mr. LODGE. Mr. President, I suggested the amendment which has been presented and agreed to, because under the provisions of the bill as it stood the Children's Bureau and the head of the Children's Bureau were responsible to no one. They could spend the money as they pleased; they were not responsible to the President or the head of the department or anybody else. I never saw such a bill before, and I thought there should be a provision making them responsible to some one. The Senator from Iowa agreed with me and prepared the amendment, which I think is a very important and suitable change.

Mr. REED. Unless we go further and amend section 3 we shall have two conflicting sections, in my opinion, based on a very hasty examination. Section 3 provides that—

The Children's Bureau of the Department of Labor shall be charged with the carrying out of the provisions of this act, and the Chief of the Children's Bureau shall be the executive officer.

That places the carrying out of the provisions of the bill entirely in the Children's Bureau.

Mr. KENYON. But this amendment makes it subject to the direction of the Secretary of Labor. Instead of changing the bill all through, the Senator from Texas [Mr. SHEPPARD] and I thought this would cover it and save all such amendments to the bill.

Mr. REED. I think the Senator has a very awkward bill.

Mr. KENYON. It may be. I know the Senator thinks so.

Mr. REED. It is provided that they shall perform this work under the authority of the Secretary of Labor and under his direction, and then it is said that they shall have an advisory board in addition to that.

The PRESIDING OFFICER. The hour of 4 o'clock having arrived, further debate is not in order under the unanimous-consent agreement.

Mr. KENYON. Mr. President, I wish to introduce one or two amendments to clarify the text.

Mr. McCORMICK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Illinois?

Mr. KENYON. Certainly.

Mr. McCORMICK. For a question only. I wish to ask if the amendment suggested by the Senator, on page 7, line 11, has been offered and voted upon?

The PRESIDING OFFICER. The committee amendment as amended was agreed to.

Mr. KENYON. On page 2, line 7, before the word "paying," I move to insert the words "aiding in."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 2, line 7, the Senator from Iowa moves to amend by inserting the words "aiding in" before the word "paying," so that it will read:

SEC. 2. That for the purpose of aiding in paying the expenses of said cooperative work in providing the services and facilities specified in this act, etc.

The amendment was agreed to.

Mr. KENYON. On page 3, line 19, after the word "act" and before the word "and," I move to insert the words "as herein provided."

The PRESIDING OFFICER. The proposed amendment will be stated.

The ASSISTANT SECRETARY. On page 3, line 19, after the word "act," insert the words "as herein provided," so as to read:

SEC. 3. The Children's Bureau of the Department of Labor shall be charged with the carrying out of the provisions of this act as herein provided, and the Chief of the Children's Bureau shall be the executive officer.

The amendment was agreed to.

Mr. KENYON. On page 5, line 16, after the word "act," I move to amend by inserting the words "as herein provided."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 5, line 16, after the word "act," insert the words "as herein provided," so as to read:

SEC. 5. That so much, not to exceed 3 per cent of the additional appropriations authorized for any fiscal year under section 2 of this act, as the Children's Bureau may estimate to be necessary for administering the provisions of this act as herein provided, shall be deducted for that purpose, to be available until expended.

The amendment was agreed to.

Mr. KENYON. In section 6, page 6, line 3, after the word "under," I move to insert the words "section 5 of."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 6, line 3, after the word "under" insert "section 5 of," so as to read:

SEC. 6. That out of the amounts authorized under section 5 of this act the Children's Bureau is authorized to employ, to be taken from the eligible list of the Civil Service Commission, such assistants, clerks, and other persons, etc.

The amendment was agreed to.

Mr. KENYON. In section 7, page 6, line 17, I move to strike out "1921" and insert in lieu thereof "1922."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 6, line 17, strike out "1921" and insert "1922," so as to read:

And the sum which it has apportioned to each State for the fiscal year ending June 30, 1922, etc.

The amendment was agreed to.

Mr. KENYON. In section 8, page 6, line 25, I move to strike out the words "include the provisions to be made in the State," and insert in lieu thereof the words "provide solely."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 6, line 25, strike out the words "include the provisions to be made in the State," and insert in lieu thereof the words "provide solely," so as to read:

These plans shall provide solely for the administration of the act.

The amendment was agreed to.

Mr. KENYON. On page 7, in line 1, after the word "act," I move to insert the words "in the State."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 7, line 1, after the word "act" insert the words "in the State," so as to read:

These plans shall provide solely for the administration of the act in the State.

The amendment was agreed to.

Mr. KENYON. In section 9, page 7, line 21, after the word "institution," I move to insert the words "approved for these purposes by the United States Commissioner of Education."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 7, line 21, after the word "institution," insert the words "approved for these purposes by the United States Commissioner of Education," so that it will read:

SEC. 9. That in order to provide instructions to the residents of the various States on the hygiene of infancy and maternity, the State agency described in section 4 is authorized to arrange with any educational institution approved for these purposes by the United States Commissioner of Education for the provision of extension courses by qualified lecturers.

Mr. KING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. KENYON. Under the unanimous-consent agreement there is no chance for an explanation.

The PRESIDING OFFICER. There can be no debate, of course, but the Chair does not know for what purpose the Senator from Utah addressed the Chair.

Mr. KING. I rose for the purpose of offering an amendment to the amendment. I move to strike out the words "United States Commissioner of Education" and to insert in lieu thereof "the governors of the respective States."

The PRESIDING OFFICER. The Senator from Utah offers an amendment to the amendment, which will be stated.

The ASSISTANT SECRETARY. Strike out the words "United States Commissioner of Education" and insert in lieu thereof the words "governors of the respective States," so that it will read:

That in order to provide instruction to the residents of the various States on the hygiene of infancy and maternity, the State agency described in section 4 is authorized to arrange with any educational institution approved for these purposes by the governors of the respective States for the provision of extension courses by qualified lecturers.

The amendment to the amendment was rejected, there being, on a division, ayes 17, noes 31.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Iowa.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I wish to ask the Senator from Iowa——

Mr. KENYON. I do not think the Senator can do it under the unanimous-consent agreement.

The PRESIDING OFFICER. That would be debate. The Senator can present a parliamentary inquiry under the rules of the Senate.

Mr. SMOOT. It was not important.

Mr. KENYON. In section 12, page 8, line 21, I move to strike out the words "Secretary of Labor" and insert in lieu thereof the words "President of the United States."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 8, line 21, strike out the words "Secretary of Labor" and insert the words "President of the United States," so as to read:

If any allotment is withheld from any State, the State agency of such State may appeal to the President of the United States.

The amendment was agreed to.

Mr. KENYON. On page 8, line 22, I move to strike out the words "Secretary of Labor" and to insert the word "President."

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT SECRETARY. On page 8, line 22, strike out the words "Secretary of Labor" and insert the word "President," so it will read:

If any allotment is withheld from any State, the State agency of such State may appeal to the President of the United States; and if the President shall not direct such sum to be paid, it shall be covered into the Treasury of the United States.

The amendment was agreed to.

Mr. MOSES. Mr. President, I offer the several amendments which I send to the desk, and on their adoption I ask for the yeas and nays.

The PRESIDING OFFICER. The amendments offered by the Senator from New Hampshire will be stated.

The ASSISTANT SECRETARY. On page 3, lines 17 and 18, strike out "the Children's Bureau of the Department of Labor" and insert "the United States Public Health Service, under the direction of the Secretary of the Treasury."

Page 3, line 19, strike out "Chief of the Children's Bureau" and insert "Surgeon General of the United States Public Health Service."

Page 3, strike out all after the period in line 20.

Page 4, strike out lines 1 to 9, inclusive.

Page 4, line 14, strike out "Children's Bureau" and insert "United States Public Health Service."

Page 4, line 20, strike out "Children's Bureau" and insert "United States Public Health Service."

Page 5, line 8, strike out "Children's Bureau" and insert "United States Public Health Service."

Page 5, line 9, strike out "Children's Bureau" and insert "Public Health Service."

Page 5, lines 14 and 15, strike out "Children's Bureau" and insert "Public Health Service."

Page 5, lines 18 and 19, strike out "Children's Bureau" and insert "Public Health Service."

Page 6, line 4, strike out "Children's Bureau" and insert "Public Health Service."

Page 6, line 12, strike out "Children's Bureau" and insert "Public Health Service."

Page 6, line 14, strike out "Children's Bureau" and insert "Public Health Service."

Page 6, line 23, strike out "Children's Bureau" and insert "Public Health Service."

Page 7, line 8, strike out "Children's Bureau" and insert "Public Health Service."

Page 7, lines 14 and 15, strike out "Chief of the Children's Bureau" and insert "Surgeon General of the Public Health Service."

Page 8, line 4, strike out "Children's Bureau" and insert "Public Health Service."

Page 8, line 8, strike out "Children's Bureau" and insert "Public Health Service."

Page 8, line 15, strike out "Children's Bureau" and insert "Public Health Service."

Page 8, line 16, strike out "Children's Bureau" and insert "Public Health Service."

Page 8, line 21, strike out "Secretary of Labor" and insert "Secretary of the Treasury."

Page 8, line 22, strike out "Secretary of Labor" and insert "Secretary of the Treasury."

Page 9, line 6, strike out "Secretary of Labor" and insert "Secretary of the Treasury."

The PRESIDING OFFICER. Is there objection to the Chair putting the question as to one amendment? Without objection, the amendments will be voted on as one amendment.

Mr. KENYON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). Announcing as before my pair with the Senator from Colorado [Mr. PHIPPS], in his absence I withhold my vote.

Mr. GLASS (when his name was called). If permitted to vote, I would vote "nay," but I am paired with the senior Senator from Vermont [Mr. DILLINGHAM], who is absent. I therefore withhold my vote.

Mr. HARRISON (when his name was called). I have a general pair with the Senator from West Virginia [Mr. ELKINS]. I understand that if present he would vote as I intend to vote. So I shall vote. I vote "nay."

Mr. STERLING (when his name was called). Announcing my pair as on the last vote and its transfer, I vote "nay."

Mr. TRAMMELL (when his name was called). I have a general pair with the senior Senator from Rhode Island [Mr. COLT]. I understand that if present he would vote as I intend to vote, and I am therefore at liberty to vote. I vote "nay."

Mr. WALSH of Montana (when his name was called). Transferring my pair with the Senator from New Jersey [Mr. FRELINGHUYSEN] to my colleague [Mr. MYERS], I vote "nay."

The roll call was concluded.

Mr. ROBINSON (after having voted in the negative). I have a general pair with the Senator from West Virginia [Mr. SUTHERLAND]. I am informed that if present he would vote as I did on this question, and I will therefore let my vote stand.

Mr. CURTIS. I desire to announce the following pairs:

The Senator from Maine [Mr. HALE] with the Senator from Tennessee [Mr. SHIELDS];

The Senator from Maine [Mr. FERNALD] with the Senator from New Mexico [Mr. JONES]; and

The Senator from New Jersey [Mr. EDGE] with the Senator from Oklahoma [Mr. OWEN].

The result was announced—yeas 9, nays 61, as follows:

YEAS—9.

Borah	Cameron	Lodge	Overman
Brandegee	King	Moses	Reed
Broussard			

NAYS—61.

Ashurst	Curtis	Hitchcock	Knox
Ball	Ernst	Johnson	Ladd
Bursum	Fletcher	Jones, Wash.	La Follette
Calder	Gerry	Kellogg	Lenroot
Capper	Harris	Kendrick	McCormick
Caraway	Harrison	Kenyon	McCumber
Culberson	Heflin	Keyes	McKellar

McKinley	Penrose	Smoot	Walsh, Mass.
McLean	Pittman	Spencer	Walsh, Mont.
McNary	Poindexter	Stanfield	Warren
Nelson	Pomerene	Stanley	Weller
New	Ransdell	Sterling	Williams
Nicholson	Robinson	Swanson	Willis
Norbeck	Sheppard	Townsend	
Norris	Shortridge	Trammell	
Oddie	Simmons	Underwood	

NOT VOTING—25.

Colt	France	Myers	Sutherland
Cummins	Frelinghuysen	Newberry	Wadsworth
Dial	Glass	Owen	Watson, Ga.
Dillingham	Gooding	Page	Watson, Ind.
Edge	Hale	Phipps	
Elkins	Harreld	Shields	
Fernald	Jones, N. Mex.	Smith	

So Mr. MOSES's amendments were rejected.

Mr. KING. I offer the amendment which I send to the desk as a substitute for the pending bill.

The PRESIDING OFFICER. The amendment proposed by the Senator from Utah will be stated.

The ASSISTANT SECRETARY. It is proposed to strike out all after the enacting clause and insert the following:

That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $1,480,000 to be apportioned among the several States of the Union in proportion to population, according to the Federal census of 1920, for the purpose of aiding the States in the care of maternity and infancy.

SEC. 2. That the money appropriated by this act shall be paid to the several States upon the certificate of the governor of each State that the State has an existing agency which is adapted for the administration of and expenditure of funds for the dissemination of useful knowledge concerning the care of mothers and infants and for the protection of maternity and of child life, and that the State accepts such money for such purposes.

SEC. 3. That the moneys appropriated to the several States by this act shall be disbursed according to appropriations made by the legislatures of the several States.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Utah.

The amendment was rejected.

The PRESIDING OFFICER. The bill is still before the Senate as in Committee of the Whole and open to amendment.

Mr. KING. A parliamentary inquiry. There was some discussion about amending the bill on page 2, lines 18 and 19, by striking out the words "and annually thereafter a sum not to exceed $1,480,000." The parliamentary inquiry is whether or not that amendment was accepted.

The PRESIDING OFFICER. The Secretary informs the Chair that the committee amendment in line 19, on page 2, was agreed to, and that no changes were made in line 18, but that the appropriation stands at $1,000,000.

Mr. KING. In lines 18 and 19, on page 2, I move to strike out the words "and annually thereafter a sum not to exceed $1,000,000," so that it would read:

Provided, That there is hereby authorized to be appropriated for the use of the States, subject to the provisions of this act, for the fiscal year ending June 30, 1922, an additional sum of $1,000,000.

I move this amendment in order that the language of the bill may conform to the interpretation placed upon it by the chairman of the Committee on Appropriations, the Senator from Wyoming [Mr. WARREN].

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah.

The amendment was rejected.

Mr. REED. On page 7, line 11, after the word "plans," I move to insert the words "and laws," in order to make the bill conform with the amendment which has already been adopted.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in,

The bill was ordered to be engrossed for a third reading and read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

Mr. KENYON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the reading clerk proceeded to call the roll.

Mr. DIAL (when his name was called). I have a pair with the Senator from Colorado [Mr. PHIPPS]. I am not able to obtain a transfer of that pair and therefore withhold my vote.

Mr. GLASS (when his name was called). I have a pair with the senior Senator from Vermont [Mr. DILLINGHAM]. If he were present, he would vote "nay." If permitted to vote, I should vote "yea."

Mr. HARRISON (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr. ELKINS]. If he were present I understand he would vote as I intend to vote. I therefore feel at liberty to vote and vote "yea."

Mr. ROBINSON (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr. SUTHERLAND]. I am informed that if present he would vote as I shall, and I therefore vote. I vote "yea."

Mr. STERLING (when his name was called). Announcing my pair and its transfer as on the last vote, I vote "yea."

Mr. TRAMMELL (when his name was called). Making the same announcement as previously in regard to my pair, I vote "yea."

Mr. WALSH of Montana (when his name was called). I transfer my pair heretofore announced to my colleague, the senior Senator from Montana [Mr. MYERS] and vote "yea."

The roll call was concluded.

Mr. GERRY. I desire to announce that the Senator from Oklahoma [Mr. OWEN] is paired with the Senator from New Jersey [Mr. EDGE]. If the Senator from Oklahoma were present he would vote "yea."

I also desire to announce that the Senator from New Mexico [Mr. JONES] is paired with the Senator from Maine [Mr. FERNALD]. If the Senator from New Mexico were present he would vote "yea."

Mr. REED (after having voted in the negative). I have a pair with the Senator from Michigan [Mr. NEWBERRY], but I have been informed that I would be at liberty to vote upon this bill, and I have accordingly voted. I make that explanation so that there will be no misunderstanding.

Mr. KENYON. I wish to announce the unavoidable absence of my colleague [Mr. CUMMINS]. Were he present he would vote "yea."

Mr. CAPPER. The senior Senator from West Virginia [Mr. SUTHERLAND] is unavoidably absent. He has asked me to state that if he were present he would vote "yea" on the passage of the bill.

Mr. CURTIS. I desire to announce that the Senator from Vermont [Mr. PAGE] and the Senator from Oklahoma [Mr. HARRELD] are necessarily absent. If present, both Senators would vote for the passage of the bill.

I desire further to announce that if the Senator from Maine [Mr. HALE] were present he would vote for the bill. He is necessarily absent and is paired with the Senator from Tennessee [Mr. SHIELDS].

I also desire to announce that the Senator from New York [Mr. WADSWORTH] and the Senator from Indiana [Mr. WATSON], who are necessarily absent, are paired on this question. The Senator from New York would vote against the bill and the Senator from Indiana would vote for the bill.

I also desire to announce that the Senator from Maine [Mr. FERNALD] has a general pair with the Senator from New Mexico [Mr. JONES]. I understand that both Senators would vote for the bill if present.

The result was announced—yeas 63, nays 7, as follows:

YEAS—63.

Ashurst	Hitchcock	McLean	Shortridge
Ball	Johnson	McNary	Simmons
Brandegee	Jones, Wash.	Nelson	Spencer
Bursum	Kellogg	New	Stanfield
Calder	Kendrick	Nicholson	Stanley
Cameron	Kenyon	Norbeck	Sterling
Capper	Keyes	Norris	Swanson
Caraway	Knox	Oddie	Townsend
Culberson	Ladd	Overman	Trammell
Curtis	La Follette	Penrose	Underwood
Ernst	Lenroot	Pittman	Walsh, Mass.
Fletcher	Lodge	Poindexter	Walsh, Mont.
Gerry	McCormick	Pomerene	Weller
Harris	McCumber	Ransdell	Williams
Harrison	McKellar	Robinson	Willis
Heflin	McKinley	Sheppard	

NAYS—7.

Borah	King	Reed	Watson, Ga.
Broussard	Moses	Warren	

NOT VOTING—25.

Colt	France	Myers	Smoot
Cummins	Frelinghuysen	Newberry	Sutherland
Dial	Glass	Owen	Wadsworth
Dillingham	Gooding	Page	Watson, Ind.
Edge	Hale	Phipps	
Elkins	Harreld	Shields	
Fernald	Jones, N. Mex.	Smith	

So the bill was passed.

Mr. REED. I offer an amendment to the title of the bill.

The PRESIDING OFFICER. The Senator from Missouri [Mr. REED] proposes an amendment to the title, which will be read.

The ASSISTANT SECRETARY. In lieu of the title as printed it is proposed to insert the following:

A bill to authorize a board of spinsters to control maternity and teach the mothers of the United States how to rear babies.

Mr. REED. I ask for the yeas and nays on the amendment to the title.

The yeas and nays were not ordered.

The amendment to the title was rejected.

EXPORTATION OF FARM PRODUCTS.

Mr. ASHURST obtained the floor.

Mr. NORRIS. Mr. President——

Mr. ASHURST. I yield to the Senator from Nebraska for a question.

Mr. NORRIS. Pursuant to the notice that I gave when I attempted to secure unanimous consent——

Mr. ASHURST. I do not yield for a motion. I notified the Senate this morning that I wished for a few minutes to address the Senate on the tariff bill.

Mr. NORRIS. I will say to the Senator that what I am trying to do is to get a unanimous-consent agreement fixing a time for a vote on the unfinished business.

Mr. ASHURST. I yield for the presentation of the request.

The PRESIDING OFFICER. The Senator from Arizona holds the floor. The Senator from Nebraska presents a proposed unanimous-consent agreement, which will be stated by the Secretary.

The reading clerk read as follows:

It is agreed by unanimous consent that at not later than 5 o'clock p. m. on the calendar day of Tuesday, July 26, 1921, the Senate will proceed to vote without further debate upon any amendment that may be pending, any amendment that may be offered, and upon the bill (S. 1915) to provide for the purchase of farm products, etc., through the regular parliamentary stages to its final disposition; and that after the hour of 12 o'clock noon on said calendar day no Senator shall speak more than once or longer than five minutes upon the bill, or more than once or longer than five minutes upon any amendment offered thereto.

Mr. KING and Mr. LODGE. I object.

The PRESIDING OFFICER. Objection is made.

Mr. NORRIS. Mr. President, I should like to ask the Senators who are objecting if it would be agreeable to them if the time were put over later than the time proposed in the unanimous-consent agreement?

Mr. LODGE. Mr. President, if the Senator will yield——

Mr. NORRIS. Yes.

Mr. LODGE. I shall object to this unanimous-consent agreement, and for the present to any unanimous-consent agreement. This is a bill of very great importance. It carries with it an enormous sum of money to be expended from the Treasury of the United States. There are many Senators who have given me notice that they desire to speak. There are others who have given notice to me that they have amendments which they wish to offer and discuss. The bill has been debated very little so far in comparison with its importance, and I am not ready at this time to consent to a vote upon it.

Mr. NORRIS. Of course, Mr. President, with that statement there is not any use in modifying the proposed agreement further; but before the Senator from Arizona proceeds I ask the Chair to lay formally before the Senate the unfinished business, so that there may be no question about its status.

Mr. ASHURST. I have no objection to that.

The PRESIDING OFFICER. The unfinished business having been temporarily laid aside, it is now laid before the Senate again.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 1915) to provide for the purchase of farm products in the United States, to sell the same in foreign countries, and for other purposes.

Mr. NORRIS. Mr. President, will the Senator from Arizona yield to me just a moment further?

Mr. ASHURST. I yield to the Senator from Nebraska.

Mr. NORRIS. I should like to say to the Senate and to those who favor the bill now pending as the unfinished business that if it is the disposition of those who oppose it to object to any time for the ending of debate, I shall do my best to ask the Senate to recess from day to day, and to stay in session longer than we have been doing, in order that we may reach some conclusion on the bill.

Mr. LODGE. Mr. President, I may say to the Senator and to the Senate that I have no intention whatever of doing anything toward delaying the bill unduly, but I do think it is too soon to make a unanimous-consent agreement to vote on it. I realize that we must have action on the bill, but I do not think we have had an opportunity for fair and reasonable debate upon it. Of course, the Senator is entirely justified in pressing his bill. I assure him that I shall not disturb him with another speech on it.

Mr. NORRIS. I am not finding fault particularly with the objection that is made, although I put off the date, I thought, for quite a while, and I would be willing to put it off further. We must ultimately, however, come to some decision on the measure.

Mr. STERLING. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from South Dakota?

Mr. ASHURST. I yield for a moment.

Mr. STERLING. I present an amendment in the nature of a substitute intended to be proposed to the pending bill, which I ask may be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be printed and lie on the table.

THE TARIFF BILL.

Mr. ASHURST. Mr. President, I regret to detain the Senate at this late hour in discussing the tariff bill; but the circumstances confronting me make it imperative that at this particular time I discuss the bill which came from the House of Representatives to the Senate to-day. My speeches, as Senators, of course, know, are always deep and wide but never long, so Senators need not be apprehensive that this speech will be protracted.

I wish to confine myself to the cotton schedule of the bill. There has been so much misinformation spread—in the nature of events unavoidable—regarding what is loosely called "long-staple cotton" that I shall devote a few moments trying to make manifest what we of the Southwest mean when we speak of long-staple cotton.

Mr. President, several hundred thousand bales, possibly 1,000,000 bales, of what is loosely termed "long-staple cotton" is produced in the United States. I refer, however, to the cotton produced in Arizona and California and in the northern part of lower California, which is, of course, called "long-staple cotton," but which is in truth American-Egyptian or Sakellaridis or Pima cotton, such as the sea-island cotton, which, by the way, dwindled to 1,868 bales last year, from 111,716 bales in 1915, owing to the ravages of the boll weevil, and I refer Senators to Exhibit D, made a part hereof.

The Egyptian, Pima, or Sakellaridis cotton produced in Arizona and California has a much superior brilliancy and gloss when compared to the so-called ordinary long-staple cotton. The Arizona-California staple is very much longer than the ordinary long staple—any cotton of staple of an inch or an inch and a quarter is called long staple). The staple of which I wish to speak this afternoon is from an inch and a half to an inch and three-quarters in length, and it has remarkable tensile strength. Indeed, automobile tires are made from it; hose for the conveyance of streams of water under immense pressure—hose that requires tensile strength to hold the stream—is made from the American-Egyptian, Pima, or Sakellaridis long-staple cotton, which grows in Arizona and California. In addition to that, Mr. President, there is manufactured from this American-Egyptian cotton a superior grade of cloth. I will give the names of some of the fabrics that are made from the Arizona-Egyptian cotton. Listen to these names and then ask your wife if anything more expensive in the way of fabrics made of cotton are to be found in the dry goods stores: Sateen, plyvoile, semivoile, dimity, transparent organdy, cotton mull, sheer nainsook, French lawn, batiste, chiffon mull, poplin, warp print, fine shirting poplin, fancy piqué vesting, fancy striped voile, sateen brocade, thread stripe organdy, fancy leno voile, Jacquard, clip spot lawn, fancy swivel voile. These trade names are taken from a list made up to show the kinds of fine fabrics which are manufactured from that cotton.

If a Democratic Congress were writing a tariff for revenue bill, surely the raw material to make up these high-grade fabrics would not be placed upon the free list.

Now, it will be perceived that the fabrics I have just named are comparable to silk. Indeed, a garment made from one of these fabrics tears with great difficulty. It resists wear, and its texture is so fine and glossy that it requires a skilled eye or the finger of an expert to distinguish these particular fabrics from silk.

So we perceive that the long-staple American-Egyptian, Pima, or Sakellaridis cotton, so called, and not the cotton generally referred to as "long staple," is made into the remarkably fine fabrics that I have named, is made into the automobile tires, requiring great tensile strength, into balloon fabrics, and into airplane wings. It is also at times used for some other purposes, like very strong sewing thread.

Formerly, Mr. President, our country produced none of that class of cotton in the West. It was produced on the sea islands—that is, islands off the coast of Georgia and South

Carolina and along the mainland, the littorals of those States; but, as I said before, the boll weevil made its appearance some years ago, and the former production of 111,716 bales of sea-island cotton dwindled in six years until it reached 1,868 bales last year. In the meanwhile, however, the Arizona-California-Egyptian production went forward from 375 bales in 1912 to about 150,000 bales last year, until nearly one-third of all the Egyptian cotton used in the United States for purposes of war and of peace was grown in Arizona and California.

At considerable length, and I know with tediousness to the Senate, I pointed out some two months ago that it is impossible in California or in Arizona to grow long-staple Egyptian or Pima cotton under 46 cents a pound.

The freight rate from Phoenix, Ariz., to Boston is $10 per bale. The steamship rate from Alexandria, Egypt, to Boston is $3 per bale. So, at the very outset, the growers of the long-staple Pima or Egyptian cotton in Arizona and California are handicapped in freight rates. I repeat, the rate is $10 per bale from Phoenix, Yuma, or from the Imperial Valley to Boston, while it is $3 per bale from Alexandria, Egypt, to Boston. The Government of the United States within the past 15 years has spent large sums of money in testing soils, sending out experts, and urging farmers to plant the Egyptian cotton, and thousands of acres of lands have been tested and investigated by expeditions sent out, at huge expense to the Federal Government, to locate the soil where this particular cotton would grow.

After 10 years' patient work and much expense, it was ascertained by the Department of Agriculture that those particular regions that are irrigable, where the sun shines perpetually, were adapted to raising that cotton, and that, wonderful to relate, nature in her most capricious mood set into the center of the desert the very land that would grow this Egyptian cotton, and spread itself out like a blanket of snow over the face of the desert.

But our Federal Government also urged, in speeches of Senators and Representatives, speeches of Cabinet members, speeches, sir, of a President, and in ten thousand editorials and advertisements that we be not dependent upon foreign countries in time of war for that article, Egyptian cotton, that which is woven into our airplane wings and our balloon fabrics, but that we grow a sufficient supply at home and encourage its development, so that in time of war, as well as in time of peace, we would have the prime essentials for our balloon fabrics, airplanes, and our auto tires and fancy dress and shirts.

The emergency tariff bill placed an import duty of 7 cents per pound on long-staple cotton, but, as I pointed out, the disproportion in the rates of freight between California and Arizona and Boston and Alexandria and Boston is so vast that it more than absorbs the tariff rate.

Then let me again tell Senators, as I have told them before, that the American cotton grower is a citizen of the United States, he rears his children in accordance with the best traditions, his home is a fit habitation for the upstanding American, he employs labor in my State, and pays $4, $5, $6, $7, and even as high as $8 a day for labor, and is glad to do so.

What is the situation in Egypt as to wages and ideals? Thirty cents a day was the prewar wage in Egypt for labor. It is true now that the wage is 50 cents per day, but how does the Egyptian laborer work? Does he work eight hours? What are his ideals? Mr. President, since Cambyses came in from Persia in 525 B. C., with thundering tread marched armies over the land, and, as the poet said, "overthrew Osiris, Orus, Apis, and Isis," the Egyptian fellaheen has been noted to the uttermost ends of the earth as a physical phenomenon, for the Egyptian laborer is the most remarkably efficient working machine the world had ever seen. His labor built the Pyramids, the Sphinx, the Temples of Karmack, and the Memnonium, which was a building combining a palace and a temple, the very ruins of which are remarkable for elegance of sculpture and symmetry of architecture, and even to-day when the sun strikes the statue of Memnon, and it, owing to some peculiar physical characteristic, begins to sing, sir, when the morning sun rises the Egyptian must need do likewise; so, when the sun rises, the Egyptian begins to sing and to work, and he works 12 hours, singing the while, at 50 cents a day.

Yet the tariff bill which has come to the Senate from the House of Representatives puts cotton on the free list, which means that the American grower of Egyptian cotton will be exterminated unless the schedule is corrected. Our Department of Agriculture spent 10 years urging our citizens to grow the Egyptian cotton so that we might not be required to depend upon Egypt. We spent thousands, if not millions, of dollars demonstrating that we could build up this industry in America, and then we find it is to be absolutely and remorselessly crushed by a tariff bill which puts this cotton upon the free list, and it is crushed, too, by a political party that has always pretended it stood for upbuilding home industries and for protection.

I appeal to Senators not to destroy this Egyptian-cotton industry. Free trade will destroy it. I appeal to protection Republicans not to turn to free trade. Your party is flushed with victory; you denounced free trade. Now, I demand that you practice what you preach.

We can not compete with Egypt. It is absurd to talk about it, because, as I repeat, their wage scale and ideals are too low. It is beyond the domain of imagination even to think about competing under conditions that obtain in Egypt.

The reason I have seized this opportunity to address the Senate—and I am gratified to observe that there are so many Senators who are so kind and so patient as to honor me with their attention—is that I hope they will see to it that this injustice, this glaring defect in the tariff bill, is corrected. I ask at this juncture unanimous consent to include in the RECORD, as a part of my remarks, a voluminous statement prepared by Mr. C. S. Scofield, of the United States Department of Agriculture, giving all the details as to the cotton culture and combats with nature the Department of Agriculture has carried on for some years in its efforts to try to produce this cotton. [See appendix.]

I further ask unanimous consent to include in the RECORD a copy of a brief which was submitted by Hon. Dwight B. Heard, of Arizona, to the Committee on Ways and Means of the House of Representatives, pointing out the disproportion in the wage scale between the American and Egyptian laborers. [See appendix.]

Mr. President, I will now read a clipping from the Arizona Republican, a metropolitan newspaper published in Phoenix, Ariz.:

CHILDREN STARVING IN ARIZONA'S CAPITAL.

It is almost unbelievable.
But it is nevertheless true.
Little children are dying of starvation in Phoenix.
Hundreds of older children and adults are continually hungry; have not had a filling meal in months.
It is said there are not less than 2,100 persons in Phoenix and vicinity known to be affected by the food shortage.
How many more there may be whose cases have not been reported to the authorities is a matter of conjecture, and some such cases are known.
Most of those who are suffering are Mexicans. But there are others among the unfortunates.
Something must be done about these hungry people of Phoenix. We know that the situation is one which reflects upon the town, and the longer it persists the more serious will be the reflection.

Gentlemen of the Republican Party, that is what your policy of free trade brings. Do you like the picture?

This cotton once had a selling price that enabled the grower to pay a fair wage and make an honest profit, vast tracts of land were planted in cotton, and living wages were paid to the cotton pickers. But just about the time when the cotton farmer last year was ready to gather his crop the Federal Reserve Board, which you, sir [Mr. HEFLIN], have so eloquently spoken of and against, did not issue an order of deflation—I do not want to do an injustice, they did not issue an order of deflation, but they sedulously and calmly stated that it would be well to "deflate" at this particular time, just as the farmer was about to gather his crop.

We were in the ridiculous position of having urged the farmer to plant, plant, plant, and work, work, work; and just as the time came when he would receive something for his labor, the suggestion of deflation came, and the only person deflated was the farmer, and now to deflate him further his cotton is placed upon the free list.

I do not desire to give a partisan slant to this speech, and I shall avoid doing so.

But it is said, "You are a Democrat. How may you urge a tariff on cotton?" How may I? Have I not gone about the land like a peripatetic volcano in perpetual eruption talking for equal rights to all and special privileges to none? How, then, can I, as a Democrat, be silent when the manufacturer is protected in a bill which comes here, but the farmer, the man near the soil, whose blood and whose sweat and labor are put into the soil, is left unprotected and left to compete with China, Egypt, and India?

In 1824 Henry Clay, that flaming meteor of statesmanship, whose name thrills Americans, announced his tariff policy, and I think I can fairly say that up to this time there had been no serious political contest over the tariff, because the tariff in 1789, which passed the House unanimously and was reported from the committee by James Madison and passed the Senate almost unanimously, aroused but little partisan debate. The tariff bills of 1812 and 1816 occasioned no real partisan divi-

sion. But the partisan division arose in 1824, and I have not the time this afternoon to call the roll of Democrats who voted for that bill in 1824. Andrew Jackson, that saint of Democrats, as a Senator, voted for the tariff bill of 1824. Senator Martin Van Buren, afterwards a Democratic President, voted for the same tariff bill of 1824. Senator Thomas H. Benton, "Old Bullion," voted for the same. James Buchanan, afterwards a Democratic President, voted for the bill. Richard M. Johnson, he who slew Tecumseh, was in the Senate and voted for the bill. So did Sam Houston. And I could astound Senators on this side of the Chamber if I were to call the roll of men who voted for the Clay tariff bill in 1824.

The roll call would be a roster of those who made the Democratic Party strong and helped to give it its renown and its immortality. Why did they give it immortality? Because they said that if protection is a good thing on the manufactured product it is a good thing on the raw material. If it is right to protect the products of the factory it is right to protect the products of the farm and the field and the ranch.

I plead this afternoon that the Finance Committee may take this tariff bill and see to it that if we are to have a Nation of tariffs and pretend to be in favor of a protective tariff, it shall extend its burdens, benefits, if any, upon all citizens alike.

Mr. POINDEXTER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arizona yield to the Senator from Washington?

Mr. ASHURST. I yield to the Senator from Washington.

Mr. POINDEXTER. I do not want to interrupt the Senator's speech, except to corroborate the argument he is now making, to the effect that Democratic authorities have often recognized and supported the principle of a protective tariff. I call the Senator's attention to the Democratic platform of 1884, in which they used this language, adopting the same rule that is now advocated by the Republican Party:

> But, in making reduction in taxes, it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government taxes collected at the customhouse have been the chief source of Federal revenue. Such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. The process of reform must be subject in the execution to this plain dictate of justice; all taxation shall be limited to the requirements of economical government. The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

The Senator from Arizona has good authority for that doctrine. The language which I just read was from the Democratic national platform of 1884, and in the Democratic platform of 1888 the same doctrine was announced. The plank relating to that in that platform reads:

> Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continuous operations.

That is peculiarly applicable to the difference which the Senator has pointed out between the wages in Egypt and those in Arizona.

Mr. ASHURST. I thank the Senator.

The time has now arrived in the history of this Republic when we must be less partisan and more constructive. I seek only such fair partisan advantages as politicians always naturally take. But this question is too serious a one to call for partisanship. Too many of my constituents, too many good people in California and elsewhere, are being bankrupted and are being ruined to-day for me to attempt to make any partisan capital out of such a deplorable circumstance. I remand the Republican Party to the court of honor and the forum of conscience, and say to it, "Keep your promises."

The Republicans carried Arizona last autumn. President Harding carried that Democratic State by over 7,000 majority, and my colleague [Mr. CAMERON] to-day sits here partly because you promised you would put at least 20 cents, not ad valorem, but 20 cents per pound on this cotton. I can not get any political benefit from it if you keep your promise, but those excellent people believed you and trusted you. Do not betray them. But you are, it seems, drifting away from your principles. You are protecting only the manufacturer and allowing the farmer and the ranchman and the man of the soil to compete with the cheap labor, the cheap views, and the cheap ideals of India and Egypt.

We are to-day importing cotton from India and from China, and the time will come when these splendid Senators from the South who do not agree with all my views on the tariff question will plead with me, but not in vain, to protect them against the cheap labor of India.

When the British Government carries out its wonderful plans of reclaiming the sands of Mesopotamia and of Egypt, and that cheap labor which works for 50 cents a day begins to export cotton to the United States and the price is $3 per bale for battens, then the eloquence of Senators on this side of the aisle will join with me in pleading that you treat the raw material just like you treat the manufactured article.

There is one principle of government which John C. Calhoun uttered from which we can not escape. We may not agree with his views on nullification, we may disagree with him in his great quarrel with Andrew Jackson, but he uttered one truth that is immortal in our Government, and that is that "the benefits and the burdens of all laws must fall equally upon all the citizens.

Now, a man may be a free trader—and I have a sort of a tolerant pity for a free trader. Free traders are students of maxims and not of markets. I do not know who said that. I doubt it can be original with me. Whoever said it characterized the free trader. He is a student of maxims and not of markets. We have one free-trade country and that is of the Eskimo, but still I insist that a man may make a sensible and at least a consistent argument for free trade provided he stands up boldly and says, "I want free trade on manufactured articles and free trade on raw material." A Democrat may make a good argument on the tariff question if he says, "I am for a tariff for revenue only. I want all imports to bear their just proportions of the burdens of government and equally pay their just tolls at the customhouse."

You Republicans, if you will be true to your ancient pronouncements, may make consistent arguments for your protection. If you but say, "We stand for protection, for protection for the manufacturer, for protection for the products of the farm and factory and field alike," then you can make a consistent argument. But I do not understand that species of mental and moral strabismus which will attempt to argue for protection or revenue only on the product of the factory and say that the product of the field and ranch shall pay no customs duty.

In other words, I can not comprehend the mental, political, and moral obliquity of the man who says, "I am going to make the hat as it comes through the customhouse pay its part of the burdens of government, but I will not make the wool that goes into the hat pay its part. I will make the boots and shoes as they reach the customhouse pay their due proportion of the burdens of government, but I will not make the leather that goes into them pay its share." I am utterly unable to comprehend any such philosophy as that which says we will protect one but not the other; we will collect revenue from one but not the other.

I stand where Jackson stood, where stood Polk and Van Buren and Jefferson and Madison and Monroe and Macon and Benton and those mighty souls who laid deep and strong the foundations of the Democratic Party, and who spoke for equal rights to all and special privileges to none. Standing upon such a principle, I am not afraid to meet anyone in debate. I can stand on that ground, but I can not stand on any ground, and neither can you, which says we will levy a tariff on the manufactured goods but not upon the products of the farm and the field.

I utter to-day this solemn warning: Do not further discriminate against agriculture; "do not muzzle the ox which treads out the corn."

Agriculture has been discriminated against long enough. Since the laborers of the farm and ranch, from the very nature of the situation, can not organize themselves easily, we ought not to give them no special favors, but ought, at least, to allow them to participate in the benefits as well as the burdens of the Government and all the laws we pass.

I shall crave the opportunity to appear before the Committee on Finance to urge that they correct the schedule with respect to raw wool. It is wholly defective. My distinguished friend who honors me with his attention, the Senator from Wyoming [Mr. WARREN], if he will examine the wool schedule with reference to raw wool will see how faulty it is. It pretends to give the flockmaster of the West protection, but it gives none. It discriminates in favor of the manufacturer.

Mr. WARREN. I will say that that is very unacceptable to flockmasters.

Mr. ASHURST. I knew the Senator's judgment and his honesty would cause him to rise and say that very thing. That schedule ought to be corrected, and I shall urge that it be done. I do not desire to wait until you have fallen into the pit, and then rush forward to seize some political advantage. I warn you in advance that the cotton schedule must be corrected. You should in conscience put a specific duty of 20 cents per pound on cotton, and you should correct your wool schedule. I shall not take the time this afternoon to go through the various other schedules, but I ask unanimous consent to incorporate in the RECORD as a part of my remarks a clipping from the New York Journal of Commerce of the 14th of this month entitled "Woolgrowers see tariff bill joker."

The PRESIDING OFFICER. Without objection, permission is granted.

The article referred to is as follows:

WOOLGROWERS SEE TARIFF BILL JOKER—ASSERT MEASURE PROVIDES INADEQUATE PROTECTION TO THE SHEEP-RAISING INDUSTRY—CONTEND AD VALOREM DUTY LETS DOWN THE BARS—J. F. WALKER, IN STATEMENT BEFORE THE WAYS AND MEANS COMMITTEE OF THE HOUSE, EXPRESSES CONCERN FOR THE FUTURE OF THOSE IN THE BUSINESS—INDUSTRY IS DEPRESSED.

[Washington Bureau of the New York Journal of Commerce.]

WASHINGTON, *July 12.*

The Fordney tariff bill, which was expected to give protection to the woolgrowers of the United States, in fact lets down the bars for the importation of foreign products at prices which will kill the industry here, according to statements before the Ways and Means Committee of the House to-day by J. F. Walker, chairman of the wool committee of the Ohio Farm Bureau Federation, and J. B. Wilson, of Wyoming, representing the Sheep and Wool Growers' Association and the National Sheep and Wool Bureau.

SEE JOKER IN MEASURE.

The farmers assert that they have found a joker in the measure which withholds the relief which they had expected. It was said that the provision limiting the duty on wools to 35 per cent ad valorem would afford protection of only 9 to 18 cents per pound on one-fourth and three-eighths blood cleaned wool, instead of 25 cents per pound specific duty which the growers expected to be incorporated.

It had been understood by the farmers that the tariff committee was in favor of a specific duty of 25 cents per pound on cleaned wool, and the growers expressed surprise that a limiting clause had been introduced which provides that in no case shall the duty exceed 35 per cent ad valorem. With the present abnormally low prices of wool and with small prospects for materially higher prices, the wool interests pointed out that 70 per cent of the wools produced in the United States will be protected only to this extent.

NO ADEQUATE PROTECTION.

In no case, according to the present tariff schedule, can the duty go above 25 cents per pound on cleaned wool, and the average price of wool in this country for a long series of years has not been sufficiently high to afford adequate protection, in the minds of the woolgrowers, on the ad valorem basis.

The great bulk of the western wools is known as one-fourth and three-eighths blood wool. South American wool of this grade is now quoted at about 11 cents per pound, it was said to-day. Under an ad valorem duty of 35 per cent they would pay a duty of 5.8 cents per pound, cleaned basis, and 3.7 cents per pound in the grease. This means, the growers stated, that the importer could bring this grease wool into the United States at a total cost, including duty, of 14.7 cents, while the same domestic wool is selling here at 24 to 26 cents. The wool imported from South America of one-fourth and three-eighths blood comprised 50 per cent of the total imports for the past five years.

"As the schedule now stands, it not only works great hardships to the producer of wool, giving him a minimum protection when he needs the maximum," stated Mr. Walker, "but it fails to pass this reduction on to the consumer, as the compensatory duty to the manufacturer is based on the 25 cents clean-content wool duty throughout, where in some instances he is securing his wools at one-fifth that value, as in the case of the South American one-fourth blood wools, and in no instance is he obliged to pay more than 25 cents per pound clean content. We believe that this is unfair and unjust to both the producer and consumer.

INDUSTRY IS DEPRESSED.

"The wool-producing industry is in no condition to be handed a joker in the form of a tariff bill. In the past 18 months enormous quantities of wool have been rushed into this country pending the enactment of the tariff bill, and we now have enough wool to take care of normal requirements for from 18 months to 2 years. But what of the future? The sheep population of the United States has decreased 28 per cent during the last 10 years, and the wool-producing industry is in the dumps.

"Let me cite the instance of the Arizona flockmaster. His condition is typical of thousands in the far West. He shipped 1,017 lambs to the Chicago market, and after paying freight, feed bills, yardage commission charges, etc., was out of his pocket $1,446. These lambs sold for that much less than it cost to feed them and ship them. This allows him nothing whatever for the production cost of the lambs.

"I could cite numerous instances where sheep have come to market that do not sell for enough to cover feed, freight, yardage, and other marketing charges. Instances could be multiplied by the thousands where men would be glad to get out of business with a 25 per cent recovery on their investment."

Mr. ASHURST. I also ask unanimous consent at this point to include in my remarks an article dealing with the tariff bill from the Southwestern Stockman-Farmer, an agricultural paper published for 36 years in Arizona.

The PRESIDING OFFICER. Without objection, permission is granted.

The article referred to is as follows:

[From the Southwestern Stockman-Farmer, of Phoenix, Ariz.]

THE TARIFF.

Some of us fondly cherished the hope a few years ago that the tariff had been divorced from politics. In fact, there was something of a promise to that effect, and notwithstanding that we have from time long past learned to our sorrow that political promises are not binding, we still believed that we would never again have to go through the agonies of tariff tinkering. There were those prophets grown wise in observance of the wily ways of politicians who freely predicted that the emergency tariff which became a law May 27 of this year was a mere subterfuge; in pretense it was the redeeming of a campaign pledge to the farmers to "do something," but in reality it was the excuse for cutting the tariff fence. "Once inside the tariff field, we would see," so said these prophets, "that the big interests would be favored to the exclusion of the farmers, and the people would pay, as they always have."

We didn't like to believe these gloomy pessimistic prognostications; we were tired of the tariff and its incident business upheavals, and to believe that a Congress elected by so overwhelming a vote would deliberately turn away from the people to favor the big interests was more than unbelievable; it was unthinkable. But what happened perhaps is best expressed by our own Senator ASHURST:

"The tariff bill reported to the House was prepared largely in secret sessions of the House Committee on Ways and Means, and some members of the committee were denied the right to be present or even see the bill before it was reported to the House. The manufacturing interests, and especially the textile interests, who are seeking cheap raw materials, had their way in every schedule of the bill. No bill in the tariff history of the country ever contained such glaring discriminations against the farmers as does this bill. The placing of cotton on the free list means that the spinners will buy Egyptian cotton, which can be laid down at the New England mills at 26 cents a pound, and the American cotton raiser, of course, can not compete with the low ideals and low wages of the Egyptian. * * * This tariff bill is a wild and reckless foray upon sound economics and fair dealing. The States hurt mostly by the bill are Arizona and California, and I doubt if the bill will be corrected in the House. Growers of long-staple cotton have a fighting chance in the Senate and must not surrender their rights to the monopolists who have dictated the writing of this bill. I believe that there is a sufficient number of just and fair-minded men in the Senate to correct at least part of the wrongs and gross discrimination appearing in this bill. Kindly confer with Gov. Campbell and with the citizens throughout the State, and arrange for a committee of 9 or 11 persons from all walks of life to appear before the Senate committee; but men should be chosen who are able to present the cotton, live-stock, and mining questions in their strongest light, with especial reference to cotton and fuel oils. There is no occasion for haste, as you have three weeks before the bill reaches the Senate."

Arizona has been hit hard in the proposed tariff introduced in the House, where all revenue bills originate. In hides, cattle, wool, and cotton we have been forgotten or given a tariff absurdly low as compared with manufactured products made from these commodities. The tariff on crude oil as proposed is 35 cents a barrel, which, of course, is a direct tax which the farmer who uses fuel oil for pumping, or the miner or any concern where power must be furnished and where hydro-electric power is not available must pay, a tax which to an already overtaxed people becomes a burden hard to bear, and doubly so when interests that are presumed to be making good profits are the sole beneficiaries.

The emergency tariff allowed a duty of 7 cents a pound on long-staple cotton. This, in view of the lower cost of labor in Egypt, where the standard of living is so far below that of the American farmer as to have no comparison, seemed only fair. The proposed tariff places all cotton on the free list. What will be the result of the tariff bill as proposed? Why, not a pound of cotton will be sold until the emergency tariff law expires by limitation in November of this year. No benefit whatever will accrue from the 7-cent tariff.

If it be argued that the consumer should not be required to pay more for his auto tires simply to furnish a protective tariff to the growers of long-staple cotton, what answer will be given to the consumer regarding the proposed tariff schedule which gives manufacturers of automobile fabrics a 25 per cent ad valorem? There is nothing, save the old answer that the consumer pays, pays, pays—not the workingman, the farmer, the producer, but the manufacturer and the big interests.

The Fordney tariff bill is not yet a law, and before it is enacted into law it is more than probable that Congressmen and Senators will hear in no uncertain tones the voices of their constituents, voices that will be heard from the farthermost parts of the country, and the dread of the echoes of those voices into the next election may, and let us hope will, have a sobering effect.

Mr. ASHURST. The unfinished business now before the Senate is a bill to appropriate—may I inquire how much it is?

Mr. WARREN. The bill authorizes the use of $1,100,000,000.

Mr. ASHURST. It authorizes the use of that much.

Mr. NORRIS. Mr. President——

Mr. ASHURST. I yield for an answer, since I have invited a discussion.

Mr. NORRIS. The answer of the Senator from Wyoming, I think, is misleading. There is not a dollar authorized in the bill to be given to anybody. There is an authorized borrowing of money by the corporation that is set up that would run to nearly $1,000,000,000.

Mr. WARREN. That is what I said.

Mr. ASHURST. Whatever the sum be, I here assert, although I expect to vote for the bill, that you are pouring water into a cask and then tapping the cask at both ends. Of what avail is it to take money out of the Treasury in such huge sums if a tariff bill comes to us on the same day with such gross discriminations against the farmer?

We are importing fowls and eggs from starving China. Fifty-two per cent of the people of the United States to-day are living in cities and towns of over 2,500 inhabitants.

The people are flocking to the cities for reasons that are apparent. We must frankly consider in sane, sensible ways how to get the young men and young women back to the farm. We can not do it by singing them a song, nor by preaching to them a sermon, nor by throwing upon the screen splendid pictures of the farm and farm life. We can get the men and women and boys and girls back to the farm only by making the farm profitable, and we can not make the farm profitable if you put hides on the free list and then protect boots and shoes, if you put cotton on the free list and then protect the manufactures of cotton, if you put wool on the free list or a duty so low it is tantamount to the free list and then protect the manufactures of wool. Senators, it can not be done. The agricultural interests of the Nation can not exist under a system of that sort.

Mr. President, at this point I will read from the speech delivered in the House of Representatives on the 18th instant by Representative CARL HAYDEN, from Arizona, a gentleman of superb intellect and industry, in discussing this bill, who said as follows:

"The leaders of the Republican Party in Arizona, many of them men whose word in any business transaction is as good as their bond, solemnly assured the farmers who grow this cotton in my State that the election of a Republican President and a Republican Congress would mean, beyond the shadow of a doubt, that a protective tariff law would be enacted which would equalize the cost of production between Arizona and Egypt. No one who knows the facts will deny that this promise was one of the chief causes for transferring a normally Democratic State into the Republican column. Such positive and unequivocal assurances explain in a large measure why the electoral vote of Arizona was cast for Harding and why there is a Republican United States Senator from that State at the other end of the Capitol.

"I made no such promise. I told everyone who asked me that tariff bills are pork barrel bills and that the interests with the most votes in Congress always received the most protection. I said that political expediency and not justice had framed every Republican tariff bill that had ever been written and that the cotton growers of the Southwest were not in position to demand consideration because they could count on only four votes in the Senate and two votes in the House from the States and congressional districts where cotton having a staple of 1⅛ inches or longer is grown.

"I predicted then, and I repeat now, that any general tariff bill written by a Republican Congress will give the manufacturers more protection than is granted to the producers of raw materials. I further stated, and time has proved it, that the Arizona cotton growers would get as much protection, and no more, than the New England spinners of tire fabrics and the Ohio tire makers would, out of charity, permit them to obtain. I do not know and do not question the motives of the Republican members of the Committee on Ways and Means, but results speak louder than words. They have presented a tariff bill to the House with cotton on the free list and every article made of cotton protected. Now comes the gentleman from West Virginia with his pitiful apology in the way of an amendment for a duty of 15 per cent ad valorem. In the name of the cotton growers of Arizona, I thank him for his good intentions. I know that his heart is right and he would do more for them if he could. But as for the Republican Party, it promised them bread; it first offers them nothing, and now it brings them a stone."

Mr. President, I ask unanimous consent to include in the RECORD as an appendix to my remarks copies of certain resolutions adopted at the joint session of the Arizona Wool Growers' Association and the Arizona Cattle Growers' Association, assembled at Flagstaff, Ariz., on July 7 and 8.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

APPENDIX.

"COTTON PRODUCTION IN THE IRRIGATED SOUTHWEST IN 1920.

"[By C. S. Scofield, United States Department of Agriculture.]

"THE DEVELOPMENT OF THE INDUSTRY.

"Prior to 1905 cotton was practically an unknown crop on the irrigated lands of the southwestern United States. An attempt was made to produce the crop in the San Joaquin Valley in California in 1873 and 1874, but high labor costs and the low prices for the product caused the experiment to be abandoned.

"From 1905 to 1912 numerous experiments with cotton were made in the irrigated valleys of Arizona and southern California, and by 1912 the crop was fairly well established in several places. In that year the first commercial quantity of cotton of the Egyptian type was grown. Varieties of the American upland type were produced in commercial quantities as early as 1909.

"From 1912 to 1920 the acreage devoted to cotton has increased rapidly, particularly in the last three years, when the stimulus of war demands and consequent high prices have been felt. It is probable that, including some 30,000 acres of upland cotton in the Pecos and Rio Grande Valleys in Texas and New Mexico, there have been not far from 500,000 acres devoted to cotton in the Southwest in 1920. This acreage includes also about 125,000 acres in Lower California, adjacent to the Imperial Valley, operated largely under American supervision, the product of which is marketed through American channels.

"Of this half million acres of cotton about one-half, or 250,000 acres, was devoted to the production of the Pima variety, which is of the type known commercially as Egyptian. This variety produces a fiber 1½ to 1⅝ inches in length. For the acreage devoted to upland cotton there has been no standardization of seed supply, and there has been much varietal mixture and consequent deterioration. At first there were some fairly pure stocks of Triumph or Mebane (1-inch staple) and of Durango (1⅛-inch staple), but these have been intermixed and contaminated with still other varieties until there is practically no pure seed of upland cotton available for general planting in the Southwest. With the Pima variety there is an ample supply of pure planting seed available each year since 1917.

"During the last 10 years, within which the irrigated area devoted to cotton has extended from practically nothing to approximately 500,000 acres, there has been a very large extension of the area of irrigated land. In the aggregate and within the sections where cotton has been grown the increase of irrigated area has probably been nearly equal to the increase in cotton acreage. But the relatively high value of the cotton crop, and the requirements of capital, labor, and machinery for its production and marketing, and for the manufacture of its seed products, combine to make it a factor of the first importance in the agricultural complex of the irrigated Southwest.

"Because of its rapid growth and because of the profitable returns it has given in the past three years, this industry has attracted wide attention. In the matter of returns the industry has had two bad years—one in 1914, when the outbreak of the World War caused a temporary market stagnation, and the other in 1920, when a general decline in the prices of agricultural products set in late in the season, which had been conspicuous for the high costs of labor and materials required in production.

"It is still too early to determine the final effect of the present price recession on the cotton industry of this region, but it seems clear that it has, temporarily at least, reached the end of its first period of rapid expansion, and that it must from now on settle into a more stable equilibrium with its associated industries.

"THE TWO KINDS OF COTTON.

"The two kinds of cotton now being grown in the irrigated Southwest differ from each other in so many important respects—botanical, agronomic, and commercial—that they must be considered separately in order to avoid continual confusion in the discussion of the subject. It has been noted above that the upland type of cotton includes several varieties which have been hopelessly intermixed with consequent deterioration of quality and yield. The Pima cotton, on the other hand, is all of the one variety; the seed for the entire 250,000 acres grown in 1920 having come from a single plant selected in 1911. Continuing care has been exercised to prevent varietal mixture either in the field or at the gin, and thus the most important if not the only cause of varietal deterioration has been eliminated.

"Upland cotton can be matured in a shorter growing season than Pima. The latter requires a growing season of 275 to 300 days between frosts, while the former may be grown safely with 225 days. Upland cotton is ginned on saw gins, while the Pima variety is ginned on roller gins. The lint of both types is marketed in the same kind of bales, and the seed of both types is manufactured in the same way. It has been the general experience in the Southwest that upland cotton yields somewhat more lint per acre than Pima, possibly 30 per cent more, but the yields of seed cotton are approximately the same for both kinds. On the other hand, the lint of the Pima variety has the higher market value, possibly double that of upland. The production costs are about the same for both, while the harvesting costs are nearly twice as much for Pima as for upland. It is not the purpose here, however, to discuss the relative merits of the two types of cotton for the region under consideration, but rather to

point out the differences and then to discuss certain features of each branch of the industry separately.

"THE UPLAND COTTON AREA.

"Pecos Valley.

"Proceeding from east to west, cotton is found under irrigation first in the Pecos Valley in New Mexico and Texas. In this region of high altitude and short growing season only upland cotton can be grown. The 1920 crop is estimated at 7,000 bales, which probably represents about 10,000 acres, of which a small portion is presumed to be Durango and the remainder is made up of varieties of the Texas big-boll type. In 1918 the pink bollworm was reported from one section of the valley, but prompt measures have apparently been successful in checking its spread. The Mexican boll weevil has not been reported as causing damage in this section.

"Rio Grande Valley.

"In the Rio Grande Valley, both north and south of El Paso, where water from the Elephant Butte Reservoir is available, upland cotton has been grown in 1919 and 1920. In the latter season it is reported that there were about 22,000 acres devoted to the crop. Earlier experiments with Pima cotton had shown that the season was too short for this variety because of the high altitude. Late in November, 1920, two areas of pink bollworm infestation were found—one just southeast of the city of El Paso and the other up the valley close to the line of New Mexico. The quarantine measures that may be necessitated by the presence of this insect, together with the present low prices for cotton, may cause a reduction of the cotton acreage in this section for the near future. The agronomic conditions have been very favorable, and if protection from insect injury can be had, the cotton crop should find an important place in this valley.

"Yuma Valley.

"On the Yuma reclamation project conditions are favorable to the production of both upland and Pima cotton. Upland cotton was first grown there on a substantial scale in 1914, but adverse market conditions that year caused a reduction in the acreage in 1915, while from 1916 on there has been a rapid increase. In 1917 some Egyptian cotton of the Yuma variety was planted, but the returns from the upland varieties were so high that this type continued to be the more commonly grown. In 1920 special inducements were offered by several tire companies for the production of Pima cotton, so that about 10,000 acres were planted to that variety, while possibly 15,000 to 18,000 acres were planted to upland varieties.

"As early as 1912 the Department of Agriculture recommended to the farmers of the Yuma Valley that they try cotton of the Egyptian type, but without result. In 1913 some Durango seed was distributed, and in 1914 Durango was planted extensively, as was Triumph and some other Texas varieties. At the present time the seed of these upland varieties has been so badly mixed that the 1920 crop is highly unsatisfactory. The quarantine regulations, both State and National, make it difficult, if not impossible, to import new supplies of planting seed, and there are indications that the farmers may be forced to establish for themselves locally supplies of pure seed for planting. It is not yet clear which of the varieties will be adopted, nor is it clear that in the present period of low prices there will be effective action taken to provide pure planting seed.

"It has been demonstrated that very large yields of cotton can be secured in the Yuma Valley, particularly in the lower valley near Somerton and Gadsden. On some of this land cotton-root rot is serious. Some insect pests and plant diseases have been troublesome—for example, the cotton aphis, the cotton stainer, and anthracnose. There have been some cultural difficulties, such as getting good stands and irrigating properly, but, on the whole, upland cotton has done well, and in years of good prices the crop returns have been satisfactory. Up to the present time neither the pink bollworm nor the Mexican boll weevil has been in this valley nor in the adjacent irrigated valleys of California.

"Imperial Valley.

"For purposes of discussing the cotton industry the Imperial Valley may be held to include the area irrigated by the diversion from the Colorado River at Pilot Knob, just above the international boundary. This area includes something over 130,000 acres of land in the territory of Baja California, Mexico, and something less than 400,000 in Imperial County, Calif. Cotton has been produced in substantial quantities in this region since 1910. In 1920 almost the whole of the irrigated area in Baja California was planted to cotton, while about 90,000 acres of the irrigated land in Imperial County was planted to cotton, of which about 28,000 acres was planted to the Pima variety. Prior to 1920 the Pima acreage in the Imperial Valley was so small as to be negligible, but this year the tire companies secured the planting of this variety in Imperial County by a system of contracts similar to those used in the Yuma Valley. There was very little Pima cotton planted on the Mexican side of the line.

"Except for two or three properties, all of the irrigated land in Baja California is operated under lease from the Colorado River Land Co. (successor of the California-Mexican Land & Cattle Co.). This cotton land is rented, generally for cash, first year $2.50, second year $5, third year $7.50, and fourth and fifth years $10 per acre. In addition, the renter pays the taxes, about $1.60 per acre, and the water charge, about $8 to $9 per acre. This acreage has been operated in large properties with rather shiftless cultural methods. It is estimated by a man familiar with local conditions that not over 10 per cent of this cotton land has ever been plowed, almost no attempt has been made to grow other crops than cotton, possibly for the reason that the Mexican Government has maintained very high duties, either export or import, that have tended to discourage general farming. Most of the money used for growing the cotton crop on the Mexican side of the line is provided by American concerns, among which the Globe Milling Co. has been latterly one of the most important. This concern now owns most of the ginning plants in the Imperial Valley, as well as one or more oil mills. It bought out recently the properties built up by Messrs. Dale and Speer, of Fort Worth and El Paso.

"The seed cotton, cotton seed, and cotton lint produced in Baja California is all marketed in the United States. On moving across the line through the port of Mexicali it is assessed the following export duties: For baled lint or seed cotton the export tax is equivalent to $12.54, American money, for each 1,000 kilos. For cotton seed the export tax is equivalent to $5.825, American money, for each 1,000 kilos. The Federal Horticultural Board of the United States Department of Agriculture is represented at Calexico by Mr. O. A. Pratt, who inspects the cotton fields in Baja California, supervises all imports from Mexico or the eastern United States with a view to preventing the introduction of dangerous insect pests, and issues permits for the importation of the Mexican-grown cotton into the United States.

"In Imperial County cotton was grown in 1920 on rather less than 25 per cent of the cropped land. This proportion of the acreage in cotton would not be in excess of the limits of good farming if the crop were incorporated into a systematic rotation. Too often this is not the case. Much of the cotton is grown year after year on the same land or put on new land by renters. Prior to 1919 the whole Imperial Valley suffered a water shortage some time each summer, often at a time when the need of water was most acute for the cotton crop. As a result of these conditions, there have been many poor yields, and the crop as a whole has been scarcely profitable to the growers even during the recent years of high prices.

"Partly because of these recurring water shortages and partly because of shifting and speculative propensities of the cotton growers of the valley, the cost of credit has been relatively high. There has been a conspicuous lack of community cooperation in dealing with such problems as seed supply, labor, and markets. Cotton production has not been handled efficiently, other industries have been periodically more profitable, and, taken as a whole, the cotton situation in the Imperial Valley falls short of being satisfactory. It seems probable that if the present marketing conditions continue the acreage next season will be reduced.

"Coachella Valley.

"The Coachella Valley, which is the name applied to a northwestward extension of the same depression in which the Imperial Valley lies, has not been an important cotton-producing section. Early truck crops and dates have attracted more attention than cotton, though there are many good-sized fields of that crop in the valley this year. Previous experiments had shown that the climatic conditions were rather too severe for Pima cotton, chiefly because of strong winds in the spring and high summer temperatures. Some upland cotton has been grown with rather indifferent success for several years. In 1920 the high prices prevailing for Pima cotton in the Salt River Valley attracted the attention of farmers in the Coachella Valley and an aggregate of a few hundred acres of Pima cotton was planted. A somewhat larger acreage, probably not over 1,000 or 1,500 acres, was also planted to upland varieties, including some thought to be Durango.

"The water supply of the Coachella Valley comes from moderately deep wells which tap an underflow, fed from the mountains which surround it on the west. In the lower end of the valley, the southeastern end, these wells flow freely; at the upper end, the westward end, it is necessary to lift the water

15 to 25 feet, for which cheap hydroelectric power, supplied by the Southern Sierras Co., is used.

"At the Indio Date Garden, of which Mr. Bruce Drummond is superintendent, two small plats of upland cotton of the Acala variety were planted in the spring of 1920. One of these plats was located on desert soil and the other on land that had been in alfalfa. Both plats were well cared for though rather a poor stand was obtained on the plat on alfalfa land. Despite the severe summer temperatures, the plants on both plats grew well and fruited abundantly. Prior to November 30 the desert-soil plat of a little over one-half acre had been picked twice and had yielded at the rate of 3,300 pounds of seed cotton per acre. The other plat had not all been picked over at the date mentioned, but so far as then picked was yielding at the rate of 3,000 pounds of seed cotton per acre. These plats were planted with fairly pure seed of the variety, and because of this fact and the high yield and attractive appearance of the crop they were attracting wide attention both in the Coachella and Imperial Valleys. It seems probable that some attempt will be made to give this variety further trial in this region and possibly also to provide for the continued production of a pure seed supply.

"It is hardly to be expected that a large acreage of cotton will be produced in the Coachella Valley, nor that the Pima variety will be grown there, but it may be that a small acreage may be devoted to the production of the Acala or some other upland variety on a pure-seed basis, with a view to selling planting seed in the Imperial Valley, or even in Texas and Oklahoma, where there is a continuing demand for pure seed of good vitality.

"San Joaquin Valley.

"In the San Joaquin Valley the first serious experiments with cotton production were begun in 1917 near Bakersfield and Fresno. In 1920 there is assumed to be something like 20,000 acres of cotton in the valley, of which about half is upland and half is Pima. Bakersfield and Fresno continue to be the chief centers, but there are several fields around different points between these towns and the Boston Land Co. west of Fresno has planted some 2,500 acres of cotton, chiefly Durango.

"Most of the planting seed for the San Joaquin upland cotton was brought from the Imperial Valley and is badly mixed. There is one lot of Acala cotton from seed sent from Oklahoma by the Department of Agriculture in the spring of 1919 that was grown on about 100 acres of land in 1920, which is still fairly pure and has made a good showing.

"Most of the cotton in the San Joaquin Valley is grown with pumped water, which is relatively expensive. On some of the higher lands the lift required is 100 feet or more. Unless the price of cotton should continue relatively high it is doubtful if upland cotton can be grown profitably on the higher lands. On the lower lands where the water lift is less and where alfalfa, barley, and rice are now the chief crops, it may be practicable to continue the production of upland cotton, particularly if pure seed of the long-staple varieties is used.

"The outstanding feature of the San Joaquin Valley is the fruitfulness of cotton. This is true both with the upland and the Pima. There is much less boll shedding than in the valleys south and east and the potential yield is correspondingly high. There is danger, however, that ripening of the late crop may be hindered by foggy weather.

"In addition to the areas enumerated above, upland cotton has been grown in a number of other localities in the irrigated Southwest, for example, in the Blythe district, the Parker Indian Reservation, and in several of the mountain valleys in southern California. In none of these has the acreage been very large. In some of them cotton may become relatively important with the development of additional water supplies.

"The preceding paragraphs may be summarized in a tabular statement as to the irrigated acreage of upland cotton in the Southwest in 1920, with the reservation that these figures are merely provisional estimates.

Upland cotton in the irrigated Southwest in 1920.

	Acres.
Pecos Valley	10,000
Upper Rio Grande Valley	22,000
Yuma Valley	18,000
Imperial Valley, Mexico	125,000
Imperial Valley, Calif	60,000
Coachella Valley	1,000
San Joaquin Valley	10,000
Other valleys	9,000
Total	255,000

"THE PRODUCTION OF PIMA COTTON.

"Prior to 1920 Pima cotton was extensively produced only in the Salt River Valley in Arizona. Experimental plantings had been made in other localities and the variety was well known throughout the region in which its production is possible. The Egyptian type of cotton to which the Pima belongs was first produced in the Salt River Valley in 1912. From that year until 1916 the original American selection, known as the Yuma variety, was used. The Pima variety, which came from a single plant of the Yuma variety, was selected in 1911 and was carefully tested during the next four years. Its superiority had been so clearly established by 1915 that arrangements were made to substitute it for the older variety in the Salt River Valley. Accordingly, a supply of seed sufficient to plant 275 acres was furnished a group of farmers near Tempe, Ariz., in the spring of 1916 and from this acreage a supply of pure seed was produced with which to plant the entire cotton acreage of the valley in 1917. This one variety has been grown exclusively in that valley since that time. The purity of the variety has been maintained by separate ginning and careful field inspection.

"The progress of cotton production in the Salt River Valley is shown in the following table, which gives the acreage and the yield of cotton for each year since 1912. The figures for acreage are only approximate; those for yields are as given in the ginning report published by the Bureau of the Census.

Cotton acreage and yields in the Salt River Valley.

	Acres.	Bales.
1912	480	375
1913	3,800	2,135
1914	12,000	6,187
1915	2,000	1,095
1916	6,800	3,331
1917	29,000	[1] 15,966
1918	78,000	[2] 36,187
1919	85,000	[2] 42,374
1920	180,000	[3]

[1] In addition to the acreage in the Salt River Valley there were 4,000 acres in the Yuma Valley and 200 acres in the Imperial Valley which contributed to this yield.
[2] In 1918 it is estimated that Pima cotton was grown on 3,000 acres in the Yuma Valley, 3,000 acres in the Imperial Valley, 2,000 acres in the San Joaquin Valley, and 500 acres in the Palo Verde Valley, the yield of which is included above. In 1919 there was probably as much of an acreage grown outside of the Salt River Valley.
[3] The complete ginning return for the 1920 crop is not available at the time of writing.

"The price at which this cotton has sold each year is obviously a difficult matter to determine. In the earlier years, when the crop was small, fairly accurate information was available, but in the later years, when the crop was larger and the marketing season extended over many months, during which price changes were sometimes very great, it was no longer possible to learn the price at which the crop left the producers' hands. The following figures are set down as the best estimate that can be made of the average price obtained by the grower each year:

Approximate selling price of cotton in the Salt River Valley from 1912 to 1919, in cents per pound.

	Cents.
1912	21
1913	18.5
1914	15.5
1915	22
1916	42
1917	80
1918	55
1919	85

"It will be observed from a comparison of the two tables above that a market increase in cotton acreage has followed promptly on a sharp advance in price. The acreage increase in 1920 was still further stimulated not only in the Salt River Valley but elsewhere in the Southwest by two factors: The price of cotton advanced rapidly throughout the marketing season from an opening around 60 cents to a final price of $1.25, and several of the large tire manufacturing companies offered to contract with growers for the crop, with a guaranteed basis of 60 cents per pound and as much as 75 cents in some cases.

"The entire Pima acreage in the Southwest in 1920 may be provisionally estimated as follows:

	Acres.
Salt River Valley	185,000
Yuma Valley	10,000
Imperial Valley	30,000
San Joaquin Valley	10,000
Other valleys	5,000
Total	240,000

"From this acreage it would appear to be safe at the present time to estimate a crop of 120,000 bales.

"The entire acreage of irrigated cotton in the Southwest for 1920 may be estimated as follows:

	Upland.	Pima.
	Acres.	*Acres.*
Pecos Valley	10,000	
Upper Rio Grande	22,000	
Salt River Valley		185,000
Yuma Valley	18,000	10,000
Imperial Valley, Mexico	125,000	
Imperial Valley, Calif.	60,000	30,000
Coachella Valley	1,000	100
San Joaquin Valley	10,000	10,000
Other valleys	9,000	5,000
Total	255,000	240,000

"GINS AND GINNING.

"The production of cotton involves the installation of gins and oil mills, and the character of the control of the former at least has a very important relation to the welfare of production. The following is a list of the roller gins operating in the Southwest in November, 1920, as furnished by Mr. S. H. Hastings and checked by Messrs. McLachlan and Camp:

Roller gins in the Southwest in 1920.

SALT RIVER VALLEY.

Southwest Cotton Co.	180
McCall (Firestone)	80
Atha (American Thread Co.)	18
Tempe Exchange	10
Phoenix Ginning Co. (Fisk)	20
Farmers' Gin	20
Scottsdale (Cooperative)	10
Buckeye (Dunlap)	20
Mesa (Attaway-Phelps)	32
Total	390

YUMA VALLEY.

Southwest Cotton Co.	20
McCall (Firestone)	12
Total	32

IMPERIAL VALLEY.

Southwest Cotton Co.	40
Fowler (Fisk)	20
El Centro gin	6
Seeley	4
Total	70

SAN JOAQUIN VALLEY.

Arvin and Shafter (Cooperative)	20
Wasco	10
Bakersfield	18
Fresno	8
Total	56
Grand total	548

"These roller gins are capable of turning out 1½ to 2 bales of cotton per day if run continuously with two shifts of men. When equipped with self-feeders a 10-stand plant requires a crew of eight or nine men for its operation.

"Notwithstanding the large number of gins in the Salt River Valley in 1920, this number was not adequate to keep up with the volume of cotton being picked at the height of the season. In the latter part of November there were estimated to be 30,000 cotton pickers at work in that valley, gathering daily at least 1,000 tons of seed cotton, or the equivalent of 1,000 bales of lint. The daily ginning capacity was hardly above 700 bales per day.

"The charge made for ginning Pima cotton in 1920 is $1.20 per hundred pounds of seed cotton, which includes the bagging and ties and an assessment of $4 per bale for the support of the organization that imports the labor for picking. It is said, on good authority, that the actual cost of ginning is somewhat higher than this. In 1912 and 1913 the regular charge for ginning was about 50 cents per hundred pounds of seed cotton, or $10 per bale, and the gins as then operated required the services of one man at each gin as a feeder.

"The mechanical feeders now in general use seem to be giving good satisfaction. Some new departures are being made in the covering of the rolls on the gins. Formerly the gin rolls were covered with strips of heavy leather, wound spirally on a wooden core, and glued and pegged in position. Latterly a type of heavy hydraulic packing, made of rubber and cotton, has been used. At first this packing was put on in a series of disks pressed close together; later it was used in spiral strips alternating with strips of leather. Finally some rolls are being tried with the packing used alone in the spiral form just as the leather was formerly used.

"The ginning of the upland cotton crop, which is done with saw gins, is in general adequately provided for. In fact, in the Imperial Valley there were more saw gins than were needed for the volume of the crop coming off the plants at the end of November. The charge for saw ginning is this year 35 cents per hundred pounds of seed cotton, with an additional charge of $2.25 per bale for bagging and ties.

"There are a number of oil mills in the Southwest for the manufacture of cotton seed. Prior to the war these mills paid about $15 per ton for seed. This price was advanced during the war until in 1919 seed sold up to $85, and possibly even as high as $100, per ton. In 1920 the price of seed dropped back to the general level of $15 to $20 per ton. These prices were so disappointing that many farmers who had live stock were hauling their seed home from the gin with the intention of feeding it unless a better price could be secured.

"Up to the present time it has not been customary to compress the Pima cotton at primary shipping points. Some of the crop, moving eastward by way of Galveston, has probably been compressed for ocean shipment, but much of the crop has gone through the mills in the low-density bales turned out at the gin. The upland crop, on the other hand, has largely been compressed at primary points. There are two compresses in the Imperial Valley, one at Imperial and the other at Calexico.

"The Pima crop is sampled at the gin before the bale is packed. The upland crop is sampled in the gin yard or at the compress, each bale being slashed on both sides for the sample.

"THE LABOR SITUATION.

"One of the earliest problems in connection with the establishment of cotton production in the Southwest was that of securing the labor for picking the crop. Labor has always been relatively scarce and high priced in these new regions, and it was feared that the labor requirements of the cotton crop might be difficult to meet. At first it was thought that it might be possible to draw upon the Indians of the various Arizona reservations for the cotton-picking season, and during the first years that cotton was grown numbers of Pimas and Papagos were brought into the Salt River Valley for the picking season. As the cotton acreage was extended, however, it became clear that the supply of Indian labor available would not be sufficient to meet the needs of the cotton growers, and it was decided to seek additional labor in Mexico.

"The effective importation of Mexican labor required money and united action. To meet these needs the farmers of the Salt River Valley formed a labor organization and selected Mr. W. H. Knox to take charge of the work. The necessary money was raised by an ingenious expedient. All of the gin owners of the valley were persuaded to sign an agreement that they would increase the ginning charge by $2 per bale above the regular charge and pay over to the labor organization the money so collected to be used as a fund for securing pickers.

"With these signed agreements as collateral the management of the labor organization was able to borrow from the local banks the money needed for its operations early in the season. This enterprise was launched in the summer of 1916. For the first two years labor was sought not only in Mexico but from Texas and Oklahoma and other points in the older cotton belt. Later it was found easier to get results from Mexico, so that recently that country has been the chief source of supply.

"It has been necessary for the labor organization to get a special dispensation from the Federal immigration authorities to bring this labor in. The immigrants not eligible for permanent entry must be returned to Mexico. It has been found advisable to bring in families, and this has necessitated the provision of medical care, shelter for living, and schooling for children. So far as can now be judged, this plan of importing labor has worked out well in the Salt River Valley. It has been possible to bring in sufficient labor to fill the need, and thus to prevent undue increases in the cost of cotton picking. At first the current rate of pay for cotton picking (Pima cotton) was $2 per hundred pounds of seed cotton. This rate has been increased from time to time until in 1920 the pickers are paid $4 per hundred pounds.

"It is estimated by Mr. Knox that there were in the Salt River Valley in 1920 about 30,000 cotton pickers. Of these, about 15,000 were brought in from Mexico during the season, about 5,000 were Mexicans who had remained in the valley from previous seasons, and the remaining 10,000 included those diverted from other work in the valley and those who came in on their own account from other sections.

"Attempts have been made to extend the operations of the Salt River Valley labor organization to the Yuma and Imperial Valleys, but so far without conspicuous success. In the Imperial Valley south of the line it is possible to use Chinese, Japanese, and Mexicans almost without restriction, and that

district has not suffered any serious labor shortage. North of the line it has been different, labor shortages have been perennial. This past season a serious attempt was made to form a central labor organization patterned after the one in the Salt River Valley. This failed because the ginners would not all agree to assess their patrons and thereby raise the funds. As a result of this lack of organization picking costs have been higher both in the Yuma and Imperial Valleys than in the Salt River Valley and the picking has not been so well done. Apparently no organized effort was made to get cotton pickers for the crop in the San Joaquin Valley this past season. There was, in consequence, a shortage of pickers even at the price of $5 per hundred, which is equivalent to 19 cents or 20 cents per pound of lint.

"It is estimated that on the average cotton pickers will gather from 60 pounds to 100 pounds of seed cotton per day when working in Pima fields and from 125 to 175 pounds per day in picking upland cotton. Thus on the basis of an average yield of 1,000 pounds of seed cotton per acre from Pima cotton provision must be made for one picker for each 6 acres of the crop. For upland cotton, on the other hand, the labor situation might be regarded as satisfactory if there were available one picker for each 12 acres.

"THE COST OF PRODUCTION.

"It is not proposed here to undertake to state how much it costs to produce a pound of cotton in the Southwest. To do so would be like attempting to say how much it costs to build a house. But just as one might in the latter case set down some fairly precise information as to the local prices of brick, cement, lumber, and skilled labor, so it is possible to make some estimates at least of the costs involved in the production of cotton. However, these can be no more than estimates. The actual costs will differ from farm to farm and from section to section.

"The production of cotton in the Southwest involves the use of land, of irrigation water, of certain agricultural implements, of labor both of men and horses, of skilled supervision, and finally seed for planting. Items of cost or value such as these may be assessed against each acre of land involved, regardless of the yield obtained. When the crop is ready to harvest the cost items are more conveniently charged against some unit of the crop as the 100 pounds of seed cotton or the bale of lint.

"This matter of production costs is always one of acute interest to cotton growers, but in 1920 the interest became abnormally keen as the season advanced and market prices for cotton declined. Growers and bankers alike felt the need of taking stock of the situation, not only to deal with the immediate problem of operating credits but also to determine a future course of action.

"It may be worth while before taking up current production costs to recall estimates made in 1913 and 1914, when cotton was a new crop in the Salt River Valley. Such estimates were published in Bulletin 332 of the United States Department of Agriculture. They may be listed as follows:

	Table IV.	Table V.
1. Fixed charges:		
Land rental or interest and taxes	$12.00	$17.25
Irrigation water	1.50	2.00
	13.50	19.25
2. Growing cost:		
Cultural operations and seed	15.00	15.10
Total cost per acre	28.50	34.35
3. Harvesting cost (per 100 pounds seed cotton):		
Picking	2.00	2.00
Hauling to gin	.21	.07
Ginning	.56	.56
Cost per 100 pounds seed cotton	2.77	2.63

"There were three different yields involved in the two tables cited above, (1) 1,200 pounds, (2) 1,800 pounds, and (3) 2,552 pounds, all in terms of seed cotton per acre. The first two were included in the estimate of Table IV and the third in Table V. If we divide the total cost per acre of Table IV by 1,200 we have $2.37, which, with the harvesting cost of $2.77, makes a total of $5.14 per hundred pounds of seed cotton. Similarly we find for the 1,800-pound yield a total cost of $1.58 plus $2.77, or $4.35. Finally, for the third case, with a yield of 2,552 pounds of seed cotton per acre, the cost is $1.35 plus $2.63, or $3.98.

"The ginning experience in 1913 and 1914 was that 100 pounds of seed cotton would yield about 28 pounds of lint and 72 pounds of seed. The seed could then be sold at the gin for $15 per ton, or 75 cents per hundred pounds. Thus, if we deduct from the cost of the 100 pounds of seed cotton the gin value of the 72 pounds of seed, we have, by dividing the 28 pounds of lint into the remainder, a figure for the net cost of the lint:

"Case 1. Yield, 1,200 pounds: $5.14 − $0.54 = $\frac{\$4.60}{28}$ = 16.4 cents per pound lint.

"Case 2. Yield, 1,800 pounds: $4.35 − $0.54 = $\frac{\$3.81}{28}$ = 13.6 cents per pound lint.

"Case 3. Yield, 2,552 pounds: $3.98 − $0.54 = $\frac{\$3.44}{28}$ = 12.3 cents per pound lint.

"These figures are approximately what was thought to be the cost of production of Egyptian cotton in the Southwest in the first years of the industry. At that time it was thought that this type of cotton might bring on the average 20 to 22 cents per pound, at which price a fair profit might be made if good yields were obtained. The importance of high yields, even at some increase in the cost of cultural operations, is very obvious. The proportionate amount of fixed charges is so large that it is only with large yields that the unit cost of the product can be reduced.

"With this background of prewar costs in mind, we can make a comparable list of the costs prevailing in 1920. It should be kept in mind that in the six years since the time of the earlier estimate land values, as well as the cost of labor and material, have increased very greatly. While the figures given below do not represent any extensive compilation of data, it is believed that they represent fairly well the average of the rather wide range of costs. In the case of land rental or its equivalent, interest on investment, the range for 1920 was very great. Some good land under a long period of rental cost the operator only $15 per acre. On the other hand, land rented in the spring of 1920 committed the operator in some cases to as much as $84 per acre for the year. The costs of land preparation and of irrigation water also varied greatly, though probably within narrower limits than the item of land rental. On the other hand, the costs of picking and ginning were nearly if not quite the same in all cases, and the costs of most of the other labor operations were not widely different.

Cost of producing Pima cotton in the Salt River Valley in 1920, estimate.

1. Fixed charges:		
Land rental or interest and taxes	$35.00	
Use of machinery and equipment	3.75	
Irrigation water	5.00	
		$43.75
2. Growing cost:		
Cultural operations and seed	30.50	
Supervision	5.00	
		35.50
Total cost per acre		79.25
3. Harvesting cost (per 100 pounds seed cotton):		
Picking		4.00
Hauling to gin		.25
Ginning		1.20
Yardage, insurance, association fees		.35
Picking, supervision, tents, etc		.15
Total		5.95

"The ginning experience of 1920 showed that 100 pounds of seed cotton would yield about 25 pounds of lint and 75 pounds of seed. The price of seed was somewhat uncertain, but it is hardly safe to estimate it as above $20 per ton. It is thought that the average yield in 1920 will turn out to be a little above 1,000 pounds of seed cotton per acre (0.5 bale), with many fields giving only 800 pounds and a few giving 1,600 pounds. To cover this range the cost estimates may be given for yields of 800 pounds (0.4 bale), 1,200 pounds (0.6 bale), and 1,600 pounds (0.8 bale). With these data the complete formula for determining the cost of production for any yield may be stated as follows: Divide the acre cost of production by the yield of seed cotton, to the quotient add the harvesting cost, from this sum subtract the value of the seed, and divide the remainder by the lint percentage to obtain the net cost per pound of lint. For the three yields mentioned we have the following:

1. Yield 800 pounds per acre:
$$\frac{\left\{\frac{\$79.25}{800}+\$5.95\right\}-.75}{25}=60.4 \text{ cents.}$$

2. Yield 1,200 pounds per acre:
$$\frac{\left\{\frac{\$79.25}{1,200}+\$5.95\right\}-.75}{25}=47.2 \text{ cents.}$$

3. Yield 1,600 pounds per acre:
$$\frac{\left\{\frac{\$79.25}{1,600}+\$5.95\right\}-.75}{25}=40.6 \text{ cents.}$$

"If we add to these three the formula for the half-bale yield generally estimated for the Salt River Valley, we have:

4. Yield 1,000 pounds per acre:

$$\frac{\left\{\frac{\$79.25+\$5.95}{1,000}\right\}-.75}{25}=52.6 \text{ cents.}$$

"This figure may be taken as a fair statement of the average cost of production for the valley in 1920.

"It may be proper at this point to consider the problem of how Pima cotton may be produced at a lower cost in the future. This reduction in cost may be accomplished either by obtaining larger yields or by lowering the land rental and wages, or by a combination of the two. If we are entering upon a period of economic readjustment during which lower prices prevail, it is inevitable that there must be lower returns on capital invested and a lower scale of wages for labor.

"Prior to the war land rentals in the Salt River Valley ranged around $15 per acre, and the wages of farm labor were little more than half those prevailing in 1920. The prices of agricultural machinery were also much lower five years ago. It is, of course, impossible to forecast the rate or the extent of price readjustment, but it is the part of wisdom to consider seriously how to reduce production costs.

"In order to simplify this problem as much as possible, at least two basic assumptions may be made, one that Pima seed cotton will turn out 25 per cent at the gin and the other that seed will be worth $20 a ton. With these two assumptions granted, it is possible to construct a table of cost and yield relationships that will show what yields must be secured with given production costs or what production costs can be allowed with a given yield in order to obtain cotton lint at a certain price. In this table production cost is held to include all charges assignable to an acre of cotton land, such as land rental or interest and taxes; use of machinery and equipment; irrigation water; all costs of growing the crop, such as preparation of the land and planting; planting seed; labor for irrigation, cultivation, thinning, and weeding; and supervision of production operations. These items in the 1920 estimate given above totaled close to $80 per acre. The item in the table designated as net harvesting cost is made to include the cost of picking; hauling to gin; ginning; yardage, insurance, and association fees; picking supervision; tents, etc., less the value of the cotton seed at the gin. Thus, the net harvesting cost given in the 1920 estimate was slightly above $5 per hundred pounds of seed cotton.

"The following table shows in a striking way how the cost of the lint declines as yields increase. Thus, in the first line of the table, with a production cost of $80 per acre and a net harvesting cost of $5 per hundred pounds of seed cotton, the lint cost is 60 cents per pound when the yield is 800 pounds of seed cotton per acre and only 36 cents per pound when the yield is 2,000 pounds of seed cotton per acre. On the other hand, if it is possible to reduce the production cost to $50 per acre and the net harvesting cost to $4 per hundred, a yield of only 1,000 pounds per acre can be made at 36 cents.

Table showing the net cost of cotton lint, in cents per pound, with different rates of production cost, harvesting cost, and yield of seed cotton.

$$\frac{\frac{P}{Y}+H}{G}=C \qquad G=25 \text{ per cent.}$$

P	H	Y 800	Y 1,000	Y 1,200	Y 1,400	Y 1,600	Y 1,800	Y 2,000
		Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
$80	$5	60.0	52.0	46.6	42.8	40.0	37.7	36.0
	4	56.0	48.0	42.6	38.8	36.0	33.7	32.0
	3	52.0	44.0	38.6	34.4	32.0	29.7	28.0
$70	5	55.0	48.0	43.3	40.0	37.5	35.5	34.0
	4	51.0	44.0	39.3	36.0	33.5	31.5	30.0
	3	47.0	40.0	35.3	32.0	29.5	27.5	26.0
$60	5	50.0	44.0	40.0	37.1	35.0	33.3	32.0
	4	46.0	40.0	36.0	33.1	31.0	29.3	28.0
	3	42.0	36.0	32.0	29.1	27.0	25.3	24.0
$50	5	45.0	40.9	36.6	34.2	32.5	31.0	30.0
	4	41.0	36.0	32.6	30.2	28.5	27.0	26.0
	3	37.0	32.0	28.6	26.2	24.5	23.0	22.0
$45	5	42.5	38.0	35.0	32.8	31.2	30.0	29.0
	4	38.5	34.0	31.0	28.8	27.2	26.0	25.0
	3	34.5	30.0	27.0	24.8	23.2	22.0	21.0
$40	5	40.0	36.0	33.3	31.4	30.0	28.9	28.0
	4	36.0	32.0	29.3	27.4	26.0	24.9	24.0
	3	32.0	28.0	25.3	23.4	22.0	20.9	20.0
$35	5	37.5	34.0	31.7	30.0	28.8	27.8	27.0
	4	33.5	30.0	27.7	26.0	24.8	23.8	23.0
	3	29.5	26.0	23.7	22.0	20.8	19.8	19.0
$30	5	35.0	32.0	30.0	28.5	27.5	26.6	26.0
	4	31.0	28.0	26.0	24.5	23.5	22.6	22.0
	3	27.0	24.0	22.0	20.5	19.5	18.6	18.0

NOTE.—In the column headed "*P*" the production cost is given in dollars per acre. In the column headed "*H*" the net harvesting cost is given in dollars per hundred pounds of seed cotton. In each yield column is given the corresponding cost of lint in cents per pound. In making these computations it is assumed that the seed cotton yields 25 per cent of lint and that the seed is worth $20 per ton.

"In considering the cost of producing upland cotton in the Southwest a somewhat different set of figures must be used. In some cases where upland cotton has been produced on less valuable land than Pima cotton the yields, in terms of seed cotton, have been approximately the same, though because of the higher ginning percentage upland has given distinctly higher lint yields. The cost of picking and ginning has been much less.

"On the other hand, the production costs, except for a possibly lower land rental, are approximately the same for the two kinds of cotton. The harvesting costs may be estimated for the season of 1920 as follows:

Harvesting cost (per 100 pounds of seed cotton, upland):	
Picking	$2.00
Hauling to gin	.25
Ginning, $0.35, including bag and ties	.50
Yardage, insurance, association fees	.35
Picking supervision, tents, etc	.15
Total	3.25

"From this total there may be deducted the value of the cotton seed at the gin. With a ginning outturn of 33 per cent of lint there should be left 67 pounds of seed, which may be estimated as worth $20 per ton. This taken from the total harvesting cost leaves $2.58 as the net harvesting cost.

"If it is assumed that the average yield of upland seed cotton in the irrigated Southwest in 1920 was 1,000 pounds per acre, or two-thirds of a bale, and that the production cost was as much as $10 per acre less than for the Pima, because of lower land rental, we find by reference to the following table that the cost of lint would be close to 29 cents per pound.

Table showing the net cost of lint, in cents per pound, with different rates of production cost, harvesting cost, and yield of seed cotton.

$$\frac{\frac{P}{Y}+H}{G}=C \qquad G=33 \text{ per cent.}$$

P	H	Y 800	Y 1,000	Y 1,200	Y 1,400	Y 1,600	Y 1,800	Y 2,000
		Cents.	Cents.	Cents.	Cents.	Cents.	Cents.	Cents.
$80	$2.50	37.9	31.8	27.7	24.9	22.7	21.0	19.7
	2.00	35.4	30.3	25.2	23.4	21.2	19.5	18.2
	1.50	34.9	28.8	24.7	21.9	19.7	18.0	16.7
$70	2.50	32.6	28.8	25.2	22.7	20.8	19.4	18.2
	2.00	31.1	27.3	23.7	21.2	19.3	17.9	16.7
	1.50	29.6	25.8	22.2	19.7	17.8	16.4	15.2
$60	2.50	30.3	25.7	22.7	20.6	18.9	17.7	16.7
	2.00	28.8	24.2	21.2	19.1	17.4	16.2	15.2
	1.50	27.3	22.7	19.7	17.6	15.9	14.7	13.7
$50	2.50	26.5	22.7	20.2	18.4	17.1	16.0	15.2
	2.00	25.0	21.2	18.7	16.9	15.6	14.5	13.7
	1.50	23.5	19.7	17.2	15.4	14.1	13.0	12.2
$45	2.50	24.6	21.2	18.9	17.3	16.1	15.2	14.4
	2.00	23.1	19.7	17.4	15.8	14.6	13.7	12.9
	1.50	21.5	18.2	15.9	14.3	13.1	12.2	11.4
$40	2.50	22.7	19.7	17.7	16.2	15.2	14.3	13.6
	2.00	21.2	18.2	16.2	14.7	13.7	12.8	12.1
	1.50	19.7	16.7	14.7	13.2	12.2	11.3	10.6
$35	2.50	20.8	18.2	16.4	15.2	14.2	13.5	12.9
	2.00	19.3	16.7	14.9	13.7	12.7	12.0	11.4
	1.50	17.8	15.2	13.4	12.2	11.2	10.5	9.9
$30	2.50	18.9	16.7	15.2	14.1	13.3	12.6	12.1
	2.00	17.4	15.2	13.7	12.6	11.8	11.1	10.6
	1.50	15.9	13.7	12.2	11.1	10.3	9.6	9.1

NOTE.—In the column headed "*P*" the production cost is given in dollars per acre. In the column headed "*H*" the net harvesting cost is given in dollars per hundred pounds of seed cotton. In each yield column is given the corresponding cost of lint in cents per pound. In making these computations it is assumed that the seed cotton yields 33 per cent of lint and that the seed is worth $20 per ton.

"It has been the general experience for many years that cotton of 1⅛-inch staple, such as the Pima, is worth in the market one year with another about twice as much per pound as upland cotton of 1-inch staple. There is no good reason for expecting that this price relationship will be changed materially in the near future.

"Even in the demoralized market at the close of the year 1920, when upland cotton is worth only 12 cents to 13 cents to the grower in the Southwest, Pima cotton could be sold at better than 30 cents. Where the two kinds of cotton have been grown on the same class of land in 1920, each yielding 1,000 pounds of seed cotton per acre, equivalent to one-half of a bale of Pima and two-thirds of a bale of upland, it will be seen by reference to the two preceding cost tables that the net cost of the Pima lint is nowhere twice as much as the net cost of the upland lint. Even with the lowest production cost given in the table, $30 per acre, and allowing the corresponding net harvesting costs of $5 for Pima and $2.50 for upland, the table shows that for the 1,000-pound yield a lint cost of 32 cents for Pima and of 16.7 cents for upland. A comparison of these net costs with current market values gives no ground for changing from Pima production to the production of upland cotton.

"THE IMPORTANCE OF INCREASED YIELDS.

"The most conspicuous feature of the cotton situation in the Southwest in 1920 was the importance of getting larger yields. It was to be expected that with such a large increase in acreage much of the land planted to cotton would be found unsuited to the crop, and many of the farmers with little or no previous experience would make serious mistakes in the cultural operations, particularly in irrigation.

"It is not the purpose here to attempt to point out in detail the mistakes made in land selection or in cultural practice. It is intended rather to point out that large yields are essential to cheap production. To make this point clear one has only to study the tables given in the previous chapter. Take, for instance, the first of these which deals with Pima cotton, the first line of which shows a production cost of $80 per acre and a net harvesting cost of $5 per hundred pounds of seed cotton. When the yield is 800 pounds per acre the net cost of lint is shown to be 60 cents per pound, while a yield of 2,000 pounds of seed cotton per acre, not an unusual yield for good land and good care, shows a net cost of only 36 cents per pound of lint.

"This matter can be stated in another way. Supposing there were two farmers growing cotton with a scale of harvesting costs that would net $5 per hundred pounds of seed cotton and with a market outlet at 35 cents per pound for the lint, so that they would aim to make the crop for at least 33.3 cents per pound. If one of them should so handle his operations as to make a crop of 1,200 pounds of seed cotton while his neighbor with more skill or better land made 1,800 pounds per acre, the first farmer would get only $40 per acre to cover production costs and land rental, while the other would have $60 to apply on the same account.

"Some of the land in the Salt River Valley, for instance, is not well suited to cotton because of some inherent quality, such as alkali or liability to root rot. But for the most part, the low yields that have been obtained have been due either to adverse climatic conditions, improper cultural management, or lack of suitable crop rotation. Of these difficulties the two last named may be overcome and doubtless will be in large measure, as experience is accumulated.

"THE CLIMATIC DIFFICULTIES.

"The cotton crop in the Southwest is subject to the hazards of climate no less than in the eastern cotton belt. Cold weather in the early spring, rain that crusts the ground after the crop is planted, wind and hail during the growing season, excessively hot weather during the flowering period, an occasional water shortage during the critical months of late summer when the crop is making, and early autumn frosts make up a formidable array of hazards. Add to these plant lice and cotton stainers, with an occasional epidemic of 'black arm,' and there are surely troubles enough.

"Fortunately, however, it is unlikely that all these adversities will occur in any one season. And there is one outstanding advantage, the season of the cotton harvest is seldom rainy or windy, so that field damage is relatively slight.

"The season of 1920 was characterized by a cold, late spring, followed by a period of favorable growing weather which was in turn followed by a period of excessive heat. The first killing frost in the autumn did not come until near the end of November, except in the San Joaquin Valley, where a killing frost occurred on October 31.

"In other seasons there have been killing frosts in all the southwestern valleys as early in the fall as was the case in the San Joaquin Valley this year. When a killing frost occurs it stops the growth of the cotton plant, but it does not ordinarily injure the bolls that are nearly or quite mature, but have not yet opened. It is the usual thing for these bolls that are full-sized but green at the time of frost, to burst open within a week or 10 days after the frost, so that the final picking can be made.

"In the San Joaquin Valley this season it was observed that the normal frost opening did not occur, particularly on the lower lands of the valley. On the higher lands the early frost was less severe, and the weather after the frost was drier and nearly normal frost-opening occurred. On the lower lands, however, fields seen a month after the frost showed very little frost-opening. A few bolls on the upper part of the plant had cracked at the tip, but had not fluffed out so as to permit easy picking, while the bolls on the lower part of the plant, where the bulk of the crop was borne, had not cracked at all.

"In seeking an explanation of this phenomenon it was learned that the weather in the valley during November had been unusually humid. There had been a number of rainy and cloudy days and also many days in which the morning fog had hung over the valley bottom until well into the middle of the day. The humidity record of the Weather Bureau station at Fresno shows that the month of November, 1920, was more humid than normal, while the same month in 1919 was less humid than normal. The significant data are given in the following table.

"Dry-bulb temperatures in degrees F., and relative humidity in per cent for November, 1919, and November, 1920, and the normal relative humidity for the month, as reported from the Weather Bureau station at Fresno, Calif., station located 89 feet above the ground:

	Dry bulb.			Relative humidity, per cent.		
	5 a. m.	Local noon.	5 p. m.	5 a. m.	Local noon.	5 p. m.
November, 1919, mean	43.1	61.1	62.3	59.4	35.9	31.5
November, 1920, mean	46.9	60.1	60.0	84.4	55.7	57.5
Normal				78.3	49.2	48.0

"This delayed opening of the bolls was observed on both Pima and upland cotton, and if such conditions are found to be of frequent occurrence, they may constitute a serious obstacle to the extension of cotton production in the lower part of the valley, where the cheaper land and cheaper irrigation water would otherwise favor such extension. This autumn humidity, if it proves to be a serious obstacle to cotton production, is the more to be regretted, because the climatic conditions of the summer appear to be particularly favorable to heavy fruiting of cotton. It has been observed that cotton plants of both types are more fruitful in the San Joaquin Valley than in the other valleys of the Southwest. They seem to produce more flowers and a larger proportion of the flowers develop into bolls than is the case in the other valleys.

"It is probable that this greater fruitfulness is associated with the less extreme summer temperatures, though other factors may be involved. It is clear that there is ordinarily much less boll shedding in the San Joaquin Valley than in the other southwestern valleys.

"BOLL SHEDDING.

"The flower of the cotton plant is borne at the node of a fruiting branch, the flower pedicle being attached to the node close to one side of axil of the leaf. When the plant is subjected to certain adverse conditions during the flowering period, the flower bud, the flower, or the young boll may be dropped off the plant by a process similar to that by which mature leaves are dropped from deciduous plants. This reaction is known as boll shedding, and is one of the chief causes of reduced yields in the Southwest. The exact cause of boll shedding is not yet definitely known. It is believed to result from a combination of high temperatures and a sudden change in the water supply available to the plant.

"It has been observed that upland cotton reacts more quickly to the conditions that cause shedding than Pima cotton, but, on the other hand, when these conditions become particularly severe the final loss to the Pima cotton is likely to be greater than to upland cotton. This may be explained by the capacity of the upland cotton to recover more quickly than Pima cotton and put on more fruit late in the season when conditions are more favorable.

"Boll shedding was so severe on Pima cotton in 1920 as to attract general attention. It is estimated that in some cases fully half the potential crop was lost in this way. In many fields the plants had practically no fruit on the lower branches, and the first few nodes on the branches near the middle of the plant had lost their fruit.

"The outstanding characteristic of the Pima cotton in the San Joaquin Valley was that the fruit was held on the lower branches as well as on the upper ones. Though final maturity was checked by an early frost, the crop was on the plants. The plants in the San Joaquin Valley bore fruiting branches at the eighth or ninth node of the main stem, and these lower branches held their crop. In the Imperial and Salt River Valleys, on the other hand, few plants bore fruiting branches below the sixteenth node, and often these lower branches were bare of fruit.

"There was sufficient uniformity in the plant reactions in the different valleys to indicate that climatic rather than cultural differences were primarily responsible. But there were sufficient differences from field to field in the same section to indicate that the adverse effect of climatic conditions could be minimized, to some extent at least, by the proper cultural practice. Just what this proper cultural practice is remains to be determined. It is probably to be sought in the matter of

irrigation. There is some reason for believing that if the irrigation water is so applied that the plants do not suffer for water during excessively hot weather in the flowering period the tendency to shed the fruit may be checked. There is probably a soil relationship as well—that is, a soil that is very permeable and has at the same time a relatively high water-holding capacity, so that the extremes of available moisture supply are less acute, may be found to have a restraining effect on boll shedding.

"If it should be found that more uniform soil moisture conditions during the flowering period actually offsets to some extent the injurious effects of very hot weather, it would be important to avoid overdoing the remedy. During the early years of Pima cotton production it was observed that farmers were inclined to give the crop too much water during the early period of its growth. Too much irrigation early in the season appears to stimulate the vegetative growth of the plants at the expense of fruit production, and to increase also the difficulty of picking, because of the larger size of the plants. It may be possible to restrict irrigation early in the season before flowering time, thus checking excessive vegetative growth, and then irrigate frequently enough during the flowering and fruiting period, and particularly during the times of very hot weather, so as to check boll shedding, without forcing the plants into too much growth. Experiments to determine this point would seem to be well worth while; for, as the matter stands at present, boll shedding is a very serious factor in reducing yields in the irrigated Southwest, and cotton producers must find a way of getting larger yields if profitable crops are to be made under present economic conditions.

"COTTON PRODUCTION AND OTHER CROP INDUSTRIES.

"It is a well-recognized fact that cotton production can not be continued on the same land for an indefinite number of years without a decline in yield. It is not possible, however, to predict the rate of decline in any given case. On some land, naturally rich, the rate of decline would probably be slow. In some cases as many as eight successive crops have been grown with the last one showing no serious signs of distress. In other cases the second or third successive crop has shown a marked decline in productivity.

"When cotton was first proposed as a crop for the Southwest it was thought that in case it proved profitable it might come to occupy as much as 25 per cent or even 30 per cent of the cropped land. With this proportion of the land in cotton it was thought that a satisfactory system of crop rotation could be worked out, including alfalfa, grain, and truck crops. The profitable production of grain and alfalfa in the irrigated Southwest presupposes the feeding of live stock on the farms, for these commodities are too bulky to justify long shipment to market. Live-stock production, in itself ordinarily profitable, also gives a by-product of farm manure which if used on cotton land greatly increases yields.

"The abnormal prices for cotton during and since the war have stimulated cotton production to such an extent that in the Salt River Valley at least the cotton acreage in 1920 was nearly equal to the combined acreage of all other crops. It is hardly to be expected that such a large proportion of the land in this valley will be put in cotton again in the near future. Already plans are being made to put some of the cotton land back into alfalfa and more of it will doubtless go into grain sorghums next summer. But such crops are profitable only if fed to live stock on or near the project, and at the present time the live-stock population of the Salt River Valley is not large enough to consume much more alfalfa and grain than is now grown.

"The obvious need for the welfare of that valley is to increase its live-stock population, but that is another story.

"The present discussion of cotton in relation to other crop industries may be limited to pointing out two important considerations, namely, these other industries should be profitable in themselves and not used solely or too largely as a means of maintaining cotton yields and thus stand, in a measure, as an associated crops, such as alfalfa and grain, can not be grown continuously and profitably under conditions where its essential associated crops such as alfalfa and grain can not be grown at a profit on their own account. This second consideration is intended to apply to those sections where, because of recent high prices, cotton production has been undertaken with land and water costs so high that the production of alfalfa and grain is conceded to be out of the question.

"SYNDICATED COTTON PRODUCTION.

"The term 'syndicated production' is used here in reference to large-scale production operations, whether individual, partnership, or corporate, as to management. When a single organization operates several thousand acres, all or chiefly in a crop like cotton, it has to deal with problems which differ in important respects from those of a farmer operating 100 acres or less. In the irrigated Southwest there are a number of cases where as much as 5,000 acres and even 10,000 acres of land is operated under a single management.

"There is, of course, nothing very unusual in this so far as size alone is concerned; the unusual feature lies in the fact that almost without exception those who are managing these large producing enterprises have had no previous experience or training in such work. Some of them may have had some farming experience and some of them have had experience in large-scale operations in other lines, but for most of them, if not for all of them, large-scale cotton production is a new experience. The remarkable thing, then, about these syndicated enterprises is not that serious mistakes and miscalculations have been made in their management, but that they have been even passably successful.

"These syndicated production enterprises, particularly those inaugurated by interests associated with the manufacture or use of cotton, have served one very useful purpose: They have given the farmers and bankers of the Southwest confidence in the ultimate stability of the market for cotton. These farmers and bankers, some of whom were at first skeptical as to whether there would be a satisfactory and continuing market for cotton, saw no further occasion for doubt on this point when the ultimate consumer began to invest large sums of money in production.

"There is no very obvious reason why cotton can not be produced on a large scale nearly or quite as efficiently and economically as on a small scale. But this can not be done if the large-scale producer does not know or disregards the fundamental agronomic or economic principles of cotton farming. Without undertaking to formulate all these fundamental principles, the following may be set down as among the more important for the cases under consideration:

"1. The average cotton farm is not very profitable and the large enterprise must get better than average yields at little if any more than average production costs if it is to return a profit on the investment.

"2. Expensive overhead costs must be avoided and labor must be continuously and effectively employed.

"3. Cotton must be grown in rotation with other crops if yields are to be maintained and labor and equipment effectively utilized.

"4. The other crops grown in connection with cotton for purposes of rotation must be so produced and utilized as to return at least a small profit on their own account and not stand as a liability against the cotton crop.

"5. The whole operation should be so conceived and conducted as to pay a reasonable return on the investment over a period of years and not so as to have to look for ultimate profit to an increase in land values.

"It may be urged that most of the actual profits that have been made in American farming have been derived from the progressive increase in land prices and not from the difference between production cost and crop returns. But it would be unsound economics to hold that the increase in land prices can go on indefinitely. There is reason for believing that in some sections of the country it has already gone too far.

"There may be a justification for syndicated cotton production when undertaken by cotton manufacturers which would not hold for others. This lies in the fact that certain users of cotton have such specialized requirements and their needs are so exigent that they can not afford to depend for their supplies of raw material on the hazards of a fluctuating market or the whims of a group of farmers who may change from one kind of cotton to another in a season or two. In such a case the cotton manufacturer might be justified in undertaking to produce all, or at least a large part, of the cotton he required, not so much because he could hope to do so cheaper than it could be done by farmers but because he could thereby reduce the hazards of his business.

"RELATIONS OF MANUFACTURERS TO COTTON PRODUCERS.

"One of the outstanding features of cotton production in the United States has been that cotton manufacturers have not maintained close relationships with cotton producers. Until recent years the two were completely separated geographically, cotton manufacturing being done almost wholly in New England or overseas. Within the last few years a number of cotton-manufacturing plants have been built in the South, but even these are quite as likely to draw their supplies of cotton from distant parts of the Cotton Belt as from near by.

"The producers of cotton and the users of the raw material have had almost no direct dealings with each other. The gap has been bridged by an elaborate system of middlemen. These middlemen have served, and doubtless continue to serve, many useful purposes, but they have also acted as a very effective insulation between the producers and manufacturers of cotton. It is very largely because of this insulation that the special needs and the ultimate discriminations of the manufacturers have been so slow in finding their way back to the producer.

"While the manufacturers of cotton have not maintained direct relationships with the producer, the manufacturers of cottonseed products have taken a different course. They have built their plants in the very midst of the cotton fields, and in many cases have built and operated ginning plants for the use of the farmers. Through these ginning plants the seed manufacturers have been able to establish direct relations with the producer. They have largely determined the kind of cotton that should be planted, because they have had planting seed to sell, and they have in many cases acted as the agents through whom the farmer secured credit for the production of his crop. Because of this advantage of position the cottonseed-oil man has been in position to influence the farmer in certain important matters. Were it to his interest to do so, he might exert a powerful influence in such matters as clean picking and better baling.

"This important advantage of position has only recently been appreciated by a few cotton manufacturers. These have begun, particularly in the Southwest, to establish gins, to furnish planting seed, to provide credit for growing the crop, and in some cases to contract in advance for the lint produced. This course of procedure may come to be regarded as an alternative to syndicated production. It has the advantage of being cheaper to undertake and of being less likely to result in serious loss.

"The service of establishing and operating a cotton-ginning plant and providing of credit for crop production partakes somewhat of the character and involves some of the responsibilities of a public service. Because of that fact, persons thus engaged are in a measure subject to public regulation, and unless the business is conducted in a satisfactory manner it will not be possible to exercise much influence through such agencies. If a cotton manufacturer aims to use these agencies as a means of obtaining a fairly constant supply of a certain type of cotton, he must so conduct them as to retain the confidence and good will of his patrons. This should not be a very difficult matter, particularly if he is prepared to operate this part of his business at a small profit or even at a small loss in order to provide himself with a continuing supply of cotton. Probably the most important feature of such an arrangement as the one outlined is the opportunity to provide cotton growers with planting seed. The kind of seed planted very largely determines the kind of cotton obtained, and it is upon the proper management of the ginning business that the purity and value of the seed supply depends.

"SEED SUPPLIES.

"Certain differences between Pima cotton and the upland varieties grown in the Southwest have already been mentioned. None of these differences is more marked than is the contrast as regards seed supply. Ever since Pima cotton was first grown in the Salt River Valley the matter of maintaining the purity of the seed has been given most serious consideration. A group of farmers organized under the somewhat inappropriate name of the Tempe Cotton Exchange has assumed responsible leadership in supervising the production and distribution of planting seed. They have operated one 10-stand gin at Tempe, which has ginned only cotton from selected fields intended to supply seed. The seed is delinted and bagged at the gin and stored in a concrete warehouse. Each bag of seed is stamped with the variety name and the association mark, and it is now planned to ticket each bag with a certificate of inspection provided by the county agent.

"The records of field production of the seed supply are so handled that each bag of seed bears a number which shows when that particular stock of seed was inspected in the field to insure its purity. The system of field roguing and inspection has been described in detail elsewhere and need not be further mentioned here. During the past two seasons it has been necessary for the Southwest Cotton Co. to assist the Tempe Exchange in ginning and storing the seed supply. The capacity of the exchange gin is only about two and a half million pounds of seed, which has not been enough to supply the demand in the Salt River Valley and the other sections of the Southwest. In the spring of 1920 the demand for seed was so great that all of the pure seed was used for the first planting. The spring weather was cold and more than the usual replanting was required. As a result it was necessary to use some seed that had been run into oil-mill warehouses. Although this oil-mill seed was all grown locally, and therefore reasonably pure, there was enough seed in it of hybrid origin so that hybrid and off-type plants could be seen in every field in which it was used. This year's experience is a striking demonstration of the importance of guarding the seed supply continuously, even in a community where no other type of cotton is grown.

"It is hard to describe the seed-supply situation in the upland cotton districts. There have been supplies of pure seed in these sections in time past. There was at one time a large supply of Durango seed and shipments of pure seed of other varieties have been brought in from time to time. These stocks have been so effectively mixed at the gins that it is now almost impossible to distinguish them. This mixture of varieties would be much less serious if it were possible to bring in new supplies of seed, but the danger of insect invasion is so great that it has been necessary to prohibit the westward movement of seed.

"The effect of this general mixture of the upland varieties has been shown both in decreased yields and in reduced prices for the lint. For several years the upland cotton from the irrigated Southwest sold at a premium over similar eastern cotton because of its bright color. Recently, however, there has been a pronounced tendency to discriminate against it because of the irregularity in length of staple, despite its better grade.

"If there is to be maintained a continuing production of upland cotton in the Southwest, it seems clear that some provision must be made to produce locally a supply of better planting seed than that now available. In fact, it would seem that one of the best reasons for continuing to grow upland cotton on high-priced irrigated land would be found in the production of pure stocks of planting seed to ship to the main cotton belt. One of the serious problems in the East is that in wet seasons the seed loses its vitality before planting time. In this respect the seed from the dry western valleys would have a very great advantage.

"FINANCING AND MARKETING THE CROP.

"It may be assumed from the figures given in preceding pages that the cotton crop of the irrigated Southwest in 1920 will turn out about 120,000 bales of Pima cotton, about 160,000 bales of upland cotton, and about 170,000 tons of seed, and that the production and harvesting of this crop up to the time it is ready for market will involve the use of money or credit to the sum of about $50,000,000. This money or credit is chiefly supplied through the local banks.

"In the case of the Salt River Valley alone the total investment in the production and harvesting of the Pima crop must be not less than $20,000,000. The bank resources of Phoenix, the financial center of the valley, were reported in the recent census as $27,500,000. Clearly the financing of the production of the cotton crop is among the most important of the problems of the Phoenix bankers. The daily interest charge on the money invested in the Salt River Valley cotton crop this year is something over $4,000. With the turn of the year new calls must be met for funds for the next season's operations, and other crops and industries demand credit accommodations, for only about half the acreage of the valley is devoted to cotton. The 1920 cotton crop must be placed on another credit basis.

"In the last two or three seasons the cotton crop was much smaller in amount, if not much less in aggregate value, and buyers from the East were bidding for it actively as it came from the gins. This season buyers are holding off. Some cotton has been consigned to eastern points on credit advances ranging from $175 per bale down to $100 per bale for Pima. These advances were not sufficient, in some cases at least, to release the cotton from the obligations already made against it. This situation was rapidly becoming serious in the latter part of November and continues so. It is receiving, as it deserves, the serious attention of the best minds in the community, and in this, as in other difficulties that have been met and overcome, there is a spirit of community action and community confidence that is indomitable.

"In conclusion it may be said that while the production of cotton under irrigation in the Southwest has scarcely yet passed beyond the experimental stage, it has been given a fair trial. The present indications are that it will be continued, though probably on a reduced scale for the next few years. The experiment has gone far enough to demonstrate that good cotton can be grown, that varietal purity and high quality of product can be maintained where proper attention is given to the matter of seed supplies. At present it is doubtful if there is another crop that could be extensively substituted for cotton that would give better returns for the labor and capital invested."

STATEMENT BY DWIGHT B. HEARD, OF PHOENIX, ARIZ., REPRESENTING THE ARIZONA EGYPTIAN COTTON GROWERS' ASSOCIATION, THE PHOENIX (ARIZ.) CHAMBER OF COMMERCE, AND THE PHOENIX CLEARING HOUSE ASSOCIATION, AS TO THE NEED OF A PROTECTIVE TARIFF ON AMERICAN EGYPTIAN OR PIMA LONG-STAPLE COTTON.

Hon. WILLIAM R. GREEN,

Chairman Subcommittee on Cotton,
Committee on Ways and Means,
House of Representatives.

SIR: Availing of your suggestion that I present in concise form a statement in behalf of the needs of the producers of American Egyptian cotton, I present the following:

PRELIMINARY STATEMENT.

The American Egyptian or Pima long-staple cotton industry, which during the past 15 years has developed as an essential national industry, now faces destruction through competition with cotton of similar type produced by the present labor of Egypt on a present wage scale of 40 cents per day for a 12-hour day.

This Egyptian long-staple cotton is now being laid down at New England spinning points at 26 cents per pound, almost exactly one-half the estimated production cost of last year's American Egyptian crop, as per a report recently furnished Congress by Mr. Wallace, Secretary of Agriculture.

In the season of 1919–20, 485,000 bales of Egyptian cotton were imported into the United States as compared with an average importation for the previous five years of 202,000 bales. It is conservatively estimated that 70 per cent of this importation was Sakellaridis cotton, the type principally used for the manufacture of tire yarns and with which the American-grown Egyptian cotton comes in direct competition.

The standard of living of the Egyptian peasants who furnish the labor in the cotton fields of Egypt is vastly inferior to an American standard of living. This peasant labor is exceptionally efficient. These Egyptian laborers at the price of 40 cents per day work from sunrise to sunset, while in Arizona, where 85 per cent of the American Egyptian crop is grown, the cost of field labor for a 9-hour day in 1920 was $3. It is estimated that in 1921 this will be reduced to $2—still more than five times as large as the Egyptian wage, in view of the shorter hours in Arizona.

It is conservatively estimated that one-third of the cost of the production of long-staple cotton is involved in the picking. The cost of picking cotton in Egypt in 1920, according to the best information available, was less than $10 per 500-pound bale; while in Arizona the cost of picking the same size bale was $80. This situation presents an intolerable condition which can only be remedied by the reasonable protection asked. Officials of the United States Department of Agriculture have recently estimated that the cost of producing American Egyptian Pima cotton in Arizona in 1920, on the basis of a yield of half bale to the acre, was 52.6 cents. The attached statements from well-informed Arizona growers show an estimated average cost of production in 1921 of approximately 41 cents. According to the most recent market quotations, Old World Egyptian cotton of the Sakellaridis variety, the type which most nearly corresponds to the American Pima, and which comprises about 70 per cent of the import from Egypt, is being laid down in New Bedford for 26 cents per pound. The duty asked for by American producers to maintain this industry on a living basis is but 20 cents per pound. It is evident that unless the relief asked for through a protective tariff is promptly granted the industry built up through 20 years' cooperation with the United States Department of Agriculture faces destruction.

BRIEF HISTORY OF THE AMERICAN EGYPTIAN COTTON.

Pima cotton was originated and developed by the Department of Agriculture as a result of plant-breeding work carried on in Arizona since 1902. A strikingly superior individual plant, selected in 1910 at the Government experimental station at Sacaton on the Pima Indian Reservation in southern Arizona, was the parent of the Pima variety, of which 250,000 acres were grown in 1920 in Arizona and California. It is an interesting coincidence that the plant which gave rise to the Sakellaridis variety, the principal competitor of Pima, was discovered in Egypt in the same year, 1910.

Pima cotton can be successfully grown only on the irrigated lands of southern Arizona and California, where the climatic and soil conditions have proven to be exceptionally favorable for the growth of this type, which is not adapted to conditions in the eastern cotton belt.

The Pima cotton has an average length of staple of 1⅛ inches and is maintained in a high state of uniformity by careful seed selection, under the supervision of the United States Department of Agriculture. It is used in the manufacture of fine dress goods, hosiery, and sewing thread; but principally in automobile-tire fabrics. It is estimated that 80 per cent of the Pima crop in recent years has been used for this last purpose. In all these classes of manufacture the American-grown Egyptian cotton is in direct competition with Sakellaridis cotton imported from Egypt.

DECLINING SEA-ISLAND PRODUCTION MAKES PIMA ESSENTIAL TO NATIONAL DEFENSE.

During the recent war exhaustive Government tests showed that the Pima cotton was a thoroughly satisfactory substitute for sea-island cotton in the manufacture of airplane wings and balloon cloth, and during the last year of the war large quantities of cloth were manufactured from Pima cotton and successfully used in the air work. The first tests of Pima cotton for this work were made at the suggestion of the Department of Agriculture, which pointed out that with the rapid advance of the boll weevil the sea-island crop might be suddenly wiped out and that a substitute must be found, if possible, in an American-grown cotton. Since Arizona and California are well isolated from the boll-weevil district and were already producing a cotton of extra long staple and great uniformity, which was known to be capable of substitution for sea island, an extension of Pima cotton growing in that region appeared to be a military necessity, and for that reason was especially encouraged by the Department of Agriculture in the war period. The figures given in the table showing the production of sea-island and American-Egyptian cottons during the last five years make it clear that the Department of Agriculture was thoroughly justified in calling attention to the necessity of a substitute for sea-island cotton, which now has almost disappeared from cultivation. If the war had been prolonged even for another year, the Pima cotton would have become the sole reliance for this vital purpose.

Partly as a result of stimulation by the Government during the war the acreage of Pima cotton has been greatly expanded during the past two years, and with the sudden slump in the market in 1920 the growers have been left with fully 90 per cent of their last crop unsold. The danger is very great that unless adequate protection is furnished against the competition of cheaply grown foreign cotton this highly specialized cotton, which recent experience has shown to be essential to the national defense, will disappear.

With the sea-island cotton practically gone, this country would be entirely dependent on foreign sources of supply.

Statement of the production of Pima and sea-island cottons, in bales, during the past five years.

Year.	American Egyptian or Pima.[1]	Sea island.[2]
1916	3,331	117,559
1917	15,966	92,619
1918	40,343	52,208
1919	42,374	6,916
1920	91,965	1,725

[1] 500-pound bales. [2] 400-pound bales.

Estimated imports of Sakellaridis Egyptian cotton in equivalent 500-pound bales during the past five years.

1915–1916	204,000
1916–1917	119,000
1917–1918	80,000
1918–1919	70,000
1919–1920	340,000

COST OF PRODUCTION.

In a very carefully prepared statement recently issued by Mr. C. S. Scofield, of the United States Department of Agriculture, based on a yield of a half bale to the acre in the Salt River Valley of Arizona, where about 85 per cent of the Pima cotton is produced, a production cost is shown for the season of 1920 of 52.6 cents per pound. Owing to reductions which have already occurred in the price of field labor and estimated reductions which are anticipated in the cost of picking and ginning Pima cotton for next season, it is estimated that the cost of production in 1921 on the basis of a half bale to the acre will be at least 42 cents.

It will be observed that if the 20 cents per pound tariff asked for is added to the present delivered price of Egyptian Sakellaridis cotton in New England the American grower would make only a very small profit above cost of production. It is hoped by this legislation to stabilize the price of American-Egyptian Pima cotton so as to justify continuing the American industry based on a price of approximately 50 cents to the producer.

The attached statements, Exhibits A, B, and C, of estimated cost of production in the Salt River Valley of Arizona for 1921, made by Mr. W. S. Stevens, president of the Arizona American-Egyptian Cotton Growers' Association, Mr. Charles M. Smith,

a grower who keeps exceptionally accurate records, and the writer, who has grown this type of cotton for the past five years, are presented for the purpose of giving detailed estimates as to the cost of production for 1921.

On the Salt River Valley reclamation project in Arizona 186,000 acres were farmed in Pima cotton in 1920, on which a crop of seventy-two thousand 500-pound bales was produced. Confronted as they have been during the recent months with a price for this cotton far below its cost of production, the majority of the producers, through the assistance of the banks, have held on to their cotton, anticipating a relief from the existing situation, and it is estimated that 67,000 bales of this crop still remain in the hands of the producers. This situation illustrates the urgent need for immediate relief.

The emergency tariff bill, as passed by the House of Representatives on April 15, 1921, and now before the Committee of Finance of the Senate, in paragraph 16 contains the following clause as to the protective duty on long-staple cotton:

Cottou having a staple of 1⅛ inches or more in length, 7 cents per pound.

It is evident that the above is not adequate to protect this industry on the basis of American standards of living. In the report of April 13, 1921, in connection with the emergency tariff bill, on page 20, the Bureau of Markets of the Department of Agriculture definitely recommends a duty of not less than 10 cents per pound, making the following statements:

(4) Large areas of land in this country are available for the production of extra staple cotton, but because of the costs of reclamation, irrigation, and the higher standards of living and cost of labor, the cost of production of such cotton in the United States is high and our producers need a protective tariff to equalize the cost of production abroad with that in the United States.

(6) In the table following are presented quotations on the selling price of Sakellaridis Egyptian and American-Egyptian cottons. It will be observed that on March 15 the price of fully good Sakellaridis was 35⅛ cents and good fair Sakellaridis 26¾ cents, c. i. f., landed Boston, and that American-Egyptian cotton of No. 2 grade was quoted at 26¾ cents, and No. 3 grade at 25¾ cents, landed Boston. Such prices are far below the estimated cost of production of cotton in Arizona and California. It should be further pointed out that from the table the prices of good fair Sakellaridis and No. 2 Arizona-Egyptian have been practically identical since November 13 last. In other words, the price of good fair Sakellaridis seems to fix the price of American-Egyptian cotton. * * *

(9) Producers of long-staple cotton have faced adverse market conditions in the sale of last year's crop and are said to have on hand a large part of last year's production. Accordingly, it is believed that the producer would receive the benefit of whatever protection that might be conferred by the proposed tariff measure.

I am presenting the foregoing statement at the request of the Arizona American-Egyptian Cotton Growers' Association, the Phoenix Chamber of Commerce, and the Clearing House Association of Phoenix, whose letters in this connection are attached herewith. In this statement I have endeavored to present figures and facts as to this industry whose existence is so seriously threatened, and in view of the fact that through some misunderstanding the producers of American-Egyptian cotton had no opportunity to present their case before the Committee on Ways and Means of the House I trust opportunity may be found before the emergency bill passes the Senate to increase the duty on long-staple cotton from 7 cents to the 20 cents so urgently needed.

Very respectfully,

DWIGHT B. HEARD.

PHOENIX, ARIZ., *April 25, 1921.*

Mr. ASHURST. I ask unanimous consent to have printed in the RECORD also the Exhibits A, B, and C attached to the communication.

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:

EXHIBIT A.

ARIZONA AMERICAN-EGYPTIAN COTTON GROWERS' ASSOCIATION,
Phoenix, Ariz., April 14, 1921.

Mr. DWIGHT B. HEARD,
Phoenix, Ariz.

MY DEAR MR. HEARD: Complying with your request to make up an additional statement of cost for producing cotton in 1921, as I view the situation, I submit as follows:

There is such a wide difference in the ideas of rental values that I have eliminated this altogether, considering a man that is working on payment of one-fourth of his crop as rent. I have eliminated, as far as possible, the question of diversified farming in that a portion of the crops produced might be used in feeding and caring for the stock of the grower. I am taking as a basis an exceptionally good man with an exceptionally good team, and giving him all the land that such a man can possibly handle under favorable circumstances, which is 50 acres. I am considering that this man and his one team must do all the work of preparing and planting, cultivating, supervising, picking, and deliver the cotton to the gin. In handling this acreage he will have no time whatever to do any hoeing or irrigating. This is provided in moderate charges. We have considered the cost of picking on the prewar basis, which is really less than it should be when we consider the fact that shoes are 100 per cent more than four years ago, and that provisions and clothing have not anywhere near been reduced to prewar basis.

This man and his team are allowed $1,200 for the year. Out of this $1,200 the man's only living expense, or his wage and feed for his team, are all included. This man and his team is far above the average in being thoroughly able to cultivate and handle 50 acres of land, but I am considering the average yield to be the actual average being produced in our valley since Pima cotton has been introduced, which has been one-half bale per acre. Of course, we have exceptional cases where people may average better than one-half bale for several years, but this is offset wherein just as many farmers produce less than one-half bale for the same period of time, because they are liable to the losses incurred from hailstorms, black arm, root rot, and other troubles; so that, on the whole, I think that this is a very conservative estimate of the average cost of the year 1921.

A man and team, one year	$1,200.00
Irrigation water, at $3.75 per acre	187.50
Planting seed, $1 per acre	50.00
Hoeing, including thinning, at $7 per acre	350.00
Expense of irrigation, $3 per acre	150.00
Implements, $250, depreciation only	50.00
Shopwork	25.00
Incidentals, including sacks, tents, etc	100.00
Ginning 25 bales, at $20	500.00
Picking 25 bales, at 3 cents per pound	1,500.00
	4,112.50
Total, less 11¼ tons of seed, at $20	225.00
Total cost of 18⅞ bales, 6¼ having been paid as rent	3,887.50
Cost per pound	.413

Very truly,

W. S. STEVENS.

EXHIBIT B.

APRIL 24, 1921.

Mr. DWIGHT B. HEARD,
Phoenix, Ariz.

DEAR MR. HEARD: The following is my estimate of the cost of production of Pima cotton in the Salt River Valley for 1921:

ESTIMATED COST OF PRODUCTION, 80 ACRES COTTON, SEASON 1921.

Based on low wage scale of $3 per day, including board—cheap horse feed, but no allowance for horses when not actually employed, nor for man when he is not actually in field.

Plowing, at $3.75 per acre	$300
Disking after plowing, at 80 cents per acre	64
Dragging twice, at $2	160
Labor, irrigating before and after plowing	54
Disking before planting, at 80 cents	64
Planting, at 70 cents per acre	56
Cultipacker, at 50 cents per acre	40
Cultivating about 8 times, including furrowing out, at 70 cents	448
Chopping, at $1.25 per acre	100
Hoeing twice, at $1.50 per acre	240
Labor, irrigation, 4 times after planting	60
Planting seed	40
Depreciation in equipment	150
Incidental expenses	250
Irrigation water, 3 acre-feet, at $7.50 per acre	600
Taxes, State and county, at $5 per acre	400
Estimated cost to picking time	3,026
Picking, basis ½ bale per acre, at 3 cents per pound	2,400
Ginning, basis ½ bale per acre, at $20 a bale	800
Overhead, including tents, tacks, wood, insurance, hauling cotton to gin, etc., at ¾ cent per pound seed cotton	600
Total as above	6,826

Actual cost of production (labor only), 34 cents per pound.

IMPORTANT NOTE: The above does not include any land rent or interest on land investment—does not allow anything for living expenses while farmer is not in field—nothing for ditch cleaning, keeping up fences, etc. On the above basis 45 cents per pound would mean ultra-conservative cost of production, 1921.

CHAS. M. SMITH.

EXHIBIT C.

APRIL 21, 1921.

Estimate of Dwight B. Heard, of Phoenix, Ariz., as to cost of production of American-Egyptian (Pima) cotton, under the Salt River reclamation project, Arizona, for season of 1921, cost per acre based on production of one-half bale to an acre and present cost of labor and supplies.

Annual payment to United States Government due on Roosevelt Dam and Salt River Valley project		$2.00
Taxes on basis average assessed on location $183 per acre and average combined State, county, school, high-school, and road-district tax rate of $2.50		4.57
Irrigation water service, based on annual use of 3 acre-feet		3.60
Seed for planting, select Government-inspected seed, at 2 cents per pound, 30 pounds per acre		.60
Labor for irrigating once before plowing, six times after plowing, at 30 cents per acre		2.10
Plowing, per acre		4.50
Harrowing twice, at $1		2.00
Dragging twice, at $1		2.00
Planting		.75
Rolling		.75
Seven cultivations, including furrowing out		5.60
Chopping or thinning		1.25
Average summer hoeing, cost per acre		7.50
Expense per acre to picking time		37.22
Picking 1,000 pounds seed cotton, equaling one-half bale of lint, at 3 cents per pound	$30.00	
Ginning one-half bale cotton, at $20	10.00	
Transport to gin of seed cotton, 5 cents per 100 pounds	.50	
Overhead and incidental expenses per acre, including tents and wood for pickers, depreciation on machinery, shop work, picking sacks, insurance based on 7 cents per pound of seed cotton	7.00	
		47.50
		84.72

Deduct value of cotton seed, 750 pounds to each 1,000 pounds of seed cotton, at value of $16 per ton	$6.00
Net cost of producing one-half bale, or 250 pounds, of Pima long-staple cotton lint per acre	78.72
Cost per pound Pima lint cotton, exclusive of any return on value of land	.3149
Figuring a revenue on the land of but $20 per acre would add 8 cents to production cost of lint cotton and make the actual production cost per pound of Pima cotton lint	.3949

—

[Copy.]

Hon. J. W. FORDNEY,
Chairman Ways and Means Committee,
House of Representatives, Washington, D. C.

DEAR SIR: From the standpoint of safeguarding the financial interests of the Salt River Valley of Arizona, the Phoenix Clearing House Association is vitally interested in the proposal to enact a protective tariff on American Egyptian Pima long-staple cotton. This is a special type of cotton developed by the United States Department of Agriculture through an experimental stage of 12 years or more, and which has become known to the cotton trade at large as the equal of any cotton in the world. This type of cotton has been extensively used for the manufacture of tire fabric on account of its superior length of staple and high tensile strength.

Last year in the Salt River Valley 185,000 acres were planted to long-staple cotton with a resulting yield of more than 72,000 bales. Estimates place the cost of last year's crop at about 60 cents per pound.

No general market has so far developed for the staple, and the few sales made during recent weeks have ranged from 24 to 30 cents per pound, basis No. 2.

Salt River Valley is especially adapted to the growing of long-staple cotton; the cultivation of this staple is restricted to a few valleys in the Southwest, where the length of the growing season permits the development of the fiber and general cultural conditions are favorable.

It seems important that some steps be taken to insure the permanence of this new industry in the Southwest, which is just beginning to supply a growing demand for this superior type of cotton.

In order that the industry may survive the growers of Arizona and California need the benefit of a protective tariff of a sufficient amount to enable them to compete with Egyptian Sakellarides cotton, produced in Egypt by native labor on a wage scale entirely out of harmony with the American standard of living.

The Phoenix Clearing House Association, in special meeting, hereby earnestly advocates the adoption of a protective tariff on American Egyptian Pima long-staple cotton of 20 cents per pound.

Mr. Dwight B. Heard, representing the Arizona American Egyptian Cotton Growers' Association and the Phoenix Chamber of Commerce, will appear before your committee in behalf of the foregoing proposal. Mr. Heard is fully qualified to speak for the cotton growers of the Southwest, and we bespeak for him your most favorable consideration.

Yours, respectfully,
THE PHOENIX CLEARING HOUSE ASSOCIATION,
By B. E. MOORE, *Vice President.*

PHOENIX, ARIZ., *April 14, 1921.*

—

[Copy.]

THE PHOENIX CHAMBER OF COMMERCE,
PHOENIX, ARIZ., *April 14, 1921.*

Hon. DWIGHT B. HEARD,
Heard Building, Phoenix, Ariz.

MY DEAR MR. HEARD: We are glad to have you represent the Phoenix Chamber of Commerce, with a membership of 1,100, at any and all meetings held in Washington in connection with the tariff or any other subject vital to this section of the Southwest.

This is to advise that you have been appointed as the general official representative of this organization at the board of directors' meeting held to-day, April 14.

Yours, very truly,
W. W. LAWHON, *President.*
HARRY WELCH, *Secretary.*

—

EXHIBIT D.

DEPARTMENT OF COMMERCE,
OFFICE OF THE SECRETARY,
Washington, April 20, 1921.

MY DEAR SENATOR: In compliance with your request of April 15, I take pleasure in quoting below the imports of unmanufactured cotton into the United States from Egypt during the calendar year 1920 and the months of January to March, 1921, inclusive:

Calendar year:	Pounds.
1920	179,894,406
1921—	
January	3,455,490
February	3,881,283
March	6,508,351

The reports furnished to this department covering imports of unmanufactured cotton do not indicate the number of bales, but show figures for pounds instead.

Yours, faithfully,
HERBERT HOOVER,
Secretary of Commerce.

Hon. HENRY F. ASHURST,
United States Senate, Washington, D. C.

—

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF PLANT INDUSTRY,
Washington, D. C., April 23, 1921.

Hon. HENRY F. ASHURST,
United States Senate.

DEAR SENATOR ASHURST: I am sending you herewith a copy of a report on cotton production in the irrigated Southwest in 1920, together with some data prepared by Mr. Kearney for Mr. Heard's use.

Very truly, yours,
C. S. SCOFIELD,
Agriculturist in Charge Western Irrigation Agriculture.

[Compiled Apr. 20, 1921.]

Production of American Egyptian cotton (500-pound bales).

1912	375
1913	2,135
1914	6,187
1915	1,095
1916	3,331
1917	15,966
1918	40,343
1919	42,374
1920 [1]	92,561

Imports of Egyptian cotton into United States (equivalent of 500-pound bales).

Period Aug. 1 to July 31.	Bales imported.	Per cent of total Egyptian crop.
1910-11	183,786	12.4
1911-12	175,835	12.0
1912-13	191,075	12.9
1913-14	137,355	9.1
1914-15	261,220	20.5
1915-16	339,854	35.3
1916-17	198,805	19.9
1917-18	114,580	9.2
1918-19	100,006	10.5
1919-20	485,003	43.7

Cotton acreage of Egypt and percentage of total in Sakellaridis variety.
[Compiled Apr. 21, 1921.]

Calendar year.	Total acres.	Percentage Sakel.
1912	1,788,000	16.2
1913	1,789,000	21.9
1914	1,820,000	32.2
1915	1,231,000	58.0
1916	1,718,000	62.4
1917	1,742,000	67.6
1918	1,364,000	72.4
1919	1,634,000	72.9
1920	1,897,000	69.5

[1] Census Bureau ginning report of Mar. 21, 1921.

Sea-island cotton production in United States (from Bureau of the Census ginning reports).

	Bales.
1915	111,716
1916	117,559
1917	92,619
1918	52,208
1919	6,916
1920	[1] 1,868

COTTON PRODUCTION IN EGYPT.

Mr. ASHURST. John A Todd, "The World's Cotton Crops" (1915), states that the average size of landholdings in Egypt in 1913 was about 3½ acres and the average land value per acre in 1913 was £50 to £200. There has been a considerable increase in land values and rentals since that time.

The average yield of fiber, according to the monthly agricultural statistics of the ministry of finance of Egypt (Oct. 31, 1920), was 343 pounds per acre for the five years 1915–1919. The following table, compiled from Government reports of Egypt and the United States, has been compiled by the Bureau of Crop Estimates:

	Number of persons engaged in agriculture.	Acres in cultivated land.	Average area cultivated for each farm worker.
Egypt (1907–1912)	2,315,000	5,457,000	2.4
United States (1910)	12,300,000	293,794,000	23.7

COST OF PICKING COTTON IN EGYPT.

According to John A. Todd in The World's Cotton Crops (1915), the prewar wages for picking in Egypt ranged from 5 pence to 1 shilling per day, the lower wage being paid to children, who could pick from 30 to 50 pounds per day each. Taking Todd's statement as a basis and assuming (1) that adults average 75 pounds daily and received a wage of 1 shilling, (2) that the wage has doubled since the war and is now 2 shillings, this at current exchange is equivalent to about 39 cents for 75 pounds, or about one-half cent per pound of seed cotton. Since the lint percentage in Egypt averages at least 30 per cent, as compared with an average of 25 per cent in Arizona, 1,666 pounds of seed cotton in Egypt will yield a 500-pound bale. The cost of picking 1,666 pounds of seed cotton at

[1] Ginned prior to June 30, 1921.

one-half cent per pound is $8.33. The picking cost per pound of lint in Egypt, therefore, works out to 1½ cents, while in Arizona the cost is 16 cents when the pickers receive 4 cents per pound of seed cotton (the 1920 wage) and 8 cents when the pickers receive 2 cents per pound of seed cotton (the prewar wage).

—

Resolution 2.

Whereas it is reported that Congress is seriously considering adjournment; and

Whereas there are now before Congress many measures immediately necessary for the live-stock business of the State; and

Whereas the proposed adjournment would delay the enactment of this necessary legislation and may block its passage entirely: Now, therefore, be it

Resolved, That the Arizona Wool Growers' Association and Arizona Cattle Growers' Association, in joint convention assembled at Flagstaff, Ariz., July 8 and 9, earnestly request that any adjournment of Congress be postponed until the present measures affecting the live-stock industry are acted upon; be it further

Resolved, That a copy of this resolution be sent to Senators ASHURST and CAMERON and Congressman HAYDEN.

A true copy.

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

—

Resolution 3.

Whereas the transportation act purports to place in the hands of the Interstate Commerce Commission exclusive jurisdiction to grant or deny certificates of convenience and necessity relating to the construction of railroad lines and facilities, or the abandonment or discontinuance thereof; and

Whereas the exercise of this power by the Federal Government might result in great inconvenience and discomfort to the general public and irreparable financial loss to individuals and communities; and

Whereas the carriers are incorporated in and receive their only authority for corporate life and activity from the States wherein they are incorporated, and should therefore be subject to the authority under which they exist for their corporate acts: Therefore be it

Resolved, That the Arizona Wool Growers' Association, at its annual meeting held in Flagstaff, Ariz., on July 9, 1921, express its firm conviction that the transportation act of 1920 should be at once so amended as to eliminate the objectionable provision above referred to and to restore to the States their rightful authority over the children of their creation; and be it further

Resolved, That copies of this resolution be forwarded to our delegates in Congress, and that they be requested to secure the passage of a suitable amendment for the accomplishment of the above purposes at the present session of Congress.

A true copy of the original resolution.

Attest:

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

—

Resolution 4.

Whereas that section of the transportation act known as section 15a, carrying a mandate to the Interstate Commerce Commission to fix such rates as will insure a return of 5½ or 6 per cent on the aggregate value of the railroad property, has resulted in the levying of rates which have stifled commerce and prevented the free movement of commodities; and

Whereas the agricultural and horticultural interests of the entire Nation are to-day practically at a standstill, the food products unable to reach the consuming markets, largely as a result of rates that have been fixed under the provision of this section of the transportation act: Therefore be it

Resolved, That the Arizona Wool Growers' Association, in annual convention assembled at Flagstaff, Ariz., on July 9, 1921, urges upon Congress immediate legislation for the repeal of this section of the act to regulate commerce and the support of Senate bill 1150, introduced by Senator CAPPER, or any other similar measure.

A true copy of the original resolution adopted as above.

Attest:

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

Resolution 5.

Whereas in the present condition of markets where the prices of our products are below the cost of production; and

Whereas every element of assistance that will stimulate the market prices of such production so that a fair and reasonable return may be had therefrom; and

Whereas the tariff on dressed meats, wool, hides, and pelts is one element that will protect us against competition wherein lower labor and grades of living are thrown against the desired conditions of living in this country; and

Whereas in the present proposed tariff bill hides and pelts are placed upon the free list, and the tariff on dressed meats and wool are too low for sufficient protection: Therefore be it

Resolved at the joint convention assembled at Flagstaff, Ariz., July 8 and 9, by the Arizona Cattle Growers' Association and the Arizona Wool Growers' Association, That our Senators and Representatives in Congress from this State be asked to use every effort in their power to bring before the proper committee all knowledge of the conditions of our markets and use all efforts to have hides and pelts protected and dressed meats and wool sufficiently protected to guard us against those who are able to undersell us by reason of their low cost of production.

A true copy.

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

—

Resolution 11.

Whereas the American National Live Stock Association has instituted hearings before the Interstate Commerce Commission for the purpose of revoking the last 35 per cent increase in freight on live stock in the western group and the 25 per cent increase in the mountain Pacific group; and

Whereas the present freight rates on live stock are unreasonable and prohibitive; and

Whereas the price of our products has depreciated more than 50 per cent in the last year; and

Whereas there are many cases where the price received for live stock at the market is little more than enough to pay freight and selling expenses; and

Whereas the continued existence of the live-stock industry in our State is dependent to a large extent in a material decrease in our freight rates: Now, therefore, be it

Resolved by the Arizona Wool Growers' Association and the Arizona Cattle Growers' Association, in joint convention assembled at Flagstaff, Ariz., July 8 and 9, That we heartily indorse the action taken by the American National Live Stock Association, and we respectfully request that the Interstate Commerce Commission take the necessary steps to make a material reduction in freight rates on live stock in the western group and mountain Pacific group at the earliest possible date; and be it further

Resolved, That a copy of this resolution be sent to the Interstate Commerce Commission and also to the secretary and president of the Arizona National Live Stock Association.

A true copy of original.

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

—

TRUTH IN FABRIC BILL.

Resolution 13.

Resolved, That, as we believe in the honest labeling of all products emanating from the live-stock business, having particularly in mind at this time the manufacture and sale of so-called all-wool goods, under the term "all wool," which term is construed by the buying public to mean virgin wool, and, whereas, there is a bill now pending in Congress known as the French-Capper bill, we respectfully urge both our Senators and our Representatives in Congress to use their united efforts looking to the early passage of this bill.

The above is a true copy of resolution adopted by the Arizona Wool Growers' Association and the Arizona Cattle Growers' Association in joint convention assembled at Flagstaff, Ariz., July 8–9, 1921. A resolution of same import has heretofore been adopted by the Arizona Wool Growers' Association and forwarded to you.

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

—

Resolution 14, concerning appropriations for destruction of rodent pests and predatory animals.

Whereas the live-stock and agricultural industries of Arizona annually suffer losses due to the killing of live stock by predatory wild animals and to the destruction of farm and

range forage crops by rodent pests, amounting to several million dollars; and

Whereas the work of exterminating crop and range destroying rodents and predatory wild animals as conducted by the United States Biological Survey in cooperation with the Livestock Sanitary Board and the University of Arizona is essential to the full utilization of valuable farm and range lands and a saving each year of a large percentage of the normal increase of the herds, and it has been observed by stockmen and farmers that in localities where the Biological Survey and its cooperators have conducted their work the losses due to predatory animals and rodent pests have steadily decreased; and

Whereas the funds appropriated annually by Congress for this purpose have proved wholly inadequate to meet the needs for such work: Now, therefore, be it

Resolved by the Arizona Cattle Growers' Association, the Arizona Wool Growers' Association, and the Arizona Farm Bureau, in joint convention assembled at Flagstaff, Ariz., on July 8 and 9, 1921, That we urge the Secretary of Agriculture to approve the estimates of the Bureau of Biological Survey for carrying on this work for the fiscal year 1923, and that we further urge our Congressmen to support the budget as submitted by the Secretary of Agriculture.

The foregoing is a true copy of the original.

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

Resolution 18.

Whereas the Interstate Commerce Commission, under its construction of the transportation act of 1920, has assumed jurisdiction over all matters, interstate and intrastate, relating to rates, fares, and charges, directly or indirectly, of the common carriers of the country; and

Whereas we believe that such assumption of authority by the Federal Government constitutes an unwarranted and unconstitutional encroachment upon reserved and inherent rights and powers of the sovereign States; and

Whereas we believe that such delegation of power to the Federal Government, if it were constitutional, would be inadvisable since obviously because of the great distance from the seat of Government it would have to be administered through subordinates unfamiliar with local conditions; perhaps disinterested in the growth and development of districts far removed from the Capitol and having no personal feeling of responsibility in the momentous problems before them; and

Whereas we believe that the continuance of the policy inaugurated by the Interstate Commerce Commission in this respect will handicap and retard the progress and development of the industries and commerce of the Nation and create a dangerous menace to the exercise of the sovereign rights of the States; and

Whereas we believe that the transportation act of 1920 should be immediately amended so as to remove any possible ambiguity relating to State and Federal jurisdiction and that the exclusive power of the States over matters of purely internal character should be at once reaffirmed and so thoroughly and definitely established that there can never again be a question of doubt raised with reference thereto; therefore, be it

Resolved, That the Arizona Wool Growers' Association and the Arizona Cattle Growers' Association, in joint convention assembled at Flagstaff, Ariz., July 8 and 9, 1921, record their unalterable opposition to centralized Federal control over intrastate commerce, and that they urge upon Congress the necessity of at once amending the transportation act of 1920 in consonance with the views herein expressed; and be it further

Resolved, That copies of this resolution be sent to our delegates in Congress, with the request that they immediately caucus and determine which of the various bills now pending before Congress is the best suited for the accomplishment of the purpose herein designed, and that thereafter united, concerted, and vigorous efforts be constantly made for its passage at the earliest possible date of the present session.

The above is a true copy of the original resolution adopted as stated therein.

Attest:

F. W. PERKINS,
Secretary Arizona Wool Growers' Association.

CLAIM OF NORWAY FOR DETENTION OF SEAMEN (S. DOC. NO. 53).

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed:

To the Senate and House of Representatives:

I transmit herewith a report from the Secretary of State in relation to a claim presented by the Government of Norway against the Government of the United States based on the action of the authorities of Hudson County, N. J., in holding for their appearance as witnesses in a criminal case in that county in violation of treaty provisions between the United States and Norway, as the Norwegian Government alleges, three members of the crew of a Norwegian ship called the *Ingrid*, and I recommend that, as an act of grace, and without reference to the question of the liability of the United States, an appropriation be made to effect a settlement of this claim in accordance with the recommendation of the Secretary of State.

In view of the comparatively small amount of this claim and in view of the lapse of time since the case was first presented to the Congress, I hope that provision may be made for the payment thereof at an early date.

WARREN G. HARDING.

THE WHITE HOUSE, *July 22, 1921.*

EXECUTIVE SESSION.

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened.

RECESS UNTIL MONDAY.

Mr. CURTIS. I move that the Senate take a recess until Monday next at 12 o'clock.

The motion was agreed to; and (at 5 o'clock and 15 minutes p. m.) the Senate took a recess until Monday, July 25, 1921, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate July 22, 1921.

MEMBER OF THE INTERSTATE COMMERCE COMMISSION.

Frederick I. Cox, of New Jersey, to be a member of the Interstate Commerce Commission, for the term expiring December 31, 1926, vice Edgar E. Clark, resigned.

DEPARTMENT OF THE INTERIOR.

RECEIVER OF PUBLIC MONEYS.

Frank Seymour Reed, of Culbertson, Mont., to be receiver of public moneys at Glasgow, Mont., vice Edward C. Hargadine, whose term will expire July 31, 1921.

REGISTER OF THE LAND OFFICE.

Edwin Malcolm Kirton, of Malta, Mont., to be register of the land office at Glasgow, Mont., vice Thomas R. Jones, whose term will expire July 31, 1921.

MEMBER OF THE CALIFORNIA DÉBRIS COMMISSION.

Col. Herbert Deakyne, Corps of Engineers, United States Army, for appointment as a member of the California Débris Commission, provided for by the act of Congress approved March 1, 1893, entitled "An act to create the California Débris Commission and regulate hydraulic mining in the State of California," vice Col. E. Eveleth Winslow, Corps of Engineers, United States Army.

POSTMASTERS.

ALASKA.

John Hegness to be postmaster at Nome, Alaska, in place of J. J. Walsh. Incumbent's commission expired July 14, 1920.

COLORADO.

Vivian A. Flaugh to be postmaster at Pagosa Springs, Colo., in place of V. A. Chambers. Name changed by marriage.

DELAWARE.

Fred C. Powell to be postmaster at Harrington, Del., in place of E. B. Harrington, deceased.

IDAHO.

Fred H. Chase to be postmaster at Leadore, Idaho, in place of G. F. Johnston. Office became third class July 1, 1920.

Lewis N. Balch to be postmaster at Potlatch, Idaho, in place of W. A. Fiscus, resigned.

Benjamin E. Weeks to be postmaster at Shoshone, Idaho, in place of Everett Noble, resigned.

ILLINOIS.

Ruth J. Hodge to be postmaster at Area, Ill., in place of J. C. Dorfler, resigned.

Robert W. Gibson to be postmaster at Mason, Ill., in place of C. C. Kavanaugh, resigned.

Robert B. Ritzman to be postmaster at Orangeville, Ill., in place of E. R. Ritzman, resigned.

Elijah Williams to be postmaster at Tonica, Ill., in place of H. I. Baldwin, resigned.

William C. Ohse to be postmaster at Yorkville, Ill., in place of H. B. Fasmer, resigned.

IOWA.

Harriette Olsen to be postmaster at Armstrong, Iowa, in place of Kaspar Faltinson, deceased.

Andrew N. Jensen to be postmaster at Elk Horn, Iowa, in place of Walter Gregersen. Office became third class October 1, 1920.

Andrew C. Ries to be postmaster at Ringsted, Iowa, in place of Ida M. Truesdale, resigned.

Roy O. Kelley to be postmaster at Westside, Iowa, in place of C. R. Kracht. Office became third class April 1, 1919.

KANSAS.

Charles M. Tinkler to be postmaster at Gypsum, Kans., in place of S. M. Dickerson, resigned.

KENTUCKY.

Mattie B. Mullins to be postmaster at Mount Vernon, Ky., in place of C. W. Brown, resigned.

MASSACHUSETTS.

Addison T. Winslow to be postmaster at Nantucket, Mass., in place of J. Y. Deacon. Incumbent's commission expired July 11, 1920.

Clifford H. Dickson to be postmaster at Pittsfield, Mass., in place of E. T. Scully. Incumbent's commission expired July 25, 1920.

MICHIGAN.

Olof Brink to be postmaster at Tustin, Mich., in place of Emmett Pullman, resigned.

MINNESOTA.

Frank H. Nichols to be postmaster at Comfrey, Minn., in place of A. J. Yackel, resigned.

Emmett R. Brown to be postmaster at Kasson, Minn., in place of J. H. Parker, resigned.

NEBRASKA.

Gerhard J. Naber to be postmaster at Antioch, Nebr., in place of O. C. Messler, removed.

George V. Brownfield to be postmaster at Hershey, Nebr., in place of F. A. Rasmussen. Office became third class October 1, 1917.

Leonard E. Byrd to be postmaster at Lewellen, Nebr., in place of W. A. Naviaux, resigned.

James W. Gilbert to be postmaster at Minatare, Nebr., in place of H. M. Townsend, deceased.

Archie V. Jones to be postmaster at Mitchell, Nebr., in place of E. D. Smith, resigned.

John Q. Kirkman to be postmaster at Wood Lake, Nebr., in place of M. A. Waggoner, resigned.

NEW HAMPSHIRE.

Nellie R. Dowd to be postmaster at Lincoln, N. H., in place of S. F. Downing, removed.

NEW JERSEY.

David Hastings to be postmaster at Boundbrook, N. J., in place of J. V. D. Field. Incumbent's commission expired March 19, 1918.

NEW YORK.

Bernie R. Bothwell to be postmaster at Hannibal, N. Y., in place of W. H. Chillson, jr., resigned.

Katheryn M. Oley to be postmaster at Jamesville, N. Y., in place of E. G. Kenyon, resigned.

George A. Phillips to be postmaster at Bemus Point, N. Y., in place of T. P. Mattison, resigned.

Walter F. Billington to be postmaster at Rye, N. Y., in place of Michael Daly. Incumbent's commission expired April 27, 1920.

Jay Farrier to be postmaster at Oneida, N. Y., in place of L. G. Quackenbush, resigned.

Harry J. McDaniel to be postmaster at Sherburne, N. Y., in place of J. H. Shepard, deceased.

OKLAHOMA.

William H. McKenzie to be postmaster at Cement, Okla., in place of A. C. Melton, resigned.

Horace Bradley to be postmaster at Wewoka, Okla, in place of J. S. Barham, resigned.

PENNSYLVANIA.

Charles H. Truby to be postmaster at Apollo, Pa., in place of F. M. Newingham, resigned.

Dunham Barton to be postmaster at Mercer, Pa., in place of F. P. Craig, removed.

John E. Anstine to be postmaster at Stewartstown, Pa., in place of G. F. Trout, resigned.

TENNESSEE.

Wiley O. Mangum to be postmaster at Savannah, Tenn., in place of T. J. Welch, resigned.

WEST VIRGINIA.

Roy E. Curtis to be postmaster at Hundred, W. Va., in place of S. J. Cole, resigned.

WISCONSIN.

Herman A. Krueger to be postmaster at Merrill, Wis., in place of R. B. Runke, resigned.

CONFIRMATIONS.

Executive nominations confirmed by the Senate July 22, 1921.

SURVEYOR GENERAL OF ALASKA.

Karl Theile to be surveyor general of Alaska.

PROMOTIONS IN THE ARMY.

INFANTRY.

To be colonel.

Charles Brooks Clark.

To be captain.

Ellis Bashore.

To be first lieutenants.

Edward Herendeen.
John Corwin Shaw.
Howell Harrell.

ORDNANCE DEPARTMENT.

To be colonel.

Herman Walter Schull.

FIELD ARTILLERY.

To be colonel.

Henry Blow Farrar.

To be lieutenant colonel.

J. Alfred Moss.

CAVALRY.

To be colonels.

Leon Benjamin Kromer.
Charles Annesley Romeyn.

MEDICAL CORPS.

To be captains.

William Thomas Fisher.
George William Reyer.
Claude Cyril Langley.
Byron Johnson Peters.
William Paul Dodds.
Joseph Rogers Darnall.
Nathan Rosenberg.

DENTAL CORPS.

To be captains.

Arthur Clay Foard.
Elmer Henry Nicklies.

VETERINARY CORPS.

To be first lieutenants.

Raymond Thomas Seymour.
Oscar Charles Schwaim.
Walter Richard Pringle.
Claude Francis Cox.

QUARTERMASTER CORPS.

To be lieutenant colonel.

Francis Herbert Lomax.

To be major.

Rudolf William Riefkohl.

To be captains.

Gwynne Conrad.
Harold Lancelot Finley.
Enrique Garcia.

CORPS OF ENGINEERS.

To be captain.

Horatio Gano Fairbanks.

To be first lieutenant.

Reynolds Johnston Burt, jr.

COAST ARTILLERY CORPS.

To be major.

Robert Collins Eddy.

To be first lieutenant.

William Edward Ryan.

To be second lieutenant.

George Bernhard Anderson.

ORDNANCE DEPARTMENT.

To be major.

Francis Augustus Englehart.

To be first lieutenant.

Lyle Sayers Lindsey.

AIR SERVICE.

To be first lieutenant.

Paul Evert.

SIGNAL CORPS.

To be captain.

Winchell Ivan Rasor.

CHEMICAL WARFARE SERVICE.

To be captain.

March Hugo Houser.

To be first lieutenant.

Chase Whittier Hoadley.

CHAPLAIN.

Edmond Joseph Griffin, with the rank of captain.

WITHDRAWAL.

Executive nomination withdrawn from the Senate July 22, 1921.

POSTMASTER.

ALASKA.

T. D. Baker to be postmaster at Nome, in the Territory of Alaska.